DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~Defense Minerals Exploration Administration~~
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Idm-E NO. 2005

~~DMEA NO.~~ OME-6003

Application
- [ ] 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- [ ] Withdrawn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
- [x] Closing Letter
- [x] Cost Audits 2-23-61
- [x] Termination ~~XXXXXXXXX~~ Agreement 1-31-61
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [x] Work Comoleted analysis (final) 2-24-61

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

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab) 6-23-60
- [x] Operator's Final Report (Tab) 2-13-61
- [ ] 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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/24	Griswold	500
2/28	Talbot	800
2/28	Selfridge	120
		110
3/1	gad	220

FEB 28 1961

Keys Mica Company
c/o Sam L. Phillips
Spruce Pine, North Carolina

Re: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Gentlemen:

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

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

We appreciate your interest and participation in the OME exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

WRGriswold/gla
2-24-61
cc to: Director's Reading File
Region IV
CA&A
Docket
Code 500
Chron

43683

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERAL EXPLORATION

TO:	DATE	INITIALS
1. Mr. Johnson	2/23	
2. ~~Mr. Selfridge~~		
3. Mr. Griswold		
4.		
5.		
FROM: E. D. Talbert	2/23	

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

INT.-DUP. SEC., WASH., D.C. M56300-59

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Keys Mica Company, a partnership
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. 14-23-090-2005, OME No. 6003, including Amendments Nos. 1, 2, and 3, for August 1959 to November 1959, inclusive, covering a mica project at the Rice Mine, Grafton County, New Hampshire.

My review included an examination of the Monthly Reports (Forms MF-104 and MME-60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, verification of work performed by reference to Field Office reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

> All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost claimed by Operator			$4,450.00
Exceptions:			
Prior to this review	$210.00		
Less: Reinstatements	210.00	$ -0-	
Herewith		770.00	770.00
Total acceptable cost			$3,680.00

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim		$1,840.00
Paid to date	$2,120.00	
Less: Refunds	280.00	1,840.00
Balance due Operator		$ -0-

February 23, 1961

E. D. Talbert, OME Auditor

14-23-090-2005 Keys Mica Company OME-6003

Exception prior to this review, reinstated:

Suspension on October-November 1959 form MME-60 pending verification of work performed ..... $ 210.00

Exceptions by this review;

Shaft sinking claimed @ $47.00/ft. allowable @ $40.00/ft. per Amendment No. 3; difference 50 ft. @ $7.00/ft. ..... $ 350.00

Drifting claimed 70 ft., accepted 50 ft.; difference 14 ft. @ $30.00/ft. 420.00

$ 770.00

Acceptable costs:

Shaft sinking	50 ft. @ $40.00/ft.	$2,000.00
Drifting	56 ft. @ 30.00/ft.	1,680.00
		$3,680.00

Government's Copy

FEB 15 1961
O.M.E.

TERMINATION AGREEMENT

It is agreed this 31st day of January, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Keys Mica Company, a partnership, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2005 (Docket No. OME-6003), dated June 18, 1959, hereinafter called the Contract, that:

App'd. Sol. Off.

1. Effective December 18, 1959, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government will contribute only to the allowable costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and the final account.

4. All rights of the Government, respecting certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of the Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of Minerals Exploration

KEYS MICA COMPANY

By Sam L. Phillips, Partner

By J. R. Beam, Partner

By John Phillips deceased, Partner
By Sam Phillips agent

J. Lynch
Soller

Alt

Rewritten by:
Mr. Houk

Hoffman

App'd. Sol. Off.

Government's Copy

EXPLORATION CONTRACT
KEYS MICA COMPANY
DOCKET NO. OME-6003

AMENDMENT NO. 3

It is agreed this 13th day of July, 1960, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and Keys Mica Company, hereinafter called the "Operator", that Exploration Contract No. 2005 (Docket No. OME-6003), dated June 18, 1959, hereinafter called the "Contract", as amended, is further amended, effective June 18, 1959, as follows:

1. In Exhibit "A", under Description of the Work, Item 1, the word "two-compartment" is stricken.

2. Under Estimated Cost of the Project, Item 1, the amount of $40.00/ft. is substituted for $47.00/ft. and the total is changed to read $2,000.00.

3. The estimated total cost of the work is changed to read $5,000.00, and under "Government participation @ 50%," the amount is changed to read $2,500.00, under estimated costs of the project and in Article 1(b) of the contract form.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

KEYS MICA COMPANY

By Sam L. Phillips Jr., Partner

By J. R. Bean, Partner

By John Phillips estate, Partner
Sophia Phillips, adm

June 29, 1960

OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract 2005

JUSTIFICATION FOR TERMINATION AGREEMENT
AND AMENDMENT NO. 3

The Operator has requested that the contract be terminated because the mica recovered in the amount of work completed under the terms of the contract was small and not of strategic quality. It also states that it does not believe that any discovery of strategic mica will be found in the remaining 44 feet of drift.

The Field Team, in their memorandum of March 1, 1960, states that Donald Estes is claiming that the Rice shaft is 10 feet over the property line and is threatening a lawsuit. They also state that this action threatens to delay resumption of the work until it is settled and a new survey would be more expensive than the property appears to be worth.

The final field examination was made on June 21, 1960. At that time the shaft had been sunk 50 feet and the drift had been advanced 56 feet. About 1,000 pounds of book mica was recovered from the shaft. The books average 3 to 4 inches in diameter, are clear, and run colored, and split freely. Some clay staining is present. None of the mica has been trimmed and none had been sold.

The work completed consists of 50 feet of shaft sinking and 56 feet of drifting. Under the terms of the contract there remains to be completed 44 feet of drifting.

The Operator has not placed any timber in the shaft to separate the manway compartment from the hoisting compartment, but the oversized shaft and drift have reached the target area. I recommend that the contract be amended to provide only $40.00 for a single-compartment shaft.

We concur with the recommendation of the Field Team that the contract be terminated.

J. W. Alt

J. W. Alt

See William Estes letter 10/24/59

Government's Copy

EXPLORATION CONTRACT
KEYS MICA COMPANY
DOCKET NO. OME-6003

J. Lynch
Hoffhund
Deller
App'd. Sol. OM.
Talbot

AMENDMENT NO. 2

It is agreed this 15th day of January, 1960, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Keys Mica Company, a partnership, hereinafter called the "Operator," that Exploration Contract No. 2005 (Docket No. OME-6003), dated June 18, 1959, as amended, is further amended as follows:

1. The date fixed in Amendment No. 1 to the Contract for completion of the work is further extended to thirteen (13) months from the date of the Contract, or to July 18, 1960.

2. Work under the Contract shall be suspended during the period beginning December 18, 1959, and ending not later than May 1, 1960.

3. The maximum period for royalty payments and the lien to secure payment thereof, provided for in Article 6 of the Contract, is extended from ten (10) to eleven (11) years from the date of the Contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank P. Johnson
Acting Director, Office of Minerals Exploration

KEYS MICA COMPANY

By Sam L. Phillips Partner

By J. R. Beaver Partner

By John Phillips Partner
By Sam L. Phillips

January 7, 1960

Docket No. OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County,
New Hampshire

JUSTIFICATION FOR AMENDMENT NO. 2

We concur with the recommendation of the Field Team that a recess of project contract work and an extension of the completion time be granted the Operator of the cited contract. Project work was suspended in November because of winter conditions. The Operator had completed 50 feet of shaft sinking and 70 feet of drifting. To complete the work under the terms of the contract, there remains 30 feet of drifting to be done. Therefore, with an extension of completion time of 13 months from the date of the contract, or to July 18, 1960, the Operator will have sufficient time to complete the 30 feet of drifting which remains to be done when work was suspended.

J. W. Alt

Government's Copy

EXPLORATION CONTRACT
KEYS MICA COMPANY
DOCKET NO. OME-6003

AMENDMENT NO. 1

It is agreed this 31st day of August, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Keys Mica Company, a partnership, that Exploration Contract No. 14-23-090-2005 (Docket No. OME-6003), dated June 18, 1959, is amended as follows:

In Article 1(a) the third sentence is deleted and the following sentence is substituted for it:

The Operator shall begin the work on or before August 25, 1959, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within six months from the date of the contract.

This Amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Robert A. Laurence
Robert A. Laurence
Executive Officer
OME, Region V

KEYS MICA COMPANY

By Sam L. Shelton Partner

By John Shelton Partner

By J.R. Beam Partner

Government copy

JUL 6 1959
O.M.E.

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6003	mica	14-23-090- 2005	Grafton	New Hampshire

It is agreed 1 8 JUN 1959 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Keys Mica Company, a partnership composed of Sam L. Phillips, John Phillips, and J. R. Beam.,

whose mailing address is Spruce Pine, North Carolina, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before July 15, 1959 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 4 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 5,350.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 2,675.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 6-3/8 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

None

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

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the ~~XXXXXXXX~~ gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

App'd. Sol. Off.

Executed in quintuplicate the day and year first above written.

KEYS MICA COMPANY

By Partner

By Partner

By Partner

THE UNITED STATES OF AMERICA

By

Acting Director, Office of Minerals Exploration

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52375

EXPLORATION PROJECT CONTRACT
KEYS MICA COMPANY
DOCKET NO. OME-6003

ANNEX I

Legal description of the property.

A certain tract of land located in the Town of Groton, County of Grafton, State of New Hampshire, commonly known as the Rice Mine, to wit: That tract of land adjacent to the lands formerly owned by Lovejoy and White, beginning at a spruce tree on the top of the mountain; thence west to the Groton-Dorchester Town Line: Thence north along said Town Line to what is called Hook Pasture; thence on said pasture to the land now or formerly owned by Kinner and Parker; thence south to the first named bound containing 50 acres more or less; being part of the premises conveyed by deed of General Electric Company dated May 12, 1958, and recorded in Lib. 905, Fol. 241 of the Grafton County Registry of Deeds; and being all the premises conveyed by deed of John L. Maderic recorded in Vol. 912 at Page 358 in the Grafton County Registry of Deeds.

The land is shown on the attached map entitled: Figure 2, Property Map of Rice Mine, Keys Mica Company.

Excluded Area

Area including Pegmatite No. 32 as shown by shaded boundaries on Figure 2, is excluded from the contract.

The Operator is the owner of the above-described land in fee simple.

EXPLORATION PROJECT CONTRACT
KEYS MICA COMPANY
DOCKET NO. OME-6003

EXHIBIT "A"

Description of the work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the attached map entitled "Figure 1, Pegmatite 29, Grafton County, New Hampshire", as follows:

1. From the surface near the hanging wall contact at the approximate location indicated on Figure 1, sink a two-compartment vertical shaft to a depth not to exceed 50 feet.

2. From near the bottom of the shaft, crosscut to both walls of the pegmatite and then drift northeasterly and/or southwesterly in the pegmatite. The total amount of crosscutting and drifting shall not exceed 100 feet.

The shaft, crosscuts, and drifts shall be timbered as necessary and shall have cross sectional dimensions of not less than five feet by seven feet in the clear of timber.

No payment shall be made for work completed closer than 100 feet to the outside boundary of the property.

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

Estimated Cost of the Project

1. 50 feet of vertical shaft @ $47.00/ft.	$2,350.00
2. 100 feet of drifts and/or crosscuts @ $30.00/ft.	3,000.00
Estimated total cost of the work	$5,350.00
Government participation @ 50%	$2,675.00

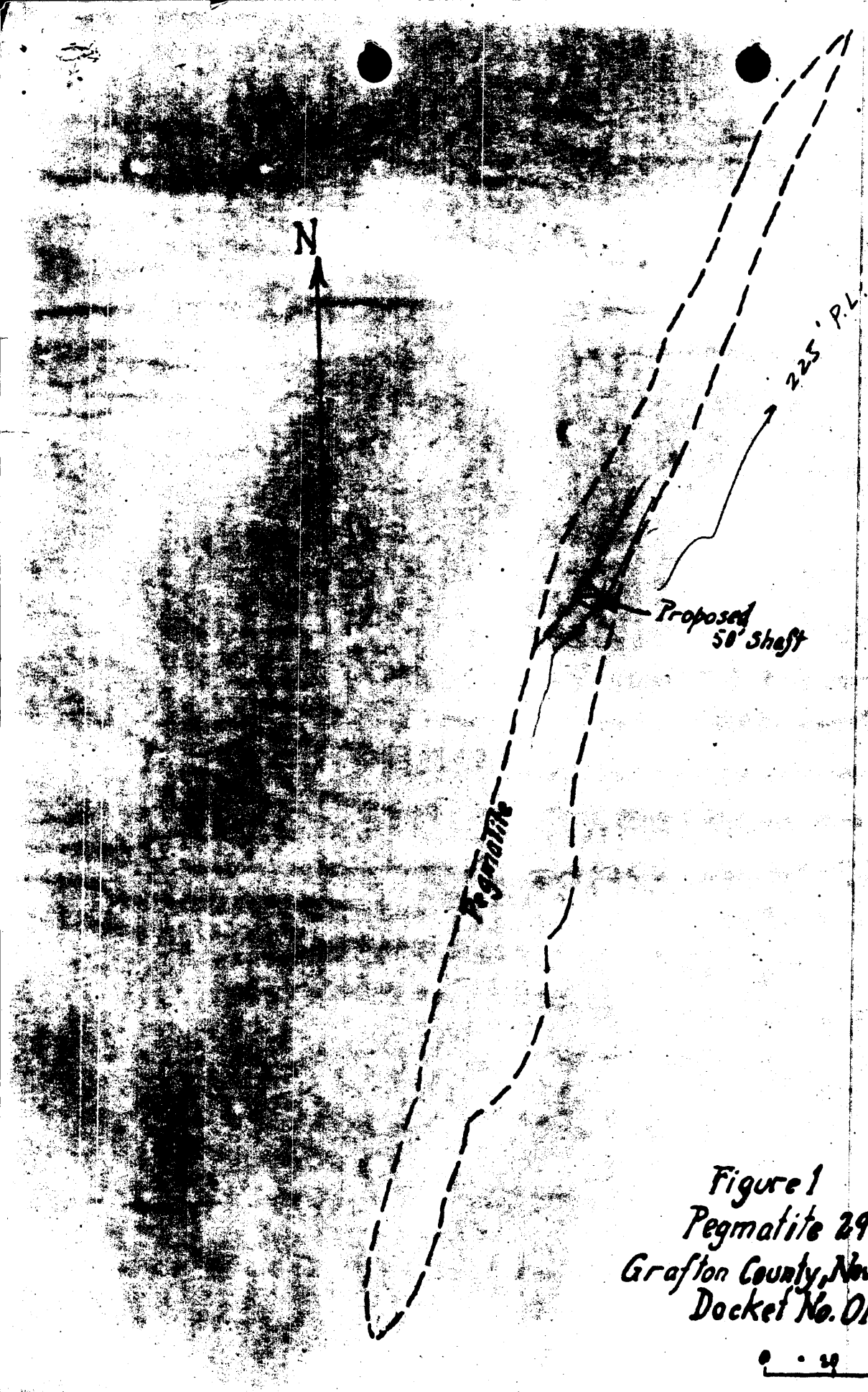


Figure 1
Pegmatite 29
Grafton County, New Hampshire
Docket No. OME-6003

0 · 30 60 Feet

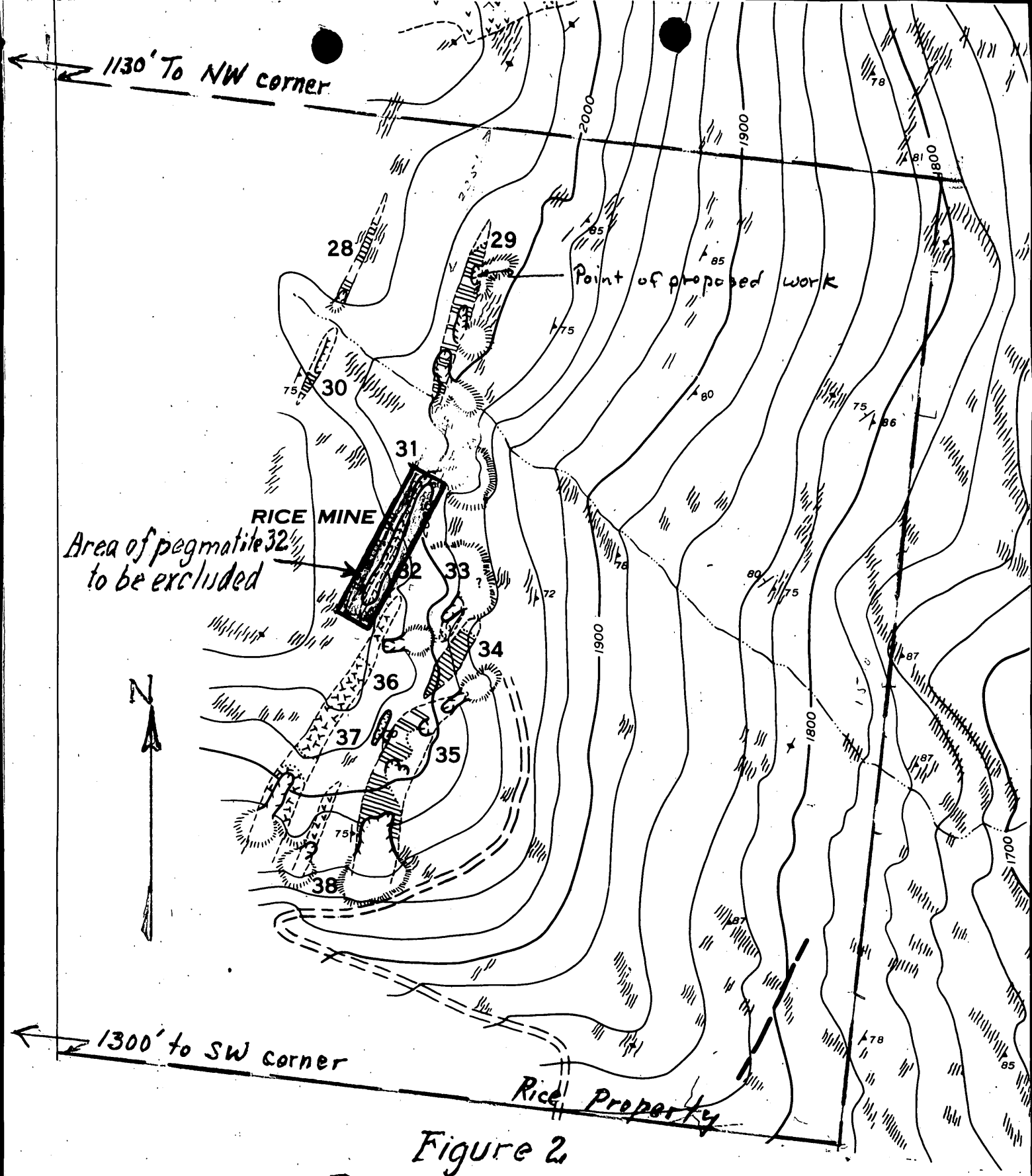


Figure 2.
Property Map of Rice Mine
Keys Mica Company

Docket No. OME-6003

200 0 Scale 1000 Feet

Contour interval 20 feet
Datum is approximate sea level

AGREEMENT OF SALE

May 1, 1958

I, J.C. Buchanan, do hereby assign, sell and transfer all my right, title and interest in all the leasehold interests along with all mining machinery, mica on hand and bank accounts belonging to the partnership of Keys Mica Company, with offices located in Spruce Pine, N.C. to J.R. Beam, for the consideration of $10,000.00 cash receipt of which is hereby acknowledged. It is further understood that J.R. Beam will assume all liabilities of the above mentioned partnership and will cause my name to be removed from any and all notes now outstanding at the Northwestern Bank at Spruce Pine, N.C. that are indorsed in the name of the partnership and bearing the names of J.C. Buchanan, John Phillips and J.R. Beam. It is further agreed by me that I will in no way interfere in the present mining operations of the afore said partnership. More specifically I will not try to cause any friction between the operations of John Phillips, & J.R. Beam in their present endeavors in the New England States. I will further not interfere with the purchase of mica from the Whitehall Company or any other mica's that the above mentioned partnership has had dealings with for a period of five years.

Signed: J.C. Buchanan

April 15, 1958

AGREEMENT OF SALE

I, M.G. Sparks, do hereby assign, sell and transfer all my right, title and interest in all the leasehold interests along with all mining machinery, mica on hand and bank accounts belonging to the partnership of Sparks and Phillips Mica Company, with offices located in Spruce Pine, N.C. to John Phillips, J.C. Buchanan and J.R. Beam for the consideration of $10,000.00 cash reciept of which is hereby acknowledged. It is further understood that John Phillips, J.R. Beam and J.C. Buchanan will assume all liabilities of the above mentioned partnership and will cause my name to be removed from any and all notes now outstanding at The Northwestern Bank at Spruce Pine, N.C. that are indorsed in the name of the partnership and bearing the names of M.G. Sparks, J.C. Buchanan, John Phillips and J.R. Beam. It is further agreeded by me that I will in no way interfere in the present mining operations of the afore said partnership. More specifically I will not try to cause any friction between the operations of John Phillips, J.R. Beam and J.C. Buchanan in their present endeavors in the New England States. I will further not interfere with the purchase of mica from the Whitehall Company or any other mica's that the above mentioned partnership has had dealings with for a period of five years.

Signed: M.G. Sparks

ASSIGNMENT OF INTEREST IN KEYS MICA COMPANY

I, J.R. Beam, do hereby assign the one-third interest in the Keys Mica Company, which I purchased from J.C. Buchanan on May 1, 1958 to Samuel L. Phillips, for $10,000.00 and other valuable considerations.

Signed: J.R. Beam
J.R. Beam

Signed September 2, 1958

MME Form 40
Dec. 1958

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

FEB 10 1959
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

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

Sam L. Phillips, John Phillips and
J.R. Beam, Partners
Keys Mica Company
Spruce Pine, N.C.

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: OME 6003

DATE RECEIVED: 2-10-59

REGION: I

DIVISION CODE: 600

BUSINESS ORGANIZATION (*Check one*)

- INDIVIDUAL
- CORPORATION
- PARTNERSHIP X
- OTHER (*Specify*)

STATE IN WHICH FIRM IS ORGANIZED: N.H.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Sam L. Phillips	Spruce Pine, N.C.	Partner
John Phillips	Spruce Pine, N.C.	Partner
J.R. Beam	Spruce Pine, N.C.	Partner

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Mica

ESTIMATED COST OF PROJECT: $ 34,200.00

PROPERTY NAME	LOCATION COUNTY	STATE
Rice Mine	Grafton County,	N.H.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

1-29-59
DATED

John Phillips Jr.
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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the exploration [redacted] cost.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work*. Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 48740

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10 1959

DATE	INITIALS	CODE

MF-103 (Continuation Sheet)

1 - (a) Copies of letters to Bank and Mitchell County Building & Loan Association enclosed.

(b) none

(c) Applicants are prepared to furnish their share of the costs, with cash and equipment.

2. (a) Owner - there is no lein.

(b) Legal description of property:

A certain tract of land located in the Town of Groton, County of Grafton, State of New Hampshire, commonly known as the Rice Mine to wit: that tract of land adjacent to the lands formerly owned by Lovejoy and White, beginning at a spruce tree on the top of the mountain; thence west to the Groton-Dorchester Town Line; thence north along said Town Line to what is called Hook Pasture; thence on said pasture, to the land now or formerly owned by Kinner and Parker; thence south to the first named bound containing 50 acres more or less.

Being part of the premises conveyed to the grantor by deed of General Electric Company dated May 12, 1958 and recorded in Lib. 905, Fol. 241 of the Grafton County Registry of Deeds.

3. (a) This property was explored extensively by General Electric Co. and others, the last work being done in 1940 and 1941.
(b) Applicant had no interest in previous work.
(c) No records on past production.
(d) No records.
(e) Map attached.
(f) This property is located in a mica belt which has produced some of the best quality mica in New England.

4. (a) Project is accessible. Sam Phillips or J.R. Beam will meet the representatives, and can be reached by addressing mail to them at Canaan, New Hampshire Tel. No. Lakeside 34420.
(b) Canaan, N.H. is nearest supply point. Employees live at this town.

5. (a) We plan to explore a total of five prospects on the property, these prospects numbered and marked with red on the attached map. Each prospect will be explored by sinking a shaft and drifting, as shown on itemized extimated cost below.
(b) No access road to be built.
(c) Work will be started within 60 days, weather permitting.

6. Now on file with D.M.E.A. Exploration?

7. Estimate of costs: (Should be detailed by categories, per item 7) Talbert
<u>Project #32:</u>

50' Shaft @ $50.00 per foot . . . . . $ 2,500.00
200' Drift or Crosscut @ $40.00 per foot 8,000.00

Prospect No. 29:

50' Shaft @ $50.00 per foot . . . . . $ 2,500.00
100' Drift @ $40.00 per foot 4,000.00

MF-103 Continuation Sheet No. 2

Prospect No. 30

50' Shaft @ $50.00 per foot	$ 2,500.00
100' Drift @ $40.00 per foot	4,000.00

Prospect No. 28

40' Shaft @ $50.00 per foot	2,000.00
80' Drift @ $40.00 per foot	3,200.00

Prospect No. 38

30' Shaft @ $50.00 per foot	1,500.00
100' Drift @ $40.00 per foot	4,000.00
Total cost of projects	$ 34,200.00

EDWARD FORTNER, PRESIDENT CHARLES S. GUNTER, VICE PRES. EDWARD BALLEW, JR., SECY.-TREAS.

MITCHELL COUNTY BUILDING AND LOAN ASSOCIATION

SPRUCE PINE, N. C.

February 6, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10 1959

DATE	INITIALS	CODE

Mr. Sam L. Phillips
Spruce Pine, N. C.

Dear Mr. Phillips:

Re: The RiceProperty
Runmey, N. H.

Our loan committee has turned down your request for a loan of $35,000.00, for the purpose of prospecting for mica, on the above mentioned property.

Very truly yours,

Edward Ballew, Jr.

Edward Ballew, Jr.

B/m

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10 1959
DATE

Spruce Pine, North Carolina
January 28, 1959

Mr. Edward Ballew, Jr.
Mitchell County Building & Loan Association
Spruce Pine, North Carolina

Dear Mr. Ballew:

We are interested in obtaining a loan for the purpose of prospecting for mica on a fifty acre tract of land known as the Rice Property, located near Runmey, New Hampshire. There are eleven places we plan to prospect on this tract, and the applicant owns the land in fee. No mortgages or other encumberances are involved.

This property was formerly owned by the General Electric Company, and was worked by them during World War I. According to information obtained from Professional Paper #235, the mica recovered has been of very high quality. At present one operation on the property is producing mica valued at $2,000.00 per ton gross.

We will need approximately $35,000.00 to explore the eleven prospects on this tract of land. We have done quite a volume of business with your bank and others in this area, and you are aware of our reputation for handling obligations. We believe this is a sound venture, inasmuch as any mica mining venture can be judged sound. We shall appreciate your advising us as soon as possible what arrangements may be made for a loan.

Very truly yours,

Sam L. Phillips

P/bjg

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10 1959
DATE | INITIALS | CODE

Spruce Pine, North Carolina
January 28, 1959

Mr. W.H. Lee
Northwestern Bank
Spruce Pine, N.C.

Dear Mr. Lee:

We are interested in obtaining a loan for the purpose of prospecting for mica on a fifty acre tract of land known as the Rice Property, located near Runmey, New Hampshire. There are eleven places we plan to prospect on this tract, and the applicant owns the land in fee. No mortgages or other encumberances are involved.

This property was formerly owned by the General Electric Company, and was worked by them during World War I. According to information obtained from Professional Paper #235, the mica recovered has been of very high quality. At present one operation on the property is producing mica valued at $2,000.00 per ton gross.

We will need approximately $35,000.00 to explore the eleven prospects on this tract of land. We have done quite a volume of business with your bank and others in this area, and you are aware of our reputation for handling obligations. We believe this is a sound venture, inasmuch as any mica mining venture can be judged sound. We shall appreciate your advising us as soon as possible what arrangements may be made for a loan.

Very truly yours,

Sam L. Phillips

P/bjg

W. H. LEE
CASHIER

JAMES DALE
ASST. CASHIER

The Northwestern Bank

CAPITAL & SURPLUS $3,100,000.00

Spruce Pine, N. C.

BOARD OF MANAGERS
DR. C. A. PETERSON
EDWARD FORTNER
CHARLES S. GUNTER
DAVID G. BLEVINS

January 3, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10 1959

DATE	INITIALS	CODE

Mr. Sam L. Phillips
Spruce Pine
North Carolina

Dear Mr. Phillips:

We are in receipt of your application for loan in the amount of $35,000.00 to explore mining property in Runmey, New Hampshire.

We will be unable to make the loan requested because this loan would be to explore for mica and my loan committee do not think this would be a sound loan.

Yours very truly,

W H Lee

Cashier.

WHL:bgd

MMS Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/22/70		120
		220

MAY 22 1970

Memorandum

To: Robert A. Laurence, U. S. Geological Survey,
301 West Cumberland Avenue, Knoxville, Tennessee 37

From: Chief, Office of Minerals Exploration

Subject: OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract 2005

In reply to your recent inquiry about a repayment of 75¢ on an OME contract in Region IV, we enclose a copy of a memorandum dated February 15, 1961, which explains the payment. I trust this will answer your question.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosure

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 5-22-70

Standard Form 63 (rev.)
March 1959
63-103

MEMORANDUM OF CALL

Date	Time

TO— Mr. Kirkemo:

☐ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

TELEPHONE:	Number or code	Extension

☐ PLEASE CALL
☐ WILL CALL AGAIN
☐ RETURNING YOUR CALL
☐ IS REFERRED TO YOU BY:
☐ WAITING TO SEE YOU
☐ WISHES AN APPOINTMENT

LEFT THIS MESSAGE: The payment of .75 cents was made by Keys Mica Co. OME 6003 E-2005 on February 13, 1961. See: letr. by Mr. Talbert where I have marked.

C. Curtis

Received By—

U.S. GOVERNMENT PRINTING OFFICE: 1959 OF—512919

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
~~ROOM 11 POST OFFICE BLDG.~~
KNOXVILLE, TENN. 37902

301 WEST CUMBERLAND AVE.
KNOXVILLE, TENN. 37902

Dear Kirk:

An item in the Fiscal Transactions report puzzles me. Was a payment of only 75 cents made on one of the Region IV OME contracts? Apparently this is the only OME repayment made in this region, and it seems to have been made in June or July 1969 but I have no recollection of it.

Regards,

Robert A. Laurence

O. M. No.
RECEIVED
MAY 21 1970
INITIAL CODE
120

Docket copy

PROJECT SUMMARY REPORT

By: W. R. Griswold February 24, 1961

1. OME-6003 (Mica)
   Contract 2005

   Property: Rice Mine
   Grafton County, New Hampshire

   Operator: Keys Mica Company
   c/o Sam L. Phillips
   Spruce Pine, North Carolina

Property Rights - Owner

2. Contract dated June 18, 1959

Work Authorized -

50 feet shaft sinking @ $40.00/ft.	$2,000.00	
100 feet drifting and crosscutting @ $30.00/ft.	3,000.00	
Total cost of project		$5,000.00
Government participation @ 50%		$2,500.00

Amendments -

No. 1, dated August 31, 1959, extends date for start of work to August 15, 1959, from July 15, 1959.

No. 2, dated January 15, 1960, extends completion time from four months to 13 months from date of contract; recesses work from December 18, 1959, to May 1, 1960.

No. 3, dated July 13, 1960, changes shaft specifications by eliminating the requirement "two-compartment"; reduces shaft cost per foot from $47.00 to $40.00.

Termination Agreement dated January 31, 1961, effective December 18, 1959. Closes project.

Work Completed -

50 feet shaft sinking @ $40.00/ft.	$2,000.00	
56 feet drifting and crosscutting @ $30.00/ft.	1,680.00	
Total cost of project		$3,680.00
Government participation @ 50%		$1,840.00

3. Work terminated December 18, 1959
Field final report June 23, 1960
Operator's final report February 12, 1961
Report of Review February 23, 1961

4. Not certified.

5. Comments -

To all practical purposes, the results of the project were negative, though about half a ton of low-grade mica was recovered, mostly in the first 30 feet of shaft sinking.

The work was done in an efficient manner. Essentially, the project was to explore a pegmatite by sinking and drifting. The pegmatite occurs in a host rock of dark quartz-biotite schist. Small books of stained mica are noted in the drifting, but so small, stained, and broken as to be of no value except for scrap.

No further work would be warranted on this property.

W. R. Griswold

WRGriswold/gla
2-24-61
cc to: Director's Reading File
Docket
Chron

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

— Not Certified

After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: Keys Mica Co

Actual Cost

State: New Hampshire

Agreed Unit Cost: X

Final Report of Audit

Commodity: mica

Docket No. 6003

Final Report of Review: 2/23/61

Contract No. 2005

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
Drifting & Crosscutting	100'	3000	56'	1680	
Raising					
Shafts	50'	2000	50	2000	
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		5000		3680	2/
				1840	—

1/ Round off to dollars. Government share

2/ Net cost total must agree with final report of audit or review.

Prepared by W P Gruner Date 2/24/61

52616

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	GCS	120
		800
2/27	gad	220
		500

FEB 27 1961

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, North Carolina

Re: OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Phillips

Enclosed for your information and files is a copy of a Report of Review on the project costs under the subject contract.

Sincerely yours,

Chief, Division of Field Operations

Enclosure

GCSelfridge/hb (2/27/61)
Copy to: Docket OME-6003
Director's Reading File
CA&A Division
G. C. Selfridge
R.A.Laurence, USBM, Knoxville, Tenn.
w/cys of memorandum to Fiscal Section, Report of Review dtd 2/23/61, memo dtd 2/21/61 by Chief, Div. of Field Operations to CA&A Div., and original memorandum dated 2/23/61 by CA&A Div. to Chief, Division of Field Operations.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	[illegible]	120
2/27	Talbert	800
2/27	gad	220
		500

FEB 27 1961

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, OME

Subject: OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract 2005

Attached for your files is the original of a Report of Review on the subject contract.

Attachment

GCSelfridge/hb (2/27/61)
Copy to: Docket OME-6003)
Director's Reading File
CA&A Division
G.C.Selfridge
R.A.Laurence, USBM, Knoxville, Tenn.

43683

OFFICIAL FILE COPY

Date	Surname	Code
1/23	gad	110
		500

FEB 23 1961

Memorandum

To: Chief, Division of Field Operations

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract 2005

Attached are the original and two copies of a Report of Review on the subject contract as requested by your February 21 memorandum. If you concur in the facts stated in the report, distribution should be made as follows:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary;
(b) One copy to the Operator; and
(c) One copy to Region IV.

As evidence of concurrence, a copy of your letter transmitting the Operator's copy should be furnished to this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Attachments

EDTalbert/ama
February 23, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Region IV (2)
Mr. Rothrock
Mr. Talbert

43683

OFFICIAL FILE COPY

Date	Surname	Code
2/21	Griswold	500
		~~120~~
2/23	gad	220
		500

February 21, 1961

Memorandum

To: Division of Contract Administration and Audit

From: Chief, Division of Field Operations

Subject: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

The number of units of work completed by the Operator and accepted by the Acting Field Officer as conforming to contract specifications were:

Shaft sinking	50 feet
Drifting and crosscutting	56 feet

An acceptable final engineering and geological report was received from the Operator on February 15, 1961. Copies of the last forms MME 60 and 61 (October-November 1959) are filed in the docket.

A Report of Review, in lieu of a final audit, is in order and requested.

/s/ George C. Selfridge

(2/2)

WRGriswold/gla
2-21-61
cc to: Docket
Mr. Selfridge
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/15	Coe	220
		225

FEB 15 1961

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Attached for deposit to the subject OME account, under symbol 1490108 as a refund of overpayment, is Keys Mining Company's check no. 812, dated February 13, 1961, drawn in the amount of $175.00 on The Northwestern Bank, Spruce Pine, North Carolina.

Also attached for deposit to the subject OME account, but under symbol 142039 as a royalty receipt, is Keys Mining Company's check no. 813, dated February 13, 1961, drawn in the amount of $.75 on The Northwestern Bank, Spruce Pine, North Carolina.

Attachments

EDTalbert/ama
February 15, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region IV (2)

43683

Spruce Pine, N. C.
February 13, 1961

United States
Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 15 1961

DATE	INITIALS	CODE
2/15	Cae	220
2/15	Jalbert	800
2/16	Treasured	500

Re: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al
Rice Mine
Grafton County, New Hampshire
Contract 2005

Attention: Mr. George C. Selfridge
Chief, Division of Field
Operations

Dear Mr. Selfridge:

Work began on August 24, 1959. We sank a vertical shaft in pegmatite for a total of 50 feet which is the total amount called for in the contract. In the first 30 feet of the shaft we recovered approximately 800 pounds of low-grade mica. In the remaining 20 feet of the shaft we recovered no mica of commerical value.

We drove a drift in the direction as specified by the field team for a distance of 56 feet. This drift was in pegmatite, but no mica was recovered.

The geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work are as follows: After the completion of the 50 feet of shaft and/or crosscut in the amount of 56 feet it is our opinion that the project should be terminated by mutual consent both the operator and the government. We wish to thank the field team for their assistance in this project.

OPERATOR'S FINAL REPORT

(cont'd)

Enclosed you will find our check in the amount of $175.00 which is the over-payment for the shaft. Also, enclosed you will find our check in the amount of $.75 for the government's 5% (percent) of the estimated value of the approximate 1,000 pounds of low-grade mica recovered from the project.

Detached Folder 9/15/61

We sincerely hope this will clear the matter up, I am

Sincerely yours,

Keys Mining Company

Sam L. Phillips

Sam L. Phillips

SLP/jh
ENCLS:

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/30	Riswold	500
1/30	Talbert	800
	[illegible]	130
1/31	Johnson	110
1-31	Gad	220
		500

JAN 3 1 1961

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, North Carolina

Re: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Phillips:

Will you kindly have the enclosed Termination Agreement properly signed (original and four copies); it has already been signed by the Acting Director for the Government. Afterward, retain the "Operator's Copy" for your file and return the rest to us.

Under Amendment No. 3 the shaft cost was reduced from $47.00 to $40.00 per foot; hence, you are indebted to the Government for $175.00. Kindly forward us your check for such amount. You should also provide us with your final report covering work done under the project, results obtained, conclusions, et cetera.

Our reports show that about 1,000 pounds of mica were produced. Please give us the status of this material.

Sincerely yours,

/s/ George C. Selfridge

Chief, Division of Field Operations

(262)

Enclosures

WRG riswold/gla
1-30-61
cc to: Director's Reading File
Review Committee
Region IV
Docket
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/30	[illegible]	500
		800
		130
		110
		220
		500

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, North Carolina

Re: OME-6003 (Mica)
Keys Mica Company
Sam L Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Phillips:

~~In order that we may close our books on the Rice Mine project,~~ will you kindly have the enclosed Termination Agreement properly signed (original and four copies). It has already been signed by the Acting Director for the Government. Afterward, retain the "Operator's Copy" for your file and return the rest to us.

Under Amendment No. 3 the shaft cost was reduced from $47.00 to $40.00 per foot; hence, you are indebted to the Government for $175.00. Kindly forward us your check for such amount. You should also provide us with your final report covering work done under the project, results obtained, conclusions, et cetera.

We ~~are not~~ clear as to whether any mica has been marketed. If so, royalty would be due the Government accordingly.

Sincerely yours,

Chief, Division of
Field Operations

Enclosures

WRGriswold/gla
1-30-61

cc to: Director's Reading File
Review Committee
Region IV
Docket
Chron

[illegible] reports show that about a thousand pounds of mica was produced, if any, this has been sold or royalty used by the Government accordingly. Please [illegible] when [illegible] 1" [illegible]

U5683

Re: OME-6003

Mr. Selfridge,

The first clause of this letter seems inappropriate because:

(a) Preliminary audit review indicates an overpayment of $175.00; and

(b) Royalty is payable on production during exploration.

Talbert
1/30/61

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/26	[illegible]	500
		800
		130
		110
		220
		500

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, North Carolina

Re: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Phillips:

In order that we may close our books on the Rice Mine project, will you kindly have the enclosed Termination Agreement properly signed (original and four copies). It has already been signed by the Acting Director for the Government. Afterward, retain the "Operator's Copy" for your file and return the rest to us.

You should also provide us with your final report covering work done under the project, results obtained, conclusions, et cetera.

Sincerely yours,

Acting Director

Enclosures

WRGriswold/gla
1-26-61
cc to: Director's Reading File
Review Committee
Region IV
Docket
Chron

43683

January 24, 1961

Re: OME 6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

To the best of my knowledge and belief none of the work performed under the contract was done within 100 feet of the boundaries of the property as I know it to exist.

W. P. Williams
Geologist
U. S. Geol. Survey

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 26 1961

DATE	INITIALS	CODE
1-26	gad	110
1-27	[illegible]	500

cy sent to 800

DMC-6003
E 7005

OFFICIAL FILE COPY O. M. E RECEIVED JAN 17 1961		
DATE	INITIALS	CODE
1-17	gad	VVO
"	JEJ	VVO
1/17	ew	800
"	Kiswold	500

Jan 11, 1961

Dear Mr. Selfridge,

In re the Rice Mine:

I went the G.E. at Schenectady and talked to Mr. Francis P. McGowan, Real Estate Specialist, who handled my purchase from ~~them.~~

Originally I leassd the Rice Mine from the General Electric Co., and got the name of the owner of the mine from the Govt Paper 255 which describes New England pegmatites, and also knew of their owning the mine from common knowledge among the natives. I paid them $100. a month royalty for a year, and then they sold me the Rice mine and all of their other mica mines in N.H.. I wanted to buy only the Rice Mine, and they wouldnt sell just the one mine but wanted to get rid of all of them as tax nuicancew, so then I bought all of their mines in order to get the Rice Mine, which by coincidence is the mine in question.

Mr. McGowan went to their store room of records and came back with large folders of old deeds, and we went over a number of them. I recall even seeing a deed for the right of way to get to the Rice Mine. He was not in the least concerned about my deed being good, and we both wondered if the lines were actually surveyed according to the calls in my deed or was this just a conclusion drawn by deduction or other reasoning. I wrote to Sam Phillips to ask if they had actually had the property surveyed and did not get any answer yet from him on this point. I dont think anyone questions that I leased, then bought the Rice Mine from the General Elec. Co., and cannot conceive how their deed to me, (and of course my deed to Sam) would not be a godd one. The G.E. certainly did not intentionally withhold a property or sell me the wrong one.

I do not know what else I an do to clarify this matter. As I recall, I specifically mentioned the Rice Mine in my deed to Sam, there being no doubts in my mind then or now that I had a good title to

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/3/61	Friomel	500
1/5	Talbert	800
1/5	GCS	120
1-5	on leave	110
1-5	gad	220
		500

JAN 5 1961

Mr. John L. Maderic
Box 222
Johnstown, New York

Re: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Maderic:

With reference to your November 16 letter to Mr. Houk, you stated you would try to clarify the matter of the deed with the General Electric Company and would advise us. Will you kindly bring us up to date?

Sincerely yours,

/S/ George C. Selbridge

Acting Director

WRGriswold/gla
1-3-61
cc to: Director's Reading File
Region IV, w/cy each of Sam L. Phillips' letter 10/24/60 and John L. Maderic's letter 11/16/60
Docket
Chron

43683

124

OME-6003

ORIGINAL FILE COPY
O. M. E
RECEIVED NOV 22 1960
DATE | INITIALS | CODE

November 19, 1960

Dear Sam,

I went to the G.E. and talked to Mr. F.P. McGowan in re the Rice Mine deed. He is sure that their deed to me is correct, and we compared my deed with a bunch of theirs.

This brings up a question in my mind- did you have a survey made, or was the conclusion about the one-mile-away made based on the map which you left me?

Mr. McGowan questions the accuracy of the map, and now I do too. Isnt that just a hand sketch to show the way to get to the mine? if thisis so, then we cant say that the one inch distance on the map pins the mine down accuratelly in relation to the town line. I have asked my fatherinlaw to send me a topographical map of the Rice Mine area so that we can see if the town line is along that ridge. I recall now in flying over the No. 10 feldspar mine, that I had no sooner passed the No. 10 when I was right over the Rice, so they must be back to back on that mtn. The No 10 is in the town of Dorchester I believe, at least the entrance road is, and if the mine is also in the town of Dorchester, then the town line would be right next to the Rice Mine as the deed calls for. Should have the topo. map today or tomorrow and then I'll know better about it. There was certainly no question in the G.E.'s opinion that they owned the Rice Mine and properly conveyed it to me.

I should have asked you if you actually had a surveyor on the job, which I feel now was not done yet but only the map is the basis for questioning the deed. Will write again in a day or so.

Copy to Mr. Hank

Adios Amigo, John S. Mattice

Box 222
Johnstown, New York
November 16, 1960

Dear Mr. Houk,

Sam Phillips came here from New Hampshire today to see me in regard to the deed and property lines on the Rice Mine.

I bought the Rice Mine from the General Electric Co. in Schenectady, after leasing it from them for a year, and if the deed that I gave to Sam does not properly cover the area in question, then there is some mistake in the matter, as I did buy the Rice Mine and I did sell same to Sam PHILLIPS. I called Mr. F. P. McGowan of the real estate dept of G.E. and have an appointment to go see him Friday of this week to check over my deed. My deed has perhaps 8 or 10 different properties described in it, and I'll find out for sure Friday if I conveyed the right one to Sam, and if I didnt, then the G.E. will correct their deed to me and I'll do the same on the deed I have, so that Sam will have the deed to cover the area known as the Rice Mine.

Will let you know the outcome of my trip Friday.

Sincerely yours,

John A. Madeira

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 21 1960

DATE	INITIALS	CODE
11/21	Houk	1V4
		1V0
11/21	[illegible]	800
"	Original	500

OME-6003

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 26 1960

DATE	INIT.	
10/26	Col	220
		~~120~~
10/26	Fej	110
10/26	[illegible]	~~800~~
	[illegible]	~~500~~
10/27	Hoch	112

Spruce Pine, N. C.

October 24, 1960

United States
Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Attention: Mr. Frank E. Johnson
Acting Director

Re: OME - 6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Johnson:

The last time I was in Washington and at your suggestion I went by the agricultural department and purchased a map with the following number and date:

DATE: JUNE 19, 1955 NUMBER: DXV - 3N - 25

At the present time our lawyer in Lebanon, New Hampshire is making an effort to secure a proper legal description from the records at Woodsville, New Hampshire. He is also attempting to get Mr. John Maderic who purchased this property from General Electric to give us a proper legal description.

Thank you very much for your patience in this matter and I hope to have something further to report in the near future.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

SLP/jh

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/21	[illegible]	112
	[illegible]	500
10/21	Talbot	800
10/21	Selfridge	120
10/21	[illegible]	110
10/21	gad	220
		500

OCT 21 1960

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, North Carolina

Re: CME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Phillips:

Reference is made to the Acting Field Officer's letter of August 29, 1960, in which he pointed out the inaccurate legal descriptions of the Rice Mine area submitted by you on August 23, 1960.

Please refer to my letter of July 18, 1960, in which I suggested the use of the Commodity Stabilization Service aerial photo as a means of showing the location of the property lines and the relation of the CME work on Pegmatite No. 29 to the exterior boundaries. Have you been able either to obtain the aerial photo and show the location of the shaft as suggested or procure the correct description of the Rice Mine area? If not, possibly the description in the records at Woodsville of the property held by General Electric might help. How much would a survey of the area cost?

Please give this matter your prompt attention so that the CME may either terminate the contract or take whatever steps are necessary to protect the Government's interest.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

LGHouk/FEJohnson/fw/hb (10/21/60)
Copy to: Docket DMEA-6003
Director's Reading File
Region IV (2)
CA & A Division
Harold Kirkemo, USGS
Mr. Houk
Chron.

43683

MEMORANDUM FOR THE FILE

FROM LGHOUK

SUBJECT JUSTIFICATION FOR TERMINATION

OME 6003
KEYS MINING COMPANY
RICE MINE
GRAFTON COUNTY, NEW HAMPSHIRE
CONTRACT 2005

A THOROUGH STUDY OF THE VARIOUS LAND DESCRIPTIONS SUBMITTED BY THE OPERATOR SHOWS THE LAND DESCRIBED IN THE CONTRACT AND THE LAND UPON WHICH THE CONTRACT WORK WAS PERFORMED DO NOT CONFORM ALTHOUGH THE INCLUSION OF THE PHRASE" COMMONLY KNOWN AS THE RICE MINE"IN THE DESCRIPTION AND THE INCLUSION OF THE CONTRACT MAP DEPICTING THE RICE MINE AREA MAY NEGATE THES MUTUAL ERROR. THE WORK WAS PERFORMED ON THE RICE MINE AS CERTIFIED BY WILLIAM P, WILLIAMS OF THE USGS IN THE FINAL FIELD TEAM REPORT OF JUNE 21, 1960.

THE CLAIM OF MR. D.E. ESTY OF HEBRON N.H. IN HIS LETTER OF JUNE 22, 1960 THAT A PORTION OF THE OME CONTRACT WORK MAY HAVE BEEN PERFORMED ON HIS LAND IS NOT SUPPORTED BY ANY REAL EVIDENCE AND IT IS FELT THAT THE BURDEN OF PROVING HIS CLAIM IS UPON MR. ESTY.

SUBJECT TO LEGAL APPROVAL OF THE ABOVE DEDUCTIONS I RECCOMMEND THE CONTRACT BE TERMINATED. THE AGREEMENT IS ATTACHED.

10/19/60
lgh

George has me rewrite this

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Region IV, Room 11, Post Office Building,
Knoxville 2, Tennessee

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 29 1960

DATE	INITIALS	
8/29	gad	rvo
"	bfg	800
		500

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, North Carolina

AUG 29 1960

Re: OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Phillips:

Reference is made to your letter of August 23, 1960, enclosing a letter of July 24, 1960, from Mr. John Maderic and containing two legal descriptions of tracts adjoining the Dorchester Town Line. Both descriptions have been previously submitted, the fourth being similar to the one in Annex I of the contract, and the third by your letter of July 28, 1960, and both found to be incorrect.

I am enclosing a thermofax copy of part of an index map of the Rice Mine area, showing the Dorchester Town Line projected. You will note that the Rice Mine is over a mile east of the Dorchester Town Line. The enclosed map should help you locate the correct Rice Mine area description. Unless you can provide this office with proof of your rights to the Rice Mine area (a correct legal description of the Rice Mine area), the OME may require that you return the Government's contribution.

I trust the enclosed map will help you in getting this matter settled promptly and that you have received the aerial photograph.

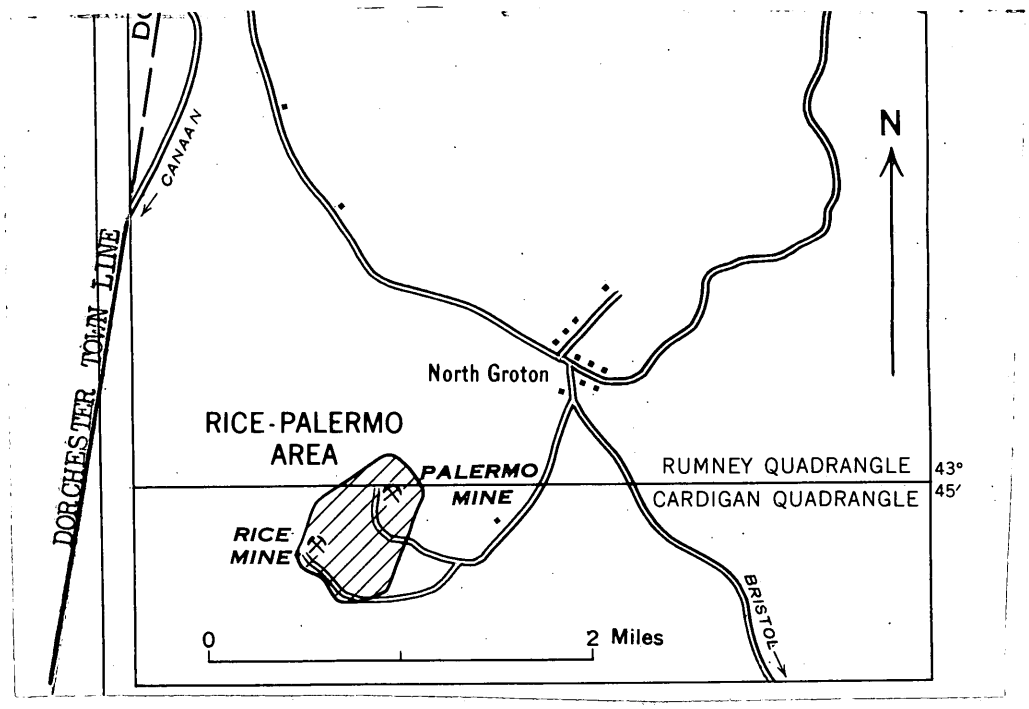
Sincerely yours,

Lawrence G. Houk
Acting Field Officer
Region IV

Enclosure

LGHouk/gla
8-29-60
cc to: Washington Office
Robert A. Laurence) w/Thermofax copies indexmap Rice Mine area
V. J. Lynch)
Chron

OME-6003



FROM U.S.G.S. PROFESSIONAL PAPER 255 PLATE 29

Spruce Pine, N. C.
August 23, 1960

United States
Department of the Interior
Region IV
Room 11 - Post Office Bldg.
Knoxville 2, Tennessee

Re: OME-6003 (Mica)
Keys Mica Co.
Sam L. Phillips
Rice Mine
Grafton, N. H.

Attention: Mr. Laurence G. Houk

Dear Mr. Houk:

Enclosed you will find a letter from John Maderic setting forth some legal descriptions which I hope will be of some help.

When I saw you in Washington approxmiately three (3) weeks ago I ordered an aerial photograph of the area involved and paid for same at that time. To date I have not recieved the photograph.

Very best regards,

Sam L. Phillips

Sam L. Phillips

SLP/jh
ENCLSR

RECEIVED
AUG 25 1960
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

MADERIC LEATHER

GLOVE and GARMENT LEATHER

JOHNSTOWN, NEW YORK

BOX 222

RECEIVED
AUG 25 1960
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

July 24, 1960

Dear Reme,

Registered in Book 905, page 241, at Woodsville, N.H.

" .....

Third. And also all the mineral and mining rights, and the right to enter and do any act necessary and proper in the exercise of said right, in and upon all that tract of land situated in the Town of Groton, County of Grafton, State of New Hampshire, bounded and described as follows: Beginning at a spruce tree on top of the mountain, on the south line of land now or formerly owned by G. C. Lovejoy and Joseph White; thence west on said land to the town line between Groton and Dorchester; thence south on said town line, to land now or formerly owned by Putnam Spaulding; thence east on said Spalding land, to a spruce tree at the top of the mountain; thence north to the place of beginning; said land being the westerly part of Lot 12, in the 14th Range and 3rd Division of lots in said Groton, containing 50 acres, more or less.

Fourth. Also another half lot on the northerly side of the lot above described, beginning at a spruce tree on the top of the mountain first mentioned; thence west to the town line; thence north on said town line, to what is called the Hook pasture; thence on said pasture, to land now or formerly owned by Kinner & Parker; thence south to the first named bound; containing 50 acres, more or less. "

I remember checking thru the records at Woodsville several years ago, when the G.E. hadnt sold to me yet, trying to perhaps find that the G.E. didnt own the property, and I remember very clearly that I proved to myself beyond any doubt, that they did own the Rice, and so I am equally certain that they gave me good title to same. They even leased it to me for about a year before I bought it.

North from No. 3 above, as is called for in Fourth, would be in the direction of the Palermo. You can see that Homer is in error on it, as Third plainly says it is in the Town of Groton, and Fourth joins on to it.

Let me know if I can be of further service, in this regards or anything else. Life is all too short, and I like to feel I have made at least a few friends while in mica. I got a bigger kick out of handing you that 'bill' for delivery of a camp from Gilsum than if I found a hundred dollar bill. You and Sam are both colorful figures and you would do well whether it was in mica or anything else.

Best regards,

John

The grey is made, made of sheep. The pigtail (tan) is pigskin. The suede is made by using the flesh side of the skin. In the pigtail, the grain side of the skin is used.

NUMERO UNO

OFFICIAL FILE COPY

Date	Surname	Code
8/3	Houk	124
8/3	Selfridge	120
"	Johnson	110
		500
8-3	gad	225

AUG 3 1960

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, North Carolina

Re: OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Phillips:

Reference is made to your letter of July 28, 1960, containing a legal description of a 50-acre tract adjoining the Dorchester-Groton Town Line. As the Rice Mine area is over a mile to the east of the town line, this legal description is not the description of the Rice Mine area. Please send a correct legal description, additional supporting data and map of the Rice Mine area to this office as soon as practical.

Sincerely yours,

/s/ Lawrence G. Houk (LGH)

Lawrence G. Houk
Acting Field Officer, Region IV

LGHouk:gad 8/2/60

Copy to: Dir. R. File
Region IV
Docket
Chron.
500

43683

Spruce Pine, N. C.
July 28, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 1 1960

DATE	INITIALS	CODE
8-1	gad	VVO
8-1	[illegible]	800
"	[illegible]	500
		~~144~~
		500

United States
Department of the Interior
Washington 25, D. C.

Re: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract #2005

Attention: Frank E. Johnson
Acting Director

Dear Mr. Johnson:

In answer to question No. 1 of your letter dated July 18, 1960 I would say that probably the Rice Mine is not on the property described in Annex I of the contract.

In answer to question No. 2 the exploration performed was definitely within the Rice Mine area.

All of our deeds and contracts relative to the Rice property are in the hands of our lawyer in New Hampshire.

A man by the name of John Maderic purchased all of the mines, mineral, and mineral rights from the General Electric Company. In this transaction he was furnished a great number of legal descriptions covering all of their properties. When Maderic transferred to us it is entirely possible that he gave us the wrong legal description, however, the deed specifically stated that Mr. Maderic was conveying the property and the mine known as the Rice Mine and gave the location by county and township.

Our attorney at the time of the purchase of this property was satisfied that we were getting good title to the Rice Mine property, regardless of the legal description. The lawyer we presently have employed in Lebanon, New Hampshire also is of the opinion that we have good title to the Rice Mine property. Mr. Maderic is in the process of searching his records, and if we have the wrong legal description he will have executed to us another deed containing the corrected legal description. All of the above is in process at this time.

I have a copy of a legal description that may be the one that covers the Rice Mine property which is as follows:

And also all the mineral and mining rights, and the right to enter and do any act necessary and proper in the exercise of

(Cont'd. -2-)

said right, in and upon all that tract of land situated in the Town of Groton, County of Grafton, State of New Hampshire, bounded and described as follows: BEGINNING at a Spruce tree on the top of the mountain, on thessouth line of land now or formerly owned by G. C. Lovejoy and Joseph White; thence west on said land to the town line between Groton and Dorchester; thence south on said town line, to land now or formerly owned by Putnam Spalding; thence east on said Spalding land, to a spruce tree at the top of the mountain; thence north to the place of beginning; said land being the westerly part of Lot 12, in the 14th Range and 3rd Division of lots in said Groton; containing 50 acres, more or less.

I trust that this is the information you wanted and as soon as we have had a final determination about the legal descfiption I will let you know.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

SLP/jh

Houk 174

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

July 20, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 22 1960

DATE	INITIALS	CODE
7-22	gad	220
		~~500~~
7/22	Cee	210
~~7/25~~	~~aep~~	~~500~~
7/29	~~Houk~~	~~174~~

Memorandum

To: L. G. Houk, Acting Field Officer, Region IV

From: R. A. Laurence, Knoxville, Tennessee

Subject: Signed Amendment No.3, OME-6003, Contract No.2005
Keys Mica Company, Spruce Pine, N.C.
Rice Mine, Grafton County, New Hampshire

Attached are the Government, Fiscal Section and Audit copies of Amendment No.3 to the Rice Mine contract, executed by the Operator. The Field Office Copy has been retained and attached to the Field Office copy of the contract.

Robert A. Laurence

Robert A. Laurence

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 22 1960

DATE	INITIALS	
7-22	gad	220
7/22		800
		100

REGION IV

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

From: L. G. Houk, Acting Field Officer, Region IV

Subject: Refund - OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract 2005
Appropriation 1490108

Attached for deposit to the subject account as a refund of overpayment is the Keys Mining Company check no. 525, dated July 14, 1960, in the amount of $105.00, drawn on the Northwestern Bank of Spruce Pine, North Carolina.

Attachment

LGHouk/fw-7/21/60

cc: OME Washington Office
CA&A Division
Reg. IV (2)
Chron. - Mr. Houk

-124

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

JUL 21 1960
O.M.E.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 22 1960

DATE	INITIALS	CODE
7-22	gad	220
7/22	[illegible]	800
		500
July 19, 1960		

Memorandum

To: Lawrence G. Houk, Acting Field Officer
Office of Minerals Exploration, Washington, D. C.

From: V. J. Lynch

Subject: Refund - OME-6003 (mica), Rice Mine
Keys Mining Company
Grafton County, New Hampshire
Contract No. 2005
Revolving Fund 1490108

Enclosed is a letter from Sam Phillips with a check for $105.00 to cover an overpayment for drifting footage. This is in response to my letter of July 12. It was not my intention to bill him for the $105.00 but only to explain the error in measurements resulting in the overpayment.

We are sending you the check to be taken care of as you see fit.

V. J. Lynch

V. J. Lynch

Enclosures 2

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 22 1960

DATE	INITIALS	

Spruce Pine, N. C.
July 14, 1960

United States
Department of the Interior
Office of Mineral Exploration
Romm 1, Post Office Bldg.
Knoxville 2, Tennessee

Attention: Mr. V. J. Lynch

Re: OME-6003 (mica)
Rice Mine
Keys Mining Company
Grafton County, New Hampshire
Contract No. 2005

Dear Mr. Lynch:

Referring to your letter dated July 12, 1960 I wish to advise that the two vouchers have been prepared according to your letter.

Also, enclosed is our check in the amount of $105.00 which we had been overpaid this amount by the government.

Thanking you in advance for your kind co-operation to the above, I remain

Sincerely yours,

KEYS MINING COMPANY

Sam L. Phillips, jtt

Sam L. Phillips

RECEIVED
JUL 18 1960
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

SLP/jh
ENCLS:

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/18	Houk	124
	GA	500
		500
7/18	Selfridge	120
		110
7-18	gad	220
		500

JUL 18 1960

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, North Carolina

Re: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Phillips:

As you are aware, a question has been raised as to the ownership of the property on which the work under the subject contract was performed. In order to assist us in clarifying this matter, there are two questions which we must have answered:

(1) Is the Rice Mine on the property described in Annex I of the contract?

(2) Was the exploration performed within the Rice Mine area?

The location of the property described in your application does not coincide with the known location of the Rice Mine as shown on the USGS maps of the area. The map locates the Rice Mine over a mile east of the Dorchester-Groton Town Lines, whereas the land described in your deed and in Annex I adjoins the town lines.

Please submit an amended legal description for the Rice Mine area. This description for orientation purposes should describe the whole tract transferred from the General Electric to John Maderic and the portion you purchased from him. The location of the area and the bounding property lines may be drawn on a contact print of the Commodity Stabilization Service aerial photo. We will also require a map showing the location of the shaft on Pegmatite No. 29 with a tie (distance and bearing) to the northeast corner of the amended description. This tie may be drawn on your copy of the contract map, Figure 2.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

LGHouk/fw-7/15/60
cc: Docket
Reg. IV (2)
CA&A Division
Mr. Kirkemo
Mr. Houk
Chron.
Dir.Read.File

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/12/60	Houk	124
	GDP	500
	Franzel	500
7/12	Talbert	800
7/12	Selfridge	130
"	Johnson	110
7-14	gad	220
		500

REGION IV
Room 11 Post Office Bldg.
Knoxville 2, Tenn.

JUL 14 1960

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, North Carolina

Re: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Phillips:

Enclosed are the original and four copies of a proposed Amendment No. 3.

If this amendment meets with your approval, please have all copies signed and returned to this office, retaining the "Operator's Copy" for your files. If it does not meet with your approval, please return all copies to us with your comments.

Sincerely yours,

(s) Lawrence G. Houk
Acting Field Officer (SAB)

Enclosures

LGHouk/gla
7-12-60
cc to: Director's Reading File
Review Committee
CA&A Division
Docket copy
Region IV (2)
Chron (Mr. Houk)
Chron Code 500

43683

Houk 1/4

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

JUL 14 1960
O.M.E.

July 12, 1960

VJL/zm
cc:
Houk-Washington
Williams
Lynch
Knoxville files

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: OME-6003(mica)
Rice Mine
Keys Mining Company
Grafton County, New Hampshire
Contract No.2005

Dear Mr. Phillips:

After our telephone conversation today concerning the final monthly voucher for the subject contract, I looked up the Final Report on this project submitted by Mr. W. P. Williams on June 10, 1960.

According to this report, Mr. Williams measured only 56-feet of drifting rather than 70 feet as claimed in the October-November voucher. The 56 feet of drifting is composed of 27 feet south of the shaft and 29 feet north of the shaft. This leaves a difference of 14 feet between your measurements and those of Mr. Williams. It seems very probable that in making your measurements the width of the shaft was included in both the north drift and the south drift, thus making a total error of 14 feet.

The correct expenditures would therefore be as follows:

50 feet of shaft @ $47/ft.....	$2,350.00
56 feet of drift @ $30/ft.....	1,680.00
Total costs.....	$4,030.00
Government participation @ 50%.....	$2,015.00
Paid Operator to date.....	$2,120.00
Overpayment - due the Government.....	$ 105.00

It is suggested that you send in the Operator's final engineering and geological report on this project as soon as possible so that a Report of Review may be requested from the Audit Division.

Sincerely yours,

V. J. Lynch,

OFFICIAL FILE COPY

Date	Surname	Code
7/6	[illegible]	500
	[illegible]	500
	[illegible]	500
7/6	Vernon	140
	Hoffland	140
7/6	[illegible]	630
		110
7-6	[illegible]	220
		500

for legal only

JUL 6 1960

Mr. D. E. Esty
Hebron, New Hampshire

Re: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al., Partners
Rice Mine
Grafton County, New Hampshire
Contract 2005

Dear Mr. Esty:

Your letter of June 22, 1960, to the Department of the Interior, Defense Minerals Exploration Administration, College Park, Maryland, has been referred to this office.

We wish to advise you that the Office of Minerals Exploration does not participate in private disagreements as to the ownership of land under its contracts. The question of land ownership and any incidental rights that you might have are matters that will have to be settled between yourself and the Keys Mica Company.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

JWAlt/fw-7/5/60
cc: Docket
Dir. Read. File
Reg. IV
W.T. Millar, College Park
H. Kirkemo, USGS

FROM SOLICITOR
JUL 6 - 1960
FOR SIGNATURE

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION V

EASTERN
EXPERIMENT STATION

COLLEGE PARK, MARYLAND

June 23, 1960

6003

Memorandum

To: Frank E. Johnson, Acting Director, O. M. E., Washington

From: Supv. Mine Examination and Exploration Engr., College Park

Subject: Letter from D. E. Esty, Hebron, N. H., re DMEA contract with Keyes Mining Company, Canaan, N. H.

According to the attached letter, the Keyes Mining Company was trespassing on Esty's property.

Since this office has no record of the case the matter is being referred to the O.M.E.

W. T. Millar

W. T. Millar

Attachment
WTMillar/fld

cc: GWJosephson, Pgh.
CP Min. Off. files

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 1 1960

DATE	INITIALS	CODE
7-1	Col	220
		500

D. E. ESTY
PILING - POLES - LOGS - LUMBER
HEBRON, N. H.

TEL. BRISTOL 4-5347

June 22, 1960

Dept. of the Interior
Defence Minerals Exploration Adm.
College Park, Md.

Dear Sirs;

In the latter part of 1959, a party or parties calling themselves the Keyes Mining Co. of Canaan N.H. and North Carolina, comprising Mssrs Phillips, Beam and perhaps others, went on to my land in Groton unbeknown to me and without permission, sank a shaft with a government loan.

I knew nothing of this until late fall when they were really done. I then told them that I was willing that they continued if they like on a royalty basis.

Now I understand they are abandoning the project. I feel that I should at least have the mica that has been taken out of the hole or some other recompence. I have so

see next page

D. E. ESTY
PILING - POLES - LOGS - LUMBER
HEBRON, N. H.

TEL. BRISTOL 4-5347

stated to Mr. Phillips but as yet they have not agreed to it.

Please see to it that I get this mica or some like value. This operation was supposed to be on the Price prospect in Groton. I told Mr. Beam early in the summer that he had better come with me to be shown the property line as he said he didn't know where it was.

Very Truly Yours

D. E. Esty

OFFICIAL FILE COPY

Date	Surname	Code
6/23	Houk	124
	Griswold	500
		140
		500

June 23, 1960

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: W. R. Griswold, Chief, Division of Minerals

Subject: OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract 2005
Re: Termination Agreement and Amendment No. 3

Please add "and Amendment No. 3" to the caption of the attached document, and add to the second page, under "7." the following:

7. Under Description of Work in Exhibit "A," eliminate the words "two compartment" and under Estimated Costs of the Project, item 1., substitute $40.00 for $47.00, and change "$2,350.00" to $2,000.00." Under "Estimated total cost of the work," change "$5,350.00" to "$5,000.00," and under "Government participation @ 50%," change "$2,675.00" to "$2,500.00."

W. R. Griswold

LGHouk/gla
cc to: Docket
Chron

(1) [illegible] Amend. No 3 [illegible]

(2) No pseudo

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Room 11 Post Office Bldg.
Knoxville 2, Tenn.

June 23, 1960

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region IV Lawrence G. Hoak

Subject: Termination of Keys Mica Contract 2005 (OME-6003)

Enclosed is Final Field Team Report on the subject contract. I concur in Mr. Williams' recommendation that additional work is not justified and that the contract be terminated, effective December 18, 1959.

The Operator has been paid $2,120.00, but only $1,840.00 is due him. He must repay $280.00.

The contract should be amended to provide a unit cost for a one-compartment shaft ($40.00). This may be done in the termination agreement. The termination transmittal letter to Mr. Phillips should request the final Operator's report.

The enclosed memorandum to Legal and recommendations for the termination agreement and Amendment No. 3 are attached for your comments.

Attachments

FINAL FIELD REPORT

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 23 1960

DATE	INITIALS	CODE
6-24	Col	210
		~~130~~
		110
		900
		500

1 Cy of Memo & report to P.F. Yager, USBM, on 6/24/60. LGH

UNITED STATES

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

Field Team Final Report
Region V

OME 6003, Contract No. 2005
Rice Mine (mica)
Grafton County, New Hampshire

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 23 1960

DATE	INITIALS	CODE

By

William P. Williams, Geologist
U. S. Geological Survey

June 21, 1960

OFFICE OF MINERALS EXPLORATION

FINAL REPORT

OME 6003, Keys Mica Company

Introduction

The Rice mine was visited by the undersigned in company with William Willis, mine foreman, on June 10, 1960. Unwatering of the shaft,which was filled to the collar, was necessary before the mine could be entered. The project was discussed with Mr. J. R. Beam, partner in Keys Mica Company, at his headquarters at Canaan, New Hampshire.

Work Completed

Work under the terms of OME Contract 2005 was begun on August 24, 1959, and discontinued on November 10, 1959. During that period a vertical shaft, 10 ft. by 7 ft. in cross-section rock dimensions, was sunk to a total depth of 50 feet. Two drifts, a total of 56 feet of drifting, have been driven from the bottom of the shaft. The drift to the northeast is 30 feet long while the drift to the southwest is 26 feet long, figure 1. Minimum rock dimensions of the drifts are 5 feet wide by 7 feet high. No timber was used in the drifts. Ladders and timbers had not been placed in the shaft, although ladders had been constructed and were on the ground at the shaft collar. Access to the mine was by hoist and bucket. No work has been done at the mine since November 10, 1959, with the

exception of pumping out the shaft and drifts for the purpose of mine examination.

Expenditures

OME Contract 2005 authorized completion of the following work units and their costs:

1.	50 ft. of vertical shaft at $47.00/ft	$2,350.00
2.	100 ft. of drifts and/or crosscuts at $30.00/ft	3,000.00
	Estimated total cost	$5,350.00
	Government participation at 50%	$2,675.00

The Operator submitted the following units and costs on two monthly vouchers, MME Form 60:

1.	50 ft. of shaft at $47.00/ft	$2,350.00
2.	70 ft. of drift at $30.00/ft	2,100.00
	Total cost	$4,450.00
	Government participation at 50%	$2,225.00
	Government payments to Operator	2,120.00
	Amount of Government participation withheld (on basis of Operator's vouchers)	$105.00

True completed units and project costs, as determined by mine measurements by the writer are:

1.	50 ft. of shaft at $47.00/ft.....	$2,350.00
2.	56 ft. of drifts at $30.00/ft.....	1,680.00
	Total costs incurred	$4,030.00
	Government participation at 50%.....	$2,015.00
	Overpayment to Operator	$105.00

About 1,000 pounds of small, poor grade mica was recovered from the project. To June 10, 1960, the mica had not been processed or sold. When this is done royalty will be due the Government. In all likelihood not a very large sum will be involved.

Property Rights

According to a deed, recorded in the Grafton County, New Hampshire, Registry of Deeds, the Operator owns in fee simple a tract of land known as the 'Rice mine' upon which the OME exploration project was undertaken. After the shaft was sunk by the Operator, one Donald Estes claimed that the shaft is on his, Estes', property.

In answer to the writer's queries, Mr. J. R. Beam, partner in Keys Mica Company, stated that the dispute has never been completely settled. According to Mr. Beam no accurate surveys of property boundaries have been made in the vicinity of the Rice mine. No markers of any kind were noted near the mine, although Estes had apparently recently blazed an east-west line of trees near the OME shaft. Mr. Beam said that Estes, when the offer was made by the Operator, was readily agreeable to accepting a royalty from any mica produced from his land should Estes prove that his claim is valid. No further action has been undertaken by Estes.

Geology

Both drifts penetrated perthite-plagioclase-biotite-muscovite pegmatite. For the most part the drifts are in the intermediate zone of the pegmatite except at their extremities where a thin, poorly defined and discontinuous wall zone of quartz-plagioclase-mica pegmatite was found. Dark gray to black quartz-biotite schist, the country rock of the area, was met with in short blast holes in the northeast drift; and the schist composing the opposite (northwest) wall of the pegmatite was exposed along a shear zone in the southwest drift.

Only relatively small discontinuous, white quartz lenses of core material were found in the northeast drift; and none were noted in the southwest drift. About 150 - 200 pounds of book mica was recovered in the northeast drift from around a white quartz core about 2 feet in diameter and a few feet long. Small, 1 to $1\frac{1}{2}$ inches in diameter, books of stained mica are widely disseminated in the pegmatite in both drifts, but more so in the northeast drift. The mica is too small, stained, and broken to be recoverable for anything but scrap. No known measurable reserves of strategic mica exist within the project area.

Conclusions and Recommendations

Work under the terms of the contract appears to have reached its objective in that both, hanging and foot, walls of the pegmatite were reached and explored. The work did not result in a discovery.

Significant amounts of strategic mica were not recovered from either the shaft or the drifts. Mine examination disclosed no geologic evidence that indicated that the nature of the pegmatite would become more favorable if more underground openings were made.

It is recommended that the project be terminated in its present state on the grounds that a significant mica discovery would probably not result from the expenditure of more funds and effort.

Under the conditions it appears that little would be accomplished by undertaking the expense of land surveying in heavily wooded, mountainous terrain to settle the property boundary dispute.

Amendment No. 2 to the contract does not appear to be completely applicable. Amendment No. 2 requires that contract work shall have been resumed by May 1, 1960. The unfavorable nature of the pegmatite makes such work undesirable.

Inspected: June 10, 1960

W. P. Williams

W. P. Williams, Geologist
U. S. Geological Survey

OME 6003

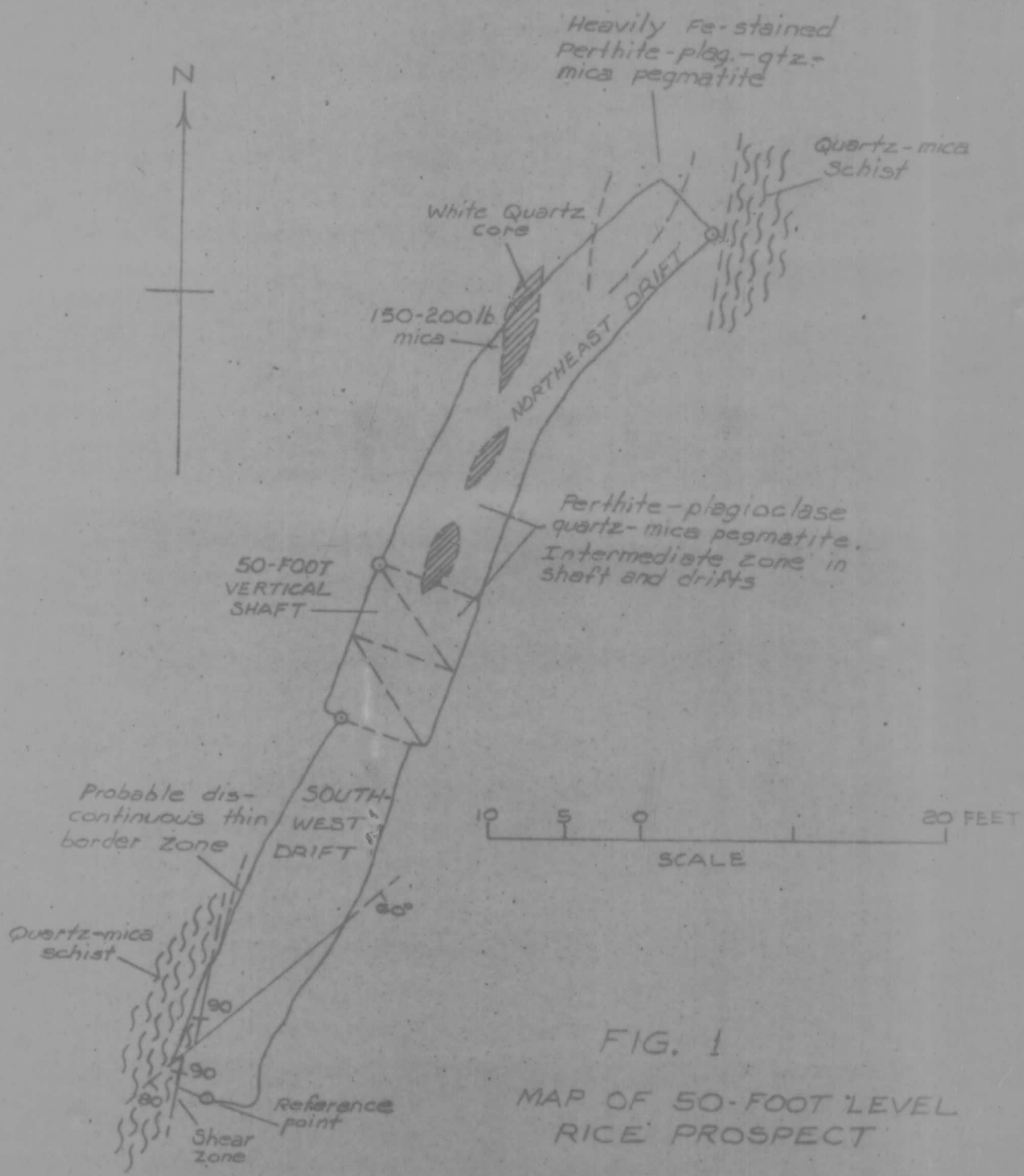


FIG. 1

MAP OF 50-FOOT LEVEL
RICE PROSPECT

OME 6003 - CONTRACT 2005
KEYS MICA COMPANY
GRAFTON COUNTY, N. H.

JUNE 1960
W. P. WILLIAMS, U. S. GEOL. SURVEY

LGHOUK:gad 5/16/60

Memorandum

To the file

From: Lawrence G. Houk, Acting Field Officer, Region IV

Subject: Philllips, May 16, 1960 - Keys Mica Company, Rice Mine

Mr. Phillips called and requested information on the status of the contract.

1. The contract is in default; they not having resumed work by May 1, 1960, as required in Amendment No. 2.

Mr. Phillips has just returned from New Hampshire where he is being threatened with a lawsuit on the property rights.

The following alternatives are presented:

1. Return $980 - $17.50 for 58' of drifting and $3.50 per foot for not timbering shaft. This calculation includes $210 held back on last voucher. Pseudo certification will be made.

2. Pay back all ($4450 less $210 held back) with 50% participation or $2,120

3. Pump out mine, and take a chance, Government will determine if work should continue or if contract should be terminated. If shaft is timbered we will pay, otherwise deduct $3.50 per foot 50' Government participation already paid.

Mr. Phillips failed to call back today.

Mr. Williams will examine this project sometime after June 1, 1960. Mr. Phillips should be notified in advance so he may pump it out if he desires.

5/17/60

12 15 PM.
Phillips called he will have this mine pumped out and ready for inspection after June. 1. 1960 - June 1st is agreeable to W. P. Williams and he can inspect this & the final Bens on the same trip

5/27/60

Called Williams. He will notify S. Phillips that he will inspect about June 9. ? amendment

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY O. M. E. RECEIVED APR 7 1960		
DATE	INITIALS	CODE
4-7	gad	220
4/7	[illegible]	800
	alf	500

April 5, 1960

Memorandum

To: Operating Committee, OME - Washington, D. C.

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

Subject: OME-6003, Contract No.2005 (mica) Keys Mica Co.
Spruce Pine, North Carolina.
Rice Mine, Grafton County, New Hampshire

Reply to your memorandum of March 23 has been delayed in order to get additional information on this project. Because of the remoteness of the project, it is difficult to keep in touch with details. Most of the new information which follows was obtained from Mr. S. L. Phillips by telephone.

Lannie Williams, foreman, told Mr. Phillips, that all the mica recovered at the Rice mine (800 to 1000 lbs., mine run) was obtained in the first 35 feet of the shaft. This mica is locked in the tool shed at the shaft, but Mr. Phillips says they plan to process and sell it this year, though they do not expect to obtain a large return from it.

As to the question of property rights, it would seem to us that the burden of proof should be on the new claimant. We consider the Operator's deed, plus the letter of August 3, 1959, from the Register of Deeds to be adequate evidence of interest in the land.

You state that "The Field Team has not inspected the last 58-feet of the drift but apparently has accepted the Operator's report on the results. Without such inspection, we do not see how the Operator's claims for this work can be allowed." Please refer to the second paragraph of our memorandum of December 17, 1959 and the second paragraph of your reply,

dated December 24. In this correspondence, we pointed out that only 12 feet had been inspected and that we planned to hold back 10% of the cost of the remaining 58 feet; you replied that we should withhold at least $150, so we withheld $210.00. As to the timbering of the shaft, Mr. W. P. Williams' interim report of October 24 states that preparations were being made to install ladders and landings. This is standard practice with the mica miners; they seldom install the ladders all the way to the bottom of the shaft until the drift is advanced about 25 feet. This is to prevent damage from shooting in the drift heading. Mr. Phillips was unable to verify today whether they had been installed as neither he nor lannie Williams saw the job after completion of the shaft, and Mr. Beam is now in New Hampshire.

Mr. Phillips said that, if their equipment is not tied up through an injunction by the Claimant, Mr. Estes, the shaft will be pumped out, and if the ladders and landings are not completely installed they will be completed. In this event, the drift could be examined and a decision reached about the advisability of continuing. If Mr. Estes does obtain an injunction, it may not be possible to enter the mine this spring or summer. As yet, Mr. Phillips does not know what Mr. Estes plans to do. Mr. Estes apparently did not make his claim of ownership until after cessation of work in the early winter.

Mr. Phillips reiterated the Operator's intention to abandon the Rice mine upon completion or termination of the OME contract, because of their opinion that no workable mica shoots exist in the mine. We cannot evaluate this opinion without access to the mine.

It is not certain how soon the access road will be passable. We understand there was 8 feet of snow on the ground at the mine on March 26, so it may be a week or two until it is possible to get to the project.

Robert A. Laurence

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

V. J. Lynch

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/21		500
	Friomed	500
3/22	Talbitt	800
3/22		130
3/23	Johnson	110
3/26	RCW	220
		500

MAR 23 1960

Memorandum

To: Executive Officer, OME Field Team, Region V

From: Chairman, Operating Committee, OME

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract No. 2005

We are disturbed over the conflicting reports on the results of the work performed under the subject contract and the apparent default of the Operator.

In the progress report of the Operator for work performed in August and September 1959, it was stated that 50 feet of vertical shaft was completed. It was also stated that the shaft was sunk in pegmatite, which looked very good, and that some mica was obtained. In the interim report of Mr. W. P. Williams, dated October 24, 1959, he stated that a vertical shaft had been completed to a depth of 50 feet and 12 feet of drift had been completed. He further stated that the shaft and drift were untimbered. Mr. Williams also reported that about 1,000 pounds of book mica was recovered from the shaft. He said the books averaged 3 inches to 4 inches in diameter and are clear and rum colored.

In your memorandum of December 17, 1959, you advised that the Operator had reported the project was shut down in November because of weather after completing 50 feet of shaft and 70 feet of drift. You also stated that the Operator reported recovery of 800 pounds of low-grade mica. In reply to your letter of December 16, 1959, the Operator stated that all the drift was in pegmatite and that drifting south followed the hanging wall, but that the foot wall had not been located in drifting north. A mica zone had not been located although small books of scattered mica in the pegmatite had been found.

Up to this time no indication was given that the Operator did not intend to complete the work after the recess. However, on February 24, 1960, the Operator reported that the mica recovered was in the first 30 feet of the shaft, and that it was small and not of strategic quality. The Operator also requested termination of the contract. The question of the possible location of the shaft outside the property boundaries was subsequently brought to light.

43683

The Field Team has not inspected the last 58 feet of the drift but apparently has accepted the Operator's report on the results. Without such inspection, we do not see how the Operator's claims for the cost of this work can be allowed. Neither do we see how the cost of the shaft can be allowed since it does not conform to the specifications covering a two-compartment shaft, which would mean a timbered shaft. The contract does not permit work within 100 feet of the property line. The Operator is in default of the contract.

In view of the circumstances, it would appear that possibly no cost for any work could be allowed. Unless the default could be cured, the Operator would be required to return the entire amount of the Government's contribution. We believe that you should discuss this matter with the Operator and determine what he can possibly do to cure the default, or, as an alternate, return the funds contributed by the Government.

/s/ George C. Selfridge (SLB)

APPROVED:

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

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

JWAlt/FEJohnson/gla 3-21-60
cc to: Director's Reading File
Operating Committee
M. L. Skow, USBM
Harold Kirkemo, USGS
Docket
Chron

Mr. Selfridge!

Re: OMC-6003

I have surmmed the termination agreement but possibly no costs of work will be allowable* by audit. All workings, not only over the property line, but also within 100' of line must be disallowed. It doesn't seem possible that the disputed line is off 110'!!

Also, I have been told that the shaft is not separated into two compartments.

Talbert
9/18/60

*See Sec. 2 of Term. Agree.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/18	[illegible]	500
	Murrine	500
3/18	Talbot	800
		130
		110
		220
		500

Memorandum

To: Executive Officer, OME Field Team, Region V

From: Chairman, Operating Committee, OME

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract No. 2005

Referring to your memorandum of March 1, 1960, we are enclosing the original and four copies of a proposed Termination Agreement (2 pages) to the cited contract, signed by the Acting Director for the Government. Two extra copies are also enclosed for the use of the Field Team.

If the proposed Termination Agreement is satisfactory to you and the Operator, all five copies should be signed by the Operator. The Operator should retain its copy, you should retain the Field Team's copy, and the Government's, Finance Office (Fiscal Section), and Audit's copies are to be returned to this office.

If any part of the Termination Agreement does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Enclosures

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

JWAlt/gla 3-18-60
cc to: Director's Reading File
Operating Committee
M. L. Skow, USBM
Harold Kirkemo, USGS
Docket
Chron

43683

Government's Copy

Seller

TERMINATION AGREEMENT

~~Amendment No. 3~~

It is agreed this _____ day of _____, 1960, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Keys Mica Company, a partnership, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2005 (Docket No. OME-6003), dated June 18, 1959, hereinafter called the Contract, that:

1. Effective December 18, 1959, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government will contribute only to the allowable costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and the final account.

4. All rights of the Government, respecting certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount, and for the same period, and subject to the same conditions provided in the Contract, as if certification of discovery or development had been made, such certification being hereby waived by the Operator.

6. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of the Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of
Minerals Exploration

KEYS MICA COMPANY

By _____, Partner

By _____, Partner

By _____, Partner

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

Memorandum

MAR 17 1960

To: Acting Director
Office of Minerals Exploration

From: Associate Solicitor
Division of Mineral Resources

Subject: Docket No. OME-6033 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract No. 2005

Pursuant to your memorandum of March 14, we have drafted and surnamed for your signature the Termination Agreement which is attached hereto.

After this matter was submitted, Mr. Alt brought to our attention a memorandum in the file dated March 1, from the Field Team to the Operating Committee, which indicates that the shaft which was part of the exploration work may be outside the property line of the land which is the subject of the Exploration Contract, and that there is a dispute between the operator and the adjoining owner with respect thereto. The operator contends that the shaft is wholly on the land described in the contract.

We understand from Mr. Alt that the facts of the matter are as follows: The work called for by the contract (50 feet of shaft and 100 feet of drift) has been completed except for 30 feet of drift; that although some mica has been discovered and produced, it is not sufficient in quality or quantity to justify a certification at this time; that the operator does not deem it worthwhile to complete the 30 feet of drift, and the Government is in agreement.

These facts raise the question of whether the ordinary form of termination agreement with "pseudo-certification" is suitable for use to wind up this matter. We think that it is. Regardless of whether the shaft is wholly on the land covered by the contract, it appears to have accomplished the purpose of both the Government and the operator as far

as exploration is concerned. If the shaft is not wholly on the ground covered by the contract, this fact may be derogative to the Government's right to recover royalty from production from or through the shaft, but as we understand it, this right is considered to be of small significance.

It is our opinion that the Termination Agreement in the usual form with "pseudo-certification" may be entered into for whatever it is worth. If the shaft is entirely on land covered by the contract the contention with regard to it is of no significance. If the shaft is wholly or partly on adjoining ground, the matter again seems to be a small significance because the purpose of the Government and the operator has been accomplished as far as exploration is concerned.

The only alternatives to the foregoing conclusion would be to require the operator to complete work in which neither the Government or the operator has any interest, or to demand repayment by the operator of the contribution made by the Government on account of the operator's failure to place the shaft within the property lines (assuming this to be the fact), although that failure has been of no real detriment to the exploration work. The case would be different if a good discovery had been made, and there was reasonable prospect of recovering the Government's contribution.

Of course, the operator remains liable for royalty on any production from property which is subject to the contract, although the adjoining property owner may have some claim against the production if the shaft actually is on his property.

Charles M. Soller
Associate Solicitor
Division of Mineral Resources

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	ADL	500
3/15	J. Lynch	140
	DXW	500

RECEIVED
MAR 15 1960
SOLICITOR
MINERAL RESOURCES

March 14, 1960

SOLICITOR

Memorandum

MAR 15 1960

To: Associate Solicitor, Division of Mineral Resources

INTERIOR

From: Chief, Division of Minerals, OME

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract No. 2005

Please prepare a Termination Agreement for the cited contract.

A draft of the proposed agreement is attached to this memorandum.

/s/ W. R. Griswold

Attachment

JWalt/gla
cc to: Docket
Chron

43683

DRAFT
JWAlt/gla
3-14-60

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1960, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Keys Mica Company, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2005 (Docket No. OME-6003), dated June 18, 1959, hereinafter called the Contract, that:

1. Effective December 18, 1959, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government will contribute only to the allowable costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and the final account.

4. All rights of the Government, respecting certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its

interest in the land), shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount, and for the same period, and subject to the same conditions provided in the Contract, as if certification of discovery or development had been made, such certification being hereby waived by the Operator.

6. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of the Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Acting Director, Office of
Minerals Exploration

KEYS MICA COMPANY

By_____, Partner

By_____, Partner

By_____, Partner

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

March 1, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 3 1960

DATE	INITIALS	CODE
3/60	RCW	225
		~~130~~
		500

Memorandum

To: Operating Committee, OME - Washington

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

Subject: OME-6003, Contract no.2005 (mica) Keys Mica Co., Spruce Pine, N. C. Rice Mine, Grafton County, New Hampshire.

Enclosed are the original and two copies of a letter from the Operator, requesting termination of the contract.

This project was recessed in December, in accordance with terms of Amendment No.2. At that time, the shaft had been completed, and 70 of the proposed 100 feet of drifting had been done. Only 12 feet of the drifting was completed at the time of Mr. Williams' last examination, so that we have only the Operator's report of the quantity and quality of mica recovered beyond that point, and virtually no information on the geology beyond that point.

Partial payment of the Operator's last voucher has been made, with $105.00 being suspended pending resumption of operations.

It should also be noted that Donald Estes is claiming that the Rice shaft is ten feet over the property line, and is threatening a lawsuit. The Operators are of the opinion that this is merely a nuisance claim and that they do own the land, as explained in their letter of July 21, 1959 and the letter of August 3, 1959 from Charles A. Wood, Register of Deeds. Nevertheless, this threatens to delay resumption of the work until it is settled, and a complete survey would be more expensive than the property now appears to be worth.

Before making a recommendation, we would like to have an examination of the drift, but this is not possible at the present time because of lack of access to the mine. If termination is approved, it should be with a "pseudo-certification.

Robert A. Laurence
Robert A. Laurence
Executive Officer, OME
Region V

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

Spruce Pine, North Carolina
February 24, 1960

Mr. Robert A. Laurence, Executive Officer
OME, Region V. Room 11, Post Office Bldg.
Knoxville 2, Tennessee

Re: OME-6003 (Mica)
Keys Mina Company
Rice Mine, Grafton County,
New Hampshire
Contract No. 2005

Dear Mr. Laurence:

The Rice contract called for fifty feet (50') of shaft and one-hundred feet (100') of drift. We were unable to complete this contract last fall because of bad weather. We have, as you know, completed all of the shaft and seventy feet (70') of drift. The only mica that we recovered was in the first thirty feet (30') of shaft. The mica that was recovered was small and not of strategic quality.

We do not believe that any discovery of strategic mica will be found in the remaining thirty feet (30') of drift. We do think, however, that the best interest of both the operator and the government would be served a termination of their contract, and we would like for you to treat this letter as a request for the termination of this contract.

Sincerely yours,

Sam L. Phillips

Samuel L. Phillips

SLP/jh

RECEIVED
FEB 26 1960
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

January 26, 1960

Memorandum

To: E. D. Talbert, Office of Minerals Exploration, Interior Building, Washington 25, D. C.

From: Administrative Assistant, Norris, Tennessee

Subject: Monthly Report and Voucher

We are enclosing two copies of the following monthly report and voucher:

14-23-090-2005 Keys Mining Company
Docket No. OME-6003
2nd payment - months of October-November 1959
Amount $945.00

Helen R. Miller

Attachments 2
/hbm
Copies to R. A. Laurence
V. J. Lynch
Norris files
Day files

EXTRA COPY O. M. E. RECEIVED JAN 28 1960		
DATE	INITIALS	CODE
		110
1/28	alt	500

MME FORM 60
SEPT. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

PAID ON VOUCHER AND SCHEDULE PAYMENTS 7-10

JAN 28 1960 O.M.E.

Docket No. OME 6003
Contract No. 14-23-090 2005
Cont. Amount $5350.00
Gov't. Participation % 50 $ 2675.00
Mineral(s) Mica

OPERATOR'S MONTHLY VOUCHER

For Month of Oct. & Nov.

Operator's Name Keys Mining Company c/o Sam L. Phillips
Address Spruce Pine, N.C.

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						1/29/60 J.W.R.
(1) Independent Contracts:						
Bulldozing						
70' Drifting @$30.00	2100.00		2100.00	1890.00		1890.00
Crosscutting						
Drilling						
Shaft	- -	2350.00	2350.00		2350.00	2350.00
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	2100.00	2350.00	4450.00	1890.00	2350.00	4240.00

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

Date 12-8-59 *Payee Keys Mining Co. By: Sam L. Phillips Partner

Per Sam L. Phillips Title

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

945.00

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

$ 945.00

Signature Helen R. Miller (Authorized Certifying Officer)

Date JAN 26 1960 Vou. No. 10

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. OME-6003

Signature P. D. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date JAN 25 1960

Approved by OME Executive Officer or Alternate:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER OME FIELD TEAM REGION V Date JAN 25 1960

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MM
SE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

JAN 28 1960
O.M.E.

OPERATOR'S PROGRESS REPORT

For Month of Oct. & Nov.

Docket No. DME -6003

Operator's Name Keys Mining Company c/o Sam L. Phillips, Spruce Pine, N.C.

Contract No. 14-23-090- 2005

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Ft.	70	70	2100.00			
Crosscutting							
Raising							
Shafts	Ft.		50	2350.00			
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				4450.00			

REMARKS After completing a total of 50' of shaft, we begain work on the drift ¶ and completed a total of 70' of drift Then the weather got so bad that we had to close down the mine for the winter. We recovered approximately 800# of low grade mica.

(Continue on back)

REMARKS $210.00 with held pending resumption of contract work.

B 105 ?

(Continue on back)

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

Date 12-8-59 Operator Keys Mining Company By: Sam L. Phillips

Per Sam L. Phillips Title Partner

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. Lynch

Title MINING ENGINEER U. S. BUREAU OF MINES Government Representative

Date JAN 25 1960

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Spruce Pine, North Carolina
January 22, 1960

Mr. Robert A. Laurence , Executive Officer
OME, Region V. Room 11, Post Office Bldg.
Knoxville 2, Tennessee

Re: OME-6003 (Mica)
Keys Mica Company
Rice Mine, Grafton County,
New Hampshire
Contract No. 2005

Dear Mr. Laurence:

In answer to your letter dated December 16, 1959, regarding the above prospect. All of the drift was in pegmatite, we do not know how thick the pegmatite was because, drifting south we were following the hanging wall and drifting north we had not located the foot wall. We haven't picked up a mica zone, we have found small books of mica scattered in the pegmatite. The mica we recovered was from the shaft and the drift both. We have not processed or sold any of this mica, therefore, we can not tell of the value at this time. The mica is small and badly stained, the pegmatite consisted of feldspar, flint and some scrap mica.

Hope this is the information needed, if you need anything more, please let us know.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

P/bjg

RECEIVED
JAN 25 1960
U. S. Geological Survey
Knoxville, Tenn

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

January 25, 1960

Mr. Sam L. Phillips
Keys Mica Company
Spruce Pine, N. C.

Re: OME-6003, Contract No.2005-mica.
Rice Mine, Grafton County, N.H.

Dear Mr. Phillips:

Your letter of January 22 supplying narrative account of work done at the Rice Mine in October and November has been received, and we are therefore processing your voucher for payment. However, we are required to withhold a portion of this because of the recess of work and the possibility that this could become the final voucher. Thus, $210 is being withheld and a check for $945 will be issued. The amount withheld will be paid when work is resumed in the spring.

Sincerely yours,

Robert A. Laurence
Executive Officer, OME
Region V

RAL/sm
cc
Opr. Com.-2
Lynch
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 27 1960

DATE	INITIALS	CODE
1-27	gad	VVO
"	[illegible]	[illegible]

January 25, 1960

Memorandum

To: Operating Committee, OME - Washington

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

Subject: Signed Amendment No.2. OME-6003, Contract 2005, Keys Mica Company, Spruce Pine, N.C. Rice Mine (mica) Grafton County, New Hampshire.

Enclosed are the Government and Audit copies of Amendment No.2 to the subject contract, executed by the Operator. Distribution of the other copies has been made as usual.

Please note that the signature of John Phillips is "by Sam L. Phillips." John Phillips died recently.

Robert A. Laurence
Robert A. Laurence
Executive Officer, OME
Region V

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/13/60	[illegible]	500
	[illegible]	500
1/14	Talbert	800
1/15	Ted on leave	130
"	Johnson	110
		[illegible]
1-15	gad	220
		500

JAN 15 1960

Memorandum

To: Executive Officer, OME Field Team, Region V

From: ACTING Chairman, Operating Committee, OME

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract No. 2005

Referring to your memoranda of December 17 and 29, 1959, we are enclosing the original and four copies of a proposed Amendment No. 2 (one page) to the cited contract, signed by the Acting Director for the Government. We are also enclosing two extra copies for the use of the Field Team.

If the proposed amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute the copies in the usual manner. In the event the amendment is not satisfactory and cannot be amended within your delegated authority, return all copies with your recommendations concerning any modifications.

/s/ W. R. Griswold (JHB)

Enclosures

JWAlt/gla 1-13-60
cc to: Director's Reading File
Operating Committee
M. L. Skow, USBM
Harold Kirkemo, USGS
Docket
Chron

APPROVED:

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

Harold Kirkemo (JHB)
Member, Geological Survey

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/7/60	[illegible]	500
		500
1/8/60	J. Lynch	140
	[illegible]	

INTERIOR DEPT.
JAN 8 - 1960
SOLICITOR

January 7, 1960

RECEIVED
ASSOC. SOLICITOR
MINERAL RESOURCES

Memorandum

To: Associate Solicitor
Division of Mineral Resources

From: Chief, Division of Minerals, OME

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Rice Mine
Grafton County, New Hampshire
Contract No. 2005

Will you please prepare Amendment No. 2 for the cited contract. A draft of the proposed amendment is attached to this memorandum.

Attachment

FROM SOLICITOR
FROM SOLICITOR
JAN 12 1960
FOR SIGNATURE
FOR SIGNATURE

43683

DRAFT
1/6/60
JWAlt/gla

DOCKET COPY

EXPLORATION CONTRACT
KEYS MICA COMPANY
DOCKET NO. OME-6003

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1960, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Keys Mica Company, a partnership, hereinafter called the "Operator," that Exploration Contract No. 2005 (Docket No. OME-6003), dated June 11, 1959, as amended, is further amended as follows:

1. The date fixed in Amendment No. 1 to the Contract for completion of the work is further extended to thirteen (13) months from the date of the Contract, or to July 18, 1960.

2. Work under the Contract shall be suspended during the period beginning December 18, 1959, and ending not later than May 1, 1960.

3. The maximum period for royalty payments and the lien to secure payment thereof, provided for in Article 6 of the Contract, is extended from ten (10) to eleven (11) years from the date of the Contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Acting Director, Office of
Minerals Exploration

KEYS MICA COMPANY

By_____Partner

By_____Partner

By_____Partner

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 30 1959

DATE	INITIALS	CODE
12/30	RCW	225
"	EEF	800
1/4/60	aet	500

December 29, 1959

Memorandum

To: Operating Committee, OME, Washington 25, D. C.

From: Acting Executive Officer, OME Field Team, Region V

Subject: Docket No. OME-6003 (Mica), Contract No. 2005
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine, Grafton County, New Hampshire

In our memorandum of December 17, it was our intention to request an amendment to the subject contract recessing the project from December 18, 1959 until not later than May 1, 1960, and extending the completion date of the contract to June 30, 1960.

As suggested in your memorandum, we are withholding $150.00 from the Operator's October-November voucher until exploration work has been resumed.

V. J. Lynch

V. J. Lynch

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/23	WA	500
	Hrame	500
12/23	GCL	130
12/24	Johnson	110
12/24	RCW	220
		500

DEC 24 1959

Memorandum

To: Executive Officer, OME Field Team, Region V

From: Chairman, Operating Committee, OME

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract No. 2005

With reference to your memorandum, dated December 17, 1959, regarding the cited contract, please advise us of the commencing date for the suggested recess for this project. Upon receipt of this information, we will prepare an amendment allowing for a recess and an extension of the completion time.

Referring to the second paragraph of your memorandum, it is our understanding that you are making full contribution for 12 feet of drift and plan to contribute 90 percent of the Government's share for the remaining 58 feet. We think it would be better to withhold at least $150.00 rather than the amount you have indicated.

/s/ George C. Selfridge (GCS)

APPROVED:

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

Harold Kirkemo (HK)
Member, Geological Survey

JWAlt/gla 12-22-59
cc to: Director's Reading File
Operating Committee
M. L. Skow, USBM
Harold Kirkemo, USGS

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 21 1959

DATE	INITIALS	CODE
12/21	RCW	225
"	EEP	800
12/22	alt	500

December 17, 1959

Memorandum

To: Operating Committee, OME - Washington, D. C.

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

Subject: OME-6003, Contract No.2005, Keys Mica Company, c/o Sam L. Phillips, Spruce Pine, N.C. Rice Mine, Grafton County, New Hampshire

We have been advised by the Operator that this project was shut down in November because of weather, after completing 50 feet of shaft and 70 feet of drift. The contract authorizes 100 feet of drift, with a completion date (amendment no.1) of December 18, 1959. The last Field Team inspection was in October, when 12 feet of drifting had been done. The Operator reports recovery of 800 pounds of low-grade mica; Mr. Williams (Oct. 24, interim report) reports approximately 1,000 pounds from the shaft alone.

We plan to approve payment of the October-November voucher on this basis: full payment of the 12 feet of drift verified by Mr. Williams, and payment of 90% of the balance, withholding 10% until verification of total footage and/or submission of a final report in case work is not resumed. An inspection before next spring is impossible. If this is not a proper procedure, please advise us.

We recommend an amendment authorizing a recess until not later than May 1, 1960 with completion on or before June 30, 1960.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 21 1959

DATE	INITIALS	CODE

December 16, 1959

Mr. Sam L. Phillips

Spruce Pine, N. C.

Re: OME-6003 (mica)
Keys Mica Company
Rice Mine, Grafton County,
New Hampshire
Contract No.2005

Dear Mr. Phillips:

We have received your October-November voucher for the work at the Rice mine, and note that work is recessed for the winter. Please advise me as to approximately the date you plan to resume work.

As now amended, the expiration date is December 18, therefore, an amendment to authorize the recess and extend the completion date is necessary.

The voucher was not accompanied by a narrative report, and the brief remarks on the form MTE-61 are inadequate to give a good picture of the progress on the job. Please send me a narrative account of the October-November work. Was the drifting all in pegmatite? How thick was the pegmatite? How thick was the mica zone or zones, and was the mica chiefly on hanging wall or footwall, or both? Was all the 800 pounds of mica recovered from the drift, or does this include mica from the shaft? Has any of it been prepared or sold? As you state that it is low-grade, please indicate what the defects are.

Sincerely yours,

Robert A. Laurence
Executive Officer, OME
Region V

RAL/mm
cc
Opr. Com-2
Lynch
Finance
Files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

NOV 19 1959 O.M.E.

NOW ON VOUCHER AND SCHEDULE OF PAYMENTS 7 8

Month of Aug. & Sept. 1959 Docket No. ~~DMEA~~ OME 6003 Contract No. 2005

Operator's Name Keys Mining Co. Minerals Mica

Address c/o Sam L. Phillips, Spruce Pine, N.C.

Contract Amount, $ 5,350.00 Government Participation: 50 % Amount, $ 2,675.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						11/20/59-J.W.L.
Drilling						
Bulldozing						
Crosscutting						
Drifting						
50' Shaft @ $47.00	2350.00		2350.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2350.00		2350.00	2350.00		2350.00

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

Date 10-8-59 *Payee Keys Mining Company By: Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 1175.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date NOV 17 1959 Vou. No. 8

(See other side)

1175.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. OME-2005 in accordance with the terms of the contract.

Signature [signature] Title MINING ENGINEER U. S. BUREAU OF MINES Date NOV 12 1959

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER OME FIELD TEAM REGION V Date NOV 12 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

NOV 19 1959
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug & Sept 9 195 Docket No. ~~XXXXX~~ OME 6003 Contract No. 2005
Operator's Name Keys Mining Company Minerals Mica
Address c/o Sam L. Phillips, Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	2350.00	50	2350.00	50	47.00	50	47.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2350.00		2350.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		~~2350.00~~		~~2350.00~~				
TOTAL COSTS								

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

Date 10-8-59 Operator Keys Mining Company By: Sam L. Phillips

Per Sam L. Phillips Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

V. J. Lynch

U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Progress Report

Docket No. OME - 6003
Contract No. - 2005
Keys Mica Co.
Rice Mine, Grafton Co., N.H.

Work Accomplished:

Work began on August 24, 1959. To date we have completed a total of 50' of vertical shaft, which is the total amount of shaft called for in the Contract. All of the shaft was sunk in pegmatite. The pegmatite looks very good and we are getting some mica.

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 12 1959

DATE	INITIALS	CODE
11-12	gad	220
"	[illegible]	110
11/13	[illegible]	800
~~"	[illegible]~~	~~700~~

OFFICE OF MINERALS EXPLORATION

INTERIM REPORT

KEYES MICA COMPANY - RICE MINE

OME 6003, Idm-E2005-Mica

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Location: Rice mine, Grafton County, New Hampshire

The Rice mine was visited by the writer on October 24, 1959. About 5 hours were spent on the property in company with Mr. William Willis, mine foreman. Adjoining prospects as well as the active Pegmatite 32 mine were also examined.

Work completed: The Operator stated that work under the terms of the contract was started on August 24, 1959. By October 24, the inspection date, the Operator had sunk a vertical shaft to a depth of 50 feet. Cross sectional dimensions of the shaft are 7 ft. by 10 ft. Twelve feet of drift had been driven to the southwest from the bottom of the shaft. A small sump is pumped periodically with an electric pump. The Operator plans to turn the short drift to the west in order to crosscut to the west wall. A crosscut may also be started soon to reach the east wall.

No ladders or landings had been installed in the shaft although preparations were being made to do so. Access in and out of the shaft was solely by hoist and bucket, which prevented better examination of the shaft walls. Timber was neither needed nor used in either the shaft or the drift.

Geology: The entire shaft and drift are in an intermediate pegmatite zone composed of feldspar, quartz, and muscovite. A few small, (finger size) crystals of beryl were recovered from the shaft. A white quartz core about 5 feet thick can be seen in the northeast wall of the shaft at the collar. The core, however, thins downward and pinches out about 10 to 12 feet below the shaft collar. Scattered masses of white quartz are found below, however, to the bottom of the shaft.

Two fracture planes were noted in the shaft although evidence of movement along them was not found.

About 1,000 pounds of book mica was recovered from the shaft. The books average 3 to 4 inches in diameter, are clear and rum colored, and split freely. Some clay staining is present. The mica was stored in a shed at the shaft. None of the mica has been trimmed; none had been sold.

Conclusions and recommendations: The exploratory work at the Rice mine appears to be progressing in a satisfactory manner. The lateral work from the bottom of the shaft should be continued at least until both walls of the pegmatite have been reached. Drifting along the walls may then be justified.

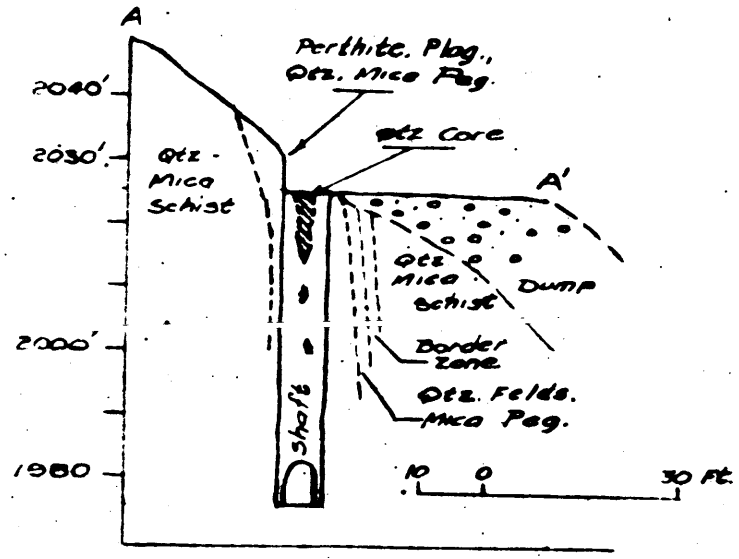
The work may have to be recessed because of winter weather conditions. In any event, it appears that at least one more on-site inspection will be required to verify that units of work have been completed and that the objective of the project has been achieved.

W. P. Williams

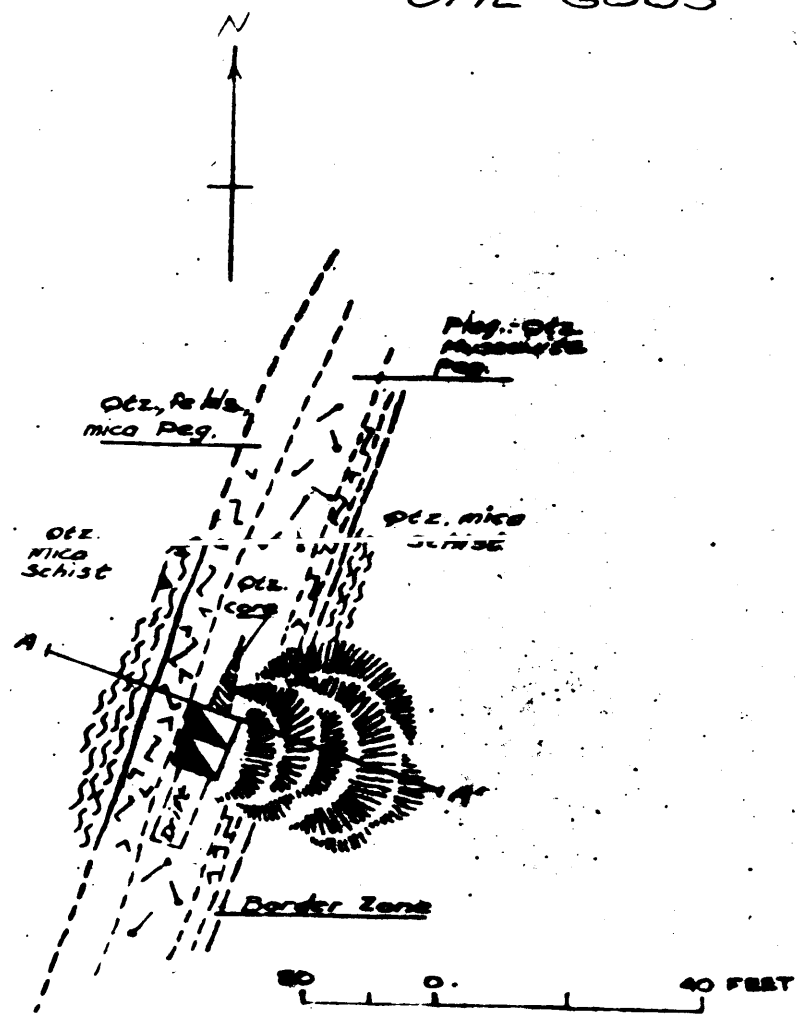
Inspected: October 24, 1959

W. P. Williams, Geologist
U. S. Geological Survey

OME 6003



SECTION



MAP OF RICE PROSPECT

OME 6003 - IDM-E 2005
KEYS MICA COMPANY
[illegible] COUNTY, N.H.
[illegible]

Official File Copy

~~EXTRA COPY~~

O. M. E.
RECEIVED OCT 16 1959

DATE	INITIALS	CODE
10-16	gad	VVO
10/18	[illegible]	110
10/19	[illegible]	800
10/20	alt	500

October 14, 1959

Memorandum

To: Operating Committee, OME - Washington

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

Subject: Narrative portions of Monthly Reports.

Because processing of these vouchers is being suspended for a variety of reasons, I am sending you herewith, one copy of the narrative monthly report for each of the following:

DMEA-5008, Idm-E1204, September 1959

OME -6003, Contract 2005, August-September 1959

OME -6006, Contract 2004, August-September 1959

OME-6011 Contract 2001, September (final)

MF-104 and 104A has been detached from these reports and will be forwarded through regular channels when processed for payment.

Robert A. Laurence

RAL/zm

OPERATOR'S

Progress Report

Docket No. OME - 6003
Contract No. - 2005
Keys Mica Co.
Rice Mine, Grafton Co., N.H.

Work Accomplished:

Work began on August 24, 1959. To date we have completed a total of 50' of vertical shaft, which is the total amount of shaft called for in the Contract. All of the shaft was sunk in pegmatite. The pegmatite looks very good and we are getting some mica.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/11		500

September 11, 1959

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Secretary
Division of Minerals

Subject: Amendment to contract

Mr. Alt has reviewed and approved Amendment No. 1, dated August 31, 1959, Docket No. OME-6003, Contract No. 2005, Keys Mica Company, executed by the Executive Officer, Region V, and the Operator. Review by the Legal Division is not required.

Grace L. Ault

Grace L. Ault

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 8, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 10 1959

DATE	INITIALS	
9-10	gad	2 r o
		~~130~~
9-11	alt	500

Memorandum

To: Operating Committee, OME, Washington 25, D. C.

From: Field Team, Region V, Knoxville 2, Tennessee

Subject: OME-6003, Contract No. 2005 (Mica)
Keys Mica Company, Spruce Pine, North Carolina
Rice Mine, Grafton County, New Hampshire

Enclosed are the fully executed Government and Audit copies of Amendment No. 1 to the subject contract. Usual distribution of the other copies has been made.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Room 11, Post Office Building
Knoxville 2, Tennessee

August 31, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 2 1959

DATE	INITIALS	CODE
9-2	gad	VVO
		~~IVO~~
9-2	Alt	500

Memorandum

To: Operating Committee, OME, Washington 25, D. C.

From: Field Team, OME, Region V, Knoxville 2, Tennessee

Subject: OME-6003 (Mica), Contract No. 2005
Keys Mica Co., Spruce Pine, North Carolina
Rice Mine, Grafton County, New Hampshire

We have been advised by the Operator that work under Contract No. 2005, at the Rice Mine, began on August 24, 1959. Amendment No. 1 is being forwarded to the Operator for execution, authorizing the later starting date and a correspondingly later completion date. Because of weather conditions, the Operator hopes to complete the job by mid-November, and will probably request a recess until spring if it is not completed by that time.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 24, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 26 1959

DATE	INITIALS	CODE
8-26	gad	220
		~~120~~
8/26	EEG	800
8/27	ALT	500

Memorandum

To: Operating Committee, OME, Washington 25, D. C.

From: Field Team, Region V, Knoxville, Tennessee

Subject: OME-6003, Contract No. 2005 (Mica)
Keys Mica Company, Spruce Pine, North Carolina
Rice Mine, Grafton County, New Hampshire

Enclosed are the original and two copies of the latest interim report on the subject project.

Delay in starting this project was due to the difficulties involved in establishing the boundaries of the Rice tract and the project area. Because of the uncertainty as to whether the survey data submitted by the Operator would be acceptable, the Operator was naturally reluctant to begin work under the contract.

We have written to Mr. S. L. Phillips, requesting a firm starting date, now that the Operator's property map has been accepted, and will prepare the necessary amendment when we receive his reply.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 26 1959

DATE	INITIALS	CODE

OFFICE OF MINERALS EXPLORATION
Interim Report
OME 6003, Idm-E2005, Mica

Operator: Keys Mica Company, Spruce Pine, North Carolina

Location: Rice Mine, Grafton County, New Hampshire

The Rice mine was visited by the writer on August 11, 1959, accompanied by R. B. McNeill, mine foreman. Mr. McNeill stated that neither S. L. Phillips nor J. R. Beam, officers of Keys Mica Company, was in New Hampshire at the time of the inspection. Mr. Phillips had been notified in advance with regard to the inspection.

Approximately 2 hours were spent on the property examining old mica mine workings and prospect pits. No OME work, as outlined in Contract Idm-E2005, had been performed up to August 11, 1959. No road building, brush cutting, or any other preparatory work had been performed at Pegmatite No. 29 - the site of the proposed OME work.

Four men, including Mr. McNeill, were engaged in cleaning out and deepening the open cut at Pegmatite No. 32, Rice mine, (see Field Examination Report, Figure 2). Massive ice, about 7 feet thick, still lies in the deeper parts of the Rice mine. Only a few pounds of hand cobbed mica have resulted from the operations at Pegmatite No. 32.

Recommendations: The operator's representative, R. B. McNeill, stated that it was his understanding that the operator intends to complete the proposed OME work and that the work might be started very soon. No explanation could be found for the delay.

Since the starting date, July 15, 1959, specified in the contract is past, it seems advisable for OME to contact S. L. Phillips to determine his intentions concerning the OME work. An amendment to contract Idm-E2005 seems necessary to allow later starting and completion dates.

Inspected: August 11, 1959

W. P. Williams, Geologist
U. S. Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 6, 1959

Operating Committee

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 10 1959

DATE	INITIALS	C
8-10	gad	vvo
		800
		500

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DME-6003(mica)
Keys Mica Company
Rice Mine, Grafton County, N.H.
Contract No.2005

Dear Mr. Phillips:

Enclosed is your copy of the fully executed contract for the proposed exploration at the Rice mine, pegmatite No.29. Please note that only pegmatite No.32 is excluded from the contract area.

We received the letter from the Register of Deeds at Woodsville in today's mail.

Please note that the contract provides for beginning by July 15 and completing by October 18. Because of the long delay in obtaining the necessary property data, it seems probable that work did not begin before July 15, and if so, may not be completed by October 18. Please let me know when work actually did begin, or is expected to begin, and your present estimate of the approximate completion date, so that we can prepare an amendment if necessay.

Sincerely yours,

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

RAL/xm

OFFICE OF

Register of Deeds

GRAFTON COUNTY

CHARLES A. WOOD, REGISTER

August 3, 1959

Woodsville, New Hampshire

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 10 1959

DATE	INITIALS	CODE
8-10	gad	VVO
8/10	[illegible]	500
"	[illegible]	500

OME-6003
Keys Mica Co.

Mr. Robert A. Lawrence
Executive Officer, D.M.E.A.
Region V, Room 13,
Post Office Building
Knoxville 2, Tennessee.

Dear Mr. Laurence:

This is to verify that I have searched the records of the Grafton County Registry of Deeds relative to property known as the Rice Mine in Groton, N. H. with The following results:

The title to the Rice Mine appears to vest in the Keys Mining Company.

Very truly yours,

Charles A. Wood

Charles A. Wood, Register

RECEIVED
AUG 6 - 1959
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

ADDRESS ALL CORRESPONDENCE TO WOODSVILLE

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/31	Alt	500
	Grawell	500
7/31	Talbert	800
8/4	GCS	130
8/4	Johnson	110
8/4	gad	220
		500

AUG 4 1959

Memorandum

To: Executive Officer, OME Field Team, Region V

From: Chairman, Operating Committee, OME

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract No. 2005

Enclosed is the Field Team copy of the subject contract with map Figure 2, Property Map of Rice Mine, Keys Mica Company, and two extra copies of Annex I and Exhibit "A" with maps for the use of the Field Team. Also enclosed are two copies of map Figure 2 to be attached to the Operator's and Finance Office" copies of the contract.

George C. Selfridge (for)

Enclosures

P. F. Yopes

Member, Bureau of Mines

Harold Kirkemo

Member, Geological Survey

JWAlt/gla 7-31-59
cc to: Director's Reading File
Operating Committee
M. L. Skow, USBM
Mr. Kirkemo, USGS
Docket
Chron

P. S. The map submitted excluded pegmatites 31 and 32. Since the contract stipulates that only pegmatite 32 should be excluded, we have changed the map accordingly.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/15	QCP	600

Office of Minerals Exploration

Report on Exploration Assistance Application

Applicant

Keys Mica Company
(a partnership)
Spruce Pine, North Carolina

Docket No. OME-6003 Mica

Date of Application: January 29, 1959
Date Received: February 10, 1959
Name of property: Rice Mine
Grafton County, New Hampshire

Applicant's proposed exploration and cost

To explore five prospects on the property which are:

Project No. 32		
50 ft. of shaft @ $50.00/ft.	$2,500.00	
200 ft. of drift @ $40.00/ft.	8,000.00	$10,500.00
Project No. 29		
50 ft. of shaft @ $50.00/ft.	$2,500.00	
100 ft. of drift @ $40.00/ft.	4,000.00	6,500.00
Project No. 30		
50 ft. of shaft @ $50.00/ft.	$2,500.00	
100 ft. of drift @ $40.00/ft.	4,000.00	6,500.00
Project No. 28		
40 ft. of shaft @ $50.00/ft.	$2,000.00	
80 ft. of drift @ $40.00/ft.	3,200.00	5,200.00
Project No. 38		
30 ft. of shaft @ $50.00/ft.	$1,500.00	
100 ft. of drift @ $40.00/ft.	4,000.00	5,500.00
Total cost of projects		$34,200.00

1. Financial Eligibility

The Applicant wrote to one bank and a building and loan association requesting a loan of approximately $35,000.00. The loans were applied for by Sam L. Phillips, one of the partners of the Keys Mica Company. Both applications for loans were refused.

Loans were requested:

43683

Mr. Edward Bellow, Jr.
Mitchell County Building and Loan Association
Spruce Pine, North Carolina

Mr. W. H. Lee
Northwestern Bank
Spruce Pine, North Carolina

Financial statements were submitted for the Company and each of the three partners, Sam L. Phillips, John Phillips and J. R. Beam.

2. Reviews: The Bureau of Mines and the Geological Survey concur with the Field Team's recommendation that a contract be prepared. The OME recommends that a contract be granted.

a. Geologic Probability:
Three small cuts and three prospect pits were made in pegmatite No. 29 in 1940, 1941. The pegmatite is about 400 feet long and 10 to 30 feet thick. Recent prospecting has outlined a quartz core with an intermediate zone of perthite-plagioclase-muscovite containing 3 to 5 percent good quality ruby mica. Of the five prospects for exploration as requested by the Applicant, the Field Team recommends only Project No. 29 for exploration assistance at the present time.

b. Estimated cost to explore the target (Project No. 29)

1. 50 ft. of vertical shaft @ $47.00/ft.	$2,350.00
2. 100 ft. of drifts and/or crosscuts @ $30.00/ft.	3,000.00
Estimated total cost of the work	$5,350.00
Government participation @ 50%	$2,675.00

c. Plan and method of conducting exploration
The plan is to sink a 50-foot vertical shaft from surface near the hanging wall of the contact and near the bottom of the shaft, crosscut to both walls of the pegmatite, and drift northeasterly and/or southwesterly in the pegmatite. The total amount of drifting and crosscutting shall not exceed 100 feet.

d. The project area is accessible for exploration and mining work the entire year.

e. Applicant's background and experience. The partners have had considerable experience in conducting exploration projects.

f. Applicant's title and right to possession of the land.
Owners. To date we have not received a property map.

J. W. Alt

JWAlt:gad 6/9/59

Operating Cont.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

July 24, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 27 1959

DATE	INITIALS	CODE
7/27	C	220
7/28	[illegible]	800
"	alt	600

Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: OME-6003 (mica)
Keys Mica Company
Rice Mine, Grafton County, N.H.
Contract No.14-23-090-2005

Dear Mr. Phillips:

Your letter of July 21 has been forwarded to our Washington office along with the maps you sent showing the boundaries of the Rice tract. We have not received the statement from the Register of Deeds, but will forward it to Washington as soon as it is received.

We will notify you of any information in addition to what you have already sent is needed.

Sincerely yours,

Robert A. Laurence
Executive Officer, OME
Region V

xm/RAL

Cpr.-2
Lynch
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 27 1959

DATE	INITIALS	CODE
7/27	C	220
7-28	alt	500

July 24, 1959

Memorandum

To: Operating Committee, OME - Washington

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

Subject: OME-6003, Idm-E2005-mica. Keys Mica Company, Rice Mine, Grafton County, New Hampshire

Enclosed are the original and two copies of a letter from the Operator, explaining the boundary situation, with two maps which show the corners of the Rice mine tract. We will forward the letter from the Register of Deeds when we receive it.

It is our opinion that the tract, as designated on these maps is adequate for the proposed exploratory work, and that the area for which the Operator requests exclusion will not be benefitted by the work to be done under the exploration contract.

If the data submitted are satisfactory, please have the necessary exhibits prepared for inclusion in the contract and send copies to us for the usual distribution.

Robert A. Laurence

Robert A. Laurence, Executive Officer
OME Region V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 27 1959

DATE	INITIALS	CODE

Spruce Pine, North Carolina
July 21, 1959

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

Dear Mr. Laurence:

I spent two days in Woodsville, New Hampshire, the County Seat, working with the register of deeds and others in an attempt to establish the exact location of the property we own which is known as the Rice Property. I not only worked with the present registrar but also with the previous registrar who had served that county in that capacity for fifty years. The consensus of opinion was that the land in the early days was surveyed by drawing lines on a plat without any actual survey being made. The reason metes and bounds surveys was not made was because the land was not considered worth the cost of a proper survey.

I also worked parts of two days with the Soil Conservation Adm. Office, which helped me and the registrar locate the Rice Property by aerial photograph. An experienced reader of aerial photography can ascertain the location of the old rock fences that established the boundry line between property years ago. The A.S.C. People were able to locate various roads, streams, ponds, rock fences and what appeared to be corners around the Rice Property. To the very best of my knowledge the corners inserted on the map which you have are correct.

The register of deeds will make a written statement based on his title search that Keys Mining Company is the true owner of the Rice Mining property.

Thank you for your help, and if any further information is necessary please let us hear from you.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

P/bjg

RECEIVED
JUL 23 1959
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	[illegible]	500
7/13	[illegible]	220
7/13	[illegible]	
7-13	gad	220
7-14	[illegible]	100

JUL 13 1959

Memorandum

To: Administrative Assistant, Bureau of Mines, Region V

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract No. 14-23-090-2005

Reference is made to your telephone conversation with the Chief, Branch of Finance, Bureau of Mines, regarding your lack of documentation to support the entry of the subject approved contract in your Operators Ledger and Operators Ledger Control.

Enclosed is the Finance Office copy of the subject contract for entry and retention in your files.

No vouchers should be scheduled for payment under this contract until receipt by you through the Chairman, Operating Committee, and the Executive Officer, OME Field Team, Region V, of a copy of an approved Figure 2, Property Map of Rice Mine, Keys Mica Company, as referenced in Annex I of the contract.

Enclosure

EDTalbert/ama
July 13, 1959

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Laurence
Mr. Bailey

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/9	[illegible]	500
	[illegible]	500
7/9	[illegible]	800
7/10	[illegible]	130
7/10	[illegible]	110
7-10	[illegible]	220
		500

JUL 10 1959

Memorandum

To: Acting Executive Officer, OME Field Team, Region V

From: Chairman, Operating Committee

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract No. 14-23-090-2005

The maps submitted with the contract (your July 2 memorandum) are not adequate and no payments should be made until a proper map is received.

With your "Field Examination Report," dated May 27, 1959, you submitted a Figure 2, "Geologic Map And Sections Of The Rice Mica Mine, Groton, New Hampshire." It should be possible to make a larger property map showing the important features outlined on Figure 2, such as Pegmatites 29 and 32, with the proper boundary lines of the excluded area and the proper locations with reference to property corners.

We are enclosing the "Operator's copy" of the contract, for your guidance. When a proper map has been received and reviewed, we will attach copies of it to the other contract copies and make distribution.

/s/ George C. Selfridge (24B)

Enclosure

APPROVED:

P. F. Yopes (24B)
Member, Bureau of Mines

Harold Kirkemo (24B)
Member, Geological Survey

JWAlt/gla 7-9-59
Copies to: Director's Reading File
Operating Committee
H. Kirkemo, USGS
MLSkow, USBM
Docket
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/8	Alt	500
	Minnow	500
7/8	Talbot	800
		130
		118 ~~245~~
		220
		500

Memorandum

To: Acting Executive Officer, OME Field Team, Region 7

From: Chairman, Operating Committee

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire
Contract No. 14-23-090-2005

With reference to your memorandum, dated July 2, 1959, regarding the cited project, the maps submitted with the contract are not adequate and no payments should be made under the contract until a proper map is received.

With your "Field Examination Report," dated May 27, 1959, you submitted a Figure 2, "Geologic Map And Sections Of The Rice Mica Mine, Groton, New Hampshire." It should be possible to make a larger property map showing the important features outlined on Figure 2, such as Pegmatites 29 and 32, with the proper boundary lines of the excluded area and the proper locations with reference to property corners.

All copies of the contract are returned to you for proper attachments.

Enclosures

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

JWAlt/gla
7-8-59
cc to: Director's Reading File
Operating Committee
H. Kirkemo, USGS
M. L. Skow, USBM

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

July 2, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED JUL 6 1959		
DATE	INITIALS	CODE
7-6	gad	VVO
		VIO
~~7-7~~	~~J.W.L.~~	~~500~~

Memorandum

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

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

Subject: Docket No. OME-6003 (Mica), Contract No. 2005
Keys Mica Company, Spruce Pine, North Carolina
Rice Mine, Grafton County, New Hampshire

Enclosed are all copies of the subject contract. The contract was signed by the Operator and mailed at the Spruce Pine, North Carolina Post Office on June 30, 1959. The original envelope is enclosed.

Attached to the contract is a photostat copy of the Plan of the Town of New Groton, New Hampshire on which Mr. Phillips has outlined in red the area covered by the Company's lease. Also, attached is a sketch map of the leased area which indicates that the prospect is within the leased area. However, these maps may not be adequate to describe the leased area because the Rice mine was not tied to the Lot Numbers in the original deed that conveyed the property to the Keys Mica Company. We doubt that a better map can be obtained--possibly not even with a survey. Therefore, we are returning all copies of the contract. If it is determined that the maps are adequate, please return the Operator's, Finance Office, and Field Team's copies to this office for distribution.

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

Frank G. Lesure
Frank G. Lesure
Geologist
U. S. Geological Survey

Enclosures 8

OFFICE OF MINERALS EXPLORATION

INTERIM REPORT

OME-6003, Idm-E2005-Mica

Operator: Keys Mica Company, Spruce Pine, North Carolina

Location: Rice Mine, Grafton County, New Hampshire

The Rice mine was visited by the undersigned in company with S. L. Phillips on July 1, 1959. Work on a short access road was expected to begin as soon as a dozer could be brought to the site; starting of contract work will await completion of the road.

Inspected: July 1, 1959

Robert A. Laurence, Geologist
U. S. Geological Survey

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 20 1959

DATE	INITIALS	CODE
7-20	gad	110
"	[illegible]	110
7/21	[illegible]	800
7/22	aet	500

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DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/18	[illegible]	600
6/15	[illegible]	800
6/15	[illegible]	130
4	[illegible]	110
		~~100~~
		~~NB~~
6/19	[illegible]	220
		600

600

JUN 18 1959

Memorandum

To: Executive Officer, OME Field Team, Region V

From: Chairman, Operating Committee, OME

Subject: Docket No. OME-6003 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Rice Mine
Grafton County, New Hampshire

Attached are the original and four copies of a proposed short-form contract signed by the Acting Director for the Government. It consists of the form, Annex I (1 page), Exhibit "A" (1 page), and one map. Also attached are two extra copies of Annex I, Exhibit "A," and one map for the use of the Field Team.

Please advise the Applicant that the 6-3/8% interest accrues from the date the money is made available and like the principal is repayable from royalty on production.

On June 12, 1959, we wrote the Applicant requesting that a property map and a copy of the instrument by which N. G. Sparks conveyed his interest to Sam L. Phillips and J. R. Beam be sent to you. Should it appear that there are any outstanding rights or claims affecting the Applicant's interests, the usual subordination agreements must be obtained and added to the contract. When the property map is received, will you entitle it as specified in Annex I and show the excluded area as stated in the Annex. The size of this area should encompass little more than the pegmatite.

If the proposed contract meets with your approval, and after the property map has been attached, present it to the Applicant for execution. Copies of the executed contract are to be distributed in the usual manner. If any part of this proposed contract does not have either your approval or that of the Applicant and cannot be amended within your delegated authority, then the original and all copies of the contract and the two extra copies of Annex I, Exhibit "A," and map are to be returned to this office, together with the proposed changes for consideration.

As the current appropriation for financial assistance expires for obligation purposes on June 30, 1959, this contract must be

8623

executed on or before that date. If this cannot be done, the unexecuted original and all copies should be returned to this office for rewriting as an obligation under the 1960 appropriation, if and when available.

Copies of memoranda dated June 4, 1959, by Mr. W. P. Williams, USGS, and Mr. Donald R. Irving, USBM, relating to the project are attached.

/s/ George C. Selfridge (JB)

Approved:

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

Harold Kirkemo (JB)
Member, Geological Survey

Attachments 11

JWAlt/gad/GCSelfridge/hb (6/18/59)
Copy to: Director's Reading File
Operating Committee
Mr. Kirkemo, USGS
Mr. Skow, USBM

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

JUN 1 2 1959

Memorandum

To: Acting Director, Office of Minerals Exploration

From: Acting Associate Solicitor, Division of Mineral Resources

Subject: KeysMica Company (a Partnership)
Docket No. OME-6003 (Mica), Rice Mine
Grafton County, New Hampshire

As requested in your memorandum of June 9, 1959, we have drafted the subject contract following the form submitted with 3 minor changes:

1. In the first paragraph we have added the names of the three partners to the title of the company.

2. In Annex I, Description of the Property, we have omitted the words "to the grantor", and also shortened the statement. The omitted words seem anomalous, in the absence of any showing as to who is meant by "the grantor".

3. In Article 6(c) the word "operator's" has been stricken out.

J. L. Hofflund

Attachment

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/12	[illegible]	600
6/12	Houk	600
6/12	Selfridge	120
6/12	Johnson	110
6/18	[illegible]	220
		600

JUN 12 1959

600

Messrs. Sam L. Phillips, John Phillips
and J. R. Beam
Keys Mica Company
Spruce Pine, North Carolina

Re: Docket No. OME-6003 (Mica)
Sam L. Phillips, et al.
Keys Mica Company
Rice Mine
Grafton County, New Hampshire

Docket No. OME-6006 (Mica)
Sam L. Phillips, et al.
Keys Mica Company
Keys Mica Mine
Grafton County, New Hampshire

Gentlemen:

In order to complete the processing of the cited applications, property maps are needed for these projects. On these maps should be shown where the proposed work is to be done. Also, please submit a copy of the instrument by which M. G. Sparks conveyed his interest to Sam L. Phillips and J. R. Beam.

The above mentioned items should be sent to Mr. Robert A. Laurence, Executive Officer, OME Field Team, Region V, Room 2-B, Post Office Building, Knoxville 2, Tennessee.

An early submission of these requests will expedite the processing of these applications.

Sincerely yours,

/S/

Lawrence G. Houk
Chief, Division of Nonmetallic Minerals

JWAlt:gad 6/12/59
Copy to: Dir. R. File
Region V
Mr. Kirkemo, USGS, 5222
Mr. M. L. Skow, USBM, 3425

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/9	ALB	600
6/9	Hook	600
		220

600

June 9, 1959

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Division of Nonmetallic Minerals

Subject: Preparation of contract for Keys Mica Company (a partnership)
Rice Mine
Grafton County, New Hampshire
Docket No. OME-6003 (Mica)

Will you please prepare a contract for the cited Applicant. A draft of the contract (MME Form 51), Annex I, and Exhibit "A" are attached to this memorandum.

To date we do not have a property map. The map will be attached to the contract when it is prepared, or attached by the Field Team when the contract is forwarded to them.

JWAlt:gad 6/9/59
Copy to: Dir. R. File

43683

IN REPLY REFER TO:

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

June 4, 1959

Memorandum

To: L. G. Houk, Office of Minerals Exploration

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

Subject: Review of field examination report, OME 6003 (Mica)
Keys Mica Company, Rice Mine, Grafton County, New Hampshire

The examining team have submitted a favorable report about the applicant's property. Eleven pegmatites have been partly mined or prospected at the Rice mine.

One of the five pegmatites included in the application produced 15 to 20 tons of mine-run mica last year.

Of the several pegmatites on the applicant's property, the examining team have selected one as the most promising upon which to do further work. Recent prospecting discloses muscovite that is in an intermediate zone favorably associated with a quartz core.

I agree with the recommendations of the examining team for approval of an OME contract to provide for the exploratory work outlined in the report of field examination. The prospects for success appear to be good.

W. P. Williams

W. P. Williams

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 5 1959

DATE	INITIALS	
6/4	W	225
		600

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

June 4, 1959

Memorandum

To: Nonmetallic Minerals Division
Office of Minerals Exploration

From: Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: OME 6003 (mica)

Applicant: Keys Mica Co.

Name and Location of Property: Rice Mine, Grafton County, New Hampshire

Date of Field Team Report: May 27, 1959

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: June 2, 1959

Field Team Recommendation: Recommend a contract for exploration of pegmatite No. 29.

Comments:

1. This is an old mine in which a number of mica-bearing pegmatites occur.

2. Good quality mica was produced at this mine during World War II.

3. Recent prospecting has outlined a quartz core in pegmatite No. 29 with associated good quality mica.

Recommendation:

I concur with the recommendation of the field team that exploration assistance is warranted on pegmatite No. 29.

E. Robert Rulhman
for Donald R. Irving

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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5/29	JB	130
6/1	JE	110
6/2	JB	130
6/2	C	220
		110

May 27, 1959

Memorandum

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

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

Subject: OME-6003 (Mica) Field Examination Report
Keys Mica Company, Spruce Pine, North Carolina
Rice Mine, Grafton County, New Hampshire

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

No comments on the financial eligibility of the Applicants is included. You have their financial statements, and you are more familiar than we are with the criteria of eligibility. These Applicants are known to be competent mica miners, and have explored under many DMEA contracts in other states.

When the property map is received, it will be forwarded to you.

We recommend approval of a contract, as outlined in the examination report.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 3

Reviewed by
OME OPERATING COMMITTEE
6-2-59
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

Field Examination Report

On

OME-6003 (mica)

Rice Mine, Grafton County, New Hampshire

On-site Exam. Rpt.

REGION V

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RECEIVED MAY 29 1959

DATE	INITIALS	CODE
6/2	HB	130

Frank G. Lesure, Geologist
Geological Survey

Harry L. Burmeister, Mining Engineer
Bureau of Mines

Reviewed by
OME OPERATING COMMITTEE
6-2-59
(date)

May 27, 1959

OFFICE OF MINERALS EXPLORATION

FIELD EXAMINATION REPORT
ON

OME-6003 (mica)

Rice Mine, Grafton County, New Hampshire

Summary

Eleven pegmatites have been prospected or partly mined at the Rice mine. The pegmatites are en echelon lenticular bodies that have mineralogical and structural similarities. The pegmatites are in general zoned and composed of perthite, plagioclase, quartz, muscovite and biotite. Sheet muscovite is generally scattered in a core of perthite and quartz or may be in shoots in an intermediate zone of perthite-plagioclase-quartz associated with a discontinuous quartz core.

Production from one of the five pegmatites included in the application (No.32) was 15 to 20 tons of mine-run mica last year. Mining is to be continued at this pegmatite and no further exploration is warranted at this time. Three of the remaining four pegmatites (Nos. 28,30, and 38) have not been prospected since World War II. Because of the lack of information concerning their zonal patterns no definite targets are apparent and no work is recommended.

We recommend that exploration assistance be granted on the fifth pegmatite, No.29. Recent prospecting has outlined a quartz core with an intermediate zone of perthite-plagioclase-muscovite containing 3 to 5 percent good quality ruby mica. A fifty-foot shaft and 100 feet of drifting and crosscutting should explore adequately this pegmatite and may outline significant reserves.

Introduction

Location: The Rice mine is near the top of a small mountain at an elevation of about 2000 feet., 1.7 miles S. 58°W of North Groton, Groton Township, Grafton County, New Hampshire (Fig. 1 and Cardigan, N.H., U.S.G.S. 15-Min quad.) The mine can be reached from North Groton by driving south on the paved road 0.25 mile, turning left on a graded road and following this road for 1.2 miles. Turn left onto a poorly graded, steep mine road, 1.1 miles to the mine. This mine road is passable only by four-wheel drive vehicle

or trucks.

Examination: The examination of the Rice mine was made May 15, 1959 and lasted four hours. The Examiners were accompanied by Mr. J. R. Beam. Mr. Beam was not familiar with the application as submitted by his partners but mined one of the Rice pegmatites in 1958. Although a map of the proposed prospect area is reported to have been submitted with the application no copy was sent to the field for the use of the Examiners. The geologic map made by McNair, Chivers and Brundage (U.S. Geol. Survey Prof. Paper 255, Pl.31, copy attached as figure 2) was used to locate the pegmatites that Mr. S. L. Phillips apparently wished to explore. Because very little additional prospecting has been done at the Rice mine since the area was mapped during World War II, the descriptions given by Cameron and Others (U.S. Geol. Survey Prof. Paper 255, p.226-229) are adequate and are quoted extensively in this report.

History: According to McNair (Cameron and Others, 1954, p.226) the Rice mine was opened in 1897 by C. A. Smith of Groton, New Hampshire. The mine was operated intermittently until 1940 and was worked by the General Electric Company, Schenectadly, N.Y., in 1940 and 1941. Some additional prospecting was done in 1943. A. H. McNair and V. Chivers of the U. S. Geol. Survey mapped the mine in 1943 and McNair visited it again in 1945.

In 1957 John L. Maderic mined in the large open cut at pegmatite No.32. He sold his interests to the Applicants who

began mining in Pegmatite No.32 in 1958. Mr. Beam reports that production from this pegmatite during 1958 amounted to 15 to 20 tons of good quality muscovite. While the mining was going on some prospecting was done on Pegmatite 29, 28, and 33.

The recent mining in Pegmatite No.32 has been in the center of the open cut. The cut was deepened 10 to 30 feet to a total depth of 65 feet and a bench about 20 feet high was advanced to the southwest near the area of the crosscut shown in section CC' figure 2. Work was stopped because of winter weather. At present there is about 25 feet of water in the bottom of the cut. The pegmatite is reported to have widened to 15 feet with depth. Mr. Beam informed the Examiners that he intends to begin mining again at Pegmatite No.32 as soon as he can build a camp and get the mine pumped out. According to Mr. Beam mining costs averaged $800.00 per week and production averaged one ton of mine-run mica per week last year. He said that trimming costs averaged $400.00 per ton and that the mica averaged $2,000 per ton of mine-run.

During 1958 about 15 rounds were shot in the central cut at Pegmatite No.29. About 10 tons of pegmatite was removed. Mr. Beam reports a recovery of about 1000 pounds of mine-run mica.

A small pit, 3' x 5' x 2', was also made near the northern prospect pit at Pegmatite No.28. A few pounds of mica may have been recovered. Mr. Beam also reported that some mica was recovered from Pegmatite No.33.

Property rights: This property is reported as being owned by the Applicant in fee simple. The application states that the record of deed was furnished with the application. The Applicant was instructed to furnish a map of the entire Rice Mine property on which is to be indicated the location of Prospect 29 in relation to the location of No.32 which is being operated. Mr. Beam will try to get a copy of the entire property map from the County Recorder's office and submit it to the Knoxville office.

Geology

Eleven pegmatites have been partly mined or prospected at the Rice mine. The pegmatites are en echelon lenticular bodies that strike N. 20°E and are vertical or dip steeply southeast. The pegmatites are in general concordant with the foliation of the quartz-mica schist country rock. Small rolls in the wall rock at Pegmatite No.32 plunge about 55° SW and Mr. Beam states that muscovite seems to be concentrated in shoots in the pegmatite along these rolls. The following descriptions of the individual pegmatites are taken from Cameron and others, 1954, p.226-229. Additional observations made in recent exposures have been added where necessary.

Pegmatite No.28.- " Two small prospect pits were made in pegmatite no.28 in 1941. The pegmatite, exposed for 140 feet along strike, is 8 to 13 feet wide, strikes N.20°E. and dips 75°E. The border zone, 2 to 6 inches thick, consists of fine-grained quartz, muscovite, and plagioclase. The muscovite commonly occurs as plumose aggregates that are arranged normal to the contact and expand inward. The wall zone, 1 to 3 feet thick, consists of medium-grained plagioclase, quartz, small thin muscovite books intergrown with biotite, and minor pink garnet in small crystals.

The core, 1 to 4 feet thick, consists of medium- to coarse-grained perthite, plagioclase, quartz, muscovite, and black tourmaline. Most of the quartz occurs as irregular bodies that occupy spaces between perthite and plagioclase subhedral crystals, but some of it is graphically intergrown with perthite and black tourmaline. The core seems to be least clearly defined near the ends of the pegmatite.

Free-splitting ruby muscovite books, from 2 by 2 to 6 by 8 inches across and as much as 1 inch thick, are scattered throughout the core. Although some books are reeved and mineral stained, it is believed that a satisfactory percentage of small-sized sheet could be obtained from them. It is estimated that the core contains 3 percent muscovite in books that average 3 inches in diameter and 3/4 inch thick. As the core is thin and has a low mica content, and as the wall zone does not contain sheet-bearing mica books, the pegmatite probably could not be mined profitably for mica under 1942-44 conditions."

The recent prospecting at this pegmatite has not added much to the war-time picture. Muscovite in books up to 6" x 8" is present on the dump. The quantity of muscovite is not great and the estimate of 3% muscovite in the core zone may be large. The zonal picture is not as clear in this pegmatite as in some of the other ones.

Pegmatite No.29.- "Three small cuts and three prospect pits were made in pegmatite no.29 in 1940-41. The pegmatite is about 400 feet long and 10 to 30 feet thick. It strikes N.10°W. and dips 75° to 85°E. The border zone, 2 to 8 inches thick, consists chiefly of quartz, but plumose aggregates of muscovite and small amounts of plagioclase are also present. The zone grades inward into the wall zone. This zone, 1 to 6 feet thick, is present along both walls and is composed of medium-grained plagioclase, quartz, biotite, muscovite, and garnet. Some of the plagioclase is graphically intergrown with quartz. Thin strips of biotite, in part intergrown with muscovite, in some places are as much as 6 feet long. The core, 1 to 18 feet thick, consists of coarse-grained perthite, plagioclase, quartz, muscovite, tourmaline, and graphic granite. Small intergrowths of tourmaline and quartz are common, and irregular quartz bodies which range from 1/2 by 2 to 4 by 12 feet in area of exposure are present in the core. Some of the quartz bodies contain sparsely distributed small green

crystals of beryl.

The disseminated muscovite books in the core are rum-colored, small, and badly ruled and reeved; they probably would not yield a high percentage of sheet. It is estimated that the core contains less than 1 percent of muscovite. The low content of crude mica in the pegmatite and the small size and poor quality of the muscovite books discouraged mining during 1942-44."

The recent prospecting near the center of this pegmatite has exposed a massive quartz core 4 to 5 feet thick for possibly 20 feet or more along strike. The amount of muscovite recovered in what might be an intermediate zone of perthite-plagioclase-muscovite near the quartz core is probably 3 to 5 percent. This muscovite is reported by Mr. Beam to range from 3" x 4" up to 6" x 10". Some pieces on the dump were 4" x 10". The mica is of good quality. It is ruby, hard, flat and free splitting. Some is ruled and reeved. The mica recovered from the recent prospecting was sold with mica from Pegmatite No.32 so that no quality data are available. The war-time description suggests that this quartz mass may be part of a discontinuous quartz core. If so, muscovite in minable shoots may be associated with the discontinuous masses of quartz.

Pegmatite No.30.-" A cut 55 feet long, 5 to 15 feet deep, and 6 to 10 feet wide was made in pegmatite no.30 during the summer of 1943. The pegmatite is about 110 feet long and 6 to 10 feet thick. It strikes N.10°E and dips 80°E. It is lens-shaped, bending eastward at its north end, and is concordant to the foliation of the wall rock. Lineation in the wall rock near the pegmatite plunges 60°SE. The zonal structure in the body is similar to that of pegmatite no.28, except that the core contains less perthite and tourmaline and more blocky plagioclase. Some of the perthite in the core is porous and contains small flakes of secondary light green muscovite.

The scattered muscovite books in the core are rum to ruby, small, ruled, and reeved. It is estimated that the core contains

one percent muscovite. The mica obtained from the pegmatite in 1943 was of fair quality, but the amount recovered was so small that operations were shortly abandoned."

No prospecting has been done at this pegmatite since the war. The cut is overgrown and exposure are poor.

Pegmatite 32.-" An opencut 30 feet deep and a 30 foot crosscut tunnel leading to the bottom of the cut were made in pegmatite no.32 prior to 1940. In 1940-41 the cut was enlarged to a depth of 10 to 50 feet. A narrow crosscut trench leading to the cut was made at the north end, and the cut was deepened and extended southward to a basic dike that cuts obliquely across the pegmatite. In 1943 a small prospect pit revealed that although the pegmatite continued some distance south of the basic dike, it was narrow at the surface and did not contain abundant muscovite. The pegmatite has a length of at least 210 feet and is 1 to 10 feet in thickness. It strikes about N. 10°E. and has an irregular, nearly vertical, dip. It is poorly exposed in the cut, but thin patches of pegmatite on the walls of the cut and material on the dump indicate that the pegmatite contained white plagioclase, quartz, perthite, rum to ruby muscovite, and minor tourmaline, apatite, and small light-green scrap mica-bearing muscovite. The pegmatite removed from the cut seems to have had a border zone, a wall zone that was rich in plagioclase and muscovite and extended in most places to the center of the pegmatite, and a discontinuous core of perthite, quartz, muscovite, and plagioclase. It is reported that the pegmatite mined in 1940-41 contained large muscovite books scattered across the full width of the pegmatite."

Although this pegmatite has been worked recently water in the bottom of the cut prevented close examination. The production in 1958 of 15 to 20 tons of mine-run muscovite supports the favorable predictions made in the war-time report. The recent work, however, has been in the open cut and the danger of caving as reported by McNair (Cameron and Others, 1954, p.227) seems to be exaggerated. Mr. Beam reports that muscovite is found in shoots associated with the rolls along the walls of the pegmatite.

Pegmatite No.38.-" Pegmatite no.38 is poorly explosed in a small prospect made in 1940-41. It contains medium-grained

perthite, plagioclase, quartz, and small muscovite books. Muscovite is not abundant."

No additional prospecting has been done at this pegmatite since the war. The pegmatite appears to be 15 feet or more thick near the southern limit of the exposure. It contains scattered books of muscovite up to 6" x 6" and some up to 2" thick. The amount of quartz seems to increase towards the south indicating that the pegmatite may be zoned.

Recommendations

We recommend that exploration assistance be granted on Pegmatite No. 29. The recent prospecting has outlined a quartz core and found muscovite apparently in an intermediate zone associated with this core. It is recommended that a contract be written providing for a 5' x 7' cross-sectional shaft to be sunk a total of 50 feet at the location indicated in Fig.3. It is also recommended that a crosscut shall be driven on an approximate bearing of N.75°W. and S75°E., from a point at or near the bottom of the shaft to the walls of the pegmatite. If after the walls are reached and a mica zone has been encountered in crosscutting, drifting may be done in either direction. Total crosscutting and drifting is not to exceed 100 feet.

No work is recommended at pegmatite 28 because exposures are insufficient to determine the zonal picture and to outline a definite target to explore. This pegmatite, however, does warrant further prospecting.

No work is recommended at Pegmatite No.30. There has been no work at this pegmatite since the war to change the unfavorable report of the earlier mapping.

No work is recommended at Pegmatite No.32 because active mining was carried on at this pegmatite last year and the Applicants intend to continue mining this coming year.

No work is recommended at Pegmatite No.38 because the body has not been adequately prospected to outline the possibilities of internal structure. Mr. Beam told the Examiners that he intends to prospect No.38 when be brings his equipment in because the pegmatite is so close to the road. The presence of some mica and the suggestion of zoning indicate that this pegmatite is worthy of prospecting despite the gloomy picture present in the war-time descriptions.

COSTS

Costs were calculated after the Operator agreed that five feet of advance could be made in the 5' x 7' drift and/or cross-cut each 10 hour shift on straight time, and that 2 feet of advance could be made per shift in shaft sinking. Depreciation of equipment was calculated on data furnished by the Operator. Wages currently paid by the Operator were used.

Sinking 50 feet of 5' x 7' shaft

Using 2' of advance per 10 hr. shift or 25 shifts to complete 50 ft

	Per Shift	
1 driller, $1.80/hr.	$18.00	
1 mucker, $1.54/hr.	15.40	
1 top & hoistman, $1.54/hr.	15.40	
Total labor	$48.80	
Super. at $8/da.	8.00	
Total labor & Super. per shift.....		$56.80
Equipment: Using per shift costs calculated for Keyes No.5 East and Rice No.29 Dr. and/ or XC		
Total depreciation cost per shift		7.97
Supplies:		
0.6 case powder at $12.50	7.50	
Gas & oil, compressor & hoist 0.6 x $10.44	6.26	
Detonators, 26 at 30¢	7.80	
Drill steel 0.33 x $2.33	0.70	
Gas & oil for generator (elect. pump)	3.30	
Total supplies per shift		25.56
Taxes, OAP, Insur.		
6% on $56.80		3.41
Total cost for 2' advance per shift...		$93.74

$\frac{\$93.74}{2}$ = $46.87 per foot of sinking

50 x $46.87 = $2,343.50 Total cost sinking 50 feet.

100 feet of 5' x 7' Crosscut and/or Drift

		10 hr. Shift	Total/ Shift
Driller -	$1.80/hr.	$18.00	$18.00
3 Muckers	1.54 "	15.40	46.20
1 Hoist & top man	1.54 "	15.40	15.40
Drill helper	1.54 "	15.40	15.40
	Total labor (1 shift) 5'		$95.00
Supt. - 1 at $8/day			
	Total Labor & Super. per shift		8.00
			$103.00

Equipment — 30 working days

1 Electric pump, cost $250 at 36 mo. -(1 mo.)=$7.....	$10.00	$0.33
1 Compressor- new $3,000. depret. over 60 mo. =$50/mo. Allow 1 1/2 mo. =.....	75.00	2.50
1 Elec. gen. $3,000 - 60 mo.- 1 mo. = $50.....	68.00	2.26
1 Hoist, cable, bucket $2,000 depreciation over 60 months = $33/mo.-allow 1 1/2 mo. = $49	49.00	1.63
Drill & jackleg - $600 dep. over 24 mos. =$25/mo. allow 1 1/2 = $37.50.....	37.50	1.25
Total equipment for 1 shift of 5 feet		7.97

Supplies:

1 case, 50 lbs powder per 5' of advance	12.50
Gas & oil (compressor & hoist) 28 gal. gas - 4 qts oil.....	10.44
Detonators - 18 at $0.30	5.40
Drill steel, 1 set carb. tung steel, 3 to set	2.33
Gas & oil for generator for pump	3.30
Total supplies 1 shift.....	$33.97

Miscellaneous:

	Total / Shift
Taxes & O.A.P.-Ins. 6% on $103 =	$6.18
Total all costs 1 shift or 5 ft.	$151.12

Total 100' drift and/or XC = $3022.00

$\frac{151.12}{5}$ = $30.22 per ft. of drift or crosscut.

Total cost of contract:

Sinking 50 feet	$2343.50	@ 47/ft. 2350
100 feet drifting and/or crosscutting.....	3022.00	@ 30.18 3000 $5350.00
	$5365.50	

Reference

Cameron, E. N., and Others, 1954, Pegmatite investigations 1942-45 New England: U. S. Geol. Survey Prof. Paper 255.

Frank G. Lesure, Geologist
Geological Survey

Harry L. Burmeister,
Mining Engineer
Bureau of Mines

May 27, 1959

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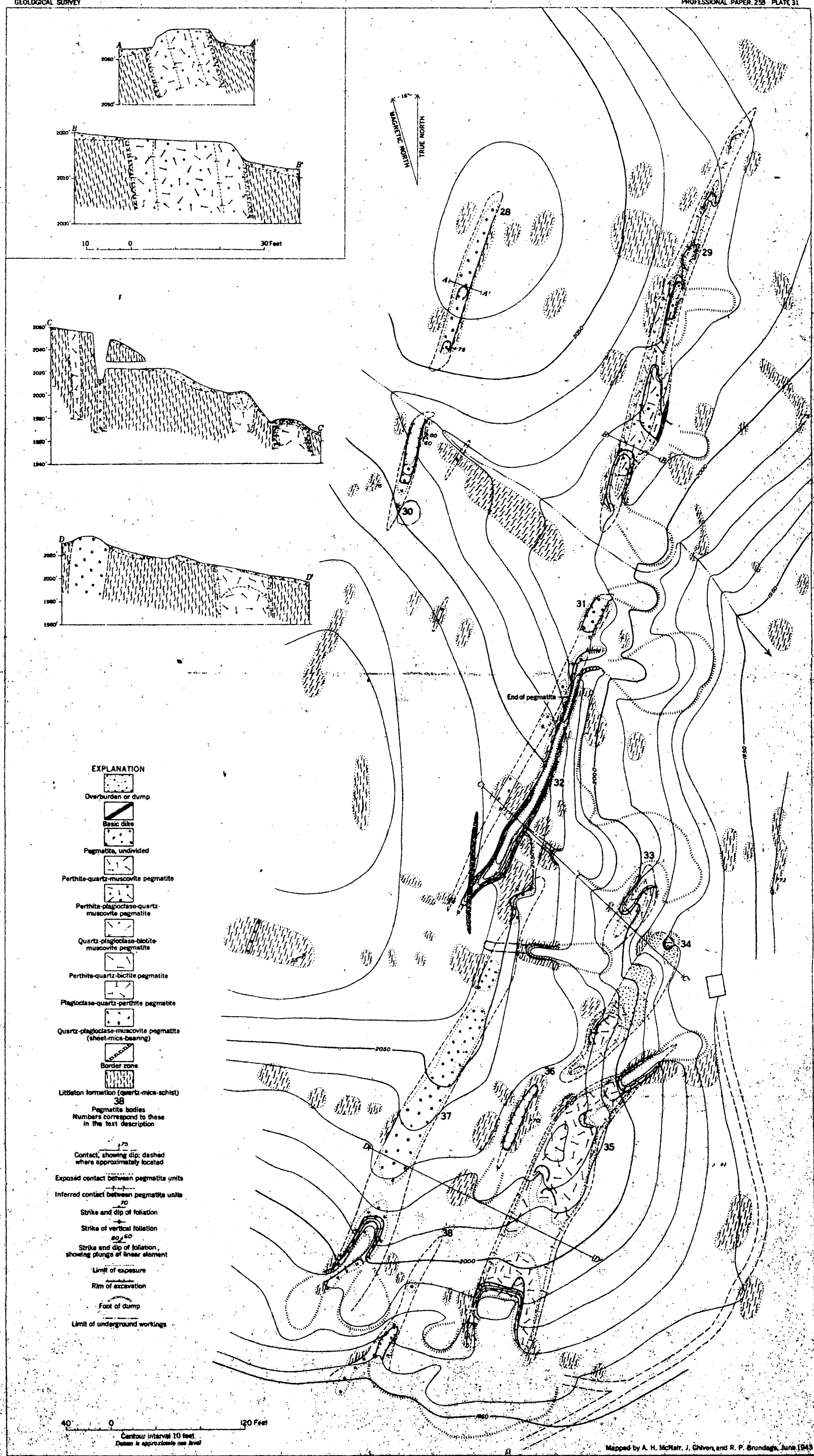

GEOLOGIC MAP AND SECTIONS OF THE RICE MICA MINE, GROTON, NEW HAMPSHIRE

Figure 2

255268 O - 53 (In pocket)

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(12-56)

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"	Johnson	110
		~~130~~ ~~316~~
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		600

MAY 8 1959

Memorandum

To: Executive Officer, OME Field Team, Region V

From: Chairman, Operating Committee

Subject: Dockets Nos. OME-6003, 6004, 6005, 6006 (Mica)
Keys Mica Company
Sam L. Phillips, et al.
Keys Mica Mine and Rice Mine
Orange County, New Hampshire

Receipt is acknowledged of your letter of April 30 requesting information received from the applicants.

You will find enclosed:

1. Legal description of the Rice Property

2. List captioned "Equipment That Would Be Used For Mines In New Hampshire." Note: Only such equipment as needed in the exploration work may be allowed toward the applicants' share of the cost of the work.

3. Purchase Agreement dated July 30, 1957, describing the lots in the Keys Mine Area.

A study of the applicants' financial statements shows the partnership eligible.

/s/ George C. Selfridge

(216)

Approved:

(sgd.) G. W. Josephson (216)
Member, Bureau of Mines

N. E. Nelson (216)
Member, Geological Survey

Attachments - 3

EGHouk/fw-5/7/59
cc: Dockets
Dir. Read. File
Operating Committee
Mr. Kiilsgaard
Mr. Skow, Rm. 3425

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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O. M. E.
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DATE	INITIALS	CODE
5/5	a	220
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April 30, 1959

Memorandum

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

From: Field Team, OME, Region V, Knoxville 2, Tennessee

Subject: OME-6003, 6004, 6005, 6006 (Mica, New Hampshire)
Keys Mica Company, Spruce Pine, North Carolina

Receipt of your memoranda of April 27, requesting field examination is acknowledged.

On February 16, Mr. Johnson wrote to Applicants, requesting (1) financial data of the partnership and partners, (2) metes and bounds description of the tracts, with tie-in of proposed work to the nearest property corner and (3) description and value of equipment to be used on the proposed project. We assume that the Applicants have replied to this letter, but neither their reply nor the requested data have been sent to us. Before a field examination can be planned, we should have this information.

When Mr. Laurence was in Washington in March, he was told that review of the financial data submitted by the Applicants indicated that they were not eligible for OME assistance. If this is so, then there seems to be no reason for a field examination.

Please advise us as to the status of the Applicants' financial eligibility, and send the additional data described above, so that we may decide whether a field examination is necessary.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

MME Form 7
(10-58)

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Date	Surname	Code
4/23	Houk	600
4/29	Martin	130
"	Johnson	110
		220

600

APR 27 1959

Memorandum

To: Executive Officer, OME Field Team, Region V

From: ACTING Chairman, Operating Committee, OME

Subject: Docket No. OME-6003-Mica
Sam L. Phillips, John Phillips and
J. R. Beam
Keys Mica Company
Rice Mine
Grafton County, New Hampshire

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

Copies of memoranda dated February 13, 1959, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, relating to the project are enclosed. There is also enclosed a copy of the application for the use of the Field Team.

If a contract is recommended, please have the Applicants supply us with a property map and a tie from the nearest corner to each of the locations they propose to explore. Also, please have the Applicants supply the make, specifications, condition, and fair market value of the equipment to be used in the project work.

/s/ W. S. Martin

(24B)

Approved:

(sgd.) G. W. Josephson (24B)
Member, Bureau of Mines

Thor H. Kiilsgaard (24B)
Member, Geological Survey

Enclosures 5

LGHouk:gad 4/23/59
Copy to: Dir. R. File
Operating Committee
Mr. Kiilsgaard
Mr. Skow, 3425
Mr. Houk

43683

MME Form 7
(10-58)

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Date	Surname	Code
4/23	Houk	600
4/24	Martin	130
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4/27	G	220
4/24	Johnson	130
4/24	Killsgaard	130
		600

600

APR 27 1959

Messrs. Sam L. Phillips, John Phillips
and J. R. Beam
Keys Mica Company
Spruce Pine, North Carolina

Re: Docket No. OME-6003-Mica
Sam L. Phillips, John Phillips
and J. R. Beam
Keys Mica Company
Rice Mine
Grafton County, New Hampshire

Gentlemen:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Division of Nonmetallic Minerals of the Office of Minerals Exploration. It has been referred to Mr. Robert A. Laurence, Executive Officer, OME Field Team, Region V, Room 2-B, Post Office Building, Knoxville 2, Tennessee.

The Regional Office will contact you in regard to your project if additional information is required. Any assistance you may give the members of the Field Team will be appreciated.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

LGHouk:gad 4/23/59
Copy to: Dir. R. File
Region V
Operating Committee
Mr. Killsgaard
Mr. Skow, 3425

orm 7
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OFFICIAL FILE COPY

Date	Surname	Code
	Lawrence G. Houk	600

600

Memorandum

To: Mr. Frank E. Johnson, Acting Director

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

Subject: Comparative interest of Sam L. Phillips, and/or John Phillips, and/or J. R. Beam in the DMEA program. (1)

	Mica Contracts		
	Group	Total DMEA	
Number of contracts	53	297	17.8
Total value of contracts	$317,285	$1,711,729	18.5
Total Govt. Participation	$250,461	$1,395,075	18.0
Government Expenditure	$165,000	$1,000,000 (approx.)	16.5
Operators' Expenditure	$ 43,536	$ 260,000 (estimated)	16.5
Royalties paid	$ 26,000	$ 105,000	24.8
Value of Production	$1,500,000	$3,477,785	43.1
Certifications	19	68	27.9
Paid back in full	4	10	40.0
Amount paid	$ 18,231	$ 64,189	28.4
Certified Projects Operating (Not repaid in full)	1	4	25.0

(1) All contracts have been completed or terminated. Each member of the group has interests as individuals, together as a partnership, individually with one other in the group, individually or in pairs with outsiders in partnerships, or as officers in corporations in other contracts. We have been informed that individuals in the group have varying interests in DMEA contracts in which their names do not appear in the docket.

LGHouk:gad 3/12/59
Copy to: Dir. R. File
Mr. Houk
OME-6003
OME-6004
OME-6005
OME-6006

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

600

February 27, 1959

Memorandum

To: Mr. Frank E. Johnson, Acting Director

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

Subject: Keys Mica Company - OME-6003, OME-6004, OME-6005, OME-6006

The Keys Mica Company has requested $62,700 for exploration work on these two properties, the Rice and the Keyes Mines. The Applicant has provided the required letters from the bank and a net worth statement.

There are seven prospects within the area. Prospects 1 and 2 are being worked at the present time by the Company. We have three applications in the Keys mining area, OME-6004, OME-6005, and OME-6006, totalling $28,500.

OME-6004, Prospect 7, $6,000
OME-6005, Prospect 3, $6,000
Prospect 4, $5,500
OME-6006, Prospect 5, $5,000
Prospect 6, $6,000

They also have an application on the Rice Mine, OME-6003, requesting $34,200 at five locations:

Location 32, $10,500
Location 30, $ 6,500
Location 38, $ 5,500
Location 29, $6,500
Location 28, $5,200

LGHouk:gad 2/27/59
Copy to: Dir. R. File
Mr. Houk

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O. M. E.
RECEIVED FEB 24 1959

DATE	INITIALS	CODE
2/24	C	220
		600

Spruce Pine, North Carolina
February 19, 1959

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
U.S. Dept. of the Interior, DMEA
Washington 25, D.C.

Re: Docket No. OME-6003-Mica
Sam L. Phillips, John Phillips
and J.R. Beam
Keys Mica Company
Rice Mine
Grafton County, New Hampshire

Dear Mr. Houk:

This will acknowledge receipt of letter dated February 19, 1959.

Enclosed is a copy of the legal description taken from our deed on the Rice Property. This deed is recorded at the Registry of Deeds Office - Grafton County - recorded in vol. 912 at page 358. As you notice from the legal description that property in this section of the country is not described by regular metes and bounds. You will also find enclosed is balance sheet, financial statements and a list of equipment, as requested.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

Enclosures
P/bjg

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O. M. E.
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Legal description taken from deed on Rice Property -

A certain tract of land located in the Town of Groton, County of Grafton, State of New Hampshire, commonly known as the Rice Mine to wit: that tract of land adjacent to the lands formerly owned by Lovejoy and White, beginning at ~~at~~ a spruce tree on the top of the mountain; thence west to the Groton-Dorchester Town Line; thence north along said Town Line to what is called Hook Pasture; thence on said pasture, to the land now or formerly owned by Kinner and Parker; thence south to the first named bound containing 50 acres more or less.

Being all the premises conveyed to the grantor by deed of John L. Maderic of even date herewith to be recorded in the Grafton County Registry of Deeds.

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DATE | CODE

KEY'S MICA COMPANY

SPRUCE PINE, NORTH CAROLINA

COMPARATIVE BALANCE SHEET

ASSETS	MAY 1, 1958	DECEMBER 31, 1958
CURRENT ASSETS		
Cash In Bank	$ 5,706.05	$ 4,782.71
Employees Advances	-0-	130.00
Accounts Receivable - J.C. Buchanan	4,000.00	-0-
Deposits - Power and Telephone Companies	110.00	110.00
Investments - Property and Mines	15,405.00	39,040.00
Inventory - Mica	19,532.62	50,000.00
Accounts Receivable - Peerless Mining Company	-0-	300.00
Total Current Assets	$ 44,753.67	$ 94,362.71
FIXED ASSETS		
Equipment - Mining	$ 39,138.80	$ 46,053.30
Less - Depreciation Charges	4,025.82	10,946.27
Net Fixed Assets	$ 35,112.98	$ 35,107.03
TOTAL ASSETS	$ 79,866.65	$ 129,469.74

LIABILITIES AND NET WORTH

CURRENT LIABILITIES		
Social Security & Withholding Tax Payable	$ 364.07	$ 687.67
State & Federal Unemployment Tac Payable	97.01	472.69
Notes Payable - G.M.A.C.	1,308.60	-0-
Notes Payable - Northwestern Bank	40,000.00	-0-
Note Payable - New Hampshire Finance Corporation	2,166.99	-0-
Total Liabilities	$ 43,936.67	$ 1,160.36

NET WORTH

	BALANCE 5-1-58	ADD PROFIT BEFORE DEPLETION	DEDUCT DRAWINGS		
Sam Phillips	$ 11,976.66	$ 51,584.37	$ 20,791.24		
John Phillips	11,976.66	51,584.38	20,791.24		
J.R. Beam	11,976.66	51,584.38	20,791.24		
	$ 35,929.98	$ 154,753.13	$ 62,373.73	35,929.98	128,309.38
TOTAL LIABILITIES AND NET WORTH				$ 79,866.65	$ 129,469.74

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EQUIPMENT THAT WOULD BE USED FOR MINES IN NEW HAMPSHIRE

~~AIR COMPRESSORS~~	KIND	CONDITION	MARKET VALUE
105 cu.ft.	Ingersaw	Good	$ 1800.00
~~185 cu.ft.~~	~~Ingersaw~~	"	1500.00
~~105 cu.ft.~~	~~Le-roi~~	"	1800.00
~~105 cu.ft.~~	~~Le-roi~~	"	1800.00
~~105 cu.ft.~~	~~Gardner Denver~~	"	2500.00
~~125 cu.ft.~~	~~Gardner Denver~~	"	2500.00
~~105 cu.ft.~~	~~Joy~~	"	1800.00
105 cu.ft.	Sulivan	"	2000.00
105 cu.ft.	Worthington	"	1800.00
325 cu.ft.	Schram	"	6000.00
HOIST			
Single drum	CH & E	"	1500.00
Double drum	CH & E	"	2000.00
Double drum	NOVO	"	2000.00
Double drum	HEDYL	"	1500.00
Double drum	CLYDE	"	1500.00
Single drum	AMERICAN	"	1500.00
Single drum	CLYDE	"	1000.00
Double drum	BIG CLYDE	"	2000.00
Single drum	Elect. hoist	"	1500.00
One Caterpillar Loader		New	15000.00
One 1947 International - Tandum Truck		Good	7000.00
Two 1950 Chevrolet dump trucks		Fair	1200.00
JEEPS			
1957 Pick-up		Good	1500.00
1958 Pick-up		"	2000.00
1950 Pick-up		"	750.00
1948 Pick-up		Fair	600.00
1950 Jeep - 4cyl.		Good	600.00
15 Drills		"	6000.00
10 Jacklegs		"	1000.00
4 Gas pumps		"	1200.00
2 (5H.P) Gardner Denver Elect. Pumps		"	1000.00
POWER UNITS			
One - 12KBA		"	1000.00
One - 7½ KBA		"	500.00
Three - 5 - 100 watt light plants		"	1500.00
One - Power-saw		"	400.00
Three - Bench-grinders		"	300.00
Miscellaneous Mining tools -			2000.00

(The above misc. mining tools include the following: steel, skips, buckets, elect. wiring, shooting batteries, cap testers, wire rope & blocks, wheelbarrows, forks, picks, shovels, steel cables & etc.)

J.R.

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 17th. day of February 19 59, which statement you may consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	15,000.00	Bills Payable for Merchandise	None
Bills receivable, all good	None	Notes Due Banks	"
Accounts receivable, all good	"		"
Merchandise (How Valued)	"		
Cash Value of Life Insurance	40,000.00	Bills Payable, otherwise disposed of	"
Stocks and Bonds	None	Open Accounts	"
Machinery and Fixtures (Mining)	25,000.00	Mortgages or Liens on Real Estate	"
Real Estate ~~Belonging to Firm~~	120,000.00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	None
		Net Worth	200,000.00
Total	200,000.00	Total	200,000.00

Contingent Liability. { Accommodation Endorsements ..... Endorsed Bills Receivable Outstanding .....

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Beam's Motor Court and Restaurant	50	$ 100,000.00	$	$ None
Lots in Spruce Pine	2	$ 10,000.00	$	$ "
Mitchell County Property	20	$ 5,000.00	$	$ "
New Hampshire Property	20	$ 5,000.00	$	$ "

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows .....

INSURANCE

FIRE—Buildings $ none Personal Property $ none Merchandise $ none

LIFE—$ 40,000.00 Who is the beneficiary Essie Beam (Wife)

Sworn to and subscribed before me this ..... day of ..... 19 .....

..... Notary Public.

Please sign here .....

By J. R. Beam

Date Signed ..... 19 .....

John

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 17th. day of Feb. 1959, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	2,000.00	Bills Payable for Merchandise	None
Bills receivable, all good	None	Notes Due Banks	15,000 00
Accounts receivable, all good	"		
Merchandise (How Valued)	"		
Cash Value of Life Insurance		Bills Payable, otherwise disposed of	None
Stocks and Bonds	11,125.00	Open Accounts	"
Machinery and Fixtures (Mining)	15,000.00	Mortgages or Liens on Real Estate	"
Real Estate ~~Belonging to Firm~~	92,833.00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	15,000 00
		Net Worth	105,958 00
Total	120,958.00	Total	120,958.00

Contingent Liability. { Accommodation Endorsements
Endorsed Bills Receivable Outstanding

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Greenwood, S.C. - planted in pines	266	$ 13,333.00	$ unknown	$ none
Avery Co. Farm - improved forest	400	6,000.00	"	"
Avery Co. Property - garage	1/2 acre	$ 3,500.00	$ "	$ "
Spruce Pine Property - buildings	2 acres	15,000.00	"	"
Wing, N.C.	100	$10,000.00	$ "	$ "
Other Property in S.P., Texaco Brick Plant	2 acres	40,000.00	"	"
New Hampshire Property	20 acres	$ 5,000.00	$ "	$ "

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows
Greenwood, S.C. - John, Sam & Ralph Phillips) Avery Co. Farm - John & Sam Phillips(
Other Spruce Pine Property - O.V. Coulter & John Phillips) Avery Co. Property - John & Sam Phillips.

INSURANCE

FIRE—Buildings $ ..... Personal Property $ ..... Merchandise $ .....

LIFE—$ 10,000.00 Who is the beneficiary Willie Mae Phillips (Wife)

Sworn to and subscribed before me this ..... day of ..... 19 .....

..... Notary Public.

Please sign here

By John Phillips

Date Signed ..... 19 .....

Sam

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 17th. day of Feb. 19 59, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	13,000.00	Bills Payable for Merchandise	2,000.00
Bills receivable, all good	None	Notes Due Banks	None
Accounts receivable, all good	"		
Merchandise (How Valued)	"		
Cash Value of Life Insurance		Bills Payable, otherwise disposed of	"
Stocks and Bonds (see list)	45,644.17	Open Accounts	"
Machinery and Fixtures (mining)	15,000.00	Mortgages or Liens on Real Estate	"
Real Estate ~~Belonging to Firm~~	78,083.00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	2,000.00
		Net Worth	149,727.17
Total	151,727.17	Total	151,727.17

Contingent Liability. { Accommodation Endorsements ..... / Endorsed Bills Receivable Outstanding .....

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Clempson, S.C. - planted in pine trees	1600	30,000.00	unknown	none
Greenwood, S.C. " "	800	$40,000.00	$ "	$ "
Wing, N.C. - house and store	400	20,000.00	"	"
Avery Co. Farm - improved forest	400	$12,000.00	$ "	$ "
Other Avery County Property - garage	1/2 acre	7,000.00	"	"
Spruce Pine, N.C. Rt. 2 - Buildings	2 acres	$30,000.00	$ "	$ "
New Hampshire Property	20	5,000.00	"	"
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows
Spruce Pine, N.C. (John & Sam Phillips) Clempson, S.C. Ralph and Sam Phillips) Greenwood, S.C., (Ralph, John & Sam Phillips) Avery County Farm - John & Sam Phillips) Other Avery County Property, John & Sam Phillips

INSURANCE

FIRE—Buildings $ ..... Personal Property $ ..... Merchandise $ .....

LIFE—$20,000.00 Who is the beneficiary Jewel Phillips (Wife)

Sworn to and subscribed before me this .....
day of ..... 19 .....
.....
Notary Public.

Please sign here .....

By Sam L. Phillips

Date Signed 2-19 19 59

No. of Shares	Description of Security	Registered in Name of	Cost	Present Market Value	Income Received Last Year
100	✓Ford Motor Company	Samuel L. Phillips	$ 6500.00	$ 5700.00	$ 354.00
100	✓Franklin Life Ins. Co.	"	9000.00	10,800.00	0
100	Reeves Soundcraft Corp.	"	143.75	143.75	0
200	✓North American Life Ins. Co.	"	5300.00	4700.00	20.00
25	✓Jefferson Std. Life Ins. Co.	"	3325.00	3000.00	18.75
50	✓Nationwide Corp.	"	950.00	800.00	0
1000	Electronic Acct. Card Corp.	"	1000.00	1500.00	0
1000	Lost Canyon	"	100.00	0	0
100	Life Insurances Investors	"	1687.50	1500.00	18.50
331	Farnam Mfg. Company	"	3509.00	4000.00	121.10
477	Woodlawn Heights, Inc.	"	5000.00	5000.00	0
3	Spruce Pine Golf Course	"	300.00	300.00	0
25	✓Calif.-Oregon Power Co.	"	812.50	900.00	40.00
200	✓Merrill Lynch,Pierce (Lear)	"	1634.00	1500.00	60.00
200	✓N.C. Telephone & Telegraph Co.	"	280.00	280.00	0
100	Micra-Moisture Controls, Inc.	"	125.00	125.00	0
10	✓W.R. Grace and Co.	"	536.25	536.25	0
20	✓International Telep. & Teleg. Co.	"	600.00	700.00	0
10	✓Radio Corp. of America	"	345.00	400.00	0
50	✓Imperial Life Ins. Co.	"	1575.00	1575.00	0
150	Guardian Consumer Finance Corp.	"	1309.17	1309.17	11.00
25	A.J. Bayless Markets, Inc.	"	250.00	250.00	0
50	American Encaustic Tiling	"	600.00	625.00	0
			$ 44,882.17	$ 45,644.17	

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/12	Houk	600
2/13	Selfridge	120
		~~110~~
2/17	C	220
		600

600

FEB 16 1959

Messrs. Sam L. Phillips, John Phillips
and J. R. Beam
Keys Mica Company
Spruce Pine, North Carolina

Re: Docket No. OME-6003-Mica
Sam L. Phillips, John Phillips
and J. R. Beam
Keys Mica Company
Rice Mine
Grafton County, New Hampshire

Gentlemen:

Please submit your latest detailed balance sheet and profit and loss statement for last year for yourself, each of your partners, and the partnership.

A metes and bounds description of the property and a tie from the site of the work to the nearest property corner may be required at a later date if a contract is considered.

Please supply the make, specifications, condition, and fair market value of the equipment owned by you and which is to be used in the project work.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

LGHouk:gad 2/12/59
Copy to: Dir. R. File
Field Team, Region V
Mr. Kiilsgaard
Mr. Dietrich
Mr. Houk

8623

IN REPLY REFER TO:

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

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O. M. E.
RECEIVED FEB 17 1959

DATE	INITIALS	CODE
2-17	C	220
		600

February 13, 1959
Re: OME 6003
Sam L. Phillips, John Phillips
and J. R. Beam
Rice Mine
Grafton County, N. H.
Appl. Est. $34,200 - Mica

Memorandum

To: L. G. Houk, Office of Minerals Exploration

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

Subject: Review of application

The applicants request assistance in sinking 5 shallow shafts and drifting a total of 580 feet from them. The total depth of the shafts, 3 of an estimated depth of 50 feet, one of 40 feet and one of 30 feet, is 220 feet.

The work would explore 5 different pegmatites collectively a part of the Rice Mine. Professional Paper 255 of the U. S. Geological Survey entitled Pegmatite Investigations 1942 - 1945 gives descriptions of the several pegmatites as then revealed. No work appears to have been done in the meantime.

Presumedly the projects listed by the applicants refer to the pegmatites described in the Professional Paper. Of the different pegmatites, it is said:-

Project #32 that is Pegmatite 32....."It is reported that the pegmatite mined in 1940-41 contained large muscovite books scattered across the full width of the pegmatite. This supports the belief that the wall zone as well as the core contained muscovite. The muscovite was of good quality and a satisfactory amount of sheet was obtained from it. Information concerning the percentage of crude muscovite recovered from rock mined is not available.

The pegmatite in the floor of the opencut cannot be worked by deepening the cut because of danger of caving. A cribbed shaft located in the vicinity of the tunnel and extended as a vertical shaft below the floor of the cut might permit mining the remaining pegmatite."

Prospect No. 29, Pegmatite No. 29....."The disseminated muscovite books in the core are rum-colored, small, and badly ruled and reeved; they probably would not yield a high percentage of sheet. It is estimated that the core contains less than 1 percent of muscovite. The low content of crude mica in the pegmatite and the small size and poor quality of the muscovite books discouraged mining during 1942-44."

Prospect No. 30, Pegmatite No. 30....."The scattered muscovite books in the core are rum to ruby, small, ruled, and reeved. It is estimated that the core contains 1 percent muscovite. The mica obtained from the pegmatite in 1943 was of fair quality, but the amount recovered was so small that operations were shortly abandoned."

Prospect No. 28, Pegmatite No. 28....."It is estimated that the core contains 3 percent muscovite in books that average 3 inches in diameter and 3/4 inch thick. As the core is thin and has a low mica content, and as the wall zone does not contain sheet-bearing mica books, the pegmatite probably could not be mined profitably for mica under 1942-44 conditions."

Prospect No. 38, Pegmatite No. 38....."Pegmatite No. 38 is poorly exposed in a small prospect made in 1940-41. It contains medium-grained perthite, plagioclase, quartz, and small muscovite books. Muscovite is not abundant."

Evidently, as judged in 1945, the pegmatites, with one exception, No. 32, lacked potential.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

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DATE	INITIALS	CODE
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		600

February 13, 1959

Memorandum

To: Nonmetallic Minerals Division
Office of Minerals Exploration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: OME 6003 (mica)

Applicant: Keys Mica Company (John Phillips et al.)

Name and Location of Property: Rice Mine, Grafton County, New Hampshire

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 2/12/59

Comments:

1. This property was explored in 1940 and 1941 but no record of production is available.
2. The property is located in a mica producing belt.
3. Applicant wishes to explore property with five separate projects each consisting of shaft sinking and drifting.
4. Although exploration proposed by applicant is consistent with local practices and in line with unit-cost estimates for other OME projects, it would be more feasible to explore this property as a multi-staged project.

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

February 11, 1959

Mr. Sam L. Phillips
Spruce Pine, North Carolina

Subject: OME-6003
Rice Mine

Dear Mr. Phillips:

Your application for exploration assistance, dated January 29, 1959 submitted to our office at Washington, D. C. has been assigned Docket number OME-6003 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 Region V

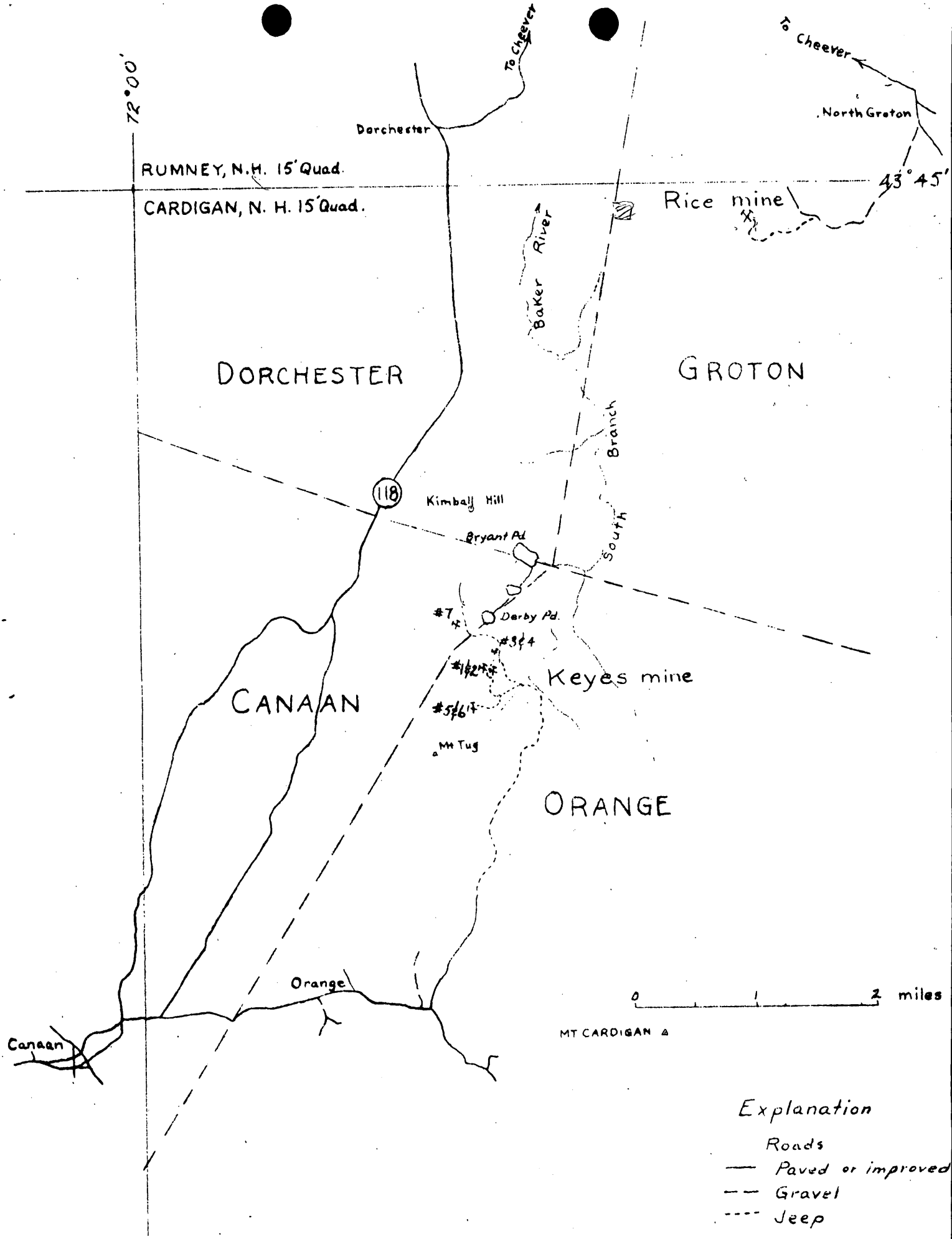

Fig. 1 – Location of Keyes and Rice mines Grafton County, N.H.

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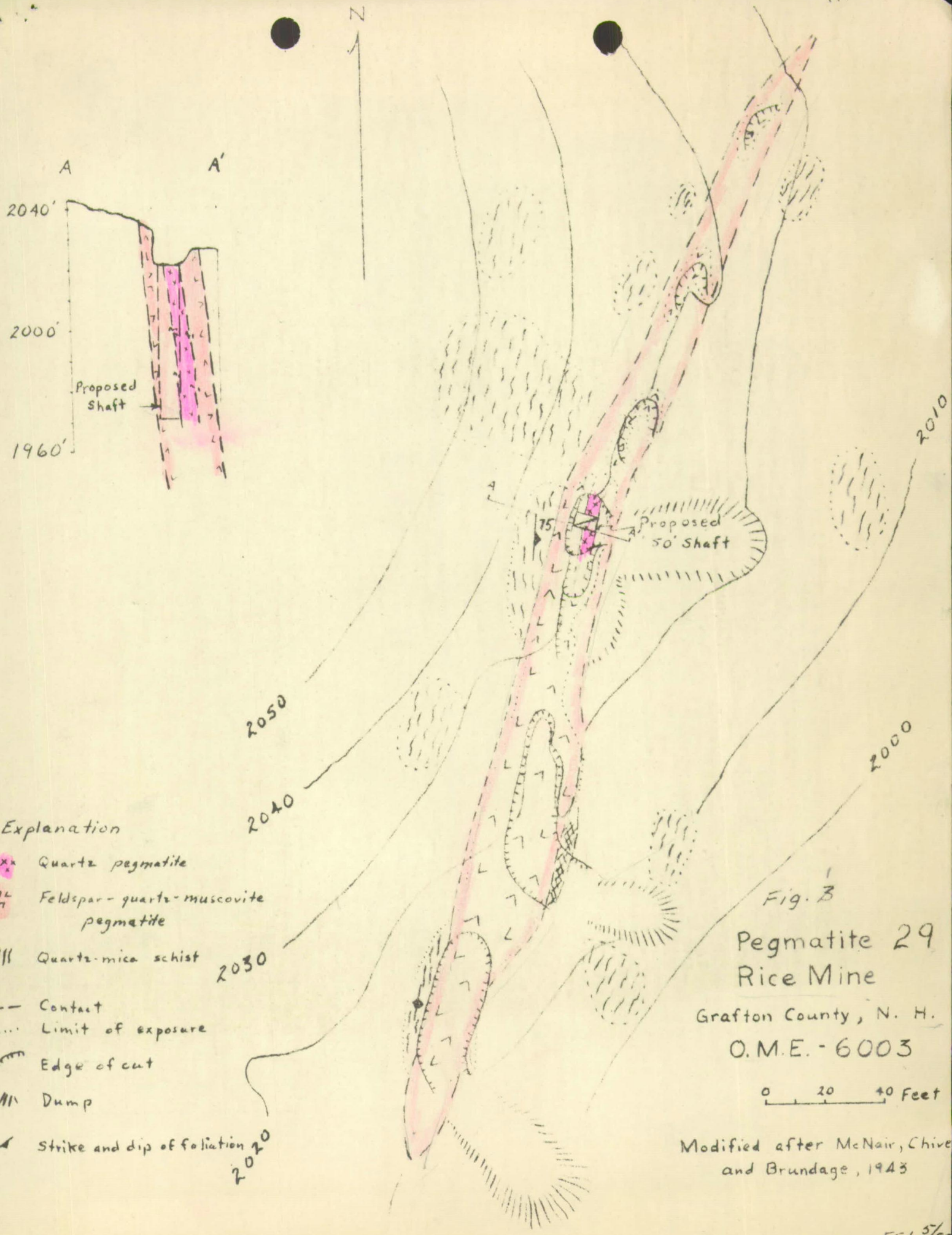
O. M. E.
RECEIVED MAY 29 1959

DATE	INITIALS	CODE


N
A
A'
2040'
2000'
1960'
Proposed Shaft
2010
2050
2040
2030
2020
2000
75
Proposed 50' Shaft
Explanation
Quartz pegmatite
Feldspar - quartz - muscovite pegmatite
Quartz-mica schist
Contact
Limit of exposure
Edge of cut
Dump
Strike and dip of foliation
Fig. 3
Pegmatite 29
Rice Mine
Grafton County, N. H.
O.M.E. - 6003
0 20 40 Feet
Modified after McNair, Chive and Brundage, 1943
FGL 5/59

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 29 1959

DATE	INITIALS	CODE

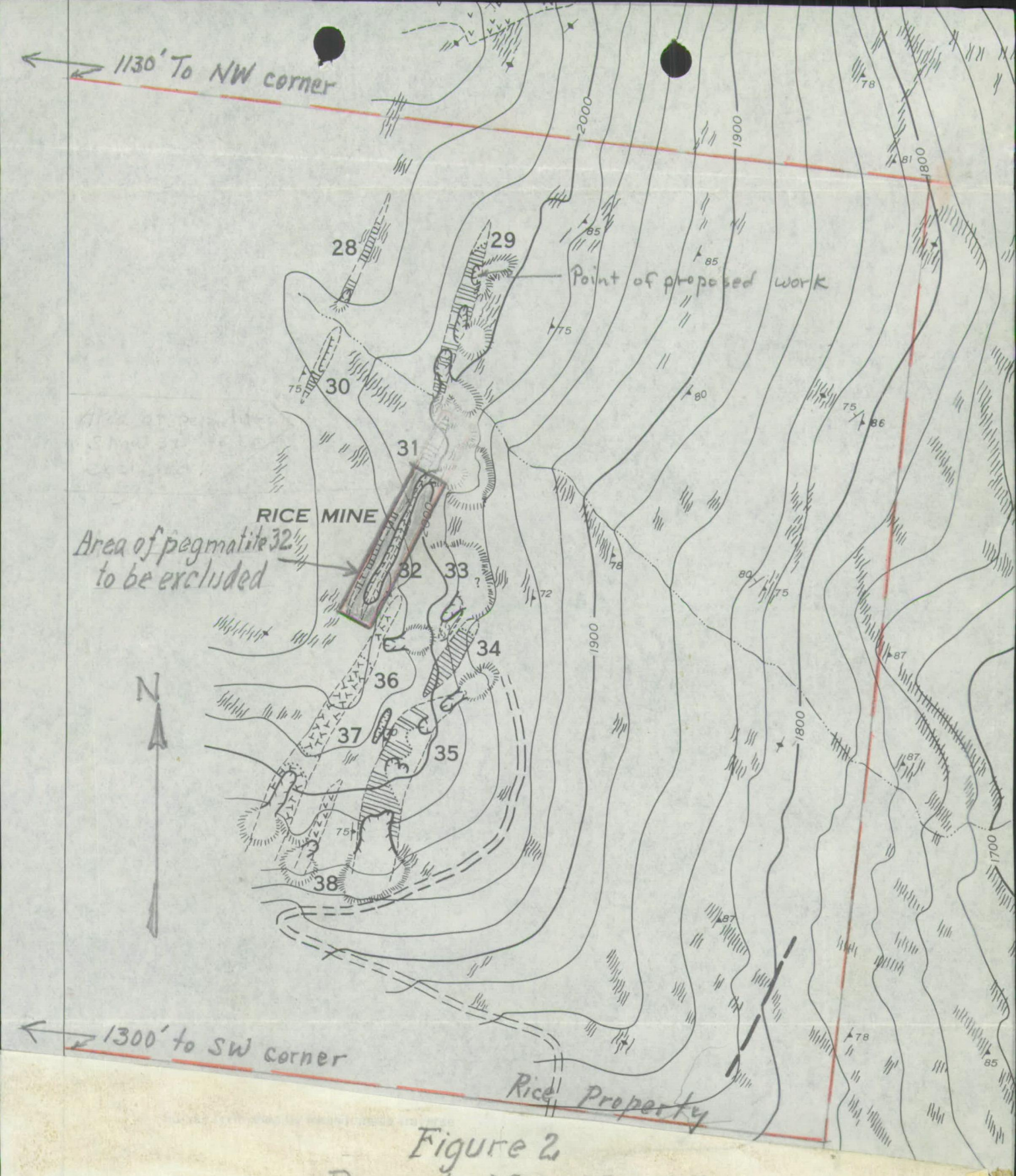
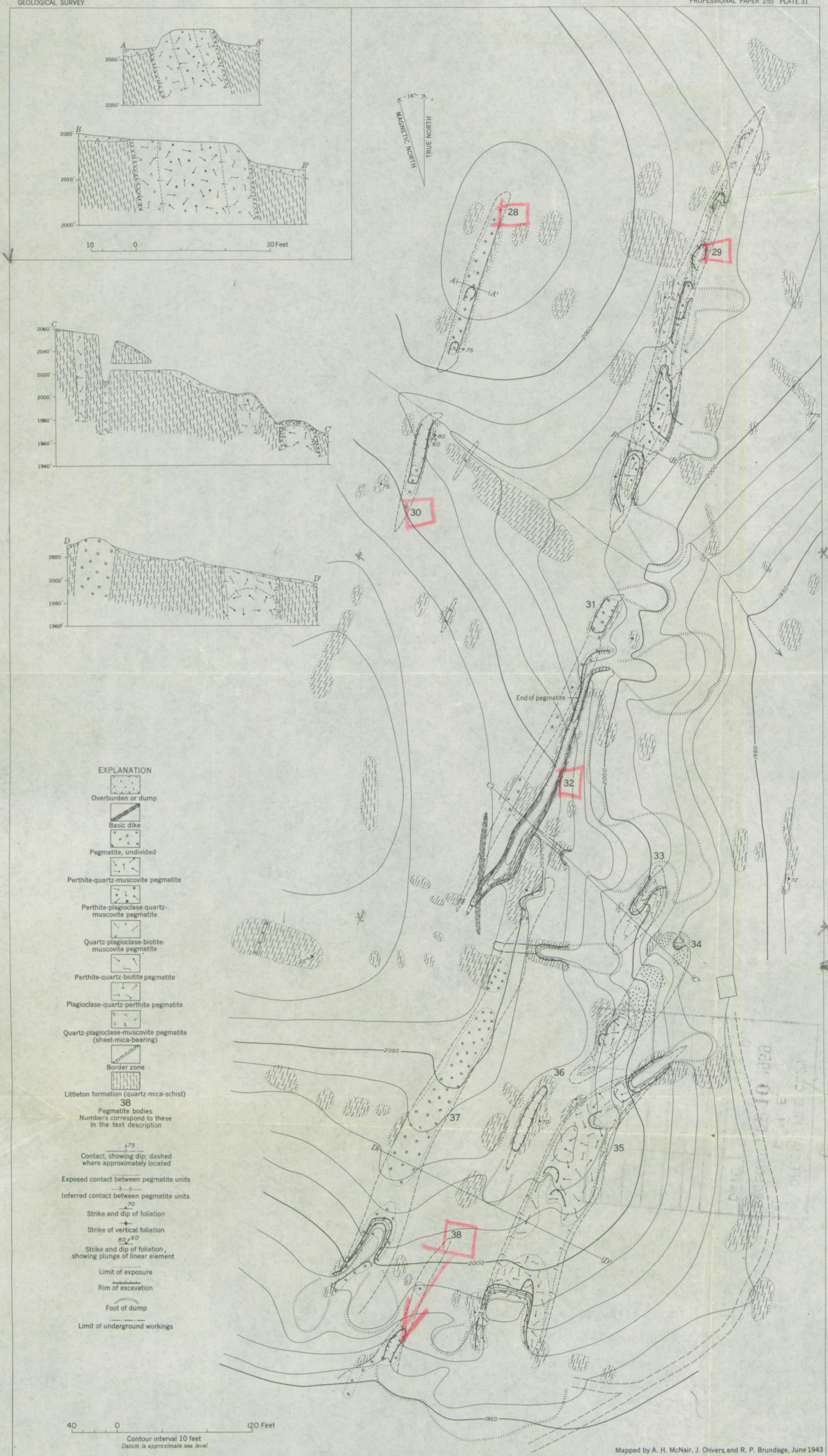


Figure 2
Property Map of Rice Mine
Keys Mica Company

Docket No. OME-60



GEOLOGIC MAP AND SECTIONS OF THE RICE MICA MINE, GROTON, NEW HAMPSHIRE

255298 O - 53 (In pocket)

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10 1959

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STATE OF NEW HAMPSHIRE
HIGHWAY DEPARTMENT

NEW HAMPSHIRE
CARDIGAN QUADRANGLE

Topography by Olinus Smith, R.L. McCammon, and H.A. Bean
Culture and drainage in part compiled from aerial photographs taken by Air Corps, U.S. Army
Surveyed in 1927

ROAD CLASSIFICATION

Heavy-duty — Light-duty
Medium-duty — Unimproved dirt
U. S. Route — State Route

TRUE NORTH
MAGNETIC NORTH
APPROXIMATE MEAN DECLINATION, 1927

SCALE 1:62500

4 MILES
3000 FEET
5 KILOMETERS

CONTOUR INTERVAL 20 FEET
DATUM IS MEAN SEA LEVEL

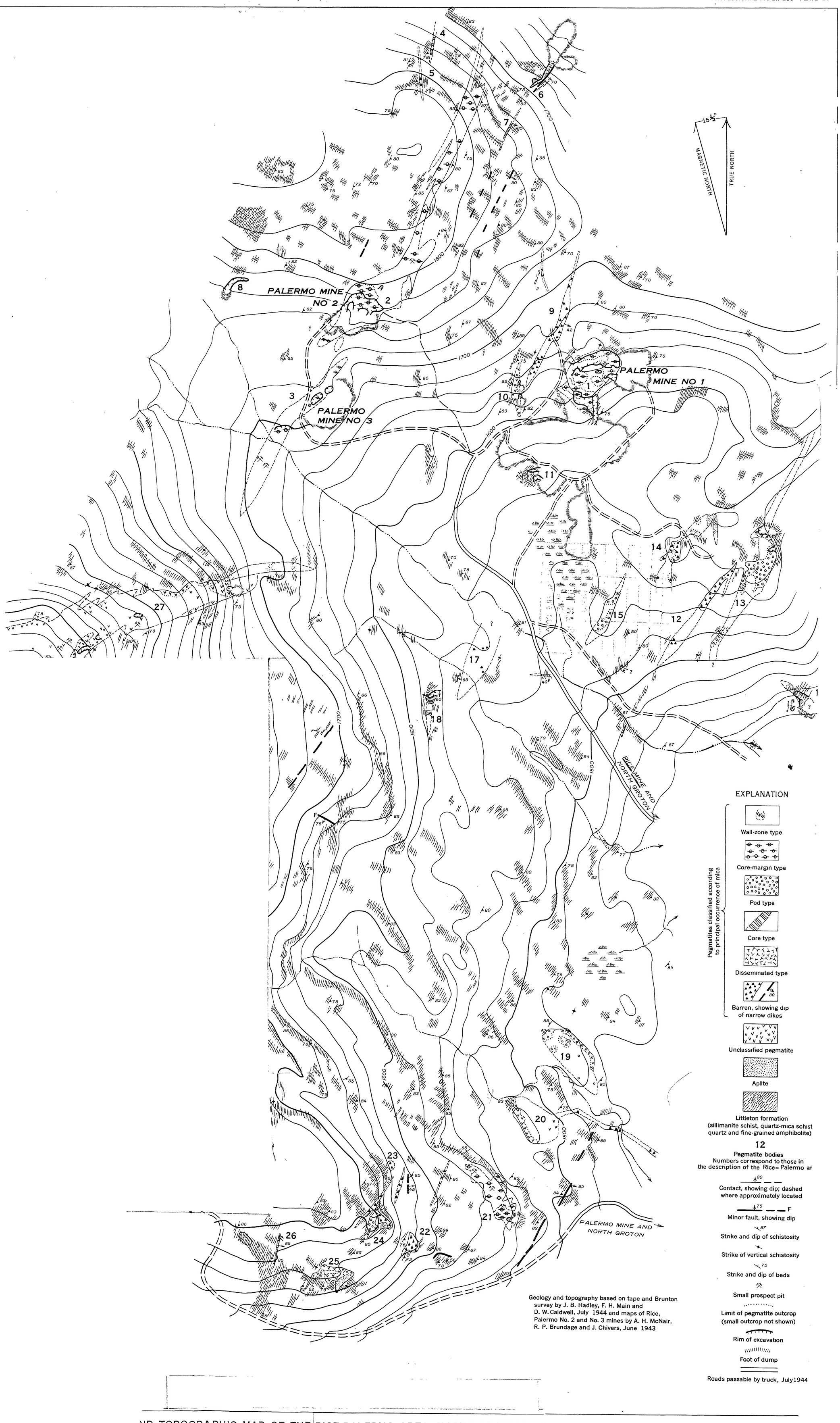
INTERIOR — GEOLOGICAL SURVEY, WASHINGTON, D. C. 1957

Polyconic projection. 1927 North American datum
10,000-foot grid based on New Hampshire rectangular coordinate system
1000-meter Universal Transverse Mercator grid ticks, zone 19, shown in blue

CARDIGAN, N.H.
N4330—W7145/15

1927

FOR SALE BY U. S. GEOLOGICAL SURVEY, WASHINGTON 25, D. C.
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST



ND TOPOGRAPHIC MAP OF THE RICE-PALERMO AREA, NORTH GROTON, NEW HAMPSHIRE

255298 O -

GROTON

Plan of the Town of New Groton in New Hampshire

I hereby certify that this is an exact copy of Cyrus Bleeds plan, made for use in the case of Moses vs Craig, September 27. 1815.

John Kenniston Land Surveyor of Plymouth, N. H.

GROTON