DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE — Idm-E NO. 674 — DMEA NO. 3287

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

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

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

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

- [x] 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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E674, Docket DMEA-3287 (mica), dated June 1, 1954, with:

Sam L. Phillips, John Phillips, Lin Carpenter,
Jeter Boone, and Homer Boone
d/b/a Mud Cut Mining Company
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Mud Cut (Madhole) and Tallent (Talent) Mines located in Macon County, North Carolina, during the period May 8, 1959, through November 26, 1962.

A certification of discovery or development was issued on July 22, 1955, and, in accordance with Annex II of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated May 19, 1955, indicated accepted costs under the exploration contract amounting to $10,538.00 with the Government's contribution on a 75 percent basis being $7,903.50.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by prior Reports of Royalty Review which found the sales subject to the Government's royalty through May 7, 1959, to be $12,354.20. The royalty account as of May 7, 1959, was:

Total Royalty Payable	$617.71
Total Royalty Paid	617.71
Balance of Royalty Due	$ -0-

As of November 26, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$617.71
Total Royalty Paid	617.71
Balance of Royalty Due	$ -0-

December 5, 1962

E. B. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of lot D of the M. D. Billings-Allman Cove Subdivision, Franklin Township, containing 12.4 acres, more or less. At the time the contract was executed the Operator was in possession by virtue of a March 12, 1954, lease and option granted by Eliza C. and Paul L. Grist, Rabun Gap, Georgia. In consideration of the contract the lessors executed an Owner's Consent to Lien on June 4, 1954. The contract's so-called "abandonment" clause was deleted by Amendment No. 1.

Exploration work under the contract was completed on April 30, 1955. Production during the exploration period resulted in total sales of 1,573.64 lbs. of trimmed mica and 19,322 lbs. of scrap, punch, and washer mica. These sales, on which the proceeds aggregated $12,354.20, are covered by a Report of Royalty Review dated February 1, 1956.

Examinations of the property and checks of the G.S.A. Mica Purchase Depot's records by DMRA and OME regional representatives disclosed no further production and no evidence of activity through April 26, 1961, other than some bulldozing work by Ralph Cunningham, Franklin, North Carolina, during the first part of 1961.

A check of the G.S.A. Mica Purchase Depot's records by a representative of this Division during June 1962 disclosed no unreported production. In a November 26, 1962, reply to a MME Form 63 inquiry one of the partners (Sam L. Phillips) advised that neither change in property status nor production from the property had occurred since May 18, 1961.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that all production from the property since the date of the contract has been reported and proper royalty thereon paid; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Nonmetallic Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-2674, Docket No. DMEA-3287 (Mica), dated June 1, 1954, with

Sam L. Phillips, John Phillips, Lin Carpenter,
Jeter Boone and Homer Boone
d/b/a Mud Cut Mining Company
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Mud Cut Mine located in Macon County, North Carolina, during the period January 27, 1956 through May 7, 1959.

A certification of discovery or development was issued on July 22, 1955, and accordingly royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of final cost audit dated May 19, 1955, indicated accepted costs under the exploration contract amounting to $10,538.00 with the Government's contribution, on a 75 percent basis, being $7,903.50.

A prior report of royalty review dated February 1, 1956, indicated total sales subject to Government royalty amounting to $12,354.20 for the period June 1, 1954, through January 26, 1956, and that the royalty due the Government amounting to $617.71 had been paid. No royalty has been received by the Government applicable to this project since the latter date.

This review was made in lieu of an on-site royalty audit of the Operator's accounts and records for the following reasons:

(1) Periodic inspections by a representative of the Field Team, Region V, have failed to disclose any evidence of production or sales of minerals from this project during the period covered by this review, and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

C. E. Fisher

C. E. Fisher, OME Auditor

May 14, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Sam L. Phillips

Address Spruce Pine, N.C.

Exploration Contract No. Idm-E674 Docket No. 3287

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		✓
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		✓
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		✓
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	✓	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	✓	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	✓	
7.	Does the Operator buy from or sell to other Operators?		✓
8.	Comment on any item 2 (b) to 6 if answer is No.		

5/7/59
Date

V. J. Lynch
Mining Engineer

53362

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region V, Knoxville, Tennessee, pertaining to Contract Dmx-2674, Docket No. DMEA-3287, dated June 1, 1954, and Amendment No. 1, dated January 7, 1955, with

Sam L. Phillips, John Phillips, Lin Carpenter,
Arthur Brown and Henry Brown
d/b/a Mad Cut Mining Company
Spruce Pine, North Carolina

for the purpose of determining the amount of royalties due the United States Government on sales of mica from property referred to as Mad Cut Mine located in Mitchell County, North Carolina, during the period June 1, 1954, to January 26, 1956.

A certification of discovery or development was issued on July 22, 1954, and, in accordance with the contract as amended, royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of final test audit dated May 19, 1955, indicated accepted costs under the exploration contract amounting to $10,538.00 with the Government's contribution, on a 75 percent basis, being $7,903.50.

My review included a verification of the royalty paid in connection with the sale of 1,553.44 pounds of trimmed and 19,341 pounds of scrap and punch mica recovered during the exploration period. In addition, a conference was held with Mr. William A. Beck, Mining Engineer, Knoxville, Tennessee, who is thoroughly familiar with the project.

This review was made in lieu of an on-site audit of the operator's accounts and records for the following reasons:

(a) The production involved was incidental to the exploration operations.
(b) The property has been idle since completion of the exploration work.
(c) The administrative cost to the Government of an on-site audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

The review established the total sales of mica to be $12,354.20. Royalty due the United States Government at the contract rate of 5 percent is $617.71. The royalty paid and balance due are as follows:

Total Royalty Due	$617.71
Total Royalty Paid	617.71
Balance of Royalty Due	$ -0-

C. E. Fisher
C. E. Fisher, Auditor

February 1, 1956

Docket File
Surname:

Hopkins
Z Kanne
Hoffland
"Appd. Sol. Off."
Chumbler
Geehan
Kilsgaard
Martin
Johnson

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

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Red Cut Mining Co.

Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-8674, dated June 1, 1954 (Docket No. DMEA-3287), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

The project work exposed strategic mica concentrations in a zoned pegmatite that is essentially conformable to the enclosing hornblende schist and gneiss. The discovery was sufficient to enable the calculation of indicated and inferred reserves of strategic mica.

THE UNITED STATES OF AMERICA

By C. W. Mitchenoy
Administrator, Defense Minerals
Exploration Administration

Dated JUL 2 2 1955

JHopkins:pk 7/21/55
Copy to: Admr. R. File
Mr. Johnson
Docket
Operating Committee
Mr. Chambers
Finance Office
Field Team, Region V
Mr. Killsgaard, 5222
Mr. Geehan
Mr. Houk
Mr. Clarence A. Fredell, EPS,GSA
Mr. Hopkins

Copy to: Mr. Paul L. Grist & Mrs. Eliza Cobb Grist (attached to Field Team copy for forwarding)

Docket File
Surname:
Hopkins
J. Kinsman
Talbert
Hoffman
[redacted] Appd. Sol. Off.
Chambers
Martin
Thor H. Kiilsgaard (215)
/s/ Robert W. Geehan (216)

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

INTERIOR DEPT.
JUL 14 1955
SOLICITOR

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: Mad Cut Mining Co.

Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-E674, dated June 1, 1954 (Docket No. DMEA-3287), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

A disconformable pegmatite in mica gneiss and schist was exposed by the project work. Sufficient data were obtained to calculate indicated and inferred reserves of mica.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals Exploration Administration

Dated_____

JHopkins:pk 7/13/55
Copy to: Admr. R. File
Mr. Johnson
Docket
Operating Committee
Mr. Chambers
Finance Office
Field Team, Region V
Mr. Kiilsgaard, 5228
Mr. ~~Dietrich, 5061~~ Geehan
Mr. Houk
Mr. Paul L. Grist & Mrs. Eliza Cobb Grist (attached to Field Team copy for forwarding)

Copy to: Clarence A. Fredell, EPS, GSA

Hopkins

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of;

Sam Phillips, John Phillips,
Lin Carpenter, Jeter Boone and Homer Boone
d/b/a Mad Cut Mining Company
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-1674, Docket No. DMEA-3287, including Amendment No. 1, for the months of June, 1954 to April, 1955, inclusive, covering a project for the exploration of mica on property, known as the Mad Cut Mine located in Mason County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports, 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 following reasons:

(a) all of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed; and

(b) a large portion ($5,538.00) of the costs incurred were covered by a Report of Review dated December 1, 1954.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$10,538.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$10,538.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seven thousand nine hundred three and 50/100 Dollars

$7,903.50

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert

May 19, 1955

E. D. Talbert, Auditor

Mr. Hopkins!

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sam L. Phillips, John Phillips,
Lin Carpenter, Jeter Bosma & Homer Bosma
d/b/a Mad Cut Mining Company
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E674, Docket No. DMEA-3287, for the months of June, 1954 to October, 1954, inclusive, covering a project for the exploration of mica on property, known as the Mad Cut Mine, located in Macon County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team's Final Report, 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 following reason:

> all of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$5,538.00
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Herewith	- 0 -	-0-
Total Accepted Cost		$5,538.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four thousand one hundred fifty-three and 50/100 Dollars,

"$4,153.50"

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert

December 1, 1954

E. D. Talbert, Auditor

Docket copy

Defense Minerals Administration
RECEIVED
JAN 26 1955

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS, JOHN PHILLIPS, LIN CARPENTER
JETER BOONE, AND HOMER BOONE
DOCKET NO. DMEA-3287

AMENDMENT NO. 1

It is agreed this 7th day of January, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the partnership of Sam. L. Phillips, John Phillips, and Lin Carpenter, Spruce Pine, North Carolina, and Jeter Boone and Homer Boone, Route #3, Bakersville, North Carolina, that Contract Idm-2674 (Docket No. DMEA-3287), dated June 1, 1954, is amended, effective June 1, 1954, as follows:

A. In Article 3 of the contract substitute the completion period "twelve (12) months" for the period "six (6) months."

B. In Exhibit "A" under the heading "Description of the Work," the following additional work items are added:

Additional Work

4. The existing northern 25-foot shaft, shown on the map entitled "Sketch of Talent Pres. Mason Co., N. C.," attached hereto and made a part hereof, shall be trimmed and timbered to minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

5. Extend the rehabilitated shaft 50 feet, to a total depth of 75 feet, with the same minimum dimensions as in work item 4.

6. Drive not more than an aggregate of 100 feet of drifts and/or crosscuts from the 75-foot level in the shaft. The drifts and/or crosscuts shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

C. In Exhibit "A", under the heading "Agreed Unit Costs," the following items are added:

Rehabilitate shaft, 25 feet @ $12/ft. (work item 4)	$ 300.00
Sinking 50 feet of shaft @ $40/ft. (work item 5)	2,000.00
Driving 100 feet of drift and/or crosscut @ $30/ft. (work item 6)	3,000.00

D. At the end of Exhibit "A," substitute the totals "$10,838.00" and "$8,128.50," for the figures "$5,538.00" and "$4,153.50," respectively.

E. In Article 4 of the contract, the figure "$10,838.00" is substituted for the figure "$5,538.00," and the figure "$8,128.50" is substituted for the figure "$4,153.50."

F. In Article 7 of the contract, that part of the second sentence beginning with the word "Provided" is deleted.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C P Mattendorf
Administrator, Defense
Minerals Exploration
Administration

Porter
Hoffland
Hook
Hopkins
Talbot
Selfridge
J B Jackson

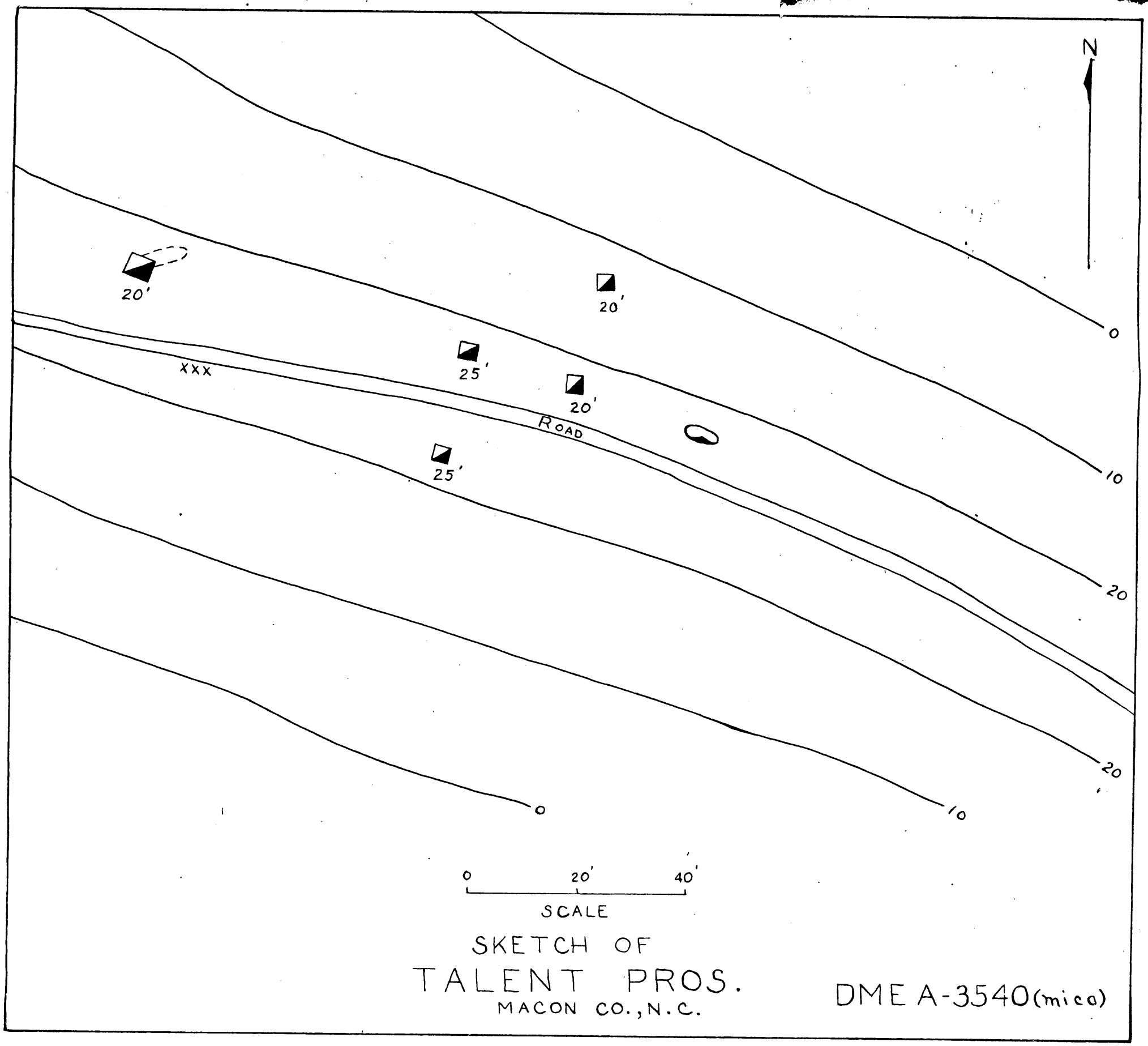
By Sam L. Phillips (Partner)
Sam L. Phillips

By John Phillips (Partner)
John Phillips

By Lin Carpenter (Partner)
Lin Carpenter

By Peter Boone (Partner)
Peter Boone

By Homer Boone (Partner)
Homer Boone


N
20'
20'
25'
20'
XXX
ROAD
25'
0
10
20
20
10
0
0
20'
40'
SCALE
SKETCH OF
TALENT PROS.
MACON CO., N.C.
DME A-3540(mica)

MF-200 (A)
(February 1952)

DOCKET NO. DMEA-3287

COMMODITY Mica

IDM - E 674
Docket copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1954

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 1 day of June, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Sam L. Phillips, John Phillips, and Lin Carpenter, Spruce Pine, North Carolina, and Jeter Boone and Homer Boone, Route #3, Bakersville, North Carolina,

hereinafter called the "Operator," [redacted] as set forth in Annexes I and II attached hereto and made a part hereof, and as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Macon, described as [redacted]:[3] set forth in Annex I, and hereinafter referred to as the "land,"

the Operator represents and undertakes:[4]

(a) [redacted]:

(b) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] mica

in or upon the described land; and shall bring the project to completion within a period of six (6) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 75 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $4,153.50, which is 75 percent of $5,538.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation upon the Operator or the Operator's successor in interest to engage in any mining or production operations. **See Article 11, substituted for Article 6**

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* .....

Executed in sextuplicate the day and year first above written.

By Lewis L. Phillips (Partner)

By John Phillips (Partner)

By Leo Carpenter (Partner)

By Peter Boone (Partner)

By Homer Boone (Partner)

THE UNITED STATES OF AMERICA

By C. D. Mitchenor

Administrator, Defense Minerals Exploration Administration

Butler
Hoch
Talbert
Hoffland

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

JUL 6 1954

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS, JOHN PHILLIPS, LIN CARPENTER, JETER BOOKE, AND HOMER BOOKE
DOCKET NO. DMEA-3287

ANNEX I

The land referred to in Article 2 of the contract form is known as the Mud Cut Mine and was leased for mining purposes to Sam L. Phillips, John Phillips, Lin Carpenter, Jeter Booke, and Homer Booke for a period of five years with option to renew for an additional five years, by Eliza Cobb Grist and husband, Paul L. Grist, by an instrument dated March 12, 1954. The land is described as follows:

> Being lot D of the N. D. Billings-Allman Cove Subdivision map of which Subdivision is recovered in Part Book I at page 92, records of Macon County, N. C., situated on the West side of Windy Gap Road, Franklin Township, Macon County, N. C. more particularly described as follows:
>
> Beginning at an iron pin, the S. W. Corner of the said Lot D. and N. W. Corner of the 98.36 acre tract described in and conveyed by the deed from M. S. Higgins and wife Agnes Y. Higgins to the North Carolina Highway and Public Works Commission dated September 13th., 1933 and recorded in Book W4 at page 202. Thence with the boundary of the said lot D, N. 50 degrees 30' E. with the N. W. boundary of the said 98.36 acre tract, 102 3/4 poles to a point in a large boundary thence N. 85 degrees W. up and with the branch as it meanders, 18 poles to a point in the branch the N. E. Corner of lot D. and the eastern most corner of Lot C. of the said Subdivision. Thence with the Northern boundary of the said Lot D and the Southern boundary of the said Lot C four courses and distances S. 88 degrees 30' W. 7 poles to a stake; S. 73 degrees 15' W. 8½ poles to a stake; S. 50 degrees 30' W. 32 poles to a Chestnut Oak and S. 81 degrees W. 53 poles to a stake, the N. W. corner of Lot D and the S. W. corner of Lot C. a corner common to the old Z. Baird Property, thence with the eastern boundary of the old Z. Baird Property 2 courses and distances S. 48 degrees E. 12 poles and S. 39 degrees 15' E. 32 poles to the place of the beginning. Containing 12.4 acres be the same more or less.

ANNEX II

The following provisions are in lieu of Article 6:

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

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

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

*The "land" refers to the land described in Article 2 of the contract form.

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

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

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

58694

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Bureau of Mines
Minerals Administration
RECEIVED
JUN 16 1954

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Macon, described as follows:1/ See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and Sam L. Phillips, John Phillips, Lin Carpenter, all of Spruce Pine, 2/ ~~N. C., and Jeter and Homer Boone of Route 3, Bakersville, N. C.,~~

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production ~~(as set forth on the reverse side hereof)~~ and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 4th day of June, 1954.

Mrs. Eliza Cobb Grist [Seal]

Paul L. Grist [Seal]

_____ [Seal]

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

~~RELEVANT CONTRACT PROVISIONS~~

~~Repayment by Operator. a. Certification. If at any time the Government considers that~~ a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production ~~operations.~~

Being lot D of the M. D. Billings-Allman Cove Subdivision map of which Subdivision is reservered in Part Book I at page 92, records of Macon County, N. C., situated on the West side of Windy Gap Road, Franklin Township, Macon County, N. C. more particularly described as follows:

Beginning at an iron pin, the S. W. Corner of the said Lot D and N. W. Corner of the 98.36 acre tract described in and conveyed by the deed from H. S. Higgins and wife Agnes Y. Higgins to the North Carolina Highway and Public Works Commission dated September 13th., 1933 and recorded in Book W 4 at page 202. Thence with the boundary of the said lot D , N. 50 degrees 30' E. with the N. W. boundary of the said 98.36 acre tract, 102 3/4 poles to a point in a large boundary thence N. 85 degrees W. up and with the branch as it meanders, 18 poles to a point in the branch the N. E. Corner of lot D, and the eastern most corner of Lot C, of the said Subdivision. Thence with the Northern boundary of the said Lot d, and the Southern boundary of the said Lot C four courses and distances S. 88 degrees 30' W, 7 poles to a stake; S 73 degrees 15' W, 8½ poles to a stake; S 50 degrees 30' W, 32 poles to a Chestnut Oak and S 61 degrees W., 53 poles to a stake, the N. W. corner of Lot D and he S. W. corner of Lot C., a corner common to the old Z. Baird Property, thence with the eastern boundary of the old Z. Baird Property 2 courses and dist ances S 48 degrees E. 12 poles and S 39 degrees 15' E. 32 poles to the place of the Beginning. Containing 12.4 acres be the same more or less.

COPY

Bureau of Mines
Rare Earth Research
Retained
Feb 6 1954

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS, JOHN PHILLIPS, LEN CARPENTER,
JETER BOONE AND HOMER BOONE
DOCKET NO. DMEA-3287

EXHIBIT "A"

Description of the Work

1. Construct a powder magazine and an exploder magazine.

2. Sink on the pegmatite 65 feet of two compartment shaft with a cross-sectional dimension of not less than 5 feet by 7 feet in the clear of timber. The approximate location of the shaft is shown on the attached map entitled "Sketch of Mud Cut (Mudhole) Mine, Macon Co., N.C."

3. Drive not more than an aggregate of 75 feet of drift and/or crosscut from the 60-foot level in the shaft. The drifts and/or crosscuts shall have a cross-sectional dimension of not less than 5 feet by 7 feet in the clear of timber.

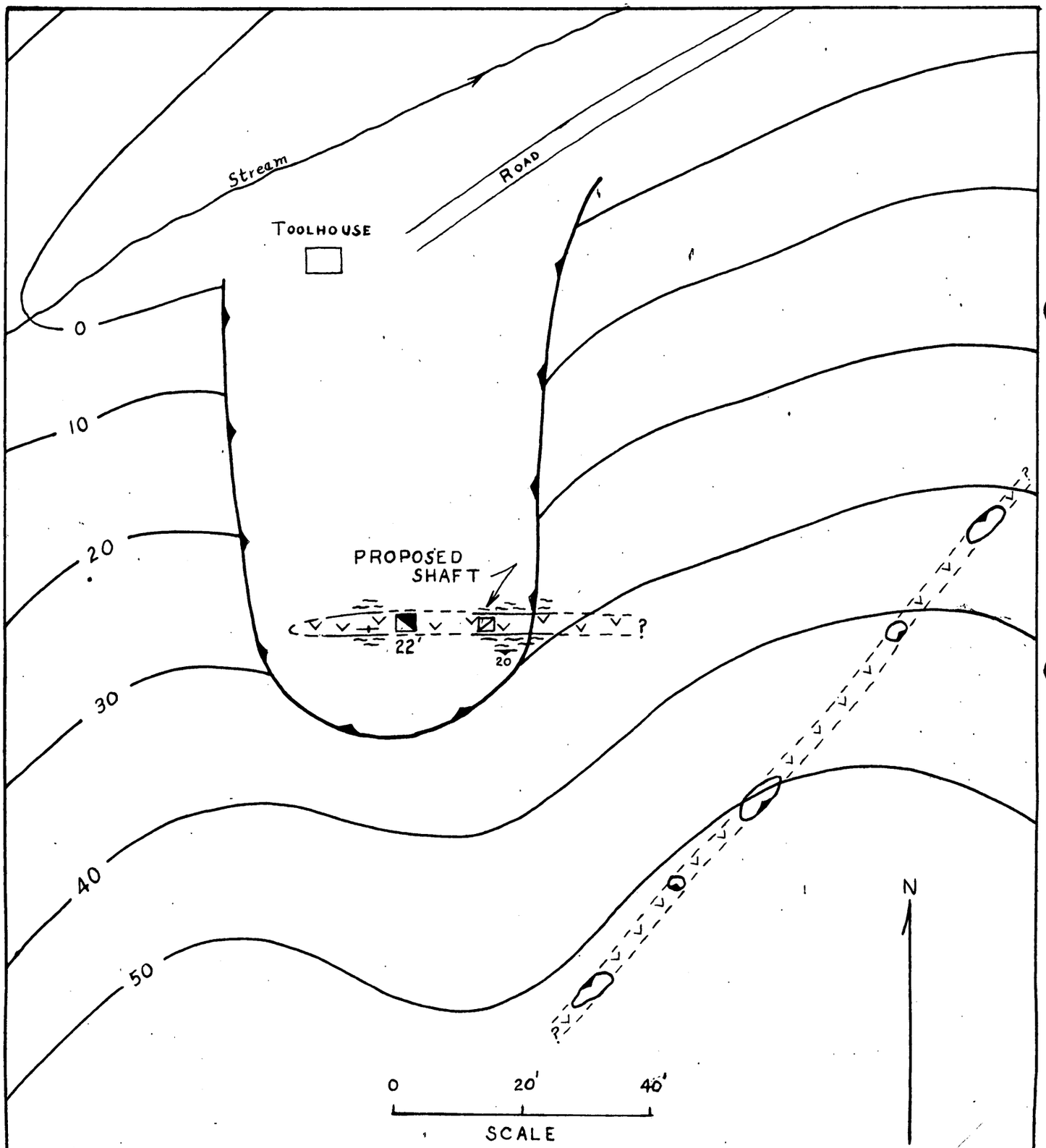
All work shall be timbered as necessary.

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

Agreed Unit Costs

Construction of:		
Powder magazine 1/	$ 25.00	
Exploder magazine 1/	13.00	
Sinking 65 ft. of shaft @ $50.00/ft.	3,250.00	
Driving 75 ft. of drift and/or crosscut @ $30.00/ft.	2,250.00	
Total agreed estimated cost of project		$5,538.00
Government participation @ 75%		$4,153.50

1/ The completed work constitutes the unit.



SKETCH OF
MUD CUT (MUDHOLE) MINE
MACON CO., N.C.

DMEA-3287 (mica)

Talent Prospect, DMEA-3287.

This contract calls for construction of powder and exploder magazine, 65 ft. of shaft sinking, driving 75 ft. of drift and crosscut at a cost of $5,538.00. Amendment No. 1 provided 25 ft. of rehabilitating of shaft, 50 ft. of shaft sinking, and driving 100 ft. of drift and crosscut. The cost of the contract was increased to $10,838.00.

Looking North at shaft collar.

October 20, 1954

Messrs. Homer & Jeter Boone
Franklin
North Carolina

Subject: DMEA-3540
Re: Exploration Assistance
Talent Prospect

Gentlemen:

The receipt of your application dated October 18, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3540 and referred to the Non-Metallic Minerals Division.

Kindly refer to in any future correspondence relating to your application.

Sincerely yours,

Trans. from 3540 which has been withdrawn & combined with 3287.

103
(April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 20 1954

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

Not to be filled in by applicant

Docket No. 3540
Metal or Mineral Mica
Date Received
Estimated Cost $6,550
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Homer Boone and Jeter Boone, both of Franklin, N. C.

Partnership

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Legal description given on lease now on file with D.M.E.A. in File DMEA-3287, Idm-E674. Lease and Owner's Consent to Lien in this file covers property on which Talent Prospect is located.

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

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

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Lease now on file with DMEA. See 3(a).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes. Will furnish required 25%.

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated October 18, 1954

Homer Boone and Jeter Boone
(Applicant)

By Homer Boone
~~Partner~~
Jeter Boone

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

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

Defense Minerals Administration
RECEIVED
OCT 20 1954

MF-103 (Continuation Sheet)

4. (a) About 35 years ago shaft was sunk to a depth of about 15' or 20'. No other workings. Accessible for examination purposes.

(b) Some high grade mica of ruby variety was recovered at time of old working, and was sold for about $200.00.

(c) Old works did not go deep enough to explore sufficiently. Site is in good location to work; no water problem. It is believed that ruby mica of strategic value may be recovered with some aid in exploring.

(d) Project accessible to roads, shipping and supply points.

(e) Manpower, materials and equipment available. Power is within 200 yards.

5. (b) We propose to rehabilitate 20' of shaft; deepen shaft an additional 55 feet; then drift with vein 100' best way.

6. Estimate of Costs:

Rehabilitate 20' of shaft @ $15.00 ft.	$ 300.00
Deepen Shaft additional 55' @ $50.00 ft.	2750.00
Drift 100' in vein best way @ $35.00 ft.	3500.00
Total Estimated Cost of Project	$ 6550.00

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 3287
Metal or Mineral Mica
Date Received
Estimated Cost $6,700
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Sam L. Phillips, John Phillips, Lin Carpenter all of Spruce Pine, N. C. and Jeter Boone and Homer Boone of Route 3, Bakersville, N. C.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

.....

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 3 - 18, 1954

Sam L. Phillips
(Applicant)

By .....

.....

.....

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

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

MF 103

1. (a) Sam L. Phillips, John Phillips, Lin Carpenter all of Spruce Pine, N. C. and Jeter Boone, and Homer Boone of Route 3 Bakersville, N. C.

(b) Partnership

2. No Answer

3. (a) This is lease property (Lease is attached in 3 (d) below.)

(b) Mud Cut Mine

(c) Lessee.

(d) Lease is attached as Exhibit A.

(e) Not owner.

(f) Land is held by Landlord. No land patents involved.

4. (a) Physical works set forth on map attached as Exhibit B.

(b) This mine was operated during Colonial by a Mr. Seagle at which time some high grade of strategic quality was sold. There has been sold to the Government Purchase Depot in Spruce Pine, N. C. approximately $2000.00 from this mine by a Mr. Stewart and Mr. Byrd.

(c) The last operators were a Mr. Stewart and Mr. Byrd. They had insu fficient capitol and machinery to ecomomically mine this prospect.

(d) This mine is located on the west side of Windy Gap Road, Franklin Township, Macon County, North Carolina. 1 mile out of Franklin, N. C.

(e) There is ample experience manpower available. Electricty is at the mine. No difficulty is contemplated in obtaining equipment and supplies.

5. (a) It is anticipated that the pegmatite contains additional quantities of ruby mica of stokkpile grade.

(b) It is proposed to rehibilitate 40 ft. of shaft, and then sink a shaft an additional 40 ft. Then it is proposed to drift 100 ft. (50 ft. in each direction on vein.).

(c) The work will be started as soon as the contract is approved by the Government and the work should be concluded within 6 months.

(d) Attached as Exhibit C.

6. Estimate of costs.

(a) Independent Contracts-None.

(b through h)

(1)	Rehibilitating shaft	40 ft. @$30.00	$1200.00
(2)	Sinking shaft	40 ft. @$50.00	2000.00
(3)	Drifting	100 ft. @$35.00	3500.00
			$6700.00

7. (a) Applicant will pay in money 25% required by regulation.

MINING LEASE

State of North Carolina Macon County:

This indenture made this 12th day of March, 1954

between Eliza Cobb Grist and husband Paul L. Grist

of Macon County and State of North Carolina as party of the first part, and known as lessor s and Sam L. Phillips, John Phillips, Lin Carpenter, Jeter and Homer Boone

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

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

See attached sheet.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said parties of the first part, or his or their heirs or assigns, a rental royalty of 12½ cts ~~of see sheet~~ mica recovered from said land ~~are scrap mica~~ on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

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

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

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

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

Witness:

Eliza Cobb Grist (Seal)

Paul L. Grist (Seal)

(Seal)

Subscribed & sworn to before me this 18th day of March 1954. Myrtle E. Riley

My Comm Exp Dec 6/30/58

Being lot D of the M. D. Billings-Allman Cove Subdivision map of which Subdivision is recovered in Part Book I at page 92, records of Macon County, N. C., situated on the West side of Windy Gap Road, Franklin Township, Macon County, N. C. more particularly described as follows:

Beginning at an iron pin, the S. W. Corner of the said Lot D. and N. W. Corner of the 98.36 acre tract described in and conveyed by the deed from H. S. Higgins and wife Agnes Y. Higgins to the North Carolina Highway and Public Works Commission dated September 13th., 1933 and recorded in Book W4 at page 202. Thence with the boundary of the said lot D, N. 50 degrees 30' E. with the N. W. boundary of the said 98.36 acre tract, 102 3/4 poles to a point in a large boundary thence N. 85 degrees W. up and with the branch as it meanders, 18 poles to a point in the branch the N. E. Corner of lot D. and the eastern most corner of Lot C. of the said Subdivision. Thence With the Northern boundary of the said Lot D and the Southern boundary of the said Lot C four courses and distances S. 88 degrees 30' W. 7 poles to a stake; S. 73 degrees 15' W. 8½ poles to a stake; S. 50 degrees 30' W. 32 poles to a Chestnut Oak and S. 81 degrees W. 53 poles to a stake, the N. W. corner of Lot D and the S. W. corner of Lot C. a corner common to the old Z. Baird Property, thence with the eastern boundary of the old Z. Baid Property 2 courses and distances S. 48 degrees E. 12 poles and S. 39 degrees 15' E. 32 poles to the place of the beginning. Containing 12.4 acres be the same more of less.

Bulldoze cut
Shaft
40' deep

Spruce Pine, N. C.
September 4, 1952

Dear Mica Miner:

Tuesday, September 2, 1952, there was a mica meeting held in Franklin, N. C., at which Government Officials of the South Eastern part of the United States attended.

At this meeting a few resolutions were adopted which are inclosed herewith. The primary points of these resolutions are first to try to get the Government to purchase all good qualities of mica regardless of color which meet government specifications. second, to try to increase the price of Stained A mica.

This meeting also elected a delegation of five mica miners to represent the miners of North Carolina in a proposed meeting to be held at Atlanta, Ga. sometime within the next two months.

At this meeting in Atlanta this delegation desires to meet with a delegation of five each from the following states: Georgia, Alabama and Virginia. It is the purpose of this Atlanta meeting to consolidate our thinking and unite our strength for what we think will be to the overall benefit of the mica miners of the Southeastern United States and also the Government.

It is the hope of the North Carolina delegation that the New England and Western mica miners will unite in the same way and that a delegation from all three mica producing sections of the country can get together and adopt a final request for the changes in this mica program which will be presented to the proper Government Authorities.

The following is a list of the delegates and their addresses in North Carolina: H. E. Buchanan, Sylva, N. C.; H. A. Knight, Sr., 1100 North Main St., High Point, N. C.; Frank W. Phillips, Spruce Pine, N. C.; Sam L. Phillips, Telephone 119, Spruce Pine, N. C., and Roy H. Fouts, Franklin, N. C.

I would appreciate it if you miners in your respective states would organize and appoint a delegation from your states and after you have appointed them contact me and we will try to get organized to meet in Atlanta.

Very truly yours,

Sam L. Phillips, Chairman

JETER BOONE

Mr. Jeter Boone was borned at Booneford, N. C. 32 years ago. He graduated from high school at Bakersville, N. C. He has mined a greater part of his life mostly for mica. He has worked for himself and his Father in several mines in this district one of the mines was called The Jeff Howell Mine. He has been associated with F. O. Phillips in the operation of the best mine in Gaston County. He is now operating the Burke-John Mine in Macon County. His mining abilities are outstanding throughout this section.

Jeter Boone enjoys one of the best reputations for honesty and integrity that could be placed on a man his age.

For reference write:

Mr. Jeter Garland
Spruce Pine
N. C.

Mr. George Bartlett
Spruce Pine
N. C.

Mr. A. B. Young
Rebels Creek
N. C.

HOMER BOONE

Mr. Boone lives at Bakersville, N. C. Route 3. He finished school at Bakersville, where he has lived all his life. Homer Boone has mica mined most of his life in Spruce Pine, N. C. mica district for himself or others. One of the places that Mr. Boone has demonstrated his ability as a good mica miner was at the White Oak Creek Mine in Mitchell County. His ability as a mica miner is personally known by the DMEA Field Team for this section of North Carolina.

For reference write:

Mr. Clarence (Duck) Boone
Spruce Pine
N. C.

Mr. C. R. Phillips
Route 3
Bakersville, N. C.

Mr. Cling Ellis
Route 3
Bakersville, N. C.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Macon, described as follows:1/

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Sam L. Phillips, John Phillips, Lin Carpenter all of Spruce Pine, N. C. and Jeter and Homer Boone of Route 3, Bakersville, N. C. doing business as Mud Cut Mining. Co.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 12th. day of March, 1954.

/s/ Eliza Cobb Grist [Seal]

/s/ Paul L. Grist [Seal]

_____ [Seal]

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior--Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Macon, described as follows:1/

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Sam L. Phillips, John Phillips, Lin Carpenter all of Spruce Pine, N. C. and Jeter and Homer Boone of Route 3, Bakersville, N. C. doing business as Mud Cut Mining Co.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions

Dated this 12th day of March, 1954.

Eliza Cook Grist [Seal]

Paul L. Grist [Seal]

[Seal]

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior—Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Macon, described as follows:1/

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Sam L. Phillips, John Phillips, Lin Carpenter all of Spruce Pine, N. C. and Jeter and Homer Boone of Route 3, Bakersville, N. C. doing business as Mud Cut Mining Co.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions

Dated this 12th. day of March, 1954.

/s/ Eliza Cobb Grist [Seal]

/s/ Paul L. Grist [Seal]

[Seal]

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior—Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Macon, described as follows:1/

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Sam L. Phillips, John Phillips, Lin Carpenter all of Spruce Pine, N. C. and Jeter and Homer Boone of Route 3, Bakersville, N. C. doing business as Mud Cut Mining Co.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions

Interior—Duplicating Section, Washington, D. C. 47318

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Macon, described as follows:1/

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Sam L. Phillips, John Phillips, Lin Carpenter all of Spruce Pine, N. C. and Jeter and Homer Boone of Route 3, Bakersville, N. C. doing business as Mud Cut Mining Co.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions

Dated this 12th. day of March, 1954.

/s/ Eliza Cobb Grist [Seal]

/s/ Paul L. Grist [Seal]

[Seal]

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior—Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Macon, described as follows:1/

See attached sheet

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Sam L. Phillips, John Phillips, Lin Carpenter all of Spruce Pine, N. C. and Jeter and Homer Boone of Route 3, Bakersville, N. C. doing business as Mud Cut Mining Co.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions

Dated this 12th. day of March, 1954.

/s/ Eliza Cobb Grist [Seal]

/s/ Paul L. Grist [Seal]

[Seal]

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

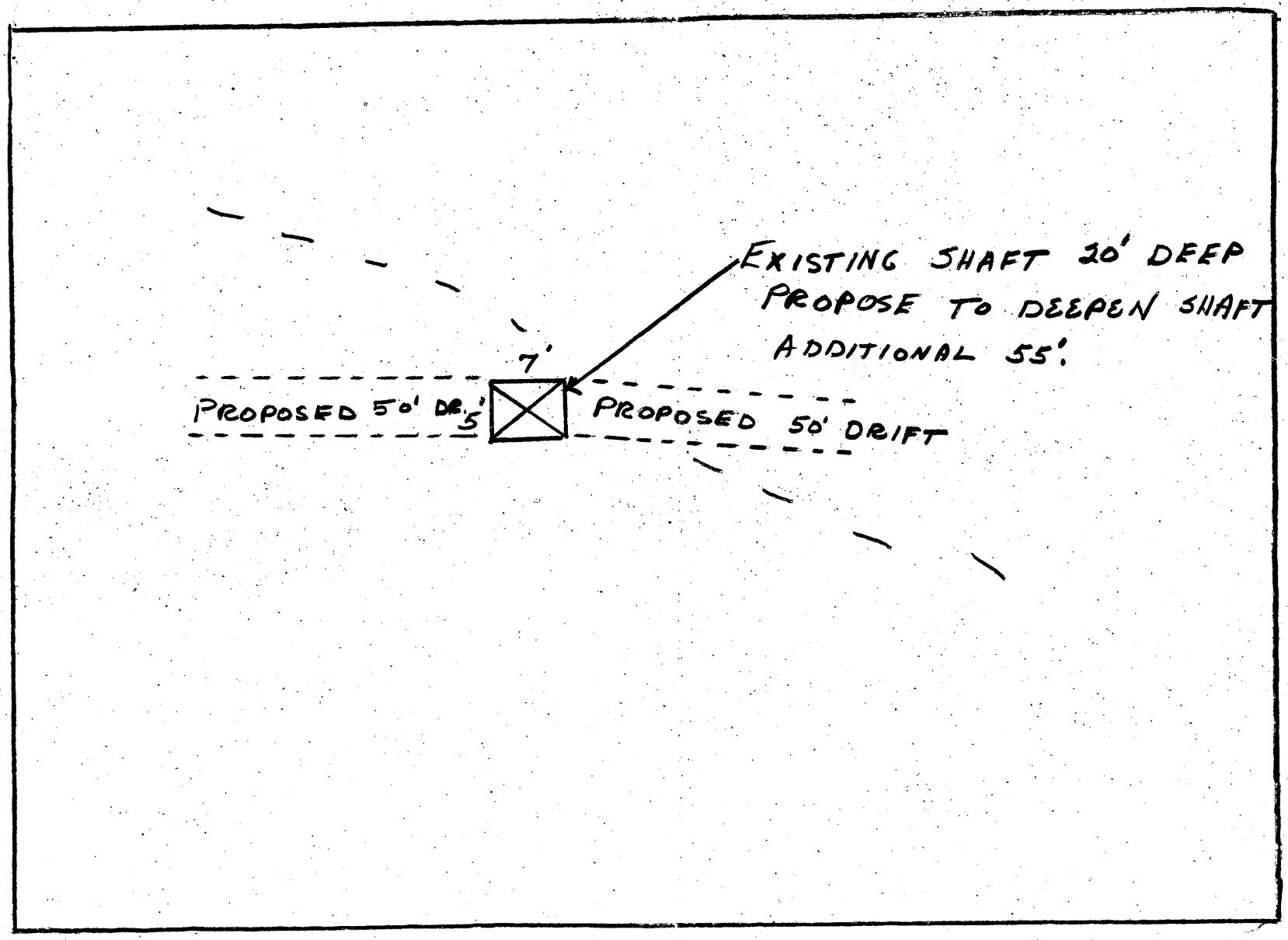
d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

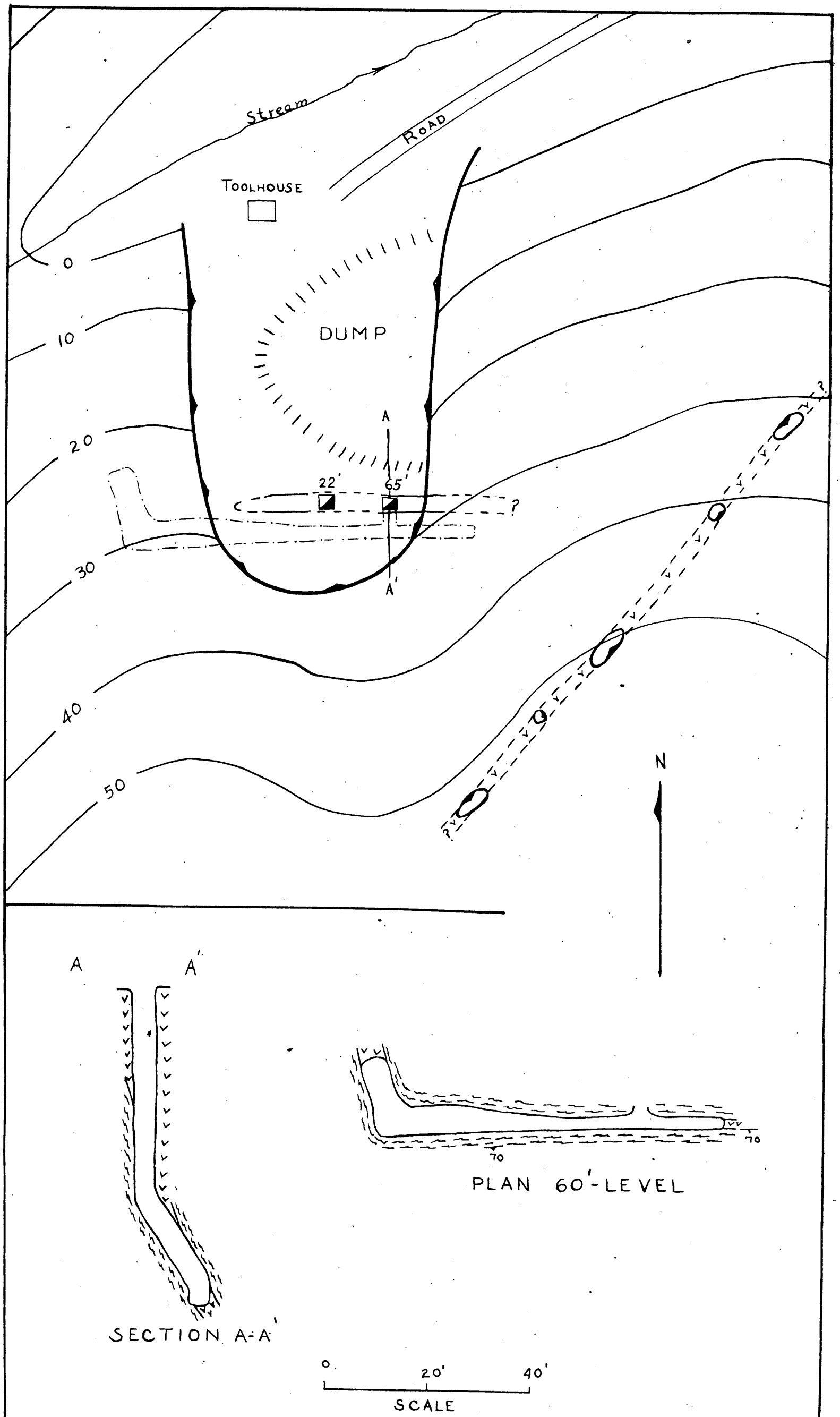
e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior—Duplicating Section, Washington, D. C. 47318

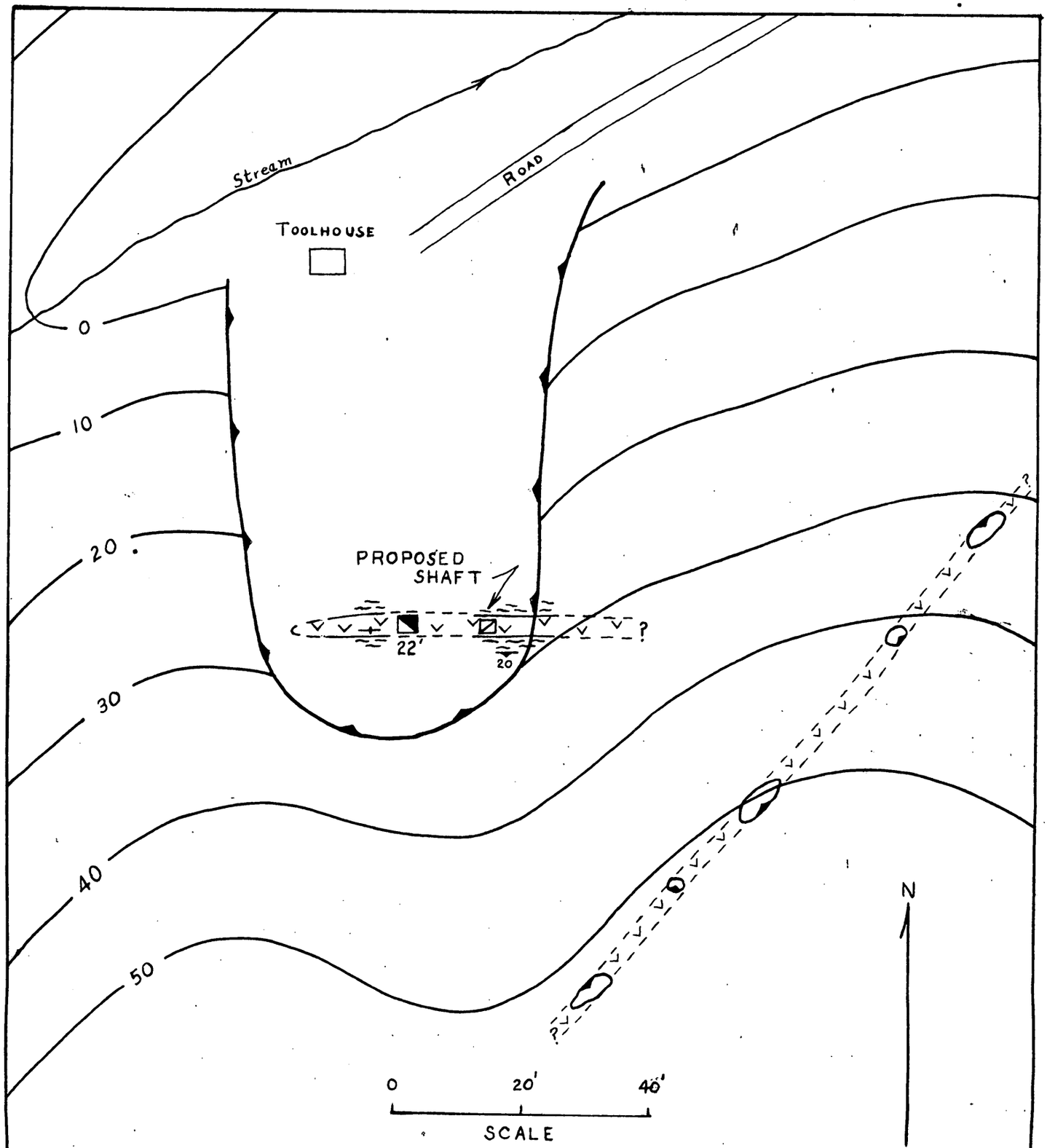
TALENT PROSPECT





SKETCH OF
MUD CUT MINE
MACON CO., N.C.

DMEA-3287(mica)



SKETCH OF
MUD CUT (MUDHOLE) MINE
MACON CO., N.C.

DMEA-3287 (mica)

SPOKANE 2, WASHINGTON

OFFICIAL BUSINESS

SPOKANE, 1
JE 12 1 PM
1954

3 CENTS 3

1954

334

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/8	Murphy	500
	Gibson	500
6/8	Talbot	800
	Selfridge	420
6/8	Johnson	110
		100
		220

JUN 9 1964

Mr. and Mrs. Paul L. Grist

Rabun Gap, Georgia

Re: DMEA-3287 (Mica)
Mud Cat Mining Company
Mud Cat Mine
Macon County, North Carolina
Contract Idm-E674

Dear Mr. and Mrs. Grist:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Owner's Consent to Lien signed by you on June 4, 1954, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm
6/8/64
cc: Director's Reading File
R. A. Laurence, Knoxville, Tenn.
Rocket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/8	Murphy	500
	Arnold	500
6/8	Fuchs	800
	Selfridge	120
6/8	Johnson	110
		100
		220

JUN 9 1964

Mud Cut Mining Company
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: DMEA-3287 (Mica)
Mud Cut Mining Company
Mud Cut Mine
Macon County, North Carolina
Contract Idm-E674

Gentlemen:

Thank you for returning the completed Form 63's mailed to you on June 1, 1964.

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated July 22, 1955, all minerals mined or produced from June 1, 1954, to June 1, 1964, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records 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.

Sincerely yours,

George Fumich, Jr.

Acting Director

MMerrithew/mm
6/8/64
cc: Mr. and Mrs. Paul L. Grist, Rabun Gap, Georgia
Director's Reading File
R. A. Laurence, Knoxville, Tenn. w/cy of incoming Form 63
CA&A Division
Docket
Code 500

43683

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

June 1, 1964

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-3287 (Mica)
Sam L. Phillips, et al
Mud Cat Mine
Macon County, N. C.
Contract Idm-E674

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O M E
RECEIVED JUN 5 1964

DATE	INITIALS	AMT
6/5		800
6/5		100
6/5		110
		500

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. ~~Since~~ From September 11, 1963, to June 1, 1964, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. ~~Since~~ From September 11, 1963, to June 1, 1964, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Sam L. Phillips Title Ptnr.

Address Spruce Pine, N.C. Date June 2, 1964

4511

Project Summary Report

By: James Hopkins July 8, 1955

1. Docket No. DMEA-3287 - Mica
   Mud Cut Mine
   Macon County, North Carolina
   Contract No. Idm-E674

   Application: dated March 18, 1954
   Operator: Mud Cut Mining Co.
   Spruce Pine, North Carolina
   Operator's Property rights: Lessee of the mineral rights. Lease dated March 12,1954

2. Contract: dated June 1, 1954
   Work Authorized:

New Buildings:	
Powder and Exploder magazines	$ 38.00
Sinking Shaft - 65 feet @ $50	3,250.00
Drifting 75 feet @ $30	2,250.00
Estimated total cost of project	$5,538.00

Amendments: No. 1 dated January 7, 1955 authorized the following additionsl work on the Talent Prospect:

Rehabilitate Shaft 25 feet @ $12.00/ft	$ 300.00
Sinking 50 feet of Shaft @ $40.00/ft	2,000.00
Driving 100 feet of drifts@ $30.00/ft	3,000.00
Estimated total cost of additional work	$5,300.00
Estimated total cost of project	$10,538.00
Government participation @ 75%	8,128.50

Work Completed:

Mud Cut Mine

New Buildings	$ 38.00
Shaft sinking 65 feet @ $50.00/ft	3,250.00
Drifting 75 feet @ $30.00/ft	2,250.00
Total	$5,538.00

Talent Prospect

Shaft rehabilitation 25 feet @ $12.00/ft	$ 300.00
Shaft sinking 50 feet @ $40.00/ft	2,000.00
Drifting 90 feet @ $30.00/ft	2,700.00
Total	$5,000.00

Grand Total	$10,538.00
Government participation @ 75%	7,903.50

Work began on the Mud Cut Mine June 7, 1954 and was completed on October 8, 1954.

Work began on the Talent Prospect February 1, 1955 and was ended April 30, 1955.

An estimation of reserves revealed by the work on the Mud Cut Mine is:

Indicated (above 60-foot level)	35,000 Lbs.	"Mine-run" mica
Inferred (60-foot to 120-foot level)	60,000 "	" "
Total 95,000 Lbs. valued @ 30¢/lb	= $28,500.00	

Mica is green and ruby colored in the proportion of about 3 to 1.

Production to date July 8, 1955 value	$12,352.20
Royalties paid to date	617.61

There are no reserves on the Talent Prospect.

Value of production during operation was $45.00 Royalty of $2.25 included in the above total.

3. Audit:
   Report of Review dated May 19, 1955

Total cost as billed by Operatpr	$10,538.00
Exceptions	-0-
Total Accepted cost	10,538.00
Government participation @ 75%	7,903.50

4. Certification of discovery issued by the Government July 1955.

5. Comments:
   How conducted: The project work was conducted in an efficient and satisfactory manner.

   Operations: Excellent

   Engineering: Rather limited amount required, but it was good, Adequate reports were provided.

   Geological Premise: (Mud Cut Mine) The premise that a pegmatite that had been worked extensively by open cuts, pits, and shadow shafts would yield a quantity of strategic mica in depth was well founded.

Geological Criteria upon which project was based:

1. The pegmatite in surface exposures showed significant quantities of strategic mica.
2. The pegmatite is zoned and is essentially conformable to the enclosing country rock.
3. The attitudes of two pegmatites indicated they may join somewhere along the strike.
4. The mica is flat, clear, hard, splits well and is ruby colored.

Geological Criteria developed during the project:

1. The pegmatite is 5 to 12 feet wide in the shaft and laterals.
2. The body is zoned unsymmetrically.
3. The muscovite tends to be ruby-colored in those portions where plagioclase is dominant fledspar and green-colored where perthite is dominant.
4. The zones consist of the following:
   (a) 2 to 4 feet plagioclase zone on hanging wall.
   (b) Oto 2 feet perthite zone
   (c) 0 to 3 feet quartz core
   (d) 2 to 4 feet zone similar to (b) on footwall

Future possibilities: No additional exploratory work is warranted.

Recommendations: The Nonmetallic Minerals Division concurs in the Field Team's recommendation that a certification of discovery should be issued. The Commodity Divisions of the Bureau of Mines and Geological Survey also concur in the recommendation.

(Talent Prospect) No significant quantity of strategic mica was encountered through DMEA work.

There are no reserves.

The premise that strategic mica would be found at depth in a pegmatite was proven untrue by the exploration work.

The project was terminated by mutual agreement before authorized work was completed.

MME Form 18
10-60

OFFICE OF MINERALS EXPLORATION

ANALYSIS OF ANNUAL REPORT
OF CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

Division of Minerals prepares in duplicate, files original in official docket, and sends copy -

To: (1) Code 110 (for verification or adjustment)
(2) Code 210

Mud Cut Mine

Docket No.	Operator	Report Period
3287	Sam L. Phillips	to 5-1-61
		Contract No. E674

ORE ESTIMATES	Original DMEA or OME (From Final Report)	Revised DMEA or OME	Found by Operator after DMEA-OME work
Analysis			
Tons Found	no estimate		
Tons Produced (Ore or Concentrate)			
Previously Reported			
This Period			
Tons Remaining	—		

Comments of Analyst:

5/25/63
Will write inquiring letter
to Mr Paul L. Grist
Mrs Eliza Cabb G
Rabun Gap - Ga.

Inactive at this time

Prepared by W R Fusawed Date 5/26/61

82444-60

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

June 1, 1964

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-3297 (Mica)
Sam L. Phillips, et al
Mud Cat Mine
Macon County, N. C.
Contract 24m-E674

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. From September 11, 1963, to June 1, 1964 ~~Since~~ ~~XXXXX~~, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. From September 11, 1963, to June 1, 1964 ~~Since~~ ~~XXXXX~~, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____		
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

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

September 4, 1963

Re: DMEA-3287 (Mica)
Sam L. Phillips, et al
Mud Cut Mine
Macon County, No. Carolina
Contract Idm-E674

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVE SEP 11 1963

DATE		CODE
9/12		800
9/12		500

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since November 26, 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since November 26, 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Sam L. Pleuleyes Title Partner

Address Spruce Pine N.C. Date

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/11	GCS	120
		220

DEC 11 1962

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-3287 (Mica)
Mud Cut Mining Company
Mud Cut Mine
Macon County, North Carolina
Contract Idm-E674

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

George C. Selfridge (gla)

Enclosure

GCSelfridge/gla (12-11-62)
cc to: Docket DMEA-3287
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 12/5/62 and orig. cy of memo dtd 12/5/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

December 5, 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-3287 (Mica)
Mud Cut Mining Company
Mud Cut Mine
Macon County, North Carolina
Contract Idm-K674

Enclosed are the original and two copies of a Report of Royalty Review covering the subject Region IV contract. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary; and

(b) Two copies to Region IV files.

This report is for OME record purposes only; therefore, no copy has been provided for the Operator.

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

Enclosures

EDTalbert/ama 12-5-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

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

November 21, 1962

Re: DMEA-3287 (Mica)
Sam L. Phillips, et al.
Mud Cut Mine
Macon County, N. C.
Contract Idm-E674

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Mr. Phillips:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee ☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Sam L. Phillips

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED: 11-26-62

ADDRESS WHERE DELIVERED *(only if requested in item #1)*

C55—16—71548-4 GPO

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 28 1962

DATE		
11/28		8.00
11/26		1.00
11/28		~~1.10~~
11/29	Murphy	5.00

MME Form 63
Revised 3-62

DMEA-3287
Idm-E674

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 18, 1961, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since May 18, 1961, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Sam T. Phillips Title Partner

Address Spruce Pine, N.C. Date 11-26, 62

4511

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

November 21, 1962

Re: DMEA-3287 (Mica)
Sam L. Phillips, et al.
Mud Cut Mine
Macon County, N. C.
Contract Idm-2674

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Mr. Phillips:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

DMRA-3287
Idm-12674

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 10, 1961, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since May 10, 1961, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____		
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	_____ Tons	_____	_____
Concentrates	_____ Tons	_____	_____
Other	_____ Tons	_____	_____

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

Murphy

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: Field Officer, OME

Date:

Concerning: Phillips, Sam L., et al
Docket No. DMEA-3287-Mica
Property Mud Cut Mine
Location Macon County, N. Carolina
Contract Idm-E 674

Mr. Sam L. Phillips
Spruce Pine, North Carolina.

Sent 3/23/62

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return one copy to this office with copies of any pertinent documents.

Field Officer

1. Since 5/18/61, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☐

2. Since 5/18/61, has there been any production from the property?* Yes ☐ No ☐

A. If so and it was shipped, give name and address of purchaser?

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

Submitted by:

Name _____ Title _____

Address _____ Date _____

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

Docket copy

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: George C. Selfridge, Chief
~~Field Officer, OME~~
Division of Field Operations
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Date: May 29, 1961

Concerning:
Docket No. DMEA-3287 (Mica)
Property Sam L. Phillips, et al.
Mud Cut Mine
Location Mason County, North Carolina
Contract Idm-E674

Mr. Paul L. Grist and
Mrs. Eliza Cobb Grist
Rabun Gap, Georgia

(Why not Sam Philips, he is the big mica man in N.C. because land we wanted to examine.)

This should include the new work done in a surface trench at the Tallent mine

Not Answered.

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return ~~one copy~~ two copies to this office with copies of any pertinent documents.

George C. Selfridge
~~Field Officer~~
Chief, Division of Field Operations

1. Since 7/1/59, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☐

2. Since 7/1/59, has there been any production from the property?* Yes ☐ No ☐

A. If so and it was shipped, give name and address of purchaser?

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

Submitted by:

Name _____ Title _____

Address _____ Date _____

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

OME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	[illegible]	800
		500
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

Subject: Check of Spruce Pine Mica Purchase Depot Records, June 18 - 22, 1962

During the period of June 18 to 22, 1962, I examined the purchase records of the G.S.A. Mica Purchase Depot at Spruce Pine, North Carolina, for the purpose of ascertaining any unreported production under DMEA exploration project contracts. My examination did not disclose any unreported production subject to royalty under the following contracts:

Contract No.	Docket No.	Operator	Mine Names
E- 87	1140	Pitt Mica Corporation	Mary, Reid, Reid-Mary, Reid Hooker
456	2150	A. W. Reid and W. H. Hooker	Mary, Reid, Reid-Mary, Reid Hooker
393	2293	Dixie Minerals, Inc.	D. H. Stephens (Stevens)
412	2277	Burke John Mica Miners	Burke John, N. L. Barnard
461	2582	Zeb Angel	Kasson
472	2595	Bourne Associates	Liberty, Conley, Turley
686	3375	Dixie Mines, Inc.	" " "
476	2327	Andrew W. Reid	May
516	2926	The Goodmica Mining Co.	Bngle Cope
519	2784	H. J. Twiggs & W. S. Glenn	Sam Huskins, Little Sam Huskins
547	2886	Duncan Mining Co.	Connolly
560	3008	Murphy Mining Co.	Reid, Bennett
562	2873	Empire Mica Co.	Short-Mitchell
601	3050	M. E. Burleson, et al.	Jones-Bozeman
613	2875	Latt Young	Cox
626	3133	Maderic Mica Co.	Saunders (Sanders)
636	3154	Byrd Mica Miners	Byrd
659	3229	Willis & Snyder Mining Co.	Lutz
662	3255	Non-Metallic Minerals	White Face, Peterson Tract
674	3287	Mud Cut Mining Company	Mud Cut, Tallent (Talent)
679	3290	C. C. Burleson	Ruby, Shaft
675	3282	J. R. Beam & Howard Boone	Ingram, Clifton

cc: Docket
Director's Reading File
CA & A Division
Region IV Files (2)

CEFisher/mm
6-26-62

63683

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

OFFICIAL FILE COPY
IN REPLY REFER TO:
O. M. E
RECEIVED MAY 22 1961

DATE	INITIALS	CODE
5/23	gad	220
	on leave	110
5/23	[illegible]	800
"	gh	500
		220

May 18, 1961

Report of Investigation of Certified Project

S. L. Phillips

Mud Cut mine, Macon County, N.C.
DMEA 3287 E674

No work has been done at the Mud Cut mine since the completion of the contract work. The cut is caving.

Some bulldozing has been done, however, at the Tallent mine which is on the same property. A trench about 200 feet long, 5 to 40 feet deep, and 10 to 40 feet wide has been cut mainly on the southside of the ridge crest just west of the DMEA shaft. The walls of the cut are gneiss saprolite; no pegmatite is exposed. Kaolinized feldspar, large blocks of quartz, and some scrap quality muscovite occur in the dump. There is no equipment on the property. It is reported that Mr. Ralph Cunningham of Franklin, N. C. did the work a few months ago. How much mica was recovered is unknown. Judging from the exposures and dump material, production was limited and probably of poor quality.

Royalty due?

F. G. Lesure

Date Inspected
26 April 1961

Will write inquiring to
Mr. Paul L. Grist
Mrs Eliza Cobb Grist
Raburn Gap, Ga

Answered 5/26/61

Rec'd 7/1/59

Annual report on [illegible] projects, North Carolina

[illegible]	Idm-E	Operator	Date Inspected
[illegible]	495	Burns & Spangler Construction Co. (Lee Cornwell Mine)	June 13 [illegible], '60
[illegible]	548	Taylor and Greene (Cow Camp Mine)	
[illegible]	516	Good Mica Mining Co. (Engle Cope Mine)	
[illegible]	557	J. P. Bryson (B.T.R. Mining Co.) (Dream [illegible])	
[illegible]	560	Murphy Mining Co. (Bennett Red)	
[illegible]	636	Ellis & Grindstaff (Byrd Mine)	
[illegible]	665	Sparks & Parsley (Hector Mine)	
[illegible]	659	Willis & Snyder (Luna Mine)	
[illegible]	694	W. B. Chrisawn (Westall Mine)	
[illegible]	664	Buchanan & Cook (Johnson Mine)	
[illegible]	662	Non-Metallic Minerals (White Face Mine)	
[illegible]	687	Brown & Rathburn (Fox Mine)	
[illegible]	692	Phillips & Carpenter (W. A. McKinney Mine)	
[illegible]	675	J. R. Beam & H. Boone (Ingram Mine)	
[illegible]	674	Phillips & Carpenter (Mud Cut Mine)	Inactive
[illegible]	712	Rock Mining Co. (Rock Mine)	

SEMI-ANNUAL [illegible] ON CERTIFIED PRO[illegible]
IN THE [illegible]LIN, N. C. AREA

[illegible]

We have [illegible] since last report

Reporting Period: January 1, 1959 to July 1, 1959

DMEA	Idme-	Mine Name	Operator
1140	87	Mary	Pitt Mica Company
1700	116	Cabe [illegible] 1	Fred Cabe
2150	456	Reid	Reid & Hooker
2277	412	Burke John	Burke John Mica Min[illegible]
2293	[illegible]	D.H. Stephens	Dixie Minerals Inc.
2327	[illegible]	[illegible]sy	A. W. Reid
2579	[illegible]	Laird Cove	Mica Industries
2582	[illegible]	Kesson	Zeb Angel
2610	[illegible]	Shell [illegible]	Dixie Minerals Inc.
2875	[illegible]	Cox	Lett Young
2928	516	Engle Cope	Good Mica Mining Co.
3000	[illegible]	Terrill Hyson	B. T. R. Mining Co.
3265	[illegible]	Parlow Gap	Mines & Mining Inc.
3267	[illegible]	[illegible] & Tallent	Sam Phillips, et al.
3469	737	[illegible]	A. Ward
3543	[illegible]	[illegible]	Buchanan Minerals Inc.
3720	[illegible]	[illegible]	Alvin White, et al.

Official

SEMI-ANNUAL REPORT ON CERTIFIED OR PSEUDO
CERTIFIED PROJECTS

7/L C 220 600

INACTIVE SINCE LAST INSPECTION

Commodity : Mica

Reporting Period: January 1, 1958 to July 1, 1958

DMEA No.	Idm-E	Operator & Mine	Date Inspected
1140X	87	Pitt Mica Corp (Mary Mine)	June 25, 1958
1700X	116	Fred Cabe (Cabe No.1 Mine)	" " "
2150	456	Reid & Hooker (Reid Mine)	" " "
2277	412	Burke John Mica Mines (Burke John Mine)	" " "
2293	393	Dixie Minerals Inc. (D.H. Stephens Mine)	" 24 "
2327	476	Andrew M. Reid (May Mine)	" 25 "
2582	461	Zeb Angel (Kasson Mine)	" 24
2610	431	Dixie Minerals Inc. (Shell Ridge Mine) Pseudo	" 24 "
2687	425	Sam Phillips, et al (Ietla Bowers Mine)	" 25 "
2875	613	Latt Young (Cox Mine)	" 24 "
2926	516	The Moodmica Mining Co. (Engle Cope Mine)	" 24 "
3000	557	B.T.R. Mining Co.(Terrill Bryson) mine	" 25 "
3265	830	Mines & Mining Inc.(Farlow Gap)	" 26 "
3287	674	Sam Phillips, et al (Mud Cut & Tallent Mines)	" 25 "
3469	737	A Ward(Elmore Mine)	" 24 "
3720	805	Alvin White, et al(Coward Mine)	" 24 "
3543	891	Buchanan Minerals Inc(DREAM Mine)	" 24 "

Wm. A. Beck, Mining Engineer, USBM (DMEA)

Official Copy

RECEIVED FEB 0		
DATE	INITIALS	CODE
2/6	C	220
	Com	100

DMEA EXPLORATION PROJECT

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

DMEA-3287, Idm-E674(mica) MUD CUT & TALLENT MINES
Macon County, North Carolina

Reporting Period: July 1, 1957 to January 1, 1958

Operators: Sam L. Phillips and Lin Carpenter, Spruce Pine, N. C., and Homer and Jeter Boone, R#3 Bakersville, N.C .

This property was visited January 23, 1958. No work had been done on either location since the last inspection of August 9, 1957.

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines
(DMEA)

2/4/58

z

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

DMEA EXPLORATION PROJECT

DMEA-3287, Idm-E674 (mica) MUD CUT and TALLENT MINES

Operator: Sam L and John Phillips, & Lin Carpenter (Spruce Pine,) and Homer and Jeter Boone, R#3, Bakersville, N. C.

Location: The Mud Cut Mine is 1.25 airline miles NW of the center of Franklin, Macon County, N.C . and 800 ft SW of the Allman Cove Mine.

The Tallent Prospect is on the crest of Trimont Ridge, 1.33 airline miles N 65°W of the center of Franklin, Macon County, N. C.

This property was visited August 9, 1957. No work had been done on either location since the last examination March 19, 1957.

Wm. A. Beck, Mining Engineer
Bureau of Mines

9/3/57
z

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 5 1957

DATE	INITIALS	CODE
9/5	C	220

SEMI-ANNUAL REPORT OF CERTIFIED
PROJECT

Reporting Period: 7-1-56 to 1-1-57. Date of Examination: 3-19-57

Operator: Sam L. Phillips, John Phillips and Lin Carpenter, Spruce Pine, N.C., and Jeter Boone and Homer Boone of Route # 3, Bakersville, North Carolina

Name of Mine: Mud Cut and Tallent Mines

County: Macon State: North Carolina

DMEA-3287, Idm-E674. Commodity: Mica

Location: On the crest of Trimont Ridge, 1.33 miles N. 65° W. of Franklin, Macon County, N.C.

This property was visited March 19, 1957. All equipment had been removed from the property, and the shaft was full of water. No work had been done during this period.

Inspected: March 19, 1957

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 29 1957

DATE	INITIALS	CODE
3/29	C	220
/29	COM	100

z

RECEIVED

JUL 23 1956

Semi-Annual Reports of Certified Projects

Reporting Period 12/1/55 to 6/6/56 Date of Examination 6/6/56

Operator Sam L. and John Phillips, and Lin Carpenter, Spruce Pine, N. C., and Homer and Jeter Boone of Rt. #3, Bakersville, N. C.

Mine Name Mudcut Mine (mica)

County and State Macon County, North Carolina

Docket Number and Commodity --- DMEA- 3287

Contract Number --- Idm-E 674

Date of Contract June 1, 1954

Date of Certification July 22, 1955

Expiration Date of Royalty Payments June 1, 1964

Total Amount of Contract $10,838.00

Total Expenditures under Contract 10,538.00

Amount of Government Participation at 75 % $7,903.50

Royalty Payments this Period None

Previous Royalty Payments $617.71

Total Royalty Payments to Date 617.71

Percent Government Participation Repaid 7.82%

Royalty Due on Production to Date None

Royalty Remarks

This visit to the mine shows no period activity, hence no royalty.

Original Estimate of Reserves (from final Engr.-Geol. Report):	Indicated (above 60' level)	35,000 pounds of mine run book
	Inferred (60-120' levels)	60,000 pounds of mine run book

Increase (or Decrease) of Reserves by work performed subsequent to original and last Field Team estimates: **No activity during period**

Revised Estimate of Reserves:

Production this Period (Ore or Concentrates) in suitable detail **None**

Amount of Previous Production (since date of contract)

Total DMEA Production to Date **Sales totaling $12,354.20 have been made**

Production Remarks:

Rubysheet mica	629.55 lbs.	1,554.64	$8,347.92
Non-ruby sheet	925.09 "		3,318.93
Punch	* 6,141.00 "	19,341	489.35
Scrap	13,200.00 "		198.00
Total	20,895.64 "		$ 12,354.20

* includes 69.00 lbs sheet

Other Remarks:

(Investments, description of additional exploration or development work, production facilities, and plant installations, etc. since completion of the exploration project work.)

All equipment has been removed from the property, and the shaft is full of water. No activity during this period.

Signed _____ Engineer

Lawrence E. Shirley
U. S. Bureau of Mines

Docket File
Surname:

Hopkins
J. Kinsman
Talbert
Gehan
Kulsgaard
Martin
Chandler
Johnson

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

JUL 2 5 1955

Mr. Clarence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
7th and D Streets, S. W.
Washington 25, D. C.

Re: Docket No. DMEA-3287 - Mica
Mud Cut Mining Co.
Mud Cut Mine
Macon County, North Carolina
Contract No. Idm-2674

Dear Mr. Fredell:

I am enclosing one copy of a certification of discovery or development relating to the subject contract.

The exploration contract is dated June 1, 1954, and is for a total amount of $10,838.00 with the Government participating to the extent of 75 per cent or $8,128.50. The project was started June 7, 1954 and completed April 30, 1955, after the expenditure of $10,538.00 which is the total net and accepted cost according to the Audit Review. The Government paid 75 per cent of the total accepted cost or $7,903.50.

The work performed on this project consisted of constructing a powder and an exploder magazine, sinking two shafts totaling 115 feet on two different pegmatites on the property and driving a total of 165 feet of drifts from the shafts.

The project work resulted in the discovery of mica reserves in the following categories:

Indicated (above 60-foot level)	35,000	Lbs. "Mine-run" mica
Inferred (60-foot to 120-foot level)	60,000	" " "
Total	95,000	" " "

The DMEA is of the opinion that the project work was of definite benefit to the property and, therefore, we have certified that a discovery or development has resulted from the work.

Sincerely yours,

C. O. Mittendorf

Administrator,

Field Team, Region 5
Mr. Kilisgaard, 5222
Mr. ~~Dietrich, 5051~~ Buchanan
Mr. Hoult

55
R. File
Docket
J. Johnson
Mr. Chambers
Operating Committee

re

R.C.H.

Docket File
Surname:

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

JUL 25 1955

Mud Cut Mining Co.

Spruce Pine, North Carolina

Re: Docket No. DMEA-3287 - Mica
Mud Cut Mining Co.
Mud Cut Mine
Macon County, North Carolina
Contract No. Idm-E674

Gentlemen:

Transmitted herewith is a certification of discovery or development under Contract No. Idm-E674 on the Mud Cut Mine, Macon County, North Carolina.

By the terms of the Exploration Project Contract and of the certification, all production from the aforesaid lands from the date of the Exploration Project Contract, June 1, 1954, is subject to the Government's percentage royalty as set forth in the contract until the sum of $7,903.50 is paid or until June 1, 1964, whichever occurs first.

Payments should be made to Mr. Robert A. Laurence, Executive Officer, Defense Minerals Exploration Administration Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee. Checks should be drawn payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Laurence of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Laurence at six-month intervals that no production has been made.

Sincerely yours,

C. O. Mittendorf
Administrator

INTERIOR DEPT. JUL 14 1955 SOLICITOR
INTERIOR DEPT. JUL 18 1955 SOLICITOR

Enclosure

Mr. Paul L. Grist & Mrs. Eliza Cobb Grist (sent to Field Team for forwarding)
Field Team, Region V
Mr. Kilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Docket
Mr. Johnson
Mr. Chambers
Operating Committee

J L Krause
Talbert
Guhan
Kilsgaard
Martin
Dietrich
F Johnson

R.C.H.

Final Report indicated that
the pegmatite is conformable

a zoned pegmatite [illegible] conformable
with the surroundings (Ordinance [illegible])
of [illegible]

"In general, the pegmatite is conformable,
but has many local exceptions"

Final report of F T May 10, 1955

[illegible]

Fix - [illegible]

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

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Mud Cut Mining Co.

Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-E674, dated June 1, 1954 (Docket No. DMEA-3287), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

A disconformable pegmatite in mica gneiss and schist was exposed by the project work. Sufficient data were obtained to calculate indicated and inferred reserves of mica.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

Dated_____

IN REPLY REFER TO:

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

July 8, 1955

Re: DMEA 3287, Idm-E674
Idm-E674, Amendment No. 1
Sam and John Phillips and Lin Carpenter
Mud Cut Mine and Talent Prospect
Macon Co., N. C.
$10,838.00, Idm-E674
$5,300.00, Amendment No. 1 - Mica

Memorandum

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

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

Subject: Review of Final Report of Field Team.

The work on the Mud Cut pegmatite, the subject of the original application and contract resulted in a discovery. By the work at the Talent prospect under Amendment No. 1 to the contract, no discovery was made.

I concur with the recommendation of the Field Team that a certificate of discovery be issued for the Mud Cut work, but none be issued for the work at the Talent prospect.

N. E. Nelson

N. E. Nelson

IN REPLY REFER TO:

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

July 8, 1955

Re: DMEA 3615, Idm-E772
Elbert Watson
Ben Alridge Mine
Avery Co., N. C.
$3,112.00 - Mica

Memorandum

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

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

Subject: Review of Final Report of Field Team.

I concur with the recommendation of the Field Team that no certificate of discovery be issued.

N. E. Nelson

N. E. Nelson

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

DEPARTMENT OF THE INTERIOR
Bureau Mines
RECEIVED
MAY 26 1955

May 26, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Donald R. Irving, Acting for W. F. Dietrich, Chief
Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3287 (mica)

Applicant: Sam & John Phillips and Lin Carpenter

Name and Location of Property: Talent Prospect (Mud Cut)
Macon County, North Carolina

Contract Number: Idm-E674

Date of Field Team Report: 5-12-55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 5-23-55

Field Team Recommendation:

1. Additional work is not warranted.

Comments:

1. No significant quantity of strategic mica was encountered through DMEA work.

2. Reserves are negligible.

3. Expenditures - Total approved $5,300 ?
Total cost 5,000
Gov't. share of the cost 3,750
Value of production during operation 45

Recommendation:

I concur with the field team recommendation.

Donald R Irving
Donald R. Irving

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 45 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 27 1955

May 25, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer - Knoxville-Norris

From: Executive Officer, DMEA - Region 5, Knoxville, Tenn.

Subject: Royalty payment : Idm-E674, DMEA-3287, Sam L. Phillips , et al
Mud Cut Mine (Talent Prospect)

Transmitted is a bill-of-sale for mica on the subject contract in the amount of $53.05, and a check no. 64 in the amount of $2.65 representing 5% royalty due the Government.

Robert A. Laurence

ZM.
cc:
Lynch
Mittendorf
Shirley
Files
Allsman

C
O
P
Y

PURCHASE RECORD

Spruce Pine, N. C. May 16, 1955

CARPENTER & PHILLIPS
MICA COMPANY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 27 1955

Bought from: Talent Mining Company

255 lbs.	washer mica	@ 11¢ lb.	$28.05
5 lbs.	sheet mica	@ $1.50/lb	7.50
14 lbs.	Sheet mica	@ 1.25/lb.	17.50
		Total	$53.05

Royalty check no. 64. $2.65.
Dated May 16, 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 12, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: D. M. E. A. Field Team, Region 5, Knoxville, Tenn.

Subject: Final Reports, DMEA-3287, Idm-E674 (mica) Mud Cut Mine and Talent Prospect. Sam & John Phillips and Lin Carpenter, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the work done at the Talent Prospect. Final reports on the Mud Cut work were submitted in November 1954.

Certification of discovery is recommended, on the basis of results at the Mud Cut Mine.

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

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

DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

Spruce Pine, N. C.
April 28, 1955

Mr. Robert A.Laurence, Executive Officer
DMEA, Region VII, P.O. Bldg.
Knoxville, Tennessee

Re: DMEA-3287, Idm-E674 (Mica)
Mud Cut Mine (Amendment)
Final Report

Operators Final rpt.

Dear Mr. Laurence:

Work began on the amendment section of the above contract on February 1, 1955. Hoist and air compressor were brought in, and mask and boom pole set up. Immediately thereafter work began on rehabilitating an existing 25' shaft. We then sank the shaft an additional 50', which was in vein material most of the way. No mica of strategic quality was encountered.

We drove a drift a distance of approximately 90' in a direction suggested by the field team. At the 30' point, we encountered some mica that was very heavy stained and which could not be classified strategic quality.

On the last visit of the field team, they recommended that the drift be stopped 10' short of the distance called for in the contract. Final work on the contract was completed on April 22, 1955.

We wish to thank the field team for their assistance on this project.

Very truly yours,

Sam L. Phillips

Sam L. Phillips B.

RECEIVED
MAY 4 1955
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

P/b

hold for covering memo from H. B. 5-17

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
On

DMEA-3287, TALENT PROSPECT (mica)
(Mud Cut Mine Property)
Macon County, N. C.

BY

Kefton H. Teague, Geologist
U. S. Geological Survey
and
D. H. Amos, Geologist
U. S. Geological Survey

and

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

May 10, 1955

Released by
DEFENSE MINERALS COMMITTEE
5-20-55

Final File Team Rpt.

Strategic Minerals Stockpile
RECEIVED
MAY 1 6 1955

FINAL REPORT
On
DMEA-3287, TALENT PROSPECT (mica)
(Mud Cut Mine Property)

Operators: Sam and John Phillips, and Lin Carpenter of Spruce Pine, N. C., and Jeter and Howard Boone of R#3, Bakersville, N. C.

Location: On the crest of Trimont Ridge, 1.33 airline miles N. 65° W. of Franklin, Macon County, N. C.

Exploration on a pegmatite at the Talent Prospect was conducted as an amendment to the Mud Cut Mine contract. No significant quantity of strategic grade mica was discovered at the Talent Prospect. Certification of discovery was recommended on the Mud Cut Mine in the final report dated October 29, 1954, which is on the same leased tract of land as this prospect. Additional exploratory work is not warranted at the Talent Prospect.

Work began at the prospect on the amended portion of the contract on February 1, 1955 and was ended April 30, 1955. An existing 25-foot vertical shaft was enlarged to 5' x 7' in cross section and timbered. This shaft was then deepened an additional 50 feet. From the shaft bottom a total of 90 feet of laterals were driven; 82 feet northwest of the shaft and 6 feet northeastward (see attached sketch map).

A zoned pegmatite 7 - 20 feet thick is exposed in the shaft and the laterals. Thickness, attitude and mineral composition vary considerable in short distances. The body strikes N. 10 - 80° W. and is vertical to steeply dipping to the northeast. It consists of a discontinuous medial quartz core up to 6 feet thick enclosed by a zone 1-3 feet thick of very coarse-grained perthite, quartz and green muscovite. The outer zone, 5-12 feet thick, consists of plagioclase, quartz, and muscovite. In part of this zone the quartz is concentrated into "streaks" giving the rock a ribboned appearance. The attitude of the wall rock is variable; the most common strike being northwest and dip northeast. In general, the pegmatite is conformable, but has many local exceptions.

The only mica discovered that was large enough to yield sheet mica was found adjacent to the quartz core about 32-42 feet northwest of the shaft bottom. It was large, 18 inches in diameter being common, but was very badly curved and cracked and somewhat stained. None was of strategic quality.

A total of 3000 pounds of scrap mica worth $45 was recovered during the operation.

Reserves of strategic mica revealed by the work at the Talent Prospect are negligible.

Expenditures at the Talent Prospect under Amendment No. 1, to the Mud Cut Mine (contract Idm-E674, DMEA-3287) are:

(a)	Total approved	$5,300.00
(b)	Total cost	5,000.00
(c)	Government's share of cost	3,750.00
(d)	" " unexpended	225.00
(e)	Value of production during opr.	45.00
(f)	Royalty received to date	2.25

A summary of total expenditures on the Mud Cut Property under DMEA-3287, Idm-E674 is as follows:

(a)	Total approved	$10,838.00
(b)	Total cost	10,538.00
(c)	Government's share of cost	7,903.50
(d)	Government's share unexpended	225.00
(e)	Value of production to date	12,301.15
(f)	Royalty received to date	615.06

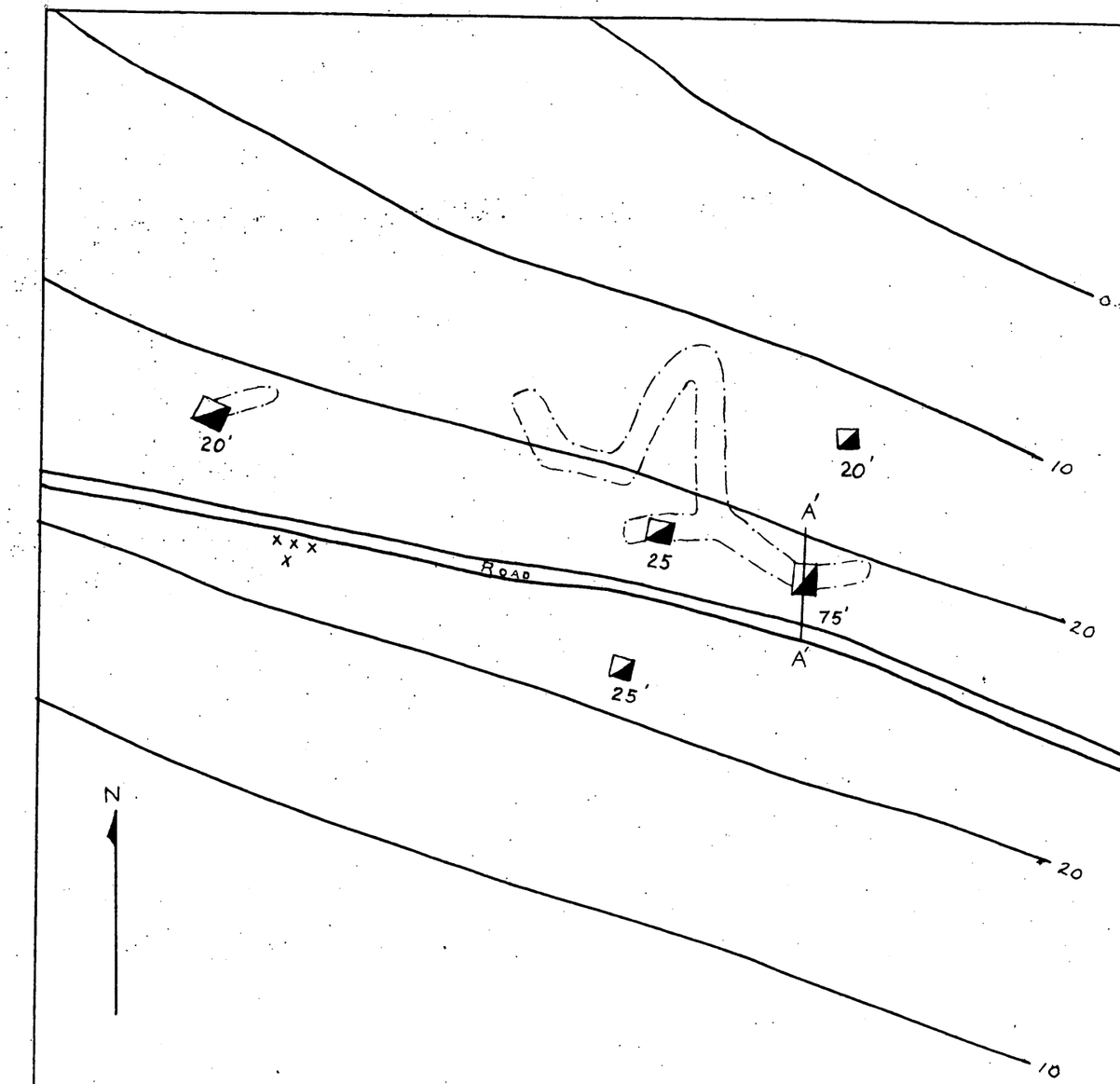
The work at the Talent Prospect was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

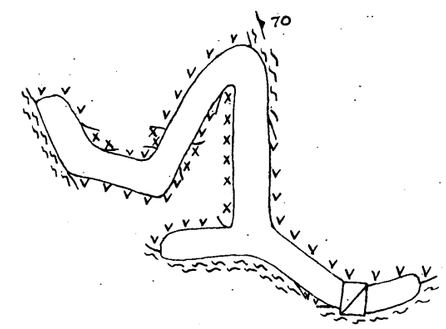
May 10, 1955

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

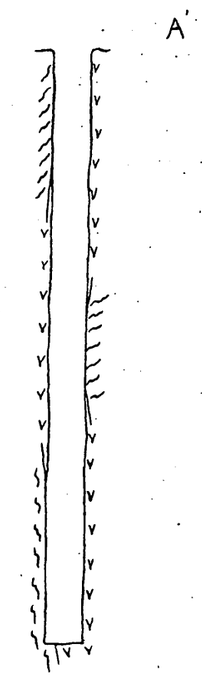
L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

z





PLAN 75'-LEVEL



SECTION A-A

LEGEND

- mica gneiss
- xx quartz
- vv pegmatite
- strike & dip of foliation
- contact
- shaft
- outline of underground workings

0 20' 40'

SCALE

SKETCH OF

TALENT PROS.

MACON CO., N.C.

DME A-3287 (mica)

May 2, 1955

INTERIM REPORTS

DMEA-3287, Idm-E674 (mica) TALENT PROSPECT

Operator: Sam L. and John Phillips and Lin Carpenter of Spruce Pine, N. C., Jeter and Homer Boone, R#3, Bakersville, N. C.

Location: On the crest of Trimont Ridge, 1.33 airline miles N. 65° W. of the center of Franklin, Macon County, N. C.

All work as authorized by this amendment to the original contract has been completed without making a sizeable discovery of strategic mica. The Operator did not indicate that additional exploration will be conducted in the future.

Work completed consisted of: construction of a toolhouse, powder and exploder magazines, enlarging an existing 4' x 4' shaft that was 25 feet deep to 5' x 7' and timbering same, deepening the shaft an additional 50 feet, and driving 90 feet of drift from the shaft bottom. Last drift work, not described in previous interim reports, consisted of 18 feet driven to the southeast. Work was discontinued because of the poor showing of the pegmatite and scarcity of mica.

This work was conducted satisfactorily and all suggestions made by the examiners were followed closely.

Inpsected: May 2, 1955

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

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

Region V

P. O. Box 217
May 5, 1955

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Assistant, Electrotechnical Experiment Station, Region V, Norris, Tennessee

Subject: Monthly reports and vouchers

We are enclosing two copies each of the following monthly reports and vouchers:

Idm-E-674 — Sam L. Phillips, et al.
DMEA Docket No. 3287
8th and final payment - month of April
Completion Date: 4/30/55
Amount $900.00

Idm-E-701 — Goose Creek Mining Company
DMEA Docket No. 3321
No work performed during March

Idm-E-726 — Zeb Buchanan and W. R. Johnson
DMEA Docket No. 3422
7th and final payment - month of April
Completion Date: 4/29/55
Amount $393.75

Idm-E-737 — Ward
DMEA Docket No. 3469
5th payment - month of April
Amount $300.00

Helen R. Miller

Attachments 8
/hbm
Copies to R. A. Laurence
V. J. Lynch
Norris files
Day Files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Final Report

PAID ON VOUCHER & SCHEDULE
ITEMS K- 61

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1955 Docket No. DMEA 3237 Contract No. Idm-E-674
Operator's Name Sam L. Phillips et al. Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ 10,838.00 Government Participation: 75% Amount, $ 8128.50

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:						
Drilling						
Bulldozing						
Crosscutting						
40' Drifting 630.00 ft.	1200.00	3750.00	4950.00			
Shaft		5250.00	5250.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Powder Magazine		25.00	25.00			
Exploder Magazine		13.00	13.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		300.00	300.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1200.00	9338.00	10,538.00	1200.00	9338.00	10,538.00

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

Date 4-28-55 *Payee Sam L. Phillips, et al.

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:

$ 900.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 5-5-55 Vou. No.
(See other side)

30-0.00

(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. Idm-E674 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date May 3, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING Title EXECUTIVE OFFICER DMEA REGION V Date MAY 4 1955

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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Defense Minerals Exploration Administration
RECEIVED
MAY 9 - 1955

Month of April 1955 Docket No. DMEA 3237 Contract No. Idm-F674
Operator's Name Sam L. Phillips, et al. Minerals Mica
Address 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	AUTHORIZED BY CONTRACT Unit Costs
40' Drifting 30.00	Ft.	1200.00	40	4950.00	165	30.00	175	30.00
Crosscutting								
Raising								
Shafts				5250.00	(50	40.00	80	40.00)
Winzes					(65	50.00	65	50.00)
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1200.00		10,200.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				300.00				
Powder Mag-Zine				25.00				
New Buildings, Improvements, etc.				13.00				
Exploder Magazine								
TOTAL COSTS		1200.00		10,538.00				

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 4-28-55 Operator Sam L. Phillips, et al.

Per Sam L. Phillips Title 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)

Laurence E. Shirley - May 3, 1955
U.S.B.M.

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 83-38475

OPERATOR'S

Monthly Report of Progress

April, 1955

DMEA-3287

Idm-E 674

Work Accomplished:

We completed the contract drift, except for 10' and this was left undone upon recommendations of the field team when they visited the mine. Extra men were employed and rapid progress made during the month. No mica of strategic quality was found, all that was recovered being clay stained and of very poor quality.

Daily Notes:

April 4 - 8: Drilled and shot, then mucked. In vein material and recovered some scrap mica.

April 11-15: Continued with drift, encountering very little water. Drilled, shot and mucked, still in vein material.

April 18-22: Employed one extra man, repeated same operations daily. Continued to recover same type poor quality mica in small amounts.

April 25-30: Completed 40' of drift during month, which completes work to be done on the contract. Field team recommended the last 10' be cancelled. Same operations repeated.

Hopkins

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

Defense Minerals
RECEIVED
MAY 2 - 1955

April 28, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer -

From: Executive Officer, DMEA - Region 5 - Knoxville, Tenn.

Subject: Royalty checks.

Transmitted are bill-of-sales, and checks on the following:

Idm-E674, DMEA-3287, Mud Cut Mining Co. Sales, $45.00 Royalty $2.25

Idm-E712, DMEA3410, Rock Mining Co. Initial Pay't $172.04, royalty $8.60.
(B04-15)

Robert A. Laurence

RAL/am
XXX
cc:
Lynch
Mittendorf
Shirley
Files

C
O
P
Y

March
~~xxxxxx~~ 26, 1955
Spruce Pine, N. C.

DEPARTMENT OF THE INTERIOR
Minerals Administration
RECEIVED
MAY 2 - 1955

Sold to English Mica Company, Spruce Pine, N. C.

3000 lbs. scrap mica at $45 per ton.....$45.00

DMEA-3287, Idm-E 674 (Talent Pros.)

Royalty check No. 50. - $2.25

Mud Cut Mining Co.

INTERIM REPORT

DMEA-3287, Idm-E674 (mica) TALENT PROSPECT

Operators: Sam L. Phillips, et al. Jeter & Howard Boone, R#3, Bakersville, N. C.

Location: On the crest of Trimont Ridge, 1.33 airline miles N. 65° W. of center of Franklin, Macon County, N. C.

Drifting continues on this project and now totals 72 feet. From the shaft bottom the level has been driven 16 feet N. 50° W., 18 feet due north, 17 feet S. 20° W., 12 feet N. 80° W. and 9 feet N. 20° W. The only mica discovered by this work was 34-45 feet from the shaft. It was of large size but badly curved and cracked.

The Operator was advised to discontinue work to the northwest and to concentrate the remaining footage to the southeast.

Progress on the contract is satisfactory.

Date of Examination: April 18, 1955.

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

and

V. J. Lynch, Mining Engineer
U. S. Bureau of Mines

z

As of March 31st 1955

50 feet of drifting remains to be completed by June 1 1955, or 54 days

Advance per day required = 50/54 or .92 foot per day

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER NO. ... Minerals Administration
54 RECEIVED
APR 13 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 1955 Docket No. DMEA 3237 Contract No. Idm-E 674
Operator's Name Sam L. Phillips, et al. Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ 10,833.00 Government Participation: 75 % Amount, $ 8,128.50

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 Contracts:						
Short Form						
Rehabilitating Shaft		300.00	300.00			
Drilling						
Bulldozing						
Crosscutting						
50' Drifting @ 30.00 ft.	1500.00	2250.00	3750.00			
20' Shaft @ 40.00 ft.	800.00	4450.00	5250.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Powder Magazine		25.00	25.00			
Exploder Magazine		13.00	13.00			
(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	2300.00	7038.00	9338.00	2300.00	7038.00	9338.00

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

Date 4-4-55 *Payee Sam L. Phillips, et al.

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:

$ 1725.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 4-11-55 Vou. No.
(See other side)

57.00

(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. Idm-E674 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date April 6, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date APR 7 1955

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
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED
APR 13 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 195 5 Docket No. DMEA 3237 Contract No. Idm-2674
Operator's Name Sam L. Phillips, et al. Minerals Mica
Address 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	Authorized by Contract: Unit Costs
50' Drifting @ 30.00	Ft.	1500.00	50	3750.00	125	30.00	175	30.00
Crosscutting								
Rehabilitating Shaft	Ft.			300.00	25	12.00	25	12.00
20' Shafts @ 40.00	Ft.	800.00	20	5250.00	(50	40.00	50	40.00)
Winzes					(65	50.00	65	50.00)
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Powder Magazine	Ea.			25.00	1	25.00	1	25.00
Roads and Trans								
Exploder Magazine	Ea.			13.00	1	13.00	1	13.00
Total Distributed Costs		2300.00		9338.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2300.00		9338.00				

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 4-3-55 Operator Sam L. Phillips, et al.

Per Sam L. Phillips Title 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)

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 83-38475

OPERATOR'S

Monthly Progress Report

March, 1955

DTEA-3287

Idm-E 674

Work Accomplished:

We completed the contract shaft and drifted 50 feet since last report. We have recovered some fairly large mica which is clay stained and poor quality. From the 1/2 ton recovered, we do not believe any good stained mica can be trimmed. No difficulties encountered, and very little water. Rapid progress has been made.

Daily Notes:

March 1 - 4 : Drilled, shot and mucked. Shaft being lowered at good rate of speed. In vein material.

March 7 -11 : Continued down with shaft, drilling, shooting. Still in vein material. Completed shaft and began with drift.

March 14-18 : Continued with drift in direction recommended by field team, in vein material all the way. Drilled, shot and mucked. No water.

March 21-25: Began to encounter mica for first time. Recovered some fairly large mica, which was clay stained. Drilled and shot.

March 28-31 : Reached 50' with the drift, continuing to recover mica. Recovered a total of about 1/2 ton, all stained.

RECEIVED
APR 7 1955
U.S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

INTERIM REPORT

DMEA-3287, Idm-E674 (mica) TALENT PROSPECT

Operators: Sam L. Phillips, et al. Jeter & Howard Boone, R#3, Bakersville, N. C.

Location: On the crest of Trimont Ridge, 1.33 airline miles N. 65° W. of of center of Franklin, Macon County, N. C.

Drifting continues on this contract and is now at 49 feet. Instructions were given for continued drifting, in an effort to produce better quality mica. From the shaft bottom the drift has been driven 16-feet N. 50° W, 18 feet due north, and 15 feet S. 20° W. The last 15 feet followed a mica zone surrounding a platy quartz core, and some very large blocks of badly bent or curved mica was recovered from this work. The pegmatite material, with the exception of the quartz core, is highly weathered. The Operator was advised to timber the drift area, using both top and side lagging where necessary.

Lawrence G. Houk and Thor H. Kiilsgaard accompanied the Examiners on this visit to the mine.

Inspected: March 31, 1955.

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

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

z

INTERIM REPORT

DMEA-3287, Idm-E674, TALLENT PROSPECT
(mica)

Operator: Sam L. Phillips, John Phillips, Lynn Carpenter of Spruce Pine; Jeter & Homer Boone, R#3, Bakersville, N. C.

Location: On the crest of Trimont Ridge, 1.33 airline miles N. 65° W. of the center of Franklin, Macon County, N. C.

Shaft sinking has been completed to a total depth of 75 feet, inclusive of 25 feet of rehabilitation work. Turnoff has been driven 12-feet in a N. 45° W. direction. Quartzitic zones containing small scrap size mica were encountered at turnoff and at 8 feet in the drift on the southwest wall. Pegmatitic material in the drift is composed of platy quartz, kaolinized feldspar and an occasional small block of muscovite mica. A large inclusion of biotite gneiss was noted on the southwest wall of the drift. Drifting will continue.

Mr. Robert A. Laurence, Executive Officer, DMEA, Region 5, accompanied the examiners on this visit to the mine.

Inspected: March 14, 1955.

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

K. H. Teague D. H. Amos
K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

z

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 1 1 1955

Region V

P. O. Box 217
Norris, Tennessee
March 9, 1955

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Assistant, Knoxville - Norris Offices

Subject: Monthly reports and vouchers

We are enclosing two copies each of the following monthly reports and vouchers:

Idm-E-674
Sam L. Phillips, et al
DMEA Docket No. 3287
6th payment - month of February
Amount $1125.00

Idm-E-676
American Zinc Company of Tennessee
DMEA Docket No. 2546
8th payment - month of February
Amount $21,199.93

Idm-E-694
W. B. Chrisman
DMEA Docket No. 3199
5th payment - month of February
Amount $100.80

Idm-E-711
Jeter and Howard Boone
DMEA Docket No. 3356
5th payment - month of February
Amount $1012.50

Idm-E-712
John Phillips and Howard Boone
Rock Mining Company
DMEA Docket No. 3410
5th payment - month of February
Amount $315.00

Idm-E-724
The Pancake Miners
DMEA Docket No. 3418
4th payment - month of February
Amount $393.75

Idm-E-726
Bob Buchanan and W. R. Johnson
DMEA Docket No. 3422
5th payment - month of February
Amount $656.25

Idm-E-734
Howard Boone and John Jarrett
DMEA Docket No. 3452
3rd payment - month of February
Amount $928.50

Idm-E-736
Audy Pittman
DMEA Docket No. 3458
3rd payment - month of February
Amount $971.25

Idm-E-737
A. Ward
DMEA Docket No. 3469
3rd payment - month of February
Amount $478.50

Idm-E-741
DeGroat, Buchanan and Buchanan
DMEA Docket No. 3463
1st payment - month of February
Starting Date: 2/21/55
Amount $198.00

Idm-E-752
Cooper Mining Company
DMEA Docket No. 3468
2nd payment - month of February
Amount $787.50

Idm-E-756
Ernest Crowder
DMEA Docket No. 3549
2nd payment - month of February
Amount $600.00

Idm-E-758
Ernest Crowder
DMEA Docket No. 3568
1st payment - month of February
Starting Date: 2/8/55
Amount $330.75

Idm-E-759
Burleson & Keller Mining Company
DMEA Docket No. 3574
1st payment - month of February
Starting Date: 2/7/55
Amount $602.25

Idm-R-762 Keller Mining Company
DMEA Docket No. 3577
1st payment - month of February
Starting Date: 2/19/55
Amount $661.75

Helen R. Miller

Attachments 32
/hbm
Copies to V. J. Lynch
R. A. Laurence
Norris Files
Day 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

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-44
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1955

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible] % Amount, $[illegible]

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:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	[illegible]		[illegible]			
[illegible]	[illegible]		[illegible]			
(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	[illegible]		[illegible]	1500.00		1500.00

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

Date [illegible] *Payee [illegible]

Per [illegible] Title [illegible]

*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:

$ 1125.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 3-9-55 Vou. No. _____
(See other side)

6

375.00

(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. Idm-E674 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date March 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamerno Title EXECUTIVE OFFICER DMEA REGION V Date MAR 8 1955

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

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								
30' Shafts [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
25' [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		[illegible]		[illegible]				

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 [illegible] Operator [illegible]

Per Sam L. Phillips Title [illegible]

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)

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
MAR 11 1955

OPERATOR'S
Monthly Report of Progress

February, 1955

D E A-3287

Tag- E 174

Work Accomplished:

Moved in hoist, air compressor and lumber. [illegible] boom pole. Rehabilitated and timbered old shaft, sank shaft an additional 3[illegible] ft. [illegible] vein material from the 3[illegible] ft. depth to the 5[illegible] ft. depth, then ran out of vein. No mica recovered except small amount of scrap.

Daily Notes:

Feb. 1 - 4 - Moved in hoist and air compressor [illegible]. Moved in lumber, set up boom pole.

Feb. 7- 11 - Started widening old shaft [illegible]. [illegible] mucking out bottom after rehabilitation was completed.

Feb. 14-18 - Began to lower shaft below old level. Drill [illegible] shaft. [illegible] vein material 5' below old shaft.

Feb. 21-25 - Continued down with shaft, drilling [illegible] shaft, [illegible] muckers. No mica recovered except small amount of scrap. Ran out of vein at 5' level.

Three men worked full time on shift.

INTERIM REPORT

ON

DMEA-3287, Idm-E674(mica) TALENT PROSPECT

Operator: Sam L. Phillips, et al. c/o Jeter & Homer Boone, R#3, Bakersville, N.C.

Location: On the crest of Trimont Ridge, 1.33 airline miles N. 65° W. of the center of Franklin, Macon County, N. C.

Shaft sinking continues on this contract and is now at 57 feet, inclusive of 25 feet of rehabilitation work, as the first phase of the project. The shaft was sunk entirely in pegmatite for the first 40 feet, and at this point the body changed dip and has gradually left the shaft going out on the north side. Material observed in the shaft bottom is predominantly mica schist, and the pggmatite was in view on the north side. Very little mica has been recovered from shafting accomplished. The operator was advised to continue sinking vertically, as long as frequent test holes indicate that the body persists, and until total contract depth is reached.

The Operator continues to crib the shaft solid, due to the weathered condition of the material. It was suggested that a new hoist rope be installed immediately, after examination of the rope presently in use showed evidence of much wear and occasional broken strands. Progress on this contract has been good.

Inspected: February 28, 1955.

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

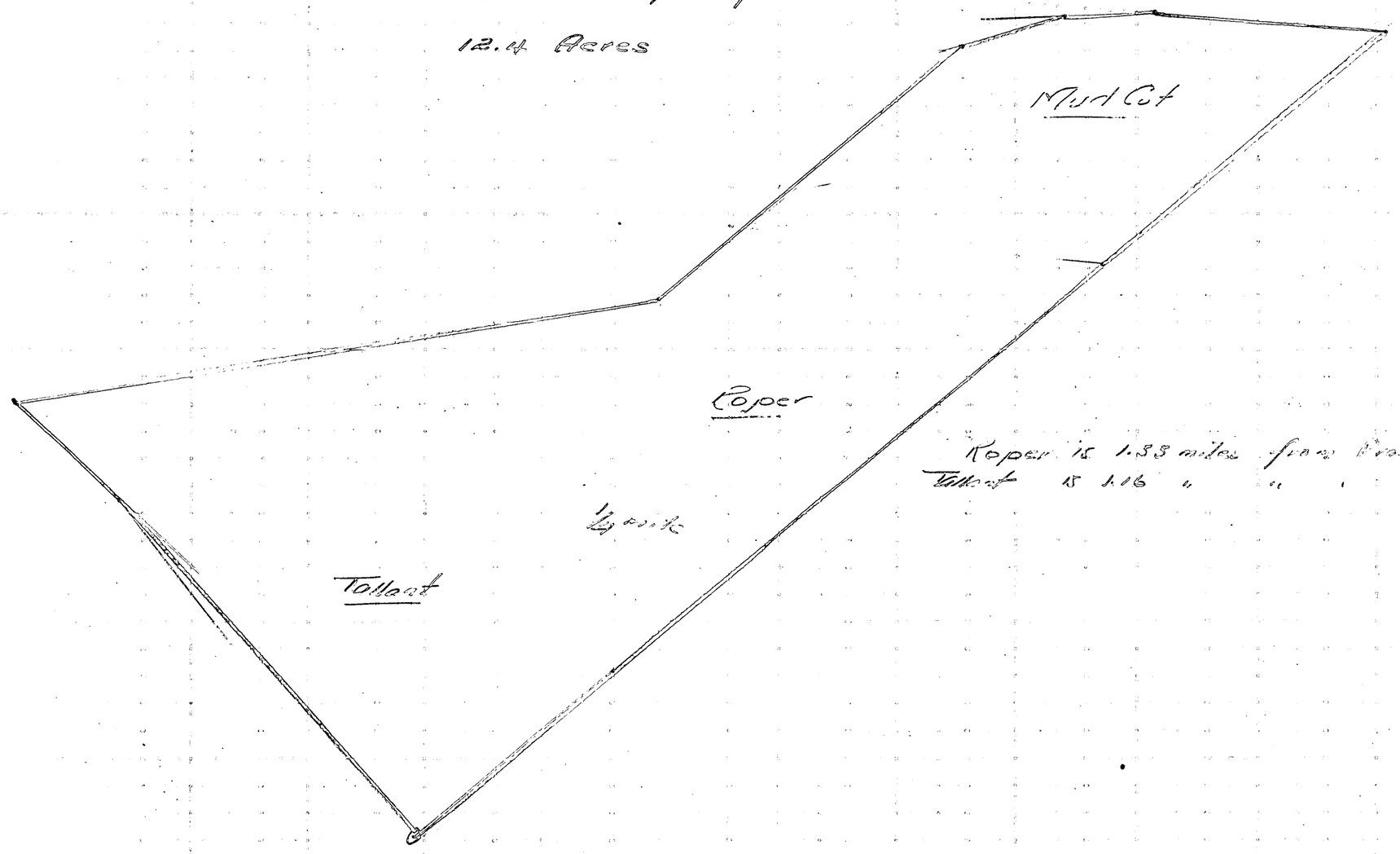
K. H. Teague D. H. Amos

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

z

Murlcut Property

12.4 Acres



Coper is 1.33 miles from Prescott
Tallcut is 1.16 " "

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 23, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

February 23, 1955

Memorandum

To: Helen Miller, Certifying Officer, DMEA - Region V - Knoxville

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

Subject: Royalty check on - Idm-E674, DMEA-3287, Sam Phillips, et al Mud Cut Mine.

Attached is a bill of sales for $225.60, and a check for $11.28 representing 5% of the sale which is royalty due the Goverment on the subject contract.

Robert A. Laurence

RAL/sm
cc:
Lynch
Mittendrof
Sam Phillips
Files

C O P Y

Spruce Pine, N. C.--------February 21, 1955

CARPENTER & PHILLIPS MICA
COMPANY

Bought from: MUD CUT MINES

3760 lbs . punch @ 6¢ $225.60

Royalty check (#353) $11.28 (Rec'd 2-23-55)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

INTERIM REPORT

DMEA-3287, Idm-E674 (mica) TALENT PROSPECT

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

Location: On the crest of Trimont Ridge, 1.33 airline miles N. 65° W. of the center of Franklin, Macon County, N. C.

Rehabilitation of an existing 4' x 4' shaft to a depth of 25' has been completed and the shaft has been deepened an additional 12 feet in new ground, giving a total shaft depth of 37 feet.

Pegmatite has been encountered in all work completed. The body strikes N. 65° W, dips steeply southwest and is approximately 7 feet in thickness. The body is composed of kaolinized feldspar, a varying distribution of quartz which is scattered to massive, and small muscovite mica. The Operator was advised to continue sinking until another visit can be made.

The shaft has been cribbed to the present depth with 2" x 6" sawed oak timbers notched at the corners. Ladders and landings have been installed with landing at 12 ft. intervals and a separated partition has been completed. All timber work completed to date is satisfactory. Toolhouse construction is completed and magazines will be constructed in the near future.

Equipment on the job consists of a 105 c.f.m. air compressor, gasoline powered hoist and necessary accessories and hand tools. Hoisting frame being used is the conventional straight leg and boom pole.

Progress on this contract is good.

Examined: Feb. 14, 1955.

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

K. H. Teague D. H. Amos

K. H. Teague and D. H. Amos, Geologists
U. S. G. S.

INTERIM REPORT

DMEA-3287, Idm-E 674 (mica)
Mud Cut Mine - Talent Prospect

Operators: Sam L. Phillips, et. al., Spruce Pine, N. C.

Location: On the crest of Trimont Ridge, 1.33 airline miles N. 65° W. of the center of Franklin, Macon County, North Carolina

Work began on the Talent prospect on January 29, 1955. Equipment and supplies have been hauled to the site and a boom has been constructed.

Examined: January 31, 1955

K. H. Teague D. H. Amos

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

g

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1955

January 24, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V- Knoxville

Subject: Amendment No. 1, on Idm-E674, DMEA-3287. Phillips, Carpenter and Boone. (mica) N. C.

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

Wm. A. Beck

Wm. A. Beck

C
O
P
Y

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

January 11, 1955

Memorandum

To: Helen Miller, Administrative Officer, Region V

From: Executive Officer, DMEA - Region VII

Subject: Royalty checks on DMEA projects

Transmitted are bill-of-sales and royalty checks on the following:

Idm-E410, DMEA-2466, Elk Mining Co. Check No. 543 - $25.80

Idm-E674, DMEA-3287, Mud Cut Mining Co." " 337 - $65.00

Idm-E561, DMEA-2917, Roy H. Fouts " " 1209 - $143.93

Robert A. Laurence

Copy

Copy

GENERAL SERVICES ADMINISTRATION, REGION VII

Mica Purchase Depot, Spruce Pine, N. C.

Authorization No. 153A Acceptance No. 1249 Date: 1-6-55

Seller: Sam L. Phillips - Spruce Pine, N.C.

Mine: Mud Cut Mine DMEA No. 3287, IdM-E 674

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/lb.	Amount	Pounds	Price/lb.	Amount
Good Stained & Better Grades No. 3 & larger					$70.00	
" No. 4 and 5				7.87	$40.00	314.00
" No. 5½ and 6				27.36	$15.00	410.40
Stained No. 3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00		2.50	$ 8.00	20.00
No. 5½ and 6		$ 3.00		24.83	$ 5.00	124.15
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00		1.00	$ 6.00	6.00
No. 5½ and 6		$ 2.00		3.00	$ 3.00	9.00
LOT TOTALS						
TOTAL				66.56		884.35

Non-Ruby ~~Strip~~ Mica

.69 lbs. @ $10.40 = $7.18
45.00 " @ 4.80 = 216.00
80.19 " @ 2.40 = 192.46

Punch Mica

415.64

Total $1299.99

Royalty check $65.00

Docket Copy
Surname:

Hopkins
Houk
Talbert
Selfridge
Johnson

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

JAN 10 1955

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

Subject: Docket No. DMEA-3287 - Mica
Sam L. Phillips, et al.
Mud Cut Mine
Macon County, North Carolina
Contract No. Idm-E674

Dear Mr. Laurence:

Please find herewith the original and five copies of Amendment No. 1 to Contract No. Idm-E674 (Docket No. DMEA-3287) which have been signed by the Government with effective date as shown.

If the amendment meets with your approval present it to the Operators for approval and signature. Please explain to the Operators that the amendment when executed is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of the amendment does not have either your approval or that of the Operators then the original and all copies of the amendment are to be returned to this office together with the proposed changes for consideration.

The additional work authorized under this amendment is identical with the work proposed by the Operators in their application under Docket DMEA-3540 on the Talent Prospect located on the same property as the Mud Cut Mine. After execution of this amendment Docket No. DMEA-3540 will be withdrawn.

Kindly distribute copies of the amendment in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures 6

JHopkins:gad 1/4/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.A.

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

RECEIVED
DEC 28 1954

December 27, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Donald R. Irving, Acting for
Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3540 (mica)

Applicant: Homer and Jeter Boone

Name and Location of Property: Talent Prospect
Macon County, North Carolina

Date of Field Team Report: November 22, 1954

Date Rec'd. by Ceram. & Fert. Mat. Br.: November 29, 1954

Field Team Recommendation:

1. Approval of project.

Comments:

1. Field examiners recommend rehabilitation of existing shaft, deepening shaft to 75 feet, and drifting 100 feet.

2. Proposed exploration is in line with other DMEA projects.

3. Estimated costs are $5,913.

Recommendation:

I concur in the field team's recommendation to approve an exploration project in the amount of $5,913.

Donald R. Irving

Donald R. Irving

Amendment I to 3287

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 4 ASH POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 22, 1954

Memorandum

To: Helen Miller, Administrative Officer, Region VII

From: Executive Officer, DMEA - Region VII

Subject: Royalty checks on Idm-E674, DMEA-3287, Mud Cut Mining Co.

Transmitted are two royalty checks No. 298, in the amount of $27.11, for the sale of mica from the subject mine and the bill of sales for the mica attached; also check No. 301 in the amount of $38.01 bill of sales also attached.

Robert A. Laurence

ZM.
cc:
Beck
Shirley
Mr. Mittendorf
Files
Ymc.
2-checks
2- B/S

copy

GENERAL SERVICES ADMINISTRATION, REGION VII

Mica Purchase Depot, Spruce Pine, N. C.

Authorization No. 153A Acceptance No. 1128 Date: 12-15-54

Seller:

Mine: DMEA No.

Quality of Mica	HALF TRIM		FULL TRIM			
	Pounds	Price/lb.	Amount	Pounds	Price/lb.	Amount
Good Stained & Better Grades No. 3 & larger					$70.00	
" No. 4 and 5				4.80	$40.00	192.00
" No. 5½ and 6				26.35	$15.00	395.25
Stained No. 3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00		2.26	$ 8.00	18.08
No. 5½ and 6		$ 3.00		17.88	$ 5.00	89.40
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00		.26	$ 6.00	1.56
NO. 5½ and 6		$ 2.00		3.76	$ 3.00	11.28
LOT TOTALS						
TOTAL				55.31		707.57

Scrap Mica 12-18-54 Punch Mica

3510 lbs. @ $30.00/ton = $52.65

Total:

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N.C.

WARRANTY, ACCEPTANCE AND INVOICE - NONRUBY

DATE 12-15-54

ACCEPTANCE NUMBER

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER

LOT NUMBER SPAO 796

RECEIPT AND WEIGHT TICKET NUMBER

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME	SIGNATURE
STREET ADDRESS	NAME *(Type or print)*
CITY, ZONE AND STATE	TITLE *(Type or print)*

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA - NONRUBY

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$56.00	
GRADES NO. 4 AND 5					$32.00	
GRADES NO. 5½ AND 6					$12.00	
STAINED						
GRADES NO. 3 AND LARGER		$ 9.60			$14.40	
GRADES NO. 4 AND 5		$ 4.00			$ 6.40	
GRADES NO. 5½ AND 6		$ 2.40			$ 4.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 6.40			$10.40	
GRADES NO. 4 AND 5		$ 3.20			$ 4.80	
GRADES NO. 5½ AND 6		$ 1.60		100.00	$ 2.40	240.00
TOTALS						
LOT TOTALS				100.00		240.00

PROGRAM B - HAND-COBBED MICA - NONRUBY

TOTALS					$ 0.24	

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation (Revision 2), dated July 22, 1953 (18 F.R. 4377), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
S/S Ed. S. Burleson		Buyer

INVOICE

TO
General Services Administration, Region IV

FOR
Mica delivered as indicated above — $240.00

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

SELLER *(Type name)*	DATE
Sam L. Phillips (Mud Cut Mine)	12-15-54
BY *(Signature)*	NAME AND TITLE *(Type)*

GSA-WASH DC 54-2285

GSA FORM 1136 September 1953

DMEA-3287-idmE674

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot Spruce Pine, N.C.

WARRANTY, ACCEPTANCE AND INVOICE - NONRUBY

DATE 12-15-54

ACCEPTANCE NUMBER

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER

LOT NUMBER SPAO-798

RECEIPT AND WEIGHT TICKET NUMBER

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER (Type or print)	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME Sam L. Phillips	SIGNATURE
STREET ADDRESS	NAME (Type or print)
CITY, ZONE AND STATE Spruce, Pine, N.C	TITLE (Type or print)

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA - NONRUBY

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$56.00	
GRADES NO. 4 AND 5					$32.00	
GRADES NO. 5½ AND 6					$12.00	
STAINED						
GRADES NO. 3 AND LARGER		$ 9.60			$14.40	
GRADES NO. 4 AND 5		$ 4.00			$ 6.40	
GRADES NO. 5½ AND 6		$ 2.40			$ 4.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 6.40		1.75	$10.40	18.20
GRADES NO. 4 AND 5		$ 3.20		50.00	$ 4.80	240.00
GRADES NO. 5½ AND 6		$ 1.60		18.32	$ 2.40	43.97
TOTALS						
LOT TOTALS				70.07		
PROGRAM B - HAND-COBBED MICA - NONRUBY						
TOTALS					$ 0.24	302.17

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation (Revision 2), dated July 22, 1953 (18 F.R. 4377), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY (Type name) Ed L. Burleson | SIGNATURE | TITLE Buyer

INVOICE

TO General Services Administration, Region IV

FOR Mica delivered as indicated above $302.17

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

SELLER (Type name) Sam Phillips (Mud Cut Mine) | DATE 12-15-54

BY (Signature) | NAME AND TITLE (Type)

GSA-WASH DC 54-2285

Copy

GSA FORM 1196
September 1953

C
O
P
Y

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

December 8, 1954

Memorandum

To: Helen Miller, Administrative Officer, Region VII

From: Acting Executive Officer, DMEA - Region VII

Subject: Royalty Checks on DMEA Projects

Transmitted are checks on the following:

Idm-E726, DMEA-3428, Buchanan & Phillips		$40.44
Idm-E674, DMEA-3287, Mud Cut Mining Co.		2.54
Idm-E181, DMEA-1876X, Yancey Mining Co.		41.56

D. H. Amos

December 3, 1954

Sold to Franklin Mineral Product Company

3390 lbs. of scrap mica @ 1½¢ $50.85

s/s J. C. Simmons

C
O
P
Y

(5% of $50.85= $2.54)

(DMEA-3287, Idm-E 674)
Mud Cut Mining Co. Spruce Pine, N. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 8 1954

Spruce Pine, North Carolina
December 6, 1954

Mr. C. O. Mittendorf, Administrator
U. S. Department of the Interior, DMEA
Washington 25, D. C.

Re: Docket No. DMEA-3540 - Mica
Talent Prospect, Macon Co., N. C.

Dear Mr. Mittendorf:

In reply to your letter of November 24, we are enclosing new Owner's Consent to Lien forms signed by the Lessors for the above prospect.

Will you please add the names Sam L. Phillips, John Phillips and Lin Carpenter to the application for a loan on the above prospect? We will change our copy accordingly. This, I believe, will eliminate the necessity for an assignment of interest in the lease. Phillips, Phillips and Carpenter have agreed to enter our partnership for operation of this prospect in the event a loan is granted.

If you need any other information, please let us know.

Very truly yours,

Homer Boone Jeter Boone

Homer and Jeter Boone

B/b

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Macon, described as follows:1/

_____

_____

_____

_____

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Sam and John Phillips, Lin Carpenter, Homer and Jeter Boone

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

_____

_____

_____

Dated this 2 day of December, 1954.

Eliza Cobb Grist [Seal] Scaley, N.C.

Paul L. Grist [Seal]

_____ [Seal]

C
O
P
Y

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

December 3, 1954

Memorandum

To: Mrs. Helen Miller, Administrative Officer
Finance Division - Region VII

From: Executive Officer, DMEA - Region VII

Subject: Royalty checks

Transmitted herewith are royalty checks on the following:

DMEA-3260, Idm-E 692 $4.52 W. A. McKinney Mining Co.

✓ DMEA-3287, Idm-E 674 $64.32 Mud Cut Mining Co. → 64.32

DMEA-3410, Idm-E 712 $17.62 Rock Mining Co.

DMEA-2466, Idm-E 410 $34.21 Elk Mining Co.

Robert A. Laurence

Copy

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - ~~Spruce Pine, N. C.~~

WARRANTY, ACCEPTANCE AND INVOICE - NONRUBY

DATE: 11-23-54

ACCEPTANCE NUMBER: AR4-974

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
EPS-4-153A	Spar-974	

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sam L. Phillips	SIGNATURE:
STREET ADDRESS:	NAME *(Type or print)*: Sam L. Phillips
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: Owner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA - NONRUBY

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$ ~~56.00~~ 70.00	
GRADES NO. 4 AND 5				5.04	$ ~~30.00~~ 40.00	201.60
GRADES NO. 5½ AND 6				22.74	$ ~~15.00~~ 18.00	~~341.10~~
STAINED						
GRADES NO. 3 AND LARGER		$ 9.60			$ ~~11.40~~ 18.00	
GRADES NO. 4 AND 5		$ 4.00		1.21	$ ~~6.00~~	9.68
GRADES NO. 5½ AND 6		$ 2.40		19.84	$ ~~5.00~~	99.20
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 6.40			$ ~~10.40~~ 13.00	
GRADES NO. 4 AND 5		$ 3.20			$ ~~6.00~~	
GRADES NO. 5½ AND 6		$ 1.60		3.54	$ ~~3.00~~	10.62
TOTALS						
LOT TOTALS				52.37		662.20

PROGRAM B - HAND-COBBED MICA - NONRUBY

TOTALS					$ 0.24	

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation (Revision 2), dated July 22, 1953 (18 F.R. 4377), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed. S. Burleson		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $ 662.20

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

SELLER *(Type name)*	DATE
Sam L. Phillips (Mud Cut Mine)	11-23-54
BY *(Signature)*	NAME AND TITLE *(Type)*: Sam L. PHILLIPS, OWNER

GSA-WASH DC 54-2285

DMEA 3287 Idn E 674

GSA FORM 1136
September 1953

Copy

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - _____

WARRANTY, ACCEPTANCE AND INVOICE - NONRUBY

DATE 11-24-54

ACCEPTANCE NUMBER

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER

LOT NUMBER SPAO-685

RECEIPT AND WEIGHT TICKET NUMBER

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME Sam L. Phillips	SIGNATURE
STREET ADDRESS	NAME *(Type or print)*
CITY, ZONE AND STATE	TITLE *(Type or print)*

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA - NONRUBY

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$~~56.00~~ 70.00	
GRADES NO. 4 AND 5					$~~35.00~~ 45.00	
GRADES NO. 5½ AND 6					$~~15.00~~ 15.00	
STAINED						
GRADES NO. 3 AND LARGER		$ 9.60			$14.40	
GRADES NO. 4 AND 5		$ 4.00			$ 6.40	
GRADES NO. 5½ AND 6		$ 2.40			$ 4.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 6.40			$10.40	
GRADES NO. 4 AND 5		$ 3.20			$ 4.80	
GRADES NO. 5½ AND 6		$ 1.60		46.81	$ 2.40	112.34
TOTALS						
LOT TOTALS				46.81		112.34

PROGRAM B - HAND-COBBED MICA - NONRUBY

TOTALS					$ 0.24	

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation (Revision 2), dated July 22, 1953 (18 F.R. 4377), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE

INVOICE

TO General Services Administration, Region

FOR Mica delivered as indicated above $

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

SELLER *(Type name)* Sam L. Phillips (mud Cut Mine)

DATE

BY *(Signature)*

NAME AND TITLE *(Type)*

GSA-WASH DC 54-2285

GSA FORM 1136
September 1953

Copy

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - _____

WARRANTY, ACCEPTANCE AND INVOICE - NONRUBY

DATE 1-23-54

ACCEPTANCE NUMBER

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER | LOT NUMBER SPAO-680 | RECEIPT AND WEIGHT TICKET NUMBER

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME Sam L. Phillips	SIGNATURE
STREET ADDRESS	NAME *(Type or print)*
CITY, ZONE AND STATE	TITLE *(Type or print)*

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA - NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$ ~~56.00~~ 70.00	
GRADES NO. 4 AND 5					$ ~~32.00~~ 40.00	
GRADES NO. 5½ AND 6					$ ~~20.00~~ 15.00	
STAINED						
GRADES NO. 3 AND LARGER		$ 9.60		~~150~~ 7.28	$14.40	21.60
GRADES NO. 4 AND 5		$ 4.00			$ 6.40	~~46.59~~
GRADES NO. 5½ AND 6		$ 2.40			$ 4.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 6.40		7.06	$10.40	73.42
GRADES NO. 4 AND 5		$ 3.20		~~53.41~~	$ 4.80	~~256.37~~
GRADES NO. 5½ AND 6		$ 1.60		~~47.44~~	$ 2.40	~~113.86~~
TOTALS						
LOT TOTALS				116.69		511.84

PROGRAM B - HAND-COBBED MICA - NONRUBY

TOTALS					$ 0.24	

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation (Revision 2), dated July 22, 1953 (18 F.R. 4377), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE

INVOICE

TO
General Services Administration, Region

FOR
Mica delivered as indicated above | $

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

SELLER *(Type name)*	DATE
BY *(Signature)* Sam L. Phillips (Mud Cut Mine)	NAME AND TITLE *(Type)*

GSA-WASH DC 54-2285

GSA FORM 1136
September 1953

IN REPLY REFER TO:

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

Department of the Interior
Defense Minerals Administration
RECEIVED
DEC 3 1954

December 2, 1954

Re: DMEA-3540
Talent Prospect
Macon Co., N. C.
$5,913 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Recommendation for approval

The Field Team has recommended a contract be approved which would include 25 feet of shaft enlargement, 50 feet of sinking to depth of 75 feet, and 100 feet of drifting in pegmatite from the shaft bottom.

Although exposures of pegmatite are poor, alignment of old workings and pegmatite thicknesses suggest possible continuity of structure along the trend of the old shafts. Dump material indicates a zoned pegmatite containing good quality mica.

I recommend the Field Team's proposed project be approved.

E. L. Newcomb
E. L. Newcomb

DMEA Docket Copy
Surnamed

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

140

Houk
Chambers
Rewritten by Hofflund

NOV 24 1954

Messrs. Homer and
Jeter Boone
Franklin, North Carolina

Re: Docket No. DMEA-3540 - Mica
Talent Prospect
Macon County, North Carolina

Gentlemen:

In your application for exploration assistance on the Talent Prospect you indicate that the land is the same as that which is the subject of an exploration project contract with Phillips, Phillips, Carpenter, Boone, and Boone, Docket No. DMEA-3287, Contract Idm-E674. However, the lease on that land apparently runs to the five persons named in the previous exploration contract, whereas your present application is in the name of Homer and Jeter Boone, partners.

It will be necessary that you have an assignment of the interest under the lease from Phillips, Phillips, and Carpenter; or else that you procure a new lease running to Homer and Jeter Boone. In addition, it will be necessary to have a new Owner's Consent to Lien from the lessors.

Of course, if it is your intention to take over the former exploration project contract, it would be necessary for Phillips, Phillips, and Carpenter to assign their interest in that contract to Jeter and Homer Boone; and your application could then be treated as an application for an amendment of the existing contract and an extension of the work there provided for.

Please advise us what your intentions are, as we cannot process your application until we know. If you are to have an assignment of the present exploration contract from the other partners, we will prepare an assignment form that is acceptable to the Government and send it to you for your use.

Sincerely yours,

C. O. Mittendorf (for)
Administrator

LGHouk/JLHofflund/emd 11/22/54
Copy to: DMEA Docket
Solicitor's Dokcet
Adm. R. File
DMEA Field Team, Reg VII(2)
L. G. Houk
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Dietrich, USBM

J. L. Hofflund chron. pending

R.C.S.

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

RECEIVED
NOV 23 1954

November 22, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3287 (mica)

Applicant: Sam and John Phillips, Lin Carpenter, and Homer and Jeter Boone

Name and Location of Property: Mud Cut Mine
Macon County, North Carolina

Contract Number: Idm-E-674

Date of Field Team Final Report: November 1, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: November 15, 1954

Field Team Recommendation:

1. Certification.

Comments:

1. Exploration which began June 7, 1954 and was completed on October 8, 1954 consisted of sinking a 65-foot shaft and driving 75 feet of drifts.

2. Ruby and non-ruby mica obtained from DMEA exploration was sold to the Government for stockpiling purposes.

3. Expenditures

Total approved	$5,538
Total cost	5,538
Gov't. share of the cost	4,153
Value of production during oper.	5,534

Recommendation:

I concur in the field team's recommendation to certify this project.

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 5 SHIRK POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Defense Minerals Administration
NOV 24 1954

November 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Examination Report on DMEA-3540 (mica) Talent Prospect
Macon County, North Carolina.

Enclosed are four copies of the subject examination report, and six extra copies of the map. We recommend approval of a contract as outlined in the report. The shaft which is to be deepened is indicated on the maps by a red arrow.

It should be noted that this prospect is on the same tract as the Mud Cut Mine. However, only two of the five partners in the Mud Cut Contract have signed the application. An assignment of the lease from the original partnership to the new partnership may be required; if so please advise us. Also, should a new Owner's Consent to Lien be obtained?

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

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

Reviewed by
DMEA OPERATING COMMITTEE
11-29-54
(date)

NOV 24 1954

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

On

DMEA-3540, TALENT PROSPECT
(mica)
Macon County, N. C.

By

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

and

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

November 1, 1954

Reviewed by
DMEA OPERATING COMMITTEE
11-29-54
(date)

On-site Exam. Rpt.

Defense Minerals Administration
RECEIVED
NOV 24 1954

FIELD EXAMINATION REPORT
On
DMEA - 3540, TALENT PROSPECT
(mica)

Applicants: Homer and Jeter Boone, Franklin, North Carolina

This place was worked to a limited extent several years ago. There is no published or manuscript report on the prospect. Mica of strategic quality occurs in dump material from inaccessible openings. It appears to have merit for exploration assistance.

The prospect was examined on November 1, 1954. Messrs Homer and Jeter Boone accompanied the examiners on the inspection which required two hours.

The Talent Prospect is along the crest of Trimont Ridge 1.33 airline miles N. 65° W. of the center of Franklin, Macon County, North Carolina. Access is good at all times by a Forest Service Road along the crest of the ridge.

Both applicants are capable of conducting the proposed work. Area covered by the applicants' lease is sufficient for the proposed work. The lease covers the Mud Cut Mine (DMEA-3287, Idm-E 674) which is about 1000-feet northeast of the Talent Prospect.

There are no facilities at the prospect. Distribution and depth of existing workings are shown on the attached sketch map. Extent of lateral works from the shafts is not known, although they apparently are not extensive.

The pegmatite is porrly exposed in the various shafts. In the 20-foot pit at the west end of the property the pegmatite is about 15 feet thick and contains a conspecuous central quartz rib. About 70 feet farther to the east the pegmatite is about five feet thick. Shafts and pits have been made over a zone width of about 25 feet and strike length of 100 feet. Whether-or-not all openings were in the same pegmatite is not known. There is a suggestion that the pegmatite is "tear drop" in shape, terminating at the western end in a quartz "blowout." The zone of openings are aligned in a N. 80° W. direction. The pegmatite where exposed dips from 70° N. E. to vertical; both it and the enclosing mica gneiss is weathered.

Dump material from the deeper shafts is unweathered and shows much white glassy quartz, plagioclase, perthite and muscovite. It would appear that the pegmatite is zoned throughout.

The mica is hard, clear, ruby-colored and splits well. Most of it is flat and some is broadly ruled. Scales of mica up to five inches across occur in the dump.

History of mining at this place is not known. Most of the work

must have been done 30 or more years ago.

The applicants have proposed that the northern 25 ft. ~~an existing~~ shaft be trimmed and deepened to 75 feet and 100 feet of level work done from the shaft. This approach seems to be proper and the field examiners recommends its consideration. The existing shaft is 4' x 4' and 25 feet deep. It should be trimmed, timbered, and deepened on the pegmatite to 75 feet; 100 feet of drift should then be driven on the pegmatite.

Eastimated Cost:

Construct toolhouse		$75.00
Powder magazine		25.00
Exploder "		13.00
Timber and trim existing existing 4' x 4' - 25 ft. shaft to 5' x 7' (5 shifts)		
Labor:		
1 - miner - timberman @ $1.50/hr.	$ 60.00	
1 - Hoistman @ $1.25/hr.	50.00	
1 - Laborer @ $1.00/hr.	40.00	
Equipment (rental):		
Hoist @ $50/Mo.	12.50	
Supplies:		
Timber, 1500 b. f. @ $60/M	90.00	
Gasoline and oil	15.00	
Hand tools and miscellaneous	32.50	300.00
Deepend shaft 50 feet (30 shifts)		
Labor:		
1 - miner @ $1.50/hr.	360.00	
1 - hoistman @ $1.25/hr.	300.00	
1 - Laborer @ $1.00/hr.	240.00	
Equipment (rental)		
Compressor, drill and pump (20 shifts) @ $240/mo.	240.00	
Hoist @ $50/Mo.	62.50	
Supplies:		
Timber, 3000 b.f. @ $60/M	180.00	
Explosives	150.00	
Drill steel	100.00	
Gasoline and oil	120.00	
Small tools	75.00	
Insurance and Social Security	172.50	2,000.00

Drive 100 feet of drift (40 shifts)

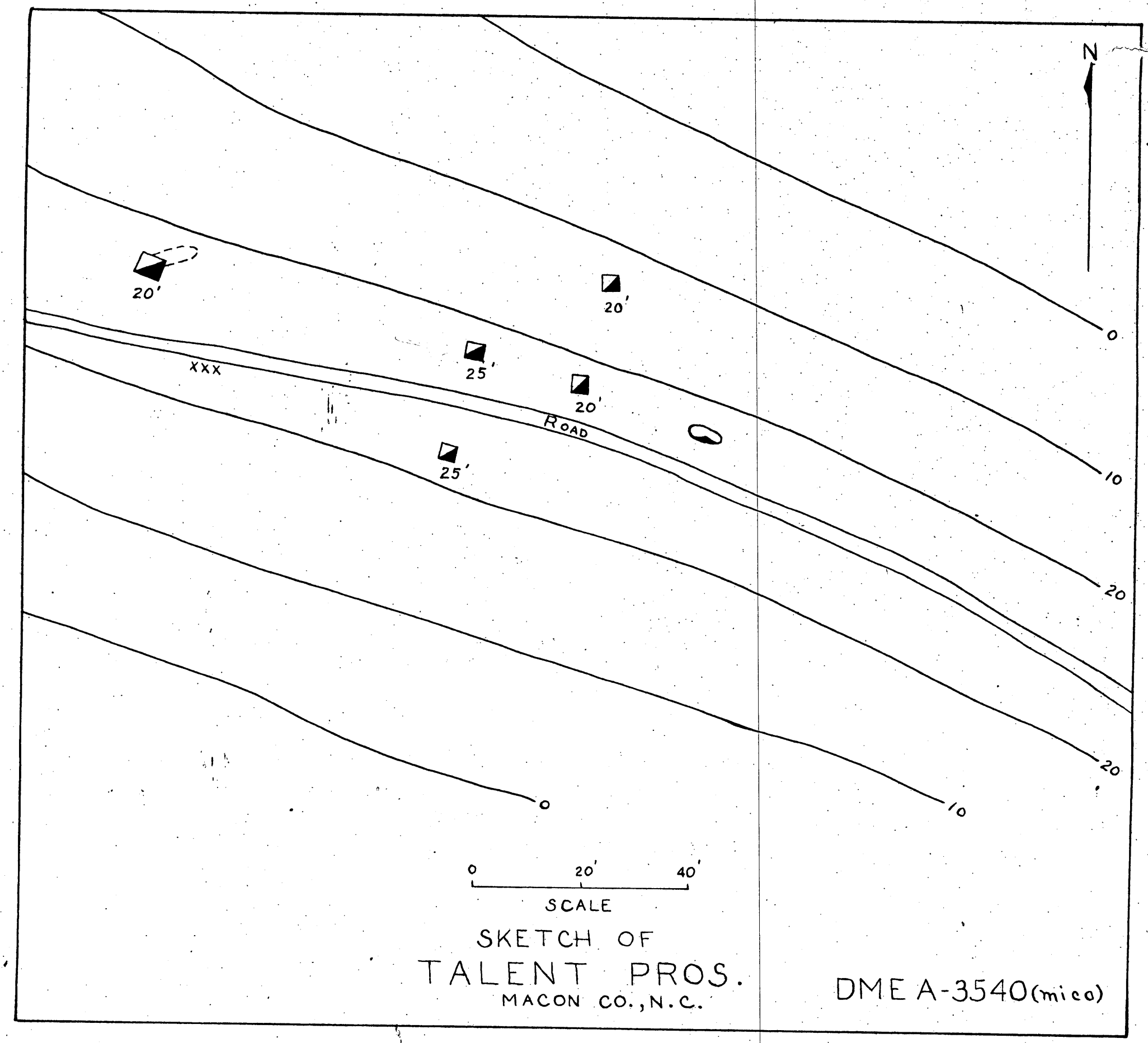
Labor :		
1- miner @ $1.50/hr.	$480.00	
1- Hoistman @ $1.25/hr.	400.00	
2- Laborers.	640.00	
Equipment (rental)		
Compressor, drill and pump @ $240/mo.	480.00	
Hoist @ $50/Mo.	100.00	
Supplies:		
Explosives	350.00	
Gasoline and oil	200.00	
Drill steel	150.00	
Pipe	100.00	
Small tools	75.00	
Timber, 2000 b. f. @ $60/M.	120.00	
Miscellaneous	150.00	
Insurance & Social Security	255.00	$3,500.00
Estimated Total cost.....		$5,913.00

November 19, 1954

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

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

z


N
20'
20'
25'
20'
XXX
ROAD
25'
0
10
20
20
10
0
0
20'
40'
SCALE
SKETCH OF
TALENT PROS.
MACON CO., N.C.
DME A-3540(mica)

Hopkins

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

Defense Minerals Administration
RECEIVED
NOV 17 1954

November 15, 1954

Memorandum

To: Cora Piper, Chief, Finance Division VII -

From: Executive Officer, DMEA - Region VII - Knoxville, Tennessee

Subject: Royalty payment on Idm-E674, DMEA-3287, Sam Phillips, et al.

Transmitted are two billsof-sales amounting to $1,529.23, and a check for $76.46 which is 5% royalty due the Government on the sales, and to be credited to the subject contract.

Robert A. Laurence

ZM.
Beck
Lynch
Mittendorf
Files
Sam Phillips

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

DATE: 11-5-54
ACCEPTANCE NUMBER: AR4-857

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER: EPS-4~~2~~ 153A
LOT NUMBER: SPAR-857
RECEIPT AND WEIGHT TICKET NUMBER:

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sam L. Phillips	SIGNATURE:
STREET ADDRESS:	NAME *(Type or print)*:
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: Owner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER				2.81	$70.00	196.70
GRADES NO. 4 AND 5				15.80	$40.00	632.00
GRADES NO. 5½ AND 6				16.90	$15.00	253.50
STAINED						
GRADES NO. 3 AND LARGER		$12.00		.62	$18.00	11.16
GRADES NO. 4 AND 5		$ 5.00		5.09	$ 8.00	40.72
GRADES NO. 5½ AND 6		$ 3.00		16.15	$ 5.00	80.75
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00		.54	$ 6.00	3.24
GRADES NO. 5½ AND 6		$ 2.00		2.58	$ 3.00	7.74
TOTALS						
LOT TOTALS				60.49		1225.81

PROGRAM B - HAND-COBBED MICA

TOTALS					$ 0.30	

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed S. Burleson		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $1225.81

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

SELLER *(Type name)*	DATE
Sam L. Phillips (Mud Cut Mine DMEA-3287, Idm-E 674)	11-5-54
BY *(Signature)*	NAME AND TITLE *(Type)*

GSA-WASH DC 53-3094 COPY COPY GSA FORM 1013 September 1952

C
O
P
Y

GENERAL SERVICES ADMINISTRATION, REGION VII

Mica Purchase Depot, Spruce Pine, N. C.

Authorization No. _____ Acceptance No. SPAO-593 Date: 11-3-54

Seller: ~~Sam L. Phillips~~

Mine: Mud Cut DMEA No. 3287 Idm-E 674 (mica)

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/lb.	Amount	Pounds	Price/lb.	Amount
Good Stained & Better Grades No. 3 & larger					$70.00	
" No. 4 and 5					$40.00	
" No. 5½ and 6					$15.00	
Stained No. 3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00			$ 8.00	
No. 5½ and 6		$ 3.00			$ 5.00	
Heavy Stained No. 3 & larger		$ 8.00		7.25	$ 10.40	75.40
No. 4 and 5		$ 4.00		36.88	$ 4.80	177.02
NO. 5½ and 6		$ 2.00		21.25	$ 2.40	51.00
LOT TOTALS				65.38		
TOTAL						303.42

Scrap Mica

Punch Mica

Mr. Mittendorf
Mr. Beck

November 15, 1954

Mr. Laurence, Region VII calling Mr. Houk.

Docket No. DMEA-3287 - Mica
Sam L. Phillips, et al.
Mud Cut Mine
Macon County, North Carolina
Contract No. Idm-E674

Docket No. DMEA-3540 - Mica
Jeter and Homer Boone
Mud Cut Mine
Macon County, North Carolina

Mr. Houk: On the Mudd cut they have 12.4 acres. Now Jeter Boone and Homer Boone (DMEA-3540) want to use the Owner's Consent to Lien and the lease. Are they pretty good miners.

Mr. Laurence: Yes.

Mr. Houk: The fact that they are both (projects) on the same piece of ground and we certify we would be entitled to the whole acreage. If the whole partnership came in it would be different. Two of the partners are not enough to give control. We will send them a letter but I dont know what we will say from here.

Mr. Laurence: You will send us a copy of the letter wont you?

Mr. Houk: Yes.

DEFENSE MINERALS ADMINISTRATION

97021

PRODUCTION EXPANSION DIVISION

LOAN APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Amount of loan and interest rate _____

Type of Loan (R.F.C. or Guaranteed Bank Loan) _____

Term of Loan _____

Purpose of Loan — Mine Equipment _____

Mill or Reduction Plant _____

Operating Funds _____

Other _____

Repayment and Rate _____

Comments on Contract: _____

_____

_____

_____

_____

Date sent to Legal Division: _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to R.F.C. by D.P.A. _____

Date Signed into Contract by R.F.C. _____

Additional Remarks: _____

_____

_____

_____

_____

Interior—Duplicating Section, Washington, D. C.

Signed _____

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 - 1954

November 9, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3540, Mica

Applicant: Homer & Jeter Boone

Name and Location of Property: Talent Prospect
Macon County, North Carolina

Date Application Rec'd. by Ceram. & Fert. Mat. Br.: Oct. 10, 1954

Comments:

1. No data available in this office on this property.

2. Proposed exploration is in line with the normal methods used in the area.

3. Other DMEA projects are in progress in the vicinity of this property.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 - 1954

November 8, 1954

Re: DMEA-3287
Mud Cut Mine
Macon Co., N. C.
$5,538 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Final Field Team report

The completed project involved a 65-foot shaft and 75 feet of drifting on the 60-level.

All the work was in pegmatite, which is unsymmetrically zoned and ranges in thickness from 5-12 feet.

Ruby mica is of better quality than green mica and the proportion of green to ruby is reported to be about 3 to 1.

Total sales from ruby and non-ruby mica of sheet, punch and scrap grades have amounted to $5,543.64.

Total indicated and inferred reserves have been estimated to be about 95,000 pounds of mine-run mica.

A certificate of discovery should be issued.

E. L. Newcomb

E. L. Newcomb

C O P Y

November 4, 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: Executive Officer, DMEA - Region VII

Subject: Royalty payment on DMEA-3287, Idm-E 674. Sam Phillips, et al

Attached is a bill-of-sale for $771.44, and a check for 5% of the sale amount to $38.57 due the Government on the subject contract.

Robert A. Laurence

Zm.
Beck
Lynch
Sam Phillips
Files
Mittendorf

COPY COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Dep - ~~Spruce Pine, North Carolina~~

WARRANTY, ACCEPTANCE AND INVOICE

10-26-54
ACCEPTANCE NUMBER
AR4 - 777

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER
LOT NUMBER: SPAR-777
RECEIPT AND WEIGHT TICKET NUMBER

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sam L. Phillips	SIGNATURE
STREET ADDRESS	NAME *(Type or print)*: Sam L. Phillips
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: Owner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER				.56	$70.00	39.20
GRADES NO. 4 AND 5				7.48	$40.00	299.20
GRADES NO. 5½ AND 6				16.48	$15.00	247.20
STAINED						
GRADES NO. 3 AND LARGER		$12.00		.12	$18.00	2.16
GRADES NO. 4 AND 5		$ 5.00		5.70	$ 8.00	45.60
GRADES NO. 5½ AND 6		$ 3.00		18.64	$ 5.00	93.20
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00		4.32	$ 6.00	25.92
GRADES NO. 5½ AND 6		$ 2.00		6.32	$ 3.00	18.96
TOTALS						
LOT TOTALS				59.62		771.44

PROGRAM B - HAND-COBBED MICA

TOTALS					$ 0.30	

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed S. Burleson		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $ 771.44

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

SELLER *(Type name)*	DATE
Sam L. Phillips (Mud Cut Mine) DMEA- 3287	10-26-54
BY *(Signature)*: Sam L. Phillips, Owner	NAME AND TITLE *(Type)*

GSA-WASH DC 53-3094

GSA FORM 1013
September 1952

COPY

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 - 1954

November 1, 1954

Memorandum

To: Operating Committee - DMEA - Washington

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

Subject: Final Report, DMEA-3287, Idm-E 674 (mica)
Mud Cut Mine, Macon County, North Carolina

Enclosed are 4 copies of the Field Team's final report on the subject exploration contract. The project resulted in discovery of considerable strategic and non-strategic mica, and we agree with the field examiners' recommendation for certification.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

Wm. A. Beck

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

Reviewed by
DMEA OPERATING COMMITTEE
11-5-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 - 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Final Field Team Rpt.

FIELD TEAM FINAL REPORT
On

DMEA-3287, MUD CUT MINE, (mica).
Macon County, N. C.

BY

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

and
Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

October 29, 1954

Reviewed by
DMEA OPERATING COMMITTEE
11-5-54
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 - 1954

FINAL REPORT
DMEA-3287, Idm-E 674 (mica)
MUD CUT MINE

Operators: Sam L. and John Phillips, and Lin Carpenter, Spruce Pine, N. C., and Homer and Jeter Boone of Route # 3, Bakersville, N. C.

The Mud Cut Mine is 1.25 airline miles northwest of the center of Franklin, Macon County, N. C., and 800 feet southwest of the Allman Cove Mine.

Work completed under the contract consisted of sinking a 65-foot shaft, part of which was inclined and driving 75 feet of drifts from the 60-foot level of the shaft. As considerable mica of strategic quality was recovered from the work conducted under the contract, and as the Operator is currently conducting successful mining operations from the openings made, a certification of discovery should be issued. No additional exploratory work is warranted.

Work began on June 7, 1954 and was completed on October 8, 1954. A 65-foot shaft was sunk on pegmatite. The upper 42 feet of the shaft is vertical but the lower 23 feet is inclined - 60° to the south. This was done in order to keep the shaft in the pegmatite body. From the 60-foot level of the shaft a drift was driven to the west for 66 feet and another to the east for 9 feet.

A conformable pegmatite 5 - 12 feet thick is exposed in the shaft and the laterals. Near the shaft bottom it strikes east-west and dips about 70° to the south but about 48 feet west of the shaft the strike changes abruptly to a N. 25° W. direction. The body is zoned unsymmetrically, consisting of (1) a 2-4 foot hanging wall zone of medium-grained plagioclase, quartz, ruby muscovite and minor green muscovite, (2) a 0-2 foot zone of coarse-grained perthite, green muscovite and minor plagioclase, (3) a 0-3 foot quartz core, and (4) a 2-4 foot zone on the footwall similar to (2). In general, the muscovite tends to be ruby-colored in these portions where plagioclase is the dominant feldspar and green-colored where perthite is dominant.

The ruby mica recovered to date is of good quality but the green is heavily minerals-stained. The proportion of green to ruby colored in "mine-run" form has been averaging about 3 to 1. Sales to date of trimmed sheet mica to the GSA Depot at Spruce Pine are as follows:

Non-ruby mica - Values of		$1,443.52
Heavy Stained		
#3 and larger	15.44 lbs.	
#4 - 5	146.57 "	
#5½ and 6	237.25 "	
Ruby mica - Value of		3,839.92
Good stained #3 & better	2.99 "	
# 4 - 5	29.05 "	

Ruby mica- (cont'd)

# $5\frac{1}{2}$ - 6	103.38 lbs.

Stained

# 3 and larger	0.81 "
# 4 - 5	23.47 "
# $5\frac{1}{2}$ - 6	108.19 "

Heavy Stained

# 4 - 5	5.61 "
# $5\frac{1}{2}$ - 6	46.99 "

In addition, the following sales of punch and scrap have been made:

Punch	2107 lbs.	$ 210.70
Scrap	3300 lbs.	$ 49.50

An estimation of reserves revealed by the work is:

Indicated (above 60-ft. level) 35,000 pounds of "mine-run" mica.
Inferred (60-120 ft. levels) - 60,000 lbs. of "mine-run" mica.

Expenditures:

(a)	Total approved	$5,538.00
(b)	Total cost of project	5,538.00
(c)	Government's share of cost	4,153.00
(d)	Government's share unexpended	None
(e)	Value of production during oper.	5,533.62
(f)	Royalty paid to date	276.69

The work done under the contract was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

October 29, 1954.

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 - 1954

Spruce Pine, North Carolina
October 26, 1954

Mr. Robert A. Laurence, Executive Officer
DMEA, Region VII
Post Office Building
Knoxville, Tennessee

Re: DMEA-3287, Idm-E674
Mud Cut Mine, Macon County, N. C.
Final Report, Work completed 10-8-54

Dear Mr. Laurence:

Work began on the Mud Cut Project on June 7, 1954. We timbered and sank a shaft 66 feet. At about the 15' level we hit old works; then at the 25' level we picked up a little soft vein with a few pieces of high quality ruby mica. At the 42½' depth, we started a 45° incline and the vein began to harden. We continued down with the incline to the 65' level.

We drove a drift in a westerly direction, in pegmatite all the way, for a distance of 66 feet. We were recovering ruby mica at the beginning of the drift, but after drifting about 10' we began to hit green heavy stained mica of very poor quality.

We then drove a drift 9' to the East from the bottom of the shaft and recovered a little ruby mica in very small pieces.

We have to date sold about $4,000.00 worth of mica, and have approximately $400.00 worth on hand to be worked up.

The mine was extremely wet after the 40' level and we had considerable difficulty with the pumps. We have a good hard vein left and we plan to continue to operate and bench in the bottom on the drift; hoping the mica will improve.

We wish to express our sincere thanks to the Field Team for their assistance.

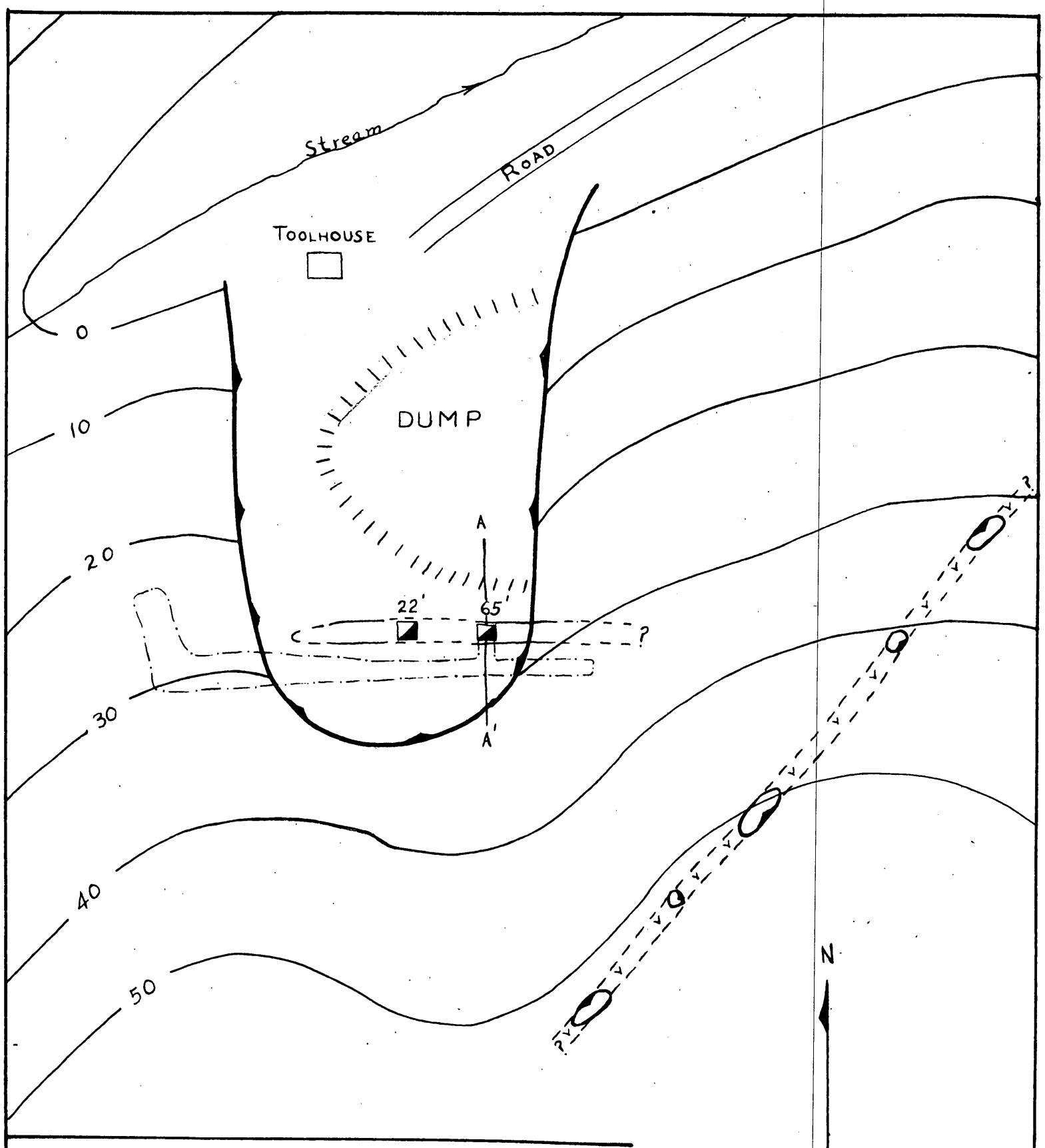
Very truly yours,

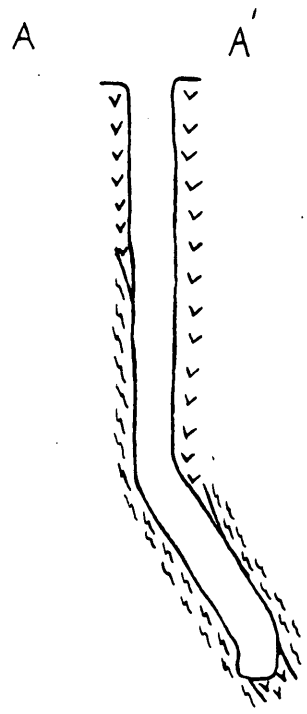
Sam L. Phillips

Sam L. Phillips

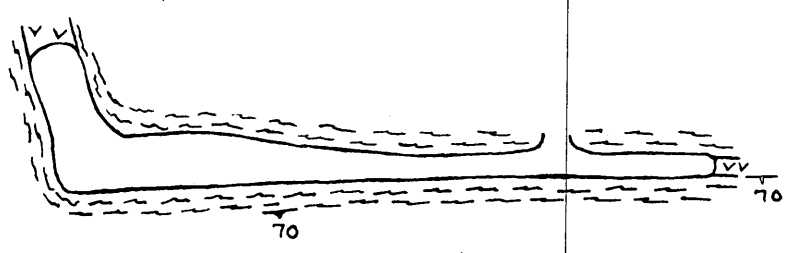
P/b

Operators Final Rpt.





SECTION A-A'



PLAN 60'-LEVEL

0 20' 40'

SCALE

SKETCH OF

MUD CUT MINE

MACON CO., N.C.

DMEA-3287(mica)

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

Month of October 1954 Docket No. DMEA 3287 Contract No. Idm-E674
Operator's Name Sam L. Phillips et al Minerals Mica
Address Mud Cut Mining Co., Spruce Pine, N. C.
Contract Amount, $ 5538.00 Government Participation: 75 % Amount, $ 4153.60

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:						
Drilling						
Bulldozing						
Crosscutting						
10' Drifting @ 30.00	300.00	1950.00	2250.00			
Shafting		3250.00	3250.00			
(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						
Powder Magazine	25.00	-	25.00			
Exploder Magazine	13.00	-	13.00			
(8) Contingencies (specify):						
TOTALS	338.00	5200.00	5538.00	338.00	5,200.00	5,538.00

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

Date 10-26-54 *Payee Sam L. Phillips, et al.
Mud Cut Mining Co.

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:

$ 253.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date NOV 23 1954 Vou. No. 79

(See other side)

577

C 12/8/54

84.50

(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. Idm-E674 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date Oct. 28, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date OCT 29 1954

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1954 Docket No. DMEA 3287 Contract No. Idm-E674

Operator's Name Sam L. Phillips, et al Minerals Mica

Address Mud Cut Mining Co., 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	Authorized by Contract: Unit Costs
101 Drifting @ 30.00	Ft.	300.00	10	2250.00	75	30.00	75	30.00
Crosscutting								
Raising								
Shafts				3250.00	65	50.00	65	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		300.00		5500.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		38.00		38.00				
Total Costs		338.00		5538.00				

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 10-26-54 Operator Sam L. Phillips, et al
Mud Cut Mining Co.

Per Sam L. Phillips Title 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)

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
Monthly Report of Progress

Month of October, 1954

DMEA-3287

Idm-E674

Work Completed: 10-8-54

Work Accomplished:

We completed 10' of drifting to finish the contract on October 8,1954. We continued to have water and pumping difficulties, but recovered some better quality mica on the last few feet of the drift than we had been getting.

Daily Notes:

Oct. 1	Pumped water, mucked.
Oct. 4 - 8	Continued with drift, shooting and recovering several bags of mica. Mica is improved some in quality.
	Completed contract on Oct. 8. Plan to continue with vein

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1954

October 27, 1954

Memorandum

To: Cora Piper, Chief Finance Division - Region VII

From: Acting Executive Officer, DMEA - Region VII

Subject: Royalty payment. Idm-E 674, DMEA-3287, Sam Phillips, et al.

Transmitted is a bill-of-sale for mica in the amount of $1,329.12, and a check for 5% royalty in the amount of $66.46 on the subject contract.

Wm. A. Beck

ZM.
cc:
Beck
Lynch
Mittendorf
Files

COPY

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

DATE: 10-18-54

ACCEPTANCE NUMBER: AR4-726

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
153A	SPAR-726	

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sam L. Phillips	SIGNATURE:
STREET ADDRESS:	NAME *(Type or print)*: Sam L. Phillips
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: Owner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER				2.31	$70.00	161.70
GRADES NO. 4 AND 5				13.90	$40.00	556.00
GRADES NO. 5½ AND 6				26.20	$15.00	393.00
STAINED						
GRADES NO. 3 AND LARGER		$12.00		.31	$18.00	5.58
GRADES NO. 4 AND 5		$ 5.00		3.48	$ 8.00	27.84
GRADES NO. 5½ AND 6		$ 3.00		28.30	$ 5.00	141.50
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00			$ 6.00	
GRADES NO. 5½ AND 6		$ 2.00		14.50	$ 3.00	43.50
TOTALS						
LOT TOTALS				89.00		1,329.12

PROGRAM B - HAND-COBBED MICA

TOTALS				about 15 lbs	$ 0.30	Profit 16 lbs. 4.6

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed S. Burleson		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $ 1,329.12

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

SELLER *(Type name)*	DATE
Sam L. Phillips (Mud Cut Mine DMEA-3287, Idm-E674)	10-18-54
BY *(Signature)*: s/s Sam L. Phillips, Owner	NAME AND TITLE *(Type)*:

GSA-WASH. DC 53-3094

GSA FORM 1013
September 1952

COPY

IN REPLY REFER TO:

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

October 25, 1954

Re: DMEA-3540
H. Boone & J. Boone
Talent Prospect
Macon Co., N. C.
$6,550 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The applicant proposes to rehabilitate 20 feet of shaft, deepen shaft 55 feet and drift 100 feet.

We do not have any information applicable strictly to the Talent prospect.

It was noted that applicant states his lease and Owner's consent to lien agreement on DMEA-3287 (Idm-E674) covers the Talent prospect. The Boones are involved in the Mud Cut mine exploration program.

Inasmuch as the proposed work is near an active DMEA project, it seems best to refer this application to the Field Team. They can examine the property at their convenience when in the general vicinity.

E. L. Newcomb

E. L. Newcomb

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1954

October 25, 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

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

Subject: Royalty checks

Attached is a bill of sales and a check on the following:

Idm-# 674, DMEA-3287, Sam L. Phillips, et al, Mud Cut Mine, sales $418.46, 5% royalty check $20.92.

Idm-# 692, DMEA-3260, Phillips & Carpenter, W. A. McKinney Mine, sales $576.84, 5% royalty check $28.84.

Robert A. Laurence

RM.
cc:
Beck
Lynch
Mittendorf
Files

C
O
P
Y

DEPARTMENT OF THE INTERIOR
Celanese Minerals Admin
RECEIVED
OCT 27 1954

Mica sold with Jeff Sparks lot

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 509 Acceptance No. _____ Date: 10-15-54

Seller: Jeff Sparks

Mine: Mud Cut DMEA No. 3287 Idy-E 674

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No.3 & larger					$70.00	
No. 4 and 5					$40.00	
No. 5½ and 6					$15.00	
Stained No.3 and larger		$12.00			$18.00	
No.4 and 5		$ 5.00			$ 8.00	
No.5½ and 6		$ 3.00			$ 5.00	
Heavy Stained No.3 & larger		$ 8.00		6.50	~~$13.00~~ 15.40	67.60
No.4 and 5		$ 4.00		51.75	$ ~~6.00~~ 4.80	248.40
No.5½ and 6		$ 2.00		42.69	$ ~~3.00~~ 2.40	102.46
LOT TOTALS		//////////			//////////	418.46
TOTAL		//////////		100.94	//////////	

cc. Beck
Millendorf

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1954

INTERIM REPORT

DMEA-3287, Idm-E 674 (mica) MUD CUT MINE

Operator: Sam L. Phillips, et al. Spruce Pine, N. C.

Location: 1.25 miles northwest of the center of Franklin, Macon County, N. C., and 800 feet southwest of the Allman Cove Mine (DMEA-2917).

Contract work has been completed on this project. A 65-foot shaft, 23 feet of which was inclined -60° to the south, was sunk. From the 60-foot level of this shaft 75 feet of drifts were driven; 66 feet to the west and 9 feet to the east. To date the Operator has extended both drifts an additional 7 feet at his expense and is currently conducting mining operations from them.

Work completed since the last interim report east of the shaft has exposed a pegmatite about 5 feet thick with scattered books of good quality ruby mica. No green mica was recovered from this portion of the body.

To date, 596.10 pounds of trimmed sheet mica worth $3,944.32 has been sold to the GSA Depot at Spruce Pine.

October 18, 1954.

K. H. Teague D. H. Amos

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

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

WASHINGTON

October 15, 1954

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 18 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: Acting Executive Officer, DMEA - Region VII - Knoxville

Subject: Royalty check on Idm-#674, DMEA-3287, Sam Phillips, et al.

Transmitted is a bill of sale for $84 worth of mica sold from the Mud Cut mine along with a sale of mica from the Empire Mica Co. Also attached is a check for $4.20, the Government's 5% royalty on the sale.

Wm. A. Beck

ZM.
cc:
Beck
Lynch
Laurence
Sam Phillips
Mr. Mittendorf

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE - NONRUBY

DATE: 10-6-54

ACCEPTANCE NUMBER: A04-467

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Mud Cut Mining Co.	SIGNATURE
STREET ADDRESS	NAME *(Type or print)*
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA - NONRUBY

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$56.00	
GRADES NO. 4 AND 5					$32.00	
GRADES NO. 5½ AND 6					$12.00	
STAINED						
GRADES NO. 3 AND LARGER		$ 9.60			$14.40	
GRADES NO. 4 AND 5		$ 4.00			$ 6.40	
GRADES NO. 5½ AND 6		$ 2.40			$ 4.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 6.40			$10.40	
GRADES NO. 4 AND 5		$ 3.20			$ 4.80	
GRADES NO. 5½ AND 6		$ 1.60		35.00	$ 2.40	84.00
TOTALS						
LOT TOTALS				~~35.00~~		~~84.00~~

PROGRAM B - HAND-COBBED MICA - NONRUBY

TOTALS	35.00	$ 0.24	84.00

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation (Revision 2), dated July 22, 1953 (18 F.R. 4377), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above $

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

SELLER *(Type name)*	DATE
Mud Cut mica sold with Empire Mica Co., sale.	10-6-54
BY *(Signature)*	NAME AND TITLE *(Type)*

GSA-WASH DC 54-2285

GSA FORM 1136
September 1953

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

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 13 1954

October 11, 1954

Memorandum

To: Cora, Piper, Chief, Finance Division - Region VII

From: Acting Executive Officer, DMEA - Region VII

Subject: Royalty payment on DMEA-3287, Idm-# 674, Sam L. Phillips, etal

Transmitted is a bill of sales for $210.70, for mica sold from the subject contract, and a check in the amount of $10.54, which is 5% royalty due the Government on the sale.

Wm. A. Beck

ZM.
cc:
Beck
Lynch
Mittendorf
Sam Phillips
Files

C
O
P
Y

October 7, 1954

Sold to Spruce Pine Mica Co., Spruce Pine, N. C.

2107 lbs. punch mica at 10¢ lb. $210.70

Mud Cut Mining Co.
By: Conley

DMEA-3287,

cc:
Beck
Mittendorf

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

RECEIVED
OCT 13 1954

October 11, 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: Acting Executive Officer, DMEA - Region VII

Subject: Royalty check on Idm-E674, DMEA-3287, Mud Cut Mining Co.

Transmitted are two bill of sales for mica on the subject contract and a check for $125.73, the Government's 5 percent royalty.

Wm. A. Beck

PAT/sm
cc:
Beck
Lynch
Sam Phillips
Mittendorf
Files

Copy

Defense Minerals Administration
RECEIVED
OCT 13 1954

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 153A Acceptance No. 628 Date: 10-1-54

Seller: Sam L. Phillips, owner - Spruce Pine, N.C

Mine: Mud Cut. DMEA No. 2387-IDM-F674

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No.3 & larger				62	$70.00	43.40
No. 4 and 5				10.63	$40.00	425.20
No. 5½ and 6				57.85	$15.00	867.75
Stained				69.10		
No.3 and larger		$12.00		.50	$18.00	9.00
No.4 and 5		$ 5.00		17.45	$ 8.00	139.60
No.5½ and 6		$ 3.00		66.49	$ 5.00	332.45
Heavy Stained No.3 & larger		$ 8.00			$13.00	
No.4 and 5		$ 4.00		3.93	$ 6.00	23.58
No.5½ and 6		$ 2.00		24.60	$ 3.00	73.80
LOT TOTALS		//////////			//////////	
TOTAL		//////////		182.07	//////////	1914.78

Copy

SPA 0-425

Non-Ruby mica

Minerals Administration
RECEIVED
OCT 13 1954

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 153 A. Acceptance No. 452 Date: 10-1-54

Seller: Sam L. Phillips, Spruce Pine, N.C

Mine: Mud Cut sold with Thomas mica DMEA No.

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No.3 & larger					$70.00	
No. 4 and 5					$40.00	
No. 5½ and 6					$15.00	
Stained No.3 and larger		$12.00			$18.00	
No.4 and 5		$ 5.00			$ 8.00	
No.5½ and 6		$ 3.00			$ 5.00	
Heavy Stained		Non Ruby				
No.3 & larger		$ 8.00		4.94	~~$13.00~~ 10.40	51.38
No.4 and 5		$ 4.00		74.75	~~$6.00~~ 4.80	358.80
No.5½ and 6		$ 2.00		79.00	~~$3.00~~ 2.40	189.60
LOT TOTALS		//////////			//////////	
TOTAL		//////////		158.69	//////////	599.78

October 5, 1954

Memorandum

To: Cora Piper, Chief Finance Division - Region VII

From: Executive Officer, DMEA - Region VII

Subject: Royalty payments on Idm-E674, DMEA-3267. Mud Cut Mining Co.

Transmitted are two royalty payments on the subject contracts:

Invoice for $331.28 dated Sept. 24, 1954, and check for 5 percent royalty for $16.56.

Invoice dated October 1, 1954 for $49.50 and a check for 5 percent royalty for $2.48.

Robert A. Laurence

ZM.
cc:
Rittondorf
Fo k
Lytch
Files

Copy

October 1, 1954

Sold to English Brick Co
Spruce Pine, N.C.
3,6 lbs @ $30.00 per ton $49.50

RECEIVED
OCT 7 1954

s/s J.E. Buchanan

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

DATE: 9-24-54

ACCEPTANCE NUMBER: 418

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER:

LOT NUMBER: 418

RECEIPT AND WEIGHT TICKET NUMBER:

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: John Phillips	SIGNATURE:
STREET ADDRESS:	NAME *(Type or print)*: Mud Cut Mine sold with Jeff Sparks sale
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*:

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$70.00	
GRADES NO. 4 AND 5					$40.00	
GRADES NO. 5½ AND 6					$15.00	
STAINED						
GRADES NO. 3 AND LARGER		$12.00			$18.00	
GRADES NO. 4 AND 5		$ 5.00			$ 8.00	
GRADES NO. 5½ AND 6		$ 3.00			$ 5.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00		4.00	~~$10.00~~ 10.40	41.60
GRADES NO. 4 AND 5		$ 4.00		20.07	~~$16.00~~	96.34
GRADES NO. 5½ AND 6		$ 2.00		80.56	~~$22.00~~	193.34
TOTALS						
LOT TOTALS				104.63		331.28

PROGRAM B - HAND-COBBED MICA

TOTALS					$ 0.30	

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE

INVOICE

TO: General Services Administration, Region

FOR: Mica delivered as indicated above

$

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

SELLER *(Type name)*	DATE
Mud Cut Mine	
BY *(Signature)*	NAME AND TITLE *(Type)*

GSA-WASH DC 53-3094

Copy

GSA FORM 1013
September 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

INTERIM REPORT

DMEA-3287 Idm-E674 (mica) MUDCUT MINE

OPERATOR: Sam L. Phillips, John Phillips and Lynn Carpenter, Spruce Pine, N. C. and Jeter Boone and Homer Boone, Route #3, Bakersville, N. C.

LOCATION: 1.25 miles northwest of the center of Franklin, Macon County, N. C., and 800 feet southwest of the Allman Cove Mine (DMEA-2917)

Drifting continues on this contract and is now at 66 feet. Instructions were given for starting a new drift to the east in promising pegmatite.

Since the last Interim Report 20 ft. of drift has been accomplished. The west drift was continued for about 5 feet at which point the pegmatite changed direction rather abruptly to the northwest. 15 feet of drift was driven in a N 25° W direction in pegmatite composed of feldspar, quartz and both ruby and green colored mica, some of which was located in close relationship, less than 12 inches apart. Only 9 feet of drift remains to be accomplished under contract and will be driven to the east. The operator is expected to do some additional work also in this direction at his own expense, to adequately explore this extension of the body.

Mr. W. A. Beck, member of the Field Team, Region VII, accompanied the examiners on this visit. to the mine.

L. E. Shirley

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

K. H. Teague D. H. Amos

K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

October 4, 1954

104 (Rev.)
1952)

Budget Bureau No. 42-R1036.5

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

Month of September, 1954 Docket No. DMEA 3287 Contract No. Idm-E674
Operator's Name Sam L. Phillips, et al. Minerals Mica
Address Mud Cut Mining Co., Spruce Pine, N. C.
Contract Amount, $ 5538.00 Government Participation: 75 % Amount, $ 4153.50

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:						
Drilling						
Bulldozing						
Crosscutting						
30' Drifting @ 30.00 ft.	900.00	1050.00	1950.00			
7' Shafting	350.00	2900.00	3250.00			
(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	1250.00	3950.00	5200.00	1250.00	3950.00	5200.00

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

Date 10-1-54 *Payee Sam L. Phillips, et al Mud Cut Mining Co.

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:

$ 937.50

Signature Cora A. Piper
(Authorized Certifying Officer)

Date OCT 8 1954 Vou. No. 65
(See other side)

4

(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. Dm-E674 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Oct. 5, 1954

Approval by DMEA Executive Officer or Alternate:

Signature Fred A. Palmer Title EXECUTIVE OFFICER DMEA REGION VII Date OCT 7 1954

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.

IF-104A
(2-58)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

OCT 15 1954

Month of Sept. 195 4 Docket No. DMEA 3287 Contract No. Idm-E674

Operator's Name Sam L. Phillips, et al. Minerals Mica

Address Mud Cut Mining Co., 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	Authorized by Contract: Unit Costs
30' Drifting @ 30.00	Ft.	900.00	30	1950.00	65	30.00	75	30.00
Crosscutting								
Raising								
7' Shafts @ 50.00	Ft.	350.00	7	3250.00	65	50.00	65	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1250.00		5200.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1250.00		5200.00				

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 10-1-54 Operator Sam L. Phillips, et al. Mud Cut Mining Co.

Per Sam L. Phillips Title 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)

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
Monthly Report of Progress

Month of September, 1954

DMEA-3287

Idm-E674 (Mica)

Work Accomplished:

We deepened the shaft 7' during September, and drifted 30'. We have had some trouble with the pump and continue to have difficulty keeping the water out. We have recovered about 3½ tons of mica, about 3/4 of which is non-ruby and 1/4 ruby. The non-ruby mica is all heavy stained, and is not of a very high quality. We drifted off from the shaft, then returned to deepen it because it was easier to do it this way; hence the 7' of shafting after some drifting had been done.

Daily Notes:

September 1 - 3 - Pumped water, began lowering shaft.

September 6 - 10 - Deepened shaft a total of 7'. Pumped water, drilled, mucked.

September 13 - 17 - Pumped water, began drifting in vein material. Recovered some mica, part of which is ruby. The mica is broken up and the green heavy stained.

September 20 - 24 - Pumped water, shot and drilled. Recovered several bags of mica, quality a little improved.

September 27 - 30 - Continued with drift, completing about 30'. Drilled, shot and mucked. Recovered about 3½ Ton of mica during month.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 4 1954

INTERIM REPORT

DMEA-3287 Idm-E674 (mica) MUDCUT MINE

OPERATOR: Sam L. Phillips, John Phillips and Lynn Carpenter, Spruce Pine, N. C. and Jeter Boone and Homer Boone, Route #3, Bakersville, N. C.

LOCATION: 1.25 miles northwest of the center of Franklin, Macon County, N. C., and 800 ft. southwest of the Allman Cove Mine (DMEA-2917).

Drifting continues to the west on this contract and now totals 46 feet. Instructions were given for starting a new heading from the incline bottom to the east to explore that extension of the body.

All drift work to date has been driven almost due west. Material encountered has been changing considerably and mica content has been erratic. The present face shows an irregular quartz core flanked by feldspathic zones, with a mica zone adjacent to the hanging wall. The foreman stated that most of the mica recovery has come from the hanging wall, although some production has recently come from the footwall. Both ruby and green mica is being recovered and the ruby contains less stain and is generally the better quality mica. Work is expected to begin to the east within the week. 29 feet of drift remains to be driven under contract. Progress on this contract is satisfactory.

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

K. H. Teague D. H. Amos
K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

September 21, 1954

Department of the Interior
Defense Minerals Administration
RECEIVED
SEP 14 1954

September 13, 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: Executive Officer, DMEA - Region VII - Knoxville

Subject: Royalty checks on DMEA Contracts.

T ransmitted herewith are royalty checks as follows:

Idm-E 674, DMEA-3287, Sam Phillips, et al check for $29.80 invoice attached to check.

Idm-E 664, DMEA-3247, Buchanan & Buchanan & Cook a check for $26.60 representing 5 percent royalty. Sale slip is attached.

Robert A. Laurence

ZM.
cc:
Beck
Lynch
Mittendorf
Files

C
O
P
Y

Defense Minerals Administration
RECEIVED
SEP 14 1954

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 153A Acceptance No. AR4-443 Date: 9-3-54

Seller: Sam L. Phillips, Spruce Pine, N. C.

Mine: Mud Cut Mine DMEA No. 3287, Idm-E 674 (mica)

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No.3 & larger				.06	$70.00	4.20
No. 4 and 5				4.52	$40.00	180.80
No. 5½ and 6				19.33	$15.00	289.95
Stained No.3 and larger		$12.00			$18.00	
No.4 and 5		$ 5.00		2.54	$ 8.00	20.32
No.5½ and 6		$ 3.00		13.40	$ 5.00	67.00
Heavy Stained No.3 & larger		$ 8.00			$13.00	
No.4 and 5		$ 4.00		1.68	$ 6.00	10.08
No.5½ and 6		$ 2.00		7.89	$ 3.00	23.67
LOT TOTALS		//////////		49.42	//////////	
TOTAL		//////////			//////////	596.02

C
O
P
Y

Mittendorf

Beck

Bureau Mines
SEP 16 1954

INTERIM REPORT

DMEA-3287, Idm-E 674m MUDCUT MINE

Operator: Sam Phillips, et al. Spruce Pine, N. C.

Location: 1.25 airline miles northwest of the center of Franklin, Macon County, North Carolina

Drifting to the west continues on this project, with 36 feet of drift completed. During the past two weeks approximately 2000 pounds of mine run mica has been recovered.

The present drift face exposes a zoned pegmatite about 11 feet thick. The quartz core is 4 feet thick, hanging wall zone 3 feet thick, and footwall zone 4 feet thick. Mica has occurred in the hanging wall zone over the entire length of the drift and in the footwall zone from the point 20 feet west of the shaft. The presence of mica in the footwall zone corresponds to the change from potash to soda feldspar in this zone.

The chief defect of mica recovered to date is severe muling.

Progress on this project is satisfactory.

Date of Exam: September 9, 1954.

K. H. Teague

K. H. Teague, Geologist
U. S. Geological Survey

z

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

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

Month of August, 1954 Docket No. DMEA 3037 Contract No. Kn-2674
Operator's Name Jon L. Phillips et al, Kid Cat Mining Co. Minerals [illegible]
Address [illegible]
Contract Amount, $ 5530.00 Government Participation: 75 % Amount, $ 4150.50

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:						
Drilling						
Bulldozing						
Crosscutting						
30' Drifting @ 30.00 ft.	900.00	150.00	1050.00			
Shafting		2900.00	2900.00			
(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	900.00	3050.00	3950.00	900.00	3,050.00	3,950.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-14

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9-2-54 *Payee Jon L. Phillips et al. Kid Cat Mining Co.
Per [signature] 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:

$ 675.00

Signature [signature]
(Authorized Certifying Officer)

Date SEP 10 1954 Vou. No. 52
(See other side)

3rd 225.00

(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. Idm-E674 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Sept. 2, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 8 1954

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.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

RECEIVED
SEP 17 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 4 Docket No. DMEA 3237 Contract No. Ion-2174

Operator's Name Sam L. Phillips et al, Mud Cut Mining Co. Minerals Mica

Address 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	Authorized by Contract: Unit Costs
30' Drifting @ 30.00'	Ft.	900.00	30	1050.00	35	30.00	75	30.00
Crosscutting								
Raising								
Shafts	Ft.			2900.00	58	50.00	65	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		900.00	30	3950.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		900.00		3950.00				

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 9-1-54 Operator Sam L. Phillips et al. Mud Cut Mining Co.

Per Sam L. Phillips Title Partner

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.

Remarks:

(Instructions on reverse)

(For Government use only)

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 83-38475

OPERATOR'S

MONTHLY REPORT OF PROGRESS

Month of August, 1954

DMEA-3287, Idm-0674

Work Accomplished:

Numerous machinery difficulties slowed the progress this month, including hoist trouble and two work st ps due to pump repairs. However, 30 feet of drift was completed, and about 1500 lbs. f mica recovered. The field team visited the mine and gave advice which resulted in the di covery of more vein and mica. One shift has been on the job most of the time, but part of the month a double shift has been carried.

Daily Notes:

August 2 - 6 - Continued with the drift which was begun last month and did drilling and shooting. Pumped water.

August 9 - 13 - Pumped water, mucked, continued drifting. The pump went out and work had to be stopped until it could be repaired. Some mica recovered.

August 16 - 20 - Pumped water, drilled, shot, mucked. Twelve bags of reasonably good mica recovered.

August 23 - 27 - Field team visited the mine and helped crew locate and start with better vein. Had hoist trouble and had to have considerable work done on hoist.

August 30 - 31 - Continued with shooting and recovering mica. At end of month about 1500 lbs. had been brought in.

Interim Report

on

DMEA 3287, Idm-E 674, MUDCUT MINE
(mica)

Operator: Sam Phillips, et al. Spruce Pine, North Carolina

Location: 1.25 airline miles northwest of the center of Franklin, Macon County, North Carolina

A level has been turned off at 60-foot point in shaft. The remaining 5 feet will be used as sump, as this mine makes a great deal of water.

Todate 19 feet of level work has been accomplished, most of which has been to the west from the shaft.

Pegmatite exposed in the drift is 5 - 7.2 feet thick, zoned, and contained considerable good quality mica. Most of the mica has been obtained from the hanging wall, adjacent to the 3-foot quartz core. All feldspar in the hanging wall zone is plagioclase, although some perthite is present in the footwall zone. About 1000 pounds of mica has been recovered from the level work.

Progress is good on this project.

August 23, 1954

K. H. Teague

K. H. Teague, Geologist
U. S. Geological Survey

z

C
O
P
Y

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

August 9, 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: Acting Executive Officer, DMEA- Region VII

Subject: Royalty Checks

Transmitted herewith are royalty checks and bills of sale on the following:

DMEA-2875, Idm-E613, Lat Young.....$92.13. (Cox Mine)

✓ DMEA-3287, Idm-E674, Sam Phillips, etal., $12.83 (Mud Cut Mine)

(DMEA-3216, Idm-E665, Hector Mining Co. $4.14 (Hector Mine)
(DMEA-3216, Idm-E665, Hector Mining Co. $49.49 (Hector Mine)

Wm. A. Beck

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

DATE: 7-29-54
ACCEPTANCE NUMBER: AP-4-213

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER: EPS-4-153A
LOT NUMBER: SPAR-213
RECEIPT AND WEIGHT TICKET NUMBER:

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sam L. Phillips	SIGNATURE:
STREET ADDRESS:	NAME *(Type or print)*: Sam L. Phillips
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: Owner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER				.21	$70.00	14.70
GRADES NO. 4 AND 5				2.93	$40.00	117.20
GRADES NO. 5½ AND 6				6.79	$15.00	101.85
STAINED						
GRADES NO. 3 AND LARGER		$12.00			$18.00	
GRADES NO. 4 AND 5		$ 5.00		.26	$ 8.00	2.08
GRADES NO. 5½ AND 6		$ 3.00		3.62	$ 5.00	18.10
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00			$ 6.00	
GRADES NO. 5½ AND 6		$ 2.00		.90	$ 3.00	2.70
TOTALS						
LOT TOTALS				14.71		$256.63

PROGRAM B - HAND-COBBED MICA

TOTALS					$ 0.30	

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Wayne Buchanan		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $ 256.63

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

SELLER *(Type name)*	DATE
Sam L. Phillips, (Mud Cut Mine-DMEA-3287)	7-29-54
BY *(Signature)*:	NAME AND TITLE *(Type)*: Owner

GSA-WASH DC 53-3094

Sam L. Phillips — Owner

GSA FORM 1013
September 1952

INTERIM REPORT

ON

DMEA-3287, Idm-E 674, MUDCUT MINE

Operator: Sam L. Phillips, John Phillips, and Lin Carpenter, Spruce Pine, and Jeter and Homer Boone, R#3, Bakersville, N. C.

Location: 1.25 airline miles northwest of the center of Franklin, Macon County, N. C.

Shaft sinking continues on this contract and now totals 58 feet; the last 16 feet being inclined - 60° to the south. About 3 feet of the footwall portion of the pegmatite is exposed in the south half of the bottom of the shaft. Occasional mica books have been recovered from along the footwall during recent sinking.

The operator was advised to crosscut to the hanging wall of the pegmatite from about the 60-foot level and then drift in both directions along the strike of the body.

Exam. date: Aug. 9, 1954.

K. H. Teague D. H. Amos

K. H. Teague, and D. H. Amos, Geologists
U. S. Geological Survey

z

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1954 Docket No. DMEA 3237 Contract No. Idm-5674
Operator's Name Sam L. Phillips, et al, Mud Cut Mining Co. Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ 5533.00 Government Participation: 75 % Amount, $ 4153.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
5' Drifting @ 30.00	150.00	-	150.00			
28' Shafting @ 50.00	1400.00	1500.00	2900.00			
(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	1550.00	1500.00	3050.00	1550.00	1500.00	3,050.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 6

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 6-1-54 *Payee Sam L. Phillips, et al. Mud Cut Mining Co.
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:

$ 1,162.50

Signature Cora A. Piper (Authorized Certifying Officer)
Date AUG 11 1954 Vou. No. 29
(See other side)

387.50

2

(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. Idm-E674 in accordance with the terms of the contract.

Signature Dewey H. Camos Title Geologist-USGS Date Aug 5, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date AUG 6 1954

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.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA 3267 Contract No. Idn-E674
Operator's Name Sam L. Phillips, et al, Mud Cut Mining Co. Minerals Mica
Address 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	Authorized by Contract: Unit Costs
5' Drifting @ 30.00	Ft.	150.00	5	150.00	5	30.00	75	30.00
Crosscutting								
28' Raising Shafts @ 50.00	Ft.	1400.00	28	2900.00	58	50.00	65	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1550.00		3050.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1550.00		3050.00				

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 8-1-54 Operator Sam L. Phillips et al. Mud Cut Mining Co.

Per Sam L. Phillips Title 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)

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 83-38475

OPERATOR'S
MONTHLY REPORT OF PROGRESS

for month of July,1954

DMEA-3287

Idm-E674

Work Accomplished:

We have completed 58 feet of shafting, in vein material part of the time, but have recovered no mica this month. We have had some pump trouble which slowed our progress, and are faced with the problem of a tremendous amount of water. At the 42½ foot level, upon advice from the field team, we began inclining the shaft to attempt to stay with the vein. It is necessary to timber all the way.

Daily Notes:

July 1- 2 Pumped water, timbered, continued sinking shaft.

July 5 - 9 Pumped water, timbered, did some shooting. Mucked, and continued with shaft.

July 12 - 16 Pump d water, did more shooting. Mucked, and timbered. In vein material, and vein seems to start an incline. Field team advised us to incline shaft a little so as to stay with vein.

July 19- 23 Pumped water, continued to follow vein material. No mica in sight. Timbered, sank shaft further. Had some pump trouble. Had to have repairs made.

July 26 - 30 Pumped water, mucked, drilled and shot. At end of month had reached 58' level with the shaft. Vein material looks promising but no mica recovered to date this month. We began drifting and have completed 5' of drift.

Have been working two shifts part of the month.

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

Defense Minerals Administration
RECEIVED
JUL 30 1954

July 28, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: Field Team, D M E A Region VII

Subject: DMEA-3287, Idm-E 674 (mica) Sam L. Phillips, et al.
Mud Cut Mine, Macon County, N. C.

Reference is made to your letter of July 26 concerning the subject exploration contract.

Please refer to the interim report on this mine, dated July 12, 1954. This indicates that the old workings encountered were not extensive and that the shaft is now in the pegmatite. The project should be continued as long as the pegmatite looks encouraging. Some strategic mica has already been recovered in the course of this exploration.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

Wm. A. Beck

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

INTERIM REPORT

On

MUDCUT MINE - DMEA-3287, Idm-E 674 (mica)

Operator: Sam L. Phillips, John Phillips, and Lin Carpenter, Spruce Pine, N. C., and Jeter and Homer Boone, Route #3, Bakersville, N. C.

Location: 1.25 airline miles northwest of the center of Franklin, Macon County, N. C. and 800 feet southwest of the Allman Cove Mine, (DMEA-2917).

Shaft sinking continues on this contract and now totals 50 feet; the last 8 feet being inclined ~60° to the south. The entire shaft is timbered. The bottom of the shaft is about one-half (south half) in the footwall of the pegmatite and half in weathered wall rock.

Extremely heavy water has been encountered recently and requires almost continuous pumping. An excellent job is being done under difficult conditions at this mine.

Work will continue on the inclined shaft until the 60-foot level is reached from which point drifts will be started in both directions along the strike of the pegmatite. After this turn-off a 5-foot sump will be made.

Date of Exam: July 26, 1954.

D. H. Amos

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

2.

FILE COPY
Surname:

Anderson
Houk
Selfridge
Williams
McMillan

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

JUL 26 1954

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

Subject: Docket No. DMEA-3287 - Mica
Sam L. Phillips, et al.
Mud Cut Mine
Macon County, North Carolina
Contract No. Idm-E674

Dear Mr. Laurence:

Reference is made to the Operator's Monthly Report on the work done at the subject mine during June, 1954.

We note that the shaft has been sunk to a depth of 30 feet and beginning at 10 feet has been going through old workings. These old workings evidently were not anticipated as they are not shown on the map.

We will appreciate having your comments on the advisability of stopping the work if the old workings should continue and/or the shaft sinking does not take place on the pegmatite in accordance with the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

J. H. Hedges (JHH)
Member, Bureau of Mines

T. P. Thayer (TPT)
Member, Geological Survey

WCAnderson:ag 7/23/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

R.C.G.

INTERIM REPORT

DMEA-3287 Idm-E674 (mica) MUDCUT MINE

OPERATOR: Sam L. Phillips, John Phillips and Lynn Carpenter, Spruce Pine, N. C. and Jeter Boone and Homer Boone, Route #3, Bakersville, N. C.

LOCATION: 1.25 miles northwest of the center of Franklin, Macon County, N. C. and 800 feet southwest of the Allman Cove Mine (DMEA-2917).

Shaft sinking continues on this contract and is now at 42.5 feet. Recent sinking shows the pegmatite gradually leaving the shaft and additional work will incline the shaft with the body.

Material encountered consists of country rock, a weathered hornblende schist, and barren pegmatite. About 2 feet of pegmatite is now exposed in the southwest shaft corner. The dip has changed enough in the last 20 feet of work to carry the body almost entirely out of the shaft. Additional work will incline the shaft to keep it in pegmatite. Sinking will continue to proposed depth. Progress on this contract is satisfactory.

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

K. H. Teague + D. H. Amos
K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

July 12, 1954

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

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

Month of June, 1954 Docket No. DMEA 3277 Contract No. [illegible]
Operator's Name Geo L. Phillips et al. Minerals Mica
Address Grants Pino, N. C.
Contract Amount, $ 5530.00 Government Participation: 75% Amount, $ 4353.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
30' Drifting @ 50.00 ft.	1500.00	None	1500.00			
(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	1500.00		1500.00	1500.00		1500.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-1

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 2, 1954 Payee Geo L. Phillips et al.
Per [signature] 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:

$1125.00

Signature [signature]
(Authorized Certifying Officer)

Date JUL 14 1954 Vou. No. 2
(See other side)

1st S 617

(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. Idm-E674 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. 4.S.B.M Date July 3, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION VII Date JUL 8 1954

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.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1954 Docket No. DMEA 3007 Contract No. 30-2374
Operator's Name Sam L. Phillips et al. Minerals Mica
Address 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 30' @ 50.00 ft.	Ft.	1500.00	30	1500.00	30	50.00	65	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1500.00		1500.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1500.00		1500.00				

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 June 1, 1954 Operator Sam L. Phillips et al.

Per Sam L. Phillips Title Partner
Sam L. Phillips

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.

REMARKS:

(Instructions on reverse)

(For Government use only)

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 83-38475

OPERATORS
MONTHLY REPORT OF PROGRESS

for Month of June, 1954

DMEA-3287

Contract No. Idm-E674

Date work began: June 7,1954

Work Accomplished:

We moved in machinery, including Hoist, Boom Pole and Mask and Air Compressor. Began sinking shaft on June 11, and have hit some timbers which slowed the progress, then hit some of the old workings. We also hit the corner of a section of hard slate and it was necessary to drill and shoot through this. The shaft has been timbered all the way and has now been sunk a total of 30 feet.

Daily Notes:

June 7 - 10 - Moved in machinery, including Hoist, Air Compressor Boom Pole and Mask. Set up machinery except compressor.

June 11 - Started sinking the shaft. Timbered, pumped water. Water is in old shaft, and it is necessary to pump this daily to keep it away as we go down with the shaft.

June 14 - 18 - Pumped water, timbered. Continued sinking the shaft encountering no difficulty until we reached the 10 foot level, where we hit some timbers. These were removed and slowed the progress.

June 21 - 23 - Pumped water, timbered shaft and continued to sink. We hit old workings as we approached the 15 foot level, and had to remove timbers again. We hit the edge of a vein just before reaching old workings and recovered about 15 lbs. of block mica.

June 24 - 25 - Pumped water, mucked from the old shaft, timbered and continued to sink.

June 28 - 30 - Pumped water, timbered. We hit the corner of a section of hard slate at the bottom of the old works, and had to drill and shoot through this. Continued to sink shaft without much difficulty and have now reached the 30' level.

INTERIM REPORT

DMEA-3287 Idm-E674 (mica) MUDCUT MINE

OPERATOR: Sam L. Phillips, John Phillips and Lynn Carpenter, Spruce Pine, N. C. and Jeter Boone and Homer Boone, Route #3, Bakersville, N. C.

LOCATION: 1.25 miles northwest of the center of Franklin, Macon County, N.C., and 800 feet southwest of the Allman Cove Mine (DMEA-2917).

Starting date on this project is June 7, 1954. Shaft sinking is underway and is now at 25 feet. Sinking will continue with no anticipated change in the target.

The shaft site was spotted a few feet east of an existing 22 ft. shaft. Dewatering of this old shaft is necessary and is accomplished daily. The new shaft is 5' x 7' in crosssection and has been c ribbed solid to near bottom. Ladders, landings at 12 ft. intervals, and a separated partition have been installed. Old works have been encountered at depths of 10 and 15 feet from the surface, but have been handled successfully. Pegmatite has been encountered and an unknown quantity of mica recovered. The bottom is in pegmatite showing a thickness of about 6 feet. The pegmatite is composed of weathered feldspar, scattered quartz and muscovite mica.

Equipment on the job consists of a 105 c.f.m. air compressor with accessories, gasoline powered hoist, both electric and sump pumps, and necessary hand tools. The men are complying with safety recommendations. Progress on this contract is satisfactory.

L. E. Shirley
M.R.

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

K. H. Teague

K. H. Teague & D. H. Amos, Geologist
U. S. Geological Survey

June 28, 1954

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1954

June 14, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Exectuive Officer, DMEA- Region VII

Subject: Signed Contract - DMEA-3287, Idm-E 674 (mica) Sam Phillips, et al

Transmitted herewith are three signed contracts with signed MF-203's attached to each copy. The usual distribution of the other signed copies has been made.

Wm. A. Beck

Wm. A. Beck

FILE COPY
Surname:
Houk
Talbert
Corbin
Hollinger
Selfridge
Johnson
Witherspoon

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

MAY 28 1954

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

Subject: Docket No. DMEA-3287 - Mica
San L. Phillips, et al.
Mud Cut Mine
Macon County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

The old Owner's Consent to Lien forms are not acceptable. Please have the enclosed six copies of Form MF-203 signed and attached to the contract before it is executed.

If the contract meets with your approval present it to the Operators for approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated May 13, 1954, and from the Bureau of Mines, dated May 18, 1954, are enclosed.

Sincerely yours,

RG 5-28

George C. Selfridge by ESJ
Chairman, Operating Committee

Approved:

C. H. Johnson by ESJ
Member, Bureau of Mines

D. M. Larrabee by ESJ
Member, Geological Survey

LGHouk:gad 5/25/54

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Enclosures 15

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

May 24, 1954

Memorandum

To: The Administrator
Acting
Through: L. G. Houk
From: Assistant Solicitor, DMEA

Subject: Docket No. DMEA-3287, S. L. Phillips et al. (Mica)

Attached is a contract covering the above-described project in satisfactory legal form for execution, subject to the attachment of a new Owner's Consent to Lien. Appropriate forms for the Owner's Consent to Lien are attached to this memorandum.

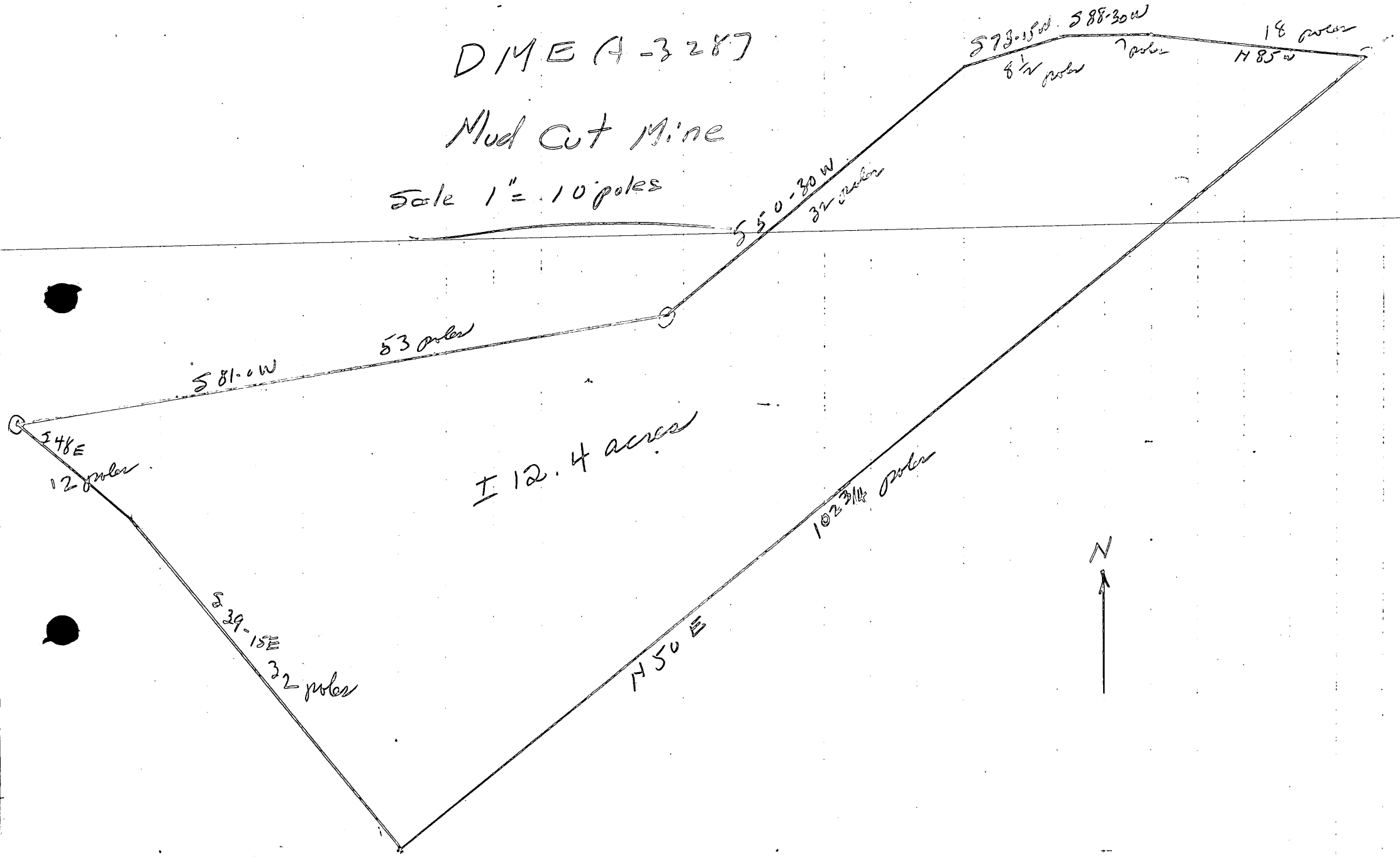
Harry C. Martin
For J. L. Hofflund
Acting Assistant Solicitor

Attachments

DME A-3287

Mud Cut Mine

Scale 1" = 10 poles



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

May 18, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3287 (Mica)

Applicant: Sam Phillips, et al.

Name and Location: Mud Cut Mine, Macon County, North Carolina

Date of Field Team Report: May 7, 1954

Date Rec'd. by Ceramic & Fertilizer Materials Br.: May 13, 1954

Field Team's Recommendation:

1. Exploration in the amount of $5,950.

Comments:

1. Exploration by sinking 65-foot shaft and drifting 75 feet.

2. Proposed exploration is consistent with good engineering practices.

Recommendation:

I concur in the field team's recommendation for an exploration program in the amount of $5,950.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CNM

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 13 1954

May 13, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3287 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Sam Phillips, et al.
Name of property: Mud Cut Mine.
Location of property: Macon County, North Carolina.
Date of field team report: May 4, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation:

65' shaft in pegmatite
75' drift and crosscut
$5,575

Comments: The Field Team has indicated the water risk, so it is assumed that pumping facilities will be adequate.

ACTION RECOMMENDED: Follow Field Team's recommendation.

D. M. Larrabee

D. M. Larrabee

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

May 7, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, D M E A - Region VII

Subject: Field Examination Report, DMEA-3287 (mica) Mud Cut Mine, Macon County, N. C. Sam Phillips, et al. applicants.

Enclosed are four copies of the field examination report on the subject application, with six extra copies of the maps.

We agree with the examiners' proposal for exploration of this pegmatite, and recommend approval of a contract with the following unit costs:

Powder Magazine	$50.00
Explorder "	25.00
Sink and timber shaft, 65 ft. @ $50/ft.	$3,250.00
Drift and/or crosscut, 75 ft. @ $30/ft.	2,250.00
	$5,575.00

It will be noted that this is a slight increase over the report's total of $5,470. This is due to rounding off the shaft unit cost from $53.85 to $50.00 and the drift unit cost from $25.87 to $30.00.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

Wm. A. Beck

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

5/28/54

On-site exam. rpt.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION BY FIELD TEAM, REGION VII

On

DMEA-3287, MUD CUT MINE (mica)

Macon County, North Carolina

Kefton H. Teague, and Dewey H. Amos, Geologists
U. S. Geological Survey

and

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

May 4, 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
ON
DMEA-3287, MUD CUT (Mudhole)MINE
(mica)

Applicants: Sam L. Phillips, John Phillips and Lin Carpenter, of Spruce Pine, North Carolina, and Jeter Boone and Homer Boone of Route #3, Bakersville, N. C.

The possibility for the discovery of a worthwhile deposit of strategic mica appears favorable at this mine in the opinion of the field examiners. Heavy ground and water conditions will necessitate continuous operation and employment of competent miners.

The property was examined on April 5, 1954. Messrs. Sam L. Phillips, Jeter Boone, and Homer Boone accompanied the examiners on the inspection which required two hours.

The Mud Cut (mudhole) mine is located 1 1/4 miles northwest of the center of Franklin, Macon County, North Carolina, and 800 feet southwest of the Allman Cove Mine (DMEA-2917). Access is via an all-weather gravel road.

All of the applicants have had considerable mica mining experience and are competent to conduct the proposed project. The applicants will do the proposed work, with Jeter and Homer Boone in charge of the project.

Area covered by the lease is adequate for the proposed work. A toolhouse is located on the property. Two pegmatites have been worked; a northwestern one (see attached map) has been exploited by an open cut which is about 25 feet deep at the south end and by a timbered 22-foot shaft (now flooded) which is 5' x 5' in cross-section, and a southeastern pegmatite which has been worked by several pits and shallow shafts (now caved).

The only significant quantity of strategic grade mica noted on the property occurs in the northwestern pegmatite. It is zoned, and is essentially conformable to the enclosing country rock, hornblende schist, and hornblende gneiss. Both pegmatite and country rock are highly weathered where exposed on the surface, but dump material from the shaft consists of fresh pegmatite. The pegmatite is about 6 feet thick where exposed, but terminates abruptly along its strike 10 - 15 feet west of the shaft. It consists of a quartz core flanked on both sides by feldspathic zones consisting of perthite, quartz, plagioclase and muscovite. The mica is flat, clear, hard, splits well and is ruby-colored. The southeastern pegmatite strikes northeast and probably dips southeast. The two pegmatites may join.

Much water which will require continuous pumping and possible heavy ground will necessitate employment of skilled miners. In this respect, it should be noted that two of the applicants, Jeter Boone and Homer Boone are among the most competent miners in this region.

The mine was first worked about 1930 by John Tallent, and during World War II by a Mr. Seagle. Production during these periods is not known. Work in 1952 by a Mr. Stewart and Mr. Byrd yeilded about $2000 worth of strategic mica from the open cut and the shaft.

Labor and supplies are available locally and a 3-phase electric line is on the property.

In the opinion of the field examiners the program proposed by the applicants should be somewhat modified, to which the applicants are in agreement. Trimming and retimbering an existing shaft that is in heavy ground is both hazardous and difficult. The field examiners believe that the more practical exploratory program would be to sink a 65-foot timbered 5' x 7' shaft on pegmatite about 15 feet east of the existing shaft and to drive 75 feet of drift from the 60 foot level leaving a 5 foot sump in the shaft. The major drifting would be eastward from the shaft. Locating the shaft farther eastward would require about 25 feet of additional shaft to reach the same level.

Estimate of the unit costs of the above proposed program are as follows:

Powder Magazine		$50.00
Exploder "		25.00
Sink 65 ft. of 5' x 7' shaft and timber (35 shifts) (To have partitioned manway)		
Labor and Supervision:		
3 Laborers @ $1.00/hr.	$840.00	
1 Hoist Oper. @ $1.25/hr.	350.00	
1 Driller-foreman @ $1.25/hr.	350.00	
Operating Materials & Supplies:		
Timber, 5000 B.F. @ $70/b.f.	350.00	
Explosives	300.00	
Gas and Oil	250.00	
Drill Steel	100.00	
Small tools & supplies	52.50	
Operating Equipment:		
Rental		
Compressor, Pump & Hammer @$240/Mo.	420.00	
Hoist @ $50/Mo.	87.50	
Miscellaneous:		
Insurance, Soc. Sec., repairs, etc.	150.00	$3,250.00

Drive 75 ft. of 5' x 7' dirft (30 shifts)
(Timber if necessary)

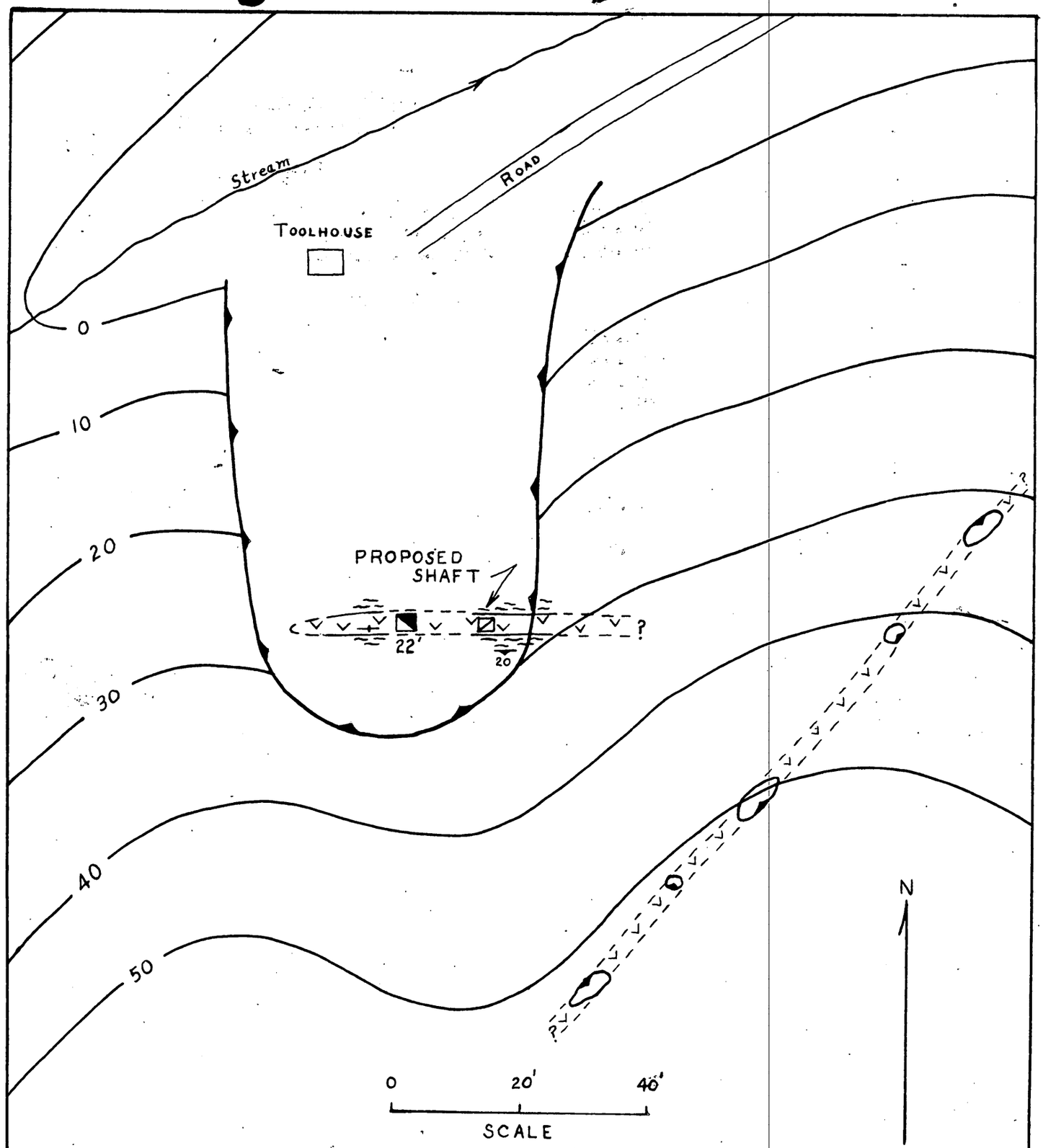
Labor & Supervision:		
3 Laborers @ $1.00/hr.	$720.00	
1 Hoist Operator @ 1.25/hr.	300.00	
1 Diller-foreman @ $1.25/hr.	300.00	
Operating Material & Supplies		
Explosives	200.00	
Gas & Oil	200.00	
Drill Steel	100.00	
Small tools & supplies	50.00	
Operating Equipment :		
Rental - Compressor, pump and hammer @ $240/Mo.	360.00	
Hoist @ $50/Mo.	75.00	
Miscellaneous:		
Insurance, Soc. Security, repairs, etc.	250.00	
CONTINGENCIES	70.00	$2,625.00
Estimated total costs.....		$5,950.00

May 4, 1954

K. H. Teague, and D. H. Amos, Geologists
U. S. G. S.

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

z



SKETCH OF
MUD CUT (MUDHOLE) MINE
MACON CO., N.C.

DMEA-3287 (mica)

File Copy
Surname:
Anderson
Houk
Thayer
Hedges
Selbridge
Johnson

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

APR 8 1954

Mr. Sam L. Phillips, et al.

Spruce Pine, North Carolina

Re: Docket No. DMEA-3287 - Macon
Mud Cut Mining Co.
Mud Cut Mine
Macon County, North Carolina

Dear Mr. Phillips:

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:gad 4/7/54
Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.B.

File Copy
Surname:
Anderson
Hedges
Selfridge
Johnson

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

APR 8 1954

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

Subject: Docket No. DMEA-3287 - Mica
Mud Cut Mine
Sam L. Phillips, et al.
Macon County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda from the Geological Survey, dated March 24, 1954, and from the Bureau of Mines, dated March 30, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

T. P. Thayer (JHB)
Member, Geological Survey

Enclosures 4

WCAnderson:gad 4/7/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

P. S. If a contract is recommended, please advise whether Sam L. Phillips, et al. are going to be the operators or whether the Mud Cut Mining Co. will operate.

R.C.H.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 30 1954

March 30, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3287

Applicant: Sam and John Phillips, Lin Carpenter, and Jeter and Homer Boone

Name and Location of Property: Mud Cut Mine
Macon County, North Carolina

Application Rec'd. by Ceramic & Fert. Mats. Branch: March 23, 1954

Comments:

1. Our records of mica purchases at Spruce Pine up to December 31, 1953, do not show any purchases made from a mine under the name "Mud Cut."

2. The mine is located in a productive area.

Recommendation:

It is suggested that the field team visit this property to ascertain if an exploration program is justified.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

G-M D-CNM

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 25 1954

March 24, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3287 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant's name and address: Sam L. Phillips, et al, Spruce Pine, N. C.
Name of property: Mud Cut mine
Location of property: Macon Co., N. C.
Summary of applicant's proposal: Rehabilitate 40' shaft
Sink 40' additional shaft
Drift 100'
$6,700
Sources of information on applicant's property:
None available under above name.

Comments: None

ACTION RECOMMENED: Refer to Field Team for examination, if needed.

D. M. Larrabee

D. M. Larrabee

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

March 23, 1954
Subject: DMEA-3287
Re: Exploration Assistance
Mud Cut Mine

Mr. Sam L. Phillips, et al.
Spruce Pine
North Carolina

Dear Sirs:

The receipt of your application dated March 18, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3287 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-3287 in any future correspondence relating to your application.

Sincerely yours,

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