DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 472

DMEA NO. 2595

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- [ ] Withdrawn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
- [x] Closing Letter
- [x] Cost Audits
- [x] 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

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

Folders No. 2 : 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-8472, Docket DMEA-2595 (mica), dated January 6, 1953, with

Francis C. Bourne
d/b/a Bourne Associates
P. O. Box 35
Murphy, 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 Liberty Mine (Conley Mine and Turley Mine) located in Randolph County, Alabama, during the period May 8, 1959, through January 22, 1962.

A certification of discovery or development was issued on July 2, 1954, and, in accordance with Article 6 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 February 1, 1955, indicated accepted costs under the exploration contract amounting to $14,855.00 with the Government's contribution on a 90 percent basis being $13,396.50.

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 under this contract subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through May 7, 1959, to be $966.59. The royalty account as of May 7, 1959, was:

Total Royalty Payable	$48.33
Total Royalty Paid	48.33
Balance of Royalty Due	$ -0-

As of January 22, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$48.33
Total Royalty Paid	48.33
Balance of Royalty Due	$ -0-

February 6, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

At the time this contract was executed the Operator held possession of the property by virtue of a 15 year lease agreement entered into on February 1, 1951, with the several landowners who designated Margret W. Verge, Heflin, Alabama, as their agent. A Landlord's Subordination Agreement, as executed on June 21, 1952, by Mrs. Verge as agent, provides for the assumption by the landowners of the Operator's royalty obligation in the event of surrender or termination of the lease. The exploration work was discontinued on or about December 7, 1953, and shortly thereafter the Operator abandoned the property.

Article 7 of this contract contains the so-called "abandonment" clause. However, an August 12, 1954, opinion by the Acting Assistant Solicitor states that, due to the express assumption of the Operator's obligation, "in this exceptional case the landlord remains liable for the payment of royalty even though the lessee's obligation is ended".

The Operator's final report recites that drifting "produced 2,300 pounds of block and 4,000 pounds of scrap". The block trimmed out to 119.97 pounds which was sold to the Mica Purchase Depot in Spruce Pine, North Carolina, during November and December 1953 and is covered by a prior Report of Royalty Review dated March 21, 1955. No disposition of the resulting punch or the stockpile of scrap has been reported.

The land under this contract is included also under a later contract, Idm-E686, DMEA-3375, entered into on February 14, 1955, with Raymond Endelman and assigned on April 18, 1955, to Dixie Mines, Inc. The later contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay a royalty on all production until February 14, 1965, or until the Government's contribution under both contracts is repaid.

As of January 22, 1962, the status of these contracts individually, together with the total repayable under the later contract, follows:

	Idm-E472	Idm-E686	Total
Government's Contribution	$13,396.50	$428.25	$13,824.75
Repayments by Royalty	48.33	226.04	274.37
Balance Repayable	$13,348.17	$202.21	$13,550.38

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 sales of production to February 14, 1955, have been accounted for and proper royalty thereon paid;

(2) Sales of production thereafter have been reported under Contract Idm-E686, Docket DMEA-3375; and

(3) 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 Washington office pertaining to Contract Idm-E686, Docket DMEA-3375 (mica), dated February 14, 1955, with

Raymond Rendelman
P. O. Box 64, Sylacauga, Alabama
and his assignee
Dixie Mines, Inc.
P. O. Box 365, Heflin, Alabama

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 Liberty Mine (Conley Mine and Turley Mine) located in Randolph County, Alabama, during the period February 20, 1958, through January 22, 1962.

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 under this contract and under a prior contract (Idm-E472, DMEA-2595) without interest is fully repaid, whichever occurs first. A Report of Review dated February 8, 1956, indicated accepted costs under this exploration contract amounting to $571.00 with the Government's contribution on a 75 percent basis being $428.25, and a Report of Review dated February 1, 1955, indicated accepted costs under the prior contract of $14,855.00 with the Government's contribution on a 90 percent basis being $13,396.50.

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

This review established the total sales subject to the Government's royalty under this contract for the period to be $86.67. Royalty payable to the Government at the rate specified in the contract is $4.34.

A prior Report of Royalty Review found the sales subject to the Government's royalty through February 19, 1958, to be $4,434.03, which added to the sales for this subsequent period make a total of $4,520.70. The royalty account as of February 19, 1958, was:

Total Royalty Payable	$221.70
Total Royalty Paid	221.70
Balance of Royalty Due	$ -0-

As of January 22, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$226.04
Total Royalty Paid	226.04
Balance of Royalty Due	$ -0-

E. D. Talbert

February 6, 1962

E. D. Talbert, OME Auditor

Idm-E686 Dixie Mines, Inc., Assignee DMEA-3375

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

At the time this contract was entered into the Operator was in possession of the property thereunder by virtue of a February 25, 1954, ten year lease granted by the owners, Mrs. E. W. York, Helen V. Wallace, Mr. J. M. Bagley, Hattie W. Wright, Margaret W. Verge, and Bertha W. Ritzman. On February 26, 1955, the Operator assigned the lease to Dixie Mines, Inc., and on April 1, 1955, the Government consented to assignment of the exploration project contract without releasing the assignor from the terms and conditions thereof.

Annex II of this contract provides that the Operator, as principal if the producer and as surety if not the producer, shall pay a royalty on all production from the land until February 14, 1965, or until the Government's contribution under both this and a prior contract (Idm-E472, DMEA-2595, Francis C. Bourne) is repaid, whichever occurs first. An Owner's Consent to Lien dated December 29, 1954, secures payment of the royalty "provided for under the terms of said exploration project contract". Furthermore, by the terms of a June 21, 1952, Landlord's Subordination Agreement, the owners assumed the prior Operator's obligation for repayment of the Government's contribution under the prior contract upon abandonment by that prior Operator (Francis C. Bourne) of his lease.

Exploration work under this contract was terminated effective November 30, 1955. Thereafter, through July 1956, some scrap mica and a minor amount of hand-cobbed mica was shipped. The mine was idle from July 1956 through the period covered by this review except for two small shipments of scrap during January and February 1961.

A summary of the sales of production since the date of this contract follows:

	Production	Proceeds	Royalty
Hand-cobbed Mica	65 lbs.	$ 40.73	$ 2.04
Scrap Mica	275,897 lbs.	4,479.97	224.00
Totals	275,962 lbs.	$4,520.70	$226.04

As of January 22, 1962, the status of the two contracts covering the Liberty Mine, together with the total repayable under this later contract, was as follows:

Idm-E686 Dixie Mines, Inc., Assignee DMEA-3375

	Idm-E472	Idm-E686	Total
Government's Contribution	$13,396.50	$428.25	$13,824.75
Repayments by Royalty	48.33 ✓	226.04 ✓	274.37
Balance Repayable	$13,348.17	$202.21	$13,550.38

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 sales of production since the date of the contract have been reported and proper royalty thereon paid;

(2) Sales prior to the date of the contract have been reported under Contract Idm-E472, Docket DMEA-3375; and

(3) 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-R472, Docket No. DMFA-2595 (Mica), dated January 6, 1953, with

Francis C. Bourne
d/b/a Bourne Associates
P. O. Box 35
Murphy, 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 Liberty Mine located in Randolph County, Alabama, during the period March 10, 1955, through May 7, 1959.

A certification of discovery or development was issued on July 2, 1954, 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 February 1, 1955, indicated accepted costs under the exploration contract amounting to $14,885.00 with the Government's contribution, on a 90 percent basis, being $13,396.50.

A prior report of royalty review dated March 21, 1955, indicated total sales subject to Government royalty amounting to $966.59 for the period January 6, 1953, through March 9, 1955, and that the royalty due the Government amounting to $48.33 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 13, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Bourne Associates

Address P.O. Box 626
Helfin, Alabama

(See DMEA-3375)

Exploration Contract No. 472

Docket No. 2595

		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 all copies of settlement sheets on file with the Executive Officer, DMEA Field Team, Region V, applicable to royalties collected on the sales of mica for the period January 6, 1953 to March 9, 1955, by:

Francis C. Bourne
d/b/a Bourne Associates
P. O. Box 35, Murphy, North Carolina

produced from property referred to as the Liberty Mine located in Randolph County, North Carolina, under terms of Contract Idm-2472, Docket No. DMEA-2595.

My review included a conference with Mr. William A. Beck, Mining Engineer, U. S. Bureau of Mines, 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:

(1) The production involved was incidental to the exploration operations;

(2) A review of the records of General Services Administration Mica Purchase Depot, Spruce Pine, North Carolina, did not disclose any other sales of mica from this mine since the effective date of the exploration contract; and

(3) 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.

The audit established the total sales of mica for this period to be $966.59. Royalty due the U. S. Government at the contract rate of 5 percent is $48.33. The royalty paid and balance due are as follows:

Total Royalties Due	$48.33
Total Royalties Paid	48.33
Balance of Royalties Unpaid	$ -0-

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

March 21, 1955

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/26	Murphy	120M
	Selfridge	120
3/26	[illegible]	110
3/30	[illegible]	100
		220

MAR 3 1 1965

Black Mines, Inc.
P. O. Box 344
Reflin, Alabama

Re: DMEA-2995 (Plant)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract 14s-2171

and

DMEA-3375 (Plant)
Black Mines, Inc., Assignee
Liberty Mine
Randolph County, Alabama
Contract 14s-2184

Gentlemen:

By the terms of the subject contracts, as amended, and the certification of discovery or development dated July 2, 1964, all minerals mined or produced from January 6, 1965, to February 14, 1965, were subject to the Government's royalty as set forth in said contracts.

As the period during which production was subject to royalty has now expired, the Government expecting to its present records regains no claim or lien against the property subject to the contracts or any future production therefrom. We, therefore, are closing our books and records on these contracts. Your attention, however, is called to the provisions of the contracts which require the operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/mm
Rewritten:
GCSelfridge/mm (3/26/65)

cc: Director's Reading File
Region IV, Knoxville, Tenn. w/cys of incoming 63s! (DMEA-2995 and DMEA-3375)
CAGA Division Docket Code 120M
Bourne Associates, P.O. Box 35, Murphy, North Carolina
Raymond Rendelman, P.O. Box 64, Sylacauga, Alabama
Mrs. Margret W. Verge, Reflin, Alabama

23263

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Francis C. Bourne
d/b/a Bourne Associates
P. O. Box 35, Murphy, N. C.

pertaining to Exploration Project Contract No. Idm-E472, Docket No. DMEA-2595, including Amendment Nos. 1 and 2, for the months of February 1953 to November 1953, inclusive, covering a project for the exploration of mica on property, known as the Liberty Mine, located in Randolph County, Alabama.

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		$15,495.00
Exceptions:		
By DMEA Finance Officer	$610.00	
Herewith	-0-	610.00
Total Accepted Cost		$14,885.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirteen thousand three hundred ninety-six and 50/100 Dollars

$13,396.50

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

E. D. Talbert, Auditor

February 1, 1955

Division Copy

Anderson
Houk
Rubin
Talbert

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: Francis C. Bourne
Doing business as Bourne Associates
P. O. Box 35
Murphy, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-E472, dated January 6, 1953 (Docket No. DMEA-2595), 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 conformable pegmatite was explored on the 180-foot level, and as a result of this work sufficient data were obtained to calculate inferred reserves of mica.

THE UNITED STATES OF AMERICA

By O. Mitterdorf
Administrator, Defense Minerals Exploration Administration

Dated: JUL 2 - 1954

WCAnderson:gad 6/29/54

Copy to: Margret W. Verge, Agent for Mrs. E. W. York
Mrs. Margret W. Verge
Mrs. Helen V. Wallace
Mrs. J. M. Bagley
Mr. John N. Bagley
Mrs. Hattie W. Wright
Mr. L. R. Wright
Mrs. Bertha W. Ritzman
Mr. A. T. Ritzman

(Attached to Region VII copy).

Copy to: Mr. Irving Gumbel, EPS, GSA
Docket File
Mr. Hedges, 4604
Mr. Thayer, 4207 GSA Bldg.
Mr. Chambers
Mr. Houk
Field Team, Region VII
Admr. R. File
Operating Committee
Finance Office
Mr. Johnson

Docket Copy

Defense Minerals Administration
RECEIVED
JAN 18 1954

Hank Chamber Ribin 1/19/54

TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 31st day of December 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Francis C. Bourne, doing business as Bourne Associates, Murphy, North Carolina, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E 472, Docket No. DMEA-2595, dated 6th day of January 1953, that said contract shall be and is hereby terminated as of the first date above written.

The Operator shall promptly render to the Government a full and final report and final accounting of units of work performed under the contract to and including the date first above written. Any units of work performed after the date first above written shall be for the sole account of the Operator, without contribution by the Government.

None of the Government's rights under the contract with respect to a percentage royalty and lien for the payment thereof are prejudiced or in any way affected by this termination agreement.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer, DMEA,
Field Team, Region VII

BOURNE ASSOCIATES

By Francis C. Bourne
Owner

Docket Copy

BOURNE ASSOCIATES
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2595

AMENDMENT NO. 2

It is agreed this 2nd day of September, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Francis C Bourne, doing business as Bourne Associates, each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E472, Docket No. DMEA-2595, dated January 6, 1953, between the parties hereto, as amended, be further modified and amended as of January 6, 1953.

1. In Article 4, the figures "$16,200" and "$18,000" are hereby changed to read "$16,650" and "$18,500," respectively.

2. Under Exhibit "A":

(a) Under the heading "Description of the Work," the following is added: "A rigid headframe is to be constructed."

(b) Under the heading "Agreed Estimated Costs" the following item is added:

"Construct headframe at $500 1/."
and the following footnote is added: "1/ The completed headframe is the unit."

(c) Under the "Total Estimated Cost of Project" the figure "$18,000" is altered to read "$18,500" and under "Government Participation @ 90%" the figure "$16,200" is altered to read "$16,650."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

ACTING By George C. Selfridge
~~Actg~~ Acting Administrator, Defense Minerals Exploration Administration

Rubin
Hook
Chamber

BOURNE ASSOCIATES

By Francis C Bourne
Francis C. Bourne

EXPLORATION PROJECT CONTRACT
Docket No. DMEA-2595
Idm-E472 (mica)
LIBERTY MINE

ackne
7/8/53
Martin

AMENDMENT NO. I

Contract Idm-E472, DMEA-2595, dated the 6th day of January 1953, between the UNITED STATES OF AMERICA, Acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Bourne Associates, hereinafter called "Operator," is amended as follows:

ARTICLE 3 is amended to provide that the Operator is to Complete the project within a period of twelve (12) months from the date of the Contract, instead of six (6) months as written in the original contract.

This amendment is necessary due to water encountered in shaft sinking, made progress slower than anticipated.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 4 of the contract form.

June 15, 1953.

Robert A. Lawrence
Executive Officer, DMEA Field Team
Region VII

BOURNE ASSOCIATES

By Francis C. Bourne
Francis C. Bourne, Owner

RECEIVED
JUL. 2 1953
U. S. BUREAU OF MINES
DEF. MIN ADM.
Knoxville, Tennessee

Bourne Associates
(Operator)

By Francis C. Bourne, Owner

By Administrator, Bureau of Mineral Exploration Administration

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

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2595

COMMODITY Strategic mica

Docket Copy

IDM-E 472

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 6th day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Francis C. Bourne, doing business as Bourne Associates
P. O. Box 35
Murphy, North Carolina

hereinafter called the "Operator," 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 Alabama, County of Randolph, described as f~~ollows~~[3] set forth in Annex I, attached hereto and made a part hereof

the Operator represents and undertakes:[4]

(*a*) ~~[illegible]~~

(*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] strategic 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 90 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 $16,200.00 which is 90 percent of $18,000.00 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 on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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.

THE UNITED STATES OF AMERICA

Bourne Associates
(Operator)

By Francis C. Bourne
Francis C. Bourne, Owner

By O. Meltzer
Administrator, Defense Minerals Exploration Administration

O.E. Ford
Hefflyn
Hoch
Chandler

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

BOURNE ASSOCIATES
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2595

ANNEX I

The Liberty Mine located in SW¼ of NE¼, Sec. 1, Tp. 16, S., R. 10, E., as set forth in the lease dated February 1, 1951, to the Operator from Mrs. E. W. York, Mrs. Margret W. Verge, Mrs. Helen V. Wallace, Mrs. J. M. Bagley, John M. Bagley, Mrs. Hattie W. Wright, L. R. Wright, Mrs. Bertha W. Ritzman, and A. T. Ritzman, and recorded on March 20, 1951, in Deed Record 56, Pages 302, 303, 304, 305, in the Probate Court of Randolph County, Alabama.

BOURNE ASSOCIATES
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2595

EXHIBIT "A"

Description of the Work

At approximately the location marked "Proposed Shaft" on the map entitled "Liberty Mica Mine, Randolph County, Alabama," attached hereto and made a part hereof, sink a vertical shaft 5 feet by 7 feet in the clear to intersect the pegmatite, but in no case deeper than 200 feet, including a 10 foot sump, and timbered where necessary with ring sets and lagging. From the shaft drive a 5' x 7' level 200 feet long at the location approved by the Government.

AGREED ESTIMATED COSTS

200 ft. of shaft @ $50.00/ft.	$10,000.00	
200 ft. of shaft timbering @ $10.00/ft.	2,000.00	
200 ft. level @ $30.00/ft.	6,000.00	
Total Estimated Cost of Project		$18,000.00
Government Participation @ 90%		$16,200.00

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2595

COMMODITY Strategic mica

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

RECEIVED
DEC 17 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] BOURNE ASSOCIATES
FRANCIS C. BOURNE, ~~Owner~~ doing business as
P.O. BOX 35
MURPHY, NORTH CAROLINA

hereinafter called the "Operator," 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 Alabama, County of Randolph, described as ~~follows~~[3]
Liberty Mine, southwest quarter of northeast quarter, Section 1, Township 18, South, Range 10, east, as recorded in Deed Record 56, Pages 302, 303, 304, 305, in the Probate Court of Randolph County, Alabama

the Operator represents and undertakes:[4]

(a) ~~That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(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 _____ days from the date of this contract shall commence work on a project of exploration for[5] Strategic mica

in or upon the described land; and shall bring the project to completion within a period of Six 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 ninety 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 $16,200.00, which is ninety percent of $18,000.00 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 on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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.

THE UNITED STATES OF AMERICA

BOURNE ASSOCIATES
(Operator)

By .....

By .....
Francis C. Bourne, Owner

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

Exhibit "A"

Description of the work

At approximately the location marked "Proposed Shaft" on the map entitled "Liberty Mica Mine, Randolph County, Alabama", attached hereto and made a part hereof, sink a vertical shaft 5 ft. x 7 ft. in the clear to intersect the pegmatite, but in no case deeper than 200 feet, including a 10 ft. sump, and timbered where necessary with ring sets and lagging. ~~From the shaft drive a 5'. At the intersection of the shaft with the pegmatite, or 190 feet below the shaft collar if the pegmatite is not cut, drive a 5 ft x 7 ft. drift and/or cross cut a length of a length of 200 ft 200 ft. long with the strike of the pegmatite.~~ From the shaft drive a 5' x 7' level 200 ft long at the location approved by the government.

Agreed Estimated Costs

200 ft. of shaft @ $50.00 per ft	$10,000.00*
200 ft. of shaft timbering @ $10.00 per ft	2,000.00*
200 ft. of ~~drift and/or cross cut~~ level @ $30.00/ft	6,000.00
Total	$18,000.00*

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

Room 13, Post Office Building
Knoxville, Tennessee

June 26, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

Memorandum

To: Operating Committee, D.M.E.A. Washington, D.C.

From: Field Team, DMEA, Region VII

Subject: Application from Bourne Associates (mica, Alabama)

Enclosed herewith are 4 copies of form MF-103 received yesterday, for exploration assistance at the Friendship # 1 and # 2, Arnott and Liberty mica mines in Randolph County, Alabama. A fifth copy is being retained here. Samples of mica submitted by the applicant are enclosed so that they may be examined by the commodity group before being sent to Mr. Purcell.

We have not seen these mines, but they are all described in Geological Survey reports made during World War II, and the Bureau of Mines has drilled the Liberty Mine.

The applicants are competent operators, Messrs. Bourne, Bailey and Van Horn are also operating the Hitchcock Corporation mine at Murphy, N. C., and have a DMEA contract (DMEA-1198X, IdmE-194) for steatite talc in the Name of that corporation.

It appears to us that, in the event this application is approved, it would be better to have 3 separate contracts, as the mines are not contiguous (except Friendship Nos. 1 and 2), and presumably are leased from different owners.

The applications are not accompanied by leases and subordination agreements, and we are writing to the applicant requesting these documents.

Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA Field Team, Region VII

Wm A Beck

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

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Main Office
Box 35
Murphy, N. C.

Mine and Mill
Spruce Pine, N. C.

Murphy, N. C.
June 23, 1952

Mr. Robert A. Lawrence
Room 13, Post Office Bldg.
Knoxville, Tennessee

Dear Bob:

In further regard to the enclosed DMEA application, we want to be sure that specific form and wording of the application will not militate against the possibility of DMEA purchasing equipment and allowing us to work on force account, should contractual arrangements fail in negotiations. Also, should occasion arise, we would want to be free to take over the core drilling and bulldozing work from outside contractors.

Since your fiscal year is soon ending, we will do everything we can to help in expediting arrangements to tie in with your fiscal scheduling.

Yours very truly,

BOURNE ASSOCIATES

Van

E. C. Van Horn

EVH:amh

Enclosure:

RECEIVED
JUN 25 1952
Colorado School of Mines
Golden, Colo.

Main Office
Box 35
Murphy, N. C.

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Mine and Mill
Spruce Pine, N. C.

Murphy, N. C.
June 23, 1952

Mr. Robert A. Lawrence
DMEA Region VII
Room 13 Post Office Building
Knoxville, Tennessee

Dear Mr. Lawrence:

Enclosed is our application for DMEA exploration assistance on our strategic mica property in Randolph County, Alabama. This application includes the following:

5 - Sets of Form MF-103 with Supplemental Sheets
1 - Sample of sheet mica from the Friendship #1 Mine.
1 - Sample of sheet mica from the Friendship #2 Mine.
1 - Sample of sheet mica from the Arnott Mine
1 - Copy each of sketch maps of the Arnott, Friendship #1, Friendship #2, and Liberty Mines.

Will you please examine the maps and mica samples, retain one copy of the Form MF-103 with Supplemental sheets, and forward the samples, maps, and remaining applications to the Washington office. A stamped envelope is enclosed for your use.

We will appreciate any preliminary assistance you can give us in expediting this application.

Yours very truly,

BOURNE ASSOCIATES

Van

E. C. Van Horn

Bob: I am forwarding this to you first so you can see the exhibits - I understand that Form 100 is not required. Van.

EVH:amh

Enclosure:

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. DMEA-2595
Metal or Mineral
Date Received 6-30-52
Estimated Cost
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: Bourne Associates (Individual Ownership)
P.O.Box 35
Murphy, 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 See Supplemental Sheet

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

(*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

(*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 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

16—66551-1

5. *The exploration project.*—(*a*) [redacted]te the mineral or minerals for which you wi[redacted] explore Strategic 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.

(*c*) The work will start within 30 days and be completed within 20 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)? Yes

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated June 21, 1952

Bourne Associates
(Applicant)

By Francis C. Bourne

Francis C. Bourne, Owner

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

Bourne Associates
Box 35
Murphy, N. C.

Form MF-103 Supplement

FINANCIAL STATUS
OF
BOURNE ASSOCIATES

6-21-52

Bourne Associates was formed as an individual ownership by Francis C. Bourne, president of the Hitchcock Corporation, with an investment of $50,000.00. The company was formed primarily for the participation of the management and key personnel of the Hitchcock Corporation and Minerals and Metals Corporation. The management of these corporations include operators, research men, and a geologist. So far all work that has been done has been development and exploratory work, so no formal financial statements are available.

Last year the company acquired mica properties in Alabama and in February of this year purchased the assets of the Southeastern Mica Co. in Spruce Pine, N.C. from the R.F.C.. The plant at Spruce Pine consists of a mica separation unit and a dry grinding and screening section. This plant was purchased for $32,000.00. The bank balance of Bourne Associates at this time is about $2,500.00. The other $15,500.00 has been spent in developing work at the plant and in the mines in Alabama. So far 10,000 pounds of crude ruby book mica has been taken from Alabama as a result of the exploratory and development work, and a part of the plant in Spruce Pine is being used for sheeting and storing this mica. Research and development work is also being carried on at the Spruce Pine plant to get it in operation.

Mr. Francis C. Bourne, owner of Bourne Associates, and president of the Hitchcock Corporation has a total net worth in excess of $250,000.00, so additional monies are available to the company as needed. His assets include one half ownership of the stock of the Hitchcock Corporation, 143½ shares out of 1,000 of Minerals and Metals Corporation, $22,000.00 interest in a secured mortgage, about $70,000.00 in life insurance and the balance in listed common stocks against which the $50,000.00 invested in Bourne Associates was borrowed. If you desire to check further into his personal worth you could contact the Wachovia Bank & Trust Co. in Asheville, N.C., or the Citizen's Bank & Trust Co. in Murphy, N.C.. Mr. Bourne's average salary for the past three years has exceeded $50,000 per year.

Approved: Francis C Bourne
Francis C. Bourne

1.

(a) Bourne Associates
P.O. Box 35
Murphy, North Carolina

(b) Not applicable

(c) Not applicable

(d) Not applicable

2. - Noted

3. (a)

A. Arnott-Campbell Mine: SW 1/4 of NE 1/4 and NW 1/4 of SE 1/4, Section 2, Township 18 South, Range 10 East, Randolph County, Alabama.

B. Liberty Mine: SW 1/4 of NE 1/4, Section 1, Township 18, South, Range 10 East, Randolph County, Alabama.

C. Friendship Mines: SW 1/4 and S 1/2 of NW 1/4, Section 4, Township 18 South, Range 10 East, Randolph County, Alabama.

(b) See (a) above.

(c) Lessee

(d) Lease contract, which is in good standing, will be made available for attachment to exploration contract.

(e) Not applicable.

(f) Not Applicable.

4. (a)

A. The Arnott-Campbell Mica Mine workings consist of about 400 feet of drifts and cross-cuts, 6000 sq. ft. of open cut, three bulldozer trenches totalling 350' length, and a 70' inclined shaft. The mine was first worked in 1885 from several open cuts and pits, and is reported to have

yielded a quantity of good mica. In 1920 the mine was being worked on an elaborate system of cross-cuts and inclined stopes in 30' x 40' blocks. In 1944 the mine was operated by Bromberg and Colbert, of Atlanta, primarily in surface openings, recovering about $2000 worth of strategic mica. The mine was abandoned at the ending of the support program. (See U.S. Bureau of Mines, R.I. 3095, August 1946.) The property was leased to Bourne Associates in 1951 and has been operated since April 15, 1952. Our operations have consisted of cleaning out the inclined shaft and old cross-cuts, and extending the cross-cuts for exploratory purposes. The outcrop area in the vicinity of the inclined shaft has been stripped by bulldozing, and mica recovered from the resulting muck - three cross-strike trenches, on either side of the inclined shaft, were made by bulldozing. The mine is entirely accessible at the present time.

B. The Liberty Mica Mine (Conley, or Turley Mine) is reported to have been worked by the Indians, and later work was done up to 1920. The mine was re-opened in 1943 under Colonial Mica Cor. assistance, and the old workings were extended considerably. The U. S. Bureau of Mines drilled four vertical core holes, and reported an extension of a pegmatite block 300 feet long, 100 feet wide, and 5 feet thick, below the present workings. (See U.S. Bureau of Mines R.I. 3905.) Bourne Associates leased the property

in 1951 but have not commenced production. The old workings include 6 vertical shafts, totaling 240', 200 lineal feet of drifts and cross-cuts, 80 lineal feet of adit, and an open cut 80' x 15' x 8' deep. Bourne Associates have bulldozed a 100 ft. cross-strike trench on the West side of the old open cut, but pegmatite was not exposed because of insufficient length and depth of the trench. Only surface working are accessible at the present time.

c. The Friendship No. 1 Mica Mine was first opened in 1926, and again in 1944. Its openings consisted of one inclined shaft and one vertical shaft, totaling 90 feet, cross-cuts totaling 55 feet, and open cuts totaling 110 feet long, 15 feet wide and 6' deep. Bourne Associates bulldozed a 100-foot trench along a part of the outcrop, exposing considerable very large mica books. All recent trenching is accessible. The Friendship No. 2 Mine was prospected in 1944, and yielded "A" mica in large books from which flat mica up to 5 by 6 inches was sheeted. The only opening was a 10-foot adit, but Bourne Associates have recently cut two bulldozer trenches totaling 200' long by 6' deep, exposing large quantities of good "A" ruby mica.

(b) The Arnott mine yielded $2000 worth of strategic mica in 1944, but other production is not known. Production records of the Liberty Mine are not available, but is possible that the value has approached or exceeded $10,000. $750 worth of strategic

mica was reportedly recovered from the Friendship mines. (See U.S. Bureau of Mines R.I. 3905.) Bourne Associates has recovered approximately 5 tons of ruby block mica from the Arnott Mine, of which 5% resulted in sheet, 40% in washer, 55% of scrap.

(c) The geology of all the above described properties is very nearly the same, although details of local geologic structure are not readily apparent in every case, due to lack of exposures. Quartz-feldspar-mica pegmatites occur as sheet and pod structures in the Asheland Mica Schist, a garnet-kyanite-biotite-mica schist which may be more or less migmatized.

The principal pegmatites on the subject properties are tabular in shape, and range up to 350 feet long 200 feet wide down dip, and 12 feet thick. Block mica is concentrated usually in foot and hanging-wall areas, but may be present throughout the thickness of the pegmatite. Maximum size of mica books ranges upward from 12 inches in all the subject properties. All the mica observed on these properties has been good ruby color. The mica is relatively flat and free from spots and sand holes. "A" mica content will usually contain good flat portions in the book.

As a result of its core drill exploration work during World War II, the U.S. Bureau of Mines strongly recommended additional work at the Liberty Mine. It is reported that the Bureau failed to prospect the Arnott mine only because of limitations of time and money. However the quality and quantity

of mica obtained from the Arnott Mine by Bourne Associates, together with the known extent of pegmatite, recommends it for the proposed exploration program. Sufficient mica, and sufficient pegmatite size at the two Friendship Mines certainly justify their inclusion in the proposed exploration work. (see U.S. Bureau of Mines, Report of Investigation No. 3905. See also attached maps.)

(d) All the properties are readily accessible by road, and are approximately 14 miles from Heflin, Alabama (pop. 1684) via 12 miles of paved road, 2 miles of gravel road, and 2 miles of unimproved road. The adjacent country is fairly well populated.

(e) Bourne Associates already has a labor organization, and additional local labor is immediately available. Water supply from local streams is adequate, and electric power is available from the R.E.A. The properties are 14 miles from Heflin, 25 miles from Anniston, and 65 miles from Birmingham.

5. (a) See printed Form.

(b) A. Along-strike trenching on West side of inclined shaft at Arnott mine. Estimated 500 feet of trench, 12' deep. Expose contacts on pegmatites disclosed. Work to be done with combination bulldozer, pan, and rooter. Total time estimated 75 hours. Core drill approximately 5 holes, 1000 lineal feet, on downdip side of pegmatite exposed in the present mica workings.

B. Along-strike and cross-strike trenching at Friendship No. 1 and No 2 mines, and expose pegmatite contacts by stripping after trenches have shown pegmatite structures. Work to be done with combination bulldozer, pan, and rooter. Total time estimated 100 hrs. Core drill three holes on down-dip side of pegmatite exposed by trenching and stripping at Friendship No. 1 mine and three similar core holes at Friendship No. 2 mine: Total 1200 lineal feet of core holes.

C. Expose pegmatite by trenching on East and West ends of open cut at Liberty Mine, and strip along-strike on pegmatite exposed. Work to be done with combination bulldozer, pan, and rooter. Estimated time 50 hours. Sink vertical shaft over U S B M core hole L-1 to depth of 200 feet, and drift along pegmatite toward holes L-2 and L-3, 300' of drift.

5. (c) See printed Form.

(d) Bourne Associates is an individual ownership, organized for the purpose of producing, processing, and marketing mineral products in the Southeast. Francis C. Bourne, Sr., owner, is President and Director of the Tarheel Investment Company, a holding company of Asheville, N. C. He is President and Director of The Hitchcock Corporation (DMA Serial No. MS-2036) of Murphy, N. C., and Treasurer and Director of the Minerals and Metals Corporation (DMA serial No. 0590) of Murphy, N. C., which are combined operations producing high grade talc and jointly are probably the worlds largest producers of metal-marking talc crayons. (See Statement of Financial Status attached)

Joe W. Bailey, General Manager, is General Manager of The Hitchcock Corporation and the Minerals and Metals Corporation, talc and crushed stone operations. He has been close to the mining industry since boyhood. He is an experienced Cost Engineer and formerly operator in Mica mining in the Alabama and Georgia Mica District.

Earl C. Van Horn, Geologist, is Geologist and Assistant Superintendent for the Hitchcock Corporation and Minerals and Metals Corporation. For 13 years he was Geologist for the TVA in foundation exploration and minerals investigation work.

W. H. Powell, Jr., Engineer, is Beneficiation Engineer for The Hitchcock Corporation, and previously was Beneficiation Engineer at the State College Minerals Laboratory, Asheville, North Carolina.

R. B. Adair, Consulting Engineer , is a professional Consulting Engineer with world-wide experience in mineral industry.

Francis C. Bourne, Jr., Business Manager, is Treasuer of The Hitchcock Corporation, and has had responsible experience as a merchandizing executive.

6. A. (a) Core drilling: 2200 lineal feet at $5.75 per foot--$12,650.00

Bulldozer, pan and rooter : 225 hrs. @$20.00 per hr. 4,500.00.

B. Vertical shaft, 6' x 8' x 200' deep, estimated working time 10 weeks:

(a) None

(b)

1- Foreman-70 days @$1.75/hr.....	$980.00
3- Pump men-50 days @$1.15/hr.....	1370.00
1- Hoist man 60 days @$1.15/hr.....	600.00
1- Dumper-50 days @$.95/hr.....	380.00
3- Miners-50 days @$1.25/hr.....	1500.00
1- Watchman-70 days @$.95/hr.....	532.00
TOTAL LABOR	$5862.00

(c)

500 feet wire rope @$.35/ft.....	175.00
Estimated explosives.....	300.00
Shaft timbers estimated.....	500.00
Shaft timber bolts estimated.....	150.00
Drill steel estimated.....	100.00
Drill bits estimated.....	300.00
Small tools estimated.....	200.00
TOTAL SUPPLIES	$1725.00

(d)

1- 10 KWH generator, including maintenance and fuel, 60 days at $30.00/day.....	1800.00
1- 315 CFM compressor, including maintenance and fuel, 50 days @$25.00/day.....	1250.00
1- Hoist, including maintenance, 60 days @$5.00 per day.....	300.00

	2- Air drills, including maintenance 50 days @$1.00/day	100.00
	2- Pumps, including maintenance, 60 days @$2.50/day	300.00
	TOTAL EQUIPMENT	$3750.00
(e)	None.	
(f)	1- Headframe and dump arrangement	500.00
(g)	Insurance and payroll taxes @ 10% of labor	536.00
	Accounting, 5 days @$10.00/day	50.00
(h)	Contingency @ 20%	2384.00
	TOTAL SHAFT COST	$14,307.00

C. Exploratory drifting from shaft, 300 lineal feet, 6' x 6' drift, estimated working time 6 weeks:

(a)	None,	
(b)	1- Foreman 42 days @$1.75/hr	588.00
	3- Pump men 42 days @$1.15/hr	1160.00
	1- Hoist man 35 days @$1.15/hr	322.00
	1- Dumper 30 days @$.95/hr	228.00
	6- Miners 30 days @$1.25/hr	1800.00
	1- Watchman, 42 days @$.95/hr	320.00
	TOTAL LABOR	$4418.00
(c)	Explosives, estimated	300.00
	Drift timbers, estimated	200.00
	Small tools, estimated	100.00
	Drill steel, estimated	200.00
	Drill bits, estimated	500.00
	TOTAL SUPPLIES	$1300.00

(d) 1- 10 KWH generator, including maintenance and fuel, 42 days @$30.00/day..... 1260.00

1- 315 CFM compressor, including fuel and maintenance, 42 days @$25.00/day..... 1050.00

1- Hoist, including maintenance, 35 days @$5.00 per day..... 175.00

2- Air drills, including maintenance, 30 days @$1.00/day..... 60.00

2- pumps, including maintenance, 42 dyas @$2.50 per day..... 210.00

TOTAL EQUIPMENT 2755.00

(e) None.

(f) None.

(g) Insurance and taxes @ 10% of labor..... 442.00

Accounting, 3 days @$10.00..... 30.00

(h) Contingencies at 20%..... 1788.00

TOTAL DRIFT COST $10733.00

D. Project supervision and administration

(a) None

(b) 2- geology and engineering supervisors, 8 months @$600.00/month, 1/4 time..... 2400.00

1- Timekeeper, 8 months @$300.00/month..... 2400.00

(c) None

(d) None

(f) Field office and change house 800.00

(g) Insurance and taxes, 10% of $4800.00 480.00

Accounting, 8 days @$10.00/day..... 80.00

(h) None

TOTAL PROJECT COST $48,350.00

6. Summary of total project costs.

(a)	Outside contracts.....	$17,150.00
(b)	Labor and supervision.....	14,580.00
(c)	Supplies.....	3,025.00
(d)	Equipment.....	6,505.00
(e)	Repairs.....	None
(f)	Buildings.....	1,300.00
(g)	Miscellaneous.....	1,618.00
(h)	Contingencies.....	4,172.00
		$ 48,350.00

7. (a) Bourne Associates is prepared to furnish its share of the cost of the proposed project in accord with Section 7, DMEA No. 1.

(b) Bourne Associates proposes to contract with DMEA to have 2200 lineal feet of core drilling done at $5.75 per foot; to have 225 hours of bulldozer, pan,and rooter work done at $20.00 per hour; to sink 200 feet of shaft at a lump price of $71.53 per foot; to drive 300 feet of drift at a lump price of $35.77 per foot; and to administrate and supervise the project for a total of 8 months at a lump price of $770.00 per month. It proposes to invoice the DMEA at the end of each month for the work done and to allow a 10 percent deduction from its invoice as its prorated part of project cost.

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Main Office
Box 35
Murphy, N. C.

Mine and Mill
Spruce Pine, N. C.

DMEA-2595

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 1 - 1952

Murphy, N. C.
June 28, 1952

Defense Minerals Exploration Administration
Department of Interior
Washington, 25, D. C.

Gentlemen:

On instructions from Mr. R. A. Lawrence, Executive Officer, Region VII, Knoxville, Tennessee, we are enclosing 4 copies of Owners Subordination Agreement, and 4 copies of our lease contract, which are to be appended to our MF103 Application for exploration in Randolph County, Alabama. Our application was forwarded to you by Mr. Lawrence on June 26, 1952.

Yours very truly,

BOURNE ASSOCIATES

E. C. Van Horn

E. C. Van Horn, Geologist

EVH:amh
Enclosure:

DMCA-2595

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcels of ground in the county of Randolph, State of Alabama, described in a certain Exploration Project Contract dated _____, 1952, between Bourne Associates the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated February 1, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 21st day of June, 1952

Mrs. E. W. York
Mrs. Margret W. Verge
Mrs. Helen V. Wallace
Mrs. J. M. Bagley
Mr. John N. Bagley
Mrs. Hattie W. Wright
Mr. L. R. Wright
Mrs. Bertha W. Ritzman
Mr. A. T. Ritzman

Mrs. E. W. York
Mrs. Margret W. Verge
Mrs. Helen V. Wallace
Mrs. J. M. Bagley
Mrs. Hattie W. Wright
Mr. L. R. Wright
Mrs. Bertha W. Ritzman
Mr. A. T. Ritzman

By

Margret W. Verge, Agent

Margret W. Verge, Agent

Bourne Associates
P.O. Box 35
Murphy, N. C.

MRS. E. W. YORK, a Widow, MRS. MARGRET W. VERGE, a Widow, MRS. HELEN V. WALLACE, a Widow, Mrs. J. M. BAGLEY and husband, JOHN N. BAGLEY, MRS. HATTIE W. WRIGHT and Husband, L. R. WRIGHT, MRS. BERTHA W. RITZMAN AND husband, A. T.. RITZMAN,

TO

FRANCIS C. BOURNE, SR.

LEASE AGREEMENT

STATE OF ALABAMA
Randolph County

I hereby certify that $ 1.00 Privilege Tax has been paid on the within instrument as required by law.

H. M. Brittain
Judge of Probate

The State of Alabama, Randolph County.

I hereby certify that the within Instrument was filed in this office for record March 20, 1951 at 9 o'clock A.M. and recorded in Deed Record 56 page 302,303,304,305 and examined.

H. M. Brittain
Judge of Probate

Fee $ 6.00

STATE OF ALABAMA

RANDOLPH COUNTY

THIS AGREEMENT, made and entered into on this the 1st day of February, 1951, by and between MRS. E. W. YORK, a Widow, MRS. MARGRET W. VERGE, a Widow, MRS. HELEN V. WALLACE, a Widow, MRS. J. M. BAGLEY and her husband, JOHN N. BAGLEY, MRS. HATTIE W. WRIGHT and her husband, L. R. WRIGHT, MRS. BERTHA W. RITZMAN AND her husband, A. T. RITZMAN, parties of the first part, hereinafter designated "Lessors", and FRANCIS C. BOURNE, SR., of Murphy, North Carolina, a party of the second part, hereinafter designated "Lessee";

W I T N E S S E T H :

1. That the Lessors, for and in consideration of the sum of Ten and No/100 ($10.00) Dollars and other valuable considerations to them in hand paid by said Lessee, the receipt of which is hereby acknowledged, do hereby grant, demise, and lease unto siad Lessee, his heirs, executors, administrators, and assigns, the sole and exclusive right of prospecting for, mining, refining, and removing all merchantable scrap, flake and sheet mica from the following described properties situated in Randolph County, Alabama, to-wit:

PARCEL A

Lands Owned by the Lessors in Fee Simple

The Liberty Mine	SW¼ of NE¼, Sec. 1, Tp. 18, S., R. 10, E.
Crystal Clear Mine	SE¼ of NW¼, Sec. 1, Tp. 18, S., R. 10, E.
Arnott Mine	SW¼ of NE¼, Sec. 2, Tp. 18, S., R. 10, E. NW¼ of SE¼, Sec. 2, Tp. 18, S., R. 10, E.
Friendship Mines	SW¼ and S½ of NW¼ S. 4, Tp. 18, S., R. 10 E.

PARCEL B

Lands in Which the Lessors Own Only the Minerals and Mineral Rights

Great Southern Mica Co.	SE¼ of SW¼ S. 6, Tp. 18 S, R. 11 E.
Former Edwards Lands	SW¼ of SE¼ S. 6, Tp. 18, S., R 11, E.
Weeks Mine	NW¼ of NE¼ S. 7, Tp. 18, S., R. 11 E., Except one and one-half (1½) acres to commence where the section line of Section 7 crosses the road running east 110 yards; thence south 66 yards; thence back to the road one hundred ten (110) yards, and along the road to starting-point, in Randolph County, Alabama.

2. TO HAVE AND TO HOLD all said rights, privileges, easements, estates, and interests in and to the said lands to the said Lessee, his heirs, executors, administrators and assigns, for and during the term of FIFTEEN (15) YEARS from the date hereof unless sooner terminated as herein provided, with the privilege on the part of the Lessee, his heirs, executors, administrators or assigns, to extend said term for another period of ten (10) years by giving to said Lessors, or to one of them herein designated by the Lessors to recieve notices, etc., on their behalf, not less than one (1) year's notice in writing of his or their intention to extend the same, and upon the condition that the minimum royalty for said extended period shall not be less than TWO HUNDRED FIFTY AND NO/100 ($250.00) DOLLARS per month.

3. The Lessors, for themselves, their successors and assigns, covenant and agree that they are the owners in fee simple of the lands described as Parcel A, and the owners of the minerals and mineral rights in, on, and to the lands described as Parcel B, and that their title to said parcels is

free and clear of all encumbrances, and that they have the authority to demise and lease said land and to grant the easements and privileges herein set forth for the purposes herein set out for and during the term and upon the conditions named in this lease, and do hereby warrant unto the Lessee, his heirs, executors, administrators, and assigns, the mining rights, easements, and privileges hereinabove granted, and the said Lessors, their successors and assigns, will forever warrant and defend the title to the property herein conveyed against the lawful claims of all persons whomsoever.

4. The Lessee hereby agrees to pay the Lessors upon the execution of this lease the sum of FIVE HUNDRED AND NO/100 ($500.00) DOLLARS for the privilege or option of prospecting for mica upon the properties hereinabove mentioned for a period of Six (6) MONTHS from the date hereof and to pay an additional sum of FIVE HUNDRED AND NO/100 ($500.00) DOLLARS at the expiration of six months from the date of the execution of this lease for an additional term or period of six months following the first six months period for prospecting for mica, developing the property for mining operations, constructing necessary facilities, including buildings, machinery, roads, etc. Any mica produced and sold during said twelve (12) months shall be paid for at the stated royalty rates, but there shall be no minimum royalty payments required during said twelve (12) months period. The ONE THOUSAND AND NO/100 ($1000.00) DOLLARS paid for Privileges and options just mentioned shall be credited to Lessee's account as advance royalty payments during the first (12) twleve months of Lessee's operation after the minimum monthly royalty payments go into effect. Minimum royalty payments shall begin at the end of twelve (12) months from the date

of this lease and continue until its expiration or termination. The minimum royalty payments shall be TWO HUNDRED FIFTY AND NO/100 ($250.00) DOLLARS per month, all royalty payments to be made on or before the 15th day of each month for all mica mined, sold and shipped during the preceding calendar month.

5. The Lessee hereby agrees to pay to the Lessors during the life of this lease royalties as follows: $2.00 per net ton of 2,000 pounds as royalty on all crude scrap or flake mica commonly sold by the ton; for sheet, punch, or washer mica generally sold by the pound, Lessee agrees to pay a royalty of one-eighth (12½%) of the selling price. In the event that Lessee fabricates sheet, punch, or washer mica into manufactured shapes, royalties shall be paid on the basis of the market price for the sheet mica thus used, and royalty shall not be paid on the selling price of such manufactured mica; and it is further agreed by the parties hereto that all scrap mica mined and removed hereunder shall be weighed either on scales furnished by Lessee or on railroad scales when shipment is made in car-lots, and sworn weight records shall be furnished Lessors each month, which shall be the basis of the record on which the said Lessee, his heirs, executors, administrators, and assigns, shall settle with the Lessors for all mica mined and removed from said premises.

6. If at the end of ten (10) years from the date of this lease, the market price of crude scrap and flake mica shall have increased as much as tennper cent (10%) but less than twenty per cent (20%) of the market price of crude scrap and flake mica, at the date of this lease, the royalty payments by Lessee to Lessors shall be inrecased by ten per cent (10%). If at said tiem the market price of crude scrap and flake mica shall have increased as much as twenty per cent (20%) but less than thirty per cent (30%) of the

Market price of crude scrap and flake mica at the date of this lease, royalty payments by Lessee to Lessors shall be increased by twenty per cent (20%). If at the end of the five (5) years next following said ten (10) year period, and at the end of each five (5) year period thereafter, the royalty to be paid for said crude scrap and flake mica shall be adjusted, and if the market price of crude scrap and flake mica shall have increased as much as ten per cent (10%) of the price of crude scrap and flake mica at the commencement of this lease, then the royalty payments by Lessee to Lessors shall be increased by ten per cnet (10%) for the following period or for the remaining life of this lease, as the case may be. It is the intention of the parties that any adjustment of royalty payments for crude scrap and flake mica herein provided for to be made shall be made on the basis of units of ten per cnet (10%) or multiples thereof, and not otherwise.

7. It is understood and agreed that the Lessors shall pay the taxes on the lands owned by them in fee as well as the minerals and mineral rights herein described and such buildings and other improvements thereon as the said Lessors have or may see fit to erect or make, and the Lessee, his heirs, executors, administrators and assigns, shall pay the taxes on this leasehold interest or estate in said lands, together with the taxes on all improvements, machinery, fixtures, and betterments erected, made or belonging to the said Lessee, his heirs, executors, administrators, or assigns.

8. It is understood and agreed that the Lessee, his heirs, executors, administrators and assigns, during the term of this lease, shall have the exclusive and uninterrupted right of prospecting for and mining, removing, and refining mica, together with the right of ingress, regress, and egress, to, over, and from said lands, to be exercised in a reasonable way and with due regard to the rights of the Lessors as the owners of the fee simple

title thereto; the rights and privileges, free of charge, to use water on said lands in necessary quantities for all purposes connected with Lessee's mining and milling operations, and necessary to the complete enjoyment of the rights and privileges herein granted for operating, mining, refining, and preparing the mica on said lands for the market, to be exercised in a reasonable way and with due regard to the rights of the Lessors as aforesaid; and also the right and authority to erect all necessary buildings and machinery and other mining equipment on said lands; and the right to cut and use such timber as may be necessary for timbering mines and other uses in connection with said operations, provided no merchantable timber fit for lumber, acid wood, or other commercial uses shall be taken except upon due compensation to be agreed on therefore being made to the Lessors, and all of said rights to be exercised by said Lessee, his heirs, executors, administrators, and assigns, in a reasonable way and with due regard to the rights of the Lessors as the owners in fee of the lands described as Parcel A and as the owners of the minerals and mineral rights in the lands described as Parcel B.

9. If, after conducting exploratory and prospecting operations upon said lands, the Lessee is satisfied that deposits of merchantable scrap, flake and sheet mica are discovered in sufficient quantity and quality to warrant the Lessee in so doing, the Lessee agrees to form a corporation for prospecting, mining, refining, removing and selling all merchantable scrap, flake, and sheet mica from said lands, said corporporation to have a paid up capital stock of not less than FIFTY THOUSAND AND NO/100 ($50,000.00) DOLLARS. Upon the formation of such a corporation, the Lessee agrees that he will promptly thereafter assign all his

rights under this lease to such a corporation.

10. It is agreed that if the Lessors, or any of them, leases to any other person any other property owned by the Lessors, or anyof them, situated in the Countries of Cleburne, Clay, and Randolph, in the State of Alabama, for the production of sheet mica or any other mineral, such lease to such other persons shall provide that no scrap or flake mica produced as a result of such mining operations by such other leassees can be removed or sold by the person producing the same or by any other person, except after first giving the Lessee in this lease, his heirs, executors, administrators and assigns, the option for thirty (30)days to purchase such scrap mica at the prevailing market price. If the Lessee, his heirs, executors, administrators and assigns, fails for thirty (30) days after such offer to purchase said scrap mica, then the same may be sold to any other person.

11. The Lessee shall have the right to erect such buildings, plants, and to build roads, railroads, tramways, and aerial trams as may be needed or serviceable for carrying on mining operations and preparing mica for the markets; and the right to creat dump piles where necessary without being held liable for damage; provided, always, said rights are exercised in a reasonable way and with due regard to the rights of the Lessors as owners of said land therein described.

12. The Lessee, his heirs, executors, administrators and assigns, shall have the right to remove any machinery, tools, buildings, plants, facilities, appliances, fixtures, and any and all other equipment placed or erected upon said property by him, or them, during the period of said lease, whether permanently

attached to the land or not, within one hundred twenty (120) days after termination of this contract, by expiration or otherwise, provided, the lessee shall have paid the pro-rata part of the taxes attributable to his improvements on said property, and all obligations due by him under this contract, and not otherwise, but such as are not removed, as herein provided, shall become the property of the Lessors.

13. All rights and privileges granted on lands as to which the Lessors own only the minerals and mineral rights shall be subject to the terms of the original severence of said minerals and mineral rights from the fee simple title, and the Lessee shall exercise said rights with the proper regard to the rights of the owners of the surface rights in said lands and shall make compensation to the owners of the surface rights where and as required by law.

14. The Lessee, his heirs, executors, administrators and assigns, agrees to same the Lessors harmless from all claims as a result of the mining operations carried on by him on said lands during the time this lease is in force.

15. Should the Lessee discover any other minerals upon said land in commercial quantities, he shall forthwith disclose the same to the Lessors, and the Lessors shall then be obligated to give him an option to mine said minerals upon the usual terms.

16. It is further agreed that, in the event the Lessors, or any of them, employ an attorney because of any default of the Lessee in the performance of any of his obligations under this lease, the Lessee will pay a reasonable attorney's fee for the enforcement of any liability of his because of such default and

for the collection of any sum due them because thereof.

17. It is further understood and agreed by the parties hereto that should the Lessee, his heirs, executors, administrators, or assigns, fail to pay the minimum royalty hereinbefore provided for ans as hereinbefore set out, or breach any other obligations accrued herein by him then and in that event it is expressly understood that such failure on the part of the Lessee, his heirs, executors, administrators, or assigns, shall work a forfeiture after ten (10) days' written notice from the Lessors to the Lessee, his heir, executors, administrators, or assigns, of all rights granted hereunder, rendering this lease null and void, provided such default is not made good with said ten (10) days; and the said Lessors shall have the right and privilege to re-enter upon said property and take possession thereof, which possession shall be surrendered peaceably and quietly by said Lessee, his heirs, executors, administrators, and assigns; provided further, that if mica cannot be found on any of said properties hereinabove mentioned in such quantities and of such quality, or if, as the result of mining operations upon said lands the deposits of mica therein become so depleted as to render the operation thereof unprofitable, then, and in either of such events, the Lessee, his heirs, executors, administrators, or assigns, shall have the right and privilege of terminating this lease upon giving sixty (60) days' notice of intention so to do in writing to the Lessors of their agent, and at the end of said sixty (60) days' shall be forever released and discharged from all further obligations, liabilities, and duties hereunder.

18. The Lessors hereby designated and appoint

MARGRET W. VERGE of HEFLIN, ALABAMA

to be their agent to whom all payments of money provided in this lease to be paid by the Lessee, his heirs, executors, administrators, or assigns, to the Lessors, may be made, and the person as the agent for Lessors to receive and upon whom all notices herein provided to be served upon the Lessors may be made, without requiring the Lessee to make payment to and serve notices upon all the Lessors.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, in duplicate, this the day and year first above written.

Mrs. E. W. York (SEAL)

Mrs. Margaret W. Verge (SEAL)

Mrs. Helen V. Wallace (SEAL)

Mrs. J. M. Bagley (SEAL)

John N. Bagley (SEAL)

Mrs. Hattie W. Wright (SEAL

L. R. Wright (SEAL)

Mrs. Bertha W. Ritzman (SEAL)

A. T. Ritzman (SEAL)

LESSORS

Francis C. Bourne, Sr. (SEAL)

LESSEE

STATE OF ALABAMA

CLEBURNE COUNTY

I, Lewis Boyd, a Notary Public in and for said State and County, hereby certify thet MRS. E. W. YORK, a widow, MRS. MARGRET W. VERGE, a widow, and MRS. HATTIE W. WRIGHT and her husband, L. R. WRIGHT, whose names are signed to the foregoing conveyance, and who are known to me, acknowledged before me on this day that, being informed of the contents of this instrument, they executed the same voluntarily on the day the same bears date.

IN WITNESS WHEREOF, I hereunto set my hand and seal on this the 1st day of February, 1951.

My commission expires
February 4, 1952

Lewis Boyd
Notary Public

- - - - - - - - - - - -

STATE OF ALABAMA

COUNTY OF CALHOUN

I, Ella Hall, a Notary Public in and for said State and County, hereby certify that MRS. J. M. BAGLEY and her husband, JOHN N. BAGLEY, whose names are signed to the foregoingconveyance, and who are known to me, acknowledged before me on this day that, being informed of the contents of this instrument, they executed the same voluntarily on the day the same bears date.

IN WITNESS WHEREOF, I hereunto set my hand and seal on this the 1st. day of February, 1951.

My commission expires:
Jan. 15, 1952

Ella Hall
Notary Public

* - - - - - - - - - - - -

STATE OF WISCONSIN

DOUGLAS COUNTY

I, Irja Young, a Notary Public in and for said State and County, hereby certify that MRS. BERTHA W. RITZMAN and her husband, A. T. RITZMAN, whose names are signed to the foregoing conveyance, and who are known to me, acknowledged before me on this day that, being informed of the contents of this instrument, they executed the same voluntarily on the day the same bears date.

IN WITNESS WHEREOF, I hereunto set my hand and seal on this the 9th day of February, 1951.

My commission expires;
May 3, 1953

Irja Young
Notary Public

- - - - - - - - - - -

STATE OF MINNESOTA

HENNEPIN COUNTY

I, Deane R. Scouille, a Notary Public in and for said State and County, hereby certify that MRS. HELEN V. WALLACE, a widow, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of this instrument, she executed the same voluntarily on the day the same bears date.

IN WITNESS WHEREOF, I hereunto set my hand and seal on this the 7th day of February, 1951

My commission expires;
Oct. 16, 1957

Deane R. Scouille
Notary Public

- - - - - - - - - - -

STATE OF NORTH CAROLINA

CHEROKEE COUNTY

I, Charles E. Johnson, a Notary Public in and for said State and County, hereby certify that FRANCIS C BOURNE, SR., whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of this instrument, he executed the same voluntarily on the day the same bears date.

IN WITNESS WHEREOF, I hereunto set my hand and seal on this the 20th day of February, 1951.

My commission expires:
Aug. 28, 1952

Charles E. Johnson
Notary Public

- - - - - - - - - - -

Docket No. DMEA-2595

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcels of ground in the county of Randolph, State of Alabama, described in a certain Exploration Project Contract dated _____, 1952, between Bourne Associates the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated February 1, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 21st day of June, 1952

Mrs. E. W. York — Mrs. E. W. York
Mrs. Margret W. Verge — Mrs. Margret W. Verge
Mrs. Helen V. Wallace — Mrs. Helen V. Wallace
Mrs. J. M. Bagley — Mrs. J. M. Bagley
Mr. John N. Bagley — Mr. John N. Bagley
Mrs. Hattie W. Wright — Mrs. Hattie W. Wright
Mr. L. R. Wright — Mr. L. R. Wright
Mrs. Bertha W. Ritzman — Mrs. Bertha W. Ritzman
Mr. A. T. Ritzman — Mr. A. T. Ritzman

By

Margret W. Verge, Agent

Margret W. Verge, Agent

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

Project Summary Report

By: Walter C. Anderson June 17, 1954

1. Docket No. DMEA-2595 - Mica
Contract No. Idm-E472
Liberty Mine
Randolph County, Alabama

Operator: Francis C. Bourne, d/b/a
Bourne Associates
P. O. Box 35
Murphy, North Carolina

Operator's Property Rights:

Lease for 15 years dated February 1, 1951.
Landlord's Subordination Agreement dated June 21, 1952.

2. Contract: dated January 6, 1953.

Work authorized:

200 feet of shaft @ $50.00/ft.	$10,000.00
200 feet of shaft timbering @ $10.00/ft.	2,000.00
200 feet of drift @ $30.00/ft.	6,000.00
Total estimated cost of project	$18,000.00
Government participation @ 90%	$16,200.00

Amendments:

No. 1 dated June 15, 1953 - Extends completion date from 6 to 12 months.
No. 2 dated September 2, 1953 - Provides for construction of a headframe at $500.00, increasing total estimated cost of project from $18,000.00 to $18,500.00

Work completed:

Headframe	$ 500.00
190 feet of shaft @ $50.00/ft.	9,500.00
178 feet of shaft timbering @ $10.00/ft.	1,780.00
103.5 feet of drift @ $30.00/ft.	3,105.00
Total accepted cost	$14,885.00
Government participation @ 90%	$13,396.50

Work began on February 10, 1953 and was terminated December 31, 1953, by mutual agreement. About 6,000 pounds of mine-run mica recovered during operation. From 700 pounds of book mica, 45.3 pounds of trimmed mica was obtained and sold for $396.66.

Final Field Team Report received May 10, 1954.
Operator's final report not yet received.

3. Audit - Certificate not yet issued.

4. Certification of Discovery issued July 2, 1954.

Ore reserves - inferred	Lbs. book mica	Lbs. sheet mica
Above 180 foot level	60,000	3,600
From 180 ft. level to 270 ft. level	100,000	6,000

5. Comments:

How conducted - Not according to good mining practice. Minimum safety standards. One fatality and one serious injury during operation.

Operation - Poor. Considerable mica damaged by improper blasting.

Engineering - Interim reports were inadequate.

Geological premise - The premise that the pegmatite would continue was substantiated by the exploration work.

Geological criteria upon which work was based:
1. Ten feet thick conformable pegmatite enclosed in mica garnet schist.
2. Mica rich layer adjacent to central quartz core.
3. Past operations in this and two other adjacent mines yielded $5,742 worth of strategic mica.

Criteria developed during project:
1. A pegmatite 5 to 7 feet thick near the shaft and at end of west drift the pegmatite is 3.5 to 5 feet thick.
2. Occurrence of mica books up to 18 inches in diameter throughout the pegmatite.
3. Occurrence of scattered beryl crystals up to 3 inches in diameter.
4. Production of strategic mica.

Future possibilities: Additional exploration work is warranted.

Recommendations: The Nonmetallic Minerals Division concurs with the field team that certification of discovery and development be issued as a result of work under this contract. The Geological Survey and Bureau of Mines also concur.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/26	Murphy	120M
3/26	[illegible]	120
3/30	[illegible]	100
3/30	[illegible]	100
		220

MAR 31 1965

Mrs. Margret W. Varga

Heflin, Alabama

Re: MMSA-2385 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Ldm-8472

and

MMSA-2373 (Mica)
Dixie Mines, Inc., Assignee
Liberty Mine
Randolph County, Alabama
Contract Ldm-8486

Dear Mrs. Varga:

Enclosed is a self-explanatory letter of today to Dixie Mines, Inc.

This correspondence relates to the Landlord's Subordination Agreement signed by you as agent of the landowners on June 21, 1952, and the Owner's Consent to Lien signed by you as an individual, among others, on December 29, 1954.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

FMurphy/vm (3/26/65)
cc: Director's Reading File
R. A. Laurence, Knoxville, Tenn.
Docket 2595
" 3375
Code 120M

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/26	Murphy	120 M
	[illegible]	120
3/22	[illegible]	110
	[illegible]	100
		220

MAR [illegible]

Bourne Associates
P. O. Box 33
Murphy, North Carolina

Re: MMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract 14s-2472

Gentlemen:

Enclosed is a self-explanatory letter of today to Dixie Mines, Inc.

This correspondence relates to the contract dated January 6, 1953, executed by you under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm (3/26/65)
cc: Director's Reading File
R. A. Laurence, Knoxville, Tenn.
Docket
120M

23263.

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

March 3, 1965

Re: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472

Dixie Mines, Inc.
P.O. Box 365
Heflin, Alabama

Gentlemen:

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,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 22 1965

INITIALS	CODE
amr	~~100~~
FED	110
3/24	~~120~~
	120

MME Form 63
Revised 3-62

DMEA-2595
Idm-E472

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

From September 18, 1964, to February 14, 1965

1. [redacted] , 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 ☒

From September 18, 1964, to February 14, 1965

2. [redacted] , 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 [redacted], has any production been transported through workings (see [redacted] of contract)? Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

Submitted by:

Name Neal Pritchard Title Office Manager

Address Heflin, Ala. Date 3-18-65

4511

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

September 14, 1964

Re: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472

Mr. Joe W. Bailey
Executive Vice President
Dixie Mines, Inc.
P. O. Box 365
Heflin, Alabama

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,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 21 1964

DATE	INITIALS	CC
		160
9/21	GKJ	~~170~~
	MM	120 M
		~~120~~
		220

MME Form 63
Revised 3-62

DMEA-2595
Idm-E472

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since October 1963, 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 October 1963, 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 Neal Pritchard Title Office Manager

Address Heflin, Ala. Date Sept. 18, 1964

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

October 16, 1963

OK for 1964

Re: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472

Mr. Joe W. Bailey
Executive Vice President
Dixie Mines, Inc.
P. O. Box 365
Heflin, Alabama

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
RECEIVED OCT 23 1963

DATE	INITIALS	CODE
10/22	[illegible]	800
10-23	[illegible]	100
10/23	[illegible]	110
10/24	Murphy	500

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 6, 1963 , 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 April 6, 1963 , 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 Joe W. Bailey Title Exec. V. Pres.

Address Heflin, Ala. Date 10-21-63

4511

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/11	Talbert	800
	Selfridge	120
4/11	Johnson	110
4/11	Griswold	100
		220

Mr. Joe W. Bailey
Dixie Mines, Inc.
P. O. Box 365
Heflin, Alabama

APR 12 1963

Re: DMMA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-2471

Dear Mr. Bailey:

Thank you for your April 6 letter and enclosure.

Concerning your inquiry, the Government's lien against production from the property in question expires February 14, 1965.

Sincerely yours,

W. R. Griswold

mm

W. R. Griswold, Chief
Division of Minerals

WRGriswold/mm
4/11/63
cc: Director's Reading File
Region IV (2) w/copy of Form 63 dated 3/18, and 2 copies of ltr 4/6
Docket
Code 500

8623

Re: DMEA-2595, Adm-E472

Obligation of Operator (Bourne Associates) under this contract expired 1/6/63. However, in accordance with Annex II and 4/18/55 assignment of DMEA-3375, Adm-E686, Dixie Mines obligation continues until 2/14/65

Talbert 4/8/63

Telephone HObart 3-5031

Dixie Mines, Inc.
MICA
Heflin, Alabama

April 6, 1963

Mr. W. R. Griswold, Chief
Division of Minerals
Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Dear Sir:

You will find enclosed your MNE Form 63 reporting on DMEA-2595, Idm-E472.

Please advise the expiration date of the encumbrance existing under this project. 3/14/65

Yours very truly

DIXIE MINES, INC.

Joe W. Bailey

JWB:js

Encl: 1

ORIGINAL FILE COPY
O. M. E
RECEIVED APR 8 1963

DATE		CODE
4/8		800
		120
		100
4/8		110
4/8	Griswold	500

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

March 18, 1963

Re: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472

Dixie Mines, Inc.
P. O. Box 365
Heflin, Alabama

Gentlemen:

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

DMEA-2595
Idm-E472

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

1. **From January 29, 1962, to January 6, 1963,** ~~Since~~ was ~~xxxx~~ there ~~xxxx~~ 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 January 29, 1962, to January 6, 1963,** ~~Since~~ was ~~xxxx~~ there ~~xxxx~~ 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
No activity		

Submitted by:

Name Joe W. Bailey Title Exec. Vice President

Address Heflin, Ala. Date 4-6-63

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/26		240 ~~140~~

July 26, 1962

Memorandum to the File

From: S. P. Holt, Mining Engineer
Division of Minerals

S.P.H.

Subject: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472

Letter from Mr. Selfridge to the Operator of January 22, 1962, with notations written by the Operator thereon, constitutes report. No Form 63 sent at this time.

43683

E Form 7
10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	[illegible]	000
		300
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OMS 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. F. Reid and A. H. Hooker	Mary, Reid, Reid-Mary, Reid Hooker
395	2293	Dixie Minerals, Inc.	[illegible] Stephens (Stevens)
412	2277	Burke John Mica Miners	Burke John, N. L. Barnard
461	2514	Jeb Angel	[illegible]
472	2595	Bourne Associates	[illegible], Conley, Turley
686	3375	Dixie Mines, Inc.	" " "
474	2517	Andrew F. Reid	[illegible]
[illegible]	2516	The Goodmica Mining Co.	[illegible] Cope
519	2744	H. J. Twiggs [illegible]	[illegible], Little Sam [illegible]
547	2836	Duncan Mining [illegible]	[illegible]ly
560	3038	Murphy Mining [illegible]	[illegible], Bennett
562	2875	[illegible] Mica Co.	[illegible]-Mitchell
601	3030	N. C. Burleson, et al.	[illegible]-Bozeman
613	2875	Matt Young	[illegible]
626	3133	Maderic Mica Co.	[illegible]ders (Sanders)
636	3154	Byrd Mica Miners	[illegible]
659	3229	Willis Snyder [illegible]	[illegible]
662	3255	Non-Metallic Minerals	[illegible]te Lace, Peterson [illegible]ant
674	3287	Mud Cut Mining Company	[illegible]t, Tallent (Talent)
679	3290	C. C. Burleson	[illegible], Shaft
675	3292	J. R. Beam & [illegible]	[illegible], Clifton

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

CEFisher/aam
6-26-62

63683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/8	[illegible]	120
		220

FEB 8 - 1962

Memorandum

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

From: Chief, Division of Field Operations, CMK

Subject: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-2472
and
DMEA-3375 (Mica)
Dixie Mines, Inc., Assignee
Liberty Mine
Randolph County, Alabama
Contract Idm-2606

Enclosed for your files are the originals of Reports of Royalty Review on the subject contracts.

George C. Selfridge

Enclosures 2

GCSelfridge/hb (2/8/62)
cc to: Docket DMEA-2595
Docket DMEA-3375
Director's Reading File
CA & A Division
G. C. Selfridge
R. A. Laurence, Region IV w/cy ea. of Reports of Royalty Review dtd 2/6/62 (both) and original copy of memorandum dtd 2/8/62 to Chief, Division of Field Operations from CA & A Division.
V. J. Lynch w/cys of all items listed for Mr. Laurence

43683

Jan. 22, 1962

1/29

Dixie Mines, Inc.
P. O. Box 365
Heflin, Alabama

Re: DMRA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472
and
DMRA-4375 (Mica)
Dixie Mines, Inc., Assignee
Liberty Mine
Randolph County, Alabama
Contract Idm-E666

File

Gentlemen:

By letters of February 13 and [illegible] 24, 1961, from you [illegible] received royalties on two small shipments of mica [illegible] subject mine. In order that we may clear our records [illegible] you please inform us if these are the only two shipments [illegible] have been made from the Liberty Mine since July 1[illegible] Can you give us any information concerning what may have happened to the 4,000-pound mica stockpile that had been left on the property by the Operator, Bourne Associates, under a previous contract.

Sincerely yours,

/s/ George C. Selfridge

Chief, Division of Ph. & Ceramics

AFFIRMATIVE — These are only shipments made.

Notified
NEVER HEARD OF THIS
[illegible]

.00338

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Nonmetallic Minerals Division Date 1/23/58

Semi-Annual Report - Certified Project Date 1/16/58

DMEA No. 3375 ✓2595 & Operator Bourne Associates Contract No. Idm-E 472

Ore Reserves

Ore Estimates	Tons	Analysis		
Original (DMEA)	~~80~~ 15	Run of mine	$600	$48,000
Increase (Operator)	0	0 -------	-0-	-0-
Total				
Decrease (Production)	1.7			1000 (1)
Net Available	~~78.3~~ 13.3			

Investment

Shafts			Winzes			Drifts & Crosscuts		
Size	Feet	Cost	Size	Feet	Cost	Size	Feet	Cost

Raises			Drilling			Rehabilitation	
Size	Feet	Cost	Type & Size	Feet	Cost	Description	Cost

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

(1) $4400 of scrap produced @ $20 - 220 Ton Scrap See sheet #2
No work in 1/2 57
No work in 2/2 57

Docket Copy

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Nonmetallic Minerals Division Date 1/23/58

Semi-Annual Report - Certified Project Date 1/16/58

DMEA No. 2595 & 3375 Operator Bourne Associates Contract No. Idm-E 472

Ore Reserves

Ore Estimates	Tons	Analysis
Original (DMEA)	0	Scrap @ $20 Ton
Increase (Operator)	22	
Total	22	
Decrease (Production)	22	$4400
Net Available	0	

Investment

Shafts			Winzes			Drifts & Crosscuts		
Size	Feet	Cost	Size	Feet	Cost	Size	Feet	Cost

Raises			Drilling			Rehabilitation	
Size	Feet	Cost	Type & Size	Feet	Cost	Description	Cost

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

FEB 8 - 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472
and
DMEA-3375 (Mica)
Dixie Mines, Inc., Assignee
Liberty Mine
Randolph County, Alabama
Contract Idm-E686

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

(a) Original of each to the Fiscal Section, Division of Administrative Services, Office of the Secretary; and
(b) Two copies of each to Region IV files.

These reports are for OME record purposes only; therefore, no copies have been provided for the Operators.

As evidence of your concurrence, copies of your memoranda transmitting the original reports to the Department's Fiscal Section should be furnished this Division. If for any reason you do not concur, the originals and all copies should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 2-7-62

cc:
Docket - DMEA-2595
Director's Reading File
CA & A Division
Mr. Rothrock

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/19	[illegible]	1204
1/22	Holt	500
1/22	Talbot	800
1/22	Johnson	110
1-18	Turner	100
		220

JAN 22 1962

Dixie Mines, Inc.
P. O. Box 365
Heflin, Alabama

Re: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472
and
DMEA-3375 (Mica)
Dixie Mines, Inc., Assignee
Liberty Mine
Randolph County, Alabama
Contract Idm-E686

Gentlemen:

By letters of February 13 and March 24, 1961, from you, we received royalties on two small shipments of mica from the subject mine. In order that we may clear our records to date, will you please inform us if these are the only two shipments that have been made from the Liberty mine since July 1958. Can you give us any information concerning what may have happened to the 4,000-pound mica stockpile that had been left on the property by the Operator, Bourne Associates, under a previous contract?

Sincerely yours,

/S/ George C. Selfridge
Chief, Division of Field Operations

GCSelfridge/hb
1/18/62
cc: Docket DMEA-2595
Docket DMEA-3375
Director's Reading File
CA&A Division
Region IV (2)
G. C. Selfridge

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/19	GCS	120
1/19	[illegible]	500
1/22	Talbert	800
"	[illegible]	110
[illegible]	[illegible]	100
		220

JAN 22 1962

Mrs. Margaret W. Verge
Heflin, Alabama

Re: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472
and
DMEA-3375 (Mica)
Dixie Mines, Inc., Assignee
Liberty Mine
Randolph County, Alabama
Contract Idm-E686

Dear Mrs. Verge:

Reference is made to the Landlord's Subordination Agreement signed by you as Agent of the landowners on June 21, 1952, and the Owner's Consent to Lien signed by you as an individual, among others, on December 29, 1954. Will you please inform us whether there has been any production from the Liberty mine land since July 1958.

Sincerely yours,

(S) George C. Selfridge

Chief, Division of Field Operations

GCSelfridge/hb
1/18/62
cc: Docket DMEA-2595
Docket DMEA-3375
Director's Reading File
CA&A Division
Region IV (2)
G. C. Selfridge

43683

MME Form 7
(10-58)

DMEA-259

OFFICIAL FILE COPY

Date	Surname	Code
		220

JAN 17 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-2472
and
DMEA-3375 (Mica)
Dixie Mines, Inc., Assignee
Liberty Mine
Randolph County, Alabama
Contract Idm-2686

This Division is in the process of preparing Reports of Royalty Review covering the subject contracts. The operating status, however, is in doubt because the property apparently was last examined on July 17, 1958, and the pertinent records of the Spruce Pine Mica Depot were last checked during June 1960. The latter is probably irrelevant because the property is primarily a scrap mica source.

The files indicate that the property was idle from July 1956 to July 1958. There is no indication of the status thereafter; however, the Operator-Assignee under the later contract reported and paid royalty on two shipments of scrap mica during early 1961, the first since 1956.

It is suggested that an inquiry as to operations of the property since July 1958 be addressed to the Operator-Assignee, Dixie Mines, Inc., P. O. Box 365, Heflin, Alabama, which runs scrap mica plants in both Heflin and Micaville, the latter being only one-half mile from the property. Specific confirmation that the two 1961 scrap shipments were the only sales since July 1956 should be requested. Also, the disposition of a 4,000 pound stockpile left on the property by the Operator under the first contract should be requested.

For confirmation purposes, it is suggested further that a general inquiry as to operations since July 1958 be addressed to the agent

43683

of the landowners, Mrs. Margaret W. Verge, Heflin, Alabama. By the terms of the Landlord's Subordination Agreement of June 21, 1952, the owners assumed the royalty obligation of the Operator under the first contract upon his surrender of the lease.

EDTalbert/ama 1-17-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Talbert

DMEA [illegible] PROJECTS

SEMI-ANNUAL REPORT ON CERTIFIED PROJECTS

Inactive during this period

ALABAMA (Mica) **GEORGIA**

Reporting Period: January 1, 1960 to July 1, 1960

DMEA No.	Idaho	Operator
3132 (Ala.)	6[illegible]	[illegible], Inc., Heflin, Ala. (Ruby Mine)
✓2595 and 3375 (Ala.)	472, 6[illegible]	Royce Hendleman, Assignee, Sylacauga, Ala. (Liberty Mine)
3050 (Ga)	601	Burtess & Phillips, Spruce Pine, N.C. (Jones Rosman)
3244 (Ga)	68[illegible]	Alex [illegible], Jasper, Ga. (Dannson Mine)
3799 (Ga)	840	J. R. [illegible], Spruce Pine, N.C. (Bear[illegible] Mine)

REMARKS: These projects were not visited, but the sales records at the Spruce Pine Idaho Purchasing Depot did not list any sales.

[illegible] Leach.

DMEA

SEMI-ANNUAL REPORT ON CERTIFIED AND PSEUDO CERTIFIED PROJECTS

Inactive since last report

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

Commodity: Mica

DMEA No.	Idm-E	Operator	Mine	Date Examined
√2595 & 3375	472 & 686	Dixie Mines Inc.	Liberty	July 17, 1958
2873	562	Empire Mica Co. (Pseudo)	Short Mitchell	July 16, 1958
3050	601	M.E. Burleson, et al.	Jones-Bozeman	July 17, 1958
3132	618	Dixie Mines, Inc.	Hurst Mine	July 17, 1958
3244	684	Alex Teague	Old Denson	July 17, 1958
3799	840	J. R. Beam	Bennett	July 17, 1958

Commodity: Manganese

1709X	321	Hale Georgia Minerals Corp.	Hales Mine-7-17-58	

W A Beck

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

z

DMEA
RECEIVED JUL 24 1958

DATE	INITIALS	CODE
7-24	C	220
25	COM	100
11	[illegible]	110
7/28	[illegible]	800
		600

DMEA - SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

DMEA-2595, Idm-E472 and DMEA-3375, Idm-E686

LIBERTY MINE (mica) Randolph County, Ala.

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

Operators: Dixie Mines, Inc., P.O. Box 365, Heflin, Alabama
Raymond Rendleman, Assignee
Sylacauga, Alabama

This property was visited January 6, 1958. No work had been done since the last inspection.

They are currently mining a large scrap mica deposit not too far distant from the Liberty Mine. About 30 tons of scrap mica is produced daily and being shipped to Texas for grinding. A grinding plant is now under construction in Heflin by Dixie Mines, Inc. Joe W. Bailey, Mgr. and Vice President of the company said they did not plan to operate on the Liberty property in the immediate future.

January 16, 1958

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 23 1958

DATE	INITIALS	CODE
1/23	C	220
1/23	Cgm	100
1/27	Hrh	600

z

RECEIVED
AUG 20 1956

Semi-Annual Reports of Certified Projects

Reporting Period J-1-56 to 7-1-56 Date of Examination 7-27-56

Operator : Dixie Mines, Inc. Heflin, Alabama
Assignee of-- Raymond Rendleman, Sylacauga, ~~Alabax~~ Alabama
Mine Name : Liberty

County and State: Randolph ---Alabama

Docket Number and Commodity --- DMEA- 2595 - Mica and DMEA-3375

Contract Number --- Idm-E 686 and 472

Date of Contract: January 6, 1953

Date of Certification: June 30, 1954

Expiration Date of Royalty Payments : January 6, 1963

Total Amount of Contract: $18,500 + $3,616 = $22,116.00

Total Expenditures under Contract : $14,885 + 571 = $15,456.00

Amount of Government Participation at 90 % $13,396.50 + 428.25 = $13,824.75

Royalty Payments this Period : $0.13

Previous Royalty Payments: $48.33

Total Royalty Payments to Date : $48.46

Percent Government Participation Repaid : 0.35%

Royalty Due on Production to Date : None

Royalty Remarks : A small sale of sheet mica was made this month (July). The returns on it have not been received.

		lbs book mica	lbs sheet mica
Original Estimate of Reserves: (from final Engr.-Geol. Report):	Above 180 ft. level	60,000	3,600
	180'-270' level	100,000	6,000

RECEIVED
AUG 10 1956

Increase (or Decrease) of Reserves by work performed subsequent to original and last Field Team estimates: none

Revised Estimate of Reserves: none

Production this Period (Ore or Concentrates) in suitable detail none

Amount of Previous Production (since date of contract) 119.97 lbs. sheet mica
3 " hand cobbed
164 " scrap

Total DMEA Production to Date Same

Percent of Revised Reserves Mined :

Production Remarks: This mine has not been in production during this period. A little bulldozing and hand work was done during this month (July) and some mica that could be sheeted was produced.

Other Remarks:

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

The ~~xxxxxxx~~ property was visited on July 27, 1956. Eldridge Laudermilk, office manager for the Company accompanied the writer to the property He stated that Mr. Rendleman is no longer associated with the Company The present officessa are as follows:

John Langley, President
Joe E. Bailey, Vice President & Manager
Earl C VanHorn, Geologist
G.P. Gaut, Director
E.J. Smith, Treasurer
Sidney Goldberg, Secretary
Ernest Kretschmar, Director and largest stockholder, Western Mica Co/ St. Louis, Mo.

Signed W. Beck Engineer

C

RECEIVED
JUL 28 1955

REPORT OF INSPECTION OF CERTIFIED PROJECT

DMEA-2595, Idm-E472, LIBERTY MINE
(mica)

Operator: Bourne Associates, P.O. Box 35, Murphy, North Carolina

Now Operated by: Dixie Mines, Inc. P.O. Box 365, Heflin, Alabama

Location: One half mile southwest of Micaville in SW 1/4, NE 1/4, Sec. 1, T18S., R1 DE of Randolph County, Alabama

This property was visited by the writer on July 12, 1955. No work was being done on the property at the time of the visit. They have moved equipment onto the property but will not actually start work until the last of August. Joe Bailey, who has an interest in the Company and who will supervise the work under Contract Idm-E686, Docket No. DMEA-3375, was working on the adjacent property. He stated that they will be busy getting their scrap mica washing plant in operation until the latter part of August. In addition to the Liberty Mine, the company has a lease on the Friendship No. 2 Mine property and own the Shefner in fee. The Friendship No. 2 and Shefner properties contain large deposits of scrap mica.

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

July 12, 1955.

REPORT OF INSPECTION OF CERTIFIED PROJECT

DMEA-2595, Idm-E472, LIBERTY MINE
RANDOLPH COUNTY, ALABAMA

Operator: Bourne Associates, P.O. Box 35, Murphy, North Carolina

Now leased by Dixie Mines, Inc., P.O. Box 626, Sylacauga, Ala.

The subject mine was visited April 29, 1955. Indications were such that it is assumed that no work had been done since Bourne Associates terminated their contract. The sheave had been removed from the head-frame, otherwise it was intact. There was also a hoist left on the property.

K. H. Teague, Geologist
U. S. Geological Survey

Visited: Appil 29, 1955.

Docket Copy
Surname:
Houk
Hoffman
Chamberlin

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

FEB 23 1955

Mr. Francis C. Bourne
Bourne Associates
P. O. Box 35
Murphy, North Carolina

INTERIOR DEPT.
FEB 18 1955
SOLICITOR

Re: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Bourne:

Reference is made to our letter dated July 2, 1954, which accompanied a certification of discovery or development on Contract No. Idm-E472.

Please be advised that all production from the land described in the contract is subject to the Government's percentage royalty as set forth in the contract until the sum of $13,396.50 is paid or until January 6, 1963, 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.

Sincerely yours,

C. O. Mittendorf
By EST
Administrator

LGHouk:gad 2/18/55
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Hedges, 4604
Operating Committee
Field Team, Region V
Mr. Houk
Copy to Owners and attached to Region V copies to be forwarded:
Margret W. Verge, Agent for Mrs. E. W. York
Mrs. Margret W. Verge
Mr. and Mrs. J. M. Bagley
Mr. and Mrs. A. T. Ritzman
Mrs. Helen V. Wallace
Mr. and Mrs. L. R. Wright

P.C.S.

Docket Copy
Surname:
Anderson
Houk
Chambers
Selfridge
Johnson

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

FEB 11 1955

Mr. Irving Gumbel, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Gumbel:

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

The exploration contract was signed on January 6, 1953, with the Government participating to the extent of 90% of $18,000.00 or $16,200.00. The project was started on February 10, 1953, and was terminated December 31, 1953, by mutual agreement after the expenditure of $14,885.00 which is the total net cost according to the Audit Review. The Government paid 90% of the total accepted cost or $13,396.50.

The work performed on this project consisted of erecting a headframe, sinking 190 feet of shaft, 178 feet of which was timbered, and driving 103.5 feet of drift. The work resulted in the discovery of a pegmatite 5 to 7 feet thick near the shaft and 3.5 to 5 feet thick at end of drift. There was an occurrence of mica books up to 18 inches in diameter throughout the pegmatite and scattered beryl crystals up to 3 inches in diameter. The following inferred reserves were calculated:

Above 180 foot level (Pounds - Mica)	60,000 Book	3,600 Sheet
From 180 foot level to 270 foot level	100,000 Book	6,000 Sheet

About 6,000 pounds of "mine run" mica was recovered during operation. From 700 pounds of book mica 45.3 pounds of trimmed mica was obtained.

The DMEA concurs with the field team's evaluation of the work performed and has certified that a discovery or development has resulted from the work under this contract.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

Mr. Killsgaard, 5222
Operating Committee
Field Team, Region V

WCAnderson:gad 2/9/55
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Houk
Mr. Hedges, 4604

R.C.S.

Talbert
Chambers

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

FEB 2 1955

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

Re: Docket No. DMEA-2595
Bourne Associates
Randolph County, Ala.
Contract Idm-E472

Dear Mr. Laurence:

Enclosed are the original and two copies of a Report of Review covering the above-cited Exploration Project Contract.

If you concur with the facts stated therein, the original and one copy of the Report of Review should be forwarded to the Certifying Officer and one copy should be retained in your files. If, for any reason, the Report does not have your concurrence please return all copies thereof to this Division with your comments thereon.

A copy of the Field Team's final report received in this office has provided a means of verification for the work performed under "agreed unit costs" provisions of the contract without the necessity of consultation with you or Mr. Beck.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure
EDTalbert/wb 2-1-55

Copy to: Docket
Admr. Reading File
Mrs. Miller
Mr. Chambers

R.C.G.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII
HAMILTON BANK BUILDING

OFFICE OF
REGIONAL DIRECTOR

POST OFFICE BOX 1909
KNOXVILLE, TENNESSEE

Minerals Administration
RECEIVED

January 21, 1955

Memorandum

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

From: Helen Miller, Knoxville Office, Knoxville, Tennessee

Subject: Monthly Report and Voucher

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

Km-E-472 Bourne Associates
DMEA Docket No. 2595
20th and final payment - month of November 1953
Termination Date: 12/31/53
Amount $567.00

Helen R. Miller

Enclosures
/hbm
Copies to W. A. Dook
R. A. Lawrence
Knoxville Files
Day Files

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

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-33

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of NOVEMBER, 1953 Docket No. DMEA 2595 Contract No. Idn. E 472
Operator's Name Bourne Associates Minerals Mica
Address Box 35, Murphy, N. C.
Contract Amount, $ 18,500.00 Government Participation: 90 % Amount, $ 16,650.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Shaft Sinking		9,500.00	9,500.00		9500.00	9,500.00
Head Frame ~~Bulldozing~~					500.00	500.00
Crosscutting						
Drifting & Cross drift	1740.00	2,475.00	4,215.00	630.00	2,475.00	3,105.00
Shaft timbering		1,780.00	1,780.00		1,780.00	1,780.00
(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	1,740.00	13,755.00	15,495.00	630.00	14,255.00	14,885.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-6-54 *Payee Bourne Associates
Per J. C. Bourne Jr. Title Ass't Supt.

*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:

$ 567.00

Signature Helen R. Muller
(Authorized Certifying Officer)

Date 1-21-55 Vou. No.
(See other side)

63.00

(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. DME 472 in accordance with the terms of the contract.

Signature W. A. Beck Title Supervising Mining Engineer USBM Date JAN 17 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date JAN 17 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.

GPO 83-38476

RECEIVED
JAN 24 1955

January 17, 1955

Mr. F. C. Bourne
Bourne Associates
P.O. Box 35
Murphy, North Carolina

Re. Docket No. DMA-2595 (mica)
Contract Idm-E 472
Liberty Mine, Randolph County,
Alabama

Dear Mr. Bourne:

Your November 1953 (final) Operator's Monthly Report and Voucher on the subject exploration contract has been forwarded to this office from Washington for processing, and we are today sending it to the finance office.

We have allowed for 21 feet of drifting at $30 per foot or $630.00 as a total of 103.5 feet of drifting has been done on the contract. Of this amount you have been paid for 82.5 feet on previous vouchers.

Please note that you did not enter the item of $500 for head frame on Form MF-104 in the columns "Totals Previously Reported" and "Totals to date." Please make the following corrections on your copy of the Form MF-104 : on the line marked "Drifting" the figures should be $630.00, $2,475.00 and $3,105.00. On the line marked "Totals" the figures should be: $630.00, $14,255.00 and $14,885.00. Your form MF-104A should be corrected accordingly.

Very truly yours,

Wm. A. Beck, Acting Executive Officer
DMA - Region V

WAB/mm
cc:
Beck
O'Neill
Finance Office-3
Files

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of NOVEMBER 195 3 Docket No. DMEA 2595 Contract No. Rm R 072
Operator's Name Bourne Associates Minerals Mica
Address Box 35, Murphy, 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
Drifting & cross cut 14 in.	Foot	1740.00	58.0	4215.00	140.5	30.00	200	30.00
Crosscutting								
Raising Head frame				500.00			1	500.00
Shafts				9500.00	190.0	50.00	200	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft timbering	Foot			1700.00	170	10.00	200	10.00
Total Distributed Costs		1740.00		15,995.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								18,500.00
Total Costs								

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

Date 3-6-54 Operator Bourne Associates

Per Y. C. Bourne Jr. Title Asst Supt.

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)

On Line marked "Drifting" change "Costs This Month" from 1740.00 to 630.00; "Units this Month" from 58.0 to 21.0, Costs to Date" from $4215.00 to $3105.00, and "Units to Date" from 140.5 to 103.5

on line marked "Total Distributed Costs", change the 1740.00 to 630.00, and the 15,995.00 to 14,885.00.

W E Beck

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

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

Defense Minerals Administration
RECEIVED
JAN 19 1955

January 14, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region V - Knoxville

Subject: DMEA-2595, Idm-E 472(Mica)
Bourne Associates, Murphy, N. C.
Liberty Mine, Randolph County, Ala.

The final voucher and 3 copies of the Operator's final reports which you sent have been received and examined here. The voucher will be approved for 21 feet of drifting, making a total of 103.5 feet of drift.

The Operator's final report is in error in stating that (top of page 2) the end of the west drift is 67 feet from the shaft - it is 65 feet.

Most of the rest of the report is acceptable, except the third sentence of the first full paragraph on page 2. However, the final paragraph expresses only the Operator's opinion; we thought further exploration was justified and agreed to terminate only because of the Operator's extreme reluctance to continue, and the fact that showings up to that time were sufficient to justify certification.

Two copies of the Operator's final geologic reports are returned herewith, so that you now have four copies.

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

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

Operator's Final Rpt

RECEIVED
JAN 13 1955

FINAL REPORT

Exploration Project Contract No. IDM E 472

Docket No. DMEA - 2595

On February 11, 1953 equipment was moved into the Liberty Mine location in Randolph County, Alabama in preparation for sinking a shaft and exploration drifts into a pegmatite which had been previously drilled by the U. S. Bureau of Mines. The work to be done was under Exploration Project Contract Number IDM-E 472, Docket Number DMEA - 2595.

The shaft was begun on February 13, 1953. Seven feet were dug before drilling and shooting became necessary. Encountered at this point was a weathered mica schist which continued to a depth of 90 feet. A water flow of approximately 20 gpm. was encountered at 74 feet. At the 90 foot level, the schist passed into a hard mica gneiss which was 15 feet deep before re-entering the mica schist. At the 146 foot level streaks of quartz containing garnet and pyrite were encountered. This was followed by 14 feet of mica garnet gneiss and then at 160 feet by a mineralized zone and a quartz pegmatite. The block mica was first found at the 167½ foot level. Approximately 300 pounds of block were taken out of the bottom of the shaft at this point. The shaft continued through this 7 foot pegmatite, containing the mica, into 5 feet of gneiss and through a 2 foot thick feldspar pegmatite and bottomed at 190 feet in mica gneiss.

The shaft, 5' x 7' in the clear, was timbered throughout with ring sets composed of 7" x 9" oak timbers and lagged. The first 5 sets below the collar were on 4 foot centers--the next four sets were on 6 foot centers with the remaining depth being timbered with 8 foot sets. After the first 100 feet of timbering the shooting was advanced 25 to 30 feet below timbers to protect them from blast damage.

At the 177½ foot level a drift was started, following the pegmatite in a westerly direction. Fifteen feet from the shaft the pegmatite had swelled to 8 feet thick with varying amounts of block mica mixed with biotite. From this point to the end of the

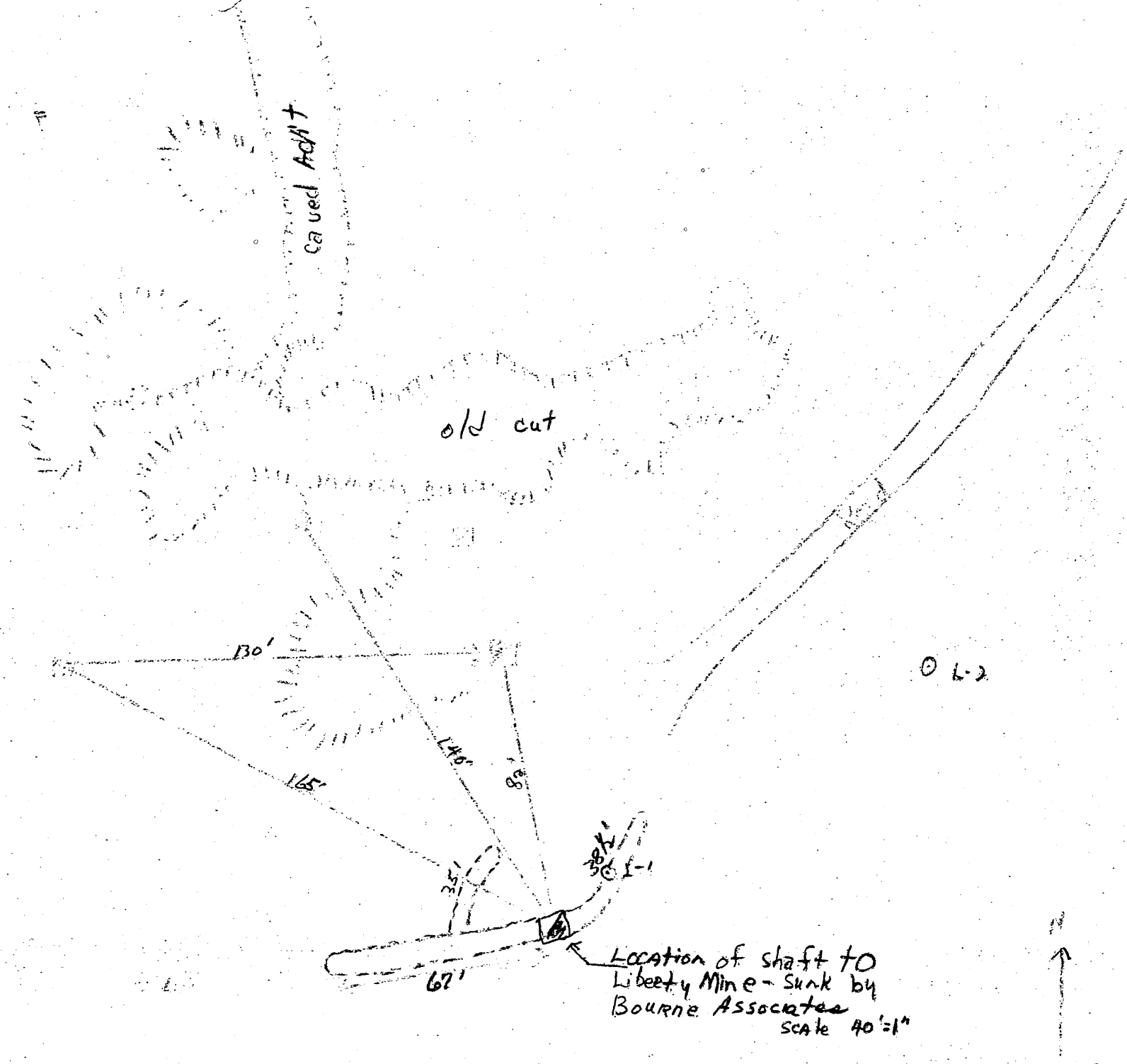
drift, 67 feet from the shaft, the pegmatite narrowed and split with block mica showing up only in spots.

Twenty-seven feet from the shaft, a cross drift was started in a richer zone of mica. This cross drift carried up the dip of the pegmatite and curved along the pitch. This drift was continued on the recommendation of the government geologist and with the approval of the government engineer to a length of 35 feet. The largest volume of mica was taken from this cross drift.

On October 8, 1953 a drift was started on the eastern side of the shaft on a bearing of N.80°E. Twelve feet from the shaft the bearing was changed to N.45°E. to follow the pegmatite. The Bureau of Mines drill hole L-1 was encountered and approximately 100 gpm. of water was taken in at this point. The drift was extended to 38½ feet and ended with a showing of one small stringer of quartz in the heading. The drift produced approximately 100 pounds of block mica.

One hundred and forty feet of drifting in the pegmatite produced 2300 pounds of block and 4000 pounds of scrap. The block trimmed out only 119.97 pounds of mica which was sold to the government depot in Spruce Pine for $966.59. Cost of trimming was approximately $360.00. The block mica produced was of very poor quality being so heavily ruled that the books would split into ribbons less than one inch wide and the sheet derived from the block was classed as mostly stained mica due to its general waviness. The trimmed mica ran 20% good stained and just met minimum requirements for selling.

Work was discontinued on December 7, 1953 because the quantity and the quality of block mined from the area indicated that the deposit was not rich enough in block mica to support or even justify further exploration.


Caved Adit
old cut
130'
165'
140'
89'
35'
67'
38'
I-1
L-2
Location of shaft to Liberty Mine - Sunk by Bourne Associates
scale 40'=1"

DOCKET FILE
Surname:
Anderson
Houk
Selfridge
Johnson
McHenry

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

JAN 11 1955

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Laurence:

Transmitted herewith for checking and approval are the subject Operator's November, 1953, Vouchers and 3 copies of their Final Operator's Report, which they preferred to mail to this office. We have retained the original and 1 copy of the Operator's Final Report.

We note the voucher includes the footage of raising performed, which we all agree shall be disallowed.

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 8

WCAnderson:ad 1/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 29 1954

December 28, 1954

Memorandum

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

From: Executive Officer, DMEA, Region VII

Subject: Docket No. DMEA-2595, Contract Idm-E 472 (mica)
Bourne Associates, Murphy, North Carolina
Liberty Mine, Randolph County, Alabama

Your letter of December 22, and copy of Mr. Mittendorf's letter of the same date, to Mr. F. C. Bourne, have been received. I am glad to know that a thorough review of this case has upheld our point of view. We have not yet received Mr. Bourne's final report and voucher, but will send them through the usual channels when they are received.

With reference to the statement in your letter, that "We do not find that this position has ever been brought adequately to the attention of the Operator", I would like to point out that in my letter of December 15, 1953 to Mr. F. C. Bourne, I said, "Not only is the raise not authorized; it is contrary to the intent of the project, as it is development in the direction of known pegmatite."

Robert A. Laurence
Robert A. Laurence
Executive Officer
DMEA Field Team. Region VII

140

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

Hofflund
Parrish
Houk
Chambers
Selfridge
Johnson
Wattendorf

DEC 22 1954

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

Re: Docket No. DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-R472

chron.
pending

Dear Mr. Laurence:

Attached hereto is a copy of the Administrator's letter of this date to Mr. Bourne, re the current controversy as to whether the work of "raising" is allowable for contribution under the contract.

In your memorandum to the Operating Committee of October 5, you disagree with the statement in our letter to you of September 21 that: "The point of issue seems to be whether or not the raising was beneficial to the property and may be substituted by amendment for drifting." Of course, by "beneficial to the property" we meant beneficial to the exploration of the property, not to its development. It seems unlikely that we would wish to refuse to contribute to work merely because it fails to conform strictly to specifications. The better test seems to be whether, if the Government's approval had been sought in advance, we would have approved the proposed change and would have been willing to amend the contract to provide for it. Your correspondence on the subject makes it clear that you would not have approved of this change, and that you do not consider the work beneficial to the exploration of the property. We do not find that this position has ever been brought adequately to the attention of the operator, but he seems to be under the impression that we have rejected the claim arbitrarily, on the ground that the work does not conform to the specifications in the contract.

Mr. Dietrich, USBM
Mr. Kiilsgaard, USGS
Mr. Houk
Mr. Hofflund

Sincerely yours,

Enclosure

George C. Selfridge
Chairman, Operating Committee

APPROVED:

C. H. JOHNSON
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

JLHofflund/emd 12/7/54
Copy to DMEA Docket
Solicitor's Docket
Adm. R. File
Operating Committee

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

Hoffhund
Perrotti
Houk
Chamberlin
Kulagaard
(C.A.) Johnson
Selfridge
Johnson

DEC 22 1954

Mr. F. C. Bourne
Bourne Associates
P. O. Box 35
Murphy, North Carolina

Re: Docket No. DMEA-2595 (Mica)
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Bourne:

Reference is made to your letter to the Defense Minerals Exploration Administrator dated October 14, to the letter of Congressman George A. Shuford to the Deputy DMEA Administrator dated September 3, enclosing affidavits, and to your letter to the DMEA Administrator dated April 30, all relating to your claim for contribution by the Government to certain work disallowed as not falling within the specifications for work provided for in the subject exploration contract.

After a careful review of this matter and consideration of the affidavits submitted, I have come to the conclusion that the disallowance of the work which is the subject of contention must stand. This position is required not merely by the fact that the work plainly does not conform to the specifications set forth in the contract, but by the further fact that it was not beneficial to the exploration which was the purpose of the contract. The work which you performed outside of the specifications is essentially development from our point of view.

For your information, I will say that our field-team representatives completely controvert the statements made in the affidavits submitted by you to the effect that the unspecified work was approved by them in the field. Moreover, it is conceded by all concerned that this work was begun and partially performed before it was ever called to the Government's attention and before its representatives could have had a chance to approve it.

Your final report and final voucher, which you say "has been ready for months" should be presented promptly

A.C.S.

to Mr. Robert A. Laurence at Knoxville, Tennessee, as in the case of other reports and vouchers. Of course, if you send it here we will receive it, but will have to send it to Mr. Laurence for checking and approval.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Copy to: Hon. George A. Shuford, House of Representatives
Washington 25, D. C.

DMEA Docket
Solicitor's Docket
Adm. R. File
Operating Committee
Mr. Dietrich, USBM
Mr. Kiilsgaard, USGS
L. G. Houk
Field Team, Reg. VII (2)
J. L. Hofflund
chron.
pending

JLHofflund/emd 12/7/54

Docket Copy
Surname:
Hon. Selfridge
F. Johnson

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

2595

DEC 22 1954

Hon. George A. Shuford
House of Representatives
Washington 25, D. C.

My dear Mr. Shuford:

You will find enclosed for your information a copy of a letter to Mr. Francis C. Bourne in connection with his request for payment for work performed at the Liberty Mine, Randolph County, Alabama.

The Defense Minerals Exploration Administration has made a very careful review of the entire case and finds that it cannot justify payment for work which was not authorized in the contract, and which was not beneficial to the exploration of the property.

We sincerely regret that there has been a misunderstanding between the DMEA representatives and the Bourne Associates.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

LGHouk:gad 12/21/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Operating Committee
Mr. Houk

R.C.S.

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Main Office
Box 35
Murphy, N. C.

Mine and Mill
Spruce Pine, N. C.

December 18, 1954

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA - 2595
Idm-E 472 (Mica)
Liberty Mine

Dear Mr. Mittendorf:

We have heard nothing at all from you since our letter of October 14th, and we are, therefore, taking the liberty to send you under separate cover by registered mail our final report covered by the above captioned project.

Yours very truly,

BOURNE ASSOCIATES

F. C. Bourne Jr.

for F. C. Bourne

FCB/amh

Main Office
Box 35
Murphy, N. C.

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Mine and Mill
Spruce Pine, N. C.

FINAL REPORT

Exploration Project Contract No. IDM E 472

Docket No. DMEA - 2595

On February 11, 1953 equipment was moved into the Liberty Mine location in Randolph County, Alabama in preparation for sinking a shaft and exploration drifts into a pegmatite which had been previously drilled by the U. S. Bureau of Mines. The work to be done was under Exploration Project Contract Number IDM-E 472, Docket Number DMEA - 2595.

The shaft was begun on February 13, 1953. Seven feet were dug before drilling and shooting became necessary. Encountered at this point was a weathered mica schist which continued to a depth of 90 feet. A water flow of approximately 20 gpm. was encountered at 74 feet. At the 90 foot level, the schist passed into a hard mica gneiss which was 15 feet deep before re-entering the mica schist. At the 146 foot level streaks of quartz containing garnet and pyrite were encountered. This was followed by 14 feet of mica garnet gneiss and then at 160 feet by a mineralized zone and a quartz pegmatite. The block mica was first found at the 167½ foot level. Approximately 300 pounds of block were taken out of the bottom of the shaft at this point. The shaft continued through this 7 foot pegmatite, containing the mica, into 5 feet of gneiss and through a 2 foot thick feldspar pegmatite and bottomed at 190 feet in mica gneiss.

The shaft, 5' x 7' in the clear, was timbered throughout with ring sets composed of 7" x 9" oak timbers and lagged. The first 5 sets below the collar were on 4 foot centers--the next four sets were on 6 foot centers with the remaining depth being timbered with 8 foot sets. After the first 100 feet of timbering the shooting was advanced 25 to 30 feet below timbers to protect them from blast damage.

At the 177½ foot level a drift was started, following the pegmatite in a westerly direction. Fifteen feet from the shaft the pegmatite had swelled to 8 feet thick with varying amounts of block mica mixed with biotite. From this point to the end of the

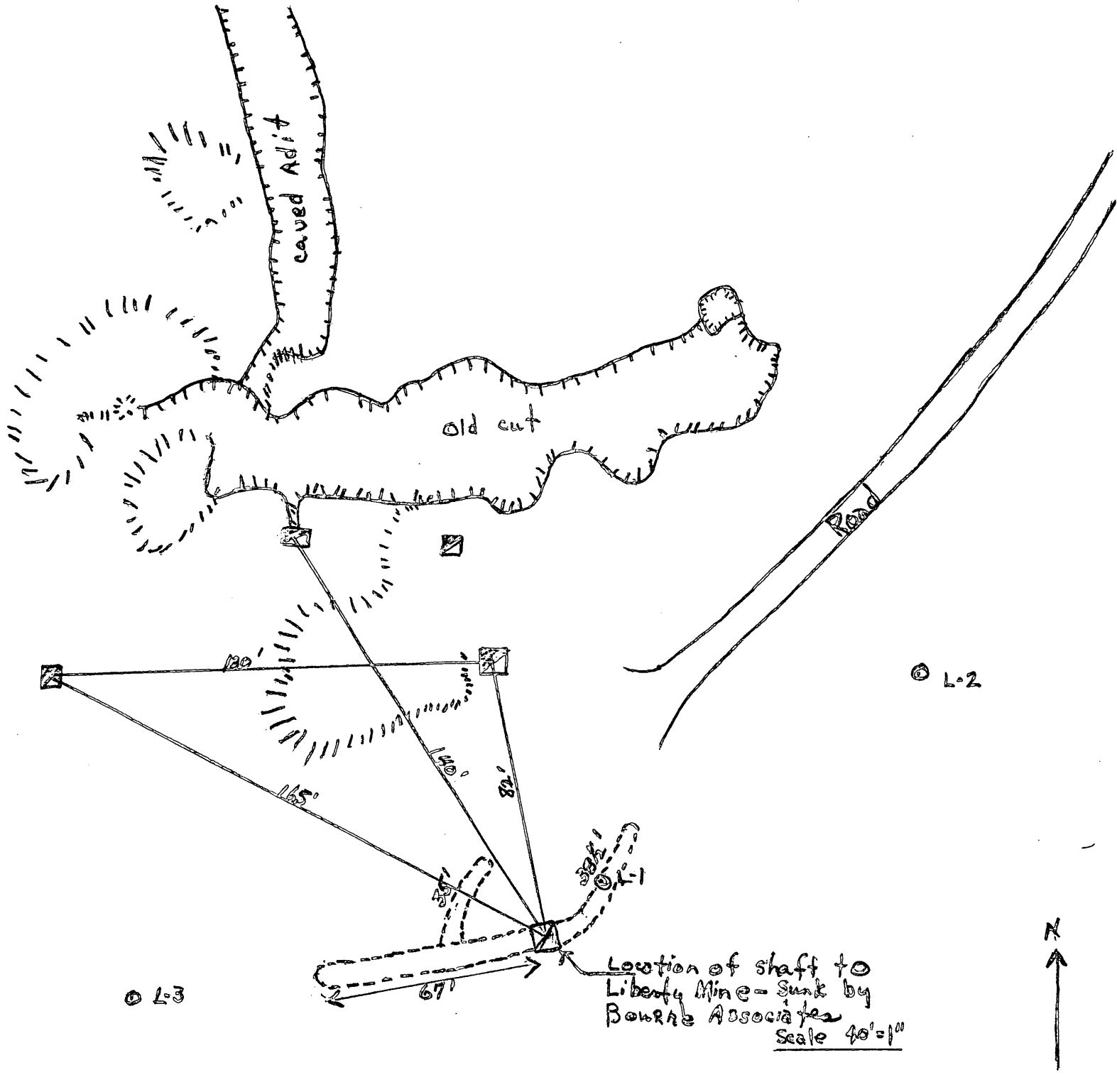
drift, 67 feet from the shaft, the pegmatite narrowed and split with block mica showing up only in spots.

Twenty-seven feet from the shaft, a cross drift was started in a richer zone of mica. This cross drift carried up the dip of the pegmatite and curved along the pitch. This drift was continued on the recommendation of the government geologist and with the approval of the government engineer to a length of 35 feet. The largest volume of mica was taken from this cross drift.

On October 8, 1953 a drift was started on the eastern side of the shaft on a bearing of N.80°E. Twelve feet from the shaft the bearing was changed to N.45°E. to follow the pegmatite. The Bureau of Mines drill hole L-1 was encountered and approximately 100 gpm. of water was taken in at this point. The drift was extended to 38½ feet and ended with a showing of one small stringer of quartz in the heading. The drift produced approximately 100 pounds of block mica.

One hundred and forty feet of drifting in the pegmatite produced 2300 pounds of block and 4000 pounds of scrap. The block trimmed out only 119.97 pounds of mica which was sold to the government depot in Spruce Pine for $966.59. Cost of trimming was approximately $360.00. The block mica produced was of very poor quality being so heavily ruled that the books would split into ribbons less than one inch wide and the sheet derived from the block was classed as mostly stained mica due to its general waviness. The trimmed mica ran 20% good stained and just met minimum requirements for selling.

Work was discontinued on December 7, 1953 because the quantity and the quality of block mined from the area indicated that the deposit was not rich enough in block mica to support or even justify further exploration.


caved Adit
old cut
Road
120'
165'
140'
82'
38½'
35'
67'
L-1
L-2
L-3
Location of shaft to Liberty Mine - Sunk by Bourke Associates
Scale 40'=1"
N

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 16 1954

REPORT OF INSPECTION OF CERTIFIED PROJECT
DMEA-2595, Idm-E 472 (mica)

LIBERTY MINE, Randolph County, Ala.

Operator: Bourne Associates, P.O. Box 35, Murphy, North Carolina
Now leased to Raymond Rendelman, P.O. Box 64, Sylacauga, Ala.

The writer called on Mr. Rendelman in Sylacauga, Alabama on December 9, 1954, with regard to the subject certified project. He stated that no work had been done on the property since he acquired it. Mr. Rendelman has an application under DMEA-3375 to do additional work on the property.

December 9, 1954,

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

z

Bourne Associates

Main Office
Box 35
Murphy, N. C.

Mica And Mica Products
Spruce Pine, N. C.

Mine and Mill
Spruce Pine, N. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

October 14, 1954

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA - 2595
Idm-E 472 (Mica)
Liberty Mine

Dear Mr. Mittendorf:

We have not as yet sent in our final report on the above captioned project due to the disagreement concerning payment for the work we did. The final report has been ready for months, but as previously explained it has not been sent to Knoxville because they have already told us it would be turned down.

Would you like for us to forward the final report on to you? Congressman George A. Shuford has advised us that he turned over to you certain affidavits from us and we have everything else ready for your inspection if you want it sent on to you.

Very truly yours,

BOURNE ASSOCIATES

F. C. Bourne

F. C. Bourne

FCB/amh

Docket Copy
Surname:

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

600

November 24, 1954

Memorandum

To: Mr. John L. Hofflund

From: Lawrence G. Houk

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama

Please review the legalistic implications of the attached draft of a letter to Mr. Francis C. Bourne on his request for payment for work performed outside the contract.

A copy of a draft to Hon. George A. Shuford is also attached.

LGHouk:gad 11/24/54

Copy to: Admr. R. File
Docket
Mr. Houk

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

Defense Minerals Administration
OCT - 7 1954

October 5, 1954

Memorandum

To: Operating Committee, D. M. E. A. Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-2595, Idn-E 472 (mica). Bourne Associates, Murphy, N. C. Liberty Mine, Randolph County, Alabama

As requested in your letter of September 21, I enclose herewith four copies each of notarized affidavits by Kefton H. Teague and James F. O'Neill, concerning the disputed raise at the Liberty Mine.

I have again reviewed the Liberty file, and I reaffirm my opinion that there is no basis for approval of this raise. The contract specifically provided for shaft sinking and level work only. As soon as I became aware of the fact that the Operator intended to include the raise footage in his voucher, I advised Mr. O'Neill to tell him this would be disallowed, which Mr. O'Neill did. This raise could be construed only as development, and it definitely deviated from the intent and purpose of the contract.

Your letter of September 21 states, "The point of issue seems to be whether or not the raising was beneficial to the property and may be substituted by amendment for the drifting." I strongly disagree. To me, the point of issue is whether or not there was divergence from the contract and whether or not the Field Examiners and Field Team approved the divergence and agreed to its inclusion in the contract. To both these questions, the record clearly indicates only one answer: there was divergence and there was no approval. That the raising may or may not have benefitted the property is irrelevant. On many contracts we have advised Operators that they may concurrently do work not provided in the contract, at their own expense; most commonly this involves mining mica in order to meet expenses, and it is usually beneficial to the property and to the Operator, but we do not authorize payment for it.

I recommend that no amendment be prepared to authorize this substitution. If an amendment is prepared, it should be signed in Washington, as I cannot, in good conscience, sign it.

Robert A. Laurence

Robert A. Laurence

Alabama

Tuscaloosa County

J. F. O'Neill being first duly sworn, disposes and says:

That he is a resident and citizen of Tuscaloosa, Tuscaloosa County, Ala., and Mining Engineer, Bureau of Mines, U. S. Department of the Interior. That in connection with DMEA Contract No. 2595, Idm-E-472, routine inspections of the Liberty Mine, Randolph County, Ala., were made.

Affiant visited the mine on October 8, 1953 and entry was not made to the mine. A round was blasted a short time before my arrival. Saunders and other workmen were working on the hoist and it was obvious that entry could not be made that day. I was informed by Saunders that a raise on the west side was advanced 18 feet and the work was authorized by Kefton Teague. On October 16, 1953 the affiant received instructions by mail from Robert A. Laurence, DMEA Executive Officer, Region VII, that the raise work was not authorized and hoped that the affiant had so advised the operator that this work should not be shown on the Monthly Voucher as it was not included in the contract and payment cannot be made for it. Affiant made a special trip to the mine on October 21, 1953 specifically to comply with Laurence's instructions, and did so.

This, the 28th day of September 1954

James F. O'Neill

Subscribed and sworn to before me, this 28th day of September 1954.

Laura Myrtle Payne
Notary Public

My Commission expires:

January 1956

Tennessee

Knox County

Kefton H. Teague being first duly sworn, disposes and says:

That he is a resident and citizen of Knoxville, Knox County, Tennessee., and Geologist, U. S. Geological Survey, U. S. Department of the Interior. That in connection with DMEA Contract No. 2595, Idm-E 472,(mica) Bourne Associates, Liberty Mine, Randolph County, Alabama routine inspections were made.

Affiant visited the project early during the morning of October 1, 1953. At the time of my visit, Mr. Saunders and two workmen were underground. Mr. Saunders was loading a round of holes and the other men were mucking. After measuring and examining both the level and the raise, progress of the work was discussed with Mr. Saunders. Mr. Saunders stated that he had sent in the footage for September (43 feet- which was duly vouchered). My measurement on level completed as of October 1, 1953 was 44 feet. In addition to the 44-foot level, 10 feet of raise to the north at a point 26 feet from the shaft had been driven.

I requested that level work be started eastward from the shaft.

My notes taken on the date of the visit do not indicate that the cost of the raise or its possible extension were discussed, nor do I remember any discussion on the subject. No prior authorization had been given for the raise and I am positive that I did not authorize continuation of the raise on the October 1, 1953 visit.

This, the 30th day of September 1954

Kefton H. Teague

Subscribed and sworn to before me, this 30th day of September 1954.

Lucille Hall LaBorte
Notary Public

My Commission Expires: Oct 18-1955

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

RECEIVED
SEP 27 1954

September 23, 1954

Memorandum

To: Operating Committee, DMEA- Washington

From: Executive Officer, DMEA - Region VII

Subject: Docket No. DMEA-2595, Idm-E 472 (mica) Bourne Associates, Murphy, N. C. Liberty Mine, Randolph County, Alabama

Your letter of September 21, and copies of affidavits from Messrs. Gosdiva, Sanders, and Bourne have been received. I will ask Mr. Teague to prepare a notarized statement when he returns from the field next Monday, and I am mailing copies of the affidvits to Mr. O'Neill with the request that he also prepare such a statement.

With regard to the last sentence of your letter, there is little that I can add to the comment in my memorandum of June 25, 1954. The work may have been beneficial to the property but it was not exploration, and was not in keeping with the intent of the contract, and was undertaken without authorization.

Both Mr. Beck and I are opposed to authorizing this raise by an amendment. Mr. Beck will be out of town until late next week, so I am sending this memo without his signature, but we have discussed this situation thoroughly and I know his views on the subject.

Robert A. Laurence

Robert A. Laurence

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

SEP 27 1954

September 23, 1954

Mr. James F. O'Neill, Mining Engineer
U. S. Bureau of Mines
Box L
University, Alabama

Re: DMEA-2595, Idm-E 472 (mica)
Bourne Associates
Liberty Mine, Randolph County, Ala.

Dear Jim:

Enclosed are copies of letters from the Operating Committee and Congressman Shuford, and copies of affidavits by Mr. F. C. Bourne, B. T. Sanders and Merl Gosdiva, relative to the disputed raise at the Liberty Mine.

Please send me a notarized statement, as suggested in the Operating Committee's letter, and I will forward it to Washington along with Teague's statement.

Sincerely yours,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

RAL/xm
cc:
Beck
Lynch
Opr. Com.
Files

THE HITCHCOCK CORPORATION - DMEA-1198

Francis C. Bourne signed contract as Treasurer of company. He also signed Landlord's Subordination Agreement as President of Tarheel Investment Company, Inc.

10-25-84

Mr Cook

Do you want this typed?

Or do you just want it <u>filed</u> as is?

gad

Review
of

Subject: Docket No DMEA 2595 Mico
Bourne Associates (Francis C. Bourne)
Liberty Mine
Randolph County Alabama
Contract No Tdm- E472

June 21, 1952 Date of Application by Bourne Associates, Francis C. Bourne, President, requesting aid in amount of $48,350.00

Feb. 1, 1951 Date of Lease

June 21, 1952 Date of Landlord's Subordination Agreement

July 2 1952 U.S.G.S recommends F.T. work out more reasonable contract

July 17 1953 USBM recommends field examination

Aug 9 1952 Bourne Associates modifies request to $61,057.00

Sept 5 1952 F.T. recommends contract in amounts ~~of~~ as follows

Liberty Mine	$20,029.40
Arnott Mine	9,302.00
Friendship Mine	8,132.00
Total	$37,463.40

Oct 1 1952 U.S.G.S. recommends denial of requests for aid on Arnott and Friendship mines and requests F.T. to get further information on Liberty Mine

Oct 7 1952 USBM concurs in F.T recommendations for assistance in amount of $37,463.40

[illegible]mber 11 1952 Applicant submits details of costs of $28,718.40 for the project on Lib[illegible]

June 21 1954

Memorandum from Kefton H. Teague

to Operating Committee explaining visit to mine Oct 1, 1954

1. Measurement of drift 444 feet

2 " " raise 10 feet

3 Requested that drifting be started eastward from shaft

4. Positively did not authorize or discu[illegible]

Nov 13 1952 F.T. rejects applicants costs as "too high"

Nov 25 1952 F.T. suggests costs as follows for Liberty Mine
200' Shaft sinking @ $60.00 per foot
300' Drifting @ $30.00 "

January 6 1953 Contract drawn by DMEA on F.T. recommendations for $18,000.00
Government participation @ 90% $16,200.00

Work began on project February 10, 1953

June 15, 1953 Contract amended increasing project time from 12 to 16 months

Sept 2 1953 Contract amended to allow $500.00 as cost of headframe - increasing cost to $18,500.00 and government participation $16,650.00

August 1953 Narrative report by Operator shaft completed to 200 feet. West drift started and advanced 13.5 feet. Voucher approved for payment

September 1953 Narrative Report by Operator "During September 32.5 feet were drifted and 10.5 feet cross drifted" 43 feet approved for payment

October 1 1953 Property visited by Kefton Teague examining geologist who measured advance as 44 feet of drifting and noted that Operator had begun an incline raise and advanced 10 feet. Requested Operator to begin east drift

October 13 1953 Interim report by O'Neill on visit made on October 8 stated that he visited mine October 8 but did not inspect working because of too much powder smoke. He was informed by

foreman, Saunders that the raise was advanced 18 feet and the drift 57 feet. but the showing of mica had not been improved.
(O'Neil states that Operator told him the geologist, Mr. Tergue, had approved the raise at the time of his visit on October 1st 1953)

October Operator's Narrative report and voucher "During October total footage of drifting, crossdrifting and raise amounted to 59 "feet"
33 feet were disallowed by Field Team

Nov. 4 1953
Saunders wrote O'Neil requesting examination by FT on November because the Operator wished to abandon the project

Nov 9 1953
O'Neill replied to Saunders saying that mine would be visited and examined during week of Nov. 16

Nov 10 1953
Interim report by O'Neil on visit made Nov. 9. West drift was advanced 57 feet
Crossdrift or raise reported to have been driven 33' on the dike N 20° E from West drift on a slope of 30 degrees
East drift was advanced N 82° E 10 feet, then N 20° E 12 feet - a total of 22 feet
Report recommends continuing work in east drift because "the potentialities of this deposit have not been fully exploited to the east of the shaft"

Nov. 12 1953 Lawrence advises Operating Committee that he agrees with Mr. O'Neill that the project should not be terminated and schedules another examination by Gildersleeve and O'Neill for Nov. 17

Nov 19 1953 Mine examined by O'Neil and Gildersleeve

Nov 23 1953 Interim report by O'Neill and Gildersleeve

West drift was advanced 57 feet
Crossdrift or Raise " " 35 feet
East drift " " 27 feet

Mica Production to date

1,400# block mica produced 53-5# rifts
105# were trimmed and produced
0.84# No 3; 5.75# No 5; 11.25# No 6
750# ~~block~~ mica stored at mine 2 tons of scrap.
Waste dump reveals very poor operation — considerable mica wasted by improper blasting
Corrective measures were suggested but not accepted
Report states that work in raise is development and was not authorized
Recommendations of Nov. 9 that project be continued still applicable

Nov. 28 1953 ~~Sparrows~~ Bouvne letter to Lawrence on O'Neil and Gildersleeve report. Does not agree with their findings and believes project should be abandoned but will continue as recommended

Nov. 30 1953

Memo from F.T. to O.C. states

1. O'Neill and Gildersleeve not in favor of termination
2. Bourne telephoned Nov. 24 and 25 requesting immediate termination. Field Team declined to approve and requested Bourne to advance east drift 10 feet and west drift 15 feet
3. Examination scheduled for Dec. 7 after advance has been made

Nov. 30 1953 Bourne advised that 33 feet with a cost of 990.00 deleted from October Voucher

Dec 10 1953 Memo from F.T. to O.C. regarding request to terminate

1. Operator contends further work unwarranted and wishes to quit immediately
2. Work to date

   Shaft 190 feet

   West drift 65 "

   East " 35 "

   Raise " 35 " (not authorized or allowed)
3. Laurence, Teague and Amos of U.S.G.S. and O'Neill and Pallister USBM participated in examination
4. All agreed ~~no more~~ east drift be abandoned. All agreed that sufficient mica-bearing pegmatite has been discovered to justify certification
5. All agreed on termination because of Operator's reluctance to continue, but believe drifting in west drift is warranted
6. Request permission to terminate

Dec 10 1953 Bourne advised by Laurence of F.T. findings, viz.

1. Certification will be recommended
2. Total of 103.5 feet approved for payment
3. Termination will be recommended

Dec 12 1953

Bourne letter to Laurence objects to the project being certified, and the disallowance of raise work

Dec 15 1953 Laurence letter to Bourne answers objection to certification and disallowance of raise work

Dec 17 1953

Commodity Division of Bureau of Mines Recommends: (a) Termination by mutual consent
(b) Certification of Discovery
(c) Cost of Raise disallowed

Jan 6 1953

Operating Committee letter to Laurence agrees that DMEA position on Certification and disallowance of cost of raise Clearly justified.

Dec 31 1953 Date of Termination Agreement

July 2 1954 Date of Certification

Aug 2 1954 Inspection of Certified Project Report by Wm A. Beck U.S.B.M.
Operator asked about his final voucher stated it would be sent in by his Congressman
Two sales of Mica totaling $966.59 have been made. Royalty of $48.33 paid by check

Sept 3 1954

Letter from Hon. George A. Shuford M.C. enclosing affadavits of E.C. Bourne and B.T. Sanders and Merl Gosdiva relative to authorization of raise under the contract

October 5 1954

Letter from Executive Officer Region VII to Operating enclosing affidavits of K. H. Teague and James F. O'Neill relative to disallowance of cost of raise under the contract

May 4 1954 Final Field Team report by

R. H. Teague } Geologists U.S.G.S.
Dewey H. Amos
and
J. F. O'Neil Mining Engineer USBM

The reserves developed by the work done under this contract are estimated as follows:

Inferred	Lbs. Book Mica	Lbs Sheet Mica
Above 180 ft. level	60 000	3600
180'-270' level	100 000	6000
		9600
Value	@ $9.11 per lb. Total	$87456.00

June 8 1954 A workman named William Voyles was killed and Earl Gene Wade was seriously injured during timbering operations of the shaft when it had reached a depth of 146 feet. The accident was the result of pure carelessness and total disregard of all safety measures as recommended by U.S. B.M Safety Inspector on April 20 1953.

USBM R.I 3908

U.S.B.M drilled 4 vertical core holes total depth of 664 on Liberty property in 1943 which disclosed a block of pegmatite 300 feet long 100 feet wide and 5 feet thick extending below the workings.

Resume

On June 21 1952, Bourne Associates filed an application with DMEA for exploration assistance in the amount $48,350.00 to explore for mica on the Liberty, Arnott and Friendship mines in Randolph County Alabama

After a review of all data available and a field examination, the Field Team Region VII recommended a limited program for the Liberty Mine. A contract involving the following work and (agreed unit costs) was executed by the Company and the Government Sept 5, 1952:

Shaft sinking 200 feet @ $50.00		10,000.00
Shaft timbering 200 feet @ 10.00		2,000.00
200 ft. level	@ 30.00	6,000.00
		18,000.00
Government participation @ 90%		16,200.00

The contract was amended September 2 1953 to allow $500.00 additional for the construction of a headframe

The shaft was completed at a depth of 190 feet, and drifting began to the west on the 180 foot level.

The west drift had been advanced 44 feet on September 30 1953, and at 26 feet from the shaft the operator had started a 20 degree raise ~~on~~ 14° E which had been advanced 10 feet when the mine was inspected by Mr. Kepton H. Teague Geologist, U.S.G.S. October 1 1953 After measuring the advance made in the drift Mr. Teague requested that level work be started eastward from the shaft. Mr. Teague states that no prior authorization had been given for the raise and he has stated positively that he did not authorize construction

Mr. James O'Neill Mining Engineer visited the mine October 8, 1953 but did not go underground. Mr. Saunders Foreman reported the advance verbally to Mr. O'Neill.

On November 4 1953 the operator requested an examination because he wished to abandon the project.

After examinations of the mine on November 9th and Nov 19 by the field team it was recommended that the project be continued because the potentialities of the deposit had not been fully exploited.

The Operator disagreed very strongly with the field team and requested immediate termination, because he believed further work unwarranted.

In the meantime the Operator had been advised that the raise had not been authorized and would not be paid for. Accordingly, 33 feet of reported drifting at a cost of $990.00 was deleted from the October Voucher.

The Field Team composed of R. L. Laurence K. H. Teague Amos, J. H. O'Neil and Pollister participated in an examination of the mine on December 9th 1953. The team concluded that the additional work was warranted and the work to date had exposed a mica bearing pegmatite that justified a certification of discovery. However, because of the Operators reluctance to continue operations the project should be terminated. It was also agreed that the raise was development work and had not been authorized and should not be paid for.

Acting upon the recommendations of the Field Team, the contract was terminated Dec 30 1953 and a certification of Discovery issued July 2 1954.

The Operator has not as yet submitted his final report and voucher. He has however submitted affadavits of three persons supporting his contention that the raise work was authorized by the Field Team and should be paid for.

During the final examination of the mine, the waste dumps were examined and found to contain significant quantities of mica that had been wasted and damaged by improper and careless mining operations. The project was not conducted according to good mining practice nor did the Company comply with suggestions and orders that would govern safety standards. Failure to comply to good mining and safety methods resulted in the death of one workman and serious injury to another during shaft sinking operations

SURNAME

Hoffland
Houk
Selfridge
Johnson

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

SEP 21 1954

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Laurence:

Transmitted herewith for your information are copies of a letter from Honorable George A. Shuford, and also copies of affidavits from Mr. Nerl Goadiva, dated April 14, 1954, Mr. B. T. Sanders, dated April 16, 1954, and Mr. Francis C. Bourne, dated August 31, 1954. The final voucher Mr. Bourne promised to send via Representative Shuford was not received.

In order to resolve the subject problem, which appears to be a divergence from the contract, it may be necessary to have Mr. Teague and Mr. O'Neill prepare notarized refutations of those claims made in the attached affidavits. The point of issue seems to be whether or not the raising was beneficial to the property and may be substituted by amendment for the drifting. Please comment.

Sincerely yours,

George C. Selfridge (by ES7)

Chairman, Operating Committee

Enclosures 4

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

LGHouk:bbh
9-16-54

Copy to: Solicitor's Docket
DMEA Docket
Admr. R. File
Mr. Houk (2)

Mr. Hoffland
Operating Comm.
Mr. Kiilsgaard
Mr. Dietrich Rm. 3061
Chron.

R.C.L.

Docket Copy
Surname:

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

SEP 10 1954

Hon. George A. Shuford
House of Representatives
Washington 25, D. C.

Denver - 2595

My dear Mr. Shuford:

Reference is made to your letter of September 3, 1954, enclosing affidavits to support the claim of Mr. Francis C. Bourne that the Government contribute toward the cost of 35 feet of raise at the Liberty Mine, Randolph County, Alabama, under an exploration contract with the Defense Minerals Exploration Administration.

We are having a review made of Mr. Bourne's claim, and you may be assured that every effort will be made to arrive at a mutually agreeable solution.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 9/10/54

Copy to: Admr. R. File
Docket
Field Team, Region VII
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk

R.C.B.

GEORGE A. SHUFORD
12TH DISTRICT
NORTH CAROLINA

J. RICHARD QUEEN
SECRETARY

Congress of the United States
House of Representatives
Washington, D. C.

MEMBER:
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

SUBCOMMITTEES:
PUBLIC LANDS
INDIAN AFFAIRS
MINES AND MINING

September 3, 1954

Mr. Frank E. Johnson
Deputy Administrator
Defense Minerals Exploration
Administration
Washington 25, D. C.

Re: Docket No. DMEA-2595 (Mica)
Liberty Mine, Randolph County, N.C.
Contract Idm-E472

Dear Mr. Johnson:

I am enclosing three affidavits which have been secured to support the claim of Mr. Francis C. Bourne of Bourne Associates that the Government should contribute to the costs of 35 feet of raise which this company drove on the subject property. I trust that you will give careful consideration to these affidavits in connection with this claim.

I wish to express my interest in this claim, and want to assure you that I shall be most appreciate of your interest and cooperation in the matter.

With kindest regards, I am

Sincerely yours,

George A. Shuford

George A. Shuford, M.C.

GAS:rt
Enclosures

NORTH CAROLINA

CHEROKEE COUNTY

F. C. BOURNE, being first duly sworn, deposes and says:

That he is a resident and citizen of Murphy, Cherokee County, North Carolina, and the owner of BOURNE ASSOCIATES: that in connection with the contract between the United States Government (DMEA) with affiant's company, dated January 6, 1953, said company was doing work on the Liberty Mine in Randolph County, State of Alabama: that affiant states he was at said Mine at the time of Mr. O'Neill's visit which was prior to Mr. O'Neill's December 7th visit. Affiant was approaching the shaft of said mine when affiant met Mr. James F. O'Neill, DMEA Engineer, and Mr. B. T. Sanders, Superintendent of Bourne Associates in charge of the operation, walking away from the shaft following an apparent joint inspection by them of the operation;

Affiant arrived at the shaft just as Mr. O'Neill and Mr. B. T. Sanders finished their inspection of the underground workings. Mr. O'Neill stated to Mr. Sanders in the presence of affiant that since the word "upraise" had been used in connection with the drift, the ~~course~~ CROSS drift on the West side of the shaft, that he had taken it off the October voucher, but that this was a mistake. He further stated that it was too flat to be called an upraise, that it was a drift, and that he would straighten it out on the November voucher.

Affiant asked them what they were talking about since this was the first time affiant knew anything about the October voucher being questioned in any way. It was explained to affiant and once more Mr. O'Neill stated that he would get it straightened out on the November report.

This the 31st day of August, 1954.

F. C. Bourne (SEAL)
F. C. BOURNE

Subscribed and sworn to before me this the 31st day of August, 1954.

My Commission Expires:
My Commission Expires Feb. 23, 1955

C. W. Barrett
Notary Public

NORTH CAROLINA

CHEROKEE COUNTY

A F F I D A V I T

B. T. SANDERS, being first duly sworn deposes and says:

That on or about the 11th day of February, 1953 Affiant began superintending for his employer BOURNE ASSOCIATES the opening of a mica mine known as the Liberty Mine in Randolph County, Alabama; that to Affiant's knowledge this work was being done by Bourne Associates for and under contract with the United States Government (DMEA PROGRAM); that in general the contract called for 200 feet of shaft and 200 feet of drift, all work to be done by and with the approval of the DMEA Geologist, Kefton H. Teague, and the DMEA Engineer, James F. O'Neill.

Affiant superintended the sinking of the shaft and this part of the operation was completed; thereafter the drift was begun to the West, approximately 10 degrees North of West on a drift which was approximately level for a distance of 55 feet; that on or about October 1st, 1953 Geologist Teague was in the mine with Affiant; at said time Affiant had begun a drift with the dip of the pegmatite and had gone upwards about 10 feet; Affiant had at this time reached the conclusion that there was not enough mica in this area to justify further excavation and so informed Mr. Teague; at this time, which was October 1, 1953, Mr. Teague directed Affiant to continue the range upward and to go at least 20 feet on the opposite or East side of the shaft; Affiant asked Mr. Teague if the Government would pay for going up the dip, that if it would not then Bourne Associates did not wish to continue with the dip, and Mr. Teague stated he saw no reason why the Government should not pay for it; that several of the miners heard this statement made by Mr. Teague.

On October 7, 1953 Mr. James F. O'Neill, Engineer for

DMEA was present with Affiant in the mine and upon inspecting the Western excavation stated on question from Affiant that the Government would definitely pay for the upward excavation; that it was not steep enough for a raise and was a drift, and that if we continued digging upward we would get out of the fault-zone and reach better mica.

Affiant avers that all of the excavation in connection with the Liberty Mine was done with the approval of the DMEA Engineer and Geologist aforesaid, each of whom visited the diggings approximately once each month during the entire operation.

B. T. Sanders
B. T. SANDERS

Subscribed and sworn to before me this the 16th day of April, 1954.

My Com. Expires:
My Commission Expires Feb. 23, 1955

C. W. Barrett
NOTARY PUBLIC

STATE OF ALABAMA

COUNTY OF Randolph

Merl Gardner, being first duly sworn deposes and says:

That on or about the 7th day of October, 1953 in the Liberty Mine which is a mica mine in Randolph County, State of Alabama, Affiant was present during and listening to a conversation between Affiant's Superintendent B. T. Sanders and a United States Government (DMEA PROGRAM) Engineer by the name of O'Neill, both of whom Affiant well knew and had seen in the mine on many occasions.

That Affiant at said time and place heard Mr. O'Neill upon inspection of the Western excavation state on question from Mine Superintendent Sanders that the Government would definitely pay for the upward excavation; and further heard Mr. O'Neill state that it was not steep enough for a raise and was a drift, and that if the Superintendent continued digging upward he would get out of the fault-zone and reach better mica. There were several other miners who also heard this conversation.

Merl Gardner
Affiant

Subscribed and sworn to before me this the 14 day of April, 1954.

My Com. Expires:
1956.

G R Fuller
Notary Public

DMEA
File Copy
Surname
Hoch

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

August 12, 1954

Memorandum

To: The Administrator, DMEA

From: Acting Assistant Solicitor, Defense Minerals

Subject: Royalty obligations on certified projects
Dockets Nos. 2595 and 3375
Bourne Associates and Raymond Rendelman
Liberty Mine
Randolph County, Alabama
Contract Idm-E472 and proposed Contract Idm-E686

This responds to your memorandum dated July 19, which posed certain questions with respect to payment of royalty under the subject contract with Bourne Associates and under the proposed contract with Rendelman.

In a memorandum dated July 27 to you from this office, it was pointed out that under the abandonment provision in the current contract forms (MF-200 and MF200A of February 1952) neither a lessee-operator nor his landlord who has signed an Owner's Consent to Lien is liable for royalty on production after abandonment by the lessee-operator.

The Bourne Associates' contract is written on Form MF-200A, but instead of an Owner's Consent to Lien being attached to the contract (the form which was intended for use with the current contract forms), a Landlord's Subordination Agreement is attached. The contract was terminated by agreement dated December 31, 1953, which preserved the Government's rights with respect to royalty and lien for payment. The project was certified July 2, 1954. Your memorandum sets forth that the operator has abandoned the property and that the lessors have leased it to Mr. Raymond Rendelman, who has applied for another project on the same land. With this background, the questions raised in your memorandum will be stated and answered below:

1. Is the first lessee, Bourne Associates, under any royalty obligation to the Government?

No. The contract permitted abandonment and the operator's abandonment relieved him of obligation to pay royalty.

2. By the terms of the first contract and certification, are the lessors obligated for royalty payments if there is production from the land?

Yes. The Landlord's Subordination Agreement attached to the contract contains an express assumption of the lessee's (operator's) obligations to make repayment to the Government according to the terms of the contract. Therefore, in this exceptional case, the landlord remains liable for the payment of royalty even though the lessee's obligation is ended.

3. Who is primarily obligated to assume the royalty payments under the first contract, if due, under the second contract if finally executed?

(a) In the circumstances, as stated in the answers to questions 1 and 2, the only one obligated to pay royalty under the first contract is the landlord.

(b) If a contract is executed with Rendelman, the obligation of the landlord to pay royalty under the first contract (Bourne Associates) will not change. On the other hand, Rendelman would have no obligation to the Government with respect to the first contract merely because his project is on the same land which was the subject of a prior DMEA project, because he is not a party to the first contract. With a new royalty annex added to Rendelman's second contract and the abandonment provision stricken, Rendelman would be primarily obligated under the second contract if he were the producer, and would be obligated as surety if he were not the producer, and in addition, payment would be secured by an Owner's Consent to Lien.

4. If a second certification is issued on the same land, what royalties are due the Government, and whose obligation is it to pay royalties if there is production within the ten-year certification period after possible abandonment of the property by the second lessee, Raymond Rendelman?

This question has been partially answered under 3 with respect to the parties liable under each contract. The second part of the question, with respect to "what royalties are due the Government," is answered in connection with the next question.

5. In the eventuality of two certifications on the subject property, would the Government be entitled simultaneously to collect royalty on both?

Yes. The undertakings under each contract are separate. A royalty would be due under each contract on any production from the land described in each contract.

Comment

Apart from the Government's rights in a situation of this kind, it follows from the foregoing that there are practical considerations involved which require administrative decision before a second contract is entered into in any case where the same land may be subject to royalty under two contracts at the same time. Some of them are:

(1) The landowner may not recognize the "double-barreled" liability and, if apprised of it, he may want to make some provision concerning it in his lease; or he may not wish to execute an Owner's Consent to Lien.

(2) It may be desirable to delete certain land from Article 2, so as not to subject the same production to two royalty payments.

(3) The Government may not consider a second contract feasible in the circumstances.

/S/ Henry C. Rubin

For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

HCRubin:lm

Copies to: DMEA Docket (2)
Solicitor Docket
Mr. Houk (2)
Mr. Hofflund
Mr. Rubin
Chron.

REPORT OF INSPECTION OF CERTIFIED PROJECT

DMEA-2595, Idm-E 472 (mica)

BOURNE ASSOCIATES, P.O. Box 35, Murphy, North Carolina

Now leased to Raymond Rendelman, P.O. Box 64, Sylacauga, Ala.

LIBERTY MINE, Randolph County, Ala.

Accompanied by B. J. Brekhus, Auditor, Contract Administration and Audit Division the writer called on Mr. Francis C. Bourne at Murphy, N. C., on July 12, 1954 to inquire about the status of the above contract. The Operator's final voucher for 21 feet of drifting has not been sent in, and when asked about these Mr. Bourne stated they had been prepared and he will send them to his Congressman.

Two sales of mica had been made to the Government Mica Buying Depot amounting to $966.59. Mr. Bourne gave us a check in the amount of $48.33 as the Government's royalty on these sales. He stated that no punch or scrap has been sold from the mica recovered.

July 12, 1954

Wm. A. Beck

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

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

Selfridge
H Johnson

July 19, 1954

Memorandum

To: Mr. John Hoffland
Acting Assistant Solicitor

From: The Administrator

Subject: Royalty obligations on certified projects
Dockets Nos. 2595 and 3375
Bourne Associates and Raymond Rendelman
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472 and proposed contract Idm-E686

In accordance with the agreement reached during your conversation with Messrs. Johnson and Selfridge on July 15, 1954, relating to royalties under the subject contracts, I am sending you the two dockets for study in order that you give me your legal interpretation of the royalty obligations of the lessors and the lessee under each contract.

Contract Idm-E472 was executed on the Short Form MF-200(A), February 1952. The lessors signed the Landlord's Subordination Agreement, Form MF-202. The project was terminated by agreement effective December 31, 1953, and certified July 2, 1954.

After abandonment of the property by the lessee (Bourne Associates), the lessors leased the property to a second lessee, Mr. Raymond Rendelman, who has applied for exploration aid. A proposed contract, No. Idm-E686, has been drawn up on Form MF-200(A), (February 1952) which incorporates Royalty Annex II. The lessors will be expected to sign the new Owner's Consent to Lien, Form MF-203 (Revised July 1, 1954).

Will you please give me your opinion on the following questions:

1. Is the first lessee, Bourne Associates, under any royalty obligation to the Government?

2. By the terms of the first contract and certification, are the lessors obligated for royalty payments if there is production from the land?

3. Who is primarily obligated to assume the royalty payments under the first contract, if due, under the second contract if finally executed?

4. If a second certification is issued on the same land, what royalties are due the Government, and whose obligation is it to pay royalties if there is production within the ten-year certification period after possible abandonment of the property by the second lessee, Raymond Rendelman?

5. In the eventuality of two certificationson the subject property, would the Government be entitled to simultaneously collect royalty on both?

C. O. Mittendorf

Administrator

GCSelfridge/esf
7/19/54

cc to: Dockets (2)
Admr. R. File
Messrs: Mittendorf
Johnson
Houk (2)
Selfridge
Chron.

xxxxxxxxxxxxxxxxxx

Room 1, Post Office Building
Knoxville, Tennessee

July 16, 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: Acting executive officer - DMEA- Region VII

Subject: Royalty check on DMEA-2595, Idm-E 472, Bourne Associates

Transmitted herewith are two vouchers for the sale of mica from the subject mine, and a check in the amount of $48.33 which represents the 5 percent royalty.

Wm. A. Beck

ZM.
cc
Beck
O'Neill
Mittendorf
Bourne Assoc.
Files

COPY COPY

GENERAL SERVICE[redacted]INISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

DATE [redacted] 11-24-5[redacted]
ACCEPTANCE NUMBER 4-565

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
EPS-4- 4A	SP-565	

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: Bourne Associates	SIGNATURE:
STREET ADDRESS: Box 35	NAME *(Type or print)*: W. H. Powell, Jr.
CITY, ZONE AND STATE: Murphy, N. C.	TITLE *(Type or print)*: Agent

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				.06	$70.00	4.20
GRADES NO. 4 AND 5				2.64	$40.00	105.60
GRADES NO. 5½ AND 6				6.51	$15.00	97.65
STAINED						
GRADES NO. 3 AND LARGER		$12.00		.56	$18.00	10.08
GRADES NO. 4 AND 5		$ 5.00		6.00	$ 8.00	48.00
GRADES NO. 5½ AND 6		$ 3.00		15.63	$ 5.00	78.15
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00		.12	$13.00	1.56
GRADES NO. 4 AND 5		$ 4.00		3.36	$ 6.00	20.16
GRADES NO. 5½ AND 6		$ 2.00		10.42	$ 3.00	31.26
TOTALS						
LOT TOTALS				45.30		396.66

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
Carl Buchanan		Head Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $ 396.66

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

SELLER *(Type name)*	DATE
Bourne Associates (Liberty Mine- DMEA-2595)	11-24-53
BY *(Signature)*:	NAME AND TITLE *(Type)*: W. H. Powell, Jr. Agent

GSA-WASH DC 53-3094

COPY

GSA FORM 1013
September 1952

COPY COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

DATE: 12-30-53

ACCEPTANCE NUMBER: 4-663

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER: EPS-4-4A

LOT NUMBER: SP-663

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: Bourne Associates	SIGNATURE: W. H. Powell, Jr. Agent
STREET ADDRESS: Box 35	NAME *(Type or print)*:
CITY, ZONE AND STATE: Murphy, 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				.12	$70.00	8.40
GRADES NO. 4 AND 5				1.18	$40.00	47.20
GRADES NO. 5½ AND 6				14.73	$15.00	220.95
STAINED						
GRADES NO. 3 AND LARGER		$12.00		.12	$18.00	2.16
GRADES NO. 4 AND 5		$ 5.00		8.10	$ 8.00	64.80
GRADES NO. 5½ AND 6		$ 3.00		31.91	$ 5.00	159.55
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00		3.78	$ 6.00	22.68
GRADES NO. 5½ AND 6		$ 2.00		14.73	$ 3.00	44.19
TOTALS						
LOT TOTALS				74.67		569.93

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
Carl Buchanan		Head Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $ 569.93

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

SELLER *(Type name)*	DATE
Bourne Associates, (Liberty Mine-DMEA-2595) (mica)	12-30-53
BY *(Signature)*:	NAME AND TITLE *(Type)*: W. H. Powell, Jr. Agent

GSA-WASH DC 53-3094

COPY

GSA FORM 1013
September 1952

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 8 1957

DATE		CODE
7/9/57	A.K.	220
		100

REPORT OF INSPECTION OF CERTIFIED PROJECT

DMEA-2595, Idm-E472 and DMEA-3375, Idm-E686, LIBERTY MINE
(mica)

Reporting Period: 1-1-57 to 7-1-57

Operator: Dixie Mines, Inc. P.O. Box 365, Heflin, Alabama
Assignee of Raymond Rendleman, Sylacauga, Alabama

Location: One-half mile southwest of Micaville, Alabama in SW 1/4 of NE 1/4, Sec. 1, Township 18 South, Range 10 East.

This property was visited by the writer June 11, 1957. No work was being done there and Joe W. Bailey, Manager of the Company stated that they had no plans to work on the property in the immediate future.

June 11, 1957

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

z

DOCKET FILE
Surname:
Anderson
Finch
Talbert
Owen
Hedges
Guilds
Schaefer
Johnson

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

JUL 2 1954

Mr. Francis C. Bourne
Bourne Associates
P. O. Box 35
Murphy, North Carolina

Re: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-2472

Dear Mr. Bourne:

Transmitted herewith is a certification of discovery or development on Contract No. Idm-2472 on the Liberty Mine, Randolph County, Alabama.

By the terms of the Exploration Project Contract and of the certification, all production from the property from the date of the Exploration Project Contract, January 6, 1953, is subject to the Government's percentage royalty as set forth in the contract until a sum, which is subject to audit review, is paid or until January 6, 1963, whichever occurs first.

Payments should be made to Mr. Robert A. Lawrence, Executive Officer, Defense Minerals Exploration Administration Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee. Checks should be drawn payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct 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. Lawrence 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. Lawrence at six-month intervals that no production has been made.

Sincerely yours,

C. O. Mittendorf (for)
Administrator

Enclosure

WCAnderson:gad 6/29/54

Copy to: Admr. R. File
Docket File
Mr. Johnson
Mr. Hedges, 4604
Mr. Chambers
Field Team, Region VII
Mr. Thayer, 5216 GSA Bldg.
Operating Committee
Mr. Hook

R.C.S.

DOCKET FILE
Surname:
Anderson
Hall
Talbert
Patton
Hodges
Stark
Stallsmith
Gilmore

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: Francis C. Bourne
Doing business as Bourne Associates
P. O. Box 35
Murphy, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-E472, dated January 6, 1953 (Docket No. DMEA-2595), 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 conformable pegmatite was explored on the 180-foot level, and as a result of this work sufficient data were obtained to calculate inferred reserves of mica.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

Dated: JUL 2 - 1954

WCAnderson:gad 6/29/54

Copy to: Margret W. Verge, Agent For Mrs. E. W. York
(Attached to Region VII copy).
Mrs. Margret W. Verge
Mrs. Helen V. Wallace
Mrs. J. M. Bagley
Mr. John N. Bagley
Mrs. Hattie W. Wright
Mr. L. R. Wright
Mrs. Bertha W. Ritzman
Mr. A. T. Ritzman

Copy to: Mr. Irving Gumbel, EPS, GSA
Docket File
Mr. Hedgos, 4604
Mr. Thayer, 4207 GSA Bldg.
Mr. Chambers
Mr. Houk
Field Team, Region VII
Admr. R. File
Operating Committee
Finance Office
Mr. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 2, Tennessee

June 25, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-2595, Idm-E 492 (mica)
Operator: Bourne Associates, Murphy, N. C.
Liberty Mine, Randolph County, Alabama

In regard to the controversy between the Field Team and the Operator, I would like to point out the following fact which probably has not been sufficiently emphasized:

Regardless of the angle of inclination of the raise (or "cross-drift" as Mr. Bourne calls it), this work proceeded from the exploratory drift, in mica-bearing pegmatite, back toward known mica-bearing pegmatite in old workings. It was therefore development work and was done for the purpose of mining mica, not for exploration. That was the principal reason for our refusal to request an amendment authorizing such work.

Robert A. Laurence
Robert A. Laurence
Executive Officer
DMEA Field Team - Region VII

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Room 13, Post Office Building
Knoxville 2, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 23 1954

June 21, 1954

Memorandum

To: Operating Committee, DMEA

From: Kefton H. Teague, Geologist, Mineral Deposits Branch
Geologic Division, U. S. Geological Survey

Subject: Docket No. 2595, Idm-E 472 (mica)
Bourne Associates, Liberty Mine, Randolph County, Alabama

Reference is made to letter addressed to Mr. C. O. Mittendorf, Administrator, DMEA, dated April 30, 1954 from F. C. Bourne relative to subject mine.

The project was visited early in the morning of October 1, 1953. At the time of my visit, Mr. Saunders and two other workmen were underground. Mr. Saunders was loading a round of holes and the other men were mucking. After measuring and examining both the level and the raise, progress of the work was discussed with Mr. Saunders. Mr. Saunders stated that he had sent in the footage for September (43 feet - which was duly vouchered). My measurement on level completed as of October 1, 1953 was 44 feet. In addition to the 44-foot level, 10 feet of raise to the north at a point 26 feet from the shaft had been driven.

I requested that level work be started eastward from the shaft.

My notes taken on the date of the visit do not indicate that the cost of the raise or its possible extension were discussed, nor do I remember any discussion on the subject. No prior authorization had been given for the raise and I am positive that I did not authorize continuation of the raise on the October 1, 1953 visit.

Kefton H. Teague

Kefton H. Teague
Geologist

DOCKET FILE COPY
Surname: Houk
Selfridge
Bryson

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

JUN 21 1954

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, North Carolina
Contract No. Idm-E472

Dear Mr. Laurence:

Reference is made to your memorandum of June 14, 1954, to the Operating Committee on the subject docket.

Through a misunderstanding, the original of the letter to Mr. Bourne was forwarded directly. However, we will send Mr. Bourne a confirmation copy.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges
Member, Bureau of Mines (JHB)

Philip W. Guild
Member, Geological Survey (JHB)

LGHouk:gad 6/16/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S.

R. M. E. A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Defense Minerals Administration
RECEIVED
JUN 21 1954

REGION VII, SOUTHEASTERN
BOX L
UNIVERSITY, ALABAMA

FREIGHT ADDRESS:
TUSCALOOSA, ALABAMA

June 18, 1954

Memorandum

To: Mr. C. O. Mittendorf, Administrator, DMEA, Washington, D. C.

From: J. F. O'Neill, Mining Engineer, Mining Development Branch, Mining Division, Region VII

Subject: Docket No. 2595, Idm-E 472 (mica) Bourne Associates Liberty Mine, Randolph County, Alabama

Reference is made to letter addressed to you dated April 30, 1954 from F. C. Bourne relative to nonpayment for a stope raise at subject project.

Bourne alleges that on Oct. 7, 1953, I visited the project and stated on question from Mr. Saunders "that the Government would definitely pay for the upward excavation" and he also states that, "on October 12 I visited the operation just as Mr. O'Neill and Mr. Saunders walked away from the shaft after having inspected the underground workings. Mr. O'Neill made the statement to Mr. Saunders that the work on the west side of the shaft up the dip had been taken off the September report by him as it was referred to him as an up raise and he said it was not steep enough to be called an up raise and he would correct it in the next report."

In order to keep the records clear, let me review them. On October 7 and 12, 1953 the writer was not at the Liberty Mine on either of these dates but was at headquarters, Tuscaloosa, Alabama. This can be verified by my monthly travel vouchers.

On October 8 the Liberty Mine was visited and at that time entry was not made to the mine because a round was blasted a short time before my arrival. Saunders was working on the hoist and it was obvious that it would not be practical to make an entry that day. Reference is made to Interim Report dated October 13, 1953. I was informed by Saunders that a raise on the west side was advanced 18 feet. Saunders also stated that the work was authorized by Kefton Teague. On Oct. 16 I received a postal card from Robert Laurence, Executive Officer, Reg. VII

informing me that this work was not authorized and stating that he hoped that I had advised them that this work was not on the contract and should not be shown on the monthly voucher, as we cannot pay for it. I returned to the Liberty Mine on October 21 specifically to comply with Laurence's instructions and did so.

In paragraph 1, page 2 of the Bourne letter, "Mr. O'Neill made a statement to Mr. Saunders that the work on the west side of the shaft up dip had been taken off our September report by him as it was referred to as an up raise and he said it was not steep enough to be called an up raise and he would correct it on the next report." The records show that the September report, dated October 3, 1953, does not make any deletion for raising. It shows 59 units for cross drifting and raise. A deletion of 33 feet was made from the October voucher for unauthorized stope-raising, reference letter from R. A. Laurence to Francis C. Bourne dated November 30, 1953. It is not likely that the writer would have any reason to explain or discuss a deletion that was nonexistent on a date that I was in Tuscaloosa and would be adjusted in the next monthly account. The only correction that was discussed was deletion of 33 feet of unauthorized stope raising from the October report, which was not discussed with any one on October 7 or 12, but on October 21, 1953; and when discussed, the only statement made by me that could be misconstrued by Saunders or Bourne was that if they could get the inclined stope raise classified as a drift, they would be paid for it. Perhaps I should not blame them for trying.

J. F. O'Neill

JFO'Neill:al

cc: C. O. Mittendorf, original + 1 copy
Regional Director, Region VII
Knoxville DMEA Office (2)
A. A. McKinney
J. F. O'Neill
Day File
File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 15, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

June 14, 1954

AIRMAIL

Memorandum

To: George C. Selfridge, Chairman, Operating Committee- DMEA

From: Acting Chief, DMEA - Region VII

Subject: Docket No. DMEA-2595, Idm-E 472 (mica) Bourne Associates Liberty Mine, Randolph County, Alabama

Today we received your June 10 letter on the subject contract, with which you transmitted two copies of Mr. Bournes' letter to Mr. Mittendorf dated April 30, 1954, and two copies of a letter to Francis C. Bourne, dated June 10, 1954 prepared by the Legal Division and signed by the Administrator.

In your letter you requested us to forward the letter to Mr. Bourne if we were in agreement. The letter was not enclosed and we are wondering whether it was sent direct to Mr. Bourne or whether it is still in the Washington office. Please advise. We are in agreement with the letter and if it was sent direct it has our approval.

We will ask Mr. O'Neill and Mr. Teague to prepare individual memorandums to the Administrator commenting on Mr. Bourne's letters to us and to the Administrator.

Wm. A. Beck

Wm. A. Beck

Defense Minerals
RE
JUN 15 1954

June 14, 1954

Memorandum

To: J. F. O'Neill, Mining Engineer,

From: Acting Executive Officer, DMEA - Region VII

Subject: Docket No. 2595, Ida-2 478 (mica) Bourne Associates
Liberty Mine, Randolph County, Ala.

Transmitted herewith are copies of letters received in this office today on the subject contract. Please prepare the memorandum to the Administrator that is requested in Mr. Selfridge's letter and send it to this office for transmittal. Make original and one copy for the Administrator, and two copies for this office and as many other as you require.

Wm. A. Beck

WAB/mm
cc:
Beck
Lynch
Cpr. Com.-2
Files

C O P Y C O P Y

June 11, 1954

Memorandum

To: Mr. R. A. Laurence, Executive Officer, DMEA - Reg. VII

From: J. F. O'Neill, Mining Engineer, Mining Development Branch, Mining Division, Region VII

Subject: DMEA-2595, Idm-E 472, Mica, Liberty Mine, Randolph County, Ala.

Subject project was visited on June 10, 1954.

All of the surface building and equipment has been removed from the property except the head frame shaft railing, shaft doors and dumping tipple and trestle. The sheave wheel was removed from the head frame and the track was removed from the trestle.

Review for [illegible] action

s/s.. J. F. O'Neill

Copied by ZM.
6-17-54
cc:
Washington - 4
Beck
Laurence

U. S. Bureau of Mines
RECEIVED
JUN 21 1954
Southern Experiment Station
Box 4, University, Ala.

DMEA
File Copy
Surname

Burton
Hoffmann
Hook
Talbot
Hedges
Lacy
Kilgore

JUN 10 1954

Mr. Francis C. Bourne
Bourne Associates
Spruce Pine, North Carolina

Re: Docket No. DMEA-2595 (Mica)
Liberty Mine
Randolph County, North Carolina
Contract Idm-E472

Dear Mr. Bourne:

This responds to your letter dated April 30 in connection with your claim that the Government should contribute to the costs of 35 feet of raise which your company drove on the subject property. Your letter also explained that you have failed to submit the final report required by the contract because of your claim concerning the raise.

Prompt submission of the final report is a requirement of the contract upon the completion or termination of the work, and also was made a requirement in the termination agreement dated December 31, 1953. Therefore, the Government is entitled to this report apart from the question of payment for the raise, and it should be submitted to Mr. Laurence.

The contract, dated January 6, 1953, provided for driving 200 feet of shaft and for driving from the shaft "a 5' x 7' level 200 feet long at the location approved by the Government." The contract also provided that the Government would pay for work that conformed with the description or specifications for the work set forth in the contract. As raise work was not specified in the contract, the Government may not contribute to the costs thereof unless amendment of the contract to provide for raising is legally warranted. Our careful review of the file in this case did not disclose any evidence warranting such amendment.

Apart from your dispute with the Field Team as to whether it approved the raise work, it is difficult to understand how you could have expected to be paid for raise work when the contract did not provide for it, and it does not appear that you made any timely request for an amendment

of the contract. However, we do not wish to deny your claim without giving you an opportunity to present the additional facts which you say you have, in the form of affidavits, in connection with your dispute with the Field Team.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

HCRubin:ep 6-2-54

Copy to: Docket
Administrator
Admin. Reading File
Operating Committee
Field Team, Reg. VII (2)
Mr. W. F. Dietrich, B/M (3061)
Mr. D. M. Larrabee, USGS (G-232, gsa)
Mr. Houk (2)
Mr. Hofflund
Mr. Rubin
Chron.
Pending

File Copy
Surname

Rewritten: Rubin Hoffman Houk Talbott Selfridge Wm Johnson

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

JUN 10 1954

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
13 Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract Idm-E472

Dear Mr. Laurence:

You will find enclosed a letter to Francis C. Bourne, prepared by our Legal Division, on the claim for reimbursement for 35 feet of raising disallowed in the October voucher.

If you are in agreement with the letter, please forward it to Mr. Bourne. However, if you believe the letter needs revision, please return it with your suggestions.

Please supply this office with all pertinent information you have on the conversations held by Mr. O'Neill, Mr. Teague, and Mr. Sanders with Mr. Bourne. Also, please have Mr. O'Neill and Mr. Teague prepare individual memorandums to the Administrator commenting on Mr. Bourne's letters to you and Mr. Mittendorf.

A copy of Mr. Bourne's letter to Mr. Mittendorf, dated April 30, 1954, is enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (24B)

Enclosures

Approved:

J. H. Hedges (24B)
Member, Bureau of Mines

T. P. Thayer (24B)
Member, Geological Survey

LGHouk:HCR:ep 6-8-54

Copy to: Docket
Admin. Reading File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232-GSA
Mr. Houk (2)
Mr. Hofflund
Mr. Rubin
Chron.
Pending

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Main Office
Box 35
Murphy, N. C.

Mine and Mill
Spruce Pine, N. C.

DEPARTMENT OF THE INT...
Defense Minerals Administration
RECEIVED
JUN 10 1954

June 8, 1954

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA-2595, Idm-E 472 (Mica)
Liberty Mine

Dear Mr. Mittendorf:

Please refer to our letter addressed to you dated April 30, 1954. As of this date we have received no reply or acknowledgement from you and would appreciate hearing from you as soon as possible.

Very truly yours,

F. C. Bourne Jr.

for F. C. Bourne

FCB/amh

June 2, 1951.

To:

Administrator, and
Reviewers for Administrator.

Please note Henry Rubin's ~~Le~~ memo to J. L. Hofflund, attached.

J. L. Hofflund.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Hofflund DATE: June 2, 1954

FROM : HCRubin

SUBJECT: Bourne Associates, Docket No. DMEA-2595 (Mica)
Contract Idm-E472

We have prepared the attached letter for the signature of the Administrator, supporting the premise that the work for which the Operator claims payment was not authorized under the contract but, at the same time, not foreclosing the Operator from submitting further evidence. In a letter to Laurence dated January 6, the Operating Committee determined that disallowance of the "25° upraise" was justified.

This case troubles me because, although the approved description provides for driving of a "level," it also provides that the level be driven from the shaft "at the location approved by the Government." In the sense that the words "at the location" are used in this contract, it would seem that they mean not only the starting point but the location of the entire 200 feet of "level." ?

The very first evidence in the file concerning the work in question (reports from Mr. O'Neill dated October 13 and November 10, 1953) does not state that the questioned work was unauthorized or was being performed for the Operator's own account; the November 10 report speaks of "raise" and "cross-drift" interchangeably.

The first indication concerning nonpayment for the work in question is in a memorandum from Laurence dated November 30, 1953, informing the Operating Committee that the Operator had been advised that payment would not be made for the raise driven from the west drift. (We do not know when he was so advised.) Nov 30, by letter from Lawrence, the date the October voucher was received L.C.H.

Therefore, I reiterate that, as the facts are not clear to me, I am "troubled."

HCRubin

Attachments

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-2595 (Mica)

Contract Number: Idm-E 472

Applicant: Bourne Associates

Name and Location of Property: Liberty Mine
Randolph County, Alabama

Date of Field Team's Final Report: May 6, 1954

Date Rec'd. by Ceramic & Fertilizer Materials Br.: May 13, 1954

Field Team's Recommendation:

1. Certification of discovery or development.

Comments:

1. Exploration was by sinking a 190-foot shaft, and drifting 104 feet.
2. Strategic mica was recovered through DMEA exploration.
3. DMEA exploration extended from February 10, 1953 to December 31, 1953.
4. Expenditures -

Total approved cost	$18,500.00
Total cost	14,885.00
Gov't. share of cost	13,396.50
Value of production ..... during DMEA operation	800.00

Recommendation:

I concur in the field team's recommendation to issue a certificate of discovery or development.

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.

Defense Minerals Administration
MAY 12 1954

May 11, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2595 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey.
Applicant: Bourne Associates, Murphy, N. C.
Name of property: Liberty mine.
Location of property: Randolph Co., Ala.
Date of field team report: May 4, 1954.
Authorship of field team report: K. H. Teague, J. F. O'Neill, and D. H. Amos.

Field team's recommendation:

1. Certification of discovery.
2. Additional exploratory work is justified.

Comments: These characters were not what you might call cooperative to the Nth degree. See all correspondence.

ACTION RECOMMENDED:
Follow field team's recommendation.

D M Larrabee

D. M. Larrabee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 6, 1954

Memorandum

To: Operating Committee - DMEA - Washington

From: Field Team - D M E A - Region VII

Subject: Final Report by Field Team on DMEA-2595, Idm-E 472 (mica) Liberty Mine, Randolph County, Ala. Bourne Associates Murphy, N. C.

Enclosed are 4 copies of the final report on the subject exploration contract, which was terminated by agreement with the Operator on December 31, 1953.

We recommend that a certificate of discovery and development be issued as a result of the work under this contract.

Although we have written several letters to the Operator requesting them, we have not received either his final report or his final voucher. These will be forwarded promptly, when and if they are received.

We think this property warrants further exploration, and it is our understanding that Raymond Rendelman, of Sylacauga, Alabama now has a lease on the property and intends to apply for assistance.

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
5-14-54
(date)

Final F.T. Rept.

1 0 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION VII

FINAL REPORT
ON

DMEA-2595, Idm-E 472, LIBERTY MINE
(mica)
Randolph County, Alabama

By

Kefton H. Teague, Geologist
U. S. Geological Survey

James F. O'Neill, Mining Engineer
U. S. Bureau of Mines

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

May 4, 1954

Reviewed by
DMEA OPERATING COMMITTEE
5-14-54
(date)

FINAL REPORT
DMEA-2595, LIBERTY MINE (Mica)
Contract Idm-E 472

Applicant: Bourne Associates, P.O. Box 35, Murphy, North Carolina

The Liberty Mine is located about one-half mile southwest of Micaville in SW 1/4, NE 1/4, Sec. 1, T. 18S., R 1 DE., of Randolph County, Alabama.

Work completed under contract consisted of a headframe, 190 feet of vertical shaft, and 103.5 feet of drift. A 20° raise was driven for 35 feet at the Operator's e xpense. The contract was terminated by mutual agreement, at the insistence of the operator, December 31, 1953. About $1,000 (?) worth of mica was recovered in the lateral work and it is believed that strategic mica could be mined economically from the present openings; thus issuance of a certification of discovery is recommended, although additional exploration work is believed to be warranted.

Work began February 10, 1953, and ended December 31, 1953. A 190 foot 5' x 7' shaft was sunk, 178 feet of which was timbered. Two drifts were driven from the 180 foot level; one due west 65 feet, the other 10 feet N. 82° E., and then 28.5 feet N. 20° E. The northeastward drift intersected U. S. Bureau of Mines drill Hole L-1 (R. I. 3905) at 27 feet. A 20 raise was driven from the west drift at 26 feet at the Operator's expense. It trends N. 14° E. and is 35 feet long.

A pegmatite 5-7 foot thick was exposed in and near the shaft. It strikes E-W and dips 25° - 30° south. The pegmatite consists of smoky quartz, plagioclase, muscovite, green sericite, garnet and tourmaline in order of abundance. The mica is in books up to 18 inches in diameter and is scattered throughout the pegmatite; much is cracked, ruled and bent. Mica-garnet schist or phyllite wall rock is essentially conformable. The pegmatite thins gradually and branches in the drift to the northeast. At the face a 0.5 foot quartz vein and a 1 foot pegmatite is exposed. Abundant biotite is present, but no strategic mica. In the west drift near the raise and in the raise the pegmatite is 3.5-5 feet thick. A few scattered beryl (?) crystals up to three inches in diameter occur and the best mica recovered in the operation came from the vicinity of the raise. West of the raise the pegmatite is persistent in thickness (3.5 feet) and contains scattered mica books. In the opinion of the examiners, additional exploratory work is warranted westward from the present face.

Reviewed by
DMEA OPERATING COMMITTEE

5-14-54
(date)

About 6000 pounds of mine run mica was recovered during the work. From about 700 pounds of book mica 45.3 pounds of trimmed mica was obtained and sold for $396.66. The percentages were as follows:

Good stained	20.4 percent	#3	1.6 percent
Stained	48.9 "	#5	25.5 "
Heavy stained	30.7 "	#6	72.9 "

Total sales to date are about 92 pounds for about $800.00.

The reserves developed by the work done under this contract are estimated as follows:

Inferred	Lbs. Book Mica	Lbs. Sheet Mica
Above 180 ft. level	60,000	3,600
180' - 270' level	100,000	6,000

Expenditures:

(a)	Total approved	$18,500.00
(b)	Total cost of project	14,885.00
(c)	Government's share of cost	13,396.50
(d)	Government's share unexpended	3,253.50
(e)	Value of production during Operation	800.00
(f)	Government's royalty due on sales	40.00

An accident on June 8, 1953 resulted in one fatility and one serious permanent injury. Minimum safety standards were maintained during the operation only by extensive effort of the field team. Considerable mica was damaged by improper blasting. No equipment was purchased for the project.

May 4, 1954.

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

J. F. O'Neill, Mining Engineer
U. S. Bureau of Mines.

1. [illegible] do [illegible] [illegible] of [illegible] [illegible] farm
2. Right or left?

K provides for 200' slope as shown on map, and (2) 200 ft level at location approved by the port.

K amended June 15, '53, to extend art 3 from 6 to 12 mos (2) to add a $50 C headphone, Dec 31, '53 Term. cores. provided for rept. farm.

Department of the Interior
Defense Minerals Administration
RECEIVED
MAY 3 - 1954

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Main Office
Box 35
Murphy, N. C.

Mine and Mill
Spruce Pine, N. C.

April 30, 1954

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA-2595, Idm-E 472 (Mica)
Liberty Mine

Dear Mr. Mittendorf:

In December 1953 the above captioned project, which called for 200' of shaft and 200' of drifting was terminated by mutual agreement. We have not as yet sent in our final voucher and final engineering and geologic report. We had a letter from Mr. Robert A. Laurence on March 15th requesting that these reports be sent to Mr. J. F. O'Neill. We now have a letter from Mr. Laurence dated April 23rd asking that the reports be sent to him. The reports have been prepared, but we have not sent them to either Mr. Laurence or Mr. O'Neill because we want our side of a controversy regarding payment for work we did to be heard.

On October 1, 1953, Mr. Teague visited the project. Our superintendent, Mr. B. T. Sanders had begun a drift upward with the dip of the pegmatite about ten feet. Mr. Teague directed Mr. Sanders to continue the range upward and to go at least 20 feet on the opposite or East side of the shaft. Mr. Sanders asked Mr. Teague if the Government would pay for going up the dip and Mr. Teague said that he saw no reason why the Government should not pay for it. On October 7th Mr. J. F. O'Neill visited the project and stated on question from Mr. Sanders that the Government would definitely pay for the upward excavation. Now Mr. Teague and Mr. O'Neill deny ever having made such statements and we are informed by Mr. Laurence that the Government will not pay for the upward excavation. His contention is that that it is a raise and not a drift as specified by the contract. In the drift up the dip the mica ran over twice as much per foot as it did in any other part of the workings.

We have an affidavit from Mr. Sanders, our superintendent, as to his conversation with Mr. Teague and Mr. O'Neill and we also have an affidavit from one of our miners as to the conversation between Mr. Teague and Mr. Sanders.

Mr. C. O. Mittendorf April 30, 1954

On October 12th I visited the operation just as Mr. O'Neill and Mr. Sanders walked away from the shaft after having inspected the underground workings. Mr. O'Neill made a statement to Mr. Sanders that the work on the West side of the shaft up the dip had been taken off of our September report by him as it was referred to as an up raise and he said it was not steep enough to be called an up raise and he would correct it on the next report. I questioned Mr. O'Neill about his statement as it was the first time I had heard anything about the report not being passed for payment as made. Mr. O'Neill explained to me what had happened and repeated that he would straighten it out on the next report. I can make an affidavit on this.

There are two more workmen that heard the conversation between Mr. Sanders, Mr. Teague and Mr. O'Neill whom we have not been able to reach to get affidavits from, one being in the Army and one having moved to a large city where we have not been able to locate him.

Mr. Laurence has told us that these affidavits would be of no value because he has apparently decided against us without giving us a chance to present our side of the matter. I have done work under Government contract before and with several Government agencies and have never experienced any difficulty or misunderstanding. We certainly would not have done work that we were not going to get paid for.

Please advise us what can be done to get this matter settled. We don't want to send our reports to Mr. Laurence or Mr. O'Neill when we know ahead of time that their decision is already made.

Very truly yours,

F. C. Bourne

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

April 23, 1954

Memorandum

To: Operating Committee, D M E A- Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-2595, Idm-E 472. Bourne Associates. Liberty Mine, Randolph County, Alabama

Reference is made to your letter of April 21, requesting the final report on this contract.

We have written to the Operator several times asking him to submit his final voucher and final report, but he has never done so. It is my understanding that he intended to write Mr. Mittendorf complaining about the deduction of his claim for the unauthorized raise, and I suppose be is delaying his final voucher and report in hope of approval of that work.

I am writing Mr. Bourne again today requesting these reports.

Robert A. Laurence

Robert A. Laurence

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

April 23, 1954

Mr. Francis C. Bourne
c/o Bourne Associates
Box 35
Murphy, North Carolina

Re: DMRA-2595, Idm-E 472
Liberty Mine - Alabama

Dear Mr. Bourne:

It is now more than three months since the Liberty Mine exploration contract was terminated by mutual agreement, and we have not yet received your final voucher and final engineering and geologic report. Will you please send me these reports as soon as possible in order that we may close this docket?

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region VII

RAL/sm
cc:
Beck
O'Neill
Opr. Com.
Files

File Copy
Surname:
Houk
Selfridge
Johnson
Wetherill

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

APR 21 1954

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Laurence:

Reference is made to the subject contract which was terminated by mutual agreement on December 31, 1953.

We would be pleased to receive the Final Field Team Report on the subject contract in order that we may close the docket.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

J. H. Hedges (JHH)
Member, Bureau of Mines

D. M. Larrabee (DML)
Member, Geological Survey

LGHouk:gad 4/19/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.S.B.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII
HAMILTON BANK BUILDING

OFFICE OF
REGIONAL DIRECTOR

POST OFFICE BOX 1909
KNOXVILLE, TENNESSEE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 19 1953

March 17, 1953

Memorandum

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

From: Administrative Officer, Region VII, Knoxville, Tennessee

Subject: Monthly reports and vouchers

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

Idm-E-472 Bourne Associates
Docket No. DMEA-2595
1st Payment - month of February
Amount $1710.00
Starting Date: February 10, 1953

Idm-E-420 E. L. and R. W. Poston
Docket No. DMEA-2561
1st payment - month of February
Amount $306.00

Idm-E-454 Schroeder Company
Docket No. DMEA-2634
3rd payment - month of February
Amount $2913.75

Helen Miller
Helen R. Miller

Enclosures
CC: R. A. Laurence
W. A. Beck

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 8, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

March 15, 1954

Mr. F. C. Bourne
c/o Bourne Associates
Box 35
Murphy, North Carolina

Re: DMEA-2595, Idm-E 472 (mica)
Liberty Mine

Dear Mr. Bourne:

I have your letter of March 11 concerning final reports in the Liberty Mine exploration. Please send them to Mr. O'Neill, who will sign the voucher and forward it here for payment.

If you wish to correspond directly with Washington office concerning the unauthorized work, I suggest you write to Mr. C. O. Mittenderf, Administrator, Defense Minerals Exploration Administration, Dept. of the Interior, Washington 25, D. C.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII

RAL/sm
cc:
Beck
Opr. Com.
O'Neill
Files

C O P Y

C O P Y

BOURNSE ASSOCIATES
Mica and Mica Products
Spruce Pine, N. C.

March 11, 1954

Re: DMEA-2595, Idm-E 472 (mica)
Liberty Mine

Mr. Robert A. Laurence
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

Dear Mr. Laurence:

All necessary reports relative to above captioned project have been completed.

From previous correspondence with you it is apparent that you do not intend to approve payment for all the work which we did. Therefore, I wish you would send me the name of the authority above you with whom I may take up the matter of the differences we have encountered. We did the work as we were instructed and we want to receive the money that is due us.

Very truly yours,

s/ F. C. Bourne
BOURNSE ASSOCIATES

Copied (sic) sm.
3/15/54

cc:
Beck
Laurence
Opr. Com.
Lynch

ROOM 13, PO[illegible] BLDG.
KNOXVIL[illegible] TENN.

Minerals Administration
RECEIVED
1 2 1954

February 10, 1954

Mr. Francis C. Bourne
Bourne Associates
P.O. Box 35
Murphy, North Carolina

Re: DMEA-2595, Idm-E 492 (mica)
Liberty Mine, Randolph County, Ala.

Dear Mr. Bourne:

We would like to close our records on the exploration contract at the Liberty mine, but your final voucher is still outstanding.

Will you please send Mr. O'Neill your final voucher, and also your final engineering and geologic report?

Yours very truly,

Robert A. Laurence, Executive Officer
DMEA - Region VII

RAL/mm
cc:
Beck
O'Neill
Opr. Com.
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF
Defense Minerals
RECEIVED
FEB 12 1954

February 10, 1954

Mr. Raymond Rendelman
P.O. Box 64
Sylacauga, Alabama

Dear Mr. Rendelman:

This is in reply to your letter of February 9, inquiring about the Liberty Mica Mine in Randolph County, Alabama. Your information is correct that the DMEA exploration contract has been terminated, but I have no knowledge as to the status of the lease.

The contract was terminated at the Operator's request, but only because the Government considered that sufficient work had been done to disclose a deposit of mica-bearing pegmatite of probable commercial value. I am not at liberty to divulge any of the findings, but if you care to contract the operator, (Mr. Francis C. Bourne, P.O Box 35, Murphy, N. C.) he may be willing to tell you about it.

Certification of discovery has not yet been issued, but it is anticipated that there will be a lien of about $13,500 resulting from the exploration contract. Work done under the contract consists of a shaft 190 feet deep, and 103.5 feet of drift at about the 180-foot level.

We would give serious consideration to an application for further exploration to the west at the 180-foot level, should you obtain the lease and decide to apply.

As to the other properties, I can give no definite information without knowing what would be proposed. First, you should, if possible, send a sample of mica from each of these mines, to Mr. W. S. Flynt, Supt. G. S. A. Mica Buying Depot, Spruce Pine, North Carolina and ask him to advise me if it is acceptable for purchase under the Government program. If so, serious consideration will be given to any reasonable proposal. About two years ago, we rejected proposed exploration at the Friendship and Arnott mines, because the probability of discovery was not sufficiently strong to justify the expenditures requested.

I assume that you have been notified that the Government's participation will be 75%, instead of 90%, on all contract for explora-

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

tion for strategic mica for which applications were filed after November 3, 1953.

If we can be of further assistance, please call on us.

Yours very truly,

Robert A. Lawrence
Executive Officer, DMEA
Region VII

RAL/sm
cc:
Beck
Spr. Com.
O'Neill
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

February 1, 1954

Mr. Joe W. Bailey
Bailey & Van Horn
Box 221
Murphy, North Carolina

Re: Liberty Mine (mica)
Randolph County, Ala.
(formerly DMEA-2595)

Dear Joe:

We are advised by our Washington office that an application for additional exploration work at the Liberty Mine will be acceptable, after you have obtained proper interest in the land.

As discussed during your visit last week, this office will recommend, without further field examination, a contract for about 100 feet of drifting, from the present west heading, at a unit cost of $30 per foot. Cost of headframe and of initial unwatering of the mine could not be included in the contract. If any raising is to be done from the present drift, it would have to be well to the west of the known old workings in order to be approved.

You of course realize that approval or denial is made by our Washington staff and not by this office. If a contract is approved, it will contain a provision that you will assume the lien on production resulting from the certification of the land described in the former contract with Bourne Associates.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region 7

RAL/zm
cc:
Beck
Lynch
Larabee
Opr. Files

FILE COPY
surname:

Houk
Boykin
Selfridge
Hedges
Mitchenay

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

JAN 27 1954

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Laurence:

Reference is made to your telephone conversation of January 26, 1954, and the request by a new applicant to obtain a contract on the subject mine to do additional work.

When the new applicants have obtained an interest in the land they may submit an application for appropriate work to explore this deposit. The new contract, if approved, will contain a provision that the new applicants assume the lien on production resulting from the certification of the land described in the Bourne Associates contract. It is not practical to have the remainder of the Bourne Associates contract assigned to the new applicants.

In the future, a copy of all executed termination notices should be sent to the owners of the land. This office will send a copy of the Certification of Discovery or Development to the land owners.

Sincerely yours,

George C. Selfridge (JHB)

Chairman, Operating Committee

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

s/ Philip W. Guild
Member, Geological Survey

LGHouk:gad 1/27/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

G.C.S. 1-28-54

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 18 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

January 14, 1954

Memorandum

To: Chairman, Operating Committee, D M E A - Washington

From: Executive Officer, D M E A - Region VII

Subject: Termination Agreement on DMEA-2595, Idm-E 472 (mica)
Bourne Associates, North Carolina

Transmitted herewith are three signed copies of the above subject agreement. The customary distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

FILE COPY
SURNAME:

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

JAN - 6 1954

Houk
Selfridge
Chairman
Hoffman
McCauley

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-H472

Dear Mr. Laurence:

Reference is made to your letter of December 15, 1953, to the Operator on certification and the disallowance of claim for raising in the October voucher.

The Operating Committee feels your first paragraph adequately explains the DMEA position with respect to certification of discovery.

The disallowance of the cost of the 25° upraise is justified and the Operating Committee concurs with your findings.

After a discussion with the Legal Staff in Washington, it is felt that this contract may best be terminated by the regular mutual termination agreement, if you are agreeable. We may then certify this project as a discovery. The mutual termination agreement, with royalty repayment clause, does not appear to be applicable in this case.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GHB)

Approved:

J. H. Hedges (GHB)
Member, Bureau of Mines

D. M. Larrabee (GHB)
Member, Geological Survey

LGHouk:gad 1/5/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

1-6-54

FILE COPY
Surname:

Houk
Chesnutt
Selfridge

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

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Laurence:

Reference is made to your letter of December 15, 1953, to the Operator on certification and the disallowance of claim for raising in the October voucher.

The Operating Committee feels your first paragraph adequately explains the DMEA position with respect to certification of discovery.

The disallowance of the cost of the 25° upraise is justified and the Operating Committee concurs with your findings.

Sincerely yours,

George C. Selfridge

Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

D. M. Larrabee (JHB)
Member, Geological Survey

LGHouk:ag 12/29/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

P.S. The mutual termination agreement signed by the Administrator is enclosed for your use should you deem it advisable and the Operator is agreeable. Your letter to the Operator of December 15, however, indicates a certification may be in order.

910

140

FILE COPY
SURNAME:

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

January 5, 1954

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region VII
13 Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-2730 (Mica)
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, N. C.
Contract Idm-2512

Docket No. DMEA-2535 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Ala.
Contract Idm-2472

Dear Mr. Laurence:

Reference is made to letters of the Operating Committee of this date in which it is indicated that termination of the subject contracts may be made on what is referred to as "the regular mutual termination agreement." This termination-agreement form is attached to DMEA Circular 22 and is entitled "Termination of Exploration Project Contract by Agreement after Commencement but before Completion of the Work."

The form referred to was devised before unit-cost contracts were in use, and requires some modification when such a contract is the subject of the termination agreement. Inasmuch as both of the subject contracts are of the unit-cost variety, you should make the following changes in the "regular form" termination agreement:

1. Replace the second paragraph, which starts with the words: "Any work prosecuted or costs incurred . . ." with the following paragraph:

> "The Operator shall promptly render to the Government a full and final report and final accounting of units of work performed under the contract to and including the date first above written. Any units of work performed after the date first above written shall be for the sole account of the Operator, without contribution by the Government."

2. In the case of Bourne Associates, which it is my understanding probably will be certified, add the following paragraph:

> "None of the Government's rights under the contract with respect to a percentage royalty and lien for the payment thereof are prejudiced or in any way affected by this termination agreement."

I am taking this action to save time, in that the letters of the Operating Committee to you are already signed, and if I advised you through the Operating Committee it would take several days to get the letters signed over again.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund:ep

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk
Mr. Hofflund
Chron.

HHR 1-6-54

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 24, 1953

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 7

Subject: DMEA-2595, Idm-E 472 (mica) Bourne Associates; Liberty Mine
Randolph County, Alabama

In reply to your letter of December 22:

Additional detailed information to strengthen the recommendation for a certification is not available now, but a complete justification will be included in the final report, which will be prepared in the near future.

Whether or not a certification is issued, the Field Team thinks that the Government's right to a percentage royalty on production should be preserved, therefore, we request that the termination form including that provision be used as suggested in your letter. However, Mr. Bourne may object to signing such an agreement.

Robert A. Laurence

Robert A. Laurence

FILE COPY
SURNAME:

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

DEC 22 1953

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Laurence:

Reference is made to your memorandum of December 10, 1953, to the Operating Committee on termination of the subject contract.

It is noted that your recommendation in the final field team report will be that a certification of discovery be made. From the information in the Washington Office there does not appear to be sufficient justification for a certification of discovery. However, if you have additional information which would strengthen the case please forward this information to this office. The final field team report might mention the possibility of a third party leasing this mine and producing mica.

Our Legal Staff is drawing up a "Termination of Work Under an Exploration Project Contract by Agreement" in which the Government's right to a percentage royalty on production is preserved without certification of discovery. If its use is indicated in this case we will forward the forms to you for execution.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

Enclosures 7

LGHouk:ag 12/21/53
copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3326
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.G. 12-22-53

FILE COPY
SURNAME:
DOCKET COPY

Anderson
Hoch

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

TERMINATION OF WORK UNDER AN EXPLORATION PROJECT CONTRACT BY AGREEMENT

It is agreed this 15th day of December, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Bourne Associates, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E472, Docket No. DMEA-2595, dated January 6, 1953, that:

1. All exploration work under the said contract shall be terminated as of the date first above written.

2. Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator.

3. The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

4. The Government's right to a percentage royalty on production and Lien for its payment, and all provisions relevant thereto, are preserved with respect to all of the land described in the contract and any production therefrom, in the same manner and to the same extent as if the Government, as of the date first above written, had made its certification of discovery or development as provided in the Exploration Project Contract.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals Exploration Administration

Bourne Associates

By_____
Francis C. Bourne, Owner

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1953

December 22, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2595, Mica

Contract Number: Idm-E472

Applicant: Bourne Associates

Date of Field Team Memorandum to Operating Committee: December 10, 1953

Date Rec'd by Ceramic & Fertilizer Mats. Branch: December 17, 1953

Field Team Recommendation: Termination of contract by mutual agreement.

Comments:

1. A shaft 190 feet deep, east drift of 38.5 feet, west drift of 65 feet, and a 35-foot raise were completed as of December 7, 1953.

2. Pegmatite has thinned and muscovite mica showing has disappeared.

3. Muscovite has been sold as a result of the exploration project.

Recommendation: I concur in the field team's recommendation to terminate the contract. It is suggested the field team prepare a final report with a breakdown of the total exploration expenditures.

W. F. Dietrich

W. F. Dietrich

FILE COPY
SURNAME

200

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

DEC 21 1953

Mr. Robert A. Laurence
Executive Officer
Region VII
Room 13, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-2595 (Mica)
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Laurence:

This will acknowledge receipt of an original and three copies of a letter addressed to Mr. Francis C. Bourne, mailed from your office on December 15, 1953, regarding the above subject.

It is apparent that the original of this letter was included inadvertently with copies that were to be distributed in this office. Therefore, we are returning the original so that it can be forwarded to the addressee, Mr. Francis C. Bourne.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

J. H. Hedges
Member, Bureau of Mines

T. P. Thayer
Member, Geological Survey

Enclosure
REAdams/meb
12-17-53
cc to: Adm.Reading File
Mails & Files Br.
Oper.Comm.File

R.C.G.
12-21-53

IN REPLY REFER TO:

G-MDe-CNM

Defense Minerals Administration
RECEIVED
DEC 18 1953

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

December 17, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2595 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Bourne Associates, Murphy, North Carolina.
Name of property: Liberty Mine.
Location of property: Randolph County, Alabama.
Date of field team report: December 10, 1953.
Authorship of field team report: R. A. Laurence and Wm. A. Beck.
Field team's recommendation:

1. Termination of contract by mutual consent.
2. A certification of discovery should be made.

Comments:

1. Work included 190' shaft, east drift 38.5', west drift 65'.
   A 35' raise was not authorized, and was driven against advise of Field Examiners.
   Cost should be disallowed.
2. Work proved potentially productive block 100' x 75'.
3. Operators want no certification. If no production is to be made (as they state) why are they so insistent?
4. This looks like a case where certification should be made for at least two reasons.

ACTION RECOMMENDED:

Follow field team's recommendation.

D. M. Larrabee

D. M. Larrabee

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 17 1953
DOCKET CO

December 15, 1953

Mr. Francis C. Bourne
Box 35
Murphy, North Carolina

Re: DMEA-2595, Idm-E 492 (mica)
Liberty Mine, Randolph Co., Ala.

Dear Mr. Bourne:

Receipt of your letter of December 12 is acknowledged, and I will attempt to answer your two objections to my letter of December 10.

First, as to discovery. The shaft has intersected more than six feet of mica-bearing pegmatite at a depth of about 100 feet below the old workings, and the drift was in mica-bearing pegmatite 3.5 feet thick or more, for at least 75 feet of its length. This indicates a potentially productive block of pegmatite of those dimensions, even though it may be marginal or even sub-economic in grade. If there is never any production, as you anticipate, then no one would pay any royalties to the Government, except for 5 per cent of the sales value of the mica which you obtained during the exploration, and the lien against production would expire on January 6, 1963.

Also, I wish to point out that the decision as to certification is not made here. Our Washington staff will weigh the evidence as contained in your final engineering and geological report as well as that in our final report, and their decision will be based upon study of both.

Second, as to the raise from the west drift. Exhibit "A" of the contract authorizes :"from the shaft drive a 5' x 7' level 200 feet long at the location approved by the Government." Not only is the raise not authorized; it is contrary to the intent of the project, as it is development in the direction of known pegmatite. It was begun without authorization by the Field Team or its representatives, and at no time during its progress was such authorization given. It goes up the dip of the pegmatite (25°) and is definitely a raise, not a "cross-drift." Therefore we cannot, at this late date, amend the contractto provide for work we did not authorize or approve.

I see no reason for getting the affidavits you mention. I am not questioning Mr. Sanders' integrity, but on the other hand, I have full confidence in the ability, judgment and integrity of Mr. O'Neill and

Mr. Teague. There has obviously been a misunderstanding of what was said. Your letter will be included in the file on this contract, and a copy sent to the Washington office immediately so that the Field Team's decision will be confirmed or corrected, as the case may be, by the Washington staff.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region 7

RAL/xx
cc:
Opr. Com.
Houk
Talbert
Larrabee
Lynch
O'Neill
Beck
File

COPY

G O . -

(sic,

BOURNE ASSOCIATES
Spruce Pine, N. C.

December 12, 1953

Re: DMEA-2595
Idn-E 472
Liberty Mine - Mica

Mr. Robert A. Laurence
13 Post Office Building
Knoxville, Tenn.

Dear Mr. Laurence:

I wish to acknowledge receipt of your letter of December 10th. I wish to go on record that I do not agree with your statement that this operation should be certified as a discovery as it did not show enough mica to justify any sort of operation, in my opinion.

Over my years of experience in the business world in several different lines I have done a great deal of business with different government agencies and I am at a loss to understand the position taken in regard to work done under the ground. The last time Mr. O'Neill visited the Liberty Mine before his December 7th visit I arrived there just as he and Mr. Sanders finished their inspection of the underground workings. Mr. O'Neill made a statement in my presence to Mr. Sanders that since the word 'upraise' had been used in connection with the drift, the cross drift on west side of the shaft, that he had taken it off our October voucher but this was a mistake. He said that it was too flat to be called an upraise, that it was a drift, and that he would straighten it out on our November voucher. I asked them what they were talking about since this was the first knowledge that I had that the October voucher was questioned in any way. It was explained to me and again Mr. O'Neill stated that he would get it straightened out on the November report. Neither do I understand the statement or the attitude that Mr. Teague has taken since he told Mr. Sanders what he would do and what he would approve in presence of three other of our workmen. If you want affadavits from these other workmen, two of them can be gotten immediately, but the third man is in the army at present and it would probably take some time to get one from him. Mr. Sanders has been in my employ for seven or eight years and his integrity has never been questioned or challenged to my knowledge in any way. The amount of footage involved will neither make nor break Bourne Associates or the government, but I certainly want to protest to you on any such procedure as you have outlined in your letter being followed. I respectfully request that you and your committee give this matter further consideration before a final decision is made.

Very truly yours,

s/F. C. Bourne

copied by zm. CC: Beck, Lynch, Opr. Com. O'Neill, Laurence

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 10, 1953

Memorandum

To: Operating Committee, DMEA - Washington

From: D M E A Field Team, Region VII - Knoxville, Tennessee

Subject: DMEA-2595, Idn-E 472, (mica) Liberty Mine. Bourne Associates, Opr. Request for permission to terminate

On December 7, an inspection of the subject mine was made. Participating were Robert A. Laurence, K. H. Teague and Dewey Amos, of the U. S. Geological Survey; J. F. O'Neill of the U. S. Bureau of Mines, H. D. Pallister, Bureau of Mines Consultant, and B. T. Saunders, representing the Operator.

Work to date includes: Shaft 190 feet deep (including sump), east drift 38.5 feet., west drift 65 feet, and a raise from the west drift 35 feet long. The Operator contends further work is unwarranted and wishes to quit immediately.

This examination showed that the pegmatite had thinned to less than 0.5 feet in the east heading, contained much biotite and no muscovite of strategic grade. This heading is about 11.5 feet east of the Bureau of Mines drill hole No. L-1, which was cut in the drift. Drill hole No. L-2, east of this heading, lends no encouragement to extending work to the east. All agreed that no more work should be done in the east drift.

The pegmatite is about 6 feet thick at the shaft, but thins to 3.3 feet at twenty-six feet in the west drift. At the present west heading, 65 feet from the shaft, it is about 3.3 feet thick, and three fair books of muscovite are visible. In this part of the drift and especially in the raise, there is much biotite and much of the muscovite is small. The Operator recovered about 6000 pounds of book mica from these operations, from which about 92 pounds were sold to the Spruce Pine Mica Depot for about $800.00.

All the examining group agreed that sufficient mica-bearing pegmatite has been discovered by this work to justify a certification of discovery, and we will so recommend when a final report is transmitted. In view of this, and the Operator's extreme reluctance to do any more work, the examining group has recommended termination, even though all feel that additional mica would be discovered by farther drifting to the west.

We approve the group's recommendation, and request permission to terminate the contract by mutual consent.

Mr. Saunders was told that the Field Team did not have authority to terminate, and that he would be advised as soon as a decision by the Washington staff has been received by us. However, the Operator is so anxious to get out of the Liberty Mine, and so convinced of its undesirability that he has probably removed his pumps and hoisting equipment by now, and he has expressed a desire to surrender his lease as soon as possible.

Mr. Saunders was also advised that the 35-foot raise was not provided for in the contract, and was essentially development and not exploration, payment for it will not be authorized.

Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA Field Team, Region 7

W. A. Beck

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

25

December 10, 1953

Mr. Francis C. Bourne
Bourne Associates
P.O. Box 35
Murphy, North Carolina

Re: DMEA-2595, Idm-E 472 (mica)
Liberty Mine

Dear Mr. Bourne:

Last Monday, we examined the Liberty Mine, as scheduled. Mr. Teague, Mr. O'Neill, Mr. Pallister, Mr. Amos and I were all there and spent about an hour underground with Mr. Saunders.

All agreed that the east drift should be stopped. All the group considered that the west heading looked encouraging enough to continue, but in view of your urgent desire to stop the work, plus the fact that work to date has shown enough mica-bearing pegmatite to justify certification of discovery, we are willing to recommend termination at this time.

I must emphasize that the Field Team does not have authority to terminate a contract, and that the contract must be considered active until we receive, from our Washington office, authorization to terminate it. If that is received, we will immediately send to you for signature a termination agreement form. If such authorization is not received, it will be necessary to continue the work authorized by the contract.

We measured the drifts and find that a total of 103 1/2 feet had been completed by December 7. If termination is approved, that is the total amount that will be approved for payment.

Very truly yours,

Robert A. Laurence, Executive Officer
DMEA Field Team, Region VII

RAL/sm
cc: Beck
Lynch
O'Neill
Opr. Com.
Files

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

Defense Minerals Administration
RECEIVED
DEC 8 - 1953

December 3, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2595, Mica

Applicant: Bourne Associates.
Name and Location of Property: Liberty Mine, Randolph County, Alabama.
Date of Field Team Interim Report: November 10, 1953
Date Received by Ceramic & Fertilizer Materials Branch: November 30, 1953
Field Team Recommendation:

1. East drift be aligned with dike and the drift continued until adverse conditions are encountered.

Comments:

1. A shaft was sunk to 185 feet. The west drift was advanced 57 feet and the east drift was advanced 22 feet. Mica found in the west drift appeared to be curved, rolled, cracked, and contained biotite inclusions. It is doubtful if good quality muscovite mica will be found associated with biotite.

Recommendation:

It is suggested the field team submit a proposed amendment with itemized costs before final consideration is given. If the project is extended until "adverse conditions or conditions are encountered" considerable time and funds may be wasted without a definite plan being established.

W. F. Dietrich

W. F. Dietrich

Operating Comm

Defense Minerals Administration
RECEIVED
DEC 2 1953

Room 13, Post Office Building
Knoxville 2, Tennessee

November 30, 1953

Mr. Francis C. Bourne
Bourne Associates
P. O. Box 35
Murphy, North Carolina

Re: Docket No. DMEA-2595 - Mica
Contract No. Idm E-472
Liberty Mine
Randolph County, Alabama

Dear Mr. Bourne:

Your October Monthly Report and Voucher was received in this office today and is being sent to the Finance Office for payment with a deletion of $990.00 for 33 feet of raising which is not a part of the contract.

All that the contract allows for is 200 feet of shaft sinking and 200 feet of level. No money was set up in it for raising or doing anything else other than $500.00 for the headframe.

Our engineer reports that your voucher includes 33 feet or more of raising. As your report has not broken this down, we are deducting that amount subject to a measurement which will be made on the next visit of the Field Team.

Very truly yours,

Robert A. Lawrence
Executive Officer
Region VII

RAB/mg
cc - Finance Office
Beck
Lynch
Files
O'Neill
Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Room 13, Post Office Building
Knoxville 2, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 - 1953

November 30, 1953

Memorandum

To: Operating Committee - DMEA - Washington

From: Field Team, Region VII

Subject: DMEA-2595, Contract Idm-E 472 - Mica
Bourne Associates
Liberty Mine, Randolph County, Alabama

On November 19, Mr. O'Neill and Mr. Gildersleeve visited the Liberty mine (see interim report enclosed). They were not in favor of termination at that time, and advised continuation of the drifts.

On November 24 and 25, Mr. Bourne telephoned us and requested immediate termination, so as to avoid renewal of his lease on December 1. Only 5 feet of drift, in the east heading, had been advanced since November 19, and we declined to approve such abrupt termination, but asked Mr. Bourne to advance the east drift 10 feet and the west drift 15 feet, after which another examination would be made. A copy of Mr. Bourne's letter of November 28 confirming his position as stated in the telephone calls, is attached.

Mr. Laurence and Mr. Teague now plan to re-examine the mine on December 7, in company with Mr. O'Neill and Mr. H. D. Pallister, Bureau of Mines consultant, to determine whether future work appears to be justified, and a recommendation will be made after that examination. It is expected that Mr. Bourne will still be strongly in favor of abandonment, regardless of whether we agree or disagree with him.

We have advised the Operator that no payment will be made for the raise driven from the west drift.

Robert A. Laurence
Robert A. Laurence
Executive Officer
Region VII

Wm. A. Beck
Wm. A. Beck for V. J. Lynch
U. S. Bureau of Mines

Enclosures 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX L
UNIVERSITY, ALABAMA
REGION VII

RECEIVED
DEC 2 1953

November 23, 1953

Interim Report

DMEA No. 2595 - Mica
Liberty Mine
Bourne Associates
Randolph County, Alabama
Contract No. Idm-E-472

Subject property was visited on November 19, 1953 with Ben Gildersleve. Approximately two hours were spent at the project.

The west drift was advanced 57 feet. The crossdrift or raise was advanced 35 feet and the east drift was 27 feet long. The Bureau of Mines core drill hole was intersected at the east face. A flow of water approximately 100 g. p. m. was draining from the core drill hole and a drill hole that intersected it in the back. Other drill holes in the face were dry. Saunders reported that if the holes were allowed to flow freely, the water flow in the shaft was lessened.

The dike on the east side is dipping about 30° southerly. It is about five feet thick, not well zoned, and is not heavily micanized.

The mica produced from the operation to date as reported by Saunders (mine foreman) is as follows:

1,400 pounds block mica that produced 555 pounds rifts
105 pounds were trimmed and produced:
0.84 pounds #3
5.75 pounds #5
11.25 pounds #6

About 750 pounds of book mica is stored at the mine and about two tons of scrap that is not included in the above figures.

Examination of the waste dump indicated that considerable mica was wasted by blasting. Fragmentation is poor in the material excavated. It is obvious that most of the rounds that were blasted were repeated before breakage was accomplished. The rounds that were examined did not show any evidence of cut or reliever holes. Corrective measures were suggested but were not accepted.

Your attention is called to the raise on the west drift. About 35 to 38 units were driven in this raise at the time of the attached voucher. This work was not authorized by the field team and appears to be development and not exploratory work. Under the date of November 9, an interim report showed:

West drift	57 feet	
East drift	22 feet	Total 69 feet
West raise	33 feet	Total 112 feet

The voucher shows an advance of 115 units on November 1, 1953. It is obvious that 33 feet or more raising was included in this report.

The recommendations that were made in the interim report of November 9 are applicable; namely, that the project be continued and the drift to the east be continued.

J F O'Neill

J. F. O'Neill, Mining Engineer
Mining Development Branch
Mining Division, Region VII

Ben Gildersleve

Ben Gildersleve
U. S. Geological Survey

Attachments
JFO'Neill:al

cc: Act. Reg. Dir., Reg. VII
R. A. Laurence, orig. & 5
V. J. Lynch
A. A. McKinney
Ben Gildersleve
J. F. O'Neill
Day File, File

BOURNE ASSOCIATES
MICA AND MICA PRODUCTS
SPRUCE PINE, N.C.

C
O
P
Y

November 28, 1953

Mr. Robert A. Laurence
13 Post Office Building
Knoxville 2, Tennessee

Re: DMEA 2595
Idm E-472
Liberty Mine - Mica

Dear Mr. Laurence:

This letter will confirm our telephone conversation of November 24th and 25th. In the Liberty Mine we have drifted about 130 feet. This footage includes 57 feet on the west side of the shaft and 38 feet of crossdrift toward the old workings, all in pegmatite. On the east side of the shaft we have gone 35 feet in pegmatite in the direction which Mr. Teague instructed when he examined the mine on October 1st. From this work we have recovered approximately 2100 lbs. of book mica, 1400 lbs. of which was sent to Spruce Pine for processing, and 700 lbs. still being held in Alabama. From the 1400 lbs. which was sent to Spruce Pine we recovered 550 lbs. of rifts. From the 550 lbs. we sheeted 270 and got 45.3 lbs. of finished mica which sold for a total of $396.66 on November 24th. I am enclosing copy which is taken from General Services Administration, Warranty, Acceptance and Invoice dated November 24th, which gives detaisl of the mica both for price per pound, size and quality. Percentages on this sale figured 20.4% good stained, 48.9% stained and 30.7% heavy stained. For size this showed 1.6% #3, 25.5% #5 and 72.9% #6. The mica was graded down not only from the quality but also from its waviness. When the remaining rifts are sheeted we can expect about 92 lbs. of finished mica from the entire lot which should bring about $800.00 total. The 700 lbs. of block mica still in Alabama is going to be sent to Spruce Pine the first of next week and will run much smaller in size and I am afraid we will find the quality much lower than the mica already worked up.

After I received the report from Mr. Sanders, our mine foreman, on the visit of Mr. Gildersleeve and Mr. O'Neill I agreed in part with their findings. I am of the opinion also that the west side drifts have very poor prospects of producing mica of quality and quantity that would justify an operation. Part of the pegmatite is extremely narrow on the west side and part of it is fairly thick. They think we should go forward on the east side but I do not agree with this nor do I understand their reasons, for neither of the government's diamond drill holes showed mica of any quantity on that side of the shaft, and in 35 feet of drifting we have gotten very little mica from that side. What we have gotten has been of a poorer quality than that from the west side. There is more biatite on the east side than ruby mica in the

present heading. Both types are made up of extremely small books. The heading shows up as a layer cake, quartz and feldspar being extremely thin as icing, and the schist in between being more like the cake filler itself. The strat-of schist not only runs parallel with the quartz and feldspar but also cuts these strata vertically. In my opinion the prospects on the east side would not be worth even the 10% of the costs of the operation which I have to stand, much less the 90% which the government takes care of.

As I told you over the phone I feel we are wasting the government's money and my time and money in giving this operation any further consideration. I certainly would not make this statement if I did not feel strongly on the subject, as it would be to my advantage more than to anyone else's to see this mine become a paying, producting project. I am in the same position as your government inspectors in that I can't see a fraction of an inch beyond the pegmatite which is exposed, but the above is based on an opinion on my part as well as theirs.

It is also my opinion that the pegmatite which was drilled by the government is the pegmatite which is in the bottom of the old workings and not the best mica producing pegmatite which was at a higher level. The dip of the mica on the east side is extremely flat and on the west side is far from the 40 degree dip that would be a necessary average dip according to Mr. O'Neill's calculations for it to come to the upper strata of pegmatite.

After talking to you on the 25th, and as we have gone about 5 feet further since Mr. O'Neill and Mr. Gildersleeve inspected the mine I gave Mr. Sanders instructions to follow out your suggestions and drive the drift 10 feet further on the east side of the shaft and 15 feet further on the west side. Mr. Sanders is to notify you ahead of time of the date that he expects to reach the above mentioned limits in driving the drifts. If this does not show decided change in the quality and quantity of mica in the pegmatite I am requesting immediate cessation of the operation and cancelling of our contract.

With kindest regards, I am,

Very truly yours,

BOURNE ASSOCIATES

/s/ Francis C. Bourne

Francis C. Bourne.

FCB:b
Enclosure

C
O
P
Y

GENERAL SERVICES ADMINISTRATION
Warranty, Acceptance and Invoice

Date: 11/24/53

Acceptance No. 4-565

Issued under certificate of authority No. EPS-4-4A

Lot No. SP-565

Name: Bourne Associates

Signature: W. H. Powell, Jr.

Address: Box 35

City & State: Murphy, N.C.

Quality	Full Trim Pounds	Price	Amount
Good stained and better	06	$70.00	4.20
Grades No. 3 and larger	2.64	40.00	10 5.60
Grades No. 4 and 5	6.51	15.00	97.65
Grades No. 5-1/2 and 6			
Stained	.56	18.00	10.08
Grades No. 3 and larger	6.00	8.00	48.00
Grades No. 4 and 5	15.63	5.00	78.15
Grades No. 5-1/2 and 6			
Heavy Stained	.12	13.00	1.56
Grades No. 3 and larger	3.36	6.00	2 0.16
Grades No. 4 and 5	10.42	3.00	31.26
Grades No. 5-1/2 and 6			
	45.30		396.66

By: Carl Buchanan Title: Head Buyer

Seller: Bourne Associates (Liberty Mine)

By: W. H. Powell, Jr. Title: Agent.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 16 1953

November 12, 1953

Memorandum

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

From: Field Team, DMEA, Region VII

Subject: DMEA-2595, Idm-E 472 (mica)
Liberty Mine (Alabama); Bourne Associates, Operator

Enclosed are four copies of the latest interim report on the subject project by James F. O'Neill, of the Bureau of Mines.

We agree with Mr. O'Neill that, at least on present knowledge, the project should not be terminated. A field examination by Mr. O'Neill and Benjamin Gildersleeve, of the Geological Survey, is scheduled for November 17, and the situation will be reviewed at that time. Recommendations will be sent to you shortly after that examination.

Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA Field Team, Region VII

Wm. A. Beck

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

Enclosures 4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX L
UNIVERSITY, ALABAMA
REGION VII, SOUTHEASTERN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 16 1953

November 10, 1953

Interim Report

DMEA No. 2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E-472

Subject project was visited on November 9, 1953, as requested by letter from B. J. Saunders, copy attached.

The west drift was advanced 57 feet. The dike was from 6 feet thick at the shaft and pinched to 2 feet at the face. It was poorly zoned, contained wall rock inclusions and was micanized. The mica was good firm ruby. The books were curved, rolled, and cracked, and contained quartz, tourmaline, and biotite inclusions. Biotite books were predominate along the foot wall.

A cross drift or raise was driven on the dike N 20° E from the west drift on a slope of 30°. The dike was about 5 to 6 feet thick and was similar to the west drift in character and mineralization. The east drift was advanced North 82° E 10 feet then N 20° E 12 feet. A round was partially drilled in the face. A wooden plug was driven in one hole that Saunders alleged was flowing water at the rate of 100 g.p.m. It is estimated that about 50% of this excavation was in the hanging wall and the foot wall was not exposed. The character of the dike and mica content appeared similar to the west side, but biotite and rock contaminations were not observed on the east side.

It is the opinion of the engineer that the potentialities of this deposit have not been fully exploited to the east of the shaft.

The encountering of a flow of water estimated at 100 g.p.m. peak should not be a reason for abandonment, especially when the present pumping facility is rated at 250 g.p.m.

The present investment to the government at this project is excessive, and it is controversial whether or not a discovery should be declared at this project with the present showing.

It is recommended that the east drift be aligned with the dike and be continued until such adverse showings or conditions be encountered that would alter the present conditions.

J. F. O'Neill
Mining Engineer
Region VII

Enclosure

C O P Y

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 16 1953

Main Office
Box 35
Murphy, N. C.

BOURNE ASSOCIATES
Mica and Mica Products
Spruce Pine, N. C.

Mine and Mill
Spruce Pine, N. C.

Heflin, Alabama
Route 4
November 4, 1953

Dear Mr. O'Neill,

Mr. Bourne has about decided to quit the Liberty Mine. I have went 25 feet on the right side and encountered about 100 g.p.m. of water.

I would like for you and Mr. Teague and whoever else will be necessary to come here and look it over by November 9, if possible as if it's O.K. to quit the project I would like to finish it up next week.

I have over a hundred (100) feet of drift now and have widened some in No. 1 drift. I have gotten 4500 lbs. mica to date.

Thank you very much for making it here as soon as possible.

Sincerely,

B. T. Saunders (Signed)

Copy made at Tuscaloosa, Ala.
November 10, 1953

C O P Y

513

ROOM 13 POST OFFICE BLDG.
E 2, TENN.

EXECUTIVE OFFICER
VII

November 9, 1953

Mr. B. T. Sanders
Route 4
Heflin, Alabama

Re: DMEA-2595, Idm-E 472 (Mica)
Bourne Associates
(Liberty Mine)

Dear Mr. Sanders:

Your letter was received this morning. Because of previous commitments, it will be impossible for Mr. O'Neill or me to inspect the Liberty Mine before the week of November 16. As our schedule is now planned, the field inspectors will visit the mine on either the afternoon of November 17, or the morning of November 18. Your attention is directed to Article 8 (c) of the exploration contract on subject mine, which stated:

> "ARTICLE 8. Termination and completion.—The Government may, at any time, by written notice to the Operator, terminate this contract: * * * (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."

As indicated in the above article, the decision to terminate the project must be made with the approval of the Government.

Certain information will be of assistance to the inspectors in arriving at a decision. If the following data could be made available at the time of the next inspection, it would be appreciated.

1. How much pegmatite has been broken to date?

2. Has any of the book mica been processed? If so, what is the percent pattern size of pattern, grade, and average price?

We do not insist that you continue work at the project until the next inspection; however, it will be essential that the workings be unwatered at the time of the visit so that the inspectors may examine the openings.

Very truly yours,

Kefton H. Tsagus
Geologist

KHT/mg

cc - F. C. Bourne, Murphy, N.C.
O'Neill
Operating Committee
Beck
Lynch
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX L
UNIVERSITY, ALABAMA

REGION VII

October 13, 1953

Interim Report

DMEA No. 2595 - Mica
Bourne Associates
Murphy, North Carolina
Liberty Mine
Contract No. Idm-E-472

Subject project was visited on October 8, 1953. The mine was not accessible as a round was fired a short time before my arrival. They were overhauling the generator clutch and it was not likely that the hoist would be working before the end of the day.

Saunders reported that the raise was advanced 18' and the drift, 52', and the showing of mica was not improved. They had a round drilled in the west drift and were planning on working in this direction during this period.

J. F. O'Neill
J. F. O'Neill
Mining Engineer
Region VII

JFO'Neill:al

cc: Regional Director, Region VII
R. A. Laurence, orig. + 5
V. J. Lynch
A. A. McKinney
J. F. O'Neill
Day File
File

IF-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.

PAID ON VOUCHER & SCHEDULE
PAYMENTS K-33

141

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of OCTOBER, 1953 Docket No. DMEA 2595 Contract No. Idm.E. 472
Operator's Name Bourne Associates Minerals Mica
Address P. O. Box 35, Murphy, N. C.
Contract Amount, $ 18,500.00 Government Participation: 90 % Amount, $16,650.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts: Short Form						
Shaft Sinking		9,500.00	9,500.00			
Drilling						
Head frame		500.00	500.00			
Bulldozing						
Crosscutting & cross drifting	1770.00	1,695.00	3,465.00			
Drifting						
Shaft Timbering		1,780.00	1,780.00			
(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	1770.00	13,475.00	15,245.00	780.00	13,475.00	14,255.00

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

Date 11-12-53 *Payee D. C. Bourne, Jr.
Bourne Associates

Per _____ Title Asst. Supt.

*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:

$ 702.00

Signature Cora A. Pierce
(Authorized Certifying Officer)

Date DEC 2 1953 Vou. No. 141
(See other side)

9

78.00

(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. E-472 in accordance with the terms of the contract.

Signature J. F. O'Neill Title Engineer Date 11/28/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date NOV 30 1953

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 OCTOBER 195 3 Docket No. DMEA 2595 Contract No. Idn. R. 472
Operator's Name Bourne Associates Minerals Mica
Address P. O. Box 35, Murphy, 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 Cross drifting & raise	Feet	1770.00	59.0	3465.00	115.5	30.00	200	30.00
Crosscutting								
Raising Head frame				500.00			1	500.00
Shafts	Feet			9500.00	190.0	50.00	200	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft Timbering	Feet			1780.00	178	10.00	200	10.00
TOTAL DISTRIBUTED COSTS		1770.00		15245.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								$18,500.00

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 11-12-53 Operator Bourne Associates

Per J. C. Bourne, Jr. Title Asst. Supt.

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

NARRATIVE REPORT

Progress Report for October, 1953

Liberty Mine Exploration

DMEA No. 2595 Idm. E. 472 Mica

COPY

During October total footage of drifting, cross drifting and raise amounted to 59 feet.

Very little mica has been found and success of the entire project doesn't look too promising.

Mr. Teague visited project on the 1st and suggested going in opposite direction at least 20 feet. Mr. O'Neill visited project on the 8th and thought mica might show up better on side just started. Mr. Pollister visited on the 9th and was puzzled over outcome of work but thought something might still be hit.

On the 14th, we sent 1500# of mica to Spruce Pine to be sheeted--dont have results yet.

All during the month we would shoot and think we were getting into mica, but then it would dissipate with next shot.

xxxxxxxxxxxxxxxxxxx
Room 13, Post Office Building
Knoxville 2, Tennessee

November 30, 1953

Mr. Francis C. Bourne
Bourne Associates
P. O. Box 35
Murphy, North Carolina

Re: Docket No. DMEA-2595 - Mica
Contract No. Idm E-472
Liberty Mine
Randolph County, Alabama

Dear Mr. Bourne:

Your October Monthly Report and Voucher was received in this office today and is being sent to the Finance Office for payment with a deletion of $990.00 for 33 feet of raising which is not a part of the contract.

All that the contract allows for is 200 feet of shaft sinking and 200 feet of level. No money was set up in it for raising or doing anything else other than $500.00 for the headframe.

Our engineer reports that your voucher includes 33 feet or more of raising. As your report has not broken this down, we are deducting that amount subject to a measurement which will be made on the next visit of the Field Team.

Very truly yours,

Robert A. Laurence
Executive Officer
Region VII

WAB/mg
cc - Finance Office 3
Beck
Lynch
files
O'Neill
Operating Committee

Mrs. Anderson

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

101

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

PAID ON VOUCHER & SCHEDULE
Defense Minerals Administration

RECEIVED
OCT 1 0 1953

Month of SEPTEMBER 1953 Docket No. DMEA 2595 Contract No. Idm. B. 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, N. C.
Contract Amount, $ 18,500.00 Government Participation: 90 % Amount, $ 16,650.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Shaft Sinking		9,500.00	9,500.00			
Drilling						
Head Frame	500.00		500.00			
Bulldozing						
Crosscutting						
Drifting Across Drift-	1290.00	405.00	1,695.00			
Shaft Timbering		1,780.00	1,780.00			
(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	1790.00	11,685.00	13,475.00	1,790.00	11,685.00	13,475.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 10-3-53 *Payee Bourne Associates
Per J. C. Bourne, Jr. Title Asst. Supt.

*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:

$ 1,611.00

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date OCT 14 1953 Vou. No. 601

(See other side)

179.00

8

(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. E 472 in accordance with the terms of the contract.

Signature J F O'Neill Title Engineer Date 10/6/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date OCT 9 1953

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of SEPTEMBER 1953 Docket No. DMEA 2595 Contract No. Idm.E. 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, 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 & cross drifting	Feet	1290.00	43.0	1695.00	56.5	30.00	200	30.00
Crosscutting								
Raising head frame		500.00		500.00			1	500.00
Shafts	Feet			9500.00	190.0	50.00	200	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft Timbering	Feet			1780.00	178	10.00	200	10.00
TOTAL DISTRIBUTED COSTS		1790.00		13,475.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								18,500.00

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 10-3-53 Operator Bourne Associates

Per J. C. Bourne, Jr. Title Asst. Supt.

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

NARRATIVE REPORT

Progress Report for September, 1953

Liberty Mine Exploration

DMEA No. 2595 Idm. E. 472 Mica

During September 32.5 feet were drifted and 10.5 feet cross drifted.

The work progressed satisfactorily during the month except for continued difficulty in getting shots to pull just right. An Atlas Powder Company man suggested a different type of dynamite which has been ordered to try.

At the end of the month we had about 2600# of mica on hand - about 1200 lbs. of sheet and about 1400 lbs. scrap.

The project looks discouraging as far as finding any appreciable quantity of mica is concerned. At times it has looked good, but then it pinches out.

1479 man hours were worked on the project during September.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 313, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 10, 1953

Memorandum

To: Chairman, Operating Committee, DMEA - Washington

From: Executive Officer - DMEA - Region 7

Subject: Amendment No. 2 on DMEA-2595, Bourne Associates

Transmitted herewith are three copies of the above subject amendment which have been signed by Mr. Francis C. Bourne. The customary distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

ce 9-14

FILE COPY
SURNAME:

Robertson
Houk
Chamberlin
Selfridge

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

SEP 2 1953

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Laurence:

We are enclosing the original and five copies of Amendment No. 2 to the above-referenced contract which have been signed by the Administrator for the Government.

If the terms and conditions of this amendment are satisfactory to you and the Operator, all six copies should be signed and the usual distribution made.

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

Sincerely yours,

Ernest Wm. Ellis
657

ACTING Chairman, Operating Committee

Approved:

M. H. Kline
657
Member, Bureau of Mines

A. R. Kinkel, Jr.
657
Member, Geological Survey

Enclosures 6

JTRobertson:gad 9/1/53

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.G.
9-2-53

F-104 (Rev.)
Fil 1952)

Mr Anderson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Cod

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of AUG 2, 195 3 Docket No. DMEA 2595 Contract No. Ica. . 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, N. C.
Contract Amount, $ 18,000.00 Government Participation: 90 % Amount, $ 16,200.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Shaft Drilling	900.00	8,600.00	9,500.00			
Bulldozing						
Crosscutting						
Drifting	405.00		405.00			
Shaft Timbering	300.00	1,400.00	1,700.00			
(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	1605.00	10,000.00	11,605.00	1,605.00	10,080.00	11,685.00

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 9-3-53 *Payee Bourne Associates
Per J. C. Bourne, Jr. Title Asst. Supt.

*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:
$ 1444.50
Signature Cora A. Piper
(Authorized Certifying Officer)
Date SEP 11 1953 Vou. No. 76
(See other side)

160.50

7

(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. E-472 in accordance with the terms of the contract.

Signature N. F. O'Neill Title Engineer Date 9/8/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 11 1953

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

I [illegible] 21F-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 AUGUST 195 3 Docket No. DMEA 2595 Contract No. Idm.E. 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, 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	Feet	405.00	13.5	405.00	13.5	30.00	200	30.00
Crosscutting								
Raising								
Shafts	Feet	900.00	18	9500.00	190.0	50.00	200	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft Timbering	Feet	300.00	30.0	1780.00	178	10.00	200	10.00
TOTAL DISTRIBUTED COSTS		1605.00		11,685.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								18,000.00

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 9-3-53 Operator Bourne Associates

Per J. C. Bourne, Jr. Title Asst. Supt.

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

NARRATIVE REPORT

Progress Report for August, 1953

Liberty Mine Exploration

DMEA No. 2595 IDM. E. 472 Mica

During August 18' of shaft were dug, 30' timbered and 13.5' drifted. The drifting was started toward the end of the month after we had gone through the pegmatite. Mr. Teague and Mr. Beck of the U.S. Dep't. of Interior visited the project on the 20th and seemed to like the looks of the pegmatite and the way the project is progressing.

Water continues to present a continuous problem and pumps have to be run all the time. Mr. O'Neill visited the project on the 17th and advised a 15 foot sump.

Difficulty has been experienced in shooting in drift. It seems that so much fine mica keeps the shots from pulling like they should. It won't come apart and is hard to quarry after it is cracked up.

We have about 1000 # of mica on hand now, but it is very scrappy.

2,065 man hours were worked on this project in August.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII

OFFICE OF
REGIONAL DIRECTOR

P. O. BOX 217
NORRIS, TENNESSEE

September 15, 1953

Memorandum

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

From: Administrative Officer, Region VII, Knoxville, Tennessee

Subject: Monthly Reports and Vouchers

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

Idm-E-364 — Sink Hole Mines
DMEA Docket No. 2379
9th payment - month of August
Amount $1125.00

Idm-E-393 — Dixie Minerals, Inc.
DMEA Docket No. 2293
11th payment - month of August
Amount $220.50

Idm-E-431 — Dixie Minerals, Inc.
DMEA Docket No. 2610
5th payment - month of August
Amount $360.00

Idm-E-469 — Moon Mica Mines
DMEA Docket No. 2467
4th payment - month of August
Amount $415.80

Idm-E-472 — Dourne Associates
DMEA Docket No. 2595
7th payment - month of August
Amount $1444.50

Idm-E-480 — Forest City Mining Company
DMEA Docket No. 2725
4th payment - month of August
Amount $100.00

Idm-E-507 Stancil & Jones
DMEA Docket No. 2840
3rd payment - month of August
Amount $1057.50

Idm-E-516 Goodnica Mining Company
DMEA Docket No. 2926
4th payment - month of August
Amount $1039.50

Idm-E-526 Balsam Mica Mineral
DMEA Docket No. 2733
1st payment - month of July
Amount $1000.00
Starting Date: July 6, 1953

Idm-E-535 Bowman Bros.
DMEA Docket No. 2882
3rd payment - month of August
Amount $972.00

Idm-E-542 Dave Wise, Ray Wise and Sam L. Phillips
DMEA Docket No. 2861
3rd payment - month of August
Amount $1143.00

Idm-E-554 Richard C. Angel
DMEA Docket No. 2974
2nd payment - month of August
Amount $329.00

Idm-E-559 Empire Mica Company
DMEA Docket No. 2872
1st payment - month of July
Amount $121.50
Starting Date: July 23, 1953

Idm-E-561 Roy Herbert Routs
DMEA Docket No. 2917
2nd payment - month of August
Amount $702.00

Helen R. Miller

Enclosures 28

/hbm
CC: W. A. Beck
R. A. Laurence
Region Files
Day Files

DEPARTMENT OF THE INTERIOR
Geological Survey
RECEIVED
AUG 30 1953

INTERIM REPORT

DMEA-2595, Idm-E472 (mica) LIBERTY MINE

Operator: Bourne Associates, P.O. Box 35, Murphy, North Carolina

Location: The mine is located about one-half mile southwest of Micaville, in SW¼,NE¼ of Section 1, Township 18S., Range 10E of Randolph County, Ala. It is about 1/4 mile south of Cleburne County Line.

Shaft sinking is about completed on this project. One more round will be shot and then drifting will be started on the pegmatite. When visited the shaft was at 184.5' with a round of much in the bottom. The pegmatite which was cut at 171' to 178' varies in thickness from 5' to 7'. It contains smoky quartz, plagioclase feldspar, muscovite, sericite (green) red garnet and tourmaline in order of their evidence. Books of mica 6 to 8 inches in diameter were seen in the pegmatite.

The mine is making about 20 gallons of water per minute, most of which is coming from about half way up the shaft. Due to this amount of water, there is a continual downpour and men are working under trying conditions.

The operation is being carried on in a safe and workmanlike manner. The shaft is now equipped with an excellent headframe, cable guides, and trap door.

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

August 20, 1953

K. H. Teague, U. S. Geological Survey

zm

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

August 27, 1953

Memorandum

To: Mr. C. O. Mittendorf

From: Lawrence G. Houk

Subject: Amendment No. 2 to Contract No. Idm-E472, Docket No. DMEA-2595 - Mica, Liberty Mine, Bourne Associates, Randolph County, Alabama, to provide rigid headframe.

The Nonmetallic Minerals Division recommends that the subject contract be increased by $500.00 to provide the Operator with $450.00 toward the cost of a rigid headframe. The Safety Code of the State requires rigid headframe on shafts over 100' in depth.

In making the estimate for the unit costs there was no provision made for the headframe. It is believed to be just and equitable that we provide our proportionate share toward the cost.

The Operator has advised the Executive Officer that he is agreeable to this figure.

FILE COPY
SURNAME:

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

August 26, 1953

Memorandum

To: Mr. John L. Hofflund

From: Lawrence G. Houk

Subject: Amendment for DMEA-2595, Contract No. Idm-E472 - Mica Liberty Mine, Bourne Associates, Randolph County, Alabama

Please check over the attached amendment for legality and form.

Attachment

LGHouk:gad 8/26/53

Copy to: Admr. R. File
Docket File
Mr. Houk

Draft

CONTRACT AMENDMENT NO. ~~1~~ 2

Contract No. Idm-E472, Docket No. DMEA-2595, Bourne Associates, Randolph County, Alabama.

Article 4 of Contract No. Idm-E472, dated January 6, 1953, is to be amended to increase the total amount of the contract from $18,000.00 to $18,500.00 and the Government contribution from $16,200.00 to $16,650.00.

Description of the Work under Exhibit "A", the following addition is to be made:

A rigid headframe is to be constructed. Under the agreed unit costs in Exhibit "A" is to be added one headframe at $500.00. Note: The completed headframe is the unit.

UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals Exploration Administration

Dated_____

BOURNE ASSOCIATES

By_____
Francis C. Bourne, ~~Owner~~

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 18, 1953

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA-Region 7

Subject: Amendment for DMEA-2595, Idm-E472 (mica) Bourne Associates-Liberty Mine, Alabama

Please refer to your letter of August 3 and our memorandum of August 5, concerning the proposed amendment to the subject exploration contract.

We are advised by the Operator that he is agreeable to the amendment providing for an additional $500.00 toward the cost of the headframe.

As this increases the amount of the contract, it is not within our delegated authority to prepare the amendment. Will you therefore, please have the amendment drafted for Mr. Mittendorf's signature. Upon receiving the signed copies, we will then forward them to the Operator for Mr. Bourne's signature.

/s/ Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA Field Team, Region VII

/s/ Wm. A. Beck

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

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Department of the
Defense Minerals Administration
RECEIVED
AUG 7 1953

August 5, 1953

Mr. Francis C. Bourne
Bourne Associates
P. O. Box 35
Murphy, North Carolina

Re: DMEA-2595, Idn S-472 (mica)
Liberty Mine, Alabama

Dear Mr. Bourne:

We are advised by our Washington office that, after review of your estimate of the cost of the headframe for the Liberty Mine, the total cost of $1155.36 is considered to be excessive, and that the labor item which is 71% of the total cost is considered to be out of proportion.

It was pointed out that your estimate of the cost of headframe and dump arrangement, as presented in Paragraph 6f of your original application, was $500.00, which is considered to be reasonable for the type of headframe that will be satisfactory for exploratory purposes. We are therefore authorized to amend the contract so as to provide $500.00 toward the cost of the headframe.

If you approve this, we will immediately prepare the amendment for the Administrator's signature and will then forward it for your signature.

Very truly yours,

Robert A. Laurence
Executive Officer
DMEA Field Team, Region VII

RAL/mg

cc
Beck
Lynch
O'Neill
Operating Committee
files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG - 7 1953
DOCKET COPY

August 5, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee
DMEA, Washington, D. C.

From: Field Team, Region VII

Subject: DMEA-2595, Idm E-472 (Mica)
Liberty Mine (Alabama), Bourne Associates, Operator

Your letter of August 3, has been received and the Operator has been asked to approve an amendment providing $500.00 for the headframe. As this will increase the total amount of the contract, we will prepare an amendment for Mr. Mittendorf's signature, if we receive the Operator's approval of the amendment, though we doubt that he will approve. Please note that Operator's letter of November 11, 1952 in which he was providing further details of cost estimates, at the request of DMEA, gives estimated cost of headframe and dump arrangement as $1,000.00. The reason labor cost is such a high portion of the total is that the Operator is cutting the timber on the property and does not have to buy it.

However, considering that Operator will have the use of the headframe for mining, the $500 seems to be ample contribution to its exploratory function. Should the amendment provide this sum as a unit cost, or should it be considered on an actual cost basis subject to repayment of 90% of its value?

Robert A. Laurence

Robert A. Laurence
Executive Officer
DMEA Field Team, Region VII

Wm. A. Beck

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

FILE COPY
SURNAME: 913

Hopkins
Houk
Selfridge
Kilbourne

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

AUG 3 1953

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Dear Mr. Laurence:

Reference is made to your memorandum dated July 22, 1953, recommending an amendment to the subject contract to allow the costs of a headframe on this project based on an estimate submitted by the Operator.

A review of this estimate reveals that the item for labor is 71% of the total cost of $1,155.36 or $831.74 which we believe is excessive and out of proportion.

Under Paragraph 6 (f) of the original application, the Operator has shown the estimated cost of headframe and dump arrangement to be $500.00. We believe this is a fair and relatively accurate estimate for the type of headframe that will be satisfactory for exploration purposes. Therefore, if it is agreeable to the Operator, we suggest that you prepare an amendment to the contract allowing $500.00 toward the cost of the proposed headframe.

Sincerely yours,

George C. Selfridge
GCS
Chairman, Operating Committee

Approved:

J. H. Hedges GCS
Member, Bureau of Mines

A. R. Kinkel, Jr. GCS
Member, Geological Survey

JHopkins:gad 7/30/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.G. 8-3-53

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

PAID ON VOUCHER & SCHEDULE
PAYMENTS K- 10

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

Month of JULY, 1953 Docket No. DMEA 2595 Contract No. Idm.E. 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, N. C.
Contract Amount, $ 18,000.00 Government Participation: 90 % Amount, $ 16,200.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Shaft Sinking	1,300.00	7300.00	8600.00			
Bulldozing						
Crosscutting						
Drifting						
Shaft Timbering	170.00	1310.00	1480.00			
(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	1470.00	8610.00	10,080.00	1,470.00	8,610.00	10,080.00

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

Date 8-7-53 *Payee Bourne Associates

Per J. C. Bourne Jr. Title Asst. Supt.

*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:

$ 1,323.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date AUG 20 1953 Vou. No. 51
(See other side)

147.00

(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. 472 in accordance with the terms of the contract.

Signature J. F. O'Neill Title Engineer Date 8/14/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date AUG 17 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 14 1953

Month of JULY 1953 Docket No. DMEA 2595 Contract No. Idm.E. 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, 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	Feet	1300.00	26	8600.00	172.0	50.00	200	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft Timbering	Feet	170.00	17.0	1480.00	148	10.00	200	10.00
TOTAL DISTRIBUTED COSTS		1470.00		10,080.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								18,000.00

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 8-7-53 Operator Bourne Associates

Per J. C. Bourne, Jr. Title Asst. Supt.

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

NARRATIVE REPORT

Progress Report for July, 1953

Liberty Mine Exploration

DMEA No. 2595 Idm. E. 472 Mica

During July 26 feet were dug and 17 feet timbered. 1803 man hours were worked on this project.

All work in the shaft is still in rock. Some difficulty was encountered the first part of the month in damaging timbers with shots. The shaft is much more confined now since it is partitioned off and has staggered ladderways. A blasting mat was made out of cross ties, however, and is suspended between shot and timbers when blasting. It has eliminated damage to timbers and also makes a good scaffold to work from when putting in timber sets.

Water problem still gives some trouble, but adequate pumping facilities have corrected this except when a pump breaks down.

Mr. J. Gray Hanlin, Chief, Division of Safety and Inspection, State of Alabama visited the project on July 29th and was complimentary on all aspects of the operation.

Had mica in one corner at 167½' and on the last day of the month had pegmatite all the way across the bottom of the shaft except for about one foot.

MF-500

Do not Detch

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 7/24/53

REFERRED TO:

1. ~~Mr. Selfridge, Rm. 4631~~
2. Mr. Houk, Rm. 4637
3. Code 220
4.

FOR:

✓ Action	Recommendation
Approval	Record of
Comment	
Conference	Referring to
Consideration	
Filing	Reply for signature of
Instructions	
Investigation	Rewriting
Initials	Signature
Mailing	Suggestions
Previous correspondence	Your information

REMARKS: Mr. Selfridge: Only 1 complete set of attached material was rec'd by me, so I am routing on to Code 220 for final filing. Hazel

Check (X) before the items needing attention.

George C. Selfridge
Initials of sender.

GPO 16—63815-1

Pay part of Headphones Cost Left

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Defense Minerals Administration
RECEIVED
JUL 24 1953
DOCKET COPY

July 22, 1953

Memorandum

To: Operating Committee - D M E A- Washington

From: Field Team, D M E A - Region VII

Subject: Amendment to Docket No. DMEA-2595, Idm-E472 (mica) Liberty Mine - Bourne Associates, Murphy, N. C. Randolph County, Ala.

Transmitted herewith is a copy of a memorandum from J. F. O'Neill, Mining Engineer, U. S. Bureau of Mines, who is following the subject project, together with costs submitted to him by the subject Operator on the installation of (1) Ladderway, Crosshead and Guides. (2) Headframe., and (3) Tramway.

The Operator feels that he is being done an injustice in being made to do this extra work and is requesting that he be reimbursed for the costs. He contends that the contract does not specifically state that partitioned ladderways must be installed but that "ring-sets and lagging be installed where necessary." In order to install a ladderway to the bottom of the shaft he contends that the shaft must be timbered in its entirety.

The Field Team is of the opinion that the cost of erecting the headframe should have been included in the original contract on a shaft of this depth and recommend that an Amendment to the contract be prepared allowing these additional costs.

As for the additional costs of the partitioned ladderway and tramway, we are leaving this up to the discretion of your committee.

Robert A. Lawrence
Executive Officer, DMEA Field Team
Region 7

Wm A Beck

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

COPY

COPY

University, Alabama

July 20, 1953

Memorandum

DOCKET COPY

To: Robert A. Laurence, Executive Officer, DMEA - Region VII
Room 13, Post Office Building, Knoxville, Tennessee

From: J. F. O'Neill

Subject: Docket No. DMEA-2595, Idm-E472 (mica) Liberty Mine. Randolph County, Alabama

Attached hereto are costs incurred at the above captioned project that were submitted by F. C. Bourne, Jr.

F. C. Bourne alleges that these costs were incurred because of orders of change that were given by the writer. Previous reports will show that the insistence of the partitions and staggered ladderways in this shaft was, from the beginning, considered part of the contract and were requested from the beginning. The installation of the rigid headframe was No. 1 of 13 safety recommendations that were made by Roy G. Stott in his report of April 13, 1953. The installation of the tramway was an inception of the operator.

A summary of the costs incurred is as follows:

	Material	Labor	Fuel Oil	Ins.	Total
Ladderway, etc.	$66.65	$525.33	$140.35	$52.50	$814.83
Headffame	271.21	803.84	---	80.31	1155.36
	142.67	210.13		21.00	373.80

The costs as shown above are relatively high due possibly to the removal of the installed facilities, which if properly installed in the first instance would be avoided.

I see no reason why the government should be responsible for the renovating costs of the installation of proper ladderways and partitions in the shaft or the tramway as these costs were considered in the cost estimates established in the contract price.

Consideration should be given to the payment of the Government share of the headframe costs, subject to an audit of cost and also to the disposal of the facility at its completion, conformable to D. M. E. A. Circular No. 10.

s/ J. F. O'Neill,
Mining Engineer
Region VII

cc:
COPIED by zm.
Opr. Com. Files

Main Office
Box 35
Murphy, N. C.

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Department of the Interior
Bureau Mines (Minerals)
RECEIVED
JUL 2 1953

Mine and Mill
Spruce Pine, N. C.

DOCKET COPY

COSTS INSTALLING LADDERWAY, CROSSHEAD AND GUIDES
At Liberty Mine

July 11,1953

1870 ft. lumber @$45.00	$ 84.15
Nails, 125# @$.10	12.50
Labor, installing and changing pipes	525.33
Insurance	52.50
Fuel and oil for pumping and hoist	140.35
	$ 814.83

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Main Office
Box 35
Murphy, N. C.

Mine and Mill
Spruce Pine, N. C.

DOCKET COPY

HEADFRAME COST
Liberty Mine

July 11, 1953

Labor on poles, cutting, peeling, dragging	27.90
2 - kegs nails @$10.00	20.00
28 clamps (cable) @$.25	7.00
Guy cables, 375 ft. @$.03	10.25
2 x 6, 2 x 8, 2 x 4 and 1" lumber, 1925 ft.@$50.00	96.25
27 x 9 cross ties @$1.10	2.20
2 - 10" x 10" x 16', 266 ft. @$90.00	23.94
Bolts	3.60
Turn buckle	2.25
Sheave and freight on same	77.82
Building and erecting, labor	803.84
Insurance	80.31
	$ 1,165.36

5

1155.36

Bourne Associates

DOCKET COPY

Main Office
Box 35
Murphy, N. C.

Mica And Mica Products

Spruce Pine, N. C.

Mine and Mill
Spruce Pine, N. C.

TRAMWAY COSTS
Liberty Shaft

July 11, 1953

39 - cross ties @$.90	$35.10
Haulage on Ties	9.75
2" x 6" x 1" lumber, 665 ft. @$45.00	29.93
Nails, 75# @$.10	7.50
Rails	60.39
Labor on erecting tram line	210.13
Insurance	21.00
	$ 373.80

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX L
UNIVERSITY, ALABAMA
REGION VII, SOUTHEASTERN

July 9, 1953

Interim Report

DMEA No. 2595 - Mica
Liberty Mine, Randolph County, Ala.
Bourne Associates, Murphy, North Carolina
Contract No. Idm-E-472

The above captioned project was visited on June 29, 1953. Two hours were spent on the site. F. C. Bourne was at the mine and was concerned with the sinking costs at the project which he attributed to the cost of installing a rigid headframe, waste dump tipple, shaft partitions, and staggered ladderways which were all part of safety recommendations and an afterthought from the original concept of the contract. He believed that the Government should assume their share of the excessive costs.

At the time of the visit the water level in the shaft was 88 feet below its collar. Partitions, slides and crosshead guides and staggered ladderway were installed to the water level. A rigid headframe with dumping arrangement, waste dump tipple, and gate with adequate guards were installed at the surface. The changes were commendable, and should enhance the safety at the project to a great extent. The foreman estimated that the work of changing the surface plant and completing the shaft timbering would be finished within a week. Sinking operations were stopped on June 9. No advancement will be reported for this period. The bottom of the shaft was in kyanite schist with quartz stringers. Films of sulphides were observed along the schist seams and in the quartz fragments.

It was recommended that adequate doors be installed over the manway entry and hoisting compartment and that the remainder of the manway be covered.

J. F. O'Neill
Mining Engineer, Reg. VII

JFO'Neill:al
cc: Regional Director, Reg. VII
R. A. Laurence (4)
V. J. Lynch
A. A. McKinney
J. F. O'Neill
Day File, File

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

20

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER AND SCHEDULE
PAYMENTS NOR - K - 5

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JUNE 195 3 Docket No. DMEA 2595 Contract No. Idm.E.472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, N. C.
Contract Amount, $ 18,000.00 Government Participation: 90% Amount, $ 16,200.00

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 Contractors: Short Form: Shaft Sinking	800.00	6500.00	7300.00	800.00	6,500.00	7,300.00
Drilling						
Bulldozing						
Crosscutting						
Drifting: Shaft Timbering	165.00	1145.00	1310.00	410.00	900.00	1,310.00
(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	965.00	7645.00	8610.00	1,210.00	7,400.00	8,610.00

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

Date 7-11-53 *Payee Bourne Associates

Per J. C. Bourne, Jr. Title Asst. Supt.

*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:

$ 1,089.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date JUL 23 1953 Vou. No. 20

(See other side)

5d

121.00

(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. 472 in accordance with the terms of the contract.

Signature J F O'Neill Title Engineer Date 7/16/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W A Beck Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date JUL 20 1953

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 JUNE 195 3 Docket No. DMEA 2595 Contract No. Idm. L. 472

Operator's Name Bourne Associates Minerals Mica

Address P.O. Box 35, Murphy, 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	Feet	800.00	16	7300.00	146.00	50.00	200	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft Timbering	Feet	165.00	16.5	1310.00	131	10.00	200	10.00
TOTAL DISTRIBUTED COSTS		965.00		8610.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								18,000.00

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 7-11-53 Operator Bourne Associates

Per J. C. Bourne Jr Title Asst. Supt.

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

NARRATIVE REPORT

Progress Report for June, 1953

Liberty Mine Exploration

DMEA No. 2595 Idm. E. 472 Mica

From the first through the 6th the work went very well and 16 feet were dug and 16½ feet timbered. On the 8th we had a fatal accident full report of which has been made.

No work was done from the 8th until the 15th. From the 15th until the end of the month no digging was done at all. A headframe was erected, a partition put in the shaft with staggered ladderways, and guides for an X frame above the bucket installed.

All work has been completed which was required in order for us to receive payment for May timbering which was withheld.

Work in the shaft has now been commenced again.

Attached hereto is supplementary statement regarding payment for extra work required.

July 11, 1953

Supplement Idm. S. 472 Monthly Report

Having heard nothing from our letter of June 20th regarding the government bearing its proportionate part of the expense of building headframe and partitioning off manway with ladders and platforms and doing other work which was demanded by Mr. O'Neill we respectfully request that our contract be changed so that the government will bear at least its proportionate part of these items.

We would not have bid to timber a shaft in manner required at the price which we took the contract on under any conditions. We knew at the time we accepted the contract which definitely states in Exhibit A, "sink a vertical shaft 5 feet by 7 feet in the clear.....timbered where necessary with ring sets and lagging". The contract even states that the timbering is to be done only where necessary. If the timbering was cut off and not considered necessary we couldn't have constructed a workway and manway as has been required under the terms of this contract.

We were allowed to start this shaft without a headframe and it was our understanding that as long as this was a prospecting shaft and tunnelling that we would not be required to put up a headframe. We therefore feel that the government should bear its proportionate part of this work.

When we agreed to the contract price of timbering, namely a collared shaft with lagging, we knew that our costs to do this work would be a small amount more than our contract price. This we expected to absorb, but the costs have run much more than we expected. The cost for an eight foot section has run $91.22 for which we receive a little over $80.00. Through the overburden we had five four foot sections. Down through the 135 foot depth we had four six foot sections with the rest being eight feet. These sections on four and six foot centers would naturally cost more than the eight foot sections.

Mr. Sanders, our foreman, still insists that Mr. O'Neill in the presence of Mr. Stott the mine inspector, made the statement that the government would bear its part of the cost of the extra work that was to be done. Mr. O'Neill claimed in talking to the writer that he did not have authority to make a statement of that sort and that he was talking about some other project. The writer has not had a chance to talk to the inspector to get his version of this misunderstanding between Mr. Sanders and Mr. O'Neill. We can furnish costs on the headframe and the other work we consider extra in the shaft.

We did not know that the last sentence in Article 3, "The government may consult with and advise on all phases of the work" meant that Mr. O'Neill was in direct charge of the operation and could give direct orders with a threat that unless they were followed out that he would close the operation. Since this was the attitude Mr. O'Neill took with the writer we agreed to do the work and submit our side as far as payment went, rather than stop the operation and have this matter settled first.

We respectfully request that the above mentioned matters be given early consideration and that we be advised as to what we may expect.

BOURNE ASSOCIATES

F.C. Bourne

F.C. Bourne

FILE COPY
SURNAME:

Feitler
Houk

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

June 26, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 1 - Docket No. DMEA-2595 - ~~Mica~~
Bourne Associates
Liberty Mine
Randolph County, Alabama
Contract No. Idm-E472

Purpose: To amend Article 3 of the contract to allow 12 months instead of 6 months for completion of the work.

Justification: Water encountered in shaft sinking made progress slower than anticipated.

Recommendation: The Nonmetallic Minerals Division concurs with the field team and recommends approval of the amendment as executed in the field June 15, 1953.

/S/
Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 6/26/53

Copy to: Admr. R. File
Docket File
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

June 22, 1953

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 7

Subject: Amendment No. I. Bourne Associates-DMEA-2595, Idm-E472. (mica)

Transmitted herewith are three signed copies of the above subject amendment.

The customary distribution of the other copies has been made.

Robert A. Laurence
Robert A. Laurence

cc
6/24

7

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII
HAMILTON BANK BUILDING

OFFICE OF
REGIONAL DIRECTOR

POST OFFICE BOX 1909
KNOXVILLE, TENNESSEE

June 17, 1953

Memorandum

To: J. L. Chambers, Defense Minerals Exploration Administration, Interior, Bureau of Mines, Washington 25, D. C.

From: Administrative Officer, Region VII, Knoxville, Tennessee

Subject: Monthly reports and vouchers

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

Idm-E-513 Earl Davis and T. J. Berkemeyer
Docket No. DMEA-2910
1st payment - month of June - Amount $74.25
Starting Date: June 1, 1953
Completion Date: June 1, 1953

Idm-E-472 Bourne Associates
Docket No.DMEA-2595
4th payment - month of May
Amount $1440.00

Idm-E-454 Schroeder Company
Docket No. DMEA-2654
6th payment - month of May
Amount $5286.38

Helen R. Miller

Enclosures
CC: W. A. Beck
R. A. Laurence
Region Files

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ON VOUCHER AND SCHEDULE 77
PAYMENTS NOR - 65

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of MAY 3 195 Docket No. DMEA 2595 Contract No. Idm. D. 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. [illegible]
Contract Amount, $ 18,000.00 Government Participation: 90 % Amount, $ 16,200.00

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 Contracts: Short Form						
Shaft Sinking	1600.00	4900.00	6500.00	1,600.00	4,900.00	6,500.00
Drilling						
Bulldozing						
Crosscutting						
Shaft Timbering	245.00	900.00	1145.00		900.00	900.00
(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	1845.00	5800.00	7645.00	1,600.00	5,800.00	7,400.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 6/4/53 *Payee Bourne Associates
Per J. C. Bourne, Jr. Title Asst. Supt.

*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:

$ 1,440.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date JUN 17 1953 Vou. No. 177
(See other side)

160.00

(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. 472 in accordance with the terms of the contract.

Signature J. F. O'Neill Title Engineer Date 6/10/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Beck Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date JUN 16 1953

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 MAY 1953 Docket No. DMEA 2595 Contract No. Idm.E. 472

Operator's Name Bourne Associates Minerals Mica

Address P.O. Box 35, Murphy, 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	Feet	1600.00	32	6500.00	130.00	50.00	200	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft Timbering	Feet	245.00	24.5	1145.00	24.5	10.00	200	10.00
TOTAL DISTRIBUTED COSTS		1845.00		7645.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								18,000.00

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 6/4/53 Operator Bourne Associates

Per J. C. Bourne, Jr. Title Asst. Supt.

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

NARRATIVE REPORT

Progress Report for May, 1953

Liberty Mine Exploration

DMEA No. 2595 Idm. E. 472 Mica

During the first half of the month a great deal of difficulty was experienced with pumping water. Also men had no lights in shaft and vision was poor.

By the middle of the month we put in adequate pumping facilities, and installed generator. On the 19th, two (9) hour shifts were started and since then work has been progressing better.

Some difficulty has been experienced in shooting and causing damage to timbers. Shaft will have to stay 15 to 20 feet ahead of timbers.

A total of 1683 man hours were worked on this project in May and at the end of the month there was 114' 6" timbered and 130' dug.

C
O
P
Y

(copied SIC) zm.

C
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P
Y

BOURNE ASSOCIATES
Mica and Mica Products
Spruce Pine, N. C.

June 1, 1953

Dear Mr. O'Neill

I making my report for May 30 114'6" timbered 130 dug.

I have timbers ready for headframe. I'M waiting to here from office about Gov't end of deal. Will have to have some time extension also if I have to shut down to build another headframe tram track, guides and staggered ladders.

Hoping that everything straightens out soon.

Sincerely,

B. T. Sanders

cc:
5-with monthly report.
Beck
Lynch

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13, POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

June 16, 1953

Mr. F. C. Bourne, Jr. Asst. Supt.
Bourne Associates
P.O. Box 35
Murphy, N. C.

Re: DMEA-2595, Item-1472 (mica)

Dear Mr. Bourne:

Your May monthly report and voucher has been received by this office and is being sent to the Finance Officer today for payment.

A deletion of $25.00 for timbering is being made because it is our understanding that the partition between the compartments and inclined laderways have not been installed. As this is a part of shaft timbering the work for which you are claiming $25.00 has not been completed. You may charge the above amount in a subsequent voucher when and if the above mentioned work is done.

Very truly yours,

Wm. F. Cock,
Acting Executive Officer
DMEA-Region 7

RB/mm
cc:
Dear
O'Neill
Finance Office-3
Lad enve

Docket Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13, POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

June 15, 1953

Memorandum

To: J. F. O'Neill, Mining Engineer - Tuscaloosa, Ala.

From: Executive Officer, DMEA - Region 7

Subject: DMEA-2595, Idm-E472 (mica) Bourne Associates

Today we received a copy of a letter from Mr. F. C. Bourne which he had written to you in regard to the subject contract. Mr. Bourne stated that in checking the contract he could find nothing that might be construed to imply that they should bear the expense of partitions and ladders.

In Article 3 of the contract it specifically states that, "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....."

We do not understand what Mr. Bourne meant by the third paragraph in which he stated that Mr. Sanders had reported on April 13th that you told him that the Government would pay their part of the extra work you wanted done. All that we are permitted to pay is what is in the contract.

There is enclosed a copy of a letter that this office received from the Operating Committee which pertains to your interim report of May 6.

Robert A. Laurence

RAR/xm
cc:
Beck
Lynch
Opr. Com.
Files

FILE COPY
SURNAME:

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

Feitler
Houk
Selfridge
Hollingsworth

JUN 15 1953

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

Subject: Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, North Carolina
Contract No. Idm-E472

Dear Mr. Laurence:

Reference is made to subject contract transmitted to you on January 6, 1953.

Three copies of Landlord's Subordination Agreement are transmitted for attachment to the contract of the Finance Officer, the Operator, and to your copy. We regret the oversight.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

Enclosures 3
SAFeitler:gad 6/12/53

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX L
UNIVERSITY, ALABAMA
REGION VII, SOUTHEASTERN

RECEIVED
JUN 15 1953
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

June 11, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 19 1953

Interim Accident Report

DMEA Docket No. 2595 - Mica
Bourne Associates
Murphy, North Carolina
Contract No. Idm-E-472

Subject project was visited on June 9, 1953 in order to investigate an accident that occurred on the night shift June 8, 1953.

Three hours were spent at the project with Hugh Pallister. During the period of the visit B. T. Sanders, Mine Supt., Clyde Lee, Foreman on shift at the time of the accident, F. C. Bourne, Manager, and W. H. Powell, Plant Supt. at Spruce Pine, North Carolina, were interviewed relative to the accident that occurred on June 8, 1953 at 5:45 P. M.

William Voyles, age 21, was killed. Voyles was employed by the Association over a period of four years and his home was Spruce Pine, North Carolina.

Earl Gene Wade, age 22, was hospitalized. His condition was reported not serious.

The accident occurred during timbering operation in the shaft. A wall plate was being lowered in the shaft and broke loose from the cable hook at or near the surface. It dropped 115 feet to the timbering platform, struck and demolished the platform and possibly struck Voyles and knocked Voyles and Wade into the sump. Examination of the shaft showed that the piece of timber hit the wall plate a glancing blow at the 70-foot level and continued downward to the platform and then to the water level in the shaft. There was about 10 or 12 feet of water in the shaft. The last completed set was 31 feet from the shaft bottom, which was 146 feet deep at the time of the accident. Lee reported that he tied the timber on the cable and had it swung over the shaft. He noticed it became loosened as it cleared the collar and he immediately entered the shaft by the ladder way and reached the bottom in a matter of minutes. Wade was hanging onto a 3" staging plank extended from the last set from a 3/8" cable. There was no evidence of Voyles when Lee reached the bottom. The cable was untangled from the derrick and the bucket lowered shortly after, and Wade was

Fatality

hoisted to surface. Unsuccessful attempts were made to recover Voyles' body by diving. It was necessary to pump the water in order to recover the body. The body was recovered between 9:30 and 10:00 P. M. Roy Riddle, State Motor Police, stationed in Cleburn County, Alabama, helped in the recovery of the body and the delivery of Wade to the hospital.

Recommendation: The practice of swinging timber in a verticle shaft used at this project is an unsafe practice that should not be tolerated. The timber should be lowered in the bucket with the timber lashed to the cable. It is not unlikely that this accident would have been avoided by the use of an adequate blasting set and the chances of the avoidance of this accident would be enhanced if the shaft partitions were installed prior to the occurrence.

Mr. Bourn was requested to stop further sinking operations until such time that he has complied with all safety measures as recommended by U. S. B. M. Safety Inspector on April 20, 1953. He suggested that the unit price established under the contract was low and should be increased in order to comply with the recommendations and that they would not be able to complete the contract within the specified time. Bourne was informed that the contract was calculated on the basis of safe practice and included the estimates for a rigid headframe, shaft partitions, and staggered ladderway; and if more time was required to complete the contract, this could be handled by an amendment. A recommendation for this amendment will be prepared within the next few days. It was agreed to stop sinking operations and make the necessary installations and changes before any further sinking work be attempted.

J. F. O'Neill
J. F. O'Neill
Engineer

JFO'Neill:al
cc: Regional Director, Region VII
R. A. Laurance (4)
V. J. Lynch
H. D. Pallister
J. F. O'Neill
Day File
File

COPY COPY

Re: DMEA-2595, IDM-E472
Liberty Mine-Mica

Mr. J. F. O'Neill
DMEA
Box L
University, Ala.

Dear Mr. O'Neill:

Pursuant to our recent conversation regarding partitions and ladders in the Liberty Mine I have checked our contract for this project. When you stated that we should do this work and bear the entire cost I did not say anything about it then because I wanted to check the contract first. Since checking the contract I am unable to find anything that might be construed to imply that we should bear the expense of this. Exhibit "A" of our contract states, "sink a vertical shaft 5 feet by 7 feet in the clear to intersect the pegmatite, but in no case deeper than 200 feet, including a 10 foot sump, and timbered where necessary with rings sets and lagging." The agreed estimated costs on 200 feet of shaft timbering was set at $10.00 per foot.

We need the head frame and plan to go ahead and put it up. Since this is an "Exploration Project Contract" we are working under I do not feel that we should be asked to hear the entire costs of ladders and a partition, but feel that the Government should bear its part in the same proportion the contract is set for.

In the daily report I got from my foreman B. T. Sanders on April 13th he stated that you had visited the mine and told him that the Government would pay their part of the extra work you wanted done.

Please let me hear about this from you at your earliest convenience.

Sincerely,

s/ F. C. Bourne

P.S. We also plan to go ahead with the ladders and paritition even before settlement of the payment.

cc: Opr. Com. 4
Beck-1
Files

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13, POST OFFICE BLDG.
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

June 3, 1953

Memorandum

To: Operating Committee, D M E A- Washington

From: Executive Officer, D M E A - Region 7

Subject: DMEA-2595, Idm-E492 (mica) Bourne Associates; Liberty Mine.

We are in receipt of a letter from Mr. Earl C. Van Horn, stating that he and Mr. Joe Bailey are no longer associated with Bourne Associates. I am not sure whether they were partners or employees, though I always understood it to be the former; however, the contract was signed only by Mr. Bourne for the firm. If any sort of release or assignment of interest is required, please advise me.

We are somewhat dubious about the Operator's ability to continue the shaft sinking without these two men, unless he hires a replacement for them. Mr. Bailey and Mr. Van Horn are going into business for themselves, and are planning to start exploration for talc in western North Carolina in the near future.

Robert A. Laurence
Robert A. Laurence

also encl. let 6-3-53 to Van Horn.

Contract is to Francis C. Bourne d/b/a Bourne Associates
no official action necessary
6/10/53

dGKane
6/10/53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~ROOM 1000 POST OFFICE BLDG.~~
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville, Tennessee

June 3, 1953

Mr. Earl C. Van Horn
Box 221
Murphy, North Carolina

Dear Van:

Thanks for your letter of May 23, informing us that you and Joe Bailey are no longer connected with Bourne Associates or the Hitchcock Corporation.

We have had no word from Mr Bourne, but assume that he will assign someone to the supervision of the Liberty shaft and notify us to that effect.

All of us here in the Knoxville office wish you the best of luck in your new venture as independent operators.

Sincerely yours,

Robert A. Laurence, Executive Officer
DMEA Field Team, Region 7

RAL/mm
cc:
Beck
Lynch
Opr. Com.
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX L
UNIVERSITY, ALABAMA

REGION VII

June 1, 1953

Interim Report

DMEA Docket No. 2595, Mica

Bourne Associates

Liberty Mine, Randolph County, Alabama

Contract No. IDM-E 472

This project was visited on May 28, 1953. One hour was spent at the site.

The shaft was flooded at the time of visit because of a pump breakdown. It was not possible to determine the advancement for the period, but the foreman reported it was 112 feet, which appears erroneous.

The project is now being operated on a two-shift basis. A generator set was installed on the site during the period. The hoist was converted from gas-driven to electric power. A power, light, and blasting circuit was installed in the shaft. The timbers are on site for the installation of a rigid headframe. The shaft partitions and inclined ladderways have not been installed.

It was again recommended that the water entering the shaft be trapped or pocketed a short distance below its point of entry in the shaft at the unweathered rock contact. The shaft apparently is not making any water below this point.

A new gas-driven compressor was installed nearer the shaft opening and no precaution has been taken to prevent exhaust gases from entering the air intake.

Considerable time was spent installing the generator, converting the hoist to an electric motor powered hoist, and installing electric cables (light, power, and blasting) in the shaft.

The rock in the shaft is garnetiferous schist and it is tough and abrasive. No dikes or mica mineralization have been cut to date.

J. F. O'Neill
Mining Engineer

JFO'Neill:jpc

FILE COPY
SURNAME:

Feitler
Houk
Martin
Johnson
Whitney

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

MAY 25 1953

Mr. Robert A. Laurence
Executive Officer, DMRA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 2, Tennessee

Subject: Docket No. DMRA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, North Carolina
Contract No. Idm-2472

Dear Mr. Laurence:

Reference is made to the interim report on the subject contract, dated May 6, 1953, listing safety recommendations and remarks on compliance.

It is noted that items three and four relating to the partition between compartments and inclined ladderways have not been rectified. These items are a part of shaft timbering, and it would be proper to withhold payment for timbering until such work is properly completed.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

J.H. 5-25-53

SAFeitler:fls 5/20/53

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232, GSA Bldg.
Mr. Houk

Form [illegible] (Rev.)
[illegible] 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

M. Fuller

164

PAID ON VOUCHER AND SCHEDULE OF PAYMENTS NOR = 59

MAY 18 1953

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

Month of April, 1953 Docket No. DMEA 2595 Contract No. Idm. E. 472

Operator's Name Bourne Associates Minerals Mica

Address P.O. Box 35, Murphy, N. C.

Contract Amount, $ 18,000.00 Government Participation: 90% Amount, $ 16,200.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Shaft Sinking	1050.00	3850.00	4900.00			
Bulldozing						
Crosscutting						
Drifting						
Shaft Timbering	160.00	740.00	900.00			
(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	1210.00	4590.00	5800.00	1,210.00	4,590.00	5,800.00

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

Date 5/4/53 *Payee Bourne Associates

Per [signature] Title Asst. Supt.

*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:

$ 1,089.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date MAY 14 1953 Vou. No. 164

(See other side)

3

121.00

(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. 472 in accordance with the terms of the contract.

Signature J. F. O'Neill Title Engineer Date May 6, 53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date MAY 11 1953

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

F[illegible]-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

[illegible] of the Interior
Defense [illegible] Administration
[illegible]

MAY 18 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 195 3 Docket No. DMEA 2595 Contract No. Ism.L. 472
Operator's Name Bourne Associates Minerals Mica
Address P. O. Box 35, Murphy, 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
Drifting								
Crosscutting								
Raising								
Shafts	Feet	1050.00	21	4900.00	98.0	50.00	200	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft Timbering	Feet	160.00	16.0	900.00	90.0	10.00	200	10.00
Total Distributed Costs		1210.00		5800.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								$18,000.00

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 5/14/53 Operator Bourne Associates

Per E. C. Van Horn Title Asst. Superintendent

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

NARRATIVE REPORT

Probress Report for April, 1953

Liberty Mine Exploration

DMEA No. 2595 Idm. E. 472 Mica

The project had 885 man hours during the month. Extreme difficulty was had with the pumping until a new pump was added during the last week. Besides water conditions in the shaft, difficulty was experienced as the result of heavy rain storms.

The ground has continued insecure so that timbering has been necessary. Differential hardness of the ground contributed to blasting problems. It is expected that the additional pump and an exchanged compressor will expedite the work. The shaft is now being worked on two 7½ hour shifts.

Mr. O'Neill visited the project on April 30th. At the end of the month the shaft was dug to 98 feet and timbered to 90 feet.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

APR 22 1953

SAFETY INSPECTION REPORT
LIBERTY MINE (MICA)
(NEAR) MICAVILLE, RANDOLPH COUNTY, ALABAMA

April 13, 1953

DMEA 2-595

By

Roy G. Stott
Mining Health and Safety Engineer

Originating Office - Bureau of Mines
210-12 Social Security Building
Birmingham 3, Alabama
M. C. McCall, Chief
Accident Prevention and Health Division
Region VII

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SAFETY INSPECTION REPORT
LIBERTY MINE (MICA)
(NEAR) MICAVILLE, RANDOLPH COUNTY, ALABAMA

April 13, 1953

By

Roy G. Stott
Mining Health and Safety Engineer

INTRODUCTION

This report is based on an inspection made at the request of the Defense Minerals Exploration Administration to determine conditions relating to health and safety and to propose recommendations for correcting hazards. The inspecting party consisted of Roy G. Stott, mining health and safety engineer, Bureau of Mines, J. F. O'Neill, mining engineer, Defense Minerals Exploration Administration and "Sandy" Haynes, mine foreman.

GENERAL INFORMATION

The Liberty mine is operated by the Bourne Associates of Murphy, North Carolina. A DMEA loan has been granted under Docket No. 2595, Contract IDM E-472.

The mine is located about one-half mile southwest of Micaville, in SW 1/4, NE 1/4, of Section 1, Township 18 S., Range 10E of Randolph County, Alabama. It is about a quarter of a mile south of the Cleburne County line.

The old mine workings consist of an open cut about 200 feet long, 70 feet deep and about 20 feet wide along a pegmatite dike in a mica schist formation. The pegmatite strikes N 70° E with a dip ranging from 45° SE at the southwest end to 30° SE at the northeast end of the workings. A 90-foot deep shaft has been sunk in the hanging wall and another 40-foot deep shaft was sunk 160 feet east of the first shaft. From this latter shaft drifting and raising to the southwest in dangerous ground connect with the older workings. ?

The present work under DMEA contract consists of a 5 x 7-foot timbered single compartment shaft 85 feet deep in the hanging wall about 200 feet south of the easterly end of the old open cut workings. This shaft is to be sunk to a depth of about 185 feet then a 5 x 7-foot crosscut is proposed to be driven to intersect with the pegmatite vein. A total of 200 feet of cross-cutting and drifting is provided under the DMEA contract.

The mine is accessible by road. The surface plant consists of a small skid-mounted tool house, a Diesel motor driven derrick-type hoist under a lean-to shed, a 220 cfm Diesel driven portable air compressor, and a stiff-leg jib-boom over the shaft. A 16-case capacity explosives magazine constructed of 2-inch thick double walled oak (sand-filled between the double walls) is situated about 220 feet south of the hoist. A smaller similar type detonator magazine is situated about 125 feet south of the hoist.

Four men are employed at the mine, a foreman, a hoist man and two miners. All shaft men wear hard hats but do not wear lights. At present, the shaft miners work 85 feet below ground without artifical illumination.

All blasting is done electrically. Atlas Gelcoalite No. 3 explosives were used in the shaft until a water flow was encountered at a depth of 70 feet where a firm weathered mica gneiss rock was encountered. Reportedly at this point, three miss-fired holes occurred and the men switches to 40 percent Giant Gelatin for blasting. Since making this change other miss-fires have occurred. A Du-Pont 50 cap blasting machine is used for supplying power through 180 feet of No. 14 rubber-covered extension light cord to the electric detonators connected in series on the bottom. Holes are drilled 5-1/2 to 6 feet deep and electric detonators having 5-foot lead wires are used for blasting. The primer is placed second cartridge from the bottom with the cap facing the bulk of the charge. The twenty-two holes thus connected in series have the wire connections lying on the water covered shaft bottom.

A 1/2-inch non-rotating 18 x 7 hemp-center wire rope is used for hoisting a 700 pound capacity bucket. The bucket rope connection is a hand-made pigtail type hook attached to the rope by means of two Crosby clamps and no thimble. One clamp was placed with the "U" on the live side of the cable thus weakening the cable.

A vertical ladder constructed of rough sawed 1 x 4 wood material extends from collar to bottom in one corner of the shaft. No partition is provided between the ladderway and the bucket way.

SAFETY RECOMMENDATIONS

1. A rigid headframe and hoisting sheave should be erected over the shaft to a height of at least 20 feet. Guides should be extended down the hoisting compartment and a cross-head used for hoisting the bucket.

2. A mid-railing and toeboard should be added to the railing around the shaft opening.

3. A solid partition wall should be constructed between the hoisting compartment and the ladderway. This partition should extend to the bottom shaft set.

4. Ladders should be inclined and staggered in the ladder compartment with a landing between each length of ladder. Ladders should extend 3 feet above the landings. Landings should not be spaced more than 20 feet apart.

5. While shaft men are working on the bottom, shaft ladders should extend to within reach of the men. Rope ladders may be used below the last shaft set but should not extend more than 30 feet.

6. Shaft men should have lights while working in the shaft.

7. Safety hooks or safety clevis attachments should be used for bucket hoisting. Open hooks or make-shift hooks should not be tolerated.

8. A thimble and 4 clips should be used on the wire rope attachment. The clips should be spaced 3 inches apart (six times the diameter of a 1/2-inch cable) with the "U" on the dead side of the rope.

9. Shaft doors should be used on top of the hoisting compartment when dumping the bucket. (An Alabama State Law requirement).

10. The explosives-storage magazine should be moved to a distance of at least 400 feet from the shaft where a natural barricade exists between the magazine and shaft. It is suggested the magazine be located in the gulley north of the old workings. The area around the magazine should be kept free of leaves, brush or other flammables for a distance of 25 feet.

11. To minimize the hazard of miss-fires it is recommended detonator caps with longer leg wires be purchased and all blasting wire connections be kept out of the water in the shaft and away from contacting the wet wall rock. It is further recommended the blasting machine be tested by the manufacturer.

12. It is suggested the compressor engine exhaust be piped away from the proximity of the air compressor intake to prevent contaminated air from entering the compressed air line.

13. It is recommended the shaft crew "candle" their way to the shaft bottom after blasting or after lay-off periods to detect oxygen deficient air. Should the candle go out, the shaft miners should be hoisted to the surface. The shaft should be ventilated by means of compressed air before men are allowd to work on the bottom.

MISCELLANEOUS

The alignment and timbering job in the shaft has been excellent.

ACKNOWLEDGMENT

The cooperation of the mine foreman and his men during this inspection is gratefully acknowledged.

Respectfully submitted,

/s/ Roy G. Stott
Roy G. Stott
Mining Health and Safety Engineer

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR 23 1953

April 20, 1953

Bourne Associates
Murphy, North Carolina

Dear Sirs:

Attached is a Safety Inspection Report of your Liberty Mine (Near) Micaville, Randolph County, Alabama, made by Mr. Roy G. Stott, mining health and safety engineer, on April 13, 1953.

Very truly yours,

M. C. McCall, Chief
Accident Prevention and Health
Division, Region VII

cc: R. A. Laurence, Room 13, Post Office Bldg., Knoxville 2, Tenn.
W. A. Beck (3) Room 13, Post Office Bldg., Knoxville 2, Tenn.
Director, Defense Minerals Exploration Administration, Washington, D.C.
Chief Mine Inspector, State of Alabama
J. F. O'Neill, Mining Engineer, D. M. E. A., Tuscaloosa, Alabama
S. H. Ash
J. Westfield
A. Gabriel

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX L
UNIVERSITY, ALABAMA

REGION VII

May 6, 1953

Interim Report April, 1953

DMEA Docket No. 2595 - Mica
Bourne Associates, P. O. Box 35, Murphy, N. C.
Liberty Mine, Randolph County, Alabama
Contract No. IDME 472.

The project was visited on April 13, 1953 with Roy G. Stott, U. S. B. M. Safety Engineer, and on April 30, 1953. It was recommended by the Safety Engineer briefly as follows:

(1) Installation of a rigid headframe.
(2) Adequate toe board and railing be installed.
(3) Compartment partition be installed.
(4) Install inclined ladderways.
(5) Ladder connections to bottom of shaft.
(6) Use of lights in bottom of shaft.
(7) Use of tested safety hook on hoisting bucket.
(8) Install a thimble and accepted standard clips on cable attachments.
(9) Installation of shaft doors.
(10) Change location of explosive storage magazine.
(11) Use of longer leg wires on detonator caps and testing of blasting machine.
(12) Install adequate device on compressor that will prevent exhaust gases from entering the air intake.
(13) Test shaft for deficient air after blasting and layoff periods.

Of the above recommendations, items 2, 6, and 10 have been complied with; 12 and 13 have been partially complied with.

Sinking for the period was advanced 21 feet. The advance to date is 98 feet. Timbering was installed 16 feet, or a total of 90 feet to date.

A continuous flow of water between 25 and 30 gallons per minute was encountered around 85 feet. The pumping facilities installed were not adequate to handle the flow, and caused considerable time loss and shutdown for a period until an adequate pump was obtained. The water flow apparently is entering at the transition point between the weathered

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MAY 11 1953
U. ... rvey
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Knoxville, Tenn.

and fresh country rock and appears to be drainage from the old stopes area of the mine. Unaltered rock is in the bottom of the shaft and is not making water. It was suggested that a water trap pocket be installed at the 85 foot level in order to eliminate the water below this level and avoid the excessive pumping head from the bottom of the shaft.

J. F. O'Neill
Engineer

cc: R. A. Laurence (4)
V. J. Lynch
J. F. O'Neill
Regional Director, Region VII
Day File
File

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Mr. Fritter

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

Month of March, 1953 Docket No. DMEA 2595 Contract No. Idm. E. 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, N. C.
Contract Amount, $ 18,000.00 Government Participation: 90 % Amount, $ 16,200.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Shaft Sinking	2250.00	1600.00	3850.00			
Bulldozing						
Crosscutting						
Drifting						
Shaft Timbering	440.00	300.00	740.00			
(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	2690.00	1900.00	4,590.00	2,690.00	1,900.00	4,590.00

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

Date 4/3/53 *Payee Bourne Associates

Per E. C. Van Horn Title Asst. Superintendent

*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:

$ 2,421.00

Signature Cora A. Piper (Authorized Certifying Officer)

Date APR 17 1953 Vou. No. 148

(See other side)

269.00

Good

(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. F-472 in accordance with the terms of the contract.

Signature J. F. O'Neill Title Engineer Date 4-8-35

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. A. Beck Title Acting Exec. Officer, Region III Date 4-14-53

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(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.

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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.

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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".

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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.

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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 March 195 3 Docket No. DMEA 2595 Contract No. Idm. E. 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, 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	Feet	2250.00	45.	$3850.00	77.0	$50.00	200	$50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft Timbering	Feet	$440.00	44.0	$740.00	74.0	$10.00	200	$10.00
TOTAL DISTRIBUTED COSTS		2690.00		4590.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								$18,000.00

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 4/3/53 Operator Bourne Associates

Per E. C. Van Horn Title Asst. Superintendent

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

NARRATIVE REPORT
Progress Report for March, 1953
Liberty Mine Exploration
DMEA No. 2595 Idm. E. 472 Mica

141

The project had 1,131½ man hours during the month of March. Trouble was experienced with the shaft hoist during the first two days. Timbering was halted at a depth of 37' 2" as the ground became more firm. At a depth of 51', however, severe caving and slickensides necessitated a resumption of timbering, but the sets were lengthened to 8' 4" on centers.

Water was encountered in small quantities at a depth of 62'. Severe water conditions were encountered March 27th after a weekend of heavy rains and the shaft pump began to give considerable trouble because of dirty water.

The ground became more firm at 74' but continued caving from slickenside joint planes required timbers to be continued.

The project was halted on March 28th for pump repairs, with the shaft excavated to 77' and timbered to 74'.

Mr. O'Neill visited the project on March 2nd and Mr. Pallister made an inspection on March 17th.

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

130

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

VOUCHER AND SCHEDULE
PAYMENTS NOR - 48

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1953 Docket No. DMEA 2595 Contract No. Idm. E. 472
Operator's Name Bourne Associates Minerals Mica
Address P.O. Box 35, Murphy, N. C.
Contract Amount, $18,000.00 Government Participation: 90 % Amount, $16,200.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Shaft Sinking	1600.00		1600.00	1600.00		1600.00
Bulldozing						
Crosscutting						
Drifting						
Shaft Timbering	300.00		300.00	300.00		300.00
(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	$1900.00		$1900.00	1900.00		1900.00

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

Date 3/3/53 *Payee Bourne Associates

Per E. C. Van Horn Title Asst. Superintendent

*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:

$1,710.00

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date MAR 13 1953 Vou. No. 130

(See other side)

2/10

190.00

(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. E-472 in accordance with the terms of the contract.

Signature J. F. O'Neill Title Engineer Date Mar. 9/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date MAR 11 1953

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 19 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1953 Docket No. DMEA 2595 Contract No. Idm E. 472
Operator's Name Bourne Associates Minerals Mica
Address Box 35, Murphy, 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	Feet	1600.00	32.0	$1600.00	32.0	$50.00	200	$50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Shaft timbering	Feet	$300.00	30.0	$300.00	30.0	$10.00	200	$10.00
TOTAL DISTRIBUTED COSTS		$1900.00		$1900.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								$18,000.00

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 3/3/53 Operator Bourne Associates

Per E. C. Van Horn Title Asst. Superintendent

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

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U. S. GOVERNMENT PRINTING OFFICE 205676

NARRATIVE REPORT
Progress Report for February, 1953
Liberty Mine Exploration
DMEA No. 2595 Idm. E. 472 Mica

Shaft location was determined on February 13th, and shaft support collar installed February 14th.

During the week ending February 21st, 45' guy derrick was erected and the shaft was dug 17 ft. of which 11 feet was timbered.

By the end of the month the shaft was dug to 32' and timbered 30' 10".

Material encountered was weathered mica schist which became progessively harder with depth, necessitating full shaft-round drilling and blasting by the end of the month. However, soft zones and slickenside joint planes, particularly apparent on the up-dip side, required continued timbering.

No water was encountered, although there was in increase in the dampness of the rock which impeded drilling to some extent.

RECEIVED
MAR 23 1953
U. S. BUREAU OF MINES
Reg. VII Administrative Office
Knoxville, Tennessee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DOCKET COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
MAR 13 1953

March 12, 1953

Mr. J. F. O'Neill, Mining Engineer
U. S. Bureau of Mines
Box L
University, Alabama

Re: DMEA-2595, Idm-E 472 (mica)
Bourne Associates -

Dear Jim:

Your memo of March 9 and the February voucher and monthly report for DMEA-2595 have been received. The voucher has been signed and forwarded to the Finance office for payment. An examination by Mr. Stott, of the Safety Division, at his earliest convenience, is being requested. We are asking him to notify you in advance so that you may accompany him on the examination.

Referring to the last paragraph of your memo, you have all the necessary data to check the shaft location. There are: (1) map which accompanied the field examination report, sent to you on September 17, 1952 (2) copy of Field Team letter to Van Horn dated February 3, 1953, authorizing location approximately 23 feet northeast of the point shown on the map. (3) copy of contract, indicating that shaft is to be located at approximately the location marked "proposed shaft" on the map. (Exhibit A).

I am enclosing an extra copy of the map, in case the one previously sent you failed to reach you.

Sincerely,

Robert A. Laurence

RAL/am
cc:
Peck
Lynch
Files
Opp. Corr.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DOCKET COPY

March 11, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 13 1953

Mr. E. C. Van Horn
Bourne Associates
Box 35
Murphy, N. C.

Re: DMEA-2595, Idm-E472 (mica)

Dear Van,

Your February monthly report and voucher was received in this office today and is being sent to the Finance Officer for processing.

Please read the instructions on the reverse side of MF-104 form in regard to the requirements. You neglected to send the narrative that is mentioned under (c). Please supply us with this in quintuple for this and future reports. A copy of a suggested form is enclosed.

Very truly yours,

Robert A. Laurence, Executive Officer
DMEA Field Team, Region 7

WAB/mm
cc:
Beck
Laurence
Lynch
O'Neill
Opr. Com.

Operating Committee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 24 1953

DOCKET COPY

February 18, 1953

Mr. Robert A. Lawrence
Executive Officer, Region VII
13 Post Office Building
Knoxville 01, Tennessee

Re: DMEA-2595, Idm-472

Dear Bob:

In reply to your letter of February 16th, we began moving equipment to the Liberty Mine on February 10th. The shaft collar was installed and excavation begun on February 13th. The derrick is being installed this week.

I am back on my feet now after quite a long siege. We have been working skeleton forces on all our operations because of sickness, but are now getting back into fairly good shape.

Sincerely,

BOURNE ASSOCIATES

E. C. Van Horn

EVH:amh

From Region VII

RECEIVED
FEB 2
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13, POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

DOCKET COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 16 1953

February 16, 1953

Mr. E. C. Van Horn
Bourne Associates
Box 35
Murphy, North Carolina

DMEA-2595, Idm-472 Liberty Mine (mica)

Dear Van:

I understand that work on the Liberty mine project has been delayed because of your case of "flu." I hope your're up and about again and feeling o.k. When you are ready to begin work, will you please notify Mr. O'Neill so that he can meet you at the job.

At an early date we also want to arrange for an examination by Mr. Ray G. Stott, Mining Health & Safety Engineer.

Sincerely,

Robert A. Laurence, Executive Officer
DMEA Field Team, Reg. 7

RAL/sm
cc:
Beck
O'Neill
Files
Opr. Com.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 5 1953

DOCKET COPY

February 3, 1953

Mr. E. C. Van Horn
Bourne Associates
Box 35
Murphy, North Carolina

DMEA-2595, Tom-M472
Liberty Mine (mica)
Alabama

Dear Van:

The suggestion in your letter of January 28, to locate the shaft at the Liberty Mine 23 feet northeast of the point indicated on the map is agreeable to the Field Team, as the contract indicates it shall be approximately in the position shown on the map.

Sincerely,

Robert A. Laurence, Executive Officer
DMEA Field Team, Region 7

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

RAL/sm
cc:
Beck
Lynch
Opr. Com.
D. Files
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

January 30, 1953

Memorandum

To: Operating Committee, D M E A - Washington

From: Acting Executive Officer, DMEA - Region VII

Subject: Signed Contract. DMEA-2595, Bourne Associates, Murphy, N.C. Project in Randolph County, Alabama

Transmitted herewith are three copies of the above subject contract which were received in our office today. One copy was retained by the Operator, one by this office and one sent to the Finance Officer, Norris, Tennessee.

Wm. A. Beck

Wm. A. Beck

cae
2/2/53

FILE COPY
SURNAME:

Hearne
Houk
Chambers

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

JAN 6 1953

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

Subject: Docket No. DMEA-2595 - Mine
Bourne Associates
Liberty Mine
Randolph County, Alabama

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by this office for the Government with register number and effective date as shown.

If the contract meets with your approval, present it to the Operator for his approval and signature. If any provisions are unsatisfactory to the Operator, return all copies to this office along with suggested changes for consideration. Please explain to the operator that this is a firm contract and that he is obligated under the terms of the contract to complete the work outlined.

After signing of the contract, one copy is to be given to the operator, one copy retained for your files, one copy for the Regional Finance Officer, and the remaining copies, including the original, are to be returned to this office as soon as possible.

Sincerely yours,

Frank E. Johnson (JHB)

Chairman, Operating Committee

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

Enclosures 6

LFHearne:gad 1/3/53 Ad-1/6
Copy to: Admr. R. File
Operating Committee (2)
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

Hearne
Houk
Chambers

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

January 2, 1953

Memorandum

Docket No. DMEA-2595 - Mica
Bourne Associates
Liberty Mine
Randolph County, Alabama

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Docket No. DMEA-2595

Recommendation: Approval

June 30, 1952	Received application dated June 21, 1952, $48,350.00, for exploration at Arnett, Friendship, and Liberty Mines.
July 2, 1952	Memo from USGS recommends field examination.
July 17, 1952	Memo from USBM recommends field examination.
July 18, 1952	Referred to Field Team, Region VII.
Sept. 17, 1952	Report from field recommends contract and program at Liberty Mine.
Oct. 1, 1952	USGS recommends contract subject to receipt of quantitative data on mica content of the pegmatite (not available).
Oct. 7, 1952	USBM concurs in Field Team's recommendation.
Dec. 30, 1952	Chief Counsel approves legal form of contract.

The several months which ensued between the Field Team's report and final action on the application were occasioned by differences of opinion with the applicant on scope and cost of the contract, and in attempting to locate past records concerning the ratio of sheet mica to scrap mica production at the Liberty Mine.

Approval of the contract as submitted is recommended because of the favorable mica showings in the four holes previously drilled at the Liberty Mine by the Bureau of Mines, which indicate at least a reasonable possibility of the discovery of strategic grade mica and because a successful exploration project in Randolph County, Alabama, which has been a relatively unimportant area in the past, should have a stimulating effect on other exploration thereabouts.

LFHearne:gad
Copy to: Admr. R. File
Docket File
Mr. Houk

Laurance F. Hearne
Nonmetallic Minerals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

December 30, 1952

Memorandum

To: Administrator

Through: L. G. Houk

From: Chief Counsel

Subject: Bourne Associates - Exploration Project Contract - Docket No. DMEA-2595 (Strategic Mica)

There is attached in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the map referred to in Exhibit "A".

J. L. Hofflund
Chief Counsel

Attachments

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

Room 13, Post Office Building
Knoxville, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 3 1952

December 1, 1952

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA- Region VII

Subject: DMEA-2595, Bourne Associates (mica) Alabama

Attached is a copy of a revised estimate for the costs of the exploratory work on the above captioned docket, sent to me by Mr. J. F. O'Neill and Mr. H. D. Pallister, who are the field engineers on this project.

Please refer to my memo of November 13, 1952.

Robert A. Laurence

Robert A. Laurence

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 8 1952

November 25, 1952

Thru: Chief, Minerals Technology Div.
Region VII.

Memorandum

To: Robert A. Lawrence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Bldg., Knoxville, Tenn.

From: J. F. O'Neill, and Hugh D. Pallister

Subject: DMEA 2595 - Reserve Associates (Mica)

The revised estimate for the cost of the exploratory work on the above captioned project was reviewed and the following changes are recommended:

(1) The use of 3 pump men on a project such as this is surplus labor. The operation of pumps on a small shaft sinking job such as this is usually done by the shaft crew and it is practical to be done in this manner. The water can be lowered by the watchman between shifts without any extra help. This cost should be deleted from any estimate.

(2) The use of the hoist man's labor in excess of the period of regular operations is questionable. In an ordinary operation such as this it should be less as his services should not be needed during the initial sinking period.

(3) The applicant's estimate does not include any cost for pipe lines, hoisting buckets, mine cars, or knockage. Additionals should be made for these items.

(4) The periods for the use of operating equipment should be made consistent for each phase of the job and after the initial stages should cover the entire period for rental charges.

(5) We see no reason for the use of the 10 KW generator, especially at the estimated cost. REA electric services are available in this area and its utilization should be considered.

(6) The contingencies fee of 20% appears too high, as some safety factors are in the present estimates. For example, the cost of labor

is above the current wage rates of the area. The applicant has hired and paid less for labor in his operations in the vicinity. This protective fee should not exceed 10%.

The applicant states in his letter that "a considerable part of the equipment allowance has been made in anticipation of heavy water flows ... etc." Previous operations at the Liberty Mine indicate no justification for this so-called heavy water flow. Considerable drainage from the old surface workings and stopes would be anticipated during the wet season, and this was an objection to renovating the old shaft at the mine and a reason for the sinking of the new one. The reasoning does not appear consistent as this drainage and water problem still exist in their calculations.

The revised estimate for the exploratory work on this project, in conformity with the heretofore mentioned factors, is as follows:

Vertical shaft, timbered, 6' x 8' x 200', estimated working time 10 weeks:

(b)	1 - Foreman - 70 days at $1.75 per hr	$ 980.00
	1 - Hoist man - 50 days at $1.15 per hr	460.00
	1 - Dumper - 50 days at $0.95 per hr	380.00
	3 - Miners - 50 days at $1.25 per hr	1500.00
	1 - Watchman - 70 days at $0.95 per hr	532.00
	Geology and Engineering	750.00
	Total labor	[illegible]
(c)	500' wire rope at $0.35 per ft	$ 175.00
	13 M. Bd. Ft. structural timber at $55.00/M	715.00
	3 M. Bd. Ft. lagging at $50.00/M	150.00
	200 shaft bolts at $0.75 each	150.00
	1 ton dynamite	448.00
	400 detonators	70.00
	Drill steel and bits	300.00
	Small tools	200.00
	Nails - 300# at $9.00/cwt	27.00
	500 ft. - 2" black pipe with fittings	168.00
	250 ft. - 1" black pipe with fittings	40.00
	Hoisting bucket	50.00
	Total material	$2,293.00

(d) 1 - 315 CFM compressor, including maint. and fuel - 50 days at $25.00 per day .. $1250.00
1 - Hoist, including maint. & power, 50 days at $5.00 per day ... 250.00
2 - Air drills, 50 days at $1.00 per day 100.00
2 - Pumps, including maintenance, 50 days at $2.50 per day ... 250.00
Total $1850.00

(f) 1 - Head frame and dump arrangement 1000.00
1 - Change and tool house 300.00

(g) Insurance & payroll tax, 10% of labor 460.00
Accounting 100.00

(h) Contingency at 10% of $10,805 = ... 1080.50

11,885.50

Fair value per foot sinking

$11,885.50 ÷ 200 = $59.48 -- in round numbers 60.00

Exploratory drifting, 6' x 6' x 300', estimated period 6 weeks

(b) 1 Foreman - 42 days at $1.75 per hr .....$ 588.00
1 Helper man - 30 days at $1.15 per hr 276.00
1 Dumper - 30 days at $0.95 per hr 228.00
6 Miners - 30 days at $1.25 per hr 1800.00
1 Watchman - 42 days at $0.95 per hr 319.20
Geology and Engineering 450.00
Total labor $3661.20

(c) 1800 lbs dynamite 672.00
360 detonators 63.00
Drill steel and bits 650.00
Small tools 100.00
3 M. bd. ft. timber at $55.00 per M 165.00
500 bd. ft. lagging at $50.00 per M 25.00
100 lbs nails at $9.00 per cwt 9.00
700' mine rails with bolts, plates & spikes ... 350.00
300' - 2" air line 125.00
300' - 1" water line 55.00
2 - Mine cars (rental $2/day - 50 days) 100.00
Total 2314.00

(d)	1 - 315 CFM compressor, including maint. and fuel - 42 days at $25.00/day	$ 1050.00
	1 - Hoist, including maintenance, 42 days at $5.00/day	210.00
	2 - Air drills, including maint., 42 days at $1.00/day each ...	84.00
	2 - Pumps, including maintenance, 42 days at $2.50/day each ...	210.00
	Total	1554.00
(g)	Insurance and payroll tax, 10% of labor	366.12
	Accounting	60.00
(h)	Contingencies, 10% of $7955.12	795.53
	Total cost	$ 8750.85

Cost per foot $\frac{8750.85}{300}$ = $29.17

Cost estimate made on the basis of 300 feet of drifting. The project allowance was 200 feet. The estimated cost of drifting should be $30.00 per foot, in round numbers.

The above estimates are consistent with local mining costs in the district.

J. F. O'Neill

Hugh D. Pallister

JFO'Neill:ad
cc: Reg. Dir., Reg. VII.
O'Neill
Pallister
File

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 0 1952

Room 13, Post Office Building
Knoxville, Tennessee

November 13, 1952

Memorandum

To: Operating Committee, D M E A - Washington

From: Field Team - D M E A - Region 7

Subject: DMEA-2595, Bourne Associates (mica)

Enclosed herewith are 3 copies of a letter from the Applicant supplying additional information in support of their cost estimates on the subject exploration application, as requested by Mr. Houk. The Applicant maintains that the shaft-sinking cannot be done at less than $84 per foot; in comparison with costs of $50 per foot on a deeper, though slightly smaller, shaft in similar conditions on DMEA-2379, Idm-E364 (Sinkhole Miners). This certainly seems out of line.

It is also noted that this new information increases the total proposed cost of the project to $28,718.40, as compared with $20,029.40 recommended in the field examiners' report. No explanation is given for increasing the amount of drifting from 200 feet to 300 feet, and we do not think the increase is warranted. We also think that the cost of $28,718.40 is far more than is warranted by the probabilities of the mine, or past production from the district. The same amount of work would be done for $15,000 under our existing contracts in North Carolina.

Mr. Teague, one of the field examiners, offers the following comments:

"Labor costs could be reduced by at least $1100. Why are 3 pump men needed for the entire sinking job? If pumpmen are to be available 3 shifts per day, the watchman is superfluous. A working foreman and 2 miners would be an adequate crew."

"Equipment costs also excessive. Operation of a 10 KWH generator for $3,060 could be replaced by a line from a nearby single-phase REA line at much lower cost. Compressor is owned by Applicant, and depreciation, plus maintenance, is estimated at $250 per month."

"Even if these reductions are made, costs are still well above those of other mica projects, many of which offer better possibilities."

Copy of Applicants' letter is being sent to Mr. J. F. O'Neill and Mr. H. D. Pallister, the other field examiners, and their comments will be forwarded to you when received.

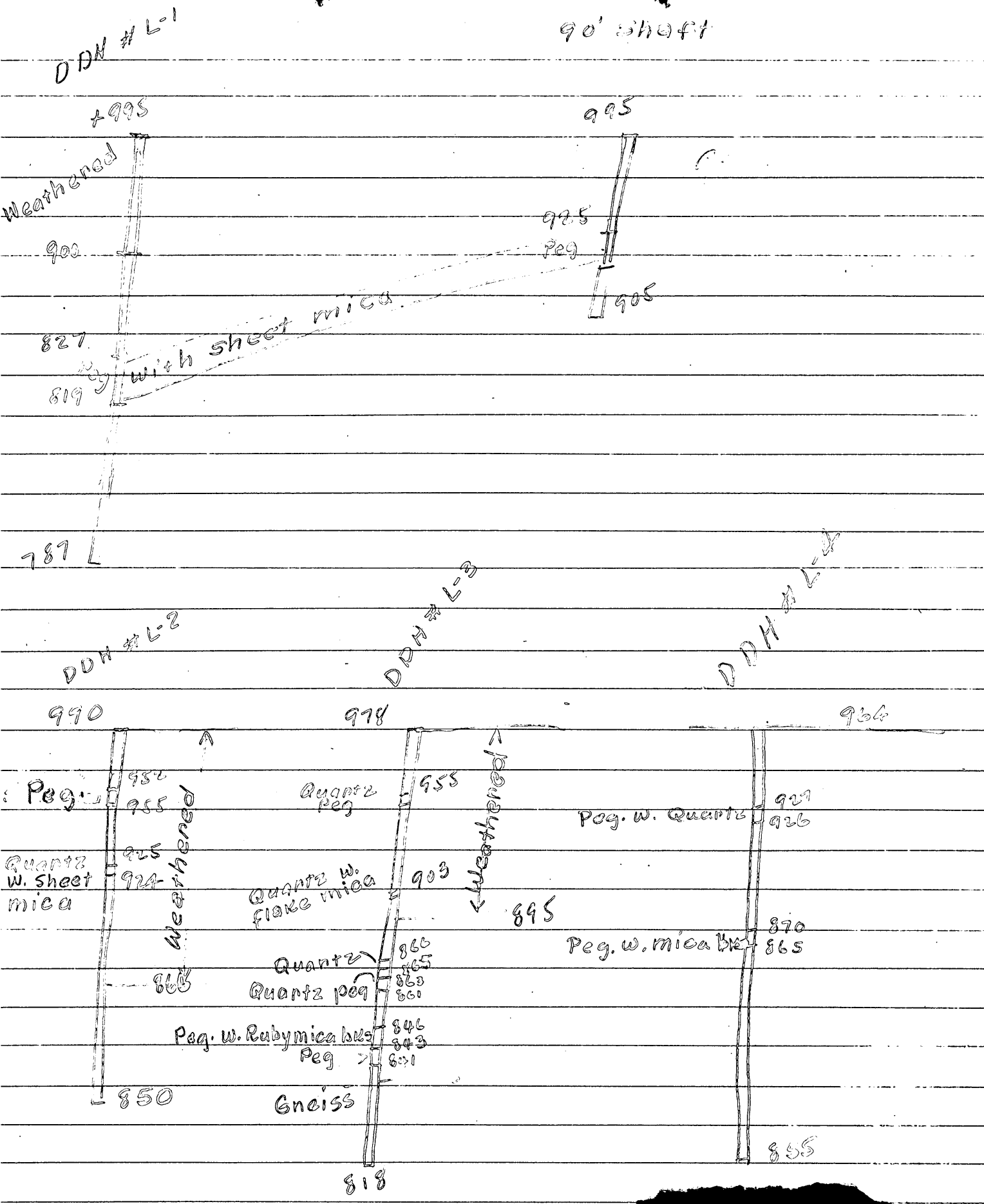
Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA
Field Team, Region 7

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

at [illegible]
[illegible] on map

Sink 3 x 1 shaft to intercept [illegible],
depth not to exceed 200 feet, including
10 ft. sump @ $30 ft. with hoist and
[illegible] for [illegible] and [illegible]
[illegible] required. $12,000.00*

200 ft. of 3 x 1 drift @ $30.00 6,000.00*
$18,000.00*


DDH #L-1
+995
Weathered
900
827
819
787
Peg with sheet mica
90' shaft
995
925
Peg
905
DDH #L-2
990
Peg
952
955
925
Quartz w. sheet mica
924
Weathered
865
850
DDH #L-3
978
Quartz peg
955
Quartz w. flake mica
903
Weathered
895
Quartz
866
865
863
861
Quartz peg
Peg. w. Ruby mica bks
846
843
Peg
841
Gneiss
818
DDH #L-4
964
Peg. w. Quartz
927
926
Peg. w. mica bk
870
865
855

Main Office
Box 35
Murphy, N. C.

Bourne Associates

Mica And Mica Products

Spruce Pine, N. C.

Mine and Mill
Spruce Pine, N. C.

November 11, 1952

Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

Gentlemen:

With reference to DMEA Docket No. 2595 on the Liberty Mica Mine, Randolph County, Alabama, we have been requested to explain further our unit costs for sinking a shaft and driving lateral drifts.

We have reviewed carefully the requirements of the project and have investigated in more detail supply costs in the Randolph County area. Attached hereto are revised cost estimates on shaft sinking and drifting. We find that in general, our original costs of supplies must now be revised upward. Our labor estimates will not allow reduction, and we cannot justify a reduction in equipment costs. Actually the equipment described cannot be rented on the open market and operated as cheaply as our estimates allow. The time allotted for the project appears most conservative.

Structural designs have been set out for maximum efficiency and safety. A considerable part of the equipment allowance has been made in anticipation of heavy water flows. This allowance seems particularily justified in view of conditions experienced during previous operations in that area. Members of our present organization have had unpleasant first hand experiences with the heavy water flows and are personally aware of the need for adequate equipment.

In addition to our original unit costs, we set up supervision, general accounting and a change and tool house as separate items. The current estimate includes these items in unit costs.

Defense Minerals Exploration Administration November 11, 1952

Our allowance of 20% for contingencies is the usual figure for such projects. It is particularily in line for this project due to the remote location with respect to points of supply, and due to the effects of winter operations.

In view of our past experiences in the area, in view of ground, water, and location conditions at the proposed site, and in consideration of maximum possible safety and efficiency, we do not feel that our proposed costs are subject to discount.

Yours very truly,

BOURNE ASSOCIATES

E. C. Van Horn

E. C. Van Horn

EVH:amh

6. B. Vertical shaft, timbered, 6' x 8' x 200', estimated working time 10 weeks:

(a) None

(b)

1 - Foreman-70 days @$1.75/hr	$ 980.00
3 - Pump men - 50 days @$1.15/hr	1370.00
1 - Hoist man - 60 days @$1.15/hr	600.00
1 - Dumper - 50 days @$0.95/hr	380.00
3 - Miners - 50 days @$1.25/hr	1500.00
1 - Watchman - 70 days @$0.95/hr	532.00
1 - Geology & Engineering supervisor, 10 wks @$75.00	750.00
TOTAL LABOR	$ 6112.00

(c)

500' wire rope @$0.35/ft	175.00
13000 bd. ft. structural timber @$55.00/M	715.00
3000 bd. ft. lagging @$50.00/M	150.00
200 shaft bolts @$0.75 each	150.00
2000# dynamite (8 cu.ft. muck/lb.) @$22.40/cwt	448.00
400 exploders @$17.50/hd	70.00
Drill bits @$1.00/ft advance	200.00
Drill steel estimated	100.00
Small tools estimated	200.00
300# nails @$9.00/cwt	27.00
TOTAL SUPPLIES	$ 2235.00

(d)

1- 10 KWH Generator, including maintenance and fuel, 60 days @$30.00/day	1800.00
1- 315 CFM compressor, including maintenance and fuel, 50 days @$25.00/day	1250.00
1- Hoist, including maintenance, 60 days @$5.00/da.	300.00

2- Air drills, including maintenance, 50 days @$1.00/day..... 100.00

2- Pumps, including maintenance, 60 days @$2.50/day..... 300.00

TOTAL EQUIPMENT $ 3750.00

(e) None

(f) 1- Head frame & dump arrangement..... 1000.00

1 -Change and tool house..... 300.00

(g) Insurance & payroll taxes, 10% of labor..... 611.20

Accounting 5 days @$20.00/day..... 100.00

(h) Contingency @ 20% of $13,208.20..... 2821.64

TOTAL SHAFT COST $ 16929.84

Cost per foot..... $ 84.65

C. Exploratory drifting from shaft, 300 lineal feet, 6' x 6' drift, estimated time 6 weeks:

(a) None

(b) 1- Foreman- 42 days @$1.75/hr..... 588.00

3- Pump men - 42 days @$1.15/hr..... 1160.00

1- Hoist man - 35 days @$1.15/hr..... 322.00

1- Dumper - 30 days @$0.95/hr..... 228.00

6- Miners - 30 days @$1.25/hr..... 1800.00

1- Watchman - 42 days @$0.95/hr..... 320.00

1- Geology & Engineering supervisor, 6 weeks @$75.00 450.00

TOTAL LABOR $ 4868.00

(c) 1800# dynamite (6 cu.ft. muck/lb) @$22.40/cwt. 672.00

360 exploders @$17.50/hd..... 63.00

Drill bits @$1.50 per foot advance..... 450.00

Drill steel estimated..... 200.00

Small tools estimated.....	100.00
3,000 bd. ft. structural timbers @$55.00/M.....	165.00
500 bd. ft. lagging @$50.00/M.....	25.00
100# nails @$9.00/cwt.....	9.00
TOTAL SUPPLIES	$ 1684.00
(d) 1 - 10 KWH Generator, including maintenance and fuel, 42 days @$30.00 per day.....	1260.00
1- 315 CFM compressor, including maintenance and fuel, 42 days @$25.00/day.....	1050.00
1- Hoist, including maintenance 35 days @$5.00/day	175.00
2- Air drills, including maintenance, 30 days @$1.00/day.....	30.00
2 - Pumps, including maintenance, 42 days @$2.50 per day.....	210.00
TOTAL EQUIPMENT	$ 2725.00
(e) None	
(f) None	
(g) Insurance and Payroll taxes @ 10% of labor.....	486.80
Accounting, 3 days @$20.00/day.....	60.00
(h) Contingencies @ 20%.....	1964.76
TOTAL DRIFT COST	11,788.56
Cost Per Foot	39.30

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

Room 13, Post Office Building
Knoxville 2, Tennessee

DEPARTMENT OF THE INTERIOR
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OCT 13 1952

October 10, 1952

Memorandum

To: L. G. Houk, Non-Metallic Minerals Division
Thru: Operating Committee

From: Executive Officer, DMEA-Region 7

Subject: DMEA-2595, Bourne Associates (mica) Liberty Mine, RandolphCounty, Ala.

Applicant has notified us that they are still holding this proposal under advisement. They do not think they can do the job at $50.00 for shaft-sinking and $32.50 for drifting, as discussed in our recent telephone conversation. They will notify us as soon as a decision is made.

Robert A. Laurence

Robert A. Laurence

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

UNIVERSITY OF THE MINERALS
Defense Minerals Administration
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OCT 8 1952

Mr Hearn

October 7, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2595, Mica, Arnott, Friendship, Campbell and Liberty Mica Mines, Randolph County, Alabama

I concur in the field team's recommendation for an exploration program in the amount of $20,029 at the Liberty Mine, $9,302 at the Arnott Mine, and $8,132 at Friendship No. 1 Mine, and denial of exploration on the Campbell and Friendship No. 2 Mine because of the poor quality of the mica.

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.

October 1, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2595 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Bourne Associates, P. O. Box 35, Murphy, North Carolina
Name of property: Liberty, Arnott, Campbell, Friendship No. 1, and Friendship No. 2 mines.
Location of properties: Randolph County, Alabama
Date of field team report: September 5, 1952
Authorship of field team report: H. D. Pallister, J. F. O'Neill, K. H. Teague
Field team's recommendation:

1. Liberty mine — Sink vertical (6 ft. x 8 ft.) shaft about 180 feet deep (max.) and do 200 ft. (max.) drifting, total cost $20,029.40.
2. Arnott mine — Extend inclined shaft 100 feet and do 100 feet of drifting, total cost $9,302.
3. Campbell mine -- No exploration warranted.
4. Friendship No. 1 mine — Clean out and recondition 56-foot incline, sink 60 feet additional on incline, and do 100 feet of drifting, total cost $8,132.
5. Friendship No. 2 mine -- No exploration warranted.

Comments:

Executive officer and Bureau of Mines associate in memorandum of transmittal (September 17, 1952) state that a strong recommendation can not be given to the proposals for work at the Arnott and Friendship (No. 1) mines, based on the geologic probability of a significant discovery. I feel, too, that these two proposals should not be supported, chiefly because of the poor quality of the mica.

According to a report in the files of the Geological Survey, at the Liberty mine "blocks of "A", wedge, and fishbone mica are very abundant, but flat sheets can be trimmed from them. The proportion of scrap in the mine-run mica is high."

No quantitative data have been presented on the mica content of the pegmatite at the Liberty mine and on the ratio of strategic mica to mine-run mica. Records of former production should be helpful. Until these data are made available to us, it cannot be determined whether blocking out a mica-bearing pegmatite body that might be 200x60x5 feet merits government participation. At the Liberty mine, as at the other four properties of the applicant, the geologic probability of making a significant discovery of strategic mica has not yet been demonstrated.

Action Suggested:

1. Deny request for exploration assistance for Arnott, Campbell, Friendship No. 1, and Friendship No. 2 mines.
2. Request applicant to furnish quantitative data, on the mica content of the pegmatite at the Liberty mine and on the ratio of strategic mica to mine-run mica, based on former production records, if possible. According to the field team report (p. 1), the applicant has competent geologists and engineers in the organization; such data are probably already in their possession, or could be acquired readily. If this information is not supplied or indicates that a significant discovery of <u>strategic</u> mica would not be made, deny the request for exploration assistance at the Liberty mine also.

R. E. Van Alstine

R. E. Van Alstine

D. M. E. A.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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SEP 1 3 1952

Room 13, Post Office Building
Knoxville 2, Tennessee

September 17, 1952

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, Region VII -Knoxville, Tennessee

Subject: Field Examination Report, DMEA-2595, Bourne Associates (mica)

Transmitted herewith are 4 copies of the field examination report on the subject application, and six extra copies of the maps accompanying the report. The original maps submitted by the applicant are returned herewith, as are the memoranda of review by the Geological Survey and Bureau of Mines commodity groups. A supplementary letter from the Applicant, dated August 9, 1952, is also enclosed.

Estimated costs of work at three mines are included, but based upon the geologic probability of a significant discovery, a strong recommendation can not be given to the proposals for work at the Arnott and Friendship mines. If the need to explore for strategic mica is sufficiently critical - which we do not attempt to appraise in the field - then these two might be included, but $17,434 is a lot of money to spend on deposits on which the field examiners report that no well-defined mica zone was observed, and that virtually all mica books are crumpled or contain "A" structure (Arnott), and "merits of this deposit are debatable....most of the mica is suitable only for grinding (Friendship # 1)." Of these two mines, the geologists who examined them in 1944 wrote, "The generally poor quality of the mica, together with the absence of a well defined mica zone or concentrations of mica are strong factors contributing to the opinion that the Arnott pegmatite body will be only a minor source of strategic mica" and "The quantity of mica in the core-margin zones (Friendship #1) is very large but the quality is poor."

The case for work at the Liberty Mine is somewhat stronger.

Dr - Site Exam Rpt

See Folder # 2 for maps

Bureau of Mines R. I. 3905 says (p 37) that the block of pegmatite 300 x 100 x 5 feet proven by drilling "merits development by either turning the vertical 90-foot shaft into an inclined shaft below the 70-ft. level, or by sinking another vertical shaft between holes L-1 and L-2 to intersect the pegmatite at 150 feet or more beneath the surface." The proposed work, if successful, would prove an additional block of pegmatite about 200 x 60 x 5 feet, and would increase the known block of pegmatite by about 30 %. The unit costs proposed are notably higher than those on comparable contracts now in effect in North Carolina.

The plans proposed offer the best methods of exploring these pegmatites, and are much more reasonable than the Applicant's original proposals. If exploration is approved, it should be done along these lines. However, the Field Team doubts the wisdom of spending $37,463.00 on these three deposits (and especially the $17,434 for the Arnott and Friendship Mines).

Robert A. Laurence

Robert A. Laurence,
Executive Officer, DMEA-Region 7

Wm A Beck

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2595 (mica)

ARNOTT, FRIENDSHIP, CAMPBELL, and LIBERTY MICA MINES
Randolph County, Alabama

Applicant: Bourne Associates, P.O. Box 35, Murphy, N.C.

BY

Hugh D. Pallister, Consultant
U. S. Bureau of Mines

J. F. O'Neill, Mining Engineer
U. S. Bureau of Mines

Kefton H. Teague, Geologist
U. S. Geological Survey

September 5, 1952

Report of Field Team Examination

ARNOTT, FRIENDSHIP, CAMPBELL, and LIBERTY MICA MINES,

Randolph County, Alabama

DMEA-2595 (mica)

Applicant: Bourne Associates, P.O. Box 35, Murphy, N.C.

This application concerns five different pegmatites, all of which are located in the northern part of Randolph County, Alabama. Three of the pegmatites appear to warrant some exploration - Liberty, Arnott, and Friendship No. 1 mines. No exploration is warrented on the Campbell or Friendship No. 2 pegmatites.

It is recommended that the following work be considered:

Liberty Mine.

180' vertical shaft @ $71.53/ft.	$12,875.40
200' drifts @ $35.77/ft.	7,154.00
Estimated Cost	$20,029.40

Arnott Mine.

100' incline @ $57.25/ft.	$ 5,725.00
100' drifts @ $35.77/ft.	3,577.00
Estimated Cost	$ 9,302.00

Friendship No.1 Mine

Clean out and recondition 56' incline @ $20.ft.	$1120.00
60' incline @ $57.25/ft.	3435.00
100' drifts @ $35.77/ft.	3577.00
Estimated Cost	$ 8132.00

These mines were examined on August 6, 1952. The Field Team was accompanied on the examination by Earl C. Van Horn and Mr. Sanders, representatives of the Applicant. About 6 hours were spent on the examination.

The applicant has competent geologists and engineers in the organization and have sufficient funds to conduct the operation. The applicant leases the property, copies of which have been furnished the DMEA.

LIBERTY MINE

This mine is about half a mile southwest of Micaville in SW 1/4, NE 1/4, Sec. 1, T.18S, R. 10E. of Randolph County, Alabama. It is about a quarter mile south of the Cleburne County line. Access to this mine is good at all seasons of the year.

There are no facilities or buildings on the property and existing openings are slumped and caved. The attached map, prepared in 1944 by the U. S. Geological Survey, shows the extent of the workings and the locations of the U. S. Bureau of Mines diamond drill holes. Also the proposed exploration is indicated on the map.

The pegmatite is enclosed in mica-garnet schist whose foliation strikes N. 75° SE. Both the schist and pegmatite are weathered to a depth of approximately 100 feet.

The pegmatite averages about 10 feet in thickness in the main open cut; its maximum thickness is about 15 feet. It conforms with the schistosity of the wall rock in most places, dipping 40° to 50° south. At the east end of the open cut the dip is only 30° S.E., and the pegmatite cuts across the schistosity of the wall rock. Only the thickest part of the pegmatite was mined; it thins to 3 and 4 feet, respectively at the west and east ends of the main workings.

The pegmatite consists of quartz, kaolinized feldspar, and muscovite. The feldspar is reported to be kaolinized even at a depth of 90 feet. A streaky texture is caused by several discontinuous layers of quartz, along which muscovite occurs. Near the middle of the main workings, a 6-foot quartz mass occupies a central position in the pegmatite, and is overlain by a zone of kaolin 3 feet thick between the quartz and the wall rock. A muscovite-rich layer several inches thick lies on top of the quartz mass, below the 3-foot kaolin zone. At the east end of the open cut, the 4-foot pegmatite contains 3 or 4 quartz streaks of the order of 6 inches thick and 4 feet long as seen in the wall of the drift. Muscovite books are clustered around these quartz streaks. The quartz is nearly all in coarse masses, rather than as fine grains in the kaolin.

The mica is ruby in color and is nearly all clear. Blocks of "A", wedge, and fishbone mica are very abundant, but flat sheets can be trimmed from them. The proportion of scrap in the mine-run mica is high.

The mining has been carried on principally in the hanging wall half of the pegmatite, and the mica almost invariably lies in contact with streaks of massive quartz in the kaolinized fledspar.

The relatively large old workings and the large amount of scrap mica at the mine indicate the possibility of producing substantial amounts of strategic mica.

The best possibilities for a substantial production lie down the dip below the lowest old workings. The 90-foot shaft went to the bottom of the old workings.

As a result of diamond drilling conducted by the U. S. Bureau of Mines during 1944, the pegmatite has been defined for 300 feet along the strike, 100 feet in width down the dip, below the old openings with an average thickness of at least 5 feet. It is this block of pegmatite that the Applicant proposes to explore further.

The Field Team believes that this exploration is justified and could best be accomplished by sinking a vertical shaft about 180 feet deep between drill holes L-1 and L-3, so located as to cut the pegmatite at about the 170-foot level. A maximum of 200 feet of drifts should then be driven along the pegmatite as indicated on the attached map.

It is recommended that exploration work be allowed at the Liberty Mine as follows:

Sinking vertical 6' x 8' shaft with adequate manway compartment 180 ft. (max.) @ $71.53 per foot.	$12,875.40
200 ft. (max.) drifting @ $35.77/ft.	7,154.00
Estimated Cost.....	$20,029.40

ARNOTT MINE

The Arnott Mine is in northwestern Randolph County, Alabama, in the NW 1/4 of Sec. 2 T. 18 S., R. 10E., and about 3/4 mile south of the Randolph-Cleburne County line. The mine is accessible at all seasons of the year.

This mine has been developed by an open cut, an inclined shaft from the cut to a slope depth of 80 feet below the present surface excavations, and along the strike for a length of approximately 65 feet.

The Arnott pegmatite is a tabular, gently dipping, sill-like body that has been conformably intruded into muscovite-garnet schist of uniform texture and attitude. The mass, which ranges in thickness from 2 to 15 feet, strikes a few degrees east of north and dips in

general about 30° SE. It has been explored over a length of 180 feet and for a vertical distance of 55 feet.

The pegmatite is undifferentiated, the main bulk consisting of a medium-grained intergrowth of quartz, kaolinized feldspar, and small flakes and books of muscovite. Quartz nodules exposed in the stripped area range from 2 to 6 inches in length. Here the pegmatite has an 8-inch hanging-wall rind of rock similar in composition and texture to the main mass of pegmatite, but of distinctly smaller grain size. In the incline and the workings from it, books of muscovite are scattered throughout the pegmatite body, and are associated especially with quartz-rich pods. Appreciable concentrations of coarsely crystalline muscovite appear locally near the hanging wall. Large blocks of massive but granular ("sugar") quartz are on the dumps, and it appears likely that a discontinuous quartz core was present in some parts of the mass.

Very little mica is exposed in the workings. Minor concentrations of books are associated with quartz-rich pods, and others occur near the hanging wall. No well-defined mica zone was observed. The mica is in books as much as 8 inches across, nearly all of which contain "A" structure. Many others are intensely crumpled and very few are entirely flat. Reeves and cracks are other common defects.

The Applicant has recently deepened the incline about 10 feet and driven drifts to the northeast and southwest. The drift to northeast is 25 feet long with 2 feet of pegmatite in the face and the one to the southwest is 40 feet long with 2 1/2 feet of pegmatite in the face. Production from recent activity underground and in the open cut has resulted in an estimated 15,000 pounds of block mica. The amount of sheet that this will produce has not been determined.

Some greenish rum colored mica occurs at this place, although the bulk of the mica present is of light ruby color. Some mica has been sold from this deposit under the current Stockpiling Program. That sold to date is reported to have averaged about 50 percent "good stained."

The Field Team recommends that the incline be extended along the dike in order to determine the character and mineralization a maximum slope distance of 100 feet below the present incline face. If the dike pinches or there is definite indication that there is no strategic mica being developed, it should be abandoned before reaching a depth of 100 feet. If the dike is persistent to a slope depth of 100 feet below the present incline face, then 100 feet of lateral drifting following the dike should be allowed at a point 15 feet above the bottom of the new incline.

The estimated cost of this work is as follows:

100 ft. incline shaft at $57.25/ft.....$5,725.00

100 ft. drifting at $35.77/ft..... 3,577.00

Estimated Cost..... $9,302.00

FRIENDSHIP MINE No.1

The Friendship No. 1 mica mine is in the SW 1/4, SW 1/4, Sec. 4, T.18S., R 10E., in the northwestern Randolph County, Alabama. It lies on the nose of a low east-west ridge. The mine was mapped on November 23, 1944 by E. Wm Heinrich and R. W. Lemke. One can reach it by turning northwest on a dirt road from Alabama State Highway 37, 0.9 mile south of the Randolph-Cleburne County line, and continuing for about 1 1/2 miles, thence driving southeast for one mile over a logging road to the mine.

The surface workings consist of a long, shallow trench and an open cut. From the bottom of the east corner of the open cut an incline extends southeast down the dip of the pegmatite body for 56 feet. Short drifts to the south were dug at the 10- and 23-foot levels.

The pegmatite body strikes N. 32° E. and dips 25° to 35° SE. On the northeast side of the incline the strike changes to due north. This change coincides with a perceptible thinning, which is also observable on the northeast wall of the open cut. The body ranges in thickness from 2 to 6 1/2 feet. It cuts across the foliation of the country rock, which strikes N. 70° W. and dips steeply southwest. The country rock is a muscovite-garnet schist. Float blocks of coarse blue kyanite were found north of the open cut. The dike is exposed over a strike length of 105 feet and a dip length of 90 feet.

The pegmatite body is well zoned, with a strongly developed core of massive white quartz, flanking zones of muscovite pegmatite and wall zones that consist of decomposed feldspar, aboundant small muscovite, and minor quartz. Graphic granite is locally abundant. Slip planes showing prominent slickensides cut across the wall zones. The core ranges from 1 to 3 feet in thickness, and it appears to plunge southeast at a low angle.

Contact with the schist are not sharp and small reqorked inclusions of schist are common in the dike along the margin.

Mica occurs in zones flanking the core. The zone on the hanging-wall side is the thicker and the more persistent. Mica is abundant in both zones, and usually rich concentrations occur wherever the core

thins abruptly. The mica is almost entirely wedge "A" and fishback. Black specks are common, especially along the arms of the "A". The mica is pale brown in color and occurs in books as much as 10 inches in diameter. The average size of the books is large, and clusters of books 2.5 feet long were observed on the hanging-wall side of the core. The percentage of scrap in the mine-run mica is very high; however, strategic mica is available as a by-product.

The pegmatite body is persistent along both the strike and the dip. The quantity of mica in the core-margin zones is very large, but the quality is generally poor.

Merits of this deposit are debatable. At the time the Field Team examined the deposits, exposures were insufficient to permit accurate apprasial. Certainly most of the mica is suitable only for grinding, although some mica of strategic grade would undoubtedly be recovered as a by-product. Should exploration aid be granted on this pegmatite the following work is recommended:

Clean out and recondition 56-foot incline @ $20/ft.	$1120.00
60' of incline from bottom of 56-foot incline @ $57.25 per foot	3435.00
100' drift from incline @ $35.77/ft.	3577.00
Estimated Cost.....	$8132.00

FRIENDSHIP MINE No. 2 .

This mine is located about 200 yards north of Friendship No. 1 Mine. Openings here consist of a trench along the contact of a quartz mass with feldspathic pegmatite. This trench is 100 feet long, 6 feet wide, with a maximum depth of 25 feet. The pegmatite strikes in an eastwardly direction, but its dip cannot be determined. The applicant reports that about 15 tons of book mica was recovered from the trench.

The mica is concentrated along the quartz core. It is ruby colored, but all is "wedge " and "fishbone" and contains black spots. Almost all mica recovered is of scrap-quality, and very little strategic can be obtained. The Field Team, therefore, recommend that this pegmatite not be considered for exploration assistance.

CAMPBELL MINE

This mine is located a few hundred feet northwest of the Arnott Mine. Two surface cuts from 6 to 12 feet deep have exposed a pegmatite containing considerable "Wedge A" mica, but little or not strategic mica can be recovered. No exploration is warrented for this pegmatite.

August 6, 1952.

Hugh D. Pallister, USBM

J. F. O'Neill, USBM
K. H. Teague, USGS.

Room 13, Post Office Building
Knoxville 2, Tennessee

August 11, 1952

Mr. J. H. O'Neill
Mining Engineer
U. S. Bureau of Mines
Box L
Tuscaloosa, Alabama

DMEA 2595

Dear Jim,

Enclosed are the maps submitted by Van Horn with the Bourne Associates application. Also, I am sending along copies of the U.S.G.S. maps on three mines on which we suggested some work.

The following is briefly the work which was discussed in the Field:

Liberty Mine

To be set up in two stages:
Stage I: to consist of testing old 90-foot shaft to determine possibility of reconditioning it.

Stage II: to consist of reconditioning and deepening 90-foot or sinking a new shaft.

Friendship No.I Mine:

To consist of driving a 75-foot incline with drifts from incline.

Arnott Mine:

To consist of three drill holes and deepening incline 75 feet with some drifts.

I will be away from the office all this week, but plan to to in next week and will get the reports out then.

Sincerely yours,

Kefton H. Teague

August 9, 1952

Defense Mineral s Exploration Administration
Box L
University, Alabama

Attention: Mr. J. F. O'Neill

SUPPLIMENT
Re: D. M. E. A.-2595 (mica)

Dear Mr. O'Neill:

In accord with our conversation at Heflin on August 6, the following date is presented with reference to our mica exploration application, DMEA Docket 2595, Randolph County, Alabama.

With regard to the Liberty Mine, it was proposed to sink a shaft 200 feet deep, and drive two lateral drifts totalling 300 feet in length. You suggested the possibility of deepending the existing main shaft and driving a 65-foot cross-cut instead of sinking an entirely new shaft. The existing main shaft is now 58 feet deep, leaving a balance of 142 feet, of which at least 32 feet will be caved muck. In addition, it is reported that the old shaft was severely "Ground-hogged" around its base. We have plumbed the old shaft and found it to measure 5 1/2 feet by 7 1/2 feet, and be from 5 inches to 8 inches out of plumb.

Because of the necessity of reaming out the existing shaft to proper size, and because of the probable nature of the 32 feet of muck in the present shaft, we estimate that the total time required to deepen the existing shaft would be, at the very least, 85 percent of that required for an entirely new shaft. Our estimate for 200 feet of new shaft amounted to $14,307.00. An adjusted estimate for deepening the old shaft amount to $12,155.00, and 65 feet of cross-cut at $35.77 per foot amount to $2,325.00, making a total of $14,480.00, or $173.00 more than an entirely new shaft. Job hazard in a new shaft would be considerably less serious.

You have noted the desirability of having the shaft location offset from Hole L-1. It has been suggested that the shaft might be located in a down-dip direction from Hole L-1 and a short cross-cut driven to the core hole location. In this way the shaft could be deepened at some future time, intersecting the pegmatite at a new location in preparation for additional parallel drifts. This idea has not been incorporated in the present plan.

With regard to the Arnot Mine, you have proposed the drilling of three core holes totaling 600 lineal feet, and continuing the existing incline and driving 100 feet of lateral drifts at the bottom. Referring to our layout map of the Arnot Mine, the additional incline would amount to 115 feet in order to intersect the proposed line of core holes, with an additional 15 feet required for sump. Upon close examination of the problems of driving the incline, it is our conclusion that incline costs will very nearly approach shaft costs in this location. Pumping problems would be about the same, and drilling and mucking problems would be worse because of working along the schistosity.

We estimate the cost of a 6' x 6' incline at $57.25 per foot or $7,442.50 for 130 feet. The lateral drifting would cost $35.77 per foot or $3,577.00 for 100 feet, making a total job cost of $11,019.50.

Since you propose a reduction in core drilling footage to 600 lineal feet, we estimate core drill cost at $6.50 per foot, or a total of $3,900.00.

With reference to the Friendship No. 1 Mine, you have proposed 100 feet of incline shaft and 150 feet of lateral drifting. Quoting the same costs as at the Liberity and Arnot Mines, incline cost would be $57.25, per foot or $5,725.00, and the drifting would amount to $35.77 per foot or $5,365.50, making a total cost of $11,090.50.

Referring to our original application, and considering a revision in line with the present data, a summary of the overall project would be as follows:

600 feet of core drilling @ $6.50 per foot	$3,900.00
200 feet of vertical shaft @ $71.53 per foot	14,306.00
230 feet of inclined shaft @ $57.25 per foot	13,167.50
550 feet of lateral drift @ $35.77 per foot	19,673.50
13 months supervision and administration @ $770.00 per month	10,010.00
Total Project Cost	$61,057.00

We agree that the revised program would hasten the recovery of strategic mica from the subject properties, although we feel that additional core drilling and trenching would reveal a larger volume of strategic mica.

You requested additional data on mica production from our properties. The Arnot Mine has produced 12,655 pounds of block mica and 16,000 pounds of scrap. The Friendship Mines have produced 5,655 pounds of block mica and 14,000 pounds of scrap. Unfortunately our results from trimming operations cannot be correlated back to crude weights because of excessive re-handling that has resulted from uncertain grading standards. Our best estimate is that sheet mica amounts to 3 percent of crude block weight. Since all our mica has come from near the surface, our percentage of good sheet has been held down because of clay staining within the block. Mica produced at depth can be expected to result in a much higher recovery.

We wish to point out that a large quantity of scrap mica from the Friendship No. 2 Mine has resulted from attempts to make work for our men in order to hold the labor organization together in anticipation of exploratory work. Much of the scrap mining would not have been done in the course of a normal sheet mica mining program. ?

We hope that you now have sufficient information to expedite our exploration contract. Let us know if there is any additional data that we can supply.

Yours very truly,

BOURNE ASSOCIATES

S/s

E. C. Van Horn, Geologist

FILE COPY
SURNAME:

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

JUL 22 1952

Hearne
Houk
Selfridge
Fitzhugh

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 01, Tennessee

Subject: Docket No. DMEA-2595 - Mica
Arnott, Liberty and
Friendship Mines
Randolph County, North Carolina

Dear Mr. Laurence:

A field examination is required to determine whether this agency should participate in an exploration contract covering the above captioned mines.

Pertinent memoranda from the U. S. Bureau of Mines and U. S. Geological Survey are enclosed.

A critical review of the proposed program and cost estimates is requested in the event exploration is justified, together with any recommendations your office may care to make.

Sincerely yours,

George C. Selfridge 7/22 (GHB)

ACTING Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

J. H. Hedges (GHB)
Member, Bureau of Mines

T. P. Thayer (GHB)
Member, Geological Survey

Enclosures - 2

LFHearne:mp 7/18/52
cc: Docket File
Adm. Reading File
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

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

600

JUL 22 1952

Hearne
Houk
Royer
Hodges
Bethridge

Mr. Francis C. Bourne
Bourne Associates
P. O. Box 35
Murphy, North Carolina

Subject: Docket No. DMEA-2395 - Mica
Arnett, Liberty and
Friendship Mines
Randolph County, North Carolina

Dear Mr. Bourne:

Your application is being referred to Mr. Robert A. Laurence, Executive Officer, DMEA, Field Team, Region VII, Room 13, Post Office Building, Knoxville 01, Tennessee, for further information.

Sincerely yours,

7/22

(signed) FRANK E. JOHNSON

(HB)

Acting Administrator
Defense Minerals Exploration
Administration

LFHearne:mp 7/18/52
cc: Docket File
Adm. Reading File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

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

July 17, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 17 1952

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2595, Bourne Associates
Murphy, North Carolina

On the basis of Bureau of Mines records (R.I. No. 3905) and the application's description of past production and present exposures, a field team investigation is recommended. The Arnott-Campbell Mine (p. 33-34) was operated during World War II with a production of approximately $2,000. Geological Survey (Professional Paper 225, p. 49) tested 367 pieces of mica from this mine indicating 100 percent of E-1 capacitor quality and color classified as cinnamon brown, which is acceptable as ruby mica. Over $500 worth of sheet mica, classified as ruby, was produced from Friendship No. 1 mine during World War II (p. 32). The Bureau of Mines drilled four diamond-drill holes to a total length of 664 feet (p. 36), which disclosed a block of pegmatite, 300 feet long, 100 feet wide, and 5 feet thick extending below the workings. This pegmatite contained books of ruby mica.

On the basis of the above facts, a field investigation of these properties is warrented.

W. F. Dietrich
(rls)

W. F. Dietrich

IN REPLY REFER TO:
G-MD-PLW

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

July 2, 1952

Memorandum

REVIEW OF APPLICATION DMEA-2595 (mica)

To: L. G. Houk, Non-Metallic Minerals Division, DMEA
From: P. L. Weis, U. S. Geological Survey
Applicant: Bourne Associates.
Name of property: Liberty, Arnott, Friendship Mines.
Location of property: Randolph County, Alabama.
Estimated cost of project: $48,350.
Summary of applicant's proposal:

Arnott Mine: Excavate 500 feet of trenches, 12 feet deep. Core drill 5 holes, totaling 1,000 feet.

Friendship Mine: Bulldozing to expose pegmatite contacts. Core drill three holes totaling 1,200 feet.

Liberty Mine: Bulldozing to expose contacts. Sink 200 foot vertical shaft and drift 300 feet from bottom of shaft.

Sources of information on applicant's property:

(1) Heinrich, E. W.: U. S. Geological Survey unpublished report. Strategic Minerals Investigations, 1944.
(2) U. S. Bureau of Mines Rept. of Inv. 3905.

Comments: This is a very ambitious program to undertake on a group of properties whose combined production of strategic mica during World War II was valued at $5,742. It is difficult to justify the reasoning behind such a proposal. Heinrich states:

> The Arnott pegmatite is 6 to 15 feet thick, 180 feet long, is not zoned, and contains very little strategic mica.
>
> The Friendship pegmatite is 2½ to 6 feet thick, 15 feet long, well-zoned. Mica is very rich locally, but is almost 100 percent "A" and fishback. Black specks are common.
>
> The Liberty mine is 6 to 15 feet thick near the center, 3 to 4 feet thick near the ends. Mica is abundant. It shows "A" fishbone and wedge structure, but some strategic mica can be trimmed from it. Best chances for future production would be in this mine, probably from the area near and below the 90-foot shaft. In all three properties the proportion of scrap mica is very high, but mining of the Liberty property might be economically feasible if the strategic mica is separated and marketed as a by-product of scrap mica mining.

RECOMMENDATION:

In view of the existing information, the Liberty Mine appears to be the only property worthy of further exploration. The application should therefore be sent to the field team, with a request that the applicant get his feet on the ground and work out a more reasonable exploration contract for the Liberty Mine, and forget about spending thousands of dollars on the other two properties. If the applicant is not willing to proceed under those conditions, the application should be denied.

Paul L. Weis

Paul L. Weis

FILE COPY
SURNAME:

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

Room 13, Post Office Building
Knoxville, Tennessee

Rock
Lynch
Opr. Gen.
Files

June 26, 1952

Mr. Earl C. Van Horn
Bourne Associates
Box 35
Murphy, North Carolina

DMEa-2595

Dear Van,

Your application on form MF-103 for exploration assistance at the Friendship Nos. 1 and 2, Liberty, and Arnott Mines in Randolph County, Alabama, has been received and forwarded to the Washington office.

If the contract is executed on the short form, all machinery and equipment must be supplied by you, whether purchased new, or already in your possession. On the long form contract, there is no reason whey equipment cannot be purchased with contract funds and the work carried out by your own forces.

The application was not accompanied by copies of the leases or of MF-203, Owner's Consent to Lien. I enclose 24 copies of the latter form. Please have 6 signed by the owner for each lease, and send all 6 along with copies of the leases, to:

Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Please retain one copy for your files and give one to the land owner. Do not fill in the amount of the contract.

Sincerely,

Robert A. Laurence
Executive Officer, DMEA
Region VII

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

EXPLORATION

Subject: DMEA-2595
Re: Exploration Loan
Arnott-Campbell, Liberty Mines, etc.
June 30, 1952

Mr. Francis C. Bourne
Bourne Associates
P. O. Box 35
Murphy, North Carolina

My dear Mr. Bourne:

This will acknowledge receipt of your application dated June 21, 1952, for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2595 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-2595 in any future correspondence relating to your application.

Sincerely yours,

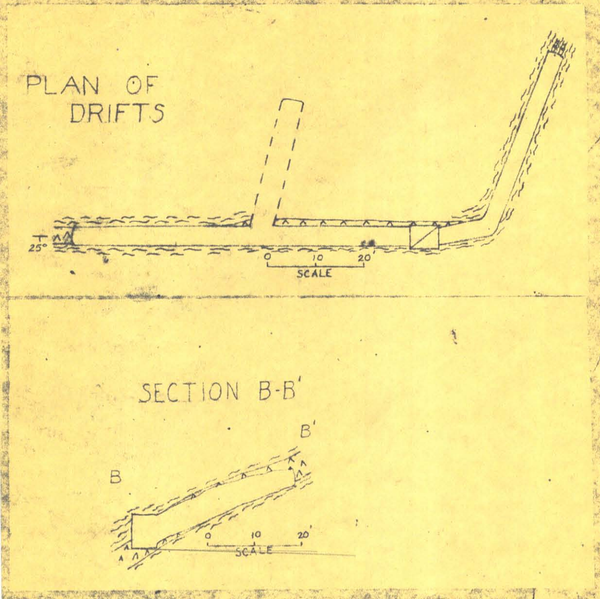
ROBERT E. ADAMS

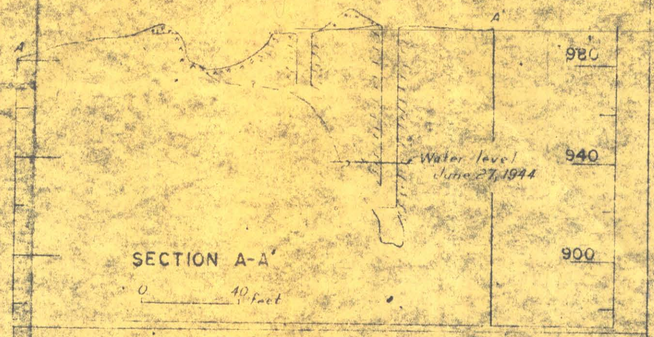
Robert E. Adams
Administrative Officer

7862

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP





EXPLANATION

- Muck
- Massive quartz
- Block mica concentration
- Feldspathic pegmatite (kaolin)
- Mica schist
- 70 Strike and dip of foliation
- 50 Contact, showing dip
- Contact, approximate
- Edge of open cut
- (972) Outline of underground workings, showing altitude of floor
- Approximate limit of workings down-dip
- Dump
- Contour interval 5 feet. Datum assumed

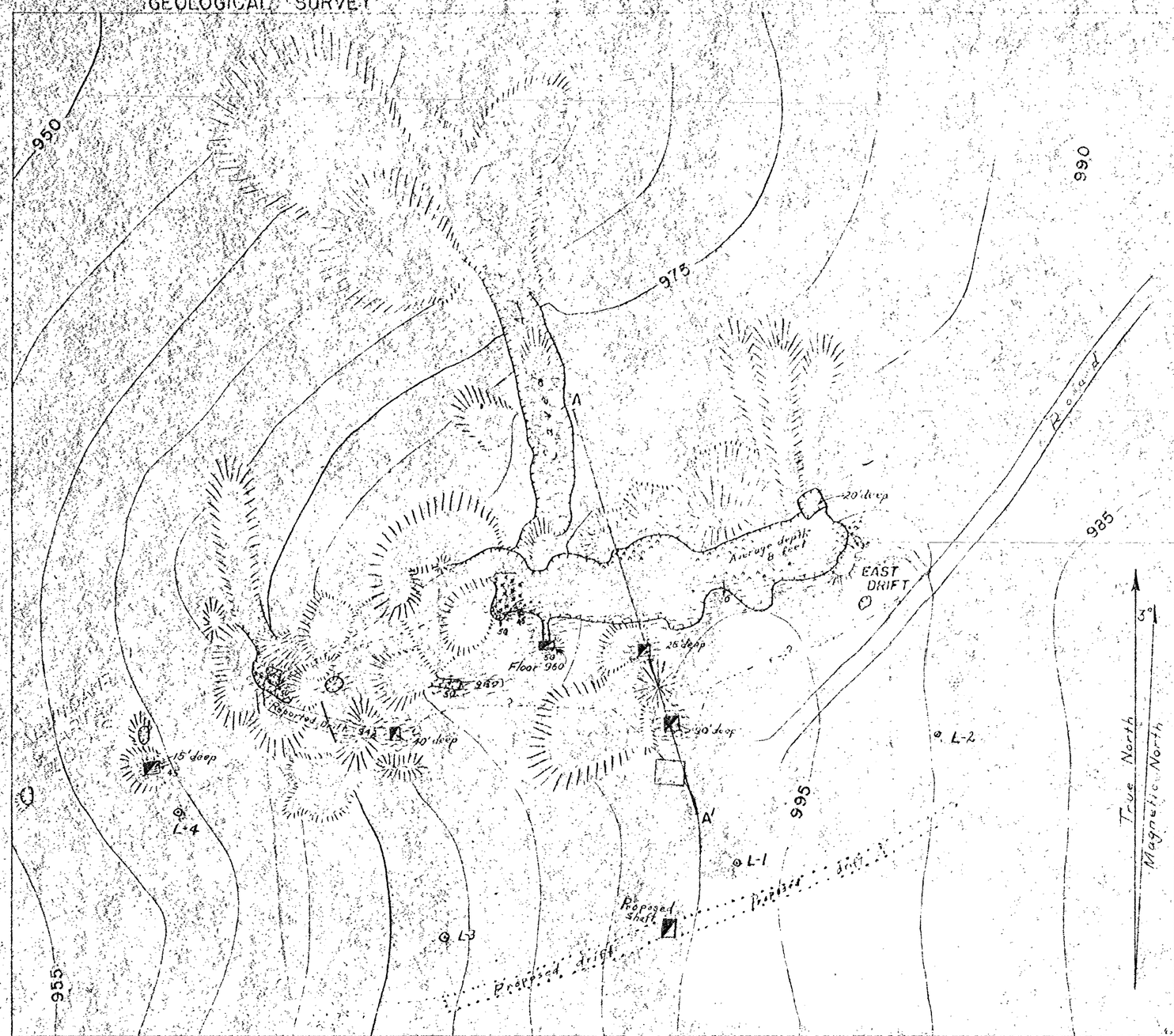
Mapped by J. C. Olson and E. Wm. Heinrich June 24 and 27, 1944

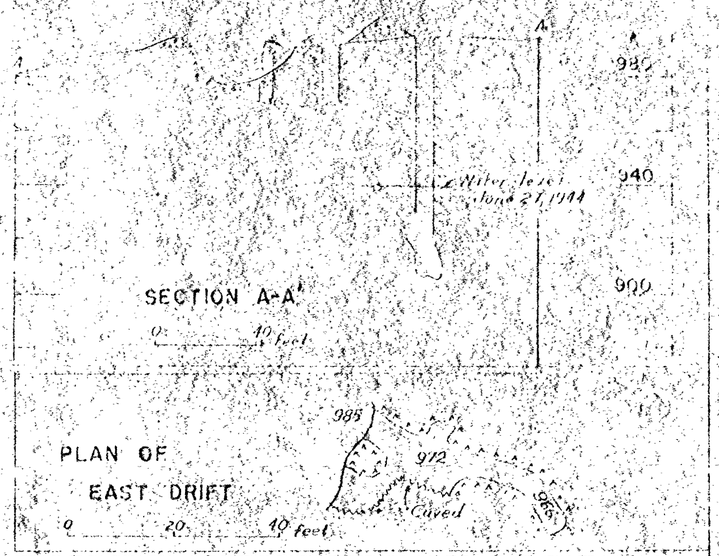
LIBERTY MICA MINE, RANDOLPH COUNTY, ALABAMA

0 40 80 120 160
Scale in feet

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP





EXPLANATION

- Muck
- Massive quartz
- Block mica concentration
- Feldspathic pegmatite (kaolin)
- Mica schist
- 10 Strike and dip of foliation
- 30 Contact, showing dip
- Contact, approximate
- Edge of open cut
- (97) Outline of underground workings, showing altitude of floor
- Approximate limit of workings downdip
- Dump

Contour interval 5 feet. Datum assumed.

Mapped by J. C. Olson and E. Wm. Heinrich June 24 and 27, 1944

LIBERTY MICA MINE, RANDOLPH COUNTY, ALABAMA

0 40 80 120 160
Scale in feet