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-8691, Docket OMEA-3050 (mica), dated September 17, 1953, with

M. E. Burleson, Sam Phillips, John Phillips,
and Frank Burleson
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Jones-Bowman Mine and Rosella Jones Mine located in Pickens County, Georgia, during the period May 8, 1959, through June 22, 1962.

A certification of discovery or development was issued on May 20, 1954, and, in accordance with Article 6 and Annex I 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 April 7, 1954, indicated accepted costs under the exploration contract amounting to $1,810.00 with the Government's contribution on a 90 percent basis being $1,629.00.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through May 7, 1959, to be $635.25. The royalty account as of May 7, 1959, was:

Total Royalty Payable	$51.76
Total Royalty Paid	51.76
Balance of Royalty Due	$ -0-

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

Total Royalty Payable	$51.76
Total Royalty Paid	51.76
Balance of Royalty Due	$ -0-

R. D. Taibert, OME Auditor

July 23, 1962

Idm-2601 M. E. Burleson, et al. DMEA-5050

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operators or their successor in interest shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. At the time the contract was executed, the Operators were in possession of the property by virtue of an April 11, 1953, lease and a June 29, 1953, amendment thereto from Mrs. Rosella Jones. In consideration of the contract, the landowner on April 29, 1953, executed an Owner's Consent to Lien to secure the payment of the royalty "provided for under the terms of the exploration project contract". The contract contains the so-called "abandonment" provision.

Exploration work under the contract was discontinued at the end of December 1953 and was terminated by agreement dated February 17, 1954. Sometime thereafter the Operators gave up their lease and the property was purchased in 1955 by Clayton Miller, Star Route, Marble Hill, Georgia.

Production during the exploration work resulted in one sale of 67.12 pounds of sheet mica to the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, in the name of Sam L. Phillips, and three sales of scrap and punch in the name of P. and B. Mica Co. The total proceeds, amounting to only $655.25, are covered by a prior Report of Royalty Review.

Subsequent inspections of the property and checks of the G.S.A. Mica Purchase Depot records in Spruce Pine, North Carolina, by regional DMEA and OME representatives have disclosed no further production. In an April 10, 1962, reply to a MME Form 63 inquiry the landowner, Clayton Miller, stated that there had been no production since July 1, 1960. An examination during the week ending June 22, 1962, by a Contract Administration and Audit Division representative, of the Mica Purchase Depot's records did not disclose any unreported sales.

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

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

E 601 9/19/53 DMRA-3050 M. C. Burleson, et al

Pickens County, Ga. Jones-Bergman Mine

Last reported Depot sale 1/21/54 Only Apr 942 $465.00 S L Phillips EPS 4-153A

Other known parties of possible interest:

Sam L. Phillips Partner P. & D. Mining Company

John Phillips do Clayton Miller Present land owner

Frank Burleson do

Rosella Jones owner

No subsequent sales noted in S.P. Depot records.
CEF

Report of Royalty Receipts Not For

Ab. Clayton Miller 4/10/62 X

JUL 2 3 1962

Memorandum

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

From: Chief, Division of Field Operations, OMK

Subject: DMEA-3050 (Mica)
M. E. Burlesen, et al.
Jones-Bessman Mine
Pickens County, Georgia
Contract Idm-2601

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

George C. Selfridge

Enclosure

GCSelfridge/hb (7/24/62)
cc to: Docket DMEA-3050
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 7/23/62 & orig. cy of memo dtd 7/20/62 to Chief, Div. of Field Operations from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

JUL 23 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMSA-3050 (Mica)
M. E. Burleson, et al.
Jones-Bozeman Mine
Pickens County, Georgia
Contract Idm-E601

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

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

(b) Two copies to Region IV files.

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

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

Enclosures

EDTalbert/ama 7-23-62

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	[illegible]	800
		300
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

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

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

Contract No.	Docket No.	Operator	Mine Names
E- 87	1140	Pitt Mica Corporation	Mary, Reid, Reid-Mary, Reid Hooker
456	2150	A. W. Reid and W. H. Hooker	Mary, Reid, Reid-Mary, Reid Hooker
393	2293	Dixie Minerals, Inc.	D. H. Stephens (Stevens)
412	2277	Burke John Mica Miners	Burke John, N. L. Barnard
461	2532	Zeb Angel	Nasson
472	2595	Bourne Associates	Liberty, Conley, Turley
686	3375	Dixie Mines, Inc.	" " "
476	2327	Andrew W. Reid	May
516	2926	The Goodmica Mining Co.	Eagle Cope
519	2784	H. J. Twiggs & W. S. Glenn	Sam Huskins, Little Sam Huskins
547	2886	Duncan Mining Co.	Connolly
560	3008	Murphy Mining Co.	Red, Bennett
562	2875	Empire Mica Co.	Short-Mitchell
601	3050	M. E. Burleson, et al.	Jones-Bozeman
613	2875	Latt Young	Cox
626	3133	Maderic Mica Co.	Saunders (Sanders)
636	3154	Byrd Mica Miners	Byrd
659	3229	Willis & Snyder Mining Co.	Dotts
662	3255	Non-Metallic Minerals	White Face, Peterson Tract
674	3287	Mud Cut Mining Company	Mud Cut, Tallent (Talent)
679	3290	C. C. Burleson	Bury, Shaft
675	3282	J. R. Beam & Howard Moore	[illegible], Clifton

63603

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-E601, Docket No. DMEA-3050 (Mica), dated September 17, 1953, with

M. E. Burleson, Sam Phillips,
John Phillips and Frank Burleson
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as the Jones-Bozeman Mine located in Pickens County, Georgia, during the period March 10, 1955, through May 7, 1959.

A certification of discovery or development was issued on May 20, 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 April 7, 1954, indicated accepted costs under the exploration contract amounting to $1,810.00 with the Government's contribution, on a 90 percent basis, being $1,629.00.

A prior report of royalty review dated March 21, 1955, indicated total sales subject to Government royalty amounting to $635.25 for the period September 17, 1953, through March 9, 1955, and that the royalty paid to the Government was $55.02, or $23.26 in excess of the amount due. This overpayment was refunded to the Operator on August 16, 1956. No royalty has been received by the Government applicable to this project since March 9, 1955.

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

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

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

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

May 14, 1959

(Check Sheet of Examining Engineer filed in Docket)

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

~~July 20, 1956~~ August 15, 1956

Memorandum

To: Helen Miller, Norris, Tennessee - Region V

From: Executive Officer, DMEA - Region V

Subject: DMEA-3050, Idm-E601 (mica) Request for refund
M. E. Burleson, et al. Spruce Pine, N.C.
Jones-Bozeman Mine, Pickens County, Georgia

Attached is a request from the Operator for refund of an overpayment of royalties.

This claim is just and correct and refund is recommended.

Robert A. Laurence
Robert A. Laurence

PAID ON VOUCHER & SCHEDULE
ON PAYROLL [illegible]

Amount: $23.26

Date: [illegible] 16 1956

Voucher Number:

P&B MINING COMPANY
MICA CRAFT WORKS

SPRUCE PINE, N. C.

Aug. 8,1956

Department of Interior,
DMEA Room 13
Post Office Building
Knoxville 2, Tenn.

Gentlemen:

The writer has just discovered an error the office girl made on our final report on the loan account on the Rosella Jones Mine which we operated in North Georgia. She made a repayment of 5% on total sales which was a error as the writer had already made payment of 5% on the first sale of mica for $465.21.

We are due a refund of $23.26 for which we will appreciate your check.

If further information is needed,we will be glad to give it.

Very truly yours,

P&B Mining Company

By M. E. Burleson

M. E. Burleson

NOTE: The above refers to Contract Idm-E601 (Docket No. DMEA-3050 , Jones-Bozeman Mine). We have re-checked our records, and find that we did accept two payments of $23.26 royalty on the same sale of mica (Acceptance No.4-742, Jan.21, 1954, Amt. $465.21) These were sent to you on February 3, and June 25, 1954.

Robert A. Laurence

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

RECEIVED
AUG 13 1956

REPORT OF
ROYALTY REVIEW

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 September 17, 1953, to March 9, 1955, by:

M. E. Burleson, Sam Phillips,
John Phillips and Frank Burleson
Spruce Pine, North Carolina

produced from property referred to as the Jones-Bowman Mine located in Pickens County, Georgia, under Contract Idm-E601, Docket No. DMEA-3050.

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) A check of records of General Services Administration Mica Purchase Depot, Spruce Pine, North Carolina, indicated that all sales to that depot of mica produced from this mine have been reported by the Operator and the Government royalties have been paid thereon.

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

The review established the total sales of mica for this period to be $635.25. Royalty due the U. S. Government at the contract rate of 5 percent is $31.76. The Operator paid an amount of $23.26 representing royalty on sales of strategic mica amounting to $465.21 covered by Mica Purchase Depot Lot No. SP-472, January 1, 1954 in February 1954, and duplicated the payment in remittance of $31.76 made in June 1954. The royalty due, paid and amount of overpayment are as follows:

Total Royalties Due	$31.76
Total Royalties Paid	55.02
Amount of overpayment	$23.26

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

March 21, 1955

E-601

For Certificate of Deposit No. 13, dated June 25, 1954, giving royalty repayment of $31.76, see E-234.

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. F 24

Sheet No.

Defense Minerals Exploration Administration — Bureau of Mines 14-23-073
(Department or Establishment) — (Bureau or Office)

Received by E. E. Hudson, Regional Disbursing Officer (Name) (Title) at Oak Ridge, Tenn. (Station)

Period ~~January~~ February 1954 (Month or quarter ended) D. O. Symbol No. 1428

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
Check dated	No. 18 2/2/54	F. & B. Mining Co.	5% royalty on mica sold under contract IDI-[illegible]-601, DMEA 3350	23.26	1[illegible]4 1 Revolving Fund, Defense Production Act, Interior
			Total,	23.26	

Received _____, subject to collection. Forwarded February 5, 1954

_____ (Disbursing clerk or accountable officer)

By _____

By Cora [illegible] (Name)

Title Authorized Certifying Officer

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. K-34

Sheet No.

Defense Minerals Exploration Administration (Department or Establishment) — 14-23-070 (Bureau or Office)

Received by R. A. Nelson (Name), Regional Disbursing Officer (Title) at Oak Ridge, Tenn. (Station)

Period March 1954 (Month or quarter ended) — D. O. Symbol No. 1428

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
Check No. 58 dated 3/3/54		P. & B. Mining Co. (V. E. Burleson)	Refund of overpayment for excess footage claimed on December 1953 Voucher Contract 14-[illegible]-6[illegible], [illegible]A-3050.	220.50	14X4401 Revolving Fund Defense Production Act, Interior
			Total,	220.50	

Received _____, subject to collection. Forwarded 3/9/54

(Disbursing clerk or accountable officer)

By _____

By _____ (Name)

Title Cora A. Piper Authorized Certifying Officer

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

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

March 8, 1954

Memorandum

To: Helen Miller, Administrative Officer, Region VII

From: Executive Officer, DMEA - Region 7

Subject: Refund for overpayment on Docket No. DMEA-3050, Idm-E 601, (mica) M. L. Burleson, John Phillips, Sam Phillips, and Frank Burleson. (Jones-Boseman Mine) Pickens County, Georgia.

Transmitted herewith is a check in the amount of $220.50 from the subject operator for 90 percent of $245.00 which was overpaid him on his December 1953 voucher.

The Operator claimed 33 feet of drifting and crosscutting at $35.00 per foot, whereas, our engineers measured only 26 feet. An overpayment of 7 feet was made.

Robert A. Laurence

RAL/sm
cc:
Beck
O'Neill
Opr. Com.-4
Lynch
Files

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Room 13, Post Office Bldg.
Knoxville, Tenn.

March 2, 1954

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-3050, Idm-E 601 (mica)
Jones-Bozeman Mine, Pickens County, Ga.

Dear Mr. Phillips:

Your December voucher for the subject exploration contract claimed 33 feet of drifting and cross-cutting. When Mr. O'Neill and Mr. Amos inspected the project in January, the lower workings were flooded and inaccessible, therefore the 33-foot figures was accepted and your voucher was approved.

However, on January 26, Mr. Teague and Mr. Amos measured only 26 feet of drift and crosscut, after work had been completed and at the time termination of the contract was recommended. Therefore, there has been an overpayment of $220.50 (90% of $245.00).

Please send me a check, payable to the Treasurer of the United States for $220.50 in order that this item may be corrected. Also, please send me as soon as possible your final engineering and geologic report, in quintuplicate, as provided in Article 5b of the contract.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA-Reg. VII

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

M. E. Burleson, Sam Phillips,
John Phillips & Frank Burleson

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-2601, Docket No. DMEA-3050, for the months of November, 1953 to December, 1953, inclusive, covering a project for the exploration of mica on property, known as the Jones-Bowman Mine, located in Pickens County, Georgia.

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 reports of field team representatives, 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		$2,055.00
Exceptions (schedule attached):		
By DMEA Finance Officer	$ 245.00	
Herewith	-0-	245.00
Total Accepted Cost		$1,810.00

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 One thousand six hundred twenty-nine and no/100 Dollars,

$1,629.00

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

April 7, 1954

Idm-E601 M. E. Durleson, Sam Phillips, John Phillips & Frank Durleson DMSA-3050

Schedule of Expenditure

Claimed by Operator —	
33' drifting and crosscutting @ $35/ft.	$1,155.00
Allowed by Certifying Officer —	
26' drifting and crosscutting @ $35/ft.	910.00
Disallowed	$ 245.00

Note:

The Certifying Officer, by voucher No. 198 dated January 26, 1954, allowed the full amount billed by the Operator and certified 90 percent thereof for payment by the Government. However, by letter dated March 2, 1954, addressed to the Operator by the Executive Officer, repayment of $220.50 (90% of $245.00) was requested. A field team interim report dated January 26, 1954, verifies that only 26' of lateral work was performed.

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
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1953 Docket No. DMEA 3050 Contract No. Idm- E 601
Operator's Name M. E. Burleson, Sam Phillips, John Phillips & Minerals Mica
Address Spruce Pine, N. C. Frank Burleson
Contract Amount, $3,560.00 Government Participation: 90 % Amount, $3,204.00

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						
Bulldozing						
Crosscutting						
Drifting & Crosscutting	1155.00	None	1155.00			
Shafting	360.00	~~None~~	~~360.00~~			
(2) Labor and Supervision:		540.00	900.00			
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):						
			2055.00			
TOTALS	$ 1515.00	$540.00	~~$1515.00~~	1515.00	540.00	2055.00

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

Date 1-11-54 *Payee M. E. Burleson, Sam Phillips, John Phillips & Frank Burleson

Per M E Burleson Title Partner

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

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

(Instructions on reverse)

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

$1,363.50

Signature Conn A. Piper
(Authorized Certifying Officer)

Date JAN 26 1954 Vou. No. 198

(See other side)

151.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 601 in accordance with the terms of the contract.

Signature J F Bell Title Engineer Date 1-20-54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

EXECUTIVE OFFICER
DMEA REGION VII

Signature ..... Title ..... Date JAN 25 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec. 195 3 Docket No. DMEA 3050 Contract No. Idm- E 601

Operator's Name M. E. Burleson, Sam Phillips, John Phillips Minerals Mica

Address Spruce Pine, N. C. Frank Burleson

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	Ft.	1155.00	33	1155.00	33	35.00	76	35.00
Crosscutting								
Raising								
Shafts	Ft.	360.00	8	900.00 ~~360.00~~	20 ~~8x~~	45.00	20	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1515.00		2055.00 ~~1515.00~~				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1515.00		2055.00 ~~$1515.00~~				

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 1-11-54 Operator M. E. Burleson, Sam Phillips, John Phillips & Frank Burleson

Per M E Burleson Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of December, 1953

DMEA No. 3050

Idm- E 601

Work Accomplished

We have advanced 8 feet of shafting and 33 feet of drifting and crosscutting. We have taken out about 1200 lbs. of mica but the quality is no good.

Daily Notes

December	1 - 3	Mucked and drilled.
December	4 - 8	Contacted mica.
December	9 - 11	Did some shooting and mucking.
December	14 - 16	Pumped out water, mucked and drilled.
December	17 - 18	Mucked anddrilled.
December	21 - 23	Drilled and did some shooting.
December	28 - 29	Pumped out water and mucked.
December	30 - 31	Drilled and mucked, but seemed to have run out of mica.

U. S. Bureau of Mines
RECEIVED
JAN 14 1954
Southern Experiment Station
Box L, University, Ala.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

163

FILED ON VOUCHER & SCHEDULE
DOCUMENTS K- 35

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA 3050 Contract No. Idm-E 601
Operator's Name M. E. Burleson, Sam Phillips, John Phillips & Frank Burleson Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $3,560.00 Government Participation: 90 % Amount, $3,204.00

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						
Bulldozing						
Crosscutting						
Drifting						
Shafting	540.00	None	540.00			
(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	$540.00		$540.00	540.00		540.00

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

Date 12-1-53 *Payee M. E. Burleson, San Phillips, John Phillips & Frank Burleson

Per M E Burleson Title Partner

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

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

(Instructions on reverse)

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

$ 486.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date DEC 11 1953 Vou. No. 163
(See other side)

lot S-11/2 54.00

(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. 601 in accordance with the terms of the contract.

Signature J. F. Neill Title Engineer Date 12-7-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: EXECUTIVE OFFICER DMEA REGION VII

Signature W. M. Beck ACTING Title Date DEC 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1953 Docket No. DMEA 3050 Contract No. Idm- E 601
Operator's Name M. E. Burleson, Sam Phillips, John Phillips & Minerals Mica
Address Spruce Pine, N. C. Frank Burleson

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	540.00	12	540.00	12	45.00	20	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		540.00		540.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$540.00		$540.00				

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 12-1-53 Operator M. E. Burleson, Sam Phillips, John Phillips, & Frank Burleson

Per M E Burleson Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of November, 1953

DMEA No. 3050

Work Accomplished

We built a shack and then moved in machinery and equipment. Then we began sinking the shaft, and we have advanced 12 feet.

Daily Notes

November 2 - 9	Built shack and moved in machinery and equipment and set it up.
November 16 - 17	Started sinking shaft.
November 18	Mucked and pumped out water.
November 19 - 20	Mucked and drilled.
November 23 - 24	Mucked, pumped out water and drilled.
November 25	Mucked and drilled.

OCT 24 1963

Mr. Clayton Miller
Star Route
Marble Hill, Georgia

Re: DMEA-3050 (Mica)
M. E. Burleson, S. Phillips,
J. Phillips
Jones-Bozeman Mine
Pickens County, Georgia
Contract Idu-E601

Dear Mr. Miller:

Thank you for returning the completed MME Form 63's mailed to you on October 15, 1963.

By the terms of the subject Exploration Project Contract and the certification of discovery or development dated May 20, 1954, all minerals mined or produced from September 17, 1953, to September 17, 1963, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/mm
10/23/63
cc: Director's Reading File
Region/V - R. A. Laurence, w/cy of Form 63 dated 10/15
√CA&A Division
Docket
Code 500

GOVERNMENT COPY

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: M. E. Burleson, Sam Phillips, John Phillips, Spruce Pine, North Carolina, and Frank Burleson, Plumtree, North Carolina, Partners
C/o Sam Phillips
Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-[illegible], dated September 17, 1953 (Docket No. DMEa-[illegible]), 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 intended as follows:

A zoned pegmatite essentially comformable in biotite-garnet gneiss, four to eight feet thick, was explored by an incline and laterals from which inferred reserves of mica may be calculated.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

Dated: MAY 20 1954

WCAnderson:gad 5/14/54

Copy to: Mr. Irving Gumbel, RPS, GSA
Mr. Thayer, 5216 GSA Bldg.
Mr. Hedges, 4604
Admr. E. File
Field Team, Region VII
Docket File
Operating Committee
Mr. Johnson
Mr. Chambers
Mr. Houk
Finance Office
Mrs. Rosella Jones (Signer of Owner's Consent to Lien)
(Attached to Field Team's copy for forwarding.)

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

MAY 2 0 1954

Mr. Sam Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3050 - Miss M. E. Burleson, Sam Phillips, John Phillips, and Frank Burleson, Partners
Jones-Bozeman Mine
Pickens County, Georgia
Contract No. Idm-8601

Dear Mr. Phillips:

Transmitted herewith is a Certification of Discovery or Development on Contract No. Idm-8601 on the Jones-Bozeman Mine, Pickens County, Georgia.

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, September 17, 1953, is subject to the Government's percentage royalty as set forth in the contract until the sum of $1,629.00 is paid or until September 17, 1963, whichever occurs first.

Payments should be made to Mr. Robert A. Laurence, Executive Officer, Defense Minerals Exploration Administration Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee. Checks should be drawn 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 to the Executive Officer.

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure
WCAnderson:gad 5/14/54

Copy to: Admr. R. File
Mr. Johnson
Mr. Hedges, 4604
Mr. Chambers
Mr. Houk

Docket File
Field Team, Region VII
Mr. Thayer, 5216 GSA Bldg.
Operating Committee

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

MAY 20 1954

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

Re: Docket No. DMEA-2050 - Mica
M. E. Burleson, Sam Phillips,
John Phillips and Frank
Burleson, Partners
Jones-Bozeman Mine
Pickens County, Georgia
Contract No. Idm-E601

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 September 17, 1953, with the Government participating to the extent of 90% of $3,560.00 or $3,204.00.

The project work was started on November 16, 1953, and completed February 17, 1954, after the expenditure of $1,810.00 which is the total net accepted cost according to the Audit Review. The Government paid 90% of the total accepted cost or $1,629.00.

The work performed on this project consisted of extending an existing 30° incline 40 feet long an additional 20 feet and drifting for 26 feet all in a pegmatite four to eight feet thick. Minable amounts of non-strategic and small amounts of strategic mica were found.

The DMEA concurs with the field team 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

Administrator

Enclosure

WCAnderson:gad 5/14/54

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

Government's copy

Defense Minerals Administration
RECEIVED
FEB 25 1954

TERMINATION AGREEMENT

It is agreed this 17th day of February, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and M. E. Burleson, Sam Phillips, John Phillips, and Frank Burleson, Partners, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E601, Docket No. DMEA-3050, dated September 17, 1953, that:

1. All work and operations provided for in said contract shall be terminated as of the date first above written.

2. The Operator shall promptly render to the Government a full and final report and a final accounting of the units of work performed under the contract up 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.

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

4. All rights of the Government with respect to certification of discovery or development, percentage royalty, and lien for payment, as provided in the contract, are preserved.

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

M. E. Burleson (Partner)

Frank Burleson (Partner)

John Phillips (Partner)

Sam L. Phillips (Partner)

THE UNITED STATES OF AMERICA

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

Docket No. 3050

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 601

Date of Contract or Amendment: Sept. 17, 1953

Name and Address of Operator:

M. E. Burleson, Dan Phillips,
John Phillips, Spruce Pine, N.C.
and Frank Burleson, Plumtree, N.C.
Partners

Amount of Government participation $ 3,204.00

Percent of Government participation 90 %

Region: VII State: Ga.

Note: Please release $ 1,575.00 ; Advice Contract Administration and Audit Division

(Name)

J. L. Chambers
Chief Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

4/12/54

54458

Docket No. DMEA 3050

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 601

Date of Contract ~~amendment~~: September 17, 1953

Name and Address of Operator: M.E.Burleson, Sam Phillips, John Phillips, Spruce Pine, N. C., and Frank Burleson, Plumtree, N. C. Partners

Amount of Government participation $ 3,204.00

Percent of Government participation 90 %

Region: VII State: Georgia

(Name)
Jay L. Chambers, Chief
Contract Administration and
Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Sept.17,1953 13808

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

DOCKET NO. DMEA 3050

COMMODITY Mica

Government's Copy

Idm-E601

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 17th day of September, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] M. E. Burleson, Sam Phillips, John Phillips, Spruce Pine, North Carolina, and Frank Burleson, Plumtree, North Carolina, Partners,

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

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 the mineral rights in that certain land situated in the State of Georgia, County of Pickens, described as ~~follows:~~[3] set forth in Annex I,

the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner in possession and entitled to possession, and that the Owner's Consent to Lien is attached, and the following exceptions here or in the annexes is to each of which the subordination agreement of the lender 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 60 days from the date of this contract shall commence work on a project of exploration for[5] Mica

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 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 $3,204.00, which is 90 percent of $3,560.00, 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: See Annex II, substituted for that part of 6(a) preceding the colon:

(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.

M E Burleson (Partner)

Frank Burleson (Partner)

Sam L. Phillips (Partner)

John P Phillips (Partner)

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

EXPLORATION PROJECT CONTRACT
M. E. BURLESON, SAM PHILLIPS, JOHN PHILLIPS, and
FRANK BURLESON, PARTNERS
DOCKET NO. DMEA-3050

ANNEX I

The property referred to in Article 2 of the contract form, known as the Jones-Bozeman mine, is held by the partnership under the terms of a mining lease dated April 11, 1953, and an amendment to lease dated June 29, 1953, between Mrs. Rosella Jones, Pickens County, Georgia, lessor, and the partnership of M. E. Burleson, Frank Burleson, Sam Phillips, and John Phillips, lessee. It is indicated on the "Sketch of Jones-Bozeman Mine, Pickens Co., Ga." attached hereto, and is more fully described as follows:

Beginning at a point 400 yards due West of the Jones-Bozeman mine located in Pickens County, Georgia; thence 400 yards South; thence 800 yards East; thence 800 yards North; thence 800 yards West; thence 400 yards South to beginning.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

EXPLORATION PROJECT CONTRACT
M. E. BURLESON, SAM PHILLIPS, JOHN PHILLIPS, and FRANK BURLESON, PARTNERS
DOCKET NO. DMEA-3050

ANNEX II

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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SEP 23 1953

EXPLORATION PROJECT CONTRACT
M. E. BURLESON, SAM PHILLIPS, JOHN PHILLIPS, and
FRANK BURLESON, PARTNERS
DOCKET NO. DMEA-3050

EXHIBIT "A"

Description of the Work

As approximately indicated on the map attached hereto and entitled "Sketch of Jones-Bozeman Mine, Pickens Co., Ga.," the work shall be as follows:

The shaft shown on the map shall be sunk on an incline of approximately 35 degrees for a distance of 20 feet, followed by drifting or crosscutting a distance of 76 feet from or near the bottom of the shaft. Openings of shaft, drift, and/or crosscuts shall be 5 feet by 7 feet.

The location and direction of all work shall be subject to the approval of Government engineers.

Agreed Unit Cost

Shaft sinking, 20 feet @ $45.00/ft.	$900.00	
Drifting and/or crosscutting, 76 feet @ $35.00/ft.	2,660.00	
Total Agreed Unit Cost		$3,560.00
Government Participation at 90%		$3,204.00

BMEA - 3050

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

Defense Minerals Administration
RECEIVED
AUG 3 1 1953

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

Beginning at a point 400 yards due West of the Jones-Bozeman Mine located in Pickens County, Georgia; thence 400 yards South; thence 800 yards East; thence 800 yards North; thence 800 yards West thence 400 yards South to the beginning.

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

2/ M. E. Burleson, Sam Phillips, John Phillips and Frank Burleson doing business As the Jones-Bozeman Mine.

hereinafter called the "Operator"; and

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

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

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

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

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

4. Changes and added provisions

Dated this 29th day of April, 1953.

/s/ X Mrs. Rosella Jones [Seal]

Mrs Rosella Jones [Seal]

[Seal]

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

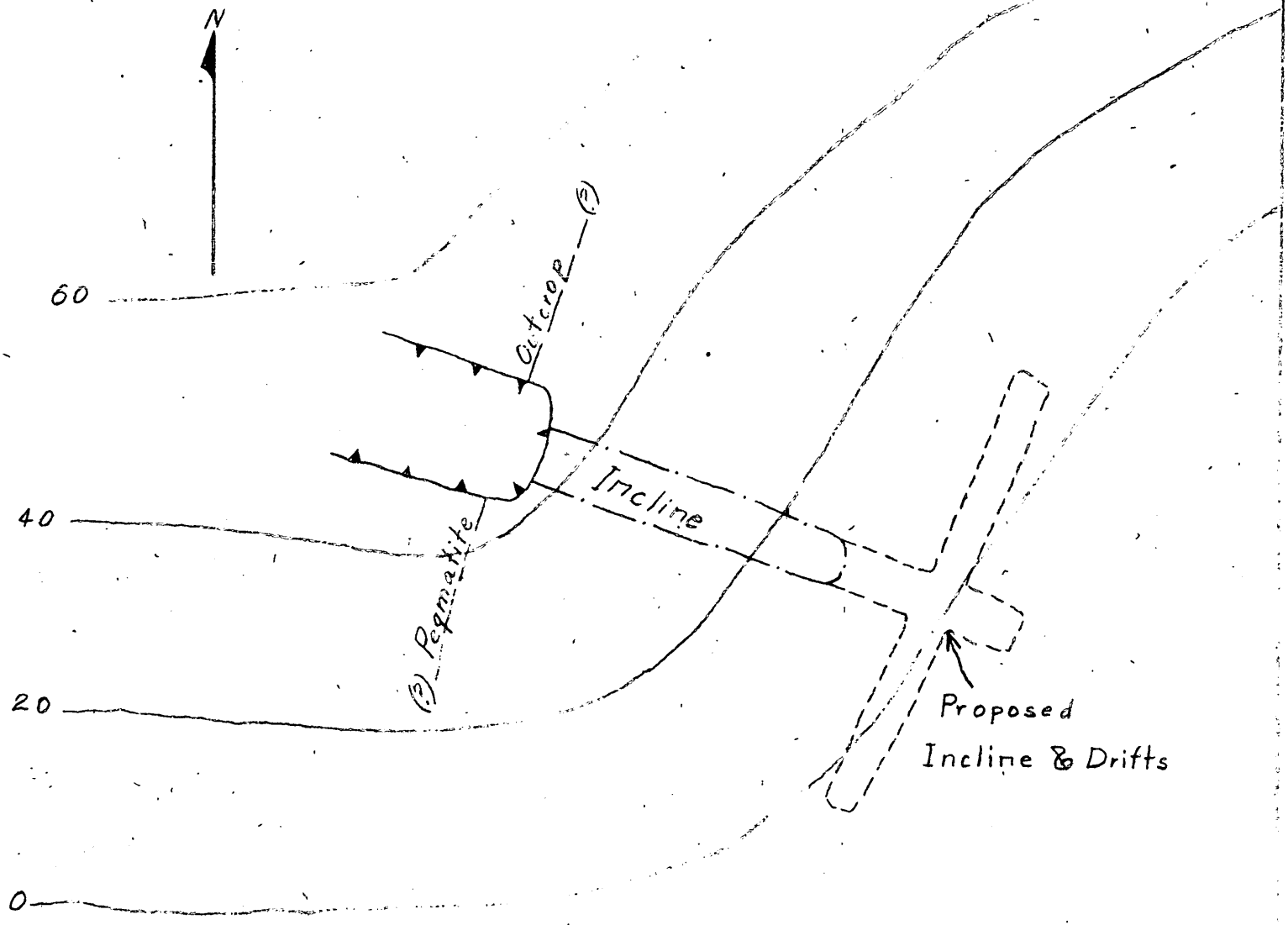
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

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

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

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

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



Sketch of
Jones - Bozeman Mine
Pickens Co., Ga.

0 20' 40'
Scale

DMEA-3050 (mica)