DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

C. C. Burleson

Minneapolis

North Carolina

pertaining to Exploration Project Contract No. Idm-E244, Docket No. DMA-1955, including Amendment No. 1, for the months of April and May, 1952.

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, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

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

(a) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract.

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

Total cost as billed by Contractor		$ 1,913.86
Exceptions:		
By DMEA Finance Officer	$ 60.80	
Herewith	-0-	60.80
Total Accepted Cost		$ 1,853.06

The contract calls for a 90 per cent 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 sixty-seven Dollars and 75/100

- $1,667.75 -

is considered valid and proper.

Date: JUN 25 1952

(Signed) E. D. Talbert

E. D. Talbert

FILE COPY
SURNAME:

Deck
Talbert
Corr. Com.
Files
Lynch

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE M[redacted]STRATION
WASHINGTON 25, D. C.
Room 13, Post Office Building
Knoxville, Tennessee

June 30, 1952

Mr. C. C. Burleson

Minneapolis, N. C.

Re: DMA-1955X, Idm-E2h4
Winters Prospect (mica)

Dear Mr. Burleson:

Please furnish me with the date on which you started work on this project. This is needed in order to complete the audit and review of the contract.

Very truly yours,

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

RAL/mm

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 3 - 1952

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 244

Name of Operator C. C. Burleson
Docket No. DMA 1955X
Total Contract Amount $ 2,655.00
Government Participation: Ninety % Amount, $ 2,389.50
Distribution of Expenditures for Month of May, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 23 1952

CERTIFICATION

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.

Burleson Mine
(Name of Company)

By C C Burleson
(Signature of Authorized Official)

June 9, 1952
(Date)

Manager, Supervison.
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Bowman Air hose & steel					30.00	30.00
Jefferson Dis. Co					128.07	128.07
~~(b) Rented[2]~~						
Mitchell Dist. Co	6.80	32.83	39.63	6.80	32.83	39.63
Hughes Elect. Co	29.50		29.50	29.50		29.50
(b) Rented						
Comp, Hamer Aldrigo	100.00	100.00	200.00	100.00	100.00	200.00
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

FILE COPY
SURNAME:

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

Beck
Lynch
Norris -4
Opr. Com.

June 17, 1952

Mr. C. C. Burleson

Minneapolis, N. C.

Re: DMA-1955 (mica)
Contract Idm-E244

Dear Mr. Burleson:

Your May (final) monthly report has been forwarded to our Norris office for processing.

We find that your claim for $30.40 on your April report was in error and cannot be allowed. The invoice from Jefferson Distributing Company in the amount of $158.47 was broken down on your voucher into two items, one of $128.07 for miscellaneous items and one for $30.40 for explosives. You were paid $772.35 which is the Government's share or 90 percent of the total amount, $858.17.

In addition to the deletion of the above $30.40 from this months report, we are deleting $0.30 on item 6 (b) explosives as the total amount spent for this item in May was $110.79 instead of $111.09. Your totals now will be as follows; $994.89; $858.17; and $1853.06.

As to the matter of material you have left on hand, as long as you do not have more than $50.00 worth you may dispose of it as you see fit.

Please check your records and if you find that we are wrong, please notify us.

Very truly yours,

Wm. A. Beck, for R. A. Laurence
Executive Officer, DMA-Field Team
Region VII

WAB/mm

COPY COPY

Minneapolis, N. C.
June 9, 1952

Mr. Wm. A. Beck,
Executive Officer, DMEA, Region VII
Room 1, Post Office Bldg.
Knoxville, Tenn.

Dear Mr. Beck:

I am to-day enclosing my second payroll, OPERATOR'S MONTHLY PROGRESS REPORT, for the month of May 1952 on the Burleson Mine, Contract No 244, Docket No. DMA 1955X.

This is my last monthly report since you ordered the Project stopped on May 28, 1952.

I want you to please note that the man who made my report for April made a mistake of $30.40 by addition on Jefferson Distributing Company's Bills, or invoices. Your allowance lacked the above amount in giving me the necessary amount for paying Jefferson Distributing Company. The mistake was by addition, since I enclosed invoices from the Jefferson Distributing Company showing that my bills amount to $158.47 instead of $128.07. So I lacked this amount of paying the Jefferson Distributing Company for the Month of April. Please allow this additional $30.40 please. I enclose all invoices and statements showing just how the matter stands.

I am enclosing invoices, etc. as follows:

Mitchell Distributing Company
Hughes Electric Supplies
Lewie Aldridge
Payroll, Labor
Payroll, Supervision
Jefferson Distributing Company, for May
Adjustment..... Jefferson Distributing Company, back pay for April
Explosives Supply Company
Calahan
Map of Progress for May

I hope indeed that you will allow this money at once so that I can close out this project. These men need their pay for labor and all companies are waiting patiently.

Figuring brokerage, I do not have fifty dollars worth of material left on hand. Please advise about this. Hope you will allow money in full so that I may close out everything.

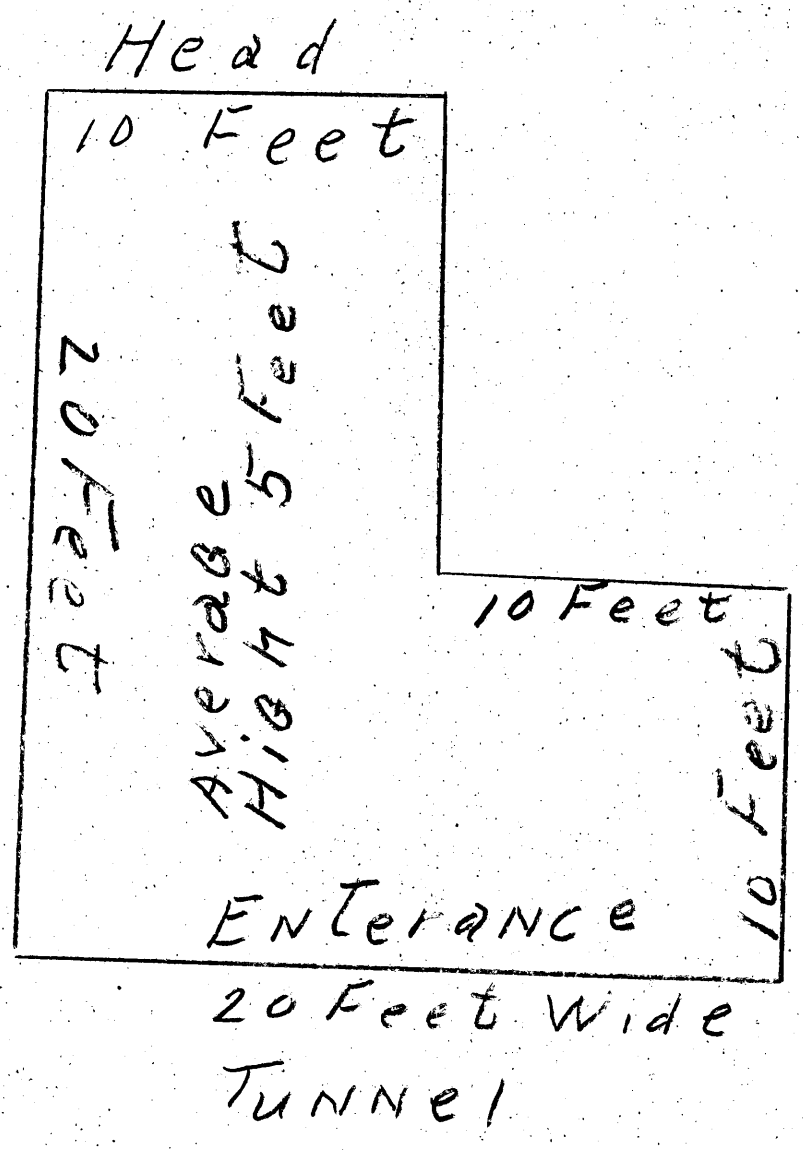
Very sincerely yours

/s/ C. C. Burleson

Copies SIC.

Drawing of Progress

(Copy sic)
Work3



C. E Burleson

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	436.00	155.50	591.50	436.00	155.50	591.50
5. Supervision	228.00	144.00	372.00	228.00	144.00	372.00
6. Supplies						
(a) Timber						
(b) Explosives	111.09	30.40	141.49	110.79	30.40	141.19
(c) Repair Parts Bits	37.80	50.40	88.20	37.80		37.80
(d) Other Adjustment						
~~Reward~~ Jefferson Dis trib. Co	30.40	~~30.40~~	30.40			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work Bull Dozer					203.00	203.00
11. Other (specify)						
Mechanical work on Compressor					6.00	6.00
Grinding bits Explosive Co	1.50		1.50	1.50		1.50
Thredding Steell		7.75	7.75		7.75	7.75
Gas, Oil, Callahan	44.50	20.62	65.12	44.50	20.62	65.12
Total	1,025.29	888.57		994.89	858.17	1853.06
Deletions Adjustment of (30.40 to me made this time)						
Adjusted totals						
Totals previously reported	888.57					
Totals to date	1,913.86					

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by W. A. Beck
Entered by W. A. Beck
Approved by W. A. Beck
Amount approved for payment $895.40
Remarks See letter to operator attached
WAB

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF May

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

Drawing of Progress enclosed

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

(A[illegible] 104 [illegible] 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 244

Name of Operator C. C. Burleson
Docket No. DMA 1955K
Total Contract Amount $ 2,655.00
Government Participation: Ninety % Amount, $ 2,389.50
Distribution of Expenditures for Month of April 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Burleson Mine
(Name of Company)

By C. C. Burleson
(Signature of Authorized Official)

May 15, 1955
(Date)

Manager, Supervisor
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Pump, Mitchell D Co	32.83		32.83	32.83		32.83
Jefferson Dis Co	128.07		128.07	128.07		128.07
Bowman Air Hose, more than pound of steel, H	30.00		30.00	30.00		30.00
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						7.75
Repairing Steel Explosive Supply Co	7.75		7.75	7.75		
(b) Buildings						
(c) Installations						

16—64068-3

C O P Y

COPY

DMA-1955X- Idm-E244

NARRATIVE REPORT OF PROJECT
PROGRESS MADE UP TO MAY FIRST.

Used Bulldozer and removed average of eight feet of overburden over a space of about 50 x 20 feet. Also run a cut in solid rock for about twenty feet, average depth eight feet, width about twelve feet.

s/s C. C. BURLESON

C O P Y

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
	155.50		155.50	155.50		155.50
4. Labor[3]	144.00		144.00	144.00		144.00
5. Supervision						
6. Supplies						
(a) Timber	30.40			30.40		30.40
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
Bull D	203.00		203.00	203.00		203.00
10. Contract Work						
11. (Other (specify)) Gasoline and Oil	20.62		20.62	20.62		20.62
Rent Compressor, J. H	100.00		100.00	100.00		100.00
Mechanical Work on Compressor	6.00		6.00			6.00
	858.17		858.17	858.17		858.17
Total						
Deletions						
Adjusted totals						
Totals previously reported	858.17		858.17			
Totals to date				858.17		858.17

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by Robt A. Lawrence
Entered by Robt A. Lawrence
Approved by Robt A. Lawrence
Amount approved for payment $772.35
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes	82.50	198.65	51.02		332.17					
Overburden Dull D				203.00	203.00					
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Mucking	73.00				73.00					
Repai Jf.Jones				6.00	6.00					
Totals	155.50	198.65	51.02	209.00	614.17					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

C O P Y

March 4, 1955

Memorandum

To: Mr. Jay L. Chambers

From: Lawrence G. Houk (initialed) L. G. H.

Subject: Closing dockets

The Nonmetallic Minerals Division have reviewed the following contracts and do not intend to make certifications of discovery or development:

Idm-E52	DMEA-1212	Idm-E	DMEA-
40	1213	217	1969
13	1679	244	1955
73	519	253	2134
74	1390	257	2077
78	1664	272	2360
93	812B	288	2344
97	1224	324	2255
121	1517	344	2156
124	1318	373	2439
125	1720	411	2528
129	1665	430	2524
134	1732	433	2620
140	1813	444	2646
179	1122	450	2681
160	1250	480	2725
191	1914	497	2778
195	1812	507	2840
198	1929	518	2785
211	1721	524	2909
216	2104	543	2950
		565	3030

Government Copy
M.ia

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

It is agreed this 28th day of May, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and C. C. Burleson, Minneapolis, N.C.

hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E 244, Docket No. DMEA- 1955, dated 25 January 1952, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

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. Laurence
Executive Officer, DMEA Field Team
Region VII

(Operator)
C. C. Burleson

By C. C. Burleson

18262-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1952

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Room 13, Post Office Building
Knoxville, Tennessee

May 27, 1952

Mr. C. C. Burleson

Minneapolis, North Carolina

Re: DMEA-1955X-Idm-F255
Winters Prospect (mica)

Dear Mr. Burleson:

On May 7, 1952 the DMEA Field Team examined the mica deposit covered by the subject contract. At that date the Field Team informed you that exploration through May 7, 1952 had not indicated that a worthwhile discovery would be made.

On May 12, 1952 you contacted A. L. Peyton of the DMEA Field Team, requesting that the project be continued on the basis that good mica had been obtained from the deposit after the Field Team's visit. Mr. Peyton again visited the project on May 13, 1952 and obtained samples of mica from the deposit. These mica samples were submitted by the DMEA to the General Services Administration for appraisal. Results from this appraisal indicates that mica from the Winters Prospect is non-ruby in color, and is not acceptable for the National stockpile. Since the mica cannot be sold under the Purchasing Program for Domestic Mica, no further expenditure of funds under this contract is justified.

This letter is to notify you, as required in Section 17 of contract, that the contract is hereby terminated effective at the end of the working day May 28, 1952.

Yours very truly,

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

KHT/zm
cc:
Beck
Lynch
Norris-2
Mittendorf-2
Files

Contracts and Audit

CONTRACT AMENDMENT I .

Contract Docket No. DMA-1955, Idm-E244, dated January 25, 1952 between THE UNITED STATES OF AMERICA and C. C. BURLESON, an individual, is hereby amended as follows:

1. Item 3 is amended to read, "The Operator, within 90 days from date of this contract, shall commence work...." instead of 30 days , and provided for completion within six (6) months from date of contract instead of sixty (60) days.

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 cost which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Dated February 19, 1952

THE UNITED STATES OF AMERICA

By W. A. Beck

Acting Executive Officer,
DMEA, Region VII

C. C. BURLESON

By: C. C. Burleson

An Individual

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

FEB 20 1952

Docket No. 1955

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 34

Date of Contract ~~////////////~~ January 25, 1952

Name and Address of Operator:
George R. Bowman
Elk Park, North Carolina
and
C.C. Burleson
Minneapolis, North Carolina

Amount of Government participation $ 2,389.50

Percent of Government participation 90 %

Region: VII State: North Carolina

NOTE: Please release $721.75.

(Name) E.D. Talbert
(acting) Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. July 3, 1952 13908

Docket No. IMTA-1955

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM

To: Chief, Finance Section
Washington Office

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

Contract No. Idm-E 254 Date: January 25, 1952

Name of Operator: George H. Bowen
Elk Park, North Carolina
and

Address of Operator: C. C. Burleson
Minneapolis,

Amount of contract (Government participation) $2,389.50

Percent of participation ..... 90 %

Region: VII

State: North Carolina

L. Chambers
(Name)

Chief, Contract Administration and Audit Division
(Title)

Submit one copy

MF-200
(June 1951)

Docket No. DMA 1955
Commodity Mica

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Idm-E 244

Contracts & Audit Copy.

Government's Copy

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 25 day of January, 195 2, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] ~~George W. Bossman, Elk Park, N. C., and~~ C. C. Burleson, Minneapolis, N. C., ~~a partnership~~

C C B
LH
Chm

C C B
LH
Chm

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of North Carolina, County of Avery described as follows: [3] That part of B. W. Winters' farm, known as Shell Place and conveyed by Mamie Wiseman to B. W. Winters and Fannie Winters by deed of December 4, 1931, recorded in Book 26 on page 433 of the land records of Avery County at Newland, North Carolina, which is described as set forth in Annex I.

with respect to which the Operator represents and undertakes: [4]

(*a*) ~~That he is the sole 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 he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] strategic mica; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] sixty (60) days from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. 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.

5. *Fixtures and improvements.* 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. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[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.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, 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.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 90 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $2,389.50, which is 90 percent of the agreed estimated total cost of this project, $2,655.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *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 worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Com LSH CCB

~~George M. Bowman (Operator)~~

By C. C. Burleson

C. C. Burleson ~~(Operator)~~

CCB LSH Com

THE UNITED STATES OF AMERICA

By C. O. Mittendorf

Acting Administrator, Defense Minerals Exploration Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

ANNEX I

Beginning on a white flint rock near the corner of the fence. Thence South 50 East 110 feet to a double poplar. Thence South 46 East 145 feet to a chestnut stump. Thence South 44 East 93 feet to a poplar. Thence South 37 West 199 feet to a double poplar. Thence North 59 West 160 feet, with branch, to a poplar. Thence West 101 feet to a stake in the fence. Thence with the fence South 17 West 295 feet to a stake. Thence South 6 East 91 feet to a stake. Thence South 81 West 134 feet to an iron stake. Thence North 9 East 234 feet to an apple tree. Thence North 27 East 176 feet to an apple tree. Thence North 17 West 28 feet to a rock crossing a small branch. Thence with the top of the North Bank of the branch North 70 East 282 feet to an apple tree stump. Thence North 14 West 178 feet to the beginning.

EXPLORATION PROJECT CONTRACT
GEORGE M. BOWMAN AND C. C. BURLESON
DOCKET NO. DMEA-1955

EXHIBIT "A"

Statement of the Work

Bulldoze trench thirty feet in length and six to eight feet in depth and, if in the opinion of the Government, the exposures justify further exploration, sink a 25-foot inclined shaft and a 10-foot drift in the most favorable area in the trench as indicated by the pit marked 2 on the map. The location of trench is shown in the accompanying map. A shaft will be sunk also on or near the outcrop at or near the point marked 1 on the accompanying map and the drift, not to exceed 10 feet in length, will be driven from the bottom of the shaft.

Estimated time -- 35 working shifts or 60 calendar days

Estimated cost $2,655.00

Estimated Costs of the Project

Fixtures and improvements

Does not apply

Operating equipment

To be purchased:

Hand tools, pipe, etc.	$250.00	
Supplies, timber, gasoline, oil, drill steel bits	400.00	$ 650.00

To be rented:1/

1 Bulldozer, 30 hrs. @ $10.00 per hour2/	300.00	
1 Compressor, one mo. @ $175.00 per mo.3/	175.00	
1 Jackhammer, one mo. @ $60.00 per mo.3/	60.00	
1 Hoist, one mo. @ $70.00 per mo.3/	70.00	
1 Pump, one month @ $50.00 per mo.3/	50.00	655.00

1/ As indicated in Sec. 4 of contract, all subcontracts are subject to approval by the Government in writing.
2/ Includes operators' wages, supplies and repair cost, rates for actual operating time.
3/ Includes repairs but not fuel.

Furnished by Operator

None

Labor and supervision

1 Working foreman-hoistman, 30 days @ $12.00 per day	$360.00	
1 Miner-timberman, 30 days @ $12.00 per day	360.00	
2 Laborers, 30 days @ $8.00 per day each	480.00	$1,200.00

Miscellaneous

Taxes, insurance, etc.	150.00
Estimated total	$2,655.00

A map of monthly progress is to be included in the monthly progress report as required under section 12 of the Exploration Project Contract.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Avery, State of North Carolina, described in a certain Exploration Project Contract dated January 25, 1952, between George M. Bowman and C. C. Burleson, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated August 7, 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. This lien and claim is on nothing other than the mica or minerals to be extracted from the ground.

Dated this 19th day of Nov, 1951.

B W Winters Jr

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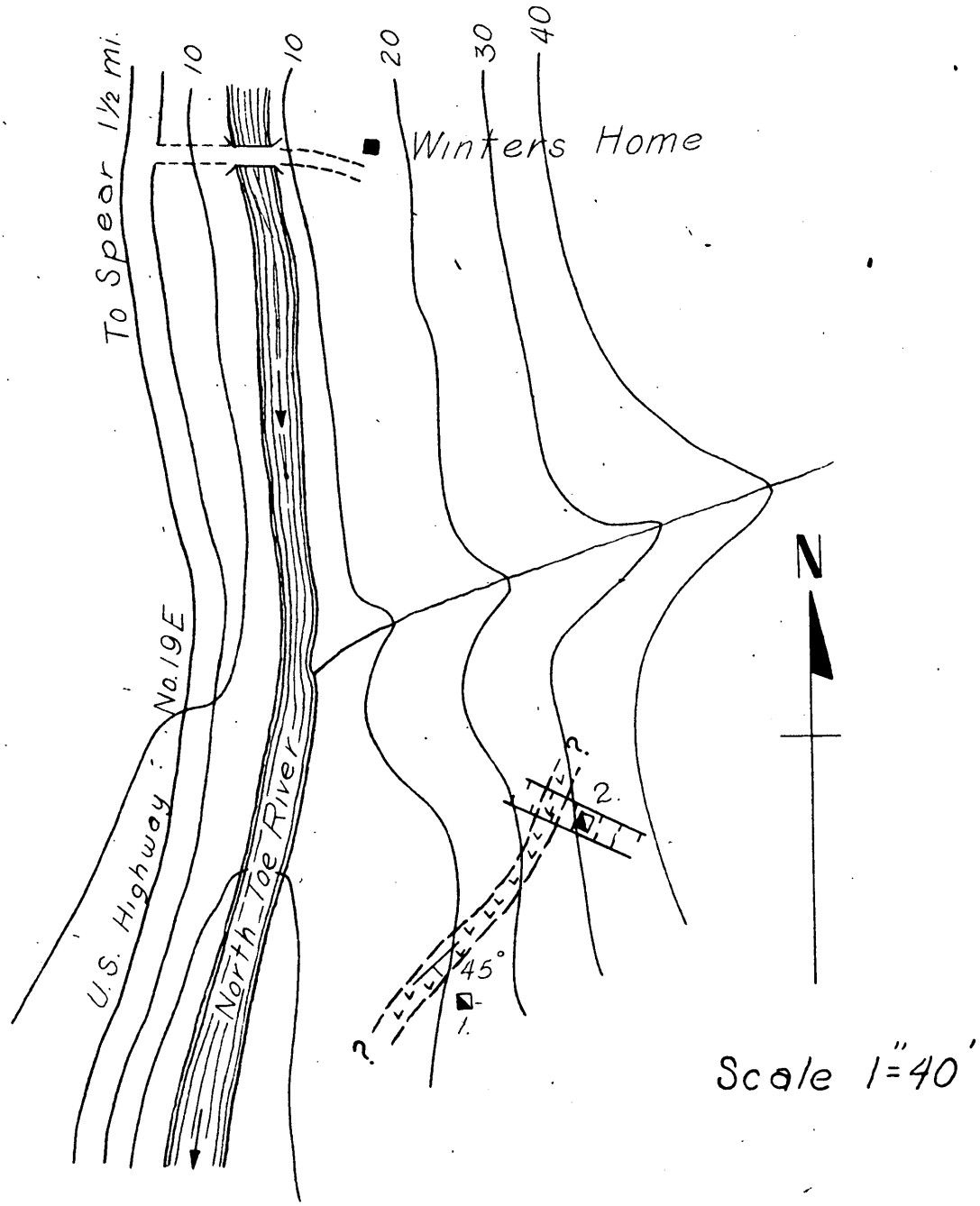

Winters Prospect DMA-1955X

Proposed Exploration

Pegmatite

Proposed Bulldozer cut

Proposed Test pit

NORTH CAROLINA, AVERY COUNTY.

SALE OF MINING INTERESTS

On this day, the Seventh Day of February, 1952, the following Agreement is entered into between George M. Bowman, of Avery County, North Carolina, and C. C. Burleson, of Avery County, North Carolina, such agreement to be valid ~~valid~~ and in force from the above date upon the proper execution of the signatures of both parties, both the seller and buyer.

WITNESSETH

I George M. Bowman, of Elk Park, North Carolina, on account of the uncertainty of mica prices and the Government mica program, for the sum of one dollar and no more, receipt of which is hereby acknowledged, do sell, part with forever, and deliver to C. C. Burleson, of Minneapolis, North Carolina, my one-forth, or all my interests whatever that may be, in the certain mining lease, granted by B. W. Winters and wife, Fannie Winters, of Avery County, North Carolina on the seventh day of August, 1951, and executed before A. P. Brinkley, Notary Public, of Elk Park, N. C. on August the seventh, 1951, also my one-half, or all interests whatever that may be in a loan made by the Federal Government to George M. Bowman and C. C. Burleson under Exploration Contract Agreement, dated the twenty fifth of January 1952, based upon the above mentioned mining lease, cost of such project under such loan to be $2,655.00. Further this sale and delivery of my one-fourth, or all interests whatever that may be, in the lease made to George M. Bowman and C. C. Burleson by B. W. Winters and wife, Fannie Winters, and my one-half, or all interests whatever that may be in said Government loan designated above, shall relieve me of all responsibilities in said lease and said loan designated above, in every way, financially and otherwise from now on forever, and furthermore I will not be responsible for any terms or conditions of said lease, nor for any part of said Goverment loan, nor for any accidents as a result of mining, nor for any debts made by Mr. C. C. Burleson nor any of his ~~xxxxx~~ partners hereafter.

I, C. C. Burleson, of Minneapolis, Avery County, North Carolina, do hereby accept the full one-fourth, or all the interests whatever that may be in the B. W. Winters lease described above, now sold and delivered to me by George M. Bowman, of Elk Park, North Carolina, Avery County, ~~xxxxxx xxxxxxxxxxxxxxxxx~~, also George M. Bowman's one-half ~~xxxx~~, or all interests in the Government loan designated above, for which I have paid him the sum of one dollar. I accept the full responsibilities of the lease named above, and of the full Government loan named and designated above, and all the responsibilities of the partnership of Mr. George M. Bowman, and Mr. C. C. Burleson based on the above lease and loan, financially and otherwise, and I hereby relieve George M. Bowman, of all such responsibilities forever, financially and otherwise. I take full responsibility of the Government loan designated above as to its full payments as set up under terms of the ~~xxxxxxxx~~ Exploration Contract Project Agreemtn of January 25, 1952.

WITNESS OUR HANDS AND SEALS:

Seller *George M. Bowman* (Seal)

Buyer *C C Burleson* (Seal)

NORTH CAROLINA, AVERY COUNTY

Personally appeared before me this Seventh Day of February, 1952, George M. Bowman, Seller of the above mining interests, and C. C. Burleson, buyer of the above mining interests and acknowledged the due execution of the foregoing instrument.

A P Brinkley
Notary Public

My commission expires *Jan 2* 1953