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-2495, Docket DMEA-2793 (mica), dated March 2, 1953, with

Robert O. Burns and Robert Spangler
d/b/a Burns-Spangler Construction Company
600 Peach Street
Shelby, 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 Lee Cornwell Mine located in Cleveland County, North Carolina, during the period January 27, 1956, through November 27, 1962.

A certification of discovery or development was issued on May 20, 1955, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated March 9, 1955, indicated accepted costs under the exploration contract amounting to $5,110.00 with the Government's contribution on a 90 percent basis being $4,599.00.

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

This review established the total sales subject to the Government's royalty for the period to be $136.64. Royalty payable to the Government at the rate specified in the contract is $6.83.

A prior Report of Royalty Review found the sales subject to the Government's royalty through January 26, 1956, to be $270.48, which added to the sales for this subsequent period make a total of $407.12. The royalty account as of January 26, 1956, was:

Total Royalty Payable	$13.52
Total Royalty Paid	13.52
Balance of Royalty Due	$ -0-

As of November 27, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$20.35
Total Royalty Paid	20.35
Balance of Royalty Due	$ -0-

E. D. Talbert

December 5, 1962 E. D. Talbert, OME Auditor

Idm-8495 Burns-Spangler Construction Company MMSA-2793

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract provides that the Operator or its successor in interest shall pay to the Government a percentage royalty on any minerals produced from the land thereunder. The land is an 800' x 500' plot in No. 4 Township about 5 miles northwest of Shelby. At the time the contract was executed the Operator was in possession by virtue of a November 14, 1952, lease granted by Lee and Helen B. Cornwell, Route 5, Shelby, North Carolina. In consideration of the contract the lessors executed an Owner's Consent to Lien on November 17, 1952. The exploration project contract contains the so-called "abandonment" provision.

Exploration work under the contract was completed on November 22, 1954. Production during the exploration period resulted in the sale of 15.34 lbs. of trimmed mica to the U.S.A. Mica Purchase Depot in Spruce Pine, North Carolina. This sale, on which the proceeds were $270.48, is covered by a prior Report of Royalty Review dated February 1, 1956.

The Operator abandoned the property shortly after completion of the exploration work. Semi-annual examinations through June 11, 1958, by a DMEA regional representative found no evidence of further work except for nine days of unproductive operations in early 1958 by Jeter Stamey, Arthur Buchanan, and Claude Buchanan. On the basis of these examinations and a Check Sheet of Examining Engineer dated May 7, 1959, a Report of Royalty Review dated May 13, 1959, found no additional royalty due the Government. This finding was in error.

A review during June 1962 of the Mica Purchase Depot records by a representative of this Division disclosed the sale during 1958 of 13.60 lbs. of trimmed mica, for which Ed Burleson, Box 265, Bakersville, North Carolina, received $136.64 in proceeds. Lee Cornwell, the landowner, paid the Government's 5% royalty of $6.83 in September 1962.

In a November 27, 1962, reply to a MME Form 63 inquiry Mr. Cornwell advised that neither change in property status nor production from the property had occurred since September 15, 1958.

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

(1) The files indicate that all production from the property since the date of the contract has been accounted for 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.

DEC 1 1 1962

Memorandum

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

From: Chief, Division of Field Operations, GGK

Subject: DMRA-2793 (Ohan)
Baxter-Spangler Construction Company
Lee Cottrell Mine
Cleveland County, North Carolina
Contract 14r-8495

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

George C. Selfridge

Enclosure

GCSelfridge/gla (12-11-62)
cc to: Docket DMRA-2793
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Lawrence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 12/5/62 and orig. cy of memo dtd 12/5/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Reed, USGS, Reg. IV, w/cy of an. item sent to Mr. Lawrence.

December 5, 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: MMMA-2793 (Mica)
Burns-Spangler Construction Company
Lee Cornwell Mine
Cleveland County, North Carolina
Contract Ide-8493

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

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

(b) Two copies to Region IV files.

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

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

Enclosures

EDTalbert/ama 12-5-62

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

October 1, 1962

Memorandum

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

From: K. D. Talbert, Chief /s/ K. D. Talbert/ama
Contract Administration and Audit Division

Subject: DMEA-2793 (Mica)
Burns-Spangler Construction Co.
Lee Cornwell Property
Cleveland County, North Carolina
Contract Idm-8495

Enclosed for deposit to the subject DMEA account under symbol 14X4401 as a royalty receipt is a September 25, 1962, check drawn in the amount of $6.83 by Lee W. Cornwell, Route 5, Shelby, North Carolina, on the Union Trust Company, Shelby, North Carolina.

This check is in payment of royalty delinquently due the Government on mica produced from the property under the subject contract and sold by Ed Burleson during 1958.

Enclosure:

AMAlley/ama 10-1-62

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

AUG 14 1962

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. and Mrs. Lee W. Cornwell
Shelby, North Carolina

Re: DMRA-2793 (Mica)
Burns-Spangler Construction Co.
Lee Cornwell Property
Cleveland County, North Carolina
Contract Idn-E495

Dear Mr. and Mrs. Cornwell:

The remittance requested by my July 10 letter, a copy of which is enclosed, has not been received. Your prompt remittance, by check or money order payable to the Office of Minerals Exploration, is solicited.

Your immediate attention to this matter will alleviate the need for further collection action such as legal steps to enforce the Government's lien on your property. Any collection action found necessary by the Government probably will result in additional costs to you.

Sincerely yours,

George Fumich, Jr.

Director

Enclosure

EDTalbert/ama 8-14-62

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

1 0 1962

Mr. and Mrs. Lee W. Cornwell
Shelby, North Carolina

Re: DMSA-2793 (Mica)
Burns-Spangler Construction Co.
Lee Cornwell Property
Cleveland County, North Carolina
Contract Idm-8495

Dear Mr. and Mrs. Cornwell:

Reference is made to an Owner's Consent to Lien executed by you on November 17, 1952, wherein, as an inducement to the Government to enter into the referenced exploration project contract, you granted to the Government a lien upon the described land and upon any production of minerals therefrom. This lien was to cover the Government's claim for royalty on production from the land in the amount of the Government's contribution to the exploration costs or until a period of ten years from the date of the contract had elapsed. The exploration contract was dated March 2, 1953, and the Government's contribution to exploration costs amounted to $4,599.00, no portion of which has been repaid to date.

My attention has been directed to a purchase of 13.60 pounds of trimmed mica made by the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, sold by Ed Burleson, Box 265, Bakersville, North Carolina, and represented as coming from the property under the referenced contract. This purchase is identified as Depot lot No. SPAR-157(a), for which final settlement in the amount of $136.64 was approved on September 15, 1958.

Under terms of the exploration contract and the lien granted by you royalty at 5 percent on such sale is payable to the Government. Accordingly, your prompt remittance of $6.83 in settlement of royalty due on this transaction is requested. Also, if there were any proceeds realized from the sale of scrap or punch mica or from other sales of production from the property subject to the exploration contract, royalty due thereon should be computed and paid. Remittance by check or money order should be made payable to the Office of Minerals Exploration.

EDTalbert/ama 7-9-62

Sincerely yours,

George Fumich, Jr.

Director

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

E 495 3/2/53 DMBA-2793 Burns-Spangler Construction Co.

Cleveland County, N.C. Lee Cornwell Mine

Last reported Depot sale 3/21/55 Lot 1750 $270.48 Only sale. Produced during exploration

Other known parties of possible interest:

Robert A. Burns Partner
Robert Spangler Partner
Lee W. & Helen B. Cornwell owners

Jeter Stamey
Arthur Buchanan
Claude Buchanan

Burk's memo. 6/11/58 states these parties worked this property for 9 days but did not produce any mica.

Ed Pinkham AR 154 8/29/58

One purchase price 3/21/55 was noted.
SPAR-157 & 135.64 attached.
EEF 6/21/62

Ab

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT - MICA PURCHASE

MICA PURCHASE DEPOT: Spruce Pine, N. C.

[redacted]-53-137 (a)

AUTHORIZATION NUMBER	LOT NUMBER	VOUCHER NUMBER	SCHEDULE NUMBER
[redacted]-3-147 A	[redacted]-137 (a)		

EVALUATION DATA

RUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ 70.00	$
GRADES NO. 4 AND 5				.40	40.00	16.00
GRADES NO. 5½ AND 6				2.50	17.70	43.13
STAINED						
GRADES NO. 3 AND LARGER		12.00			31.90	
GRADES NO. 4 AND 5		5.00		.22	18.25	4.02
GRADES NO. 5½ AND 6		3.00		9.03	7.55	68.18
HEAVY STAINED						
GRADES NO. 3 AND LARGER		8.00			14.80	
GRADES NO. 4 AND 5		4.00		.01	6.85	.07
GRADES NO. 5½ AND 6		2.00		1.56	4.00	6.24
TOTALS			$			$

NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ 70.00	$
GRADES NO. 4 AND 5					40.00	
GRADES NO. 5½ AND 6					17.70	
STAINED						
GRADES NO. 3 AND LARGER		9.60			25.55	
GRADES NO. 4 AND 5		4.00			14.60	
GRADES NO. 5½ AND 6		2.40			6.55	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		6.40			11.85	
GRADES NO. 4 AND 5		3.20			5.45	
GRADES NO. 5½ AND 6		1.60			4.00	
TOTALS			$			$

TOTAL YIELD AND VALUE	[X] RUBY [ ] NONRUBY (Half trim plus full trim) 13.60 LBS.	$ 136.64
ADJUSTED VALUE WHEN LESS THAN 18% GS & B (ABOVE VALUE $ _____ X _____ ÷ 18)		$
FOR PROGRAM B, DEDUCT $4.00 PER POUND FOR RIFTING AND TRIMMING		
FINAL BASIS FOR PAYMENT		$ 136.64
LESS: INITIAL PAYMENT	VOUCHER NUMBER SCHEDULE NUMBER	92.39
BALANCE DUE	[X] SELLER [ ] GOVERNMENT	$ 44.25

NAME AND LOCATION OF MINE

Lee Gosnell, Cleveland County, N. C.

S GS & R 20.44

PROCESSED FOR PAYMENT (LBS.)	13.60
PROCESSED - NO PAYMENT (LBS.) THINS	
BLACK (Dots, Spots, Stained)	
UNDERSIZED	
PROCESSING LOSS	.15
TOTAL POUNDS PURCHASED	13.75

SELLER'S NAME AND ADDRESS (Type or print)

Ed Burleson
Box 265
Lenoxville, N. C.

495

APPROVED

DEPOT SUPERINTENDENT

DATE 9-25-58

GSA WASH D C 58-3177

GSA FORM 1013a
SEPTEMBER 1957

Memorandum

To: Robert A. Laurence, U. S. Geological Survey

From: Chief, Division of Field Operations

Subject: DMSA-2793 (Mica)
Burns-Spangler Construction Company
Lee Cornwell Property
Cleveland County, North Carolina
Contract Idm-8495

Your July 5 memorandum supplying the address of the owners of the land under the subject contract is appreciated.

Neither the landowners nor Operator have questioned liability for payment of the royalty. In fact, Mr. Beck's January 8, 1958, memorandum advises that Mr. Lee Cornwell stated that the then current lessees were cognizant of the Government's lien and would pay royalty on any production.

Mr. Beck's June 19, 1958, memorandum states that these same lessees worked the mine but did not produce any mica. He further indicates that about a thousand dollars worth of mica sold in New Hampshire was produced from part of Lee Cornwell's farm not covered by the contract.

George C. Selfridge

EDTalbert/ama 7-9-62

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

[illegible] BLDG.
KNOXVILLE 2, TENN.

July 5, 1962

Memorandum

To: George C. Selfridge, Chief, Division of Field Operations
Office of Minerals Exploration, Washington, D. C.

From: Robert A. Laurence

Subject: IMEA-2793 (Mica)
Burns-Spangler Construction Company
Lee Cornwell Property
Cleveland County, North Carolina
Contract Idm-E495

The only address we have for Lee W. and Helen Blanton Cornwell is [illegible] Shelby, North Carolina. They live on the Cornwell property, [illegible] five miles from Shelby on a rural mail route.

I note that this contract (Idm-E 495) was written on the February [illegible] 1952 form which contains the "abandonment provision," and therefore [illegible] wonder if the owner is liable for mica produced and sold by [illegible] Burleson, after abandonment of the original lease by Burns and Spangler. If so, then what about the mica reportedly sold in [illegible] Hampshire, as reported by Mr. Bock in his June 1958 semi-[illegible] report?

Robert A. Laurence

Robert A. Laurence

Memorandum

To: Mr. Robert A. Laurenes, U. S. Geological Survey

From: Chief, Division of Field Operations

Subject: DMSA-2793 (Mica)
Burns-Spangler Construction Company
Lee Cornwell Property
Cleveland County, North Carolina
Contract Idm-8495

Please advise the address of Lee W. Cornwell and Helen Blanton Cornwell who executed an Owner's Consent to Lien in connection with the subject exploration project contract. This information is not available in the Washington office files. It is noted that when certification was issued the copy for the landowner was sent to the Field Team for forwarding.

A recent check of the Spruce Pine Mica Purchase Depot by a representative of the Contract Administration and Audit Division disclosed a sale of trimmed mica by Ed Burleson, Box 265, Bakersville, North Carolina, from the Lee Cornwell Mine. Total payments by the Depot amounted to $136.64 under lot No. SPAR-157(a), approved September 15, 1953.

We wish to contact the landowners in an attempt to collect the royalty due on this sale and any other sales that may have been made of production from the property.

George C. Selfridge

CEFisher/ama 6-29-62

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

OME Form 7
(10-58)

Idm-E495

Date	Initials	Code
		500
		120
		130
		100
		220

June 27, 1962

Memorandum

To: B. D. Talbert, Acting Chief
Contract Administration and Audit Division

From: C. E. Fisher, OME Auditor

Subject: Audit Trip to Spruce Pine, North Carolina

I left Washington, D. C., via Southern Railway train No. 47 at 9:00 p.m., EST, June 17, 1962. Arrival in Asheville, N. C., was about 10:00 a.m., June 18. There I secured an automobile from Avis Rent-A-Car and drove to Spruce Pine, N. C. Left Spruce Pine at 10:00 a.m., June 23, and arrived back in Washington at 3:10 a.m., June 24, via Southern Railway train No. 16.

Most of the time in Spruce Pine was spent in reviewing the purchase records of the G.S.A. Mica Purchase Depot for the purpose of determining whether any unreported purchases had been made by that Depot of production from mines on which DMEA had entered into exploration project contracts. A total of 57 contracts were assigned for this investigation.

The last purchase by the Depot under the Mica Purchase Program was made on June 7, 1962. Mr. J. P. McKinney, Depot Superintendent, stated that processing the mica on hand and making final settlements with vendors will take another 60 to 90 days before the Depot is finally closed. Mr. McKinney also advised that 2,972 Participation Certificates were issued and 21,609 lots of mica were purchased during the program. At June 15 the yield of strategic mica amounted to 1,516,755.75 pounds. This will increase some when all processing is completed. As of June 1 the total payments to vendors amounted to $20,526,000. This amount will be increased when final settlements have been completed.

My review of the Depot records disclosed 13 contracts under which the Government may be entitled to royalty as hereinafter discussed. The investigation failed to disclose any purchases of production from the properties covered by the remaining 44 contracts. Memoranda for the files have been prepared for this latter group of contracts.

During the early stages of the [illegible], that is until 1957/8, two or more [illegible] supervising exploration work in this area [illegible] made frequent inspections of the [illegible] what was happening. Mr. Beck made several trips around the area and reminded the various parties of their royalty obligations. He checked the Depot records and often collected [illegible]. Several audit trips were made by representatives of this office, the last being my trip in February 1959. Mr. Beck continued his visits to the Depot and to the various operators through 1959 and subsequent investigations have been made by Messrs. Lynch and Measure.

I believe that the reduction in royalty collections in the past 3 or 4 years may be accounted for by several circumstances:

First, a typical contract resulted in production during the exploration period and sometimes a little longer. Most of the mica exploration contracts were completed prior to 1958.

Second, nine of the mica exploration contractors repaid their entire Government advance prior to 1958 and, of course, had no further royalty obligation. (For example, Ultimate Minerals, Idm-E364, DMSA-[illegible], operated right up to the day the Depot stopped buying.)

Third, there was a tendency on the part of the individual miners and some of the larger operators to work properties not subject to the Government lien for royalty. In [illegible] cases where the name of the [illegible] indicated to [illegible] from properties where [illegible] issued letters [illegible]. If the Government was [illegible] most of the mining [illegible] in the form of contributions to exploration costs, why not work a property not subject to the Government's 5% royalty?

I visited the Spruce Pine Mica Company and met Mr. Lawrence Conley, who has been with that company and in the mica business for many years. He informed me that the only mica from the Anita Face Mine (Contract Idm-E667, DMSA-3255) his company had purchased were the two lots sold by John Carroll in 1954. [illegible] and I collected $13.34 royalty applicable to these sales from the property-owner, W. Howard Simpson, president of Non-Metallic Minerals Corp., on March 16, 1955. Mr. Conley expressed the opinion that no work had been done on the property since John Carroll was there.

The Spruce Pine Mica Company operates a fabricating plant. They primarily depend upon imported mica and this was especially true during the Government purchase program when [illegible] was

concentrating on strategic mica. Their company got only the local material that was not eligible for purchase by the Depot. Mr. Conley stated that some of the local miners have been in to "talk" about the possibility of continuing mining and are "considering" the matter. He indicated that he expected some land-owner farmers would probably bring in punch from time to time as they felt the need for cash. Just another crop from the land.

B-K Associates (Contract Idm-E557, DMEA-3000) sold punch to the Spruce Pine Mica Company. Mr. Conley hopes they will continue operations as the Bryson Mine is a good source of supply and, further, he would like to see a North Carolina operation continued. He stated that B-K Associates own a couple of punch presses (presumably in Baltimore), but that so far as he knew they had not used them on Bryson Mine production.

Sam Phillips met with me for an hour or so on Friday afternoon at the Baker Motel. This was after the rest of my investigation had been completed and I was satisfied that there was not much to be gained by such a meeting. Our talk was very general and limited mainly to projects in which he had been interested. He called my attention to the fact that 6 projects in which he was interested had repaid the Government advance in full. I carefully refrained from mentioning that in at least 10 times as many projects, he, and his associates, had stopped mining almost as soon as the Government contributions ceased. He mentioned the McKinney Mine (Contract Idm-E692, DMEA-3260) but I did not see any profit in a discussion of that case.

Mr. Phillips told me that all feldspar operations in the area were large open-cut mechanical operations and that it is practically impossible for the small operator to sell feldspar. The big operators have their own adequate supplies and do not wish to be bothered. The price is so low that the little fellow cannot afford to mine and haul his supply. Of course, when most of the mining expense was an exploration cost, some of the feldspar was sold. For example, Contract Idm-E412, DMEA-2277, Burke John Mica Miners, was certified because of feldspar discovery. According to Mr. Phillips the property has not been operated since completion of the exploration project.

My review of the Depot records indicated possible unpaid royalty in connection with 13 contracts as follows:

<u>Contract Idm-E311, DMEA-2377, Piedmont Minerals, Inc.</u>

I secured for our files a copy of the final settlement statement for lot No. SPBR-149(a), approved May 14, 1958, covering purchase from

Frank [illegible] 1,315 pounds of [illegible] mica, yielding 51.74 pounds of trimmed mica, for which payments aggregated $394.50. A Report of [illegible] dated [illegible] 23, 19[illegible], indicated $19.73 [illegible] royalty [illegible] to the sale. A copy of the document was obtained to complete the DMEA files. This sale was made from production subsequent to "abandonment" by the original operators under the contract. [illegible] ruling by the solicitor's office royalty is not [illegible] unless the original operators should again mine the property [illegible] the repayment period.

Contract I[illegible], [illegible]-2375, Douglas M. Robinson & H. Cline West

Final settlement statement for lot No. SPAR-12(a), approved July 20, 1956, under which Robert H. Redus, Jr., 4[illegible] Wall Street, Asheville, N. C., received net settlement of $35.20, shows the mine name as "Summer" but does not give the location of the mine. This contract covered exploration at the Swannanoa Mine. According to the contract and the [illegible] Subordination Agreement executed by T. B. Summer, the [illegible] located in Buncombe County, N. C. Asheville is the [illegible] County. It is believed that the sale by [illegible] reported by him [illegible] as Summer Mine on the settlement [illegible].

On March 11, 19[illegible], Mr. Beck and I called upon Mr. Summer whose address is Summer [illegible] Foster, Inc., Haywood Building, Asheville, N. C., and found him to be very cooperative in furnishing information about sales from the Swannanoa Mine on which he had received royalty as owner of the property. I suggest that he be contacted regarding the sale [illegible] and advised if there is any other production on which the Government is entitled to royalty. This project was certified because of reserves of feldspar.

Contract Idm-E431, [illegible]-2610, Dixie Minerals, Inc.

Final settlement statement was obtained for lot No. SPAR-229(a), approved August 6, 1956, under which Jackson Mining Company, Box 962, Sylva, N. C., received payments aggregating $272.12. This settlement statement shows the mine name as Shell Ridge, but does not give the location of the mine. Contract Idm-E431 covered exploration at the Shell Ridge Mine located in Jackson County, N. C., of which Sylva is the county seat.

Contract Idm-E459, DMEA-2579, Mica Industries, Inc.

Final settlement sheets SPBR-47(a), approved December 2, 1960, and [illegible]-48(a), approved December 23, 1960, covered payments aggregating

$206.08 and $865.20, respectively, for mica sold by Baird Cove Mining Company, Route 3, c/o Ralph Cunningham, Franklin, N. C. The name and location of the mine are shown as Baird Cove Mine, Macon County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E495, DMEA-2793, Burns-Spangler Construction Co.

Final settlement sheet SPAR-157(a), approved September 18, 1958, covered payments aggregating $136.64 to Ed Burleson, Box 265, Bakersville, N. C. The name and location of the mine are shown as Lee Cornwell, Cleveland County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E548, DMEA-2921, Fred Tayler, Julian Greene & Johnnie Greene

Final settlement sheet SPAR-547(a), approved May 9, 1959, covered payment of $214.14 to Lewie Aldridge, Spruce Pine, N. C. The name and location of the mine are shown as Cow Camp, Avery County, N. C., which is in agreement with the description of the mine in the exploration contract.

Contract Idm-E557, DMEA-3000, B. T. R. Mining Company

Check dated June 14, 1962, from B-K Associates brought royalty receipts under this contract up to $4,279.39 or within $130.61 of the total Government contribution.

The Depot records indicated additional purchases from B-K Associates as follows:

Date	Lot No.	Amount	
6/7/62	SPAR-496	$2,145.16	Final
6/15/62	" -512	1,214.58	"
4/5/62	" -523	1,100.98	Preliminary
4/12/62	" -530	1,181.30	"
4/19/62	" -537	950.82	"
4/26/62	" -542	875.89	"
5/3/62	" -547	966.57	"
5/10/62	" -560	842.03	"
5/18/62	" -566	917.21	"
6/1/62	" -591	435.49	"
6/5/62	" -599	256.26	"
6/7/62	" -607	279.04	"
4/5/62	SPAO-156	222.24	"
4/12/62	" -161	296.28	"

Contract Idm-E618, DMEA-3132, Dixie Mines, Inc.

Royalty has not been paid to the Government in connection with the following settlement statements:

Lot No.	Date Approved	Seller	Amount
SPAR-257(a)	11/5/58	S. P. Lett, Rt. 3, Linville, Ala.	$2,019.20
" -270(a)	12/30/58	" " " "	455.57
" -333(a)	12/19/58	" " " "	861.37
" -414(a)	3/16/59	L. T. Rounds, Rt. 2, Columbiana, Ala.	157.82
" -511(a)	3/25/59	" " "	649.37
" -780(a)	6/23/59	" " "	356.95

Contract Idm-E664, DMEA-3247, Newland Buchanan, et al.

Final settlement sheet for lot No. SPBR-163(a), approved August 24, 1960, covered payments aggregating $854.94 to M. E. Burleson & Frank W. Phillips Co., c/o Mitchell Lumber Co., Spruce Pine, N. C. The name and location of the mine are shown as Johnson Mine, Mitchell County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E814, DMEA-3740, Roy Grindstaff, et al.

Final settlement sheet for lot No. SPAO-154(a), approved January 27, 1960, covered payments aggregating $263.65 to Peraley & Grindstaff, Route 3, c/o Roy Grindstaff, Bakersville, N. C. The name and location of the mine are shown as Conley, Mitchell County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E977, DMEA-4337, Hawk Mining Company

Royalty has not been paid to the Government in connection with the following settlement statements:

Lot No.	Date Approved	Seller	Amount
SPAO-475(a)	4/18/59	J. E. Wilson, c/o Mitchell Lumber Co., Spruce Pine, N.C.	$ 114.80
" - 12(a)	7/24/59	" " " "	594.62
" - 51(a)	8/24/59	" " " "	1,070.75*
" - 89(a)	1/9/62	" " " "	302.37*

* Includes production from various mines. Amounts applicable to Hawk Mine are $195.57 and $9.48, respectively.

Contract Idm-2665, DMEA-3316, Hector Mining Company

Final settlement sheets for lots SPAO-10(a) and SPAO-14(a), approved September 7, 1960, covered payments aggregating $195.70 and $141.11, respectively, to Dan Allen, Route 2, Burnsville, N. C. The name and location of the mine are shown as Hector Mine, Yancey County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-2734, DMEA-3452, Howard Boone & John Jarrett

Final settlement sheet for lot SPAR-359(a), approved December 1, 1959, covered payments aggregating $101.51 to Parsley & Grindstaff, c/o Roy Grindstaff, Route 3, Bakersville, N. C. The name and location of the mine are shown as Putnam, Mitchell County, N. C., which is in agreement with the description of the mine in which exploration was performed.

The following is furnished for your use in the unlikely event you may find it necessary to secure additional information regarding purchases by the Spruce Pine Depot.

Mr. McKinney stated that he does not know what is to become of the Spruce Pine Depot records when the Depot is finally closed. He is recommending that the copies of settlement statements and supporting papers maintained at the Depot be destroyed as they are duplicates of original documents on which disbursements were made. The original documents are in the custody of:

General Services Administration, Region 3
Office of Regional Comptroller
Document Control and Collections Section
Room 6238, Regional Office Building
7th and D Streets, S. W.
Washington 25, D. C.

During the purchase program it was the practice to furnish copies of all settlement sheets to:

Mr. Avery H. Reed, Jr., Chief
Knoxville Field Office
Division of Mineral Industries
Bureau of Mines
404 Hamilton Bank Building
Knoxville 2, Tennessee

I understand that these copies were used by the Bureau of Mines to compile statistical data relating to production from the various mines. I do not have any information regarding the ultimate disposition made of these copies.

[illegible]/mm 6-27-62

[illegible] Files
[illegible]'s Reading File
[illegible] Division
[illegible] Files (2)

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-E495, Docket No. DMEA-2793 (Mica), dated March 2, 1953, with

Robert O. Burns and Robert Spangler
d/b/a Burns-Spangler Construction Company
600 Peachtree Street
Shelby, 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 Lee Cornwell Mine located in Cleveland County, North Carolina, during the period January 27, 1956, through May 7, 1959.

A certification of discovery or development was issued on May 20, 1955, and accordingly royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of final cost audit dated March 9, 1955, indicated accepted costs under the exploration contract amounting to $5,110.00 with the Government's contribution, on a 90 percent basis, being $4,599.00.

A prior report of royalty review dated February 1, 1956, indicated total sales subject to Government royalty amounting to $270.48 for the period March 2, 1953, through January 26, 1956, and that the royalty due the U. S. Government amounting to $13.52 had been paid. No royalty has been received by the Government applicable to this project since the latter date.

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

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

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

C. E. Fisher

C. E. Fisher, OME Auditor

May 13, 1959

(Check Sheet of Examining Engineer filed in Docket)

REPORT OF
ROYALTY REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region V, Knoxville, Tennessee, pertaining to Contract Idm-2495, Docket No. DMEA-2793, dated March 2, 1953, with

Robert O. Burns and Robert Spangler
d/b/a Burns-Spangler Construction Company
Lawndale, North Carolina

for the purpose of determining the amount of royalties due the United States Government on sales of mica from property referred to as the Lee Cornwall Mine located in Cleveland County, North Carolina, during the period March 2, 1953, to January 26, 1956.

A certification of discovery or development was issued on May 20, 1955, and, in accordance with the contract, 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 March 9, 1955, indicated accepted costs under the exploration contract amounting to $5,110.00 with the Government's contribution, on a 90 percent basis, being $4,599.00.

My review included a verification of the royalty paid in connection with the sale of 15.34 pounds of trimmed mica recovered during the exploration period. In addition, a conference was held with Mr. William A. Buck, Mining Engineer, Knoxville, Tennessee, who is thoroughly familiar with the project.

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

(a) The production involved was incidental to the exploration operations.
(b) The property has been idle since completion of the exploration work.
(c) The administrative cost to the Government of an on-site 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 to be $270.48. Royalty due the United States Government at the contract rate of 5 percent is $13.52. The royalty paid and balance due are as follows:

Total Royalty Due	$13.52
Total Royalty Paid	13.52
Balance of Royalty Due	$ -0-

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

February 1, 1956

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Oak Ridge, Tennessee

DEPOSIT NO.
CD# 14-23-070-13

For credit of 428 BR TRSY Regional Office, Oak Ridge, Tenn. 8/1/55
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Hamilton National Bank, Knoxville, Tennessee
(Name and location of depositary)

$ 13.52

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E-495 Burns & Spangler	13.52

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Adm. Asst.
P. O. Box 217
Norris, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Norma J. Thomas
Auditor
(Authorized signature)

AUG 1 1955
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

C
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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

June 27, 1955

Messrs. Robert O. Burns & Robert Spangler
Burns-Spangler Construction Company
600 Peach Street
Shelby, North Carolina

Re: DMEA-2793, Idm-E495 (mica)
Lee Cornwell Property
Cleveland County, N. C.

Gentlemen:

A recent check at the Government Mica Buying Depot in Spruce Pine, N. C., disclosed that on March 21, 1955 you sold 15.34 pounds of mica in Lot No. 1750, for which you received $270.48. As the Government has issued a Certification on this contract, you are obligated to pay it a royalty on the sale of any production from the property described in the contract. In the case of mica the royalty will amount to 5 percent. The royalty on the above sale is $13.52. Please send your check in this amount made payable to the Defense Minerals Exploration Administration to this office at your earliest convenience. A copy of the settlement sheet should accompany your check. Royalty is also due on sales of any other material such as scrap, punch, etc.

Very truly yours,

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

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Robert O. Burns and Robert Spangler
d/b/a Burns-Spangler Construction Company
Lawndale, North Carolina

pertaining to Exploration Project Contract No. Idm-E495, Docket No. DMEA-2793, including Amendment Nos. 1 and 2, for the months of May, 1953, to January, 1955, inclusive, covering a project for the exploration of mica on property, known as the Lee Cornwell Mine, located in Cleveland County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with representatives of the Field Team, Region V, and a determination of the reasonableness and propriety of the costs.

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

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

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

Total cost as billed by Contractor		$5,110.00
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Herewith	- 0 -	-0-
Total Accepted Cost		$5,110.00

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 Four thousand five hundred ninety-nine and no/100 Dollars

$4,599.00

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.

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

March 9, 1955

Form MF-104 (Rev.)
(April 1955)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAYMENT ON VOUCHER & SCHEDULE OF PAYMENTS K- 50

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1954 Docket No. DMEA 2793 Contract No. IPM-E-495

Operator's Name Burns + Spangler Const. Co. Minerals

Address Shelby N.C.

Contract Amount, $6700.00 Government Participation: 90% Amount, $6030.00

DEPARTMENT OF THE INTERIOR Defense Minerals Administration RECEIVED APR 6 1955

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		640.00	640.00			
Crosscutting						
Drifting Shaft		1845.00	1845.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track Tunnel	525.00	2100.00	2625.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	525.00	4585.00	5110.00	525.00	4585.00	5110.00

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

Date 3-7-55 *Payee Burns + Spangler Const. Co.

Per Robert Burns 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:

$ 472.50

Signature Helen R. Miller (Authorized Certifying Officer)

Date April 1, 1955 Vou. No.

(See other side)

4+7

52.50

(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. E-495 in accordance with the terms of the contract.

Signature W. J. Lynch Title Mining Engineer Date 3/31/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

EXECUTIVE OFFICER

Signature Robert A. Lawrence Title DMEA REGION V Date 3-31-55

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-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 1954 Docket No. DMEA 2793 Contract No. Idm-495
Operator's Name Burns & Spangler Const. Co. Minerals Mica
Address 600 Peach St. Shelby, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting		525.00	15	2625.00	75	35.00	75	35.00
Crosscutting								
Raising								
Shafts				1845.00	41	45.00	75	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	cu. yds.			640.00	1600	.40		700.00
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		525.00	15	5110.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date 3-21-55 Operator Burns & Spangler Const. Co.

Per Robert Burns Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 21 1955

Peach Street
Shelby, North Carolina
March 19, 1955

Mr. Robert A. Laurence
Executive Officer
DMEA Region V
Post Office Building
Knoxville 2, Tenn.

Final Report on Lee Cornwell Mine
Cleveland County, N.C.
DMEA - 2793, IDM-2495 (Mica)

Dear Mr. Laurence:

We completed work on the above project November 22, 1954. On May 4, 1953 work was started on the Cornwell mine. We cleared off the overburden to a depth of 12 feet. We set up a boom and started digging the shaft. At ten feet we found a small quantity of mica of good quality. The next 20 feet we blasted through a layer of flint rock.

At 30 feet we ran out of the mica vein. We dug to a depth of 45 feet. The shaft caved in and we cleaned it out to a depth of 30 feet. We put in new 2 in. oak timbers. A tunnel was started due north from the shaft. We dug 18 feet in this direction. No mica was found. We branched off with a new tunnel due East. This tunnel was dug in this direction for 30 feet. At 22 feet we ran into a vein of mica that looked good. This vein was followed straight down for five feet and played out.

At the end of the 30 ft. tunnel another tunnel was dug in a north eastern direction for 11 feet. No mica was found. Also at the end of the 30 ft. tunnel we dug a 6 ft. tunnel due south. We came back to the end of the first 18 ft. tunnel and started a new one due west. This one was dug for 10 feet. No mica was found.

We have 800 pounds of block mica. This mica will probably be worth about $400.00 when sheeted. We are sheeting this mica now and should have it ready for sale in several weeks.

We have not sold any mica from the mine. We plan to dig in the last tunnel another 20 or 30 feet at our own expense.

Yours very truly,

Robert Burns

Robert Burns, Partner
Burns and Spangler Construction Company

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 10 1954

Month of APRIL, 1954 Docket No. DMEA 2793 Contract No. IDM-E 495
Operator's Name BURNS AND SPANGLER CONSTRUCTION CO. Minerals Mica
Address PEACH STREET, SHELBY, N.C.
Contract Amount, $ 6700.00 Government Participation: 90 % Amount, $ 6030.00

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		640.00	640.00			
Crosscutting						
Drifting						
Shaft		1845.00	1845.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Tunnel	2100.00		2100.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2100.00	2485.00	4585.00	2100.00	2,485.00	4,585.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-69

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5-25-54 *Payee Burns & Spangler Construction Co.
Per Robert Burns 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:

$ 1,890.00

Signature Cora A. Pizzo
(Authorized Certifying Officer)

Date JUN 3 1954 Vou. No. 298
(See other side)

210-02

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E495 in accordance with the terms of the contract.

Signature Laurence C. Shurley Title Mining Engr. U.S.B.M. Date May 27, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawson Title EXECUTIVE OFFICER DMEA REGION VII Date JUN 1 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

xxxxxxxxxxxxxxxxxx

Room 13, Post Office Building
Knoxville 2, Tennessee

June 1, 1954

Mr. Robert Burns
Burns & Spangler Construction Co.
Peach Street
Shelby, North Carolina

Re: DMEA-2793 - Mica
Contract Idm-E 495
Lee Cornwall prospect

Dear Mr. Burns:

Reference is made to your April Monthly Report and Voucher which was received in this office today and which is being sent to the Finance Office for processing.

The item of $2100.00 should have been placed in item (1) under "Drifting" and the number of feet (60 ft.) should have been placed after the word "Drifting." On the Form MF-104A you should have noted all your previous expenditures as well as those for April, and they should have been on the correct lines such as drifting, shafts and trenching.

Your narrative is not at all informative. It should be a concise description of the progress made, results accomplished, difficulties encountered, type of rock penetrated and an estimate of the amount of mica produced.

It will also be helpful in checking costs to know the number of men employed, footage advanced and any other expenses. A sample copy of a narrative is enclosed.

It will be appreciated if you will follow these suggestions in future reports.

Very truly yours,

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

RAL/mg
Enclosure
cc
Beck
Lynch
files

Form MF-104A
(April 1952)

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

Defense Minerals Administration
JUN 10 1954

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

Month of April 1954 Docket No. DMEA 2793 Contract No. IDM-E 495
Operator's Name Burns & Spangler Construction Co. Minerals Mica
Address Peach Street, Shelby, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts *		2100.00	60 ft.	2100.00	60 ft.		75 ft.	35.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS				2100.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date 5-23-54 Operator Burns & Spangler Constr. Co.

Per Robert Burns 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)

* Operator failed to include previous expenditures
Items above should have been under drifting instead of shafts.

W M Beck

INSTRUCTIONS

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

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

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

GPO 83-38475

DMEA NO. 2793

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of APRIL 1954

Work Accomplished

Dug and timbered tunnel 60 feet.

Daily Notes

April 2. Tunneled 4 feet.
3. Tunneled 5 feet.
6. Timbered tunnel 6 feet.
7. Tunneled 4 feet.
8. Tunneled 4 feet.
9. Tunneled 6 feet.
12. Timbered tunnel 12 feet.
13. Tunneled 5 feet.
14. Tunneled 5 feet.
21. Timbered tunnel 12 feet.
22. Tunneled 6 feet.
23. Tunneled 5 feet.
26. Timbered 12 feet.
27. Tunneled 5 feet.
28. Tunneled 5 feet.
29. Tunneled 6 feet.
30. Timb ered 18 feet.

Burns and Spangler Construction Co.
Peach Street, Shelby, N.C.

Robert Burns
Robert Burns, Partner

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

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-12

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 2793 Contract No. Idm. E 495
Operator's Name Burns + Spangler Minerals Mica
Address Shelby, N.C.
Contract Amount, $ 6200.00 Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing		$640.00	640.00			
Crosscutting						
Drifting						
Shaft Lin. ft.	1035.00	810.00	1845.00			
(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	$1035.00	$1450.00	$2485.00	1,035.00	1,450.00	2,485.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-10-53 *Payee Burns + Spangler Const. Co
Per Robert Burns 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:

$931.50

Signature Carr A. Piper
(Authorized Certifying Officer)

Date AUG 20 1953 Vou. No. 52
(See other side)

2

103.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E495 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Aug. 14, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date AUG 17 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 Docket No. DMEA 2293 Contract No. Idm-E 495
Operator's Name Burns + Spangler Minerals Mica
Address Shelby, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Lin. ft.	$1035.00	23	$1845.00	$45.00	41	75	$45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching				$640.00				
Test Pits								
Roads and Trails								
Total Distributed Costs				$2485.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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

Date 8-10-53 Operator Burns + Spangler
Per Robert Burns Title Partner

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 4 1953
DMA NO. 2723

OPERATORS
MONTHLY PROGRESS REPORT
FOR THE
Month of July
1953

Daily Notes

Monday July 13.	Started back to work in mine, mucked about 2 ft. Got about 150 lbs. of Mica. Broken up very bad.
Tuesday July 14.	Built shaft 6 ft. blasted one round and went 2 ft. deep.
Wednesday July 15.	Rained, worked on pump motor.
Thursday July 16.	Moved muck, went 3 ft. got very little Mica.
Friday July 17.	Cribed shaft and moved 2 ft. of muck.
Saturday July 18.	Struck water and mucked 1 ft.
Monday July 20.	Installed pump.
Tuesday July 21.	Cribed shaft and moved 2 ft. of muck. One man hired on night duty to pump water.
Wednesday July 22.	Sunk shaft 2 ft. saw no sign of Mica. Rained.
Thursday July 23.	Sunk shaft 2 ft. and cribed shaft.
Friday July 24.	Sunk shaft approximately 2 ft.
Saturday July 25.	Sunk shaft 1½ ft. and cribed, still no sign of Mica.
Monday July 27.	Sunk shaft 2 ft.
Tuesday July 28.	Worked on pump, sunk shaft 1 ft.
Wednesday July 29.	Worked on pump until 11:30 o'clock. At 11 no sign of Mica.

Burns + Spangler Construction Co.
Robert Burns

F[redacted] (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

PAID VOUCHER AND SCHEDULE OF PAYMENTS NO. 14.6

24

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG - 6 1953

Month of May - June, 1953 Docket No. DMEA 279 Contract No. Idm-E-495
Operator's Name Burns & Spangler Minerals Mica
Address Shelby N.C.
Contract Amount, $ 6700.00 Government Participation: 90 % Amount, $ 6030.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Cub. yds	640.00		#640.00			
Crosscutting						
Drifting						
Shaft Lin. ft.	810.00		810.00			
(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	1450.00		1450.00	1,450.00		1,450.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7/7/53 *Payee Burns & Spangler Grading Co.
Per Robert Burns 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:

$ 1305.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date JUL 29 1953 Vou. No. 24
(See other side)

1st S 4/20/53 145.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E495 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date July 10, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date JUL 13 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 [illegible] 04A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG - 6 1953

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

Month of May - June 1953 Docket No. DMEA 2793 Contract No. IDM-6-405
Operator's Name Burns + Spangler Minerals Mica
Address Shelby, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Lin. ft.	810.00	18'	810.00	18 ft.	45.00	75	$45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching Cub. yds.	Cu. yds ~~1600~~	640.00	1600	640.00	1600	.40		.40
Test Pits								
Roads and Trails								
Total Distributed Costs		1450.00		1450.00				Total Costs Authorized by Contract
Operating Equipment Purchased		~~646.42~~		~~646.42~~				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		~~$646.42~~ 1450.00		~~$646.42~~ 1450.00				

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

Date 7/7/53 Operator Burns + Spangler
Per Robert Burns 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.

U. S. GOVERNMENT PRINTING OFFICE 205676

DMEA NO. 2793

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 6 1953

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of May and June 1953

Work Accomplished

Set up Boom Pole and hoist. Started shaft, hired 5 men, bought powder and fuse. Drilled and blasted, removed rock about 18 ft. Blasted each day. Advanced about 18 ft. for the entire months.

Daily Notes

May 4. Set up compressor and blasted once.
5. Drilled and blasted once and went 2 ft.
6. Drilled and blasted twice and went 3 ft.
7. Drilled and blasted once and went 2 ft. and got about 100 lbs. mica.
11. Timbered and Blasted and went 2 ft. and got aboutt 150 lbs. mica.
12. Timbered shaft about 8 ft.
13. Drilled and Blasted solid rock and got about 50 lb. mica on the South Side.
19. Repaired Boom Pole, built muck bucket.

June 1. Hired 4 men at @ .75 per hour drilled one round and blasted about 2 ft.
2. Timbered shaft and built ladder, drilled and blasted once and went about 2 ft. and got about 100 lbs. mica.
3. Blasted and drilled about 2 ft. and got about 200 lbs. micason the South Side.
4. Timbered shaft and built ladder.
8. Drilled one round and blasted.
9. Moved about 2 ft. rock and got about 300 lbs. mica in bottom of shaft.

Burns + Spangler Grading Contractors
Robert Burns

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 6 1953

July 22, 1953

Re: DMEA-2793, Idm-E495 (mica)

Wm. A. Beck
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

Dear Mr. Beck,

In regard to your letter on July 14th about cutting a trench your stated that the contract called for cutting a trench 10' x 20' x 150' to strip and expose pigment. For this work a sum of $700.00 was set up. We realize that the contract called for those specification. According to conditions we thought it necessary to cut it 12'x24'x150' which would equal to 1600 cu.yds. at 40¢ a yard which will equal $640.00. Which is shown on the form MF-104 and MF-104A.

Yours very truly,

Robert Burns

Burns & Spangler Const. Co.

P.S. The above trenching was done the last week in April and the first week in May.

OZF:bf

MAR 2 6 1963

Mr. Lee W. Cornwell
Route 5
Shelby, North Carolina

Re: DMEA-2793 (Mica)
Burns-Spangler Construction Company
Lee Cornwell Mine
Cleveland County, North Carolina
Contract Ion-8495

Dear Mr. Cornwell:

Thank you for returning the completed MEE Form 63, relating to the subject contract.

By the terms of the Subject Exploration Project Contract, as amended, and the certification of discovery or development dated May 20, 1955, all minerals mined or produced from March 2, 1953, to March 2, 1961, 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.

The above relates to the Owner's Consent to Lien signed by you and Mrs. Cornwell on November 17, 1952, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Director

MMerrithew/mm
3/26/63
cc: Director's Reading File
√CAEA Division
Region IV (2) w/copy of Form 63 dated 3/18/63
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: Robert D. Burns and Robert Spangler
(Partners) d/b/a
Burns-Spangler Construction Company
600 Peach Street
Shelby, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-2495, dated March 2, 1953 (Docket No. DMEA-2793), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

A disconformable pegmatite in weathered mica schist and gneiss was exposed by trenching, vertical shaft and drifts. Indicated reserves of mica may be calculated.

THE UNITED STATES OF AMERICA

By C O Mitteskorg
Administrator, Defense Minerals
Exploration Administration

Dated MAY 2 0 1955

WCAnderson:ad 5/19/55
Copy to: Mr. Lee Cornwell and wife, Helen B. Cornwell
(attached to field team copies for forwarding)
Mr. Clarence A. Fredell, EPS, GSA
Docket
Admr. R. File
Mr. Chambers
Mr. Johnson
Operating Committee
Finance Office
Field Team, Region V
Mr. Killagaard, 5222
Mr. Hedges, 3612
Mr. Houk

MAY 2 3 1955

Messrs. Robert G. Burns and Robert Spangler
Burns-Spangler Construction Company
600 Peach Street
Shelby, North Carolina

Re: Contract No. [illegible]-1773 - Mica
Robert G. Burns and
Robert Spangler
Burns-Spangler Construction Company
Lee Connell Property
Cleveland County, North Carolina
Contract No. [illegible]

Gentlemen:

Transmitted herewith is a certification of discovery or development on Contract No. [illegible] on the Lee Connell Property, Cleveland County, North Carolina.

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, March 2, 1951, is subject to the Government's percentage royalty as set forth in the contract until the sum of $4,399.00 is paid or until March 2, 1953, whichever comes first.

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

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

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

Sincerely yours,

C. O. Mittenderf

Administrator

Enclosure

Copy sent Mr. Lee Connell and wife, Eulen E. Connell
(Attached to field team copies for forwarding)
Adm. L. File
Bullard
Mr. Johnson
Mr. Chambers
Mr. Bank
Operating Committee
Field Team, Region V
Mr. Klingsmith, DMEA
Mr. Edmondson, DMEA

WCAnderson:ad 5/6/55

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

MAY 23 1955

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

Re: Docket No. DMEA-2793 - Mica
Robert O. Burns and
Robert Spangler
Burns-Spangler Construction Company
Lee Cornwell Property
Cleveland County, North Carolina
Contract No. Idm-E495

Dear Mr. Fredell:

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

The exploration contract was signed March 2, 1953, with the Government participating to the extent of 90% of $6,700.00 or $6,030.00. The project was started about May 1, 1953, and completed November 22, 1954, after the expenditure of $5,110.00 which is the total net and accepted cost according to the Audit Review. The Government paid 90% of the total accepted cost, or $4,599.00.

The work performed on this project consisted of trench excavation, 41 feet of timbered vertical shaft and 75 feet of drift. A disconformable pegmatite 8 to 15 feet thick is exposed in the cut, the shaft and part of the levels. About 1,000 pounds of "mine run" mica were recovered during the project. The exploration furnished sufficient data to calculate a reserve of about 5,000 pounds of "mine run" mica which will yield 200 pounds of trimmed mica.

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

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:ad 5/9/55
Rewritten WCAnderson:gad 5/18/55
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Houk
Operating Committee
Field Team, Region V
Mr. Killgaard, 5222
Mr. Hedges, 4604

Government Copy

Defense Minerals Administration
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MAR 11 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
AMENDMENT No. 3
DOCKET DMEA-2793, Idm-E495
BURNS & SPANGLER, Oprs.

Contract Idm-E 495, Docket No. DMEA-2793, dated 2nd day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Robert O. Burns and Robert Spangler, d/b/a as Burns & Spangler Company of Lawndale, North Carolina, as amended, is hereby further amended as follows:

1. Article 3 is further amended to read..."...and shall bring the project to completion within a period of twenty-two (22) months from date of the contract, instead of twenty (20) months as written in Amendment No. 2 dated September 1, 1954.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to pay, nor the amount of any item designated as 'allowable maximum.'

February 2, 1955.

Robert A. Laurence
ROBERT A. LAURENCE
EXECUTIVE OFFICER, DMEA
FIELD TEAM, REGION V.

BURNS & SPANGLER

By Robert O. Burns
Partner

BY Robert E. Spangler
Partner

GOVERNMENT COPY

Defense Minerals Administration
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OCT - 1 1954

EXPLORATION PROJECT CONTRACT

AMENDMENT No. 2

Contract Idm-E 195, Docket No. DMEA-2793, dated 2nd day of March, 1953 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Robert O. Burns and Robert Spangler, d/b/a as Burns & Spangler Construction Company of Lawndale, North Carolina, as amended, is hereby further amended as follows:

1. Article 3 is amended to read....;" and shall bring the project to completion with a period of twenty (20) months from the date of the contract, instead of eighteen(18) months as stated in Amendment No. 1, dated August 31, 1953."

2. Work which is now recessed, shall be resumed not later than October 11, 1954.

September 1, 1954.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to pay, nor the amount of any item designated as 'allowable maximum.'

BURNS AND SPANGLER

By: Robert O. Burns
Robert O. Burns (Partner)

BY: Robert Spangler
Robert Spangler (Partner)

THE UNITED STATES OF AMERICA

By: Robert A. Lawrence
Executive Officer, DMEA
Region VII

Z

Government Copy
FEB 2 6 1954

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT

AMENDMENT NO.1

Exploration Project Contract Idm-E 495, Docket No. DMEA-2793, (mica) Robert O. Burns and Robert Spangler, partners, d/b/a Burns and Spangler Construction Company, Lawndale, North Carolina, dated the 2nd day of March 1953, is hereby amended as follows:

Item 3 is amended to read, " The Operator.....; and shall bring the project to completion within a period of eighteen (18) months from the date of the contract," instead of six (6) months as written in the original contract.

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 4 of the contract form.

August 31, 1953

THE UNITED STATES OF AMERICA

By Robert A. Fauman
EXECUTIVE OFFICER
DMEA REGION VII

BURNS-SPANGLER CONSTRUCTION CO.

By Robert O. Burns
Partner

By Robert Spangler
Partner

zm

D[redacted] No. MEXA - 6193

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 495

Date of Contract ~~or Amendment~~: March 2, 1953

Name and Address of Operator:

Robert O. Burns and Robert Spangler d/b/a
Burns - Spangler Construction Co.
Lawndale, N. C.

Amount of Government
participation _____ $ 6,030.00

Percent of Government
participation 90 %

Region: V State: N. C.

Please release $ 1,431.00

E. H. Talbert
(Name)
for J. L. Chambers
Chief, Contract Administration and
Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

3/30/55

54458

Docket No. DMEA 2793

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 495

Date of Contract ~~or Amendment~~ March 2, 1953

Name and Address of Operator:

Robert O Burns and Rob ert Spangler, d/b/a
Burns-Spangler Construction Co.
Lawndale, N. C.

Amount of Government participation $ 6,030.00

Percent of Government participation 90 %

Region: VII State: N. C.

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

(Title)
March 2, 1953

Date Delivered to Bureau of Mines, Washington.

13908

MF-200 (A)
(February 1952)

DOCKET NO. EA 2793

COMMODITY Mica

Government's Copy

UNITED STATES OF AMERICA IDM-E 495
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 18 1953

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 2nd day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Robert O. Burns and Robert Spangler, partners, doing business as Burns-Spangler Construction Company, Lawndale, North Carolina

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Cleveland, described as follows:[3] as 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 property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

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

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

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

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay ninety (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 $6,030.00, which is 90 percent of $6,700.00, 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 contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

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

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

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

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

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

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

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

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

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Burns-Spangler Construction Company
(Operator)

By Robert O. Burns

By O. Mitchell Dorf
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

EXPLORATION PROJECT CONTRACT
BURNS-SPANGLER CONSTRUCTION COMPANY
DOCKET NO. DMEA-2793

ANNEX I

The land referred to in Article 2 is in No. 6 Township, Cleveland County, North Carolina, about five miles northwest of Shelby, on the east side of N. C. Hwy. No. 26, and was leased to the operator by Lee Cornwell and Helen C. Cornwell, his wife, under lease dated November 14, 1952, and is described as follows:

"Beginning at a point in line of Elbert Eskridge at the place it intersects the line of Dan Gold, and runs thence, with the Dan Gold line, a distance of 500 feet; thence South, a line parallel with the Elbert Eskridge line, 800 feet; thence in a westerly direction, a line parallel with the first line above, 500 feet to a stake in the line of Elbert Eskridge; thence with the Eskridge line, approximately 800 feet to the place of Beginning, on which parcel of land has been dug five (5) holes for the purpose of mining mica."

EXPLORATION PROJECT CONTRACT
BURNS-SPANGLER CONSTRUCTION COMPANY
DOCKET NO. DMEA-2793

EXHIBIT "A"

Description of the Work

The project shall be worked in two stages.

Stage I

Stage I is to consist of cutting a trench 10' x 20' x 150' to strip and expose a mica-pegmatite showing on the property, as indicated on the map attached hereto and made a part hereof and entitled "Lee Cornwall Property, Cleveland Co., N. C. DMEA-2793(Mica)."

Stage II

Stage II is to consist of sinking a 75-foot timbered exploratory (5' x 7') shaft at the site approved by the Field Team, Region VII, and then drifting 75 feet along the pegmatite zone from the bottom of the shaft.

AGREED UNIT COSTS

Stage I		
1 Trench excavation 1/	$ 700.00	$ 700.00
Stage II		
75 feet timbered shaft @ $45/ft.	3,375.00	
75 feet drift (or crosscut) @ $35/ft.	2,625.00	6,000.00
Agreed Unit Cost of Stages I and II		$6,700.00
Government Participation @ 90%		$6,030.00

1/ The unit here shall be the completed excavation of the trench.

MF-203

OWNER'S CONSENT TO LIEN

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

Lying and being in No. 6 Township, about five miles Northwest of Shelby, on the East side of N.C. Highway No. 26, and Beginning at a point in line of Albert Eskridge, at the place it intersects the line of Dan Gold, and runs thence, with the Dan ~~Gold line, a distance of 500 feet; thence South, a line parallel with the Albert~~ Eskridge line, 800 feet; thence in a Westerly direction, a line parallel with the first ~~line above, 500 feet to a stake in the line of Albert Eskridge; thence, with the~~ Eskridge line, approximately 800 feet to the place of 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/ ~~Burns and Spangler Construction Company~~

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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 which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 1256.61, or ten years have elapsed from the date of the contract.

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.

Dated this 17 day of Nov., 1952.

Lee W Cornwell [Seal]

Helen B Cornwell [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.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

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

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

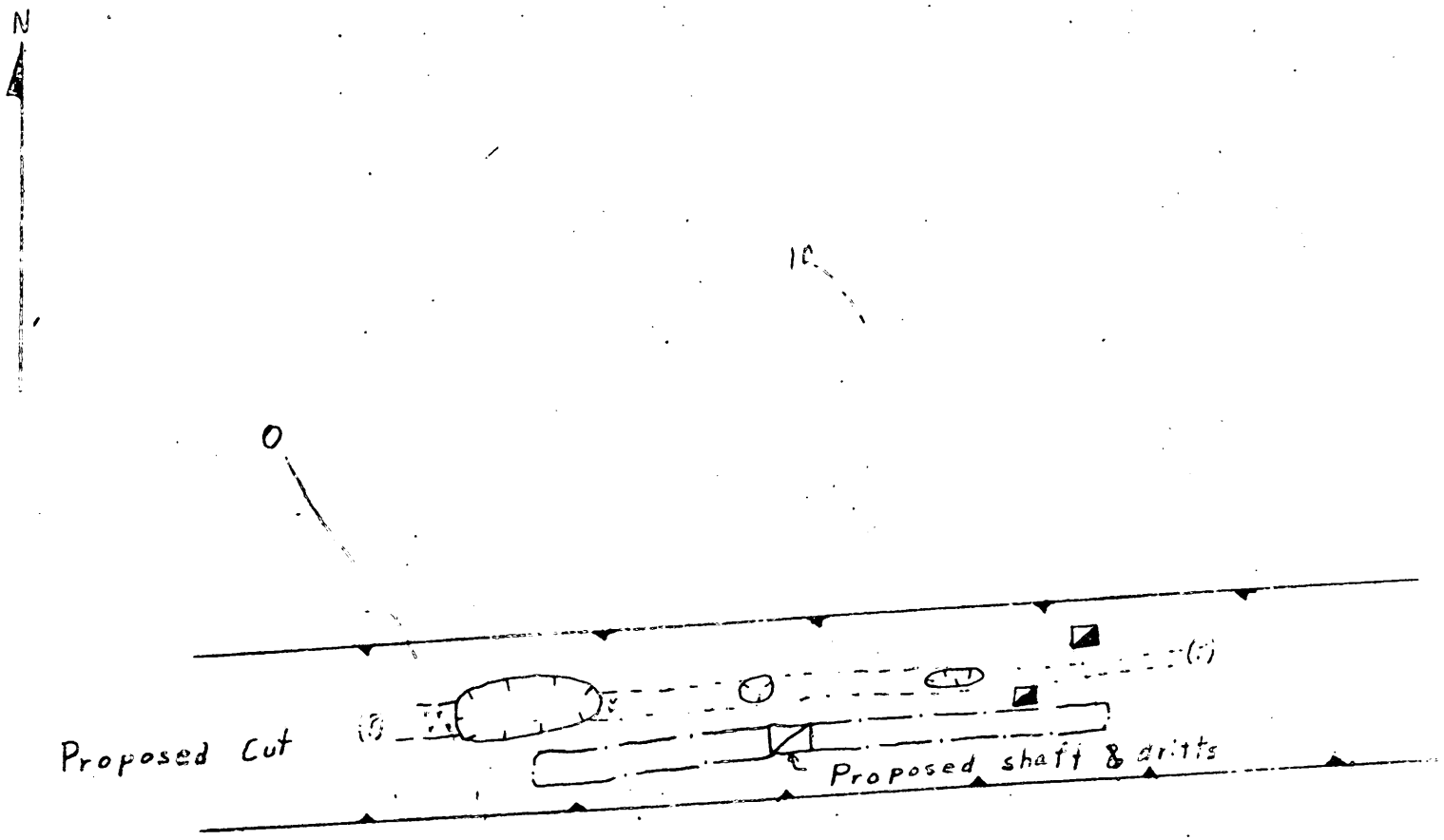
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, 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.

(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.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.



Lee Cornwall Property
Cleveland Co., N.C.

0 20 40
Scale

DMEA - 2793 (Mica)