JUL 16 1962

Memorandum

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

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

Subject: DMEA-2921 (Mica)
Taylor, Greene, and Greene
Cow Camp (South) Mine
Avery County, North Carolina
Contract Im-6548

Enclosed for deposit to the subject DMEA account under symbol 14X4401 as a royalty receipt is check no. 4638 dated July 10, 1962, in the amount of $10.71, drawn by Laura G. Taylor, Greene & Taylor Nurseries, Newland, North Carolina, on the Avery County Bank, Newland, North Carolina.

Enclosure

EDTalbert/ama 7-16-62

cc:
Docket
Director's Reading File
CA & A Division
Region IV Files (2) (w/cy of incoming ltr.)

Fred Taylor, Julian Greene,
and Johnnie Greene, Partners
c/o Fred Taylor
Newland, North Carolina

Re: [illegible]A-2921 (Mica)
[illegible]lor, Greene, and Greene
[illegible] Camp ([illegible]) Mine
Avery County, North Carolina
Contract Ida-[illegible]

Gentlemen:

My attention has been [illegible] to a [illegible] of [illegible] of trimmed ruby mica made by Lewis Aldridge [illegible] Spruce Pine Land Purchase Depot and known as [illegible] Mine. The sale was consummated as depot lot [illegible], [illegible] [illegible], 1953, in the amount of $216.14. Reviewing the [illegible] Government under provisions of the referenced contract amount [illegible] $10.[illegible] has not been received.

According to our records the mineral rights [illegible] which was the subject of this transaction [illegible] were [illegible] to Mr. Aldridge without the reservation [illegible] Government's royalty rights under the exploration contract. [illegible], the Government looks to you for the payment of any royalty accr[illegible] as it is production from the land subject to the contract prior [illegible] of the royalty repayment period on [illegible] 15, 1953.

Please promptly remit an amount [illegible] additional royalty which may be [illegible] other mineral production from the property.

Sincerely yours,

[illegible]

Fred Taylor, Julian Greene,
and Johnnie Greene, Partners
c/o Fred Taylor
Newland, North Carolina

Re: DMEA-2921 (Mica)
Taylor, Greene, and Greene
Cow Camp (South) Mine
Avery County, North Carolina
Contract Idm-8548

Gentlemen:

My attention has been directed to a sale of 13.96 pounds of trimmed ruby mica made by Lewie Aldridge to the Spruce Pine Mica Purchase Depot and shown as coming from Cow Camp Mine. The sale was consummated as Depot lot No. SPAR-647(a), approved May 8, 1959, in the amount of $214.14. Royalty due to the Government under provisions of the referenced contract amounting to $10.71 has not been received.

According to our records the mineral rights in the land which was the subject of this exploration contract were conveyed to Mr. Aldridge without the preservation of the Government's royalty rights under the exploration contract. Thus, the Government looks to you for the payment of any royalty accruing to it on production from the land subject to the contract prior to the expiration of the royalty repayment period on June 15, 1963.

Please promptly remit the amount of $10.71, plus any additional royalty which may be due on scrap or punch mica or other mineral production from the property.

Sincerely yours,

George Fumich, Jr.

Director

CEFisher/ama 6-28-62

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

Form 7
10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| | [illegible] | 500 |
| | | 120 |
| | | 110 |
| | | 100 |
| | | 220 |
| | | |
| | | |
| | | |
| | | |

Idm-E548

June 27, 1962

Memorandum

To: [illegible], Acting Chief
Contract Administration and Audit Division

From: [illegible], DMA 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. I then executed an automobile from Avis Rent-A-Car and drove to Spruce Pine, N. C. Left Spruce Pine at 10:00 a.m., June 21, and arrived back in Washington at 3:10 a.m., June 24, via Southern Railway train No. 14.

Most of the time [illegible] was spent in reviewing the purchase records of the [illegible] Mica Purchasing Depot for the purpose of determining whether any unauthorized purchases had been made by that Depot of products from mines on which DMA had entered into exploration project contracts. A total of [illegible] contracts were assigned for this investigation.

The last [illegible] of the mica purchase program was made [illegible], Mining Depot Superintendent, stated [illegible] the mica [illegible] and [illegible] final settlements with [illegible] will take another [illegible] to 30 days before the Depot is finally closed. Mr. Chinney also advised that [illegible],972 Participation Certificates were issued and 21,[illegible]9 lots of mica were purchased during the program. As of 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 $2[illegible],526,[illegible]. This amount will be increased when final settlements have been completed.

My review of the Depot records disclosed [illegible] 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 [illegible], that is until 1957/8, [illegible] supervising exploration work [illegible] frequent inspections of the vari[illegible] was happening. Mr. [illegible] reminded the various parties [illegible]. He checked the Depot records an[illegible] audit trips were made by repre[illegible] the Depot and to the various operators [illegible] subsequent investigations have been made [illegible].

I believe [illegible] the past 3 or 4 years [illegible] circumstances:

First, a typical [illegible] the exploration period and [illegible] the mica exploration contracts [illegible].

Second, nine of [illegible] repaid their entire Government [illegible] no further royalty [illegible], Idm-E364, DMA-2379, [illegible] not stopped buying.)

Third, there was a tendency on the part of [illegible] individual miners and some of the larger operators to work properties not subject to the Government lien for royalty [illegible] instances where the name of the [illegible] that the [illegible] came from properties where DMA had issued [illegible]. If the Government was not paying most [illegible] in the form of contributions to exploration [illegible], where [illegible] property not subject to the Government's [illegible] 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 [illegible] White Face Mine (Contract Idm-E662, DMA-3255) [illegible] were the two lots sold by John Carroll [illegible] collected $13.34 royalty applicable to [illegible] property-owner, W. Howard Simpson, president of [illegible], on March 16, 1955. Mr. Conley [illegible] that no work had been done on the property since John Carroll was there.

The Spruce Pine Mica Company [illegible] plant. They primarily depend upon imports [illegible] especially true during the Government purchase [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 1[illegible] 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. Phillipe 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:

Contract Idm-E311, DMEA-2377, Piedmont Minerals, Inc.

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 W. Phillips of 1,315 pounds of block mica, yielding 51.74 pounds of trimmed mica, for which payments aggregated $394.50. A Report of Royalty Review dated April 25, 1959, indicated $19.73 unpaid royalty applicable to this 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. Under a ruling by the Solicitor's office royalty is not collectible unless the original operators should again mine the property during the relayment period.

Contract Idm-[illegible], [illegible]-2[illegible]5, Douglas [illegible] Robinson & H. Cline West

Final settlement statement for lot No. SPAR-12(a), approved July 20, 1956, under which Robert H. Redus, Jr., 4½ Wall Street, Asheville, N. C., received a 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 Landlord's Subordination Agreement executed by T. B. Sumner, that mine is located in Buncombe County, N. C. Asheville is the county seat of Buncombe County. It is believed that the sale by Mr. Redus covered [illegible] from Swannanoa Mine, reported by him under the mine name [illegible], and erroneously shown as Summer Mine on the settlement sheet.

On March 1[illegible], [illegible], [illegible] called upon Mr. Sumner whose address is Sumner's Tester, Inc., Haywood Building, Asheville, N. C., and found him to be very cooperative in furnishing information about which first [illegible] Mine on which he had received royalty as owner of the property. I suggest that he be contacted regarding the sale by Redus and [illegible] 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-[illegible], [illegible]-2[illegible], Sylva Minerals, Inc.

Final settlement statement was obtained for lot No. SPAR-229(a), approved August 6, 1[illegible], under which Jackson [illegible] Company, Box 962, Sylva, N. C., received payments aggregating $[illegible].12. This settlement statement shows the mine name as Shell Ridge, but does not give the location of the mine. Contract Idm-2431 covered exploration at the Shell Ridge Mine located in Jackson County, N. C., of which Sylva is the county seat.

Contract Idm-2459, DMEA-2579, Mica Industries, Inc.

Final settlement sheets SPAR-47(a), approved December 2, 1960, and SPAR-69(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-8495, DMEA-2793, Burns Spangler Construction Co.

Final settlement sheet SPAR-157(a), approved September 18, 1958, covered payments aggregating $150.[illegible]4 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-8548, DMEA-2921, Fred Taylor, Julian Greene & Johnnie Greene

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

Contract Idm-8557, DMEA-3000, B. [illegible] & Mining Company

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

The Depot records indicate additional purchases from B-F Associates as follows:

| Date | Lot No. | Amount | |
|---|---|---|---|
| 6/7/62 | SPAR-496 | $2,[illegible] | Final |
| 6/15/62 | " -51[illegible] | 1,[illegible] | " |
| 4/5/62 | " -527 | [illegible] | Preliminary |
| 4/12/62 | " -53[illegible] | [illegible] | " |
| 4/19/62 | " -[illegible] | [illegible] | " |
| 4/26/62 | " -54[illegible] | [illegible] | " |
| 5/3/62 | " -547 | [illegible] | " |
| 5/10/62 | " -56[illegible] | 842.03 | " |
| 5/18/62 | " -566 | [illegible].21 | " |
| 6/1/62 | " -591 | 435.49 | " |
| 6/5/62 | " -599 | 256.26 | " |
| 6/7/62 | " -60[illegible] | 279.04 | " |
| 4/5/62 | SPAO-15[illegible] | 222.24 | " |
| 4/12/62 | " -161 | [illegible] | " |

Contract Idm-[illegible], 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. F. Lett, Rt. 3, Linville, Ala. | $2,019.20 |
| " -270(a) | 12-30/58 | " " " " | 455.57 |
| " -333(a) | 12/19/58 | " " " " | 861.37 |
| " -414(a) | 3/13/59 | L. T. Rounds, Rt. 2, Columbiana, Ala. | 137.82 |
| " -511(a) | 3/25/59 | " " " | 649.37 |
| " -700(a) | 6/23/59 | " " " | 356.95 |

Contract Idm-[illegible], DMEA-3247, Cleveland [illegible], et al.

Final settlement sheet for lot no. SP[illegible]-163(a), approved August 24, 1960, covered payments aggregating $85[illegible].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 Persley & Grindstaff, Route 3, c/o Roy Grindstaff, Bakersville, N. C. The name and location of the mine are shown as Persley, 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 $9.43, respectively.

Contract Ida- [illegible], [illegible], [illegible]

Final settlement [illegible] -14(a), approved September 7, [illegible] and $141.11, respectively, to [illegible], [illegible], [illegible]. The name and location of the [illegible] County, N. C., which is in a [illegible] in which exploration was [illegible].

Contract Ida- 734, [illegible], [illegible]

Final settlement [illegible] for lot [illegible](a), approved December 1, 1959, covered payments aggregating $[illegible].31 to [illegible] & Grindstaff, c/o Roy Grindstaff, [illegible], [illegible]. The name and location of the [illegible] as [illegible], Mitchell [illegible], N. C., which is in a [illegible] which exploration was [illegible].

The following [illegible] you may find it necessary to secure [illegible] information regarding purchases [illegible].

Mr. McKinney states [illegible] to become of the Spruce Pine [illegible] when the [illegible] 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 Procurement
Document Control and Collection 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 Minerals Industries
Bureau of Mines
404 Hamilton Bank Building
Knoxville 2, Tennessee

I understand that these copies were sent 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.

CEFisher/amA 6-27-62

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

AUTH 4-31A Lot 345 8/19/54

E548 6/15/53 DMEa-2921 Fred Taylor, Julian Greene, & Johnnie Greene

Avery County, N.C. Cow Camp (South) Mine

Last reported Wylot sale 11/22/59 Spar-487 $ 203.86 Cleon McKinney DMS-3-44A

Other known parties of possible interest:

Charles M. & Iris M. Trammell owners W. R. Robbins former owner

DMS 4-32 A Lewis Aldridge owner mineral rights Paul Edwards

Dave Dellinger lessee from Lewis Aldridge · Cleon McKinney 5 DMS-3-44A

· & Cow Camp Mining Co. DMS-4-1960 A SP · John N. Taylor 3 AUTH 43A

EPS-4-397 A Newland

Gene Penland

S.P. Depot records do not show any sales by Cleon McKinney after Lot 487 11/22/57. Same for Cow Camp Mg. Co. & the Taylors.

EEG 6/19/62

Investigate Lewis Aldridge Lot 64-; 4/2/59 Lot "A" Attached

$10.21 royalty paid by Greene & Taylor nurseries 2/10/62 by check

GENERAL SERVICES ADMINISTRATION

# FINAL SETTLEMENT - MICA PURCHASE

[X] [ ]

ACCEPTANCE NUMBER: AA3-[illegible]7 (a)

MICA PURCHASE DEPOT: Spruce Pine, N. C.

| ASC AUTHORIZATION NUMBER | LOT NUMBER | VOUCHER NUMBER | SCHEDULE NUMBER |
|---|---|---|---|
| [illegible]-4-[illegible] | SPA-[illegible]7 (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 | | | | .84 | 40.00 | 33.60 |
| GRADES NO. 5½ AND 6 | | | | 3.39 | 17.70 | 60.00 |
| STAINED | | | | | | |
| GRADES NO. 3 AND LARGER | | 12.00 | | | 31.90 | |
| GRADES NO. 4 AND 5 | | 5.00 | | 1.59 | 18.25 | 29.02 |
| GRADES NO. 5½ AND 6 | | 3.00 | | 10.67 | 7.55 | 80.56 |
| HEAVY STAINED | | | | | | |
| GRADES NO. 3 AND LARGER | | 8.00 | | | 14.80 | |
| GRADES NO. 4 AND 5 | | 4.00 | | .38 | 6.85 | 2.60 |
| GRADES NO. 5½ AND 6 | | 2.00 | | 2.09 | 4.00 | 8.36 |
| 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*) | 18.96 LBS. | $ 214.14 |
| 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 | | $ 214.14 |
| LESS: INITIAL PAYMENT VOUCHER NUMBER SCHEDULE NUMBER | | 151.10 |
| BALANCE DUE [X] SELLER [ ] GOVERNMENT | | $ 63.04 |

NAME AND LOCATION OF MINE

Cow Camp, Avery County, N. C.
T 08 4 B 22.31

SELLER'S NAME AND ADDRESS (*Type or print*)

Louie Aldridge
Spruce Pine, N. C.

| | |
|---|---|
| PROCESSED FOR PAYMENT (LBS.) | 18.96 |
| PROCESSED - NO PAYMENT (LBS.) THINS | |
| BLACK (*Dots, Spots, Stained*) | |
| UNDERSIZED | |
| PROCESSING LOSS | .17 |
| TOTAL POUNDS PURCHASED | 19.13 |

APPROVED

DEPOT SUPERINTENDENT

DATE 5-8-50

GSA WASH D C 58-3177

GSA FORM 1013a
SEPTEMBER 1957

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-E548, Docket DMEA-2921 (mica), dated June 15, 1953, with

Fred Taylor, Julian Greene, and Johnnie Greene
c/o Fred Taylor
Box 127
Newland, 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 Cow Camp (South) Mine located in Avery County, North Carolina, during the period February 20, 1958, through June 15, 1960.

A certification of discovery or development was issued on June 7, 1954, and, in accordance with Article 6 and Annex I of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated April 26, 1954, indicated accepted costs under the exploration contract amounting to $5,450.00 with the Government's contribution on a 90 percent basis being $4,905.00.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through February 19, 1958, to be $8,509.47. The royalty account as of February 19, 1958, was:

| | |
|---|---|
| Total Royalty Payable | $425.48 |
| Total Royalty Paid | 425.48 |
| Balance of Royalty Due | $ -0- |

As of June 15, 1960, the royalty account of this project was found to be:

| | |
|---|---|
| Total Royalty Payable | $425.48 |
| Total Royalty Paid | 425.48 |
| Balance of Royalty Due | $ -0- |

December 6, 1961

E. D. Talbert, OME Auditor

Idm-E548 Fred Taylor, Julian Greene, and Johnnie Greene DMEA-2921

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The property under the contract consists of 70 acres more or less, excepting 15 acres known as Cow Camp (North) Mine. The Operators, a partnership, held possession on the date of the exploration project contract by virtue of a March 3, 1952, lease of the mineral rights to Fred Taylor by Charles M. Trammel and Iris M. Trammel, 2501 Calvert St., N. W., Washington, D. C. The Trammels had obtained such mineral rights under a July 18, 1949, deed from W. R. Robbins and Ethel Robbins, Route 3, Newland, North Carolina, who had retained the surface rights.

In consideration of and as an inducement for the Government to enter into the exploration contract, on February 27, 1953, the Trammels executed an Owner's Consent to Lien. On August 22, 1953, however, their mineral interests were deeded to Fred Taylor. On December 13, 1955, Lewie Aldridge of Spruce Pine, North Carolina, became the owner of the mineral rights by virtue of a deed executed by Fred Taylor and Laura G. Taylor. Sometime in 1957 Aldridge leased the mineral rights to a Dave Dellenger, address not indicated in the files.

During the period that Aldridge was in possession of and operating the property, he granted a 1/3 interest to W. R. Robbins, the surface owner, as consideration for the use of the surface and for supervisory services, and a 1/3 interest to Paul Edwards, Unicoi, Tennessee, for the use of a bulldozer. After Dave Dellenger leased the property, operations were conducted by Dellenger, Cleon McKinney, and W. R. Robbins on a partnership basis with ½ of the profits, if any, accruing to Gene Panland, president of the bank in Newland, for supplying all equipment and supplies.

During the period from November 1953 to December 1957 sales of mica were made progressively in the following names:

Cow Camp Mining Company, Newland, N. C.
Fred Taylor, Box 127, Newland, N. C.
John N. Taylor, Newland, N. C.
Cow Camp Mining Co., Box 237, Spruce Pine, N. C.
Cleon McKinney, Route 2, Spruce Pine, N. C.

All such sales were covered by Royalty Audit Reports and Certificates dated July 26, 1954, and March 21, 1955, and a Report of Royalty Review dated March 14, 1958.

Inspections of the property, inquiries of the surface owner, and checks at the G.S.A. Mica Purchase Depot by field representatives

have established that all sales of production through June 15, 1960, have been accounted for and that the property has not been operated since November 15, 1957.

Article 7 of the exploration project contract provides, in part, that the Operator remains liable for payment of the Government's percentage royalty if he makes or permits conveyance of the Operator's rights in the land without preserving the right to royalty and the lien for payment thereof. The Operator's deed to Lewie Aldridge did not preserve the Government's rights and lien.

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

(1) The files indicate that all sales of production have been accounted for and proper royalty thereon paid;

(2) The property has been inactive since November 1957; and

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

DEC 8 1961

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-2921 (Mica)
Taylor, Greene, and Greene
Cow Camp (South) Mine
Avery County, North Carolina
Contract Idm-E548

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

George C. Selfridge

Enclosure

GCSelfridge/hb (12/8/61)
cc: Docket DMEA-2921
Director's Reading File
✓CA&A Division
G.C.Selfridge
R.A.Laurence, Region IV, w/cy of Report of Royalty Review dtd 12/6/61 & original memo dtd 12/6/61 by Chief, CA&A Div., to Chief, Division of Field Operations.
V. J. Lynch, w/1 cy ea. of items sent to Mr. Laurence.

DEC 6 1961

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMSA-2921 (Mica)
Taylor, Greene, and Greene
Cow Camp (South) Mine
Avery County, North Carolina
Contract Idm-E548

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 OMS 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 12-6-61

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the records of the Executive Officer, DMEA Field Team, Region V, Knoxville, Tennessee, pertaining to Contract Ida-E548, Docket No. DMEA-2921 (Mica), dated June 15, 1953, with

Fred Taylor, Julian Greene, and Johnnie Greene, Partners
Newland, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of mica from property referred to as Cow Camp Mine, located in Avery County, North Carolina, during the period March 16, 1955, to February 19, 1958.

A certificate of discovery or development was issued on June 7, 1954, and, in accordance with the contract, royalty is payable on the net proceeds realized from production as a result of such discovery or development during a period of 10 years from the date of the contract or until the amount of the Government's contribution to exploration costs has been repaid, without interest, whichever occurs first. A report of review in lieu of final audit dated April 26, 1954, indicated accepted costs under the exploration contract amounting to $5,450.00 with the Government's contribution, on a 90 percent basis, being $4,905.00. The scope of this royalty review and the reasons therefor are stated on Schedule "A" attached.

My review established the total sales of mica for this period to be $2,270.63. Royalty due the U. S. Government at the contract rate of 5 percent is $113.54. Prior royalty audits covering the period June 15, 1953, to March 15, 1955, stated the sales of mica to be $6,238.84 for that period and the status of the royalty account as follows:

| | |
|---|---|
| Total Royalty Due | $311.94 |
| Total Royalty Paid | 311.94 |
| Balance of Royalty Due | - 0 - |

As of February 19, 1958, the royalty account of this project was found to be:

| | |
|---|---|
| Total Royalty Due | $425.48 |
| Total Royalty Paid | 425.48 |
| Balance of Royalty Due | - 0 - |

C. E. Fisher

C. E. Fisher, Auditor

March 14, 1958

Schedule "A"

Contract Ida-8548, Docket No. DMEA-2921 (Mica)
REPORT OF ROYALTY REVIEW

This review was limited to the listing of sales of sheet mica to the Mica Purchase Depot, Spruce Pine, North Carolina, and scrap, punch, etc., sold to other companies and individuals as indicated by the records of the DMEA Region V office in connection with production from Cow Camp Mine on which royalty was paid during the period under review. Such list, which is filed with my audit work papers, was also checked with the purchase records of the Depot. A summary of the indicated production, sales, and royalty paid to the Government follows:

| Item | Production (Pounds) | Sales | Royalty Paid |
|---|---|---|---|
| Sheet mica | 557.38 | $5,131.62 | $406.58 |
| Scrap mica | 9,950.00 | 121.75 | 6.09 |
| Punch mica | 1,061.00 | 106.10 | 5.31 |
| Other | N.A. | N.A. | 7.50 |
| Totals | 11,568.38 | $5,359.47 | $425.48 |

The last royalty payment included in this review as received on December 18, 1957. Included was an amount of $7.50 described as royalty due on a sale of December 7, 1957 to Mrs. Vista Buchanan. It is recommended that the regional office secure information regarding kind of mica sold, weight and value to complete its records.

An on-site royalty audit was not made at this time because the administrative cost to the Government would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Check Sheet of Examining Engineer

Operator's Name Fred Taylor, Julian & Johnnie Greene, P.O. Box 127 Newland, N.C.

Address Now owned by Lewie Aldridge, Spruce Pine, N.C.

Cow Camp Mine

Exploration Contract No. Idm-E548 Docket No. DMEA-2921

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

8. Comment on any item 2 (b) to 6 if answer is No.

3 (a) Operator stockpiles mica scrap until a sufficient amount is obtained to make a sale.

W. A. Beck

Wm.A. Beck, Mining Engineer

Date 2-20-58

82448

MAY 26 1958

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

Re: Docket No. DMEA-2921 (Mine)
Taylor, Greene, and Greene
Cow Camp Mine
Avery County, North Carolina
Contract No. Idm-5548

Dear Mr. Lawrence:

I am enclosing the original and two copies of Mr. Fisher's report of royalty review dated March 14, 1958, pertaining to the subject contract.

If you concur with the findings, the original should be forwarded to the Regional Finance Officer, a copy should be retained in your files, and a copy should be sent to the landowner.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

CFFisher/mm
March 18, 1958

Copy to: Docket
Admr. Reading File
Helen R. Miller
Mr. Chambers

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

For credit of 5369 Br. Trsy. Regional Office, Oak Ridge, Tenn. 12/19/57
(Name, title, and disbursing or [redacted] identification symbol of accountable officer) [redacted]te sent)

14-23-070-52

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

$ 17.70

for accounts listed below. SCHEDULE NOS.

| ACCOUNT SYMBOL | TITLE OF ACCOUNT TO BE CREDITED | AMOUNT |
|---|---|---|
| 14X4401 | Idm-E548 Cow Camp Mine (Royalty Payment) | 10.20 |
| | " " " " " " | 7.50 |

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

Defense Mineral Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Personal Assistant
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.

(Authorized signature)

(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 23 1957

| DATE | INITIALS | CODE |
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| 12/23/ | H.D. | 225 |
| | | 800 |
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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. 14-23-070-46

For credit of 5369 Br. Trsy. Regional Office, Oak Ridge, Tenn. 11/29/57
(Name, title, and disbursing or [illegible] identification symbol of accountable officer) [illegible]te sent)

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

$ 31.08

for accounts listed below. SCHEDULE NOS.

| ACCOUNT SYMBOL | TITLE OF ACCOUNT TO BE CREDITED | AMOUNT |
|---|---|---|
| 14X4401 | Idm-E548 Cow Camp Mine (Royalty Payment) | 9.05 |
| | Idm-E548 Cow Camp Mine (Royalty Payment) | 17.43 |
| | Idm-E1037 Murphy Mining Co. (Royalty Payment) | 4.60 |

(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, Personal Assistant
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.

(Authorized signature)

(Date of credit in Treasurer's account)

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

16—59086b-1 GPO

OFFICIAL FILE COPY
DMSA
RECEIVED DEC 3 1997

| DATE | INITIALS | CODE |
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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

For credit of 5369 Br. Trsy. [redacted]ional Office, Oak Ridge, Tenn. [redacted]1-20-57
(Name, title, and disbursing or [redacted]dentification symbol of accountable officer) (Date sent)

14-23-070-43

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

$ 11.60

for accounts listed below. SCHEDULE NOS.

| ACCOUNT SYMBOL | TITLE OF ACCOUNT TO BE CREDITED | AMOUNT |
|---|---|---|
| 14X4401 | Idm-E548 Cow Camp Mine (Royalty Payment)<br>Sold by Claire McKinney | $11.60 |

(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 K. Miller, Personal Assistant
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.

(Authorized signature)

(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

OFFICIAL FILE COPY
DMRA
RECEIVED NOV 25 1957

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| 11/25 | J. L. | 225 |
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TRIPLICATE

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

Oak Ridge, Tennessee

# THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO. 14-23-070-41

For credit of 5369 Br. Troy. Regional Office, Oak Ridge, Tenn. 11/15/57
(Name, title, and disbursing or [illegible] identification symbol of accountable officer) [illegible]ate sent)

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

$ 20.00

for accounts listed below. SCHEDULE NOS.

| ACCOUNT SYMBOL | TITLE OF ACCOUNT TO BE CREDITED | AMOUNT |
|---|---|---|
| 14X4401 | Idm-E548 Taylor, Greene & Greene (Royalty Payment) | $20.00 |
| | Sold by Elaine McKinney | |

(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, Personal Assistant
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.

[illegible] (Authorized signature)

(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 18 1957

| DATE | INITIALS | CODE |
|---|---|---|
| 11/18/ | H. H. | 225 |
| | | 800 |
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| | | |

NOV 6 1957

Mr. [illegible]
Executive Officer [illegible]
[illegible]
[illegible]
[illegible]

[illegible]
[illegible]
[illegible] Greene
[illegible]
[illegible] North Carolina
[illegible]

Dear Mr. [illegible]

[illegible]

[illegible]

[illegible] Greene [illegible] Greene, [illegible]

[illegible]

has any separate agreements with the prior owners to make such payments, we should obtain a copy of the agreements and payment from Mr. Penland. If no such agreements exist and Mr. Penland is agreeable to making payments, DMEA should accept them until its loan is repaid.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

RWLong:md
11/4 57

CC: DMEA Docket
Admin. Reading File
Operating Com.
T. H. Kiilsgaard, USGA
Laurence G. Houk, Room 4451
W. F. Dietrich, Rm. 3061
R. P. Dwyer
R. W. Long
Chron.
~~Pending~~ J. L. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 1 57 D.M.E.A.

October 29, 1957

Mr. Lewie Aldridge

Spruce Pine, N. C.

Re: DMEA-2921, Idm-E548-mica
Fred Taylor & Julian and
Johnnie Greene
Cow Camp (South) Mine
Avery County, N.C.
and
DMEA-2557, Idm-E432-Mica
Anglin & Ellis
Huskins Mine, Yancey County, N.C.

Dear Mr. Aldridge:

The Government royalty on production of mica made by your operations at the above two mines is long past due and we would appreciate your checks made payable to the Defense Minerals Exploration Administration, together with copies of settlement sheets on all sales made.

On may 14, 1957 this office wrote you about two sales of mica to the GSA Depot in Spruce Pine amounting to $228.13, reported to have been produced at the Cow Camp Mine. Todate we have not received the royalty of $11.41 requested in that letter. Since then we have learned that you made a sale May 7, 1957 for which you received $120.52. Royalty on this amounts to $6.03. Thus, royalty amounting to $17.44, plus 5 percent of the amounts received for sales of scrap and punch is now due.

On May 14, 1957, a letter was written to R. B. Deyton, owner of the Huskins Mine, which you leased and operated during 1956, advising him we had not received royalty amounting to $111.12 on sales of sheet, hand cobbed, and scrap made by you. These sales amounted to $2,222.38.

On October 23, Mr. Beck visited the property and talked with Mr. Deyton. He stated you were advised of the royalty due when he received the above letter, and you said you would send a

check immediately. As of this date we have not received the check.

We also wish to point out that you have paid no royalty on mica produced and sold from the Murphy Mine, Docket No. DMEA-42[illegible], [illegible].

We cannot [illegible] the collection of these long overdue royalties, and if payment is not made within thirty (30) days we will refer this matter to our Washington office for further action.

Very truly yours,

W. A. Lynch, Acting
Executive Officer, DMEA
Washington

WAB/sm
cc

Opr. Com.-2
Lynch
Files

For Certificate of Deposit No. 43, dated November 21, 1955, giving royalty repayment of $37.76, see E-364.

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

EXTRA COPY
D M E A
RECEIVED OCT 7 1957

| DATE | INITIALS | CODE |
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| | | |

October 3, 1957

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: DMEA-2921, Idm-E548-mica. Fred Taylor and Julian and Johnnie Greene, Newland, N.C. Cow Camp(south)Mine, Avery County, North Carolina.

Reference is made to Mr. Beck's semi-annual report of April 15, 1957 on certified project.

It is our understanding that, when Mr. Aldridge purchased the mineral rights to the Cow Camp property, he agreed to assume the liability for DMEA royalty payments. However, he has not answered our letter of May 14, and the $11.41 royalty has not been paid.

We are told that additional sales have been made since April, and when Mr. Beck visits the Spruce Pine Depot this month, he will investigate this matter.

Under these circumstances, are we justified in writing to Mr. Aldridge to pay-up these delinquent royalties, or must we look for payment from Messrs. Taylor, Greene and Greene, the Operators under the contract, or Charles M. and Iris M. Trammell who signed the Owner's Consent to Lien?

Please advise us, so that we may take appropriate action when Mr. Beck obtains the necessary data.

Robert A. Laurence, Executive Officer
DMEA - Region V

RAL/sm
cc
Lynch
Files

V. J. Lynch, Member
Bureau of Mines

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

June 27, 1955

Mr. Fred Taylor

Newland, North Carolina

Re: DMEA-2921 (mica) IDM-E548
Fred Taylor, Julian Greene and
Johnnie Greene, Cow Camp Mine,
Avery County, North Carolina

Dear Mr. Taylor:

A recent check at the Government Mica Buying Depot at Spruce Pine, disclosed that you made a sale of 38.25 pounds of mica from the subject mine, Lot. No. 1805 for which you received $383.09. To date the Government has not received its 5 percent royalty on this sale. Please send your check, made payable to the Defense Minerals Exploration Administration, for this royalty, plus the royalty on any other sales made since Mr. Fisher's audit in March, to this office at your earliest convenience.

Very truly yours,

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SECOND ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of mica for the period July 22, 1953 to March 15, 1955, by:

Fred Taylor, Julian Greene
and Johnnie Greene, partners
Newland, North Carolina

produced from the Cow Camp Mine, Newland, Avery County, North Carolina, under the terms of Contract IdM-E546, Docket No. DMEA-2921.

My examination was made in accordance with generally accepted standards applicable to the circumstances.

The audit established the total sales of mica for this period to be $6,238.84. Royalty due the U. S. Government at the contract rate of 5 percent is $311.94. The royalty paid and balance due are as follows:

| | |
|---|---|
| Total Royalties Due | $311.94 |
| Total Royalties Paid | 311.94 |
| Balance of Royalties Due | $ -0- |

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

March 21, 1955

# SECOND ROYALTY AUDIT REPORT

## I INTRODUCTION

On March 15, 1955, an audit was made of the sales, and royalty accounts and records of:

Fred Tayler, Julian Greene
and Johnnie Greene, partners
Newland, North Carolina

pertaining to the sale of mica during the period July 22, 1953 to March 15, 1955, from the Cow Camp Mine, located four miles southeast of Newland, Avery County, North Carolina, in accordance with Contract Idm-E548, Docket No. DMEA-2921.

The sales records are in the possession of Mrs. Fred Tayler, wife of one of the partners, in their home in Newland, North Carolina.

Mr. William Beck, Mining Engineer, U. S. Bureau of Mines, Knoxville, Tennessee, collaborated in the performance of this audit.

## II GENERAL INFORMATION

The exploration contract was entered into on June 15, 1953. Exploration started on July 22, 1953 and was completed on February 26, 1954. A Certificate of Discovery was issued by DMEA on June 7, 1954. The total accepted cost of the exploration project is $5,450.00. The approved Government participation in the cost of exploration is $4,905.00. A lien against the property for 10 years after date of contract is held by the Government as a guarantee of repayment of the Government's lien is repayable at a rate of 5 percent on all sales of mica produced in the area covered by the contract.

## III SCOPE OF AUDIT AND FINDINGS

The audit consisted of a review of the sales of strategic mica made by examination of the sales documents and comparing them with the lists previously prepared from the records of the General Services Administration Mica Purchase Depot in Spruce Pine, North Carolina. Miscellaneous non-strategic mica sales were scheduled from documents in Mrs. Tayler's possession.

A previous royalty audit made of this contract by B. J. Brekhus on July 8, 1954, disclosed royalties due amounting to $100.94 of which $13.37 was unpaid at that date. The balance of $13.37 was subsequently paid and the operators had paid additional royalties amounting to $76.51 between the date of the previous audit and March 15, 1955.

The current audit disclosed sales aggregating $2,689.80 (list attached) on which royalties at 5 percent had not been paid. However, Mr. Fred Taylor presented his check in the amount of $134.49 in settlement of the account at the conclusion of the audit.

C. E. Fisher

C. E. Fisher, Auditor

March 21, 1955

Fred Taylor, Julian Greene and
Johnnie Greene, Partners
Contract Idm-2548, Docket No. IMEA-2921

STATEMENT OF ROYALTY SETTLEMENT MADE MARCH 15, 1955

| Date of Sale | Lot No. | Pounds | Amount of Sale | |
|---|---|---|---|---|
| **Strategic Mica** | | | | |
| **Mica Purchase Depot** | | | | |
| **Burnsville, N. C.** | | | | |
| 1954 | | | | |
| Aug. 19 | 345 | 45.87 | $817.65 | |
| Sept. 15 | 516 | 40.90 | 625.90 | |
| Oct. 8 | 672 | 32.31 | 581.85 | |
| Dec. 3 | 1,036 | 35.75 | 536.25 | $2,561.65 |
| **Non-strategic Mica** | | | | |
| 1954 | | | | |
| Oct. 18 | | 390 | $ 35.00 | |
| Nov. 4 | | 276 | 27.60 | |
| Dec. 1 | | 435 | 43.50 | |
| 1955 | | | | |
| Jan. 26 | | 1,470 | 22.05 | 128.15 |
| Total sales subject to royalty | | | | $2,689.80 |
| Royalty at 5% - Paid March 15, 1955 | | | | $ 134.49 |

E-548

For Certificate of Deposit No. 83, dated March 22, 1955, giving royalty repayment of $134.49, see E-311.

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

# CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

| DEPOSIT NO. |
|---|
| [illegible] |

Deposited with [illegible] National Bank, Knoxville, Tenn. [illegible]/16/5[illegible]
(Name and location of depositary) (Date sent)

the sum shown opposite for credit, subject to check, in the disbursing account of—

| $ |
|---|
| 93.[illegible] |

| SYMBOL NO. |
|---|
| 1123 |

E. A. [illegible], [illegible], Tenn.
(Name and address of officer to be credited)

**On account of—**

[illegible] 093.[illegible] (See Reverse)

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

Cora A. Dyer, Fiscal Officer
Bureau of Mines
Dept. of the Interior
Knoxville, Tenn.

**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.

Thomas J. [illegible] Auditor
(Authorized signature)

AUG 16 [illegible]
(Date of credit in Treasurer's account)

**DEPOSITOR WILL RETAIN THIS COPY**

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT CERTIFICATE

I have examined the records and sales documents pertaining to the sale of mica for the period July 22, 1953 to June 30, 1954, by:

Fred Taylor, Julian Greene
and Johnnie Greene, partners
Newland, North Carolina

produced from the Cow Camp Mine, Newland, Avery County, North Carolina, under the terms of Contract Idm-E548, Docket No. DMEA-2921.

My examination was made in accordance with generally accepted standards applicable to the circumstances.

The audit established the total sales of mica for this period to be $2,018.76. Royalty due the U. S. Government at the contract rate of 5 percent is $100.94. The royalty paid and balance due are as follows:

| | |
|---|---|
| Total Royalties Due | $100.94 |
| Total Royalties Paid | 87.57 |
| Balance of Royalties Due | $ 13.37 |

E. J. BREKHUS
Auditor

July 26, 1954

# ROYALTY AUDIT REPORT

## I INTRODUCTION

On July 8, 1954 an audit was made of the sales, and royalty accounts and records of:

Fred Taylor, Julian Greene
and Johnnie Greene, partners
Newland, North Carolina

pertaining to the sale of mica during the period July 22, 1953 to June 30, 1954 from the Cow Camp Mine, located four miles southwest of Newland, Avery County, North Carolina, in accordance with Contract Ida-E548, Docket No. DMEA-2921.

The sales records are in the possession of Mrs. Fred Taylor, wife of one of the partners, in their home in Newland, North Carolina. The records Mrs. Taylor presented were not sufficient to enable the representatives of DMEA to determine sales from the properties covered by this contract. A second trip in the evening was necessary in order that Mr. Taylor could furnish the necessary information.

Mr. William Beck, Mining Engineer, U. S. Bureau of Mines, Knoxville, Tennessee, collaborated in the performance of this audit.

## II GENERAL INFORMATION

The exploration contract was entered into on June 15, 1953. Exploration started on July 22, 1953 and was completed on February 26, 1954. A Certificate of Discovery was issued by DMEA on June 7, 1954. The total accepted cost of the exploration project is $5,450.00. The approved Government participation in the cost of exploration is $4,905.00. A lien against the property for 10 years after date of contract is held by the Government as a guarantee of repayment of the amount of money advanced to the partnership. The amount of the Government's lien is repayable at a rate of 5 percent on all sales of mica produced in the area covered by the contract.

The Operators do not maintain production records. Mica as it comes from the mine requires considerable handling and hand processing by splitting, cutting and grading. Only the best grades are sold to the Government as strategic mica. The poorer grades are sold as punch and washer mica, and the lowest grades are sold by the ton as scrap mica.

## III SCOPE OF AUDIT AND FINDINGS

The audit consisted of a review of the sales of strategic mica made by examination of the sales documents and comparing them with the lists previously prepared from the records of the General Services Administration Mica Depot in Spruce Pine, North Carolina. Miscellaneous non-strategic mica sales were scheduled from documents on hand at bookkeepers office. There was also one sale of scrap totalling $110.00 which included scrap from the Cow Camp Mine and the Maryland Mine. The Operator had for settlement purposes with the land owners allocated one-half of the revenue to the Cow Camp Mine. It is felt that this is as equitable an allocation as could be made under the circumstances.

The Operator had previously forwarded $87.57 as royalty on strategic mica sold to General Services Administration in five deliveries between January 15 and April 12, 1954. There remained unpaid royalty on one sale of strategic mica sold on November 16, 1953 in the sum of $139.35 and three sales of scrap mica for $128.00 the total royalty due on these sales is $13.37. The Operator promised to forward duplicate copies of the sales transactions and his check for royalty due at an early date.

The sales, as summarized were found to consist of the following:

| | |
|---|---|
| Strategic Mica | $1,890.76 |
| Punch and Scrap | 128.00 |
| Total | $2,018.76 |

B. J. BREKHUS
Auditor

July 26, 1954

DMEA

Standard Form No. 1011, Revised
Form approved by Comptroller General U. S.
June 25, 1936

# SCHEDULE OF COLLECTIONS

Schedule No. C.D.# 2

Sheet No. 14-23-070

Defense Minerals Exploration Administration
(Department or Establishment)

(Bureau or Office)

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

Period May 1954 D. O. Symbol No. 1423
(Month or quarter ended)

| Date Received | Receipt Number | Name of Remitter | Detail Description of Purpose for Which Collections Were Received | Amount | Fund to be Credited (Symbol and title in full) |
|---|---|---|---|---|---|
| Check No. 3210 dated 5/3/54 | | Green & Taylor (Fred Taylor) | 5% Royalty on Mica sold under Contract Idm-E- 548 DMEA - 2921 | 87.57 | 14X4401 Revolving Fund, Defense Production Act, Interior |
| | | | Total, | 87.57 | |

Received _____, subject to collection. Forwarded May 10, 1954

(Disbursing clerk or accountable officer)

By _____

By Cora A. Piper (Name)

Title Fiscal Officer

Certificate of Deposit No. _____ dated _____

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Fred Taylor, Julian Greene and Johnnie Greene

Newland, North Carolina

pertaining to Exploration Project Contract No. Idm-2548, Docket No. DMEA-2921, including Amendment No. 1, for the months of July, 1953 to February, 1954, inclusive, covering a project for the exploration of mica on property known as the Cow Camp (South) Mine, located in Avery County, North Carolina.

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

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

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

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

| | | |
|---|---|---|
| Total cost as billed by Contractor | | $5,450.00 |
| Exceptions: | | |
| By DMEA Finance Officer | $ -0- | |
| Herewith | -0- | -0- |
| Total Accepted Cost | | $5,450.00 |

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 nine hundred five and no/100 Dollars,

**$4,905.00**

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

E. D. Talbert

E. D. Talbert, Auditor

April 26, 1954

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

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

242

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

# OPERATOR'S MONTHLY REPORT AND VOUCHER

FINAL

ATTACH ON VOUCHER & SCHEDULE
Defense Minerals Administration
RECEIVED
MAR 24 1954

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

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (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 | | | | 630.00 | 4,820.00 | 5,450.00 |

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

Date _____ *Payee _____

Per _____ Title _____

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

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

(Instructions on reverse)

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

$567.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date MAR 19 1954 Vou. No. 242

(See other side)

6 + 7 3/1/54 63.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dm-E548 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date March 12, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION VII Date MAR 15 1954

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1954

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

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

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

Date [illegible] Operator [illegible]

Per [illegible] Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
MAR 24 1954

MIA No. [illegible]-5348

Operators Progress Report
for the
Month of Feburry 1954

Work Accomplished

Feb.1st.to March 1st.
Olin Burleson and Ben Franklin worked a total of 324 hours tunneling, timbering, mucking and pumping water. Going a distance of 18 ft.have produced about 2000 lbs.silica.(block) The vein has built up to a thickness of about 2½ft.very poor at present.Still have right much water.

Fred Taylor, Julian & Johnnie Greene,Partners

By Fred Taylor Partner

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

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

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

PAID VOUCHER & SCHEDULE OF PAYMENTS K-40

181

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1953 Docket No. DMEA 292 Contract No. IDM-E548

Operator's Name Fred Taylor, Julian & Johnnie Greene Minerals Mica

Address Newland, N.C.

Contract Amount, $ 5450.00 Government Participation: 90 % Amount, $ 4905.00

DEPARTMENT OF THE INTERIOR Defense Minerals Administration RECEIVED JAN 18 1954

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | $595.00 | $4025.00 | $4620.00 | | | |
| Prep. of Portal Site | | 200.00 | 200.00 | | | |
| (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 | $595.00 | $4225.00 | $4820.00 | 595.00 | 4,225.00 | 4,820.00 |

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

Date Jan. 4, 1954 *Payee Fred Taylor

Per Fred Taylor 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:

$ 535.50

Signature Cora A. Piper
(Authorized Certifying Officer)

Date JAN 14 1954 Vou. No. 181

(See other side)

5

(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-E548 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Jan. 8, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date JAN 12 1954

## MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1954

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

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of _____ 195____ Docket No. DMEA _____ Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| [illegible] | | | | [illegible] | | [illegible] | | [illegible] |
| Total Distributed Costs | | [illegible] | | [illegible] | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | [illegible] | | [illegible] | | | | |

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

Date [illegible] Operator [illegible]

Per [illegible] Title [illegible]

Remarks:

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

**(Instructions on reverse)**

**(For Government use only)**

## INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1954

DMEA No. IDM-5548

Operators Progress Report
for the
Month of ~~November~~ December, 1953

Work Accomplished

Dec. 1-31

Olin Burleson and Simon Franklin worked a total of 356 hrs. tunneling, timbering, mucking and pumping water. Going a distance of 17 ft. The vein has pitched down about 25 degrees. Have produced about 300 lbs. block mica. Water is increasing.

Fred Taylor, Julian & Johnnie Greene, Partners

By: Fred Taylor Partner

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

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

121

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

PAID ON VOUCHER & SCHEDULE OF PAYMENTS NO. 37

# OPERATOR'S MONTHLY REPORT AND VOUCHER

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

Month of November, 1953 Docket No. DMEA 292 Contract No. IDM-E548
Operator's Name Fred Taylor, Julian & Johnnie Greene Minerals Mica
Address Newland, N.C.
Contract Amount, $ 5450.00 Government Participation: 90% Amount, $ 4905.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | $1015.00 | $3010.00 | $4025.00 | | | |
| Prep. of Portal | | 200.00 | 200.00 | | | |
| (2) Labor and Supervision: Site | | | | | | |
| 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 | $1015.00 | $3210.00 | $4225.00 | 1,015.00 | 3,210.00 | 4,225.00 |

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

Date _____ *Payee Fred Taylor, partner

Per _____ Title _____

*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:

$ 913.50

Signature Cora A. Piper
(Authorized Certifying Officer)

Date DEC 22 1953 Vou. No. 171

(See other side)

4

101.60

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dm-E548 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date Dec. 15, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION VII Date DEC 16 1953

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPT OF THE INTERIOR
Minerals Administration
FILED
DEC 28 1953

Month of November 1953 Docket No. DMEA 292I Contract No. DM-E548
Operator's Name Fred Taylor, Julian & Johnnie Greene Minerals Mica
Address Newland, 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 |
|---|---|---|---|---|---|---|---|---|
| | Ft. | | Ft. | | Ft. | | | |
| Drifting | | $1015.00 | 29 | $4025.00 | 115 | $35.00 | 150 | $35.00 |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | 200.00 | | 200.00 | | 200.00 |
| Drilling: Core Prep of Portal Site | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | 1015.00 ~~$4225.00~~ | | $4225.00 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | 1015.00 ~~$4225.00~~ | | $4225.00 | | | | |

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 Dec. 8, 1953 Operator Fred Taylor, Julian & Johnnie Greene

Per Fred Taylor Title Partners

Remarks:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

OF THE INTERIOR
Atomic Energy Commission
DEC 28 1953

DMEA No.-IDM-E548---

Operators Progress Report
for the
Month of November, 1953

Work Accomplished

Nov.1-30 Olen Burleson and Simon Franklin worked a total of 336 hours pumping water, timbering, tunneling and mucking. Going a distance of 29 ft. We are now striking hard rock and vein material. Looking favorable. Have produced about 100 lbs. of block mica.

Fred Taylor, Julian Greene, Johnnie Greene,
Partners

By Fred Taylor ------ 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

# OPERATOR'S MONTHLY REPORT AND VOUCHER

134

ON VOUCHER & SCHEDULE
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 25 1953

Month of October, 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $ 4905.00

| 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 | | | | | | |
| Crosscutting | | | | | | |
| Drifting | [illegible] | [illegible] | [illegible] | 1050.00 | 1960.00 | 3010.00 |
| | | | | | 200.00 | 200.00 |
| (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 | [illegible] | [illegible] | [illegible] | 1050.00 | 2160.00 | 3210.00 |

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

Date Nov. 7, 1953 *Payee Fred Taylor

Per Fred Taylor Title owner

*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:

$ 945.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date NOV 20 1953 Vou. No. 134
(See other side)

(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-E548 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION VII Date NOV 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 25 1953

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | [illegible] | [illegible] | 3010.00 | 06 | [illegible] | [illegible] | [illegible] |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Prep. of Portal Site & Timbering | | | | 200.00 | 1 | 200.00 | 1 | 200.00 LES |
| TOTAL DISTRIBUTED COSTS | | [illegible] | | [illegible] | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | [illegible] | | [illegible] | | | | |

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

Date [illegible] Operator [illegible]

Per [illegible] Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 25 1953

Docket No. [illegible]

Prospector Program Report
for the
Month of October, 1953

Work Accomplished

Oct. 1-31. Olon Jackson, [illegible] Franklin, Dave Lollinger Jr. and Jay Jackson worked a total of 472 hrs. tunneling, timbering, pulling rotten old timbers. Solid a distance of 32 ft. Mica vein has pinched about six ft. Have a small vein of mica over head. Seems very favorable.

Fred Taylor, Julian Greene, Johnnie Greene,
Partners

By Fred Taylor Partner

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

107

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

ON VOUCHER & SCHEDULE
PAYMENTS K-

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept., 1953 Docket No. DMEA 2921 Contract No. dm-E548
Operator's Name Fred Taylor, Julian & Johnnie Greene Minerals Mica
Address Newland, N.C.
Contract Amount, $ 5450.00 Government Participation: 90 % Amount, $ 4905.00

| 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 | | | | | | |
| Crosscutting | | | | | | |
| Drifting | $735.00 | $1225.00 | $1960.00 | | | |
| Prep of Portal Site | | 200.00 | 200.00 | | | |
| (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 | $735.00 | $1425.00 | $2160.00 | 735.00 | 1425.00 | 2160.00 |

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

Date Oct 8, 1953 *Payee Fred Taylor

Per Fred Taylor 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:

$ 661.50

Signature Cora A. Piper
(Authorized Certifying Officer)

Date OCT 19 1953 Vou. No. 106

**(See other side)**

73.50

(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-E548 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date Oct. 14, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date OCT 16 1953

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of _____ 195____ Docket No. DMEA _____ Contract No. _____
Operator's Name _____ Minerals _____
Address _____

| 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 | | | | | 56 LFS | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Portal prep. and timbering | | | | 200.00 | 1 | 200.00 | 1 | 200.00 |
| Total Distributed Costs | | | | | | | | 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 _____ Operator _____

Per Fred Taylor Title _____

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

Remarks: _____

**(Instructions on reverse)**

**(For Government use only)**

## INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Bureau of Mines
OCT 2 - 1953

Docket No.DMEA292I Contract No.Idm-E548

Operators Progress Report
for the
Month of Sept. 1953

Work Accomplished

Sept I-I2. Glen Burlesonand Ralph Biggs worked 64 hrs. each tunneling, timbering,muking and pumping water.

Sept.I4-30. Glen Burleson and Simon Franklin worked 40 hrs. each tunneling,timbering,mucking and pumping water through an old shaft.

We are now through an old shaft,past all the old works.We have a small vein of mica on the right side of tunnel.

Fred Taylor,Julian Greene, Johnnie Greene,
Partners

By Fred Taylor 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July & Aug., 1953 Docket No. DMEA 292I Contract No. Idm-E548
Operator's Name Fred Taylor, Julian Greene & Johnnie Greene Minerals
Address Newland, N.C.
Contract Amount, $ 5450.00 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 | | | | | | |
| Crosscutting | | | | | | |
| Drifting | $1225.00 | | $1225.00 | | | |
| Prep. of Portal Site | 200.00 | | 200.00 | | | |
| (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 | $1425.00 | | $1425.00 | 1,425.00 | | 1,425.00 |

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-15

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

Date Aug. 31 *Payee Fred Taylor, Julian Greene and Johnnie Greene

Per Fred Taylor 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:

$ 1,282.50

Signature Cora A. Piper (Authorized Certifying Officer)

Date SEP 17 1953 Vou. No. 81

(See other side)

1 S 7/14/53 142.50

(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-E548 in accordance with the terms of the contract.

Signature Laurence E. Shurley Title Mining Engr. U.S. Bom Date Sept. 4, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 11 1953

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1 - Sept 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name Fred Taylor, Julian Orozco & Orlando Orozco Minerals
Address Gardena, Calif.

| 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 | ft. | [illegible] | 35 | [illegible] | 35 | [illegible] | 150 | [illegible] |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Forest Service & Bonds | | [illegible] | | [illegible] | 2 | [illegible] | 2 | [illegible] |
| Total Distributed Costs | | [illegible] | | [illegible] | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | [illegible] | | [illegible] | | | | |

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

Date Oct. 21 Operator Fred Taylor, Julian Orozco & Orlando Orozco

Per Fred Taylor Title Operator

**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: [illegible]

**(Instructions on reverse)**

**(For Government use only)**

## INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

DMEA No. 292I Idm-E548
Cow Camp Mine

Operators Progress Report
for the
Months of July & August 1953

Work Accomplished

| | |
|---|---|
| July I4- I7. | Thurman Reed 30 hrs. cutting & hauling mining props. |
| July 20- 25. | Fred Taylor and Thurman Reed built metal tool house, 30 hrs. |
| July 27- 29. | Max Bennitt did 23½ hrs. dozer work preparing portal. |
| July 28. to Aug 5. | Ralph Biggs and Olen Burleson worked 57 hrs. mucking, cribbing and preparing portal entrance to tunnel. |
| Aug 5- I5. | Olen Burleson and Ralph Biggs worked 56 hrs. moving in steel track, rigging up hoist, moving tool house to mine, laying trackand started work in the tunnel. |
| Aug. I5. to Aug. 3I. | Olen Burleson and Ralph Biggs worked 80 hrs. setting pump, pumping water, hauling out muck, cribbing tunnel. The tunnel is now 35 ft. under ground. Is 7 ft . high, 5 ft. wide, cribbed on both sides and overhead. We have found some small blocks of mica in a scattered vein. |

Fred Taylor, Julian Greene, Johnnie Greene,
partners

By: Fred Taylor partner

MAR 9 1964

Fred Taylor, Julian Greene,
and Johnnie Greene, Partners
c/o Fred Taylor
Newland, North Carolina

Re: DMEA-2921 (Mica)
Taylor, Greene, and Greene
Cow Camp (South) Mine
Avery County, North Carolina
Contract Idm-E548

Gentlemen:

Thank you for returning the completed Form 63's mailed to you on February 20, 1964.

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated June 7, 1954, all minerals mined or produced from June 15, 1953, to June 15, 1963, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

George Fumich, Jr

Acting Director

MMerrithew/mm (3/9/64)
cc: Director's Reading File
R. A. Laurence, Knoxville, Tenn. w/cy of Form 63 dated 2/20/64
CA&A Division
Docket
Code 300
Mr. and Mrs. Charles H. Trammell, 2501 Calvert St., N.W.,
Washington, D. C.

GOVERNMENT COPY

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

[illegible]

[illegible] Fred Taylor, Julian Freeman and
Johannis Freeman, Partners
c/o Fred Taylor
Rowland, North Carolina

Pursuant to the provisions of [illegible] project contract No. [illegible] dated June 15, 1953 (Contract [illegible]), hereinafter called the "Contract" between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its flow thereon and on the area described in the Contract, the Government makes and therefore realizes 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 briefly or indicated as follows:

The exploration work consisted of a series of [illegible] geophysical surveys in which [illegible] and correlation [illegible] from which a favorable site was [illegible].

[illegible]

By O. O. Mittendorf
Administrator, Defense Minerals
Exploration Administration

JUN 7 1954

Copy to: Charles A. Trammell and
Iris M. Trammell
2501 Calvert Street, N. W.
Washington, D.C.

Mr. Chambers
Finance Office
Docket File

Mr. Irving Gumbel, [illegible], GSA
Mr. Thayer, 5216 GSA Bldg.
Field Team, Region VII
Operating Committee
Mr. Hedges, 4604
Mr. Johnson
Mr. Houk
Admr. R. File

[illegible]:gad 6/3/54

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

JUN - 8 1954

Mr. Fred Taylor

Newland, North Carolina

Re: Docket No. DMEA-2921 - Mica
Fred Taylor, Julian Greene
and Johnnie Greene
Cow Camp (South) Mine
Avery County, North Carolina
Contract No. Idm-E548

Dear Mr. Taylor:

Transmitted herewith is a Certification of Discovery or Development on Contract No. Idm-E548 on the Cow Camp (South) Mine, Avery 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, June 15, 1953, is subject to the Government's percentage royalty as set forth in the contract until the sum of $4,905.00 is paid, or until June 15, 1963, whichever occurs first.

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

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

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

Sincerely yours,

WCAnderson:gad 5/24/54

Administrator

Enclosure

Copy to: Admr. R. File
Docket File
Mr. Johnson
Mr. Hedges, 4603
Mr. Chambers
Mr. Houk
Field Team, Region VII
Mr. Thayer, 5216 GSA Bldg.
Operating Committee

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

Mr. Irving Gumbel, Acting Director JUN - 8 1954
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA-2921 - Mica
Fred Taylor, Julian Greene
and Johnnie Greene
Cow Camp (South) Mine
Avery County, North Carolina
Contract No. Idm-E548

Dear Mr. Gumbel:

I am enclosing one copy of a Certification of Discovery or Development relating to the subject contract.

The exploration contract was signed June 15, 1953, with the Government participating to the extent of 90% of $5,450.00, or $4,905.00.

The project work was started on July 22, 1953, and was completed on February 26, 1954, after the expenditure of $5,450.00 which is the total net accepted cost according to the Audit Review. The Government paid 90% of the total accepted cost, or $4,905.00.

The work performed on this project consisted of preparation of an adit entrance and driving 150 feet of adit and drift through a series of low-dipping discontinuous pegmatite lenses up to 2.5 feet thick conformable to the enclosing wall rock. Strategic mica was produced during the project.

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

Sincerely yours,

WCAnderson:gad 5/24/54

Administrator

Enclosure

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

Government Copy

RECEIVED
FEB 12 1954

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

AMENDMENT NO. 1

Exploration Project Contract Idm-E 548, Docket No. DMEA-2921, (mica) Fred Taylor, Julian Greene, and Johnnie Greene, partners, of Newland, North Carolina dated 15th June 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 eleven (11) months from the date of the contract," instead of 8 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.

February 12, 1954

By Fred Taylor

By Julian F. Greene

By Johnnie Greene

THE UNITED STATES OF AMERICA

By Robert A. Lawrence

EXECUTIVE OFFICER
DMEA REGION VII

2

Docket No. [redacted]

Commodity [redacted]

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 [redacted]

Date of Contract or Amendment: [redacted] June 29, [redacted]

Name and Address of Operator:

[redacted]

Amount of Government participation ____ $ [redacted]

Percent of Government participation [redacted] %

Region: [redacted] State: [redacted]

(Name)

[redacted]

(Title)

Date Delivered to Bureau of Mines, Washington June 29, [redacted] 13808

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
JUL - 9 1953

DOCKET NO. DMEA -2921

COMMODITY Mica

Government's Copy

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

IDM-E 548

# EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 15th day of June, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Fred Taylor, Julian Greene, and Johnnie Greene, Partners
C/o Fred Taylor,
Newland, North Carolina

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

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

ARTICLE 2. *Operator's property rights.*—With respect to the mineral rights in that certain land situated in the State of North Carolina, County of Avery, described as ~~follows~~[3] set forth in Annex II,

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 exceptions, 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] Mica

in or upon the described land; and shall bring the project to completion within a period of eight (8) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $4,905.00, which is 90 percent of $5,450.00, 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 [illegible] 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.

16—66329-1

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

FRED TAYLOR, JULIAN GREENE, AND JOHNNIE GREENE

Fred Taylor (Partner)

By Julian F. Greene (Partner)

By Johnnie Greene (Partner)

THE UNITED STATES OF AMERICA

By C. P. Mitchendorf

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
FRED TAYLOR, JULIAN GREENE, AND JOHNNIE GREENE, PARTNERS
DOCKET NO. DMEA-2921

ANNEX I

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

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

EXPLORATION PROJECT CONTRACT
FRED TAYLOR, JULIAN GREENE, AND JOHNNIE GREENE, PARTNERS
DOCKET NO DMEA-2921

ANNEX II

The land referred to in Article 2 was leased to the Operator by Charles M. Trammell and Iris M. Trammell, his wife, by an instrument dated March 3, 1952. The land is described in this lease and in the deed from W. R. Robbins and his wife to Charles M. Trammell and Iris M. Trammell, his wife, recorded in Book 46, page 34, in the Office of the Recorder of Deeds of Avery County, North Carolina, as follows:

> BEGINNING on a small oak in the Burton Cornett line, and runs thence North-East to a spruce pine on the bank of Cow Camp Creek; thence near East up and with the meanderings of said Creek to a chestnut oak; thence South 80 deg. East to a maple; thence near South-East up and crossing Spanish Oak Mountain to a double cucumber in the R. M. Burleson line; thence South 50 deg. West to a chestnut; thence near South with the meanderings of the branch to a small birch in the forks of the branch; thence near North-East up and with the branch to a stake in the R. M. Burleson line; thence South 50 deg. West to a sugar maple, the R. M. Burleson old corner; thence South 50 deg. West to a white oak; thence North 50 deg. West 31 poles to a sugar maple; thence West to the beginning, containing 70 acres, more or less.

There is excepted from this land 15 acres known as Cow Camp North (mine), on which acreage none of the project work is being performed, or will be performed.

EXPLORATION PROJECT CONTRACT
FRED TAYLOR, JULIAN GREENE, AND JOHNNIE GREENE, PARTNERS
DOCKET NO. DMEA-2921

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica in a nearly flat lying pegmatite dike will be accomplished by the work shown diagrammatically on the attached map entitled "Sketch of Cow Camp (South) Mine, Avery Co., N. C., DMEA-2921" and described below.

1. Prepare an adit entrance by scaling the face and erecting protective timber at a point mutually acceptable to the Operator and the Government.

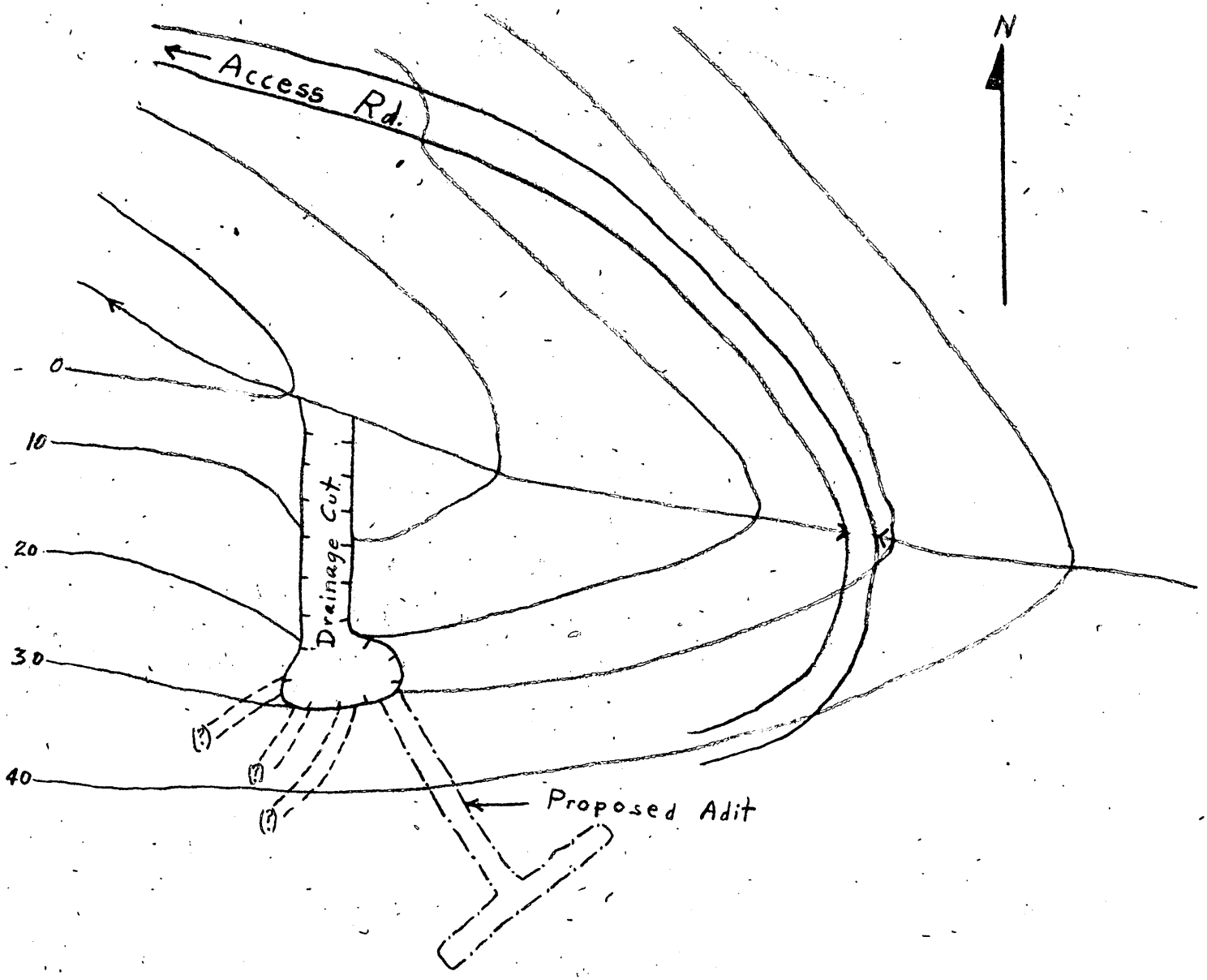
2. Drive not more than 150 feet of adit and drifts 5 feet by 7 feet in cross section and timbered as necessary.

The location, direction, and extent of all work shall have prior approval of the Government.

Agreed Unit Costs of the Project

| | | |
|---|---|---|
| Preparing site and timbering for portal of adit 1/ | $200.00 | |
| Driving adit and drifts, 150 feet @ $35.00/ft. | 5,250.00 | |
| Total Agreed Unit Costs | | $5,450.00 |
| Government Participation at 90% | | $4,905.00 |

1/ The completed job is the unit.




Sketch of
Cow Camp (South) Mine
Avery Co., N.C.

0 60' 120'
Scale

DMEA-2921 (mica)

2921

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 ~~Avery~~, described as follows:1/

Described in lease to Fred Taylor dated March 3, 1952 and recorded ~~in office of Recorder of Deeds in and for said county in Book~~ B-48 page 316

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/ ~~a partnership composed of Fred Taylor, Julian Greene and~~ Johnnie Greene

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/$ 4,905.00, 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 ~~27th~~ day of ~~February 1953~~ 195 ___.

Charles M. Trammell [Seal]

Iris M. Trammell [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.