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-E560, Docket DMEA-3008 (mica), dated July 2, 1953, with

Ben L. May and C. K. Hyde
d/b/a Murphy Mining Company
Box 1047
Murphy, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Red (Bennett) and Bennett Red Mine located in Yancey County, North Carolina, during the period May 8, 1959, through January 23, 1963.

A certification of discovery or development was issued on June 21, 1954, and, in accordance with Annex I of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated April 7, 1954, indicated accepted costs under the exploration contract amounting to $4,400.00 with the Government's contribution on a 90 percent basis being $3,960.00.

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

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through May 7, 1959, to be $510.25. The royalty account as of May 7, 1959, was:

Total Royalty Payable	$25.51
Total Royalty Paid	25.51
Balance of Royalty Due	$ -0-

As of January 23, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$25.51
Total Royalty Paid	25.51
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OME Auditor

January 25, 1963

Idm-R560 Murphy Mining Company DMRA-3008

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract provides that the Operator or his successor in interest shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of a tract of 25 acres, more or less, on the east bank of the South Toe River about 1 mile north of Celo and 2½ miles southeast of Micaville. At the time the contract was executed the Operator was in possession by virtue of a January 1, 1953, lease granted by W. Frank and Lillie Bennett, Celo, N. C. In consideration of the contract the Bennetts executed an Owner's Consent to Lien on April 22, 1953. The contract contains the so-called "abandonment" provision.

Exploration work under the contract was completed on February 28, 1954. Production during the exploration period resulted in sales in the names of partners of 32.84 lbs. of sheet mica to the G.S.A. Mica Purchase Depot at Spruce Pine and 22.40 lbs. of electric and 979 lbs. of punch mica to commercial buyers. These sales, which were disclosed by audit of the Operator's records on July 12, 1954, are covered by a prior Royalty Audit Certificate and a Report of Royalty Review. Royalty of $25.51 on the $510.25 aggregate proceeds was paid by the Operator during July 1954.

Examinations of the property, inquiries, and checks of the Mica Purchase Depot's records by DMRA and OME regional representatives disclosed no further production through June 15, 1960. The inquiries found, however, that the property was purchased on August 6, 1956, by John C. McBee, Sr., Bakersville, N. C., who in turn on August 22, 1956, sold a one-half interest to Sam and John Phillips, Spruce Pine, N. C. The deed did not mention the Government's lien.

An examination of the Mica Purchase Depot's records by a representative of this Division during June 1962 found no further sales of strategic mica. In a January 23, 1963, reply to a MMK Form 63 inquiry the bookkeeper for Sam Phillips indicated that neither production nor change in property status had occurred since November 23, 1959. MMK Forms 63 inquiries addressed to Ben L. Ray, Andrews, N. C., and C. E. Hyde, Murphy, N. C., on August 9, 1962, and October 19, 1962, respectively, elicited no replies.

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 from the property since the date of the contract have been reported and proper royalty thereon paid; and

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

JAN 28 1963

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-3008 (Mica)
Murphy Mining Company
Red (Bennett) Mine
Yancy County, North Carolina
Contract Idm-E560

Enclosed for your files is the original of a Report of Royalty Review, dated January 25, 1963, on the subject contract.

George C. Selfridge

Enclosure

GCSelfridge/gla (1-28-63)
cc to: Director's Reading File
CA&A Division
Docket
G.C.Selfridge
R. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 1/25/63 & Orig. cy of memo dtd 1/25/63 to Chief, Div. of Field Operations from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of each item sent to Mr. Laurence.

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMRA-3008 (Mica)
Murphy Mining Company
Red (Bennett) Mine
Yancey County, North Carolina
Contract Idm-R560

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 OMK 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 1-25-63

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

E 560 11/2/53 DMBA - 5008 Murphy Mining Company

Yancey County, N.C. Red, Bennett Mine

Last reported Depot sale	1/18/54 2/12/54	724 SP-843	$ 99.94 125.13	Only Purchases sold by Hyde + Ray Outlr. EPS4-481A

Other known parties of possible interest:

Ben L. Ray Partner	John C. McBee, Sr.	New owners
C. E. Hyde "	John Phillips	
W. F. + Lillie Bennett owners	Sam Phillips	

The 2 sales in 1954 were made by C. E. Hyde and Ben L. Ray, Murphy, N.C. The mine is described as "Bennett Red Mine". The location of the mine is not shown.

L.P. Depot records did not disclose any subsequent sales from this property.

CEG

AD

FORM APPROVED BY COMP. GEN., U.S. MARCH 25, 1957

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT - MICA PURCHASE

MICA PURCHASE DEPOT - Spruce Pine, N. C.

PROGRAM [X] A [ ] B

DATE PURCHASED: 7-5-61

ACCEPTANCE NUMBER: A03-2(a)

CERTIFICATE AUTHORIZATION NUMBER	LOT NUMBER	VOUCHER NUMBER	SCHEDULE NUMBER
[illegible]-3-312A	[illegible]-2(a)		

EVALUATION DATA

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
RUBY						
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		12.00			31.90	
GRADES NO. 4 AND 5		5.00			18.25	
GRADES NO. 5½ AND 6		3.00			7.55	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		8.00			14.80	
GRADES NO. 4 AND 5		4.00			6.85	
GRADES NO. 5½ AND 6		2.00			4.00	
TOTALS			$			$
NONRUBY						
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ 70.00	$
GRADES NO. 4 AND 5				1.25	40.00	50.00
GRADES NO. 5½ AND 6				3.40	17.70	61.77
STAINED						
GRADES NO. 3 AND LARGER		9.00			25.55	
GRADES NO. 4 AND 5		4.00		1.84	14.60	26.86
GRADES NO. 5½ AND 6		2.40		4.43	6.55	29.15
HEAVY STAINED						
GRADES NO. 3 AND LARGER		6.40			11.85	
GRADES NO. 4 AND 5		3.20		.13	5.45	.71
GRADES NO. 5½ AND 6		1.60		.50	4.00	2.00
TOTALS			$			$

TOTAL YIELD AND VALUE [ ] RUBY [X] NONRUBY (Half trim plus full trim) 11.67 LBS. $ 198.89

ADJUSTED VALUE WHEN LESS THAN 18% GS & S (ABOVE VALUE $ _____ X _____ ÷ 18) $

FOR PROGRAM B, DEDUCT $4.00 PER POUND FOR RIFTING AND TRIMMING

FINAL BASIS FOR PAYMENT $ 198.89

LESS: INITIAL PAYMENT VOUCHER NUMBER SCHEDULE NUMBER 97.06

BALANCE DUE [X] SELLER [ ] GOVERNMENT $ 73.83

NAME AND LOCATION OF MINE

Bennett Mine, Mitchell County, N. C.
% GS & S 48.70

PROCESSED FOR PAYMENT (LBS.) 11.67

PROCESSED - NO PAYMENT (LBS.) TWINS

BLACK (Dots, Spots, Stained)

UNDERSIZED

PROCESSING .04 Gain

TOTAL POUNDS PURCHASED 11.63

SELLER'S NAME AND ADDRESS (Type or print)

Not subject to DMEA 560

Wilma Bean
Route 4
Bakersville, N. C.

APPROVED

DEPOT SUPERINTENDENT

DATE 8-13-61

GSA WASH D.C. 50-3277

GSA FORM 1013a SEPTEMBER 1957

FORM APPROVED BY COMP. GEN., U.S. MARCH 25, 1957

GENERAL SE[redacted]CE[redacted]MINISTRATION

FINAL SETTLEMENT - MICA PURCHASE

MICA PURCHASE DEPOT - Spruce Pine, N. C.

ROC[redacted] [X] A [ ] B

DATE PURCHASED: 7-19-61

ACCEPTANCE NUMBER: A03-19(a)

CERTIFICATE AUTHORIZATION NUMBER	LOT NUMBER	VOUCHER NUMBER	SCHEDULE NUMBER
[redacted]-3-312A	SPA0-19(a)		

EVALUATION DATA

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
RUBY						
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		12.00			31.90	
GRADES NO. 4 AND 5		5.00			18.25	
GRADES NO. 5½ AND 6		3.00			7.55	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		8.00			14.80	
GRADES NO. 4 AND 5		4.00			6.85	
GRADES NO. 5½ AND 6		2.00			4.00	
TOTALS			$			$
NONRUBY						
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ 70.00	$
GRADES NO. 4 AND 5				.88	40.00	35.20
GRADES NO. 5½ AND 6				4.61	17.70	81.60
STAINED						
GRADES NO. 3 AND LARGER		9.60			25.55	
GRADES NO. 4 AND 5		4.00		1.45	14.60	21.17
GRADES NO. 5½ AND 6		2.40		9.88	6.55	64.71
HEAVY STAINED						
GRADES NO. 3 AND LARGER		6.40			11.85	
GRADES NO. 4 AND 5		3.20		.06	5.45	.33
GRADES NO. 5½ AND 6		1.60		.66	4.00	2.64
TOTALS			$			$

TOTAL YIELD AND VALUE [ ] RUBY [X] NONRUBY (Half trim plus full trim) 17.36 LBS.	$ 205.65
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	$ 205.65
LESS: INITIAL PAYMENT VOUCHER NUMBER SCHEDULE NUMBER	106.04
BALANCE DUE [X] SELLER [ ] GOVERNMENT	$ 99.61

NAME AND LOCATION OF MINE

Bennett Mine, Mitchell County, N. C.
L 68 (b 2 31.30

SELLER'S NAME AND ADDRESS (Type or print)

Not subject to DMEA 560

Mike Dean
Route 4
Bakersville, N. C.

PROCESSED FOR PAYMENT (LBS.)	17.36
PROCESSED - NO PAYMENT (LBS.) THINS	RR
BLACK (Dots, Spots, Stained)	
UNDERSIZED	
PROCESSING LOSS	.02
TOTAL POUNDS PURCHASED	17.36

APPROVED

DEPOT SUPERINTENDENT

DATE 9-6-61

GSA WASH D C 50-3177

GSA FORM 1013a SEPTEMBER 1957

OMB Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	[illegible]	800
		500
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

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

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

Contract No.	Docket No.	Operator	Mine Names
E- 87	1140	Pitt Mica Corporation	Maty, Reid, Reid-Mary, Reid Hooker
456	2150	A. W. Reid and W. H. Hooker	Mary, Reid, Reid-Mary, Reid Hooker
393	2293	Dixie Minerals, Inc.	D. H. Stephens (Stevens)
412	2277	Burke John Mica Miners	Burke John, N. L. Barnard
461	2582	Lab Angel	Kasson
472	2595	Bourne Associates	Liberty, Conley, Turley
686	3375	Dixie Mines, Inc.	" " "
476	2327	Andrew W. Reid	May
516	2926	The Goodmica Mining Co.	Engle Cope
519	2784	H. J. Twiggs & W. S. Glenn	Sam Huskins, Little Sam Huskins
547	2886	Duncan Mining Co.	Connolly
560	3008	Murphy Mining Co.	Reid, Bennett
562	2873	Empire Mica Co.	Short-Mitchell
601	3050	M. E. Burleson, et al.	Jones-Bozeman
613	2875	Latt Young	Cox
626	3133	Maderic Mica Co.	Saunders (Sanders)
636	3154	Byrd Mica Miners	Byrd
659	3229	Willis & Snyder Mining Co.	Lutz
662	3255	Non-Metallic Minerals	White Face, Peterson Tract
674	3287	Mud Cut Mining Company	Mud Cut, Tallent (Talent)
679	3290	C. C. Burleson	Ruby, Shaft
675	3282	J. R. Benn & Howard Boone	Bowman, Clifton

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

CEFisher/[illegible]
6-26-62

63683

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Nonmetallic Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E560, Docket No. DMEA-3008 (Mica), dated July 2, 1953, with

Ben L. Ray and C. E. Hyde
d/b/a Murphy Mining Company
Murphy, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Red (Bennett) Mine located in Yancey County, North Carolina, during the period March 10, 1955, through May 7, 1959.

A certification of discovery or development was issued on June 21, 1954, and accordingly royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of final cost audit dated April 7, 1954, indicated accepted costs under the exploration contract amounting to $4,400.00 with the Government's contribution, on a 90 percent basis, being $3,960.00.

A prior report of royalty review dated March 21, 1955, indicated total sales subject to Government royalty amounting to $510.25 for the period July 2, 1953, through March 9, 1955, and that the royalty due the Government amounting to $25.51 had been paid. No royalty has been received by the Government applicable to this project since the latter date.

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

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

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

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

May 14, 1959

(Check Sheet of Examining Engineer filed in Docket)

C
O
P
Y

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Room 1 Post Office Building
Knoxville 2, Tennessee

RECEIVED
MAR 16 1956

March 13, 1956

Memorandum

To: Helen Miller, Ass't Administrative Officer, Region V

From: Acting Executive Officer, Region V - DMEA

Subject: Corrected invoice on Royalty Payment.

On February 10, 1956, an invoice in the amount of $2,407.38 and a royalty check in the amount of $120.37 was sent you to be credited to contract Idm-E560, DMEA-3008, Murphy Mining Company, Spruce Pine, N.C. This was incorrect, the check should be credited to - Idm-E840, DMEA-3799, J. R. Beam, Bennett Mine, Cherokee County, Georgia. Please make this correction on your books.

/s/ V. J. Lynch

For Certificate of Deposit No. 75, dated February 13, 1956, giving royalty repayment of $120.37, see E-432.

REPORT OF
ROYALTY REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed all copies of settlement sheets on file with the Executive Officer, DMEA Field Team, Region V, applicable to royalties collected on the sales of mica for the period July 2, 1953, to March 9, 1955, by:

Ben L. Ray and C. E. Hyde, partners
d/b/a Murphy Mining Company
Murphy, North Carolina

produced from property referred to as the Red (Bennett) Mine located in Yancey County, North Carolina, under terms of Contract Idm-E560, Docket No. DMEA-3008.

My review included a conference with Mr. William A. Beck, Mining Engineer, U. S. Bureau of Mines, Knoxville, Tennessee, who is thoroughly familiar with the project.

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

(1) This account was previously audited by Mr. B. J. Brekhus as indicated by his audit report dated July 27, 1954.

(2) A check of the records of the General Services Administration Mica Purchase Depot, Spruce Pine, North Carolina, did not disclose any sales of mica produced from that mine subsequent to the date of the prior audit.

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

The audit established the total sales of mica for this period to be $510.25. Royalty due the U. S. Government at the contract rate of 5 percent is $25.51. The royalty paid and balance due are as follows:

Total Royalties Due	$25.51
Total Royalties Paid	25.51
Balance of Royalties Due	$ -0-

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

March 21, 1955

ROYALTY
AUDIT REPORT

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 2, 1953 to June 30, 1954, by:

Ben L. Ray and C. E. Hyde, partners
d/b/a Murphy Mining Company
Murphy, North Carolina

produced from the Red (Bennett) Mine in Yancey County, North Carolina, under the terms of Contract Idm-E560, Docket No. DMEA-3008.

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 $510.25. Royalty due the U. S. Government at the contract rate of 5 percent is $25.51. The royalty paid and balance due are as follows:

Total Royalties Due	$25.51
Total Royalties Paid	-0-
Balance of Royalties Due	$25.51

B. J. Brekhus
B. J. BREKHUS
Auditor

July 27, 1954

ROYALTY AUDIT REPORT

I INTRODUCTION

On July 12, 1954, an audit was made of the sales and royalty accounts and records of:

Ben L. Ray and C. E. Hyde, partners
d/b/a Murphy Mining Company
Murphy, North Carolina

pertaining to the sale of mica during the period July 2, 1953 to June 30, 1954, from the Red (Bennett) Mine, located approximately three miles south of Micaville, Yancey County, North Carolina, in accordance with Contract Idm-E560, Docket No. DMEA-3008.

The sales records are in the possession of Mrs. Ben L. Ray, in Andrews, North Carolina, who is the bookkeeper for the partnership. Mr. Ray was also present and furnished explanations as required.

Mr. William Beck, Mining Engineer, Bureau of Mines, Knoxville, Tennessee, representing the DMEA Field Team, collaborated in the examination.

II GENERAL INFORMATION

The exploration contract was entered into on July 2, 1953. The project was started on July 28, 1953, and completed on February 28, 1954. The total accepted cost of exploration is $4,400.00. The approved Government participation in the cost of exploration is $3,960.00. 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 company. 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 company does not maintain production records. Mica as it comes from the mine requires considerable handling, and hand processing by washing, splitting, cutting and grading. Only the best grades are sold 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 copies of sales invoices and other memoranda on hand in the Operator's files. The total sales were determined and agreed upon, and the Operator was requested to obtain duplicate copies, or prepare certified copies of the transactions and forward to DMEA with a check for the 5 percent royalty due.

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

Strategic Mica	$275.07
Punch and Scrap	235.18
	$510.25
Total Royalty due (@ 5%)	$ 25.51

E. J. BREKHUS
Auditor

July 27, 1954

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.
14-23-070-9

Deposited with [illegible] NAT'L [illegible] MONTVILLE TEXAS 7/27/[illegible]
(Name and location of depositary) (Date sent)

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

$ 36.65

SYMBOL NO.
1426

E. A. Hudson, Oak Ridge, Tenn.
(Name and address of officer to be credited)

On account of—

14U1401 $36.65 (See Remarks)

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

[illegible]
[illegible]
P O BOX [illegible]
[illegible]

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)

DEPOSITOR WILL RETAIN THIS COPY

[illegible]

ROYALTY PAYMENTS

[illegible]-463	[illegible]1.14
Tance & Odom	
[illegible]-560	25.51
Hyde & May	

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Ben L. Ray and C. E. Hyde
d/b/a Murphy Mining Company
Murphy, North Carolina

pertaining to Exploration Project Contract No. 16m-5360, Docket No. DMEA-3008, for the months of July, 1953 to February, 1954, inclusive, covering a project for the exploration of mica on property known as the Red (Bennett) Mine, located in Yancey 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 the 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		$4,400.00
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Herewith	- 0 -	-0-
Total Accepted Cost		$4,400.00

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 Three thousand nine hundred sixty and no/100 Dollars,

$3,960.00

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, Auditor

April 7, 1954

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

FINAL

Month of February, 1954 Docket No. DMEA 3008 Contract No. Idm.E 560

Operator's Name Murphy Mining Company Minerals mica

Address Murphy, N.C.

Contract Amount, $4900.00 Government Participation: 90 % Amount, $4400.00

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 from start (23 FT)	805.00	595.00	1,400.00			
Drifting	-0-	1200.00	1,200.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Drifting from cut	-0-	900.00	900.00			
Crosscutting	-0-	900.00	900.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	805.00	3595.00	4,400.00	805.00	3,595.00	4,400.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-53

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

Date Feb 27, 1954 *Payee Murphy Mining Company

Per Ben T. Ray 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:

$724.50

Signature
(Authorized Certifying Officer)

Date MAR 8 1954 Vou. No. 228

(See other side)

6d + 7 C - 2/26/54 80.50

(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-E56G in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date March 1, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION VII Date MAR 3 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1954 Docket No. DMEA 2000 Contract No. Dmc-5 250
Operator's Name Murphy Mining Company Minerals Mica
Address Box 1047 Murphy, Ark.

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
Free shaft	feet	805.00	23.0	1400.00	40.0	35.00	40.0	35.00
Drifting								
Crosscutting								
Raising	feet	-0-	-0-	1200.00	30.0	40.00	30.0	40.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Augering shaft	feet	-0-	-0-	-0-	-0-	-0-	30.0	5.00
Stripping	feet	-0-	-0-	900.00	30.0	30.00	30.0	30.00
Trenching								
Test Pits								
Roads and Trails	feet	-0-	-0-	900.00	30.0	30.00	30.0	30.00
Total Distributed Costs		805.00		4400.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		805.00		4400.00				
Total Costs								

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

Date Feb. 27, 1954 Operator Murphy Mining Company

Per Ben T. Ray Title partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATOR'S FINAL REPORT

INCLUDING MONTH OF FEBRUARY, 1954

DMEA 2802
Idm-E 560 (mica)

WORK ACCOMPLISHED.

At Northeast Locality: Completed twenty three feet of drift from bottom of shaft during month of February; this completes entire project for this locality, that is thirty feet of shaft (5ft X 7ft) and forty feet of drift (5X7) from bottom of shaft in a southern direction. In going down with shaft intercepted pegmatite containing some mica at 10 or 12 feet down but went through it and into country rock; in driving drift from bottom of shaft intercepted the pegmatite again about 20 feet out in drift, that is 20 feet from bottom of shaft. Obtained some mica of very poor grade.

At Southwest locality: As previously reported, we completed the project at Southwest locality at end of September. We completed an open cut into fact of mountain and across pegmatite to slate wall. This cut was six feet wide, twenty three feet deep and about 42 feet long; from the end of the open cut drove a 5 X 7 drift eastward for twenty feet; then dropped back and drove 5 X 7 drift northward through pegmatite and along its contact for thirteen and one half feet; we then drove drift southward from opposite side of first drift through pegmatite for eleven feet. Drove a total of forty four and one half feet of drift at this location.

FEBRUARY DAILY NOTES

Worked four full weeks in February, a good deal of the time consumed in bailing water out of the mine; drove twenty three feet of drift in addition to seventeen already reported. Drove through a pegmatite containing some mica. Last few feet at end of drift penetrated a granite wall. Attempts to seal mica were very dissapointing. Took approximately 30 pounds of mica to government mica house and about one third of it was rejected and remainder taken at lowest grade. Were advised that the mica would have to improve before any more would be accepted.

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

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

196

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
JAN 29 1954
43

OPERATOR'S MONTHLY REPORT AND VOUCHER

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

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	-0-	[illegible]	[illegible]			
Bulldozing	[illegible]	[illegible]	[illegible]			
Crosscutting						
Drifting	[illegible]	-0-	[illegible]			
Drifting [illegible]	-0-	[illegible]	[illegible]			
(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]	1,035.00	2,560.00	3,595.00

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

Date 1-15-54 *Payee [illegible]

Per [illegible] Title [illegible]

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

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

(Instructions on reverse)

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

$ 931.50

Signature [illegible]
(Authorized Certifying Officer)

Date JAN 21 1954 Vou. No. 196

(See other side)

5

103.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm-E560 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Jan. 18, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date JAN 20 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 25 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December ~~#####~~ 1953 Docket No. DMEA 3008 Contract No. IdmE-560
Operator's Name Murphy Mining Company Minerals Mica
Address Box 1047, Murphy, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting from shaft	feet	595.00	17.0	595.00	17.0	35.00	10.0	35.00
Crosscutting								
Raising								
Shafts	feet	440.00	11.0	2,200.00	30.0	40.00	30.0	40.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping Underpin	feet	-0-	-0-	-0-	-0-	-0-	30.0	5.00
Trenching	feet	-0-	-0-	900.00	30.0	30.00	30.0	30.00
Test Pits								
Roads and Trails								
Hoisting from open cut	feet	-0-	-0-	900.00	30.0	30.00	30.0	30.00
TOTAL DISTRIBUTED COSTS		1035.00	28.0	3595.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1035.00		3595.00				

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

Date 1-15-54 Operator Murphy Mining Company

Per Ben T. Ray Title partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATOR'S

MONTHLY PROGRESS REPORT
for the
MONTH OF DECEMBER, 1953

WORK ACCOMPLISHED

Completed eleven feet of shaft, the latter part of which was in steeply plunging country rock. Drove drift in a southern direction from bottom of shaft for seventeen feet. The latter part of drift appears to be intercepting a steeply plunging pegmatite with mica showing.

DAILY NOTES

December 1 Drilling and shooting in shaft, mucking out.
December 2 " " " " " " "
December 3 " " " " " " "
December 4 " " " " " " "; we are running out of pegmatite material and drilling country rock.
December 7 Drilling and shooting in country rock, deepening shaft
December 8 " " " " " "
December 9 " " " " " "
December 10 " " " " " "
December 14 Completed shaft and prepared to start drifting to south.
December 15 Begun work on drift to south.
December 16 Drilling and shooting and mucking out in drift.
December 17 " " " " " "
December 18 " " " " " "
December 19 Continue drilling and mucking out in drift.
December 21 Continue work on drift. Encounter some mica in pegmatite overhead and to west.
December 22 Continue work on drift
December 23 " " " "
December 28 " " " "
December 29 " " " "
December 30 " " " "
December 31 " " " "; obtained some mica in pegmatite in upper part of drift and to west. Completed seventeen feet of drift to south. It now appears that country rock in bottom of shaft is plunging steeply and is on approximately 75 degrees pitch. The southward drift has left the wall of country rock to east in that the trend of country rock seems somewhat west of south.

MF-104 (Rev. 7
April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

160

PAID ON VOUCHER & SCHEDULE
ENTS K- 35

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name Murphy Mining Company Minerals [illegible]
Address Box 1017, Murphy, N.C.
Contract Amount, $[illegible] Government Participation: [illegible] % Amount, $[illegible]

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~~ Drilling	-0-	[illegible]	[illegible]			
~~Drifting~~ Drifting	[illegible]	-0-	[illegible]			
~~Trenching~~ Trenching	-0-	[illegible]	[illegible]			
(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]	760.00	1800.00	2,560.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date December 1953 *Payee Murphy Mining Company
Per [signature] 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:

$ 684.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date DEC 11 1953 Vou. No. 160
(See other side)

4

76.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDM-E560 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Dec. 7, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date DEC 9 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 3, 1953 Docket No. DMEA 3008 Contract No. Idm.B 560

Operator's Name Murphy Mining Company Minerals Lead

Address Box 1047, Murphy, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
from shaft	feet	-0-	-0-	-0-	-0-	-0-	40.0	35.00
Drifting								
Crosscutting								
Raising	feet	760.00	19.0	760.00	19.0	40.00	30.0	40.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Muckering shaft	feet	-0-	-0-	-0-	-0-	-0-	30.0	5.00
Stripping	feet	-0-	-0-	900.00	30.0	30.00	30.0	30.00
Trenching								
Test Pits								
Drifting from open cut	feet	-0-	-0-	900.00	30.0	30.00	30.0	30.00
TOTAL DISTRIBUTED COSTS		760.00	19.0	2,560.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		760.00	19.0	2,560.00				

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. 5, 1953 Operator Murphy Mining Company

Per Ben L. Ray Title partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATOR'S

MONTHLY PROGRESS REPORT
for the
Month of NOVEMBER, 1953

WORK ACCOMPLISHED

Completed nineteen feet of shaft on Northeast locality. Found some scattered mica in pegmatite vein material all the way.

Daily Notes

Mon Nov 2	Setting up derrick
Tues " 3	" " "
Wed " 4	" " "
Thurs" 5	Went to Spruce Pine after hoist
Fri " 6	Rigging hoist
Monday 9	Trouble with hammer - little work
Tues 10	" " " " "
Wed " 11	Did not work
Thurs" 12	Drilled and shot four holes round - shaping up shaft
Fri " 13	Worked on shaft
Sat 14	" " "
Mon 16	" " ". We are averaging about 1½ foot per day
Tues 17	" " " Drilling and shooting
Wed 18	" " " Mucking out
Thursday 19	" " "
Fri 20	" " "
Mon 23	" " "
Tues 24	Same
Wed 25	Same
Fri 27	Same
Sat 28	Completed 19 feet of shaft, having encountered some mica most of way.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA 3008 Contract No. Idm-E 560
Operator's Name Murphy Mining Company Minerals mica
Address Box 1047, Murphy, N.C.
Contract Amount, $4550.00 Government Participation: 90 % Amount, $4095.00

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	$600.00	$300.00	$900.00			
Trenching	-0-	900.00	900.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$600.00	$1200.00	$1800.00	600.00	1,200.00	1,800.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-19

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

Date 9-30-53 *Payee Murphy Mining Company

Per Ben L. Ray 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:

$540.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date OCT 6 1953 Vou. No. 95

(See other side)

3

60.00

(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. Em-E560 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Oct. 1, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date OCT 5 1953

MONTHLY REPORT OF OPERATOR

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(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".

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

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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
OCT - 5 1953

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

Month of September 1953 Docket No. DMEA 3008 Contract No. Idm.E 560
Operator's Name Murphy Mining Company Minerals mica
Address Box 1047, Murphy, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting from shaft	feet	-0-	-0-	-0-	-0-	-0-	40.0	$35.00
Crosscutting								
Raising								
Shafts	feet	-0-	-0-	-0-	-0-	-0-	30.0	40.00
Winzes								
Drilling: Core								
Churn								
Auger								
~~Stripping~~ Timbering shaft	feet	-0-	-0-	-0-	-0-	-0-	30.0	5.00
Trenching	feet	-0-	-0-	$900.00	30.0	$30.00	30.0	30.00
Test Pits								
Roads and Trails								
Drifting from open cut	feet	$600.00	20.0	900.00	30.0	$30.00	30.0	30.00
TOTAL DISTRIBUTED COSTS		$600.00	20.0	1800.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$600.00	20.00	$1800.00				

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 Sept. 30, 1953 Operator Murphy Mining Company

Per Ben L. Roy Title partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATOR'S
MONTHLY PROGRESS REPORT
for the
MONTH OF AUGUST, 1953

DMEA - 3008
Idm-E 560

WORK ACCOMPLISHED

Completed twenty additional feet of drifting through pegmatite vein from open cut previously made. Encountered virtually no mica.

DAILY NOTES.

Mon Sept. 7th	Continued drifting East accross slate wall.
Tues. Sept 8th	" " " " " "
Wed. Sept 9th	" " " " " ", completed 20 feet
Mon Sept 14	Dropped back and started drifting north through pegmatite.
Tues Sept 15	Continued drifting north through pegmatite
Wed Sept 16	" " " " "
Thurs Sept 17	" " " " " encountered no mica, only rough, broken spar. Completed 13½ feet.
Fri Sept 18	Started drifting South through pegmatite.
Mon 21 Sept	Continued drifting South
Tues Sept 22	Completed driving drift for 11 feet South. Encountered no mica.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 3008 Contract No. Ida-1550
Operator's Name Murphy Mining Company Minerals Mica
Address Box 1047, Murphy, N.C.
Contract Amount, $4550.00 Government Participation: 90 % Amount, $4075.00

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	300.00	-0-	300.00			
Trenching	300.00	600.00	900.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	600.00	600.00	1200.00	600.00	600.00	1,200.00

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 9-5-53 *Payee Murphy Mining Company

Per [signature] 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:

$ 540.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date SEP 17 1953 Vou. No. 82
(See other side)

2

60.00

(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. Idn-E56 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.Bm Date Sept. 9, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

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

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

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

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Under Item (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).

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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 August 1953 Docket No. DMEA 3008 Contract No. DMA-3 560
Operator's Name Murphy Mining Company Minerals Mica
Address Box 1047, Murphy, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting from shaft	feet	-0-	-0-	-0-	-0-	-0-	40.0	30.00
Crosscutting								
Raising								
Shafts	feet	-0-	-0-	-0-	-0-	-0-	30.0	40.00
Winzes								
Drilling: Core								
Churn								
Auger								
~~Stripping~~ Sinking shaft	feet	-0-	-0-	-0-	-0-	-0-	30.00	35.00
Trenching	feet	300.00	10.0	900.00	20.0	30.00	30.0	30.00
Test Pits								
Roads and Trails								
Drifting from open cut	feet	300.00	10.0	300.00	10.0	30.00	30.0	30.00
TOTAL DISTRIBUTED COSTS		600.00	20.0	1200.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		600.00	20.0	1200.00				1350.00

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

Date 9-5-53 Operator Murphy Mining Company

Per Bern L. Ray Title partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

OPERATOR'S
MONTHLY PROGRESS REPORT
for the
MONTH OF August, 1953

DMEA - 3008
Idm-E 560

Work Accomplished

Completed ten foot of additional trenching as originally required in contract but found that could not start heading on account of fact that no solid formation was encountered. Excavated trench eight additional feet in depth for its entire length and fifteen feet in length to try to find solid formation. Then drove drift from head of trench approximately ten feet into mountain side. Removed large amount of loose materials from around head of trench.

Daily Notes

Aug. 3 Made four feet in open cut, drilling, blasting & mucking out.

Aug. 4 About same as above

Aug. 5 Worked on top - cleaning up head[illegible], removing loose materials which were sliding in.

Aug. 6 Same as last above.

Aug. 7 Rain - no work

Aug. 8 Worked half day in open cut, completing 30 feet called for in contract

Aug. 10 Dropped back to lower trench in attempt to get low enough to encounter more solid formation in which to begin drift.

Aug. 11 Worked at lowering trench.

Aug 12 Worked at lowering trench

Aug. 13 Worked at lowering trench

Aug. 14 " " " " and clearing overhead.

Aug. 17 " " " " " " "

Aug. 18 " " " " " " "

Aug. 19 Worked at lowering tench.

Aug. 20 Worked at lowering trench.

Aug. 21 Worked at lowering trench.

August 24 Still working at lowering trench. Also removal of rock around head of trench causes lengthening of trench into mountain.

August 25 Worked lowering trench and clearing over same.

August 26 Finished lowering trench to additional depth of eight feet and prepared to start drift into mountain.

August 27 Started tunnel. Drilled and shot one round of about 14 holes. 4 feet moved.

August 28 Finished mucking out, drilled and shot another round of holes, moving about same footage.

August 29 About same as 28th.

August 31 Finished mucking out - total tunneling or drifting to about 10 or more feet into mountain and encountering a wall of slaty material.

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

Budget Bureau No. 42-R1636.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
PAYMENTS K-8

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 3008 Contract No. Idm-6-560
Operator's Name Murphy Mining Company Minerals Mica
Address Murphy, North Carolina Box 1047
Contract Amount, $ 4550.00 Government Participation: 90 % Amount, $ 4095.00

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						
Trenching	$600.00	0	$600.00			
(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	$600.00	0	$600.00	600.00	—	600.00

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

Date 8-4-53 *Payee Murphy Mining Company

Per [signature] 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)

60.00

1 7/28/53

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

$ 540.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date AUG 13 1953 Vou. No. 44
(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-E56A in accordance with the terms of the contract.

Signature Laurence E. Shirley Title U.S.B.M. Mining Engr. Date Aug. 5, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date AUG 6 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.

RECEIVED
AUG 10 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 3 Docket No. DMEA 3009 Contract No. Idm-S 560
Operator's Name Murphy Mining Company Minerals mica
Address Box 1047, Murphy, Ida.

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 from shaft	feet	0	0	0	0	0	40.0	35.00
Crosscutting								
Raising	feet	0	0	0	0	0	30.0	40.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Timbering shaft	feet	0	0	0	0	0	30.0	5.00
Stripping	feet	600.00	20.0	600.00	20.0	30.00	30.0	30.00
Trenching								
Test Pits								
Roads and Trails								
Drifting from open cut	feet	0	0	0	0	0	30.0	60.00
Total Distributed Costs		600.00	20.0	600.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		600.00		600.00				4550.00

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 Aug. 4, 1953 Operator Murphy Mining Company

Per Ben T. Ray Title Partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATOR'S
MONTHLY PROGRESS REPORT
for the
Month of July, 1953

DMEA-3008
Idm-E 560

Work Accomplished

Completed twenty feet of trenching six feet wide, after cutting truck road to project.

Daily Notes

July 28 Started on open cut. Three men working. Finished eight feet to grade. Mostly dirt with a few loose rocks.

July 29 Continued work on open cut. Completed six additional feet. Material practically the same - a few more rocks. Found several small blocks of rather stained mica in material.

July 30 Completed four more feet in open cut. Amount of loose rock in material increases. Found about same amount and kind of mica as yesterday. Cleaned off area around head of cut so as to clear area of loose and dangerous rock.

July 31 Finished two additional feet of open cut. Found base of rock ledge more perpendicular than expected, showing some spar and quartz with scattered books of small mica. Finished clearing off area around head of cut for approximately 30 to 40 feet. In clearing around head of cut found several good looking blocks of mica some forty feet east of where we were working.

AUG 19 1963

Mr. Sam L. Phillips
Mr. John Phillips
Spruce Pine, North Carolina

Re: DMRA-3006 (Mica)
Ben L. Ray & C. E. Hyde
Bennett Mica
Yancey County, N. C.
Contract Idm-2560

Gentlemen:

Thank you for returning the completed MMS Form 63's.

By the terms of the subject Exploration Project Contract and the certification of discovery or development dated June 21, 1954, all minerals mined or produced from July 2, 1953, to July 2, 1963, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

Director

MMerritt:mw/mm
8/16/63
cc: Director's Reading File
R. A. Laurence, Knoxville, Tenn. w/cy of Form 63
MAGA Division
Docket
Code 500

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

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Ben L. Ray and C. E. Hyde, Partners d/b/a
Murphy Mining Company
Murphy, North Carolina

Pursuant to the provisions of Exploration Project Contract No. ION-[illegible], dated July 2, 1951 (Docket No. [illegible]), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

The exploration work encountered a conformable pegmatite in a biotite schist from which strategic mica was produced.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals
Exploration Administration

Dated: JUN 2 1 1954

WCAnderson:gmd 6/15/54

Copy to: Mr. Irving Gumbel, LPS, GSA
Docket File
Mr. Hodges, 4604
Mr. Thayer, 5216 GSA Bldg.
Mr. Chambers
Mr. Houk
Field Team, Region VII
Admr. R. File
Operating Committee
Finance Office
Mr. Johnson

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

JUN 22 1954

Mr. C. E. Ryde
Murphy Mining Company
P. O. Box 1047
Murphy, North Carolina

Re: Docket No. DMEA-3008 - Mica
Murphy Mining Company
Red (Bennett) Mine
Yancey County, North Carolina
Contract No. Idm-E560

Dear Mr. Ryde:

Transmitted herewith is a certification of discovery or development on Contract No. Idm-E560 on the Red (Bennett) Mine, Yancey 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, July 2, 1953, is subject to the Government's percentage royalty as set forth in the contract until the sum of $3,960.00 is paid or until July 2, 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,

C. O. Mittenderf

Administrator

Enclosure
WCAnderson:gad 6/17/54

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

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

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

Re: Docket No. DMEA-3008 - Mica
Murphy Mining Company
Red (Bennett) Mine
Yancey County, North Carolina
Contract No. Idm-E560

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 July 2, 1953, with the Government participating to the extent of 90% of $4,550.00 or $4,095.00.

The project work was started on July 28, 1953, and completed February 28, 1954, after the expenditure of $4,400 which is the total net accepted cost according to the Audit Review. The Government paid 90% of the total accepted cost or $3,960.00.

The work performed on this project consisted of exploring a pegmatite at two locations; 30 feet of shaft and 40 feet of drifting at one, and 30 feet of trenching and 30 feet of drifting at the other location. As a result of this work sufficient data were obtained to indicate reserves of strategic mica.

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

Sincerely yours,

C. O. Mittenderf

Administrator

Enclosure

WCAnderson:gad 6/17/54

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

Docket No. 3000

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 560

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

Name and Address of Operator:
Ben L. May, Andrews, N.C. and
C. A. Hudg, Murphy, N.C. (partners)
d/b/a Murphy Mining Co.
Murphy, N.C.

Amount of Government
participation ____ $ 4,095.00

Percent of Government
participation 90 %

Region: V11 State: N.C.

Note: Please release $ 135.00; Advice Contract Administration and Audit Division

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

(Title)

Date Delivered to Bureau of Mines, Washington. 4/12/54

54458

Docket No. DMEA 3008

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 560

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

Name and Address of Operator:

Ben L. Ray, Andrews, N. C. and
C. B. Hude, Murphy, N. C. (partners)
d/b/a Murphy Mining Company
Murphy, N. C.

Amount of Government participation $4,095.00

Percent of Government participation 90 %

Region: VII State: N. C.

E. R. Talbert
(Name)

for J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. July 2, 1953

13908

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 1953

DOCKET NO. DMEA 3008

COMMODITY Mica

Government's Copy

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

IDM-E 560

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 2nd day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Ben L. Ray, Andrews, N. C. and C. E. Hyde, Murphy, N. C., partners d/b/a Murphy Mining Company, Murphy, N. C.

hereinafter called the "Operator," as follows: 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 Yancey, described as ~~follows~~: 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 liens, claims or encumbrances, a copy 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 $4,095.00, which is 90 percent of $4,550.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

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

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

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

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

MURPHY MINING COMPANY
(Operator)

By C E Hyde

THE UNITED STATES OF AMERICA

By C Mitchenson
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

MURPHY MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3008

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:

Received
JUN 15 1953

MURPHY MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3008

Annex II

The mineral rights in the land referred to in Article 2 of the contract form were leased to the Operator by W. F. Bennett and Lillie Bennett by an instrument dated January 1, 1953, and recorded in Book 111, Page 74, in the Office of the Register of Deeds for Yancey County, N. C.

The land is more particularly described as follows:

BEGINNING where the Red Mine Road crosses the line between the land of W. F. Bennett and Lillie Bennett and Walter Young; thence with the Red Mine Road and a fence to Earl McNeill line; thence with Earl McNeill line to the Green Falls of South Toe River; thence up the meanders of the river to Walter Young line; thence with Walter Young line to the beginning, containing 25 acres, more or less, and being a part of lands described in deed from Jas. M. Robertson, et als, to W. F. Bennett and Lillie Bennett herein dated May 30, 1917, and recorded in Book 64, at Page 344, Registers Office, Yancey County, North Carolina.

MURPHY MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3008

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica near the west wall of the Red (Bennett) pegmatite will be accomplished at the northeast and southwest localities indicated on the attached map entitled "Sketch of Red (Bennett) Mine, Yancey Co., N. C., DMEA-3008" in the manner below described:

At Northeast Locality:

1. Sink not more than 30 feet of shaft, including sump, in the open cut, and timber as necessary.

2. Drift not more than 40 feet from the bottom of the shaft, above the sump, and timber as necessary.

At Southwest Locality:

3. Deepen the open cut by excavating a trench 30 feet long, 6 feet wide, and 15 feet high at the end, and timber as necessary.

4. Drift not more than 30 feet, timbering as necessary from the end of the trench.

The shaft and drifts shall be 5 feet by 7 feet in cross section. The shaft shall be divided into two compartments by a partition and approved ladders shall be installed in the manway compartment.

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

Agreed Unit Costs

1. Sinking shaft (including cost of partition and ladders) 30 feet @ $40.00/ft.	$1,200.00
Timbering shaft 30 feet @ $5.00/ft.	150.00

2.	Drifting from shaft 40 feet @ $35.00/ft. 1/	$1,400.00	
3.	Excavating trench 30 feet @ $30.00/ft. 1/	900.00	
4.	Drifting from open cut 1/ 30 feet @ $30.00/ft.	900.00	
	Total Agreed Unit Costs		$4,550.00
	Government Participation @ 90%		$4,095.00

1/ This includes cost of timbering.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, ~~co-owner, lessee, or other party~~ has an interest in certain property in the State of North Carolina, County of Yancey, described as follows:1/

Being the same property described in a lease from W. F. Bennett and wife, Lillie Bennett to Ben L. Ray and C. E. Hyde, dated January 1st, 1953, and recorded in the office of the Register of Deeds for Yancey County, in Book 111, at page 74, reference to which is made for more particular description; copy of this lease is appended hereto for additional reference.

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/ Ben L. Ray and C. E. Hyde, d/b/a Murphy Mining Company, of Murphy, North Carolina

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/$ 4095.00, 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 22nd day of April, 1953.

W. F. Bennett [Seal]

Lillie Bennett [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.

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.

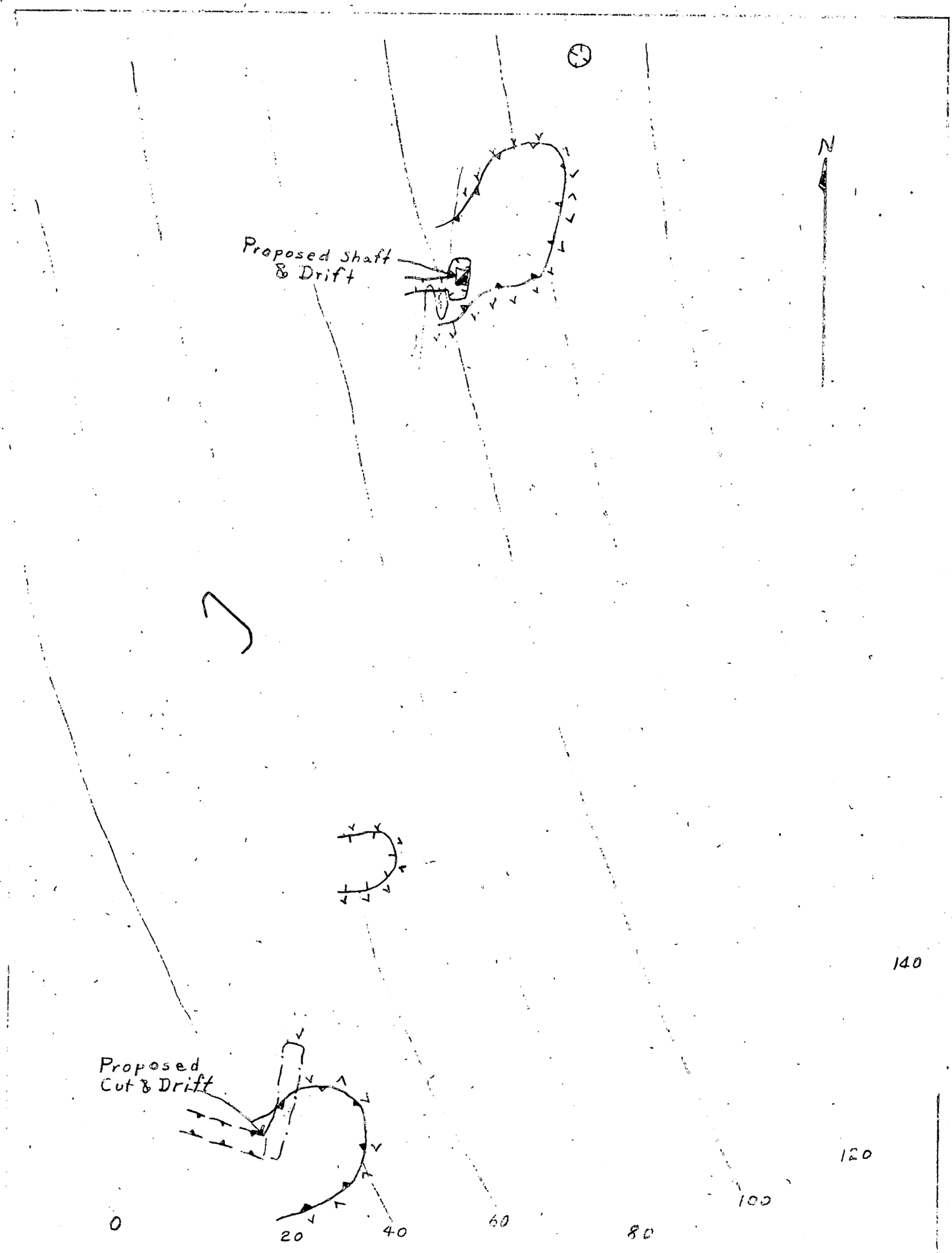
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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.



Sketch of
Red (Bennett) Mine
Yancey Co., N.C.

0 40 80
Scale

DMEA-3008(mica)