DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 664

DMEA NO. 3247

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [x] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [x] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
  12-2-54
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Comoleted analysis (final)

All other material filed in chronological order including the following reports if checked:

- [x] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [x] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

17963

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-E664, Docket DMEA-3247 (mica), dated March 22, 1954, with

Newland Buchanan, Lester Buchanan, and Frank Cook
c/o Newland Buchanan
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the (Ernest) Johnson Mine located in Mitchell County, North Carolina, during the period May 8, 1959, through December 12, 1962.

A certification of discovery or development was issued on December 2, 1954, and, in accordance with Annex II 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 October 20, 1954, indicated accepted costs under the exploration contract amounting to $6,500.00 with the Government's contribution on a 75 percent basis being $4,875.00.

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 $2,176.43. The royalty account as of May 7, 1959, was:

Total Royalty Payable	$108.83
Total Royalty Paid	108.83
Balance of Royalty Due	$ -0-

As of December 12, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$108.83
Total Royalty Paid	108.83
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, GMX Auditor

January 3, 1963

Idm-E664 Buchanan, Buchanan, and Cook DMRA-3247

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator or its successor in interest shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of a tract of 9.5 acres, more or less, in Sandana Hollow about 3.25 miles southeast of Bakersville. At the time the contract was executed the Operator was in possession by virtue of a January 14, 1954, lease from H. T. Barksdale, Spruce Pine, N. C., Frank Cook, Minpro, N. C., and Clyde Norton, Old Fort, N. C. In consideration of the contract, the lessors executed an Owner's Consent to Lien. The contract contains the so-called "abandonment" provision.

Exploration work under the contract was completed on September 24, 1954. Production during the exploration period resulted in aggregate sales (variously, in the name of W. K. Buchanan, Johnson Mining Company, and Sam L. Phillips) of 171.23 lbs. of sheet, 1,924 lbs. of punch, and 9,570 lbs. of scrap mica. These sales, on which the proceeds totaled $2,176.43, are covered by prior Reports of Royalty Review.

Subsequent examinations of the property, inquiries, and checks of the Spruce Pine Mica Purchase Depot's records by DMRA and OME regional representatives disclosed that (1) the Operator abandoned the property after completion of exploration work, (2) the property was worked unsuccessfully during June and July 1957 by Roy Grindstaff and partners, and (3) there was no evidence of further sales of production through June 15, 1960.

An examination of the Mica Purchase Depot's records during June 1962 by a representative of this Division found no unreported sales from the property under the contract. In a December 12, 1962, reply to a MME Form 63 inquiry one of the landowners (H. T. Barksdale) stated that there had been no production from the property since June 15, 1960.

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

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

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-E664, Docket No. DMEA-3247 (Mica), dated March 22, 1954, with

Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Spruce Pine, North Carolina

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

A certification of discovery or development was issued on December 2, 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 October 20, 1954, indicated accepted costs under the exploration contract amounting to $6,500.00 with the Government's contribution, on a 75 percent basis, being $4,875.00.

A prior report of royalty review dated March 21, 1955, indicated total sales subject to Government royalty amounting to $2,176.43 for the period March 22, 1954, through March 9, 1955, and that the royalty due the Government amounting to $108.83 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

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Newland Buchanan

Address Spruce Pine, N.C.

Exploration Contract No. Idm-E664 Docket No. 3247

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

5/7/59
Date

V. J. Lynch
Mining Engineer

53362

Buchanan

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 March 22, 1954, to March 9, 1955 by:

Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Spruce Pine, North Carolina

produced from property referred to as the Johnson Mine located in Mitchell County, North Carolina, under terms of Contract Idm-E664, Docket No. DMEA-3247.

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) The production involved was incidental to the exploration operations;

(2) A review of the records of General Services Administration Mica Purchase Depot, Spruce Pine, North Carolina, did not disclose any other sales of mica from this mine since the effective date of the exploration contract; and

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

The audit established the total sales of mica for this period to be $2,176.43. Royalty due the U. S. Government at the contract rate of 5 percent is $108.83. The royalty paid and balance due are as follows:

Total Royalties Due	$108.83
Total Royalties Paid	108.83
Balance of Royalties Unpaid	$ -0-

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

March 21, 1955

Docket Copy
Surname:
Houk
Porter
Hoffmeyer
Chamber
Hedges
Kiilsgaard
Selfridge
Johnson

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

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

To: Newland Buchanan, Kester Buchanan, and Frank Cook, Partners
C/O Newland Buchanan
Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-2664, dated March 22, 1954 (Docket No. DMEA-3247), 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:

Strategic mica concentrations were discovered in a conformable unzoned pegmatite in mica schist and gneiss country rock on the 56-foot level.

THE UNITED STATES OF AMERICA

By C O Mitteudorf
Administrator, Defense Minerals
Exploration Administration

Dated: DEC 2 - 1954

LGHouk:gad 11/23/54
Copy to: Mr. Frank Cook, Minpro, North Carolina
Mr. H. T. Barksdale
Mr. Clyde Norton
Mr. Irving Gumbel, EPS, GSA
Docket
Admr. R. File
Mr. Chambers
Mr. Johnson
Mr. Houk
Field Team, Region VII
Mr. Kiilsgaard, 5222
Operating Committee
Finance Office
Mr. Hedges, 4604

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Newland Buchanan, Kester Buchanan & Frank Cook

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E664, Docket No. DMEA-3247, for the months of April 1954 to September 1954, inclusive, covering a project for the exploration of mica on property, known as the Ernest Johnson Mica Mine, located in Mitchell County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team's Final Report, 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		$6,500.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$6,500.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four thousand eight hundred seventy-five and no/100 Dollars

$4,875.00

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

E. D. Talbert

E. D. Talbert, Auditor

October 20, 1954

MF-200 (A)
(February 1952)

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 8 1954

DOCKET NO. DMEA 3247

COMMODITY Mica

IDM # 664

Docket Copy

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 22 day of March, 1954 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Newland Buchanan, Kester Buchanan, and Frank Cook, Partners
C/o Newland Buchanan
Spruce Pine, North Carolina

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

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

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

the Operator represents and undertakes:[4]

(*a*) [redacted]

(*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 30 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 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 75 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 $4,875.00, which is 75 percent of $6,500.00 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:

(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.

See Annex II, substituted for Article 6.

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Murford Rudson (Partner)

By Lester Buckman (Partner)

By Frank Cook (Partner)

By C. D. Mutterdorf

Administrator, Defense Minerals Exploration Administration

Witnesses: Porter Hoffland, J. C. Chamberlin

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
KENLAND BUCHANAN, KESTER BUCHANAN, AND FRANK COOK, PARTNERS
DOCKET NO. EMRA-3247

ANNEX I

The land referred to in Article 2 of the contract form is known as the Johnson mine and was leased to the applicants for a period of five years by H. T. Barksdale, Frank Cook, and Clyde Barton, under a mining lease dated January 14, 1954. The property is shown on the attached map entitled "Ernest Johnson Mica Mine, Mitchell County, North Carolina," and is more particularly described as follows:

"Adjoining the lands of Clyde Buchanan, D. M. Thomas, and others, and beginning on a dogwood and running south 63 east 15 poles to a rock; thence south 46 east 4½ poles to a locust; south 24 east 1½ poles to a stake; thence south 68 east up the branch 18½ poles to a buckeye; thence east 7 poles to a stake in the old north-and-south line; thence north with said line 53 poles to a double maple on the ridge; thence south 80 west 16½ poles to a poplar on a rock; south 52 west 18 poles to a stake at the spring; thence south 29 west 23 poles to the beginning, containing 9½ acres, more or less."

EXPLORATION PROJECT CONTRACT
NEWLAND BUCHANAN, KESTER BUCHANAN, AND FRANK COOK, PARTNERS
DOCKET NO. DMEA-3247

ANNEX II

The following provisions are in lieu of Article 6:

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

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

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

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

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

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

EXPLORATION PROJECT CONTRACT
NEWLAND BUCHANAN, KESTER BUCHANAN, AND FRANK COOK, PARTNERS
DOCKET NO DMRA-3247

EXHIBIT "A"

Description of the Work

The project consists of exploring the Johnson mine by sinking not to exceed 60 feet of 2-compartment shaft, and driving not to exceed an aggregate of 100 feet of drift and/or crosscut, at the approximate locations shown on the attached map entitled "Ernest Johnson Mica Mine, Mitchell County, North Carolina." The shaft, and the drifts and crosscuts shall have dimensions not less than 5 feet by 7 feet in the clear. The location of the shaft, and the direction of the drifts and crosscuts, are subject to the prior approval of the Government.

Estimated Costs of the Project

60 feet of shaft, @ $50.00/ft.	$3,000.00
100 feet of drift and/or crosscut @ $35.00/ft.	3,500.00
Agreed Estimated Total Cost of Project	$6,500.00
Government Participation @ 75%	$4,875.00

(Copy)

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, described as follows:1/ Adjoining the lands of Clyde Buchanan, D. M. Thomas, and others, and beginning on a dogwood and running south 63 east 15 poles to a rock; thence south 46 east 4½ poles to a locust; south 24 east 1½ poles to a stake; thence south 68 east up the branch 18½ poles to a buckeye; thence east 7 poles to a stake in the old north-and-south line; thence north with said line 53 poles to a double maple on the ridge; thence south 80 west 16½ poles to a poplar on a rock; south 52 west 18 poles to a stake at the spring; thence south 29 west 23 poles to the beginning, containing 9½ acres, more or less,

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/ Newland Buchanan, Spruce Pine, N. C., Kester Buchanan and Frank Cook of Minpro, N. C.

hereinafter called the "Operator"; and

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

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

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

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

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

4. Changes and added provisions _____

Dated this _____ day of _____, 195__

/s/ H. T. Barksdale [Seal]

/s/ Frank Cook [Seal]

/s/ Clyde Norton [Seal]

original signed copy in contract adm. files. FMM.

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.

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

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

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent 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) 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 ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

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

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

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

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

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1954

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3247
Metal or Mineral Mica
Date Received
Estimated Cost $7,500
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Newland Buchanan, Spruce Pine, N. C., Kester Buchanan and Frank Cook of Minpro, N. C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract This is lease property (Lease is attached in 3 (d) below.

(*b*) State any mine name by which the property is known. Johnson Mine

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it Not owner

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore .....

.....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated ....., 195...

.....
(Applicant)

By .....

.....

.....

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.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF 103

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1954

Newland

1. (a) Newland Buchanan, Spruce Pine, N. C., Kester Buchanan and Frank Cook of Minpro, N. C.

(b) Partnership.

2. No Answer.

3. (a) This is lease property (Lease is attached in 3 (d) below.)

(b) Johnson Mine.

(c) Lessee.

(d) Lease is attached as Exhibit A.

(e) Not owner.

(f) Land is held by Landlord. No land patents involved.

4. (a) Physical works set forth on map attached as Exhibit B.

(b) This mine was worked very successful during the Colonial Days.

(c) The last operator or operators was Myres and Brown they ceased work when they stopped buying mica during Colonial Buying.

(d) This mine is located at Bandana, North Carolina.

(e) There is ample experience manpower available. There is a good road near the mine. Electricty is within 75 feet. No difficulty is contemplated in obtaining equipment and supplies.

5. (a) It is anticipated that the pegmatite contains additional quantities of ruby mica of stockpile grade.

(b) It is proposed to sink a 5 x 7 shaft to a depth of 80 feet deep. Then it is proposed to drift a total distance of 100 feet in the most promising pegmatite that is discovered by the shaft.

(c) The work will be started as soon as the contract is approved by the Government and the work should be concluded within 6 months.

(d) Attached as Exhibit C.

6. Estimate of Costs.

(a) Independent Contracts-None.
(b)through h)

(1) Shafting - 5 x 7 - 80 feet	@ $50.00	$4000.00
(2) Drifting - 100 feet	@ $35.00	3500.00
	Total	$7500.00

7. (a) Applicant will pay in money 25% required by regulation.

NORTH CAROLINA

MITCHELL COUNTY DEED

THIS DEED, made this the 17th day of June 1953 by JESSE McKINNEY and wife MARJORIE McKINNEY of Mitchell County, North Carolina, parties of the first part, to H. T. BARKSDALE, FRANK COOK and CLYDE NORTON of Mitchell County, North Carolina, parties of the second part;

WITNESSETH, That said parties of the first part, in consideration of TEN DOLLARS and other valuable consideration to them paid by said parties of the second part, the receipt of which is hereby acknowledged, have bargained and sold, and by these presents do grant, bargain, sell and convey to said H. T. BARKSDALE, FRANK COOK and CLYDE NORTON, and their heirs and assigns all of their one-fourth interest in all minerals of every kind, in, on or under the following described two tracts of land in Snow Creek Township, Mitchell County, North Carolina:

Lying and being on the waters of Gouges Branch, a tributary of Toe River, in Snow Creek Township, Mitchell County, North Carolina, adjoining the lands of Ernest Johnson, Crawford Sparks, Melvin Propst and others, more particularly described as follows: BEGINNING on a black oak, a corner to the one-acre tract sold to Sparks, and in the old line and runs north 4 east 42 poles to a stake in the branch near a spring; thence north 88 west 14 poles to a stake at the old buckeye, now gone; thence north 67 west 6 poles to a stake; thence south 45 west 38 poles to a stake in a branch; thence south 66 west 24 poles to a small poplar on a ridge; thence south 21 east 14 poles to a stake in the old line; thence south 86 east 40 poles to a stake at corner of one-acre tract; thence north 8 poles to a stake; thence east 20 poles to the BEGINNING, containing 13 acres.

ALSO A SECOND TRACT, adjoining the lands of Clyde Buchanan, D. M. Thomas and others and BEGINNING on a dogwood and running south 63 east 15 poles to a rock; thence south 46 east 4½ poles to a locust; south 24 east 1½ poles to a stake; thence south 68 east up the branch 18½ poles to a buckeye; thence east 7 poles to a stake in the old north and south line; thence north with said line 53 poles to a double maple on the ridge; thence south 80 west 16½ poles to a poplar on a rock; south 52 west 18 poles to a stake at the spring; thence south 29 west 23 poles to the BEGINNING, containing 9½ acres, more or less.

Together with all mining rights which said parties of the first part have in the above described lands.

The above described lands being same and identical premises described in deed from W. C. McKinney and wife Lillie McKinney to H. T. Barksdale, Frank Cook, Clyde Norton and Jesse McKinney dated December 30th, 1952 and recorded in Book 115 of Deeds at page 248, Mitchell County registry.

TO HAVE AND TO HOLD the aforesaid mineral interest in said above described lands and all privileges and appurtenances thereto belonging to the said parties of the second part and their heirs

and assigns, to their only use and behoof forever.

And the said parties of the first part for themselves and their heirs, executors and administrators, covenant with said parties of the second part that they are seized of a one-fourth undivided interest in minerals on said lands; and that they have the right to convey the same in fee simple; that the same is free and clear of all liens and encumbrances, and they do hereby forever warrant and will forever defend the said title to the same against the claims of all persons whomsoever.

IN TESTIMONY WHEREOF, the said parties of the first part have hereunto set their hands and seals this the day and year first above written.

Jesse McKinney (SEAL)
Marjorie McKinney (SEAL)

NORTH CAROLINA
MITCHELL COUNTY

I, Gurney D. Bailey, Notary Public, do hereby certify that Jesse McKinney and Marjorie McKinney, his wife, personally appeared before me this day and acknowledged the due execution of the foregoing Deed of Conveyance.

Witness my hand and notarial seal this the 17th day of June 1953.

Gurney D. Bailey
Notary Public

My commission expires:
November 25, 1954.

STATE OF NORTH CAROLINA
MITCHELL COUNTY

The foregoing certificate of Gurney D. Bailey, a Notary Public of Mitchell, County, with his official seal attached, is adjudged to be correct.

Let the instrument, with the certificates be registered. This the 19 day of Sept, 1953

R. A. Greene
Clerk of the Superior Court

MINING LEASE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1954

State of North Carolina Mitchell County:

This indenture made this 14 day of January, 1954

between H. T. Barksdale, Frank Cook, and Clyde Norton

of Mitchell County and State of North Carolina as party of the first part, and known as lessors, and Newland Buchanan, Kester Buchanan and Frank Cook

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the part___ of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

Adjoining the lands of Clyde Buchanan, D. M. Thomas and others and BEGINNING on a dogwood and running south 63 east 15 poles to a rock; thence south 46 east 4½ poles to a locust; south 24 east 1½ poles to a stake; thence south 68 east up the branch 18½ poles to a buckeye; thence east 7 poles to a stake in the old north and south line; thence north with said line 53 poles to a double maple on the ridge; thence south 80 west 16½ poles to a poplar on a rock; sout 52 west 18 poles to a stake at the spring; thence south 29 west 23 poles to the BEGINNING, containing 9½ acres, more or less.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part___ of the first part, or his or their heirs or assigns, a rental royalty of 1/8

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor___ reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of_____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor___. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

Kenneth R. McKinney
Notary Public

My Commission expires 8/11/55

H. T. Barksdale (Seal)

Frank Cook (Seal)

Clyde Norton (Seal)

Defense Minerals Administration
RECEIVED
2 7 1954

NEWLAND BUCHANAN

Mr. Buchanan was borned 42 years ago in Mitchell County. He has lived here almost all his life. He lived in Henderson, North Carolina for about 4 years. He has been a miner all his life, working at the following places:

Appalachian Mineral Company

Tungsten Mine in Henderson, N. C.

Jimmy Cut Mine

etc.

For references write:

Mr. J. C. Wilson

Spruce Pine, N. C.

Mr. Steve Sparks

Spruce Pine, N. C.

Mr. Charles Donnhou

Minpro, N. C.

ESTER BUCHANAN

Mr. Buchanan is 42 years old. He was borned in Mitchell County, and has lived here all his life. Mr. Buchanan attended Harris High School in Spruce Pine, North Carolina. He has mined all his life, working for Whitehall Company for 9 years. He did spar mining for 3 or 4 years, then he began mica mining for himself .

For references write:

Mr. Charles Donnahou
Minpro, N. C.

Mr. Steve Sparks
Spruce Pine, N. C.

Mr. A. C. Tainter
Spruce Pine, N. C.

FRANK COOKE

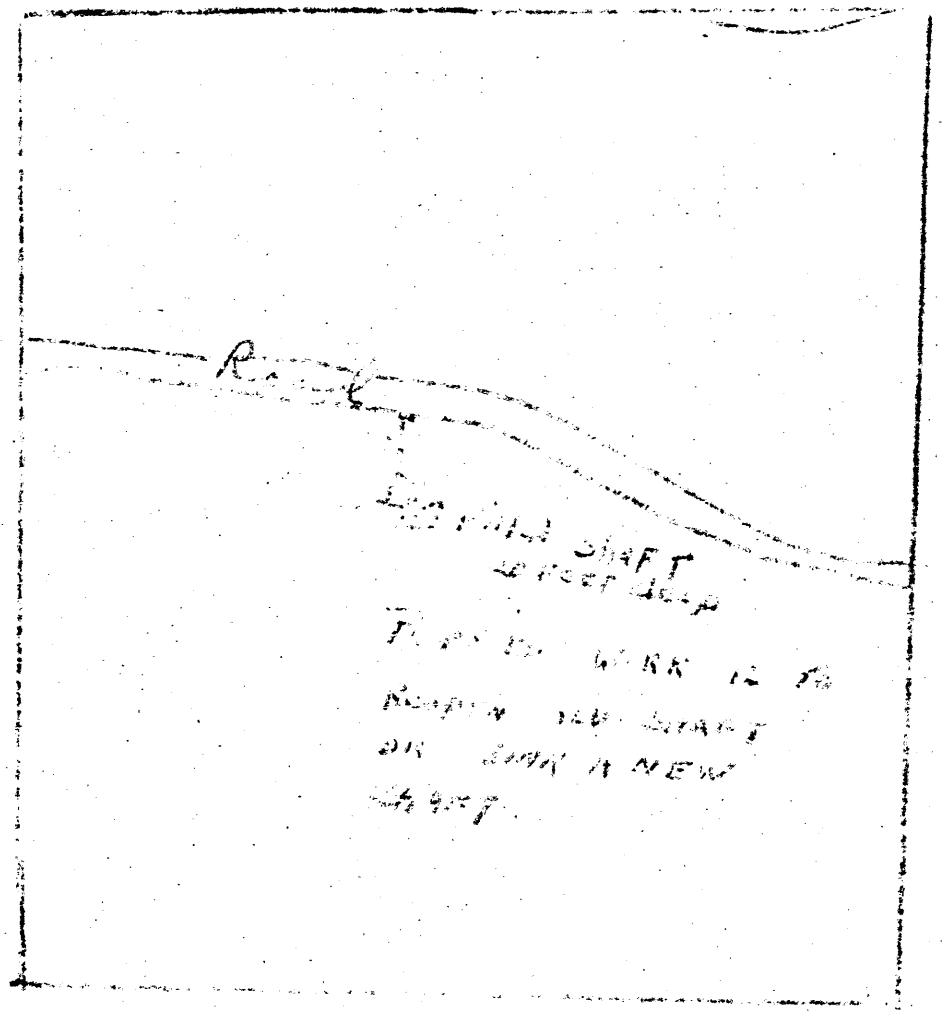
Mr. Cooke is 40 years and lives at Minpr[illegible] North Carolina. He has lived in this visinity all his life. He has a fin[illegible] reputation for honesty and trustworthiness. He has been in the spar milling and mica mining all his life. Some of the places he has worked are: Joe Fouts and U. S. Feldspar Company.

For references:

Mr. J. C. Wilson
Spruce Pine
N. C.

Mr. Steve Sparks
Spruce Pine
N. C.

Mr. A. C. Tainter
Spruce Pine,
N. C.


ROCK
BEGINNING SHAFT
20 FEET DEEP
THIS IS WHERE WE ARE
BEGINNING NEW SHAFT
OR SINK A NEW
SHAFT.

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

Project Summary Report

By: Walter C. Anderson WCA November 16, 1954

1. Docket No. DMEA-3247 - Mica
Contract No. Idm-E664
Ernest Johnson Mica Mine
Mitchell County, North Carolina

Operators: Newland Buchanan, Kester Buchanan, and Frank Cook, Partners
c/o Newland Buchanan
Spruce Pine, North Carolina

Application - Form MF-103, received January 27, 1954.
Work proposed - 80 feet of shaft and 100 feet of drifts.
Amount requested - $7,500.00

Operators' property rights:
Lease for five years, dated January 14, 1954.
Owner's Consent to Lien

2. Contract - (MF-200(A) February 1952) - dated March 22, 1954
Work authorized:

60 feet of shaft @ $50.00/ft.	$3,000.00
100 feet of drift and/or crosscut @ $35.00/ft.	3,500.00
Fixed total Unit Cost	$6,500.00
Government participation @ 75%	$4,875.00

Amendments - none

Work completed: Same as authorized.

Work began on April 5, 1954, and completed September 24, 1954. An estimated three tons of "mine run mica" produced during project from which $946.58 worth of mica was sold.

Field Team Final Report received October 11, 1954.
Operators' Final Report received October 7, 1954.

3. Audit - certificate issued October 20, 1954

Accepted cost	$6,500.00
Government participation	$4,875.00

4. Certification of discovery issued_____.

Ore reserves: No estimate can be made since work did not expose the mica zone sufficiently to determine size, shape, and extent of strategic mica.

5. Comments:

How conducted - In a workmanlike manner. Operators followed Field Team suggestions closely.

Operation - good.

Engineering - Good planning and reporting by the Operators. The Operators' final report was fully descriptive and accurate.

Geological premise - The premise that the pegmatites would continue was correct, since a 40-foot pegmatite was exposed in the laterals.

Geological criteria upon which work was based:

1. Two unzoned pegmatites, each 10- to 15-feet thick.
2. Two mica shoots.
3. Six percent of mine-run book mica was trimmed sheet and punch.
4. Mica - ruby, clear, very hard, and flat.
5. Past production.

Criteria developed during project:

1. Unzoned, conformable pegmatite about 40-feet thick.
2. Mica - ruby, hard and of good size, from which trimmed mica can be processed.
3. Production during project.

Future possibilities: Good for production of strategic mica. Operators plan additional exploration and mining.

Recommendations: The Nonmetallic Minerals Division concurs in Field Team's recommendation that a certification of discovery or development should be issued. The Geological Survey and the Bureau of Mines also concur.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/23	Murphy	500
	Brown	500
3/23	Talbut	800
	Selfridge	320
3/24	Johnson	110
	Henry	100
		320

MAR 2 4 1964

Mrs. H. T. Barksdale
104 Hillcrest Circle
Spruce Pine, North Carolina

Re: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, North Carolina
Contract Idm-E664

Dear Mrs. Barksdale:

Thank you for the information in your letter of February 27, 1964. We are sorry to hear of the passing of your husband, who with Frank Cook and Clyde Norton executed an Owner's Consent to Lien on the Johnson Mine property in connection with the subject contract.

The period during which royalty was due on production from the subject property expired on March 22, 1964; therefore, the Government retains no lien or claim on the land. We, therefore, are closing our books and records on this contract.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/mm (3/9/64)
cc: Director's Reading File
R. A. Laurence w/cy of incoming ltr dated 2/27/64
CA&A Division
Docket
Code 500

23263

Grissel
220

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee ☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

H. T. Barksdale

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Mrs. H. T. Barksdale

DATE DELIVERED	ADDRESS WHERE DELIVERED *(only if requested in item #1)*
7/25/64	

3247

C55—16—71548-4 GPO

DMEA 3247

Spruce Pine, North Carolina
February 27, 1964

DMBG-3247
E664

Mr. F. M. Murphy, Acting Chief
Division of Minerals
Washington 25, D.C.

Dear Mr. Murphy:

I am in receipt of your letter of February 20, 1964 in regard to a Mica mine that my husband has at one time been in partnership with two Buchanan men, namely Johnson Mine.

My husband passed away last April 16, 1963 and I am sorry to say that I know nothing of this Mine and its operation. As far as I know, it has not been worked or mined in at least a year. I have not received any royalty or correspondence of any kind about it.

I am sorry that I cannot give you more information at this time. However if I find out later, I will be glad to contact you.

Very truly yours,

Mrs. H. T. Barksdale

104 Hillcrest Circle

Spruce Pine, N. C.

Royalty expires 3/22/64

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 2 1964

DATE	INITIALS	CODE
3/2	[illegible]	800
		~~120~~
		~~100~~
3/2	[illegible]	~~110~~
	Murphy	500
		220

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

February 20, 1964

Re: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, N. C.
Contract Idm-E664

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. H. T. Barksdale

Spruce Pine, North Carolina

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 2 1964

DATE	INITIALS	CODE

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since December 12, 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since December 12, 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____		
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

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

February 20, 1964

Re: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, N. C.
Contract Idm-E664

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. H. T. Barksdale

Spruce Pine, North Carolina

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since December 12, 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since December 12, 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____		
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/7	[illegible]	120
1/7	Talbert	800
1/7	Johnson	110
1-7	[illegible]	100

JAN 7 - 1963

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, North Carolina
Contract Idm-E664

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

George C. Selfridge

(pH)

Enclosure

GCSelfridge/egk (1-7-63)
cc: Docket DMEA-3247
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 1/3/63 and orig. of memo dtd 1/3/63 to Chief, Div. of Field Operations from CA&A Division,
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

January 3, 1963

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, North Carolina
Contract Idm-E664

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

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

(b) Two copies to Region IV files.

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

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

Enclosures

EDTalbert/ama 1-3-63

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

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/10	Murphy	500
12/10	Falkenstein	800
	Sellon	420
12/10	Johnson	110
12/10	Fonnash	100
		220

DEC 10 1962

Mr. H. T. Barksdale

Spruce Pine, North Carolina

Re: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, North Carolina
Contract Idm-E664

Dear Mr. Barksdale:

Enclosed are the three incomplete copies of MME Form 63 which you returned to this office. This information is essential for our records; therefore, we would appreciate your filling out the forms and returning two of them to this office.

Not returned. The forms returned indicated no production or property transfer. However they were not signed or dated. FMMurphy

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

Enclosure

FMMurphy/mm
12-10-62
cc: Director's Reading File
Docket
Code 500

43683

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

November 21, 1962

Re: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, N. C.
Contract Idm-E664

Mr. H. T. Barksdale

Spruce Pine, North Carolina

Dear Mr. Barksdale:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This is with regard to the Owner's Consent to Lien signed by you dated January 14, 1954.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 4 1962

DATE	INITIALS	CODE
12/19		800
12/19		100
12/20		~~110~~
		500

MME Form 63
Revised 3-62

DMEA-3247
Idm-E664

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since June 15, 1960, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐ ?

2. Since June 15, 1960, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	None	Tons		
Concentrates	None	Tons		
Other	None	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name H. T. Barksdale Title

Address Spruce Pine, N.C. Date Dec. 12, 1962

4511

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

September 4, 1963

Re: [illegible]A-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, N. C.
Contract I[illegible]-E6[illegible]

send 65[illegible] by
Registered Mail. same address

Mr. H. T. Barksdale

Spruce Pine, North Carolina

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

s/F. H. Murphy

F. H. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since December 12, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since December 12, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____	_____	_____
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	_____ Tons	_____	_____
Concentrates	_____ Tons	_____	_____
Other	_____ Tons	_____	_____

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/16	Talbert	800
7/16	Murphy	500
	Hirschel	500
7/16	[illegible]	130
11	Johnson	110
7/16	Terrell	100
		220

JUL 16 1962

Memorandum

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

From: Chief, Division of Field Operations

Subject: DMEA-3247 (Mica)
Newland Buchanan, Kester Buchanan, and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract Idm-8664
and
DMEA-3452 (Mica)
Howard Boone and John Jarrett, Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Idm-8734

Thanks for your July 11 memorandum regarding the July 8 letter from M. S. Burleson. In accordance with your suggestion I have checked with Frank Lesure as to the possibility that the property referred to in Mr. Burleson's letter as "Morris-Putnam" may be the same as the "Marsh Putnam" under Contract Idm-8734, Docket DMEA-3452.

Mr. Lesure's records indicate that the Morris-Putnam property is not the Marsh Putnam prospect. It is, however, in the same vicinity as both the Marsh Putnam prospect and the Johnson mine.

George C. Selfridge

(26B)

EDTalbert/ama 7-16-62

cc:
Docket - DMEA-3247
Director's Reading File
CA & A Division
Review Committee

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 13 1962

DATE		
7/13		~~120~~ 800
		500

July 11, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME, Washington, D. C.

From: Robert A. Laurence

Subject: DMEA-3247 (Mica)
Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-E664

Reference: Letter from M. E. Burleson, dated July 8, 1962.

The property called "Morris-Putnam" in this letter is probably the same as the "Marsh Putnam" of DMEA-3452, Contract Idm-E734, which also was certified. I would suggest that you check this with Frank Lesure.

I asked [illegible] 7/16

Robert A. Laurence
Robert A. Laurence

MOUNTAIN MINING COMPANY
P. O. BOX I
SPRUCE PINE, N. C.

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 9 1962

DATE	INITIALS	CODE
7/9	[illegible]	800
7/10	[illegible]	500
	Murphy	
		220

July 8th,1962

U. S. Department of The Interior
Office of Minerals Exploration
Washington 25, D. C.

Att: George Fumich Jr.

Re: DMEA-3247(Mica)
Newland Buchanan, Kester Buchanan & Frank Cook, Partners
Johnson Mine
Mitchell County, N. C.
Contract Idm-E664

Dear Mr. Fumich:

This will answer your letter to Mr. H. T. Barksdale on July 3rd.

This is a mix up of properties due to Frank Phillips stating at the time of sale that it came from the Johnson Property. The property from which the mica was sold was known as the Morris-Putman property but at the time we purchased the property it was owned by two Johnson brothers so Mr. Phillips designated it as the Johnson Mine because he did not know it as the Morris-Putman property.

The contract referred to above and mine worked with the loan is at least a half mile from where Mr. Phillips mined the mica he sold because the writer knows all the parties involved and knew about the loan at the time the above parties were working the mine. The mine the loan was secured on is on the narrow gravel road that goes down back off a small store at Bandana, N. C. It is only about three to four hundred yards from the store.

I hope this will clarify this matter for your office.

Very truly yours,

M. E. Burleson

M. E. Burleson

Copies sent Reg. IV
Fulbert
7/9/62

(Mr. Griesser)

7/10/62

Mr. Murphy

My record shows you sent out a Form 63 on this docket 3/21/62. I have not seen a return signed 63, nor is one among the 63's accumulated in the last two weeks. Wonder if one came back & bypassed us.

Grace

DMBa-3249

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/2	Talbert	800
	Murphy Carlson	500
	Grasso	500
7/3	Selfridge	120
"	Johnson	110
7-8	Fumich	100
		220

Mr. H. T. Darksdale
Spruce Pine, North Carolina
Mr. Frank Cook
Minpro, North Carolina
and
Mr. Clyde Norton
Old Fort, North Carolina

JUL 3 1962

Re: DMEA-3247 (Mica)
Newland Buchanan, Kester Buchanan,
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract Idm-5664

Gentlemen:

An Owner's Consent to Lien executed by each of you as an inducement to the Government to enter into the referenced exploration project contract granted to the Government a lien for its percentage royalty provided by the contract for a period of 10 years from the date of the contract, March 22, 1954, or until the entire amount of the Government's contribution to exploration costs have been repaid. The Government's contribution amounted to $4,875.00 of which $108.83 has been repaid to date.

Our files disclose that a purchase was made of 3,570 pounds of block mica by the Mica Purchase Depot, Spruce Pine, North Carolina, for $854.94 on which royalty has not been received by the Government. This sale was made by M. E. Burleson and Frank W. Phillips Co., c/o Mitchell Lumber Co., Spruce Pine, North Carolina, covered by final settlement of the Depot under lot No. SPBR-163(a), approved August 14, 1960. Royalty due at the 5 percent rate provided by the contract is $42.75.

Please promptly remit the amount of $42.75, plus any additional royalty which may be payable to the Government on any other sales of mineral production from the property. Remittance should be made by check or money order payable to the Office of Minerals Exploration.

CEFisher/ama 7-2-62

Sincerely yours,

George Fumich, Jr.

Director

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

43683

OMB Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		500
		120
		110
		300
		310

DMEA-3247

June 27, 1962

Memorandum

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

From: C. E. Fisher, OME Auditor

Subject: Audit Trip to Spruce Pine, North Carolina

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

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

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

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

During the early stages of the exploration program, that is until 1957/8, two or more Government representatives were supervising exploration work in this mica region. They made frequent inspections of the various properties and were aware of what was happening. Mr. Beck made regular trips through the area and reminded the various parties of their royalty obligations. He checked the Depot records and often collected royalty. Several audit trips were made by representatives of this office, the last being my trip in February 1958. Mr. Beck continued his visits to the Depot and to the various operators through 1959 and subsequent investigations have been made by Messrs. Lynch and Leaure.

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

First, a typical contract resulted in production during the exploration period and sometimes a little longer. Most of the mica exploration contracts were completed prior to 1959.

Second, nine of the mica exploration contracts had repaid their entire Government advance prior to 1958 and, of course, had no further royalty obligation. (For example, Sinkhole Miners, Idm-E364, DMEA-2379, operated right up to the day the Depot stopped buying.)

Third, there was a tendency on the part of the individual miners and some of the larger operators to work properties not subject to the Government lien for royalty. I noticed some instances where the name of the mine indicated that the production came from properties where DMEA had issued letters of no discovery. If the Government was supplying most of the mining expense in the form of contributions to exploration costs, why not work a property not subject to the Government's 5% royalty?

I visited the Spruce Pine Mica Company and met Mr. Lawrence Conley, who has been with that company and in the mica business for many years. He informed me that the only mica from the White Face Mine (Contract Idm-E662, DMEA-3255) his company had purchased were the two lots sold by John Carroll in 1954. Mr. Beck and I collected $13.34 royalty applicable to these sales from the property-owner, W. Howard Simpson, President of Non-Metallic Minerals Corp., on March 16, 1955. Mr. Conley expressed the opinion that no work had been done on the property since John Carroll was there.

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

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contract
discussion

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was sold.
Mica Miners,
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the small royalty in

I secured [illegible] copy of the final settlement statement for [illegible], approval May 14, 1958, covering purchase from

Frank W. [illegible] ,515 pounds [illegible] pounds of [illegible] A Report of Royalty [illegible] 23, 1[illegible] [illegible] 519.73 unpaid royalty [illegible] to this [illegible] [illegible] document was obtained to [illegible] production subsequent to [illegible] by the [illegible] operators under the contract. [illegible] by [illegible] royalty is not collected [illegible] original operator [illegible] mine the property during the repayment period.

Contract I[illegible] [illegible] Inc., [illegible] Interest

Final settlement statement for lot [illegible] July 20, 1956, under which [illegible] Redus [illegible], [illegible]ville, N. C., received a net settlement of [illegible] "Summer" [illegible] contract covered exploration at the [illegible] contract and [illegible] Summer, [illegible] ville is the county seat of [illegible] County [illegible] by Mr. Redus covered [illegible] under the [illegible] on the settlement sheet.

On March 11, 1955, Mr. [illegible] owner whose address is Summer [illegible], Inc., [illegible]ville, N. C., and found that the [illegible] about sales from [illegible] owner of the [illegible] the sale [illegible] which the Government [illegible] because of [illegible].

Contract I[illegible], [illegible], Dixie [illegible]

Final settlement statement was [illegible] approved August [illegible], under [illegible] Sylva, N. [illegible] settlement statement [illegible] give the location of the [illegible] exploration at the Shell Ridge [illegible] of which Sylva is the county seat.

Contract I[illegible], [illegible], [illegible]

Final settlement [illegible] and SPBR-68(a), [illegible] 23, [illegible] aggregating

$206.[illegible] and $[illegible], respectively, for mica sold by Baird Cove Mining Company, Route 3, c/o Ralph Cunningham, Franklin, N. C. The name and location of the mine are shown as Baird Cove Mine, Macon County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-5495, DMEA-2793, Burns-Spangler Construction Co.

Final settlement sheet SPAR-157(a), approved September 19, 1958, covered payments aggregating $156.64 to Ed Burleson, Box 265, Bakersville, N. C. The name and location of the mine are shown as Lee Cornwell, Cleveland County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-5548, DMEA-2921, Fred Taylor, Julian Greene & Johnnie Greene

Final settlement sheet SPAR-547(a), approved May 8, 1959, covered payment of $214.14 to Lewie Aldridge, Spruce Pine, N. C. The name and location of the mine are shown as Cow Camp, Avery County, N. C., which is in agreement with the description of the mine in the exploration contract.

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

Check dated June 14, 1962, from B-K Associates brought royalty receipts under this contract up to $4,279.[illegible] or within $130.61 of the total Government contribution.

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

Date	Lot No.	Amount	
6/7/62	SPAR-496	$2,145.16	Final
6/15/62	" -51[illegible]	1,214.58	"
4/5/62	" -52[illegible]	1,100.98	Preliminary
4/12/62	" -53[illegible]	1,181.30	"
4/19/62	" -53[illegible]	950.32	"
4/26/62	" -54[illegible]	875.89	"
5/3/62	" -547	966.57	"
5/10/62	" -56[illegible]	842.03	"
5/18/62	" -566	917.21	"
6/1/62	" -591	435.49	"
6/5/62	" -599	236.26	"
6/7/62	" -60[illegible]	279.04	"
4/5/62	SPAO-156	222.24	"
4/12/62	" -161	296.28	"

Contract Idm-E618, DMEA-5152, Dixie Mines, Inc.

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

Lot No.	Date Approved	Seller	Amount
SPAR-257(a)	11/5/58	S. P. Lett, Rt. 3, Linville, Ala.	$2,019.20
" -270(a)	12/30/58	" " " "	483.57
" -333(a)	12/19/58	" " " "	861.37
" -414(a)	3/16/59	L. T. Rounds, Rt. 2, Columbiana, Ala.	187.82
" -511(a)	3/25/59	" " "	649.37
" -780(a)	6/23/59	" " "	386.98

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

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

Does not apply see Burleson letter 7/8/62 in file. JMM

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

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

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

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

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

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

Contract Idm-5665, DMEA-3216, Hector Mining Company

Final settlement sheets for lots SPAO-10(a) and SPAO-14(a), approved September 7, 1960, covered payments aggregating $19[illegible].70 and $141.11, respectively, to Dan Allen, Route 2, Burnsville, N. C. The name and location of the mine are shown as Hector Mine, Yancey County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-5734, DMEA-3452, Howard Boone & John Jarrett

Final settlement sheet for lot SPAR-359(a), approved December 1, 1959, covered payments aggregating $101.31 to Persley & Grindstaff, c/o Roy Grindstaff, Route 3, Bakersville, N. C. The name and location of the mine are shown as Putman, Mitchell County, N. C., which is in agreement with the description of the mine in which exploration was performed.

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

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

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

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

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

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

CEFisher/ama 6-27-62

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

[illegible]-annual report on [illegible], North Carolina

Idn-#	Operator	Date Inspected
495	Burns & Spangler Construction Co. (Lee [illegible] Mine)	June 18 [illegible]
548	Taylor and Greene (Cow [illegible] Mine)	
516	Good Mica Mining Co. (Engle Cope Mine)	
557	J. P. Bryson (S.T.A. Mining Co.) (Dream [illegible])	
560	Murphy [illegible] (Dennis [illegible])	
638	Ellis & [illegible] (Byrd [illegible])	
665	Sparks & [illegible] (Necco [illegible])	
639	Willis & Snyder (Lutz Mine)	
694	N. S. [illegible] (Wes[illegible])	
664	Buchanan & [illegible] (Johnson [illegible])	
662	Non-Metallic Minerals (White [illegible])	
697	Brown & [illegible] (Fox [illegible])	
692	Phillips & Carpenter (W. L. Kellinger Mine)	
[illegible]	J. L. [illegible] (Ingram [illegible])	
674	Phillips & Carpenter (Mud Cut Mine)	
[illegible]	Rock Mining Co. (Rock Mine)	

OFFICIAL FILE COPY
O. M.
RECEIVED NOV 25 1959

DATE	INITIALS
11-25	gad
"	JZ
11/30	[illegible]
"	gla

OFFICE OF MINERALS EXPLORATION

Semi-Annual Report on Certified Projects

INACTIVE SINCE LAST INSPECTION

Commodity: Mica

Reporting Period: July 1, 1959 to December 30, 1959

The following certified projects in the [illegible] Carolina area were checked at the Government Purchasing Agent, [illegible] contacting the Operators, either directly or by [illegible] were checked during the first two weeks of November [illegible] to have been inactive since the last semi-annual report:

Project No.	Idm-E	Operator	Mine Name
[illegible]	181	Yancey Mica Mines, Inc.	Catpail
[illegible]	349	Robinson & West	[illegible]
[illegible]	519	Twiggs, Glen & Green	Sam Ruckins Mine
3006	560	Murphy Mining Co.	Bennett Bed
3154	636	Ellis & Grindstaff	Byrd
3199	694	W.B. Chrisawn	Westall
3247	664	Buchanan & Cook	Johnson
[illegible]	662	Non-Metallic Minerals	White [illegible]
[illegible]	687	Brown & Rathburn	Fox [illegible]
[illegible]	710	Rock Mining Co.	Rock [illegible]
[illegible]	734	Boone & Jarrett	Martin [illegible]
[illegible]	757	C. R. Phillips	[illegible]
3700	814	Roy Grindstaff	Conley
[illegible]	882	J.R. Beam & John Phillips	Little Ray
[illegible]	962	Sam Phillips	Old Buchanan

[illegible]

V. J. Lynch, Mining [illegible]
Bureau of Mines--OME

Nov. 23, 1959

ORIGINAL FILE COPY
DMEA
RECEIVED NOV 6 1957

DATE	INITIALS	CODE
11/6	gb	220

EXPLORATION PROJECT

Semi-Annual Report of Certified Project

On

DMEA-3247, Idm-E664 (mica) JOHNSON MINE
Mitchell County, North Carolina

Operator: Newland Buchanan, Kester Buchanan and Frank Cook
c/o Newland Buchanan, Spruce Pine, N.C.

Reporting Period: 1-1-57 to 7-1-57

This property was visited October 22, 1957. The mine was not being operated at the time.

In June and July Roy Grindstaff and partners, operated the mine for a short time. According to Mr. Grindstaff they were looking for a reported mica shoot and ran into old works. They lost $900 in the venture and did not produce any mica.

Wm. A. Beck

Wm. A. Beck, Mining Engineer
Bureau of Mines

z

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting Period: To 1-1-57. Date of Examination: 4-24-57

Operators: Newland Buchanan, Kester Buchanan andFrank Cook, Ptnrs.
c/o Newland Buchanan, Spruce Pine, North Carolina

Mine Name: Johnson Mine. County: Mitchell. State: NorthCarolina

Docket No. DMEA-3247. Contract: Idm-E664. Commodity: Mica

Date of Contract: March 22, 1954. Date of Certification: 12-2-54

Expiration Date of Royalty Payment: March 22, 1964

Total Amount of Contract: $6,500.00

Total Expenditures under Contract: $6,500.00

Government Participation at 75%--$4,875.00 . Royalty Paid this Period: None

Previous Royalty Payments: $108.83

Total Royalty Paid todate: $108.83

Percent Government Participation Repaid: 2.232 percent.

Royalty Due: None

Royalty Remarks: Mine not in operation.

Original Estimate of DMEA Reserves(Field Team Final Report) None given.

Production DMEA ore this period: None

Previous Production:

Type	Pounds	Amount
Sheet mica	171.23	$1,808.37
Punch "	1,924.00	230.88
Scrap "	9,570.00	137.18
Total..	11,665.23	$2,176.43

Production todate: Same as above.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 27 1957

DATE	INITIALS	CODE
5/27	C	220
5/27	COM	100

REMARKS: This property was visited April 24, 1957. There was no equipment on the property and apparently the mine had not been worked since termination of the contract. The shaft was full of water, but the timbering seemed to be in good shape.

W. A. Beck

Wm. A. Beck, Mining Engineer
Bureau of Mines

z

Docket Copy
Surname:
Anderson
Houk
Chambers

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

DEC 22 1954

Mr. Clyde Norton

Old Fort, North Carolina

Re: Docket No. DMEA-3247 - Mica
Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-E664

Dear Mr. Norton:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased by H. T. Barksdale, Frank Cook and Clyde Norton of Mitchell County, North Carolina, to Newland Buchanan, Kester Buchanan, and Frank Cook, under a Mining Lease, dated January 14, 1954, and is the same property referred to in the Owner's Consent to Lien.

Also enclosed is a copy of our letter, dated December 2, 1954, and addressed to Mr. Newland Buchanan, addressee in behalf of the Operators.

Sincerely yours,

G. O. Mittendorf

Administrator

Enclosures 2

WCAnderson:gad 12/21/54
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Houk
Mr. Hedges, 4604
Mr. Kiilsgaard, 5222
Field Team, Region VII
Operating Committee

R.C.S.

Docket Copy
Surname:
Anderson
Houk
Chambers

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

DEC 22 1954

Mr. H. T. Barksdale

Spruce Pine, North Carolina

Re: Docket No. DMEA-3247 - Mica
Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-E664

Dear Mr. Barksdale:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased by H. T. Barksdale, Frank Cook and Clyde Norton of Mitchell County, North Carolina, to Newland Buchanan, Kester Buchanan, and Frank Cook, under a Mining Lease, dated January 14, 1954, and is the same property referred to in the Owner's Consent to Lien.

Also enclosed is a copy of our letter, dated December 2, 1954, and addressed to Mr. Newland Buchanan, addressee in behalf of the Operators.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosures 2

WCAnderson:gad 12/21/54
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Houk
Mr. Hedges, 4604
Mr. Kiilsgaard, 5222
Field Team, Region VII
Operating Committee

R.C.4.

Docket Copy
Surname:
Anderson
Houk
Chambers

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

600

DEC 22 1954

Mr. Frank Cook

Minpro, North Carolina

Re: Docket No. DMEA-3247 - Mica
Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-E664

Dear Mr. Cook:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased by H. T. Barksdale, Frank Cook and Clyde Norton of Mitchell County, North Carolina, to Newland Buchanan, Kester Buchanan, and Frank Cook, under a Mining Lease dated January 14, 1954, and is the same property referred to in the Owner's Consent to Lien.

Also enclosed is a copy of our letter, dated December 2, 1954, and addressed to Mr. Newland Buchanan, addressee in behalf of the Operators.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosures 2

WCAnderson:gad 12/21/54
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Houk
Mr. Hedges, 4604
Mr. Kiilsgaard, 5222
Field Team, Region VII
Operating Committee

R.C.S.

Docket Copy
Surname:
Anderson
Houk
Martin
Chandler
Hedges
Kielsgaard
Selfridge
Elderson

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

DEC - 2 1954

Mr. Newland Buchanan

Spruce Pine, North Carolina

Re: Docket No. DMEA-3247 - Mica
Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-3664

Dear Mr. Buchanan:

Transmitted herewith is a certification of discovery or development on Contract No. Idm-3664 on the Johnson Mine, Mitchell County, North Carolina.

By the terms of the Exploration Project Contract and of the certification, all production from the property from the date of the Exploration Project Contract, March 22, 1954, is subject to the Government's percentage royalty as set forth in the contract until the sum of $4,875.00 is paid or until March 22, 1964, 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 Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check to the Executive Officer.

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

CAnderson:gad 11/17/54

Field Team, Region VII
Mr. Houk
Mr. Hedges, 4604
Operating Committee
Docket
Mr. R. File

R.C.2

Docket Copy
Surname:
Anderson
Houk
Rubin
Chambers
Hedges
Kiilsgaard
Selfridge
Johnson

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

DEC - 2 1954

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

Re: Docket No. DMEA-3247 - Mica
Newland Buchanan, Lester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-E664

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 on March 22, 1954, with the Government participating to the extent of 75% of $6,500.00 or $4,875.00.

The project was started on April 5, 1954, and completed September 24, 1954, after the expenditure of $6,500.00 which is the total net accepted cost according to the Audit Review. The Government paid 75% of the total accepted cost or $4,875.00.

The work performed on this project consisted of sinking a 60-foot shaft and from the bottom of the shaft drifting and/or crosscutting a total of 100 feet. The drifting exposed a conformable unzoned pegmatite about 40 feet thick enclosed in mica schist and gneiss. A commercial deposit of sheet mica was discovered by this work. An estimated three tons of "mine run" mica was produced during the project from which $946.58 worth of mica was sold.

An ore reserve estimate cannot be made, since work did not expose the mica zone sufficiently to determine the size, shape, and extent 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 the contract.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure
JCAnderson:gad 11/17/54

Operating Committee
Field Team, Region VII
Mr. Kiilsgaard, 5222
Mr. Hedges, 4604

Johnson
Mr. Chambers
Mr. Houk

R.S.

C
O
P
Y

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

November 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA- Region VII

Subject: Address of signers of Owner's Consent to Lien.

Pursuant to the request in your letter of November 10, there are listed below the addresses desired:

DMEA-3229, Contract No. Idm-E 659, (Lutz Mine)
Forest Lutz and wife, Zoe, Shelby, N. C.

DMEA-2875, Contract No. Idm-E 613 (Cox Mine): N. W. Garrett, Waynesville, N. C.

DMEA-3247, Contract No. Idm-E 664 (Johnson Mine):
~~H. T. Barksdale~~
H. T. Barksdale, Spruce Pine, N. C.
Frank Cook, Minpro, N. C.
Clyde Norton, Old Fort, N. C.

Robert A. Laurence

Docket Copy
Surname:
Houk
Selfridge

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

NOV 10 1954

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Dear Mr. Laurence:

Reference is made to the Operating Committee Minutes No. 390, dated July 12, 1954, and No. 435, dated October 29, 1954, setting up procedure for notifying the lessors when a property has been certified as a discovery.

This office lacks the correct addresses for the signers of the Owner's Consent to Lien on the following dockets:

DMEA-3229	Contract No. Idm-2659
DMEA-2875	Contract No. Idm-2613
DMEA-3247	Contract No. Idm-2664

On Docket No. DMEA-3247 one of the signers of the Owner's Consent to Lien is Frank Cook, Mimpro, North Carolina. There are no addresses for the other two signers.

In the future it might be well to have each signer of the Owner's Consent to Lien put his address on the document at the time he signs it.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

J. H. Hedges
Member, Bureau of Mines (JHB)

E. L. Newcomb
Member, Geological Survey (ELN)

LGHouk:gad 11/9/54
Copy to: Admr. R. File
Docket (3)
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk (3)

R.C.S.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
NOV 5 - 1954

November 4, 1954

Re: DMEA-3247
Buchanan Bros. & Cook
(Johnson Mine)
Mitchell Co., N. C.
$6,500 - Mica

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of final field report

The completed contract work consisted of a 60 foot shaft, and 100 feet of crosscutting and drifting.

An unzoned pegmatite about 40 feet thick has been exposed in the lateral workings on the 56-level.

About 3 tons of "mine run" mica have been produced from the DMEA exploration workings. A part of this production was sold for $946.58.

Although an accurate estimate of reserves cannot be made, it is apparent that additional mica will be mined as a result of exploration development with Government assistance.

A certificate of discovery should be issued.

E. L. Newcomb

E. L. Newcomb

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

October 15, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3247 (mica)

Applicant: Buchanan and Cook

Name and Location of Property: Johnson Mine
Mitchell County, North Carolina

Contract Number: Idm-E664

Date of Field Team Report: October 5, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: 10/11/54

Field Team Recommendation:

1. No certification.

Comments:

1. Exploration, which began April 5, 1954 and was completed September 24, 1954, consisted of sinking a 60-foot shaft and drifting 100 feet from the 56-foot level.

2. Expenditures:

Total approved	$6,500.00
Total cost	6,500.00
Gov't. share	4,875.00
Value of production during exploration	?

3. No strategic mica was encountered.

Recommendation:

I concur in the field team's recommendation to deny certification.

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

October 13, 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: DMEA Office, Region VII - Knoxville, Tennessee

Subject: Royalty check on Idm-E 664, DMEA-3247, Buchanan, Buchanan & Cook

Attached is a bill of sale for $461.14, and a check for $23.06 which is 5% royalty due the Government on the subject contract.

D.H. Amos,

ZM.
cc:
Beck
Lynch
Mittendorf
Sam Phillips
Files

COPY

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 153A Acceptance No. 652 Date: 10-6-54

Seller: Sam Phillips, (Buchanan, Buchanan & Cook) Spruce Pine, N. C.
c/o Newland Buchanan

Mine: Johnson Mine DMEM No. 3247, Idm-E 664 (mica)

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No.3 & larger					$70.00	
No. 4 and 5				1.16	$40.00	46.40
No. 5½ and 6				19.33	$15.00	289.95
Stained No.3 and larger		$12.00			$18.00	
No.4 and 5		$ 5.00		.65	$ 8.00	5.20
No.5½ and 6		$ 3.00		17.27	$ 5.00	86.35
Heavy Stained No.3 & larger		$ 8.00			$13.00	
No.4 and 5		$ 4.00			$ 6.00	
No.5½ and 6		$ 2.00		11.08	$ 3.00	33.24
LOT TOTALS		//////////			//////////	
TOTAL		//////////		49.49	//////////	461.14

s/s Sam L. Phillips, Owner.

cc:

Beck
Mr. Mittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON, D. C.
ROOM POST OFFICE BLDG.
KNOXVILLE 2, TENN.
October 5, 1954

RECEIVED
OCT - 7 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3247, Idm-E 664 (mica) Newland Buchanan, Kester Buchanan and Frank Cook, Ptners. Johnson Mine, Mitchell County, North Carolina

Enclosed are 4 copies each of the Operator's final report and Field Team final report on the subject exploration contract.

We agree with the recommendation that certification of discovery should be issued.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

RAL/xm
cc:
Beck
Lynch
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
OCT 13 1954

October 11, 1954

Memorandum

To: Cora Piper, Chief, Finance Division, Region VII

From: Acting Executive Officer, DMEA - Region VII

Subject : Royalty check on Idm-E 664, DMEA-3247 , Buchanan, Buchanan & Cook

Transmitted is a bill of sales for $542.73, and a check for $27.14 representing 5% royalty due the Government on the subject sale.

Wm. A. Bock

WM.
cc:
Bock
Lynch
Mittendorf
Sam Phillips
Files

Copy

Defense Minerals
OCT 13 1954

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 153A Acceptance No. 620 Date: 9-30-54

Seller: Sam L. Phillips - Spruce Pine, N.C (agent)

Mine: Johnson DMEA No. 3247, ~~IdME~~-664

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No.3 & larger					$70.00	
No. 4 and 5				2.94	$40.00	117.60
No. 5½ and 6				20.48	$15.00	307.20
Stained No.3 and larger		$12.00			$18.00	
No.4 and 5		$ 5.00		.12	$ 8.00	.96
No.5½ and 6		$ 3.00		22.38	$ 5.00	111.90
Heavy Stained No.3 & larger		$ 8.00			$13.00	
No.4 and 5		$ 4.00			$ 6.00	
No.5½ and 6		$ 2.00		1.69	$ 3.00	5.07
LOT TOTALS		//////////			//////////	
TOTAL		//////////		47.61	//////////	542.73

cc.
Beck
Millendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
OCT 11 1954

October 8, 1954

Memorandum

To: Cora Piper, Chief Finance Division - Region VII

From: Executive Officer, DMEA - Region VII

Subject: Royalty check on DMEA-3247, Idm-E 664, Buchanan, Buchanan & Cook

Transmitted is a bill-of-sales for $89.18 for mica sold from the subject contract, and a check for $4.46 representing the 5% royalty due the Government on the sale.

Robert A. Lawrence

ZM,
cc:
Beck
Lynch
Mittendorf
Newland Buchanan
Files

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

October 7, 1954

OCT 11 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: Executive Officer, DMEA - Region VII

Subject: Royalty check from DMEA-3247, Idm-E 664, Buchanan, Buchanan & Cook (Johnson Mine) mica.

Transmitted is a bill-of-sale for $136.80, mica sold from the subject mine, and a check for $6.84 which is 5 percent royalty due on the sale.

Robert A. Laurence

RAL/mm
cc:
Beak
Lynch
Mittendorf
Newland Buchanan
Files

O P Y

October 6, 1954

Sold to Diamond Mica Co., Spruce Pine, N. C.

6370 lbs. @ $28/ton (scrap) $89.18

s/s W. K. Buchanan

Johnson Mine - DMEA-3247, Idm-E664.
Buchanan, Buchanan & Cook
Spruce Pine, N. C.

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

Defense Minerals Administration
RECEIVED
OCT 7 1954

October 5, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3247, Idm-E 664 (mica) Newland Buchanan, Kester Buchanan and Frank Cook, Ptners. Johnson Mine, Mitchell County, North Carolina

Enclosed are 4 copies each of the Operator's final report and Field Team final report on the subject exploration contract.

We agree with the recommendation that certification of discovery should be issued.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

Wm A. Beck By: J. Martin
Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

October 5, 1954

Bought from : W. K. Buchanan (Johnson Mine)
DMEA-3247, Idm-E 664

1140 lbs. punch mica @ .12¢ $136.80

SPRUCE PINE MICA CO- Buyer

CC:
Beck
Mr. Mittendorf

OCT - 7 1954

Operator's Final Rept.

Spruce Pine, North Carolina
September 29, 1954

Mr. Robert A. Laurence, Executive Officer
DMEA, Region VII
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-3247, Idm-E-664 (Mica)
Johnson Mine, Mitchell County, N.C.
Final Engineering Report

Dear Mr. Laurence:

Work began on the Johnson Mine on April 1, 1954 and was completed on September 24, 1954. We moved in, set up machinery, hoist, air compressor, boom pole and mask pole and began shooting and drilling during the first week in April. The shaft had to be timbered about 17 feet, and we then were in slate and hard material. The shaft was sunk to a depth of 60 feet, with no mica found, but at the bottom the vein material looked very hopeful. We began to drift in a Northeast direction, and after drifting about 25 feet we found a few half-dollar size pieces of mica. We continued the drift in this direction until we hit old works at the 38 ft. point in the drift; then turned to the right of the old works. We recovered some small mica, and upon the suggestion of Mr. Teague, we widened the drift to take better care of the mica. Some of the mica was gummy and of poor quality, and the field team suggested we change course with the drift, moving to the North. When this was done, at about the 80' point in the drift, the mica improved and more mica was recovered.

We have recovered approximately 2½ to 3 tons of mica, and have sold mica, punch and scrap totaling $946.58. A good portion of the mica is still on hand and is being worked. Records of these sales will be sent to you when completed.

We wish to thank the field team for their help and cooperation on the Johnson project. If further details are necessary, please contact us.

Very truly yours,

Newland Buchanan

Newland Buchanan

B/b

UNITED STATES
DEPARTMENT OF THE INTERIOR

Defense Minerals Administration
RECEIVED
OCT 7 1954

Final Data Report

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT OF FIELD TEAM DMEA -REGION VII

FINAL REPORT
On

DMEA-3247, JOHNSON MINE
(mica)
Mitchell County, N. C.

BY

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

and

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
10-11-54
(date)

October 1, 1954

INTERIOR
Administration
OCT - 7 1954

FINAL REPORT
ON
JOHNSON MINE, DMEA-3247, Idm-E664
(mica)

Operator: Newland Buchanan, Kester Buchanan and Frank Cook, Ptners.
c/o Newland Buchanan, Spruce Pine, N. C.

The Johnson Mine is in Bandana Hollow about 3.25 miles southeast of Bakersville, Mitchell County, North Carolina.

Work completed under this contract consisted of sinking a 60-foot vertical shaft and driving 100 feet of laterals from the 56-foot level. As a commercial deposit of sheet mica was discovered by this work, a certification of discovery should be issued. No additional exploratory work is warranted.

The work began on April 5, 1954 and was completed on September 24, 1954. A 60-foot vertical shaft, in part timbered, was sunk and a total of 100 feet of laterals were driven from the 56-foot level. The level work consists of a 84-foot crosscut in pegmatite driven to the northwest and a 16-foot drift made in a N. 20° E. direction from a point 22 feet from the head of the crosscut. Old works were encountered in the crosscut 38-feet from the shaft and had to be by-passed.

An essentially conformable pegmatite about 40 feet thick was exposed in the laterals. The hanging wall and footwall contacts of the body are parallel striking about N. 10° E., and dipping 60°-65° Southeast. Previous work has revealed that the pegmatite lenses out upward with the crest plunging about 40° to the northeast. No zoning is apparent except for more muscovite in the northwest half (footwall portion) of the deposit. The pegmatite consists of medium-grained plagioclase (some a clear variety) quartz, muscovite, biotite, garnet and sulphides, listed in order of abundance. The enclosing country rock is mica schist and gneiss.

Mica is more abundant and of larger sizes in the vicinity of the crosscut-drift junction. It is hard and ruby -colored. Some is mineral-stained and somewhat wavy. In general, the books tend to be thein. Some are not free-splitting.

An estimated 3 tons of "mine-run" mica were recovered from the lateral work, a small portion of which has been sold for $946.58. The Operator plans to do additional exploration and mining in the area of the intersection of the crosscut and drift.

No accurate estimate of reserves can be made as neither size, shape nor attitude of the strategic mica-bearing zone has yet been thoroughly exposed.

Expenditures:

(a)	Total approved	$6,500.00
(b)	Total cost of project	6,500.00
(c)	Government's share of cost	4,875.00
(d)	Government's share unexpended	none
(e)	Value of production during opr.	?
(f)	Royalty received to date	47.33

The work done during the project was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

October 1, 1954.

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

IN 104 (Rev.)
(April 1952)

Final Report

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
OCT 15 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 195 4 Docket No. DMEA 3247 Contract No. IGn-E064
Operator's Name Rowland C. Koster Duchanon and Frank Cook Minerals Mica
Address c/o Rowland Duchanan, Spruce Pine, N. C.
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

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						
25' Drifting @ 35.00	875.00	2625.00	3500.00			
Shafting		3000.00	3000.00			
(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	875.00	5625.00	6500.00	875.00	5,625.00	6,500.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9-27-54 *Payee Johnson Mining Co.
Per Rowland Duchanon 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:

$ 656.25

Signature Cora A. Pipes
(Authorized Certifying Officer)
Date OCT 7 1954 Vou. No. 63
(See other side)

218.75

C. 9/24

(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. Hm-E664 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Sept. 30, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date OCT 1 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form DMEAF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

OCT 15 1954

Month of September 195 4 Docket No. DMEA 3247 Contract No. Idn-E664
Operator's Name Newland A Hester Buchanan and Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, 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
25' Drifting @ 35.00	Ft.	875.00	25	3500.00	100	35.00	100	35.00
Crosscutting								
Raising								
Shafts	Ft.			3000.00	60	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		875.00		6500.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		875.00		6500.00				

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 9-27-54 Operator Johnson Mining Co.

Per Newland Buchanan 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 872894

OPERATOR'S

Monthly Report of Progress

Month of September, 1954

DMEA-3247

Idm-E 664 (Mica)

Work Accomplished:

We drifted 25' during the month, and completed the 100 feet of drifting set up in the contract. We were in vein material all of the way during this month, and recovered about one ton of mica. During the month Mr. Teague visited the mine and suggested that the drift be turned slightly to the North. This was done and some of the best mica recovered to date was found.

Daily Notes:

September 1 - 3 - Pumped water, mucked. Did some shooting.

September 6 - 10 - Pumped water, recovered mica, mucked. Mr. Teague visited the mine and suggested the drift be directed more to the North. Upon following this suggestion, the mica improved.

September 13 - 17 - Shot, mucked, pumped water. Continued the drift without incident and recovered some mica each day.

September 20 - 24 - Completed the contract drifting, recovering mica and operating with no particular difficulty.

INTERIM REPORT

DMEA-3247 Idm-E664 (mica) JOHNSON MINE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 4 1954

OPERATOR: Newland Buchanan, Kester Buchanan, and Frank Cook, Partners, c/o Newland Buchanan, Spruce Pine, N. C.

LOCATION: In Bandana Hollow, about 3.25 miles southeast of Bakersville, Mitchell County, N. C. The mine is along the north side of the road and access is excellent at all times.

All work as outlined in this contract has been completed. The operators state that some additional work will continue to the northeast at their own expense.

Recent work has been confined to advancing a drift from the crosscut in a N 20° E direction for a total distance of 15 feet. Considerable mica was recovered from this work, some of which is of good quality. Material encountered consisted of pegmatite composed of quartz, feldspar stained by secondary sulphides, biotite mica and muscovite mica. The muscovite frequently contained intergrowths of biotite and a black stain. Mica concentration was in the roof zone of the drift.

One of the operators reports that mica sales totaling $940.00 have been made. 36 pounds of processed mica is ready for sale and about 3000 pounds of "mine-run" block is on hand to be processed. This project was conducted in a satisfactory manner and the operators followed closely all suggestions made by the Field Examiners.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague D. H. Amos

K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

September 23, 1954

SEP 20 1954

INTERIM REPORT

DMEA-3247 Idm-E664 (mica) JOHNSON MINE

OPERATOR: Newland Buchanan, Kester Buchanan and Frank, Cook, Partners, c/o Newland Buchanan, Spruce Pine, N. C.

LOCATION: In Bandana Hollow, about 3.25 miles southeast of Bakersville, Mitchell County, N. C. The mine is along the north side of the road and access is excellent at all times.

Crosscutting continues on this contract and now totals 84 feet. Wall material was encountered at this point in the heading, which is about 11 feet in width. The contact trends about N 10° E and some previous movement along the contact is evident. All of the crosscutting to date has been in pegmatite. Drifting to the east will begin in the near future.

No extreme material changes were noted in last work performed. Some mica was recovered up to the point of contact, but most of it contains stain.

Progress on this contract is satisfactory.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

D. H. Amos

D. H. Amos, Geologist
U. S. Geological Survey

September 9, 1954

C
O
P
Y

September 13, 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: Executive Officer, DMEA - Region VII - Knoxville

Subject: Royalty checks on DMEA Contracts.

Transmitted herewith are royalty checks as follows:

Idm-E 674, DMEA-3287, Sam Phillips, et al check for $29.80 invoice attached to check.

Idm-E 664, DMEA-3247, Buchanan & Buchanan & Cook a check for $26.60 representing 5 percent royalty. Sale slip is attached.

Robert A. Laurence

C
O
P
Y

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 153A Acceptance No. AR4-442 Date: 9-3-54

Seller: Sam L. Phillips , Spruce Pine, N. C.

Mine: Johnson Mine, DMEA No. 3247, Idm-E 664 (mica)

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No.3 & larger					$70.00	
No. 4 and 5				2.31	$40.00	92.40
No. 5½ and 6				22.23	$15.00	333.45
Stained No.3 and larger		$12.00			$18.00	
No.4 and 5		$ 5.00		.44	$ 8.00	3.52
No.5½ and 6		$ 3.00		20.52	$ 5.00	102.60
Heavy Stained No.3 & larger		$ 8.00			$13.00	
No.4 and 5		$ 4.00			$ 6.00	
No.5½ and 6		$ 2.00			$ 3.00	
LOT TOTALS		//////////		45.50	//////////	
TOTAL		//////////			//////////	531.97

C
O
P
Y

Mittendorf
Beck

DEPARTMENT OF THE INTERIOR
Bureau of Mines Minerals Administration
SEP 10 1954

September 8, 1954

Memorandum

To: Cora Piper, Chief, Finance Division - Region VII

From: Executive Officer, DMEA - Region VII

Subject: Royalty check on DMEA-3247, Idm-E664- Johnson Mining Co. (mica)

Transmitted are two copies of bill of sales for the sale of mica, and a check in the amount of $7.10 which is 5% royalty due the Government on the sales.

Robert A. Laurence

RAL
cc:
Beck
Lynch
Files
Johnson Mining Co.

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

Budget Bureau No. 42-R1036.4
Approval expires 9-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 22 1954

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

Month of August 1954 Docket No. DMEA 3247 Contract No. Idm-E664
Operator's Name Newland Buchanan, Hector Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, N. C.
Contract Amount, $ 6500.00 Government Participation: 75% Amount, $ 4875.00

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						
32' Drifting @ 35.00 ft.	1120.00	1505.00	2625.00			
Shafting		3000.00	3000.00			
(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	1120.00	4505.00	5625.00	1120.00	4505.00	5625.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-17

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9-8-54 *Payee Johnson Mining Co.
Per Newland Buchanan 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:
$ 840.00
Signature Cora A. Pipes
(Authorized Certifying Officer)
Date SEP 20 1954 Vou. No. 59
(See other side)

5

280.00

(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. Tm-E664 in accordance with the terms of the contract.

Signature Lawrence E. Shurley Title Mining Engr. U.S.B.M. Date Sept. 13, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawson Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 15 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 22 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 3247 Contract No. Idm-E064
Operator's Name Newland Buchanan, Kenton Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, 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
32' Drifting @ 35.00	Ft.	1120.00	32	2625.00	75	35.00	100	35.00
Crosscutting								
Raising								
Shafts	Ft.			3000.00	60	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1120.00	32	5625.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1120.00		5625.00				

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 9-3-54 Operator Johnson Mining Co.

Per Newland Buchanan 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

SEP 28 1954

OPERATOR'S
Monthly Report of Progress

Month of August, 1954

DMEA-3247, Idr-E664

Mica

Work Accomplished:

We drifted 32' during the month, in vein material all the way, and recovered about one ton of mica. The mica is not a very high quality, being slightly gummy. We widened the drift during the last part of the month, upon the suggestion of Mr. Teague, in order to take better care of the mica.

Daily Notes:

August 2 - 6 - Pumped water, did some shooting, recovered some mica each day.

August 9 -13 - Pumped water, drilled and shot. In vein material all the way, recovering mica in small amounts.

August 16-20 - Continued with the drift as before, pumping water and working in vein. Field Team visited mine on Aug. 18 and suggested widening the drift in order to protect the mica being recovered.

August 23-27 - Pumped water, drilled and shot. More mica now being recovered each day, but the mica is of a gummy quality.

August 30-31 - Continued with the same work. About a ton of mica has been recovered alltogether during the month.

C
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DMEA-3247, Idm-E 664, Johnson Mining Co.
(Johnson Mine)

August 28, 1954

Sold to the English Mica Co., Spruce Pine, N. C.

Scrap mica 3000 lbs. @ $30/ton $48.00

Signed: F. E. Buchanan, Ptnr.

Sept. 3, 1954

Bought from Johnson Mining Co.

784 lbs punch mica $94.08

Signed: L. A. Conley

$142.08

5% of $142.08 = $7.10 royalty.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 10 1954

C
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INTERIM REPORT

DMEA-3247, Idn-E 664, JOHNSON MINE
Mica

Operator: Buchanan, Buchanan & Cook. c/o Newland Buchanan, Spruce Pine, N.C.

Location: In Bandana Hollow, 3.25 miles southeast of Barkersville, Mitchell County, North Carolina

Crosscutting of the pegmatite continues on this project and now totals 76 feet, the last 16 feet being in a N. 42° W. direction. A heading about 10 feet wide has been driven the last 15 feet of advance in order to minimize blast damage to the mica.

About one ton of fair quality mine-run mica was recovered in the last 10 feet of advance. Some contains interlayered biotite. The mica tends to be concentrated near aggregates of quartz which are scattered throughout the exposed portion of the pegmatite.

A recent sale of 28 pounds of trimmed mica to the GSA Depot averaged about $10 per pound.

The Operator was advised to continue to crosscut to the northwest.

Progress on this contract is satisfactory.

Examined; Aug. 25, 1954

K. H. Teague D. H. Amos

K. H. Teague and D. H. Amos,
Geologists
U. S. Geological Survey

SEP 2 1954

August 24, 1954

Memorandum

To: Cora Piper, Chief Finance Division - Region VII

From: Executive Officer, DMS - Region VII

Subject: Royalty check on Idm-E 664, DMS-3247 (mica) Buchanan, et al.

Transmitted is a check in the amount of $13.63 representing 5 percent royalty due the Government on the attached invoice for sale of mica from the subject contract.

Robert A. Lawrence

RM
cc:
Beck
Lynch

Lawrence
Mittendorf

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

DATE: 8-16-54
ACCEPTANCE NUMBER: AR4-327

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
EPS-4-153A	SPAR-327	

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sam L. Phillips	SIGNATURE:
STREET ADDRESS:	NAME *(Type or print)*: Sam L. Phillips
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: Owner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$70.00	
GRADES NO. 4 AND 5				.70	$40.00	28.00
GRADES NO. 5½ AND 6				11.10	$15.00	166.50
STAINED						
GRADES NO. 3 AND LARGER		$12.00			$18.00	
GRADES NO. 4 AND 5		$ 5.00		.18	$ 8.00	1.44
GRADES NO. 5½ AND 6		$ 3.00		13.32	$ 5.00	66.60
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00			$ 6.00	
GRADES NO. 5½ AND 6		$ 2.00		3.33	$ 3.00	9.99
TOTALS						
LOT TOTALS				28.63		272.53

PROGRAM B - HAND-COBBED MICA

TOTALS					$ 0.30	

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Wayne Buchanan		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $ 272.53

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

SELLER *(Type name)*	DATE
Sam L. Phillips (Johnson Mine-DMEA-3247)	8-16-54
BY *(Signature)*:	NAME AND TITLE *(Type)*: Sam L. Phillips, Owner

GSA-WASH DC 53-3094

GSA FORM 1013
September 1952

COPY

INTERIM REPORT

DMEA-3247, JOHNSON MINE (mica)
Idm-E 664

Operator: Newland Buchanan, Kester Buchanan and Frank Cook, c/o Newland Buchanan, Spruce Pine, N. C.

Location: In Bandana Hollow, 3.25 miles southeast of Barkersville, Mitchell County, N. C.

Crosscutting of the pegmatite continues on this project and now totals 60 feet as follows: (1) first 24 ft. in an N. 15° W. direction, (2) next 14 feet in a N. 40° W. direction, (3) next 12 ft due north , and (4) lastly, 10 ft. in a N. 30° W. direction. The old works encountered at 38 ft. from the shaft and described in the last interim report have been successfully by-passed by recent work.

An estimated 2000 pounds of "mine-run" mica has been recovered from the last 22 ft of lateral work. In general, the books are thin and considerably cracked.

The Operator was advised to continue to crosscut to the northeast.

Progress on this contract is satisfactory.

Date of Exam: August 12, 1954

K. H. Teague D.H. Amos
K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 195 4 Docket No. DMEA 3247 Contract No. Idm-1664
Operator's Name Howland Buchanan, Hector Buchanan & Frank Cook Minerals Mica
Address c/o Howland Buchanan, Spruce Pine, N. C.
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

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						
13' Drifting @ 35.00	630.00	875.00	1505.00			
Shafting		3000.00	3000.00			
(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	630.00	3875.00	4505.00	630.00	3,875.00	4505.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-6

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-2-54 *Payee Johnson Mining Co.
Per Howland Buchanan Title Partner

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

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

(Instructions on reverse)

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

$ 472.50

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date AUG 11 1954 Vou. No. 28
(See other side)

4

157.50

(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. IdmE-6-64 in accordance with the terms of the contract.

Signature Henry H. Amos Title Geologist-USGS Date Aug. 5, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date AUG 6 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA 3247 Contract No. 16n-3664
Operator's Name Howland Buchanan, Hester Buchanan & Frank Cook Minerals Mica
Address c/o Howland Buchanan, Spruce Pine, 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
16' Drifting @ 35.00	Ft.	630.00	18	1505.00	43	35.00	100	35.00
Crosscutting								
Raising								
Shafts	Ft.			3000.00	60	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		630.00	18	4505.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		~~630.00~~		~~4505.00~~				

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 6-2-54 Operator Johnson Mining Co.

Per Howland Buchanan 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 REPORT OF PROGRESS

for the month of July, 1954

DMEA-3247

Idm-E664

Work Accomplished:

We completed 18 feet of drifting during the month of July. Our progress was slowed considerably due to hoist trouble and we had to wait for several days for parts that were ordered for the hoist. We hit old works at about the 38 foot point in the drift, and turned to the right of the old works. We were in vein material most of the way and recovered about 1000 lbs. of small mica during the month.

Daily Notes:

July 1 & 2 - Pumped water, drilled.

July 5 - 9 - Pumped water, mucked and continued to drill.

July 12 - 16 - Pumped water, mucked. Now in vein material, and beginning to hit old works.

July 19 - 23 - Began to direct drift to the right of the old works and vein began to produce some small mica. Drilled and mucked, recovering some mica.

July 26 - 30 - Pumped water, continued drift in the same direction. Drilled, mucked. Mica improving some, and we recovered more mica, making a total of about 1000 lbs.

INTERIM REPORT
On
DMEA-3247, Idm-E 664 (mica) JOHNSON MINE

Operator: Newland Buchanan, Kester Buchanan and Frank Cook, Ptners.
c/o Newland Buchanan, Spruce Pine, N. C.

Location: In Bandana Hollow, 3.25 miles southeast of Bakersville,
Mitchell County, North Carolina

Crosscutting continues on this project. The first 24 feet is in a N. 15° W. direction and the next 14 feet in an N. 40° W. direction. At this point old workings were encountered by the crosscut. The bottom of the old works is about 4 feet higher than the floor of the crosscut. Mica-bearing pegmatite was encountered about 2 feet southeast of the filled workings.

The Operator was instructed to turn the level due north parallel to the old works and continue driving the drift. He was also instructed to check for the presence of old workings by long drill holes in the west wall of the drift at 5-foot intervals. As soon as the drift passes the area of previous mining it is to be turned to the northwest and the mica zone crosscut.

Progress is satisfactory. To date about 500 pounds of book mica has been obtained.

Exam. date: July 28, 1954

K. H. Teague
K. H. Teague, Geologist
U. S. Geological Survey

2

INTERIM REPORT

DMEA-3247 Idm-E664 (mica) JOHNSON MINE

OPERATOR: Newland Buchanan, Kester Buchanan and Frank Cook, Partners, c/o Newland Buchanan, Spruce Pine, N. C.

LOCATION: In Bandana Hollow, about 3.25 miles southeast of Bakersville, Mitchell County, N. C. The mine is along the north side of the road and access is excellent at all times.

Crosscutting continues on this contract and is now at 26 feet. Very little progress has been made during the past two weeks because of equipment failure. No change in the target is anticipated and crosscutting will continue to the northwest until another visit can be made.

No material change was noted and the crosscut is being advanced in pegmatite composed of feldspar, quartz, considerable biotite, an occasional small block of muscovite and accessory garnet. The work has been conducted in a general northwest direction and the present direction is N 20° W.

The operator was advised to scale the crosscut adequately after each shot, particularly the roof area.

Mr. R. A. Laurence, DMEA Executive Officer of Region VII, accompanied the examiners on this visit to the mine.

L. E. Shirley
M.R.
L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague + D. H. Amos
K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

July 15, 1954

INTERIM REPORT

DMEA-3247 Idm-E664 (mica) JOHNSON MINE

OPERATOR: Newland Buchanan, Kester Buchanan, and Frank Cook, Partners, c/o Newland Buchanan, Spruce Pine, N. C.

LOCATION: In Bandana Hollow, about 3.25 miles southeast of Bakersville, Mitchell County, N. C. The mine is along the north side of the road and access is excellent at all times.

Crosscutting is underway on this contract and now totals 24 feet. The operator was advised to change the direction of the crosscut slightly and to keep driving. Turnoff from the shaft bottom was made to the northwest and the crosscut has been driven for its total distance in pegmatite composed of quartz, feldspar, scrap-size muscovite biotite, and garnet. The present face shows several biotite gneiss inclusions in the pegmatite. Considerable biotite mica was noted near the inclusion contacts.

Recent work has been hampered by a compressor breakdown and will resume in the near future. Progress on this contract is satisfactory.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague

K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

July 1, 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

JUL 19 1954

Month of June, 1954 Docket No. DMEA 3247 Contract No. Ich-E664
Operator's Name Howland Buchanan, Hester Buchanan & Frank Cook Minerals Ilco
Address c/o Howland Buchanan, Seneca Pine, N. C.
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

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						
25' Drifting @ 35.00 Ft.	875.00	-	875.00			
Shafting	-	3000.00	3000.00			
(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	875.00	3000.00	3875.00	875.00	3,000.00	3,875.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-2

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7-6-54 *Payee Johnson Mining Company

Per Howland Buchanan 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:

$ 656.25

Signature Cora A. Piper
(Authorized Certifying Officer)

Date JUL 15 1954 Vou. No. 14
(See other side)

3

(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-E664 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date July 10, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

Minerals Administration
RECEIVED
JUL 19 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1954 Docket No. DMEA 3247 Contract No. Idm-E 664
Operator's Name Howland Buchanan, Hostor Buchanan & Frank Cook Minerals Mica
Address c/o Howland Buchanan, Spruce Pine, 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
25' Drifting @ 35.00'	Ft.	875.00	25	875.00	25	35.00	100	35.00
Crosscutting								
Raising								
Shafts	Ft.			3000.00	60	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		875.00	25	3875.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		875.00		3875.00				

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

Date 7-6-54 Operator Johnson Mining Co.

Per Howland Buchanan 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

OPERATORS

MONTHLY REPORT OF PROGRESS

for the Month of June, 1954

DMEA-3247

Contract No. Idm-E664

(Mica)

COPY

Work Accomplished:

We drifted a total of 25 feet during the month, and although no mica to speak of has been encountered, we are in vein material and a few half-dollar size pieces of mica have been found. Had some difficulty with the breaking down of the hoist, but otherwise have progressed satisfactorily.

Daily Notes:

June 1 - 4 - Pumped water, mucked. Began shooting and drilling.

June 7 - 11 - Mucked, continued drilling. We are in vein material but no mica encountered.

June 14 - 18 - Pumped water, mucked. Continued the drift in same direction, beginning to see specks of mica in the vein material.

June 21 - 25 - Pumped water, continued to drill, shoot and muck.

June 28 - 30 - Had trouble with hoist, had to repair this and was slowed up considerably. Continued to drift in vein material which looks hopeful. Small mica bits now showing.

m

INTERIM REPORT
On

DMEA-3247, Idm-E 664, JOHNSON MINE
(mica)

Operator: Newland Buchanan, Kester Buchanan and Frank Cook, Partners
c/o Newland Buchanan, Spruce Pine, N.C.

Location: In Bandana Hollow 3.25 miles southeast of Bakersville, Mitchell County, N. C.

Shaft sinking has been completed on this contract and a crosscut has been turned off from the 56-foot level leaving a 4-foot sump. The crosscut has been advanced 9 feet in a N. 25° W. direction. Pegmatite consisting of plagioclase, perthite, quartz, "burr" muscovite, biotite and garnet is exposed in the crosscut. Numerous wall rock inclusions are present in the pegmatite. No strategic mica has been recovered to date.

Date of Exam: June 16, 1954

K. H. Teague D. H. Amos
K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

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INTERIM REPORT

DMEA-3247 Idm-E664 (mica) JOHNSON MINE

OPERATOR: Newland Buchanan, Kester Buchanan and Frank Cook, Partners, c/o Newland Buchanan, Spruce Pine, N. C.

LOCATION: In Bandana Hollow, about 3.25 miles southeast of Bakersville, Mitchell County, N. C. The mine is along the north side of the road and access is excellent at all times.

Shaft sinking is nearing completion on this contract and is now at 59 feet. Turnoff will be made in the near future from the 56 ft. level and drifting will begin from this level to the northwest. A 4 foot sump will be required to handle the water that the mine is now making. Material encountered consists of biotite gneiss to depth, but in the northwest side of the shaft, near bottom, the pegmatite is making its appearance and is composed of feldspar, little quartz and barren of mica.

Several recommendations were made concerning timbering and general safety. Progress on this contract has been good.

Mary L. Redmon for
L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague D. H. Amos
K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

June 2, 1954

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

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

RECEIVED
JUN 11 1954

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

Month of May, 1954 Docket No. DMEA 3247 Contract No. Idm-E 664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, N. C.
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

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						
25' Shafting @ 50.00ft.	1250.00	1750.00	3000.00			
(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	1250.00	1750.00	3000.00	1,250.00	1,750.00	3,000.00

PAID ON VOUCHER & SCHEDULE 71 OF PAYMENTS K-

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 1 *Payee Newland Buchanan, Kester Buchanan and Frank Cook

Per Newland Buchanan 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:

$ 937.50

Signature Cecil A. Lipscomb (Authorized Certifying Officer)

Date JUN 9 1954 Vou. No. 309

(See other side)

312.50

(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-1664 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date June 5, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date JUN 7 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May, 1954 Docket No. DMEA 3247 Contract No. 1dr-D 664

Operator's Name Howland Buchanan, Koster Buchanan & Frank Cook Minerals Mica

Address c/o Howland Buchanan, Spruce Pine, 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								
Crosscutting								
Raising								
25' Shafts Ing @ 50.00	Ft.	1250.00	25	3000.00	60	3800.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1250.00	25	3000.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1250.00		3000.00				

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 June 1, 1954 Operator Howland Buchanan, Koster Buchanan & Frank Cook

Per Howland Buchanan Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATORS
MONTHLY PROGRESS REPORT

for the Month of May, 1954

DMEA-3247

Work Accomplished:

We have now sunk the shaft an additional 25 feet, making a total of 60 feet. We installed an electric pump in the shaft to take care of pumping out the water. Powder magazine has been put in, and we have also installed an electric air fan. We were having some air difficulty, but the fan seems to take care of that.

Daily Notes:

May 3 - 5 Installed electric pump in the shaft.

May 6 - 7 Pumped water, installed powder magazine.

May 10 - 12 Pumped water, drilled, mucked. We are in material that is chiefly slate.

May 13 - 14 Pumped water, continued drilling, mucking.

May 17 - 19 Began encountering some trouble with bad air. Decided to install air fan, and began work on this.

May 20 - 21 Pumped water, drilled, mucked. Material seems to be changing from slate to more promising material.

May 24 - 26 Pumped water, drilled. Vein material now begins to look as though we are approaching the capping of a vein.

May 27 - 29 Continued to drill. No mica found, but material continues to look hopeful.

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OFFICE OF
REGIONAL DIRECTOR

SOUTHEASTERN REGION
REGION VII
HAMILTON BANK BUILDING

POST OFFICE BOX 1909
KNOXVILLE, TENNESSEE

Department of the Interior
Defense Minerals Administration
RECEIVED
MAY 17 1954

May 14, 1954

Memorandum

To: J. L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington, D. C.

From: Chief, Administrative Division, Region VII, Knoxville, Tennessee

Subject: Monthly reports and vouchers

We are enclosing two copies each of the following monthly reports and vouchers:

Idm-E-524 Hooper Brothers
DMEA Docket No. 2909
7th payment - month of April
Amount $270.00

Idm-E-547 Duncan Mining Company
DMEA Docket No. 2886
10th payment - month of April
Amount $831.60

Idm-E-565 Hardy Calvin Cable
DMEA Docket No. 3030
8th payment - month of April
Amount $351.00

Idm-E-613 Iatt Young
DMEA Docket No. 2875
6th payment - month of April
Amount $601.20

Idm-E-614 Fred Hyatt
DMEA Docket No. 3125
4th payment - month of April
Amount $1093.50

Idm-E-636 Clingman Ellis and Walter Grindstaff
DMEA Docket No. 3154
5th payment - month of April
Amount $1165.50

Idm-E-646 Cook Mining Company, Inc.
DMEA Docket No. ~~3147~~ 3157
2nd payment - month of April
Amount $1296.00

Idm-E-652 Borden Mining Company
DMEA Docket No. 3178
3rd payment - month of April
Amount $1530.00

Idm-E-658 Joe C. Vance
DMEA Docket No. 3212
3rd payment - month of April
Amount $592.50

Idm-E-659 Willis & Snyder Mining Company
DMEA Docket No. 3229
3rd payment - month of April
Amount $600.00

Idm-E-662 Non-Metallic Minerals, Corp.
DMEA Docket No. 3255
1st payment - month of April
Starting Date: April 6, 1954
Amount $720.00

Idm-E-663 Vance & Odom Mining Company
DMEA Docket No. 3222
1st payment - month of April
Starting Date: April 1, 1954
Amount $1470.00

Idm-E-664 Newland Buchanan, Lester Buchanan and Frank Cook
DMEA Docket No. 3247
1st payment - month of April
Starting Date: April 5, 1954
Amount $1312.50

Helen Miller
Helen R. Miller

Enclosures 26
/hbm
Copies to W. A. Beck
R. A. Laurence
Region Files
Day Files

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

Month of April, 1954 Docket No. DMEA 3247 Contract No. IDm-664
Operator's Name Newland Buchanan, Koster Buchanan & Frank Cook Minerals Mica
Address Spruce Pine, N. C. (c/o Newland Buchanan)
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shafting 35' @ 50.ft.	1750.00	None	1750.00			
(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	1750.00	None	1750.00	1750.00		1750.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-64

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 4, 1954 *Payee Newland Buchanan, Koster Buchanan and Frank Cook

Per Newland Buchanan Title Partner

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

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

(Instructions on reverse)

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

$ 1,312.50

Signature Conrad A. Pipes
(Authorized Certifying Officer)

Date MAY 13 1954 Vou. No. 278
(See other side)

1st

S 4/5-

437.50

(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 Eb64 in accordance with the terms of the contract.

Signature Kelton H. Teague Title Geologist USGS Date MAY 7 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date MAY 7 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1954 Docket No. DMEA 3247 Contract No. Idm-664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, 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								
Crosscutting								
Raising								
Shafts	Ft.	1750.00	35	1750.00	35	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1750.00		1750.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1750.00		1750.00				

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 May 4, 1954 Operator Newland Buchanan, Kester Buchanan & Frank Cook

Per Newland Buchanan Title Partner
Newland Buchanan

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATORS
MONTHLY PROGRESS REPORT

For the Month of

April, 1954

DMEA - 3247
Idm-664
Date Work Began: April 1, 1954

Work Accomplished:

We moved to location, set up machinery; hoist, air compressor, put up boom pole, mask pole, etc. Sank shaft about 35 feet and had to timber about 17 feet of the shaft. We had to pump water from another hole as we went down. Satisfactory progress had been made, with no serious difficulties encountered.

Daily Notes:

April 1 - 2	Moved in equipment
April 5 - 6	Set up hoist, air compressor
April 7- 9	Put up mask pole, boom pole, etc.
April 12 -15	Cleared off place, began shooting and drilling.
April 16	Drilled.
April 19 -23	Continued drilling, and pumping water as we went down.
April 26 -27	Timbered, drilled.
April 28-30	Drilled to a depth of 35 feet.

COPY

RECEIVED
APR 23 1954

INTERIM REPORT

DMEA-3247 Idm-E664 (mica) JOHNSON MINE

OPERATOR: Newland Buchanan, Kester Buchanan and Frank Cook, Partners. c/o Newland Buchanan, Spruce Pine, North Carolina.

LOCATION: In Bandana Hollow about 3.25 miles southeast of Bakersville, Mitchell County, N. C. The mine is along the north side of the road and access is excellent at all times.

Starting date on this contract is April 5, 1954. Shaft sinking is underway, but little progress has been made to date. Material encountered is all country rock. Equipment has been moved to the site and includes a 105c.f.m. air compressor, gasoline-powered hoist, hoisting frame, consisting of straight leg and boom pole and miscellaneous hand tools and equipment. The mine was not working at the time of this visit and will be visited again in the near future.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague - D. H. Amos

K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

April 8, 1954

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

April 6, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: Acting Executive Officer - DMEA - Region VII

Subject: Signed Contract - Idm-E 664, DMEA-3247, Buchanan & Cook.

Transmitted herewith are three signed copies of the subject contract signed by each party concerned.

The usual distribution of the other copies has been made.

Benjamin Gildersleeve

Benjamin Gildersleeve

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 8 1954

File Copy
Surname:
Houk
Chamberlin
Selfridge
Hedges

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

MAR 22 1954

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. DMEA-3247 - Mica
Newland Buchanan, Kester Buchanan and Frank Cook
Johnson Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

If the contract meets with your approval present it to the Operators for approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner.

Copies of memoranda from the Geological Survey, dated March 9, 1954, and from the Bureau of Mines, dated March 12, 1954, are enclosed.

Sincerely yours,

George C. Selfridge (GCS)
Chairman, Operating Committee

Approved:
J. H. Hedges (JHH)
Member, Bureau of Mines

Philip W. Guild (PWG)
Member, Geological Survey

Enclosures 10

LGHouk:gad 3/17/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.L. 3-22-54

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

March 18, 1954

Memorandum

To: Mr. G. C. Selfridge
Chairman, Operating Committee

From: Jay L. Chambers
Chief, Contract Administration and Audit Division

Subject: Docket No. DMEA-3247 (Mica),
Newland Buchanan, Kester Buchanan and Frank Cook,
Johnson Mine, Mitchell County, North Carolina.

From an audit standpoint the contract is all right. I have looked up the history of this region and find that the ordinary mica discovery produces less than $20,000 worth of mica. This particular project would have to produce $97,500 worth of mica in order to repay the Government for its share of the contract, which is $4,875. I am not an engineer but from a layman's viewpoint it is a pretty bad investment.

Furthermore, I believe that all mica contracts and some of the other high percentage minerals should be placed on a maximum cost type of contract, rather than an agreed unit type of contract. I have seen no cost data that substantiates this contract.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

Defense Minerals Administration
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MAR 12 1954

March 12, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3247

Applicant: Newland & Kester Buchanan, and Frank Cook

Name and Location of Property: Johnson Mine, Mitchell County
North Carolina

Date of Field Team's Report: March 3, 1954

Rec'd. by Ceramic & Fertilizer Materials Branch: March 9, 1954

Field Team's Recommendation:

1. A contract for exploration in the amount of $6,500.

Comments:

1. On June 1, 1953, I concurred in the field team's recommendation of April 28, 1953 (Docket DMEA-2956) for an exploration program in the amount of $6,500.

2. The new proposal is similar to the proposal for Docket DMEA-2956.

Recommendation:

I concur in the field team's recommendation for an exploration program in the amount of $6,500.

W. F. Dietrich

W. F. Dietrich

IN REPLY. REFER TO:

G-MD-CNM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 9, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3247 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Buchanan, Buchanan, Cook, and Buchanan.
Name of property: Johnson Mine,
Location of property: Mitchell County, North Carolina.
Date of field team report: March 1, 1954.
Authorship of field team report: K. H. Teague, Wm. A. Beck, L. E. Shirley, and D. H. Amos.
Field team's recommendation: 60' shaft
100' drift
$6,500 total

Comments: None.
ACTION RECOMMENDED: Follow field team's recommendation.

D. M. Larrabee

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

Room 13, Post Office Bldg.
Knoxville 2, Tenn.

March 3, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: D M E A Field Team, Region VII

Subject: Field Examination Reports:

DMEA-[illegible]47, Buchanan, Buchanan Cook [illegible]
Johnson Mine, Mitchell County, N. C.
DMEA-[illegible], [illegible], Hartley and Hartley (mica)
[illegible] Mine, Yancey County, N. C.
DMEA-[illegible]51, C. [illegible] Smith (mica) [illegible] Prospect.
[illegible] County, Alabama

Attached are 4 copies of each of the subject examination reports, with 6 extra copies of the maps needed by each.

The Field Team agrees with the examiners' conclusions that exploration of these deposits is worth undertaking, and recommends approval of all three.

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

/s/ Wm. A. Beck
Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
3-10-54
(date)

Mr. Anderson

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 5 - 1954
GCL
3/18/54

OA-Site Report

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF FIELD EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-3247, JOHNSON MINE
(mica)
Mitchell County, N. C.

By

Kefton H. Teague, Geologist
U. S. Geological Survey

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

Dewey H. Amos, Geologist
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
3-10-54
(date)

March 1, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 5 - 1954

FIELD EXAMINATION REPORT
On

DMEA-3247, JOHNSON MINE (mica)

Applicants: Newland Buchanan, Kester Buchanan and Frank Cook,
c/o Newland Buchanan, Spruce Pine, N. C.

No work has been conducted at this place since 1945. During World War II the mine was operated successfully, selling 3143.93 pounds of mica worth $18,913.18 to the Colonial Mica Corporation. It appears to have merit for exploration assistance.

The mine was examined on February 25, 1954. Messrs Frank Cook and Newland Buchanan accompanied the examiners on the inspection which required two hours.

The Johnson Mine is in Bandana Hollow, about 3.25 miles southeast of Bakersville, Mitchell County, North Carolina. The mine is along the north side of the road and access is excellent at all times.

All three of the applicants have considerable mining experience and appear competent to conduct the proposed project.

The applicants lease the property from the owners. Area included in the lease is nine and one-half acres, all of which lies north of the Branch shown on the attached map. Area covered by the lease is adequate for the proposed project.

Extent of the existing openings are shown on the attached map. The large circular open cut has been filled with muck and the underground openings from the cut are unsafe. Any future work will require new openings. Necessary storage facilities are on the property and a single phase 220 volt electric line extends to it.

Character of the geology is shown on the map. The mine is in an area of schist and gneisses including mica, kyanite, and hornblende fácies. Biotite-muscovite schist and gneiss occur immediately adjacent to the pegmatite. The general strike is rather uniformly northeast, with a steep southeast dip. The axes of minor folds pitch 5° to 40° northeast.

Two main pegmatites, both of which are 10 to 15 feet thick are exposed in this general area. They are separated by a body that consists of many alternating layers of pegmatite and schist. These range in thickness from 6 inches to several feet. The Johnson works are in the more westerly pegmatites and the Fouts works are in both. The pegmatites strike rather consistently northeast and dip steeply southeast. Along the northwest side of the Johnson works, however, the hanging-wall dip is gentle; along the

southeast wall this rolls more steeply to attain its usual dip.

The crest of the pegmatite seems to plunge about 40° northeast. The lower dip of the hanging wall schist above the portal of the Johnson works and along the northwest side, as well as strikes to the northwest and north in these places, indicate that the pegmatite lenses out upward. No indication of narrowing down dip or along the strike are known. Small rolls in the country rock and the smaller pegmatite lenses also plunge northeast at angles 5° to 40°.

Regionally the pegmatites have been injected conformably into the country rock, although locally in the Johnson works the pegmatite crosses the foliation of schist projections. The contacts are generally sharp except in the area between the pegmatites, where the schist is so impregnated with many small pegmatite lenses that the contacts of the two larger pegmatites are not distinct.

A few inclusions in the pegmatite were noted near the hanging wall beside the northeast heading of the Johnson works. They are consistently oriented parallel to the hanging wall, are irregularly slab-shaped, and range from about an inch to several feet in maximum dimension.

The pegmatites consist of the following minerals, listed in order of their decreasing abundance: plagioclase, quartz, muscovite, biotite, sericite, garnet and beryl. The plagioclase generally occurs as crystals about 2 to 4 inches in size, and very few especially large or very small crystals were seen. Most of the plagioclase is grey-blue, although much white, some gray-green, and a bit of clear plagioclase occur near the biotite. Quartz occurs abundantly through both of the pegmatites as small disseminated particles. In places it is so abundant as to form bodies of nearly massive quartz. Biotite occurs as large separate crystals, but commonly forms intergrowths with the muscovite books. Deep green sericite occurs throughout the pegmatite, but is associated mainly with the gray-green plagioclase. The garnet is light red in color, rather opaque, fractured, and reaches a maximum size of about a quarter of an inch. Beryl is rare.

Little zoning is apparent. The pegmatites consist rather uniformly of medium-grained feldspar interspersed with a great deal of fine-grained quartz. A variation occurs in the Johnson works, where the lower third of the pegmatite contains larger crystalline feldspar, less quartz, and very little mica.

The mica in the Johnson works occurs mainly in the upper two thirds of the pegmatite all along the strike. It is associated with the quartz and is commonly intercrystallized with it. Two mica "columns" in the Johnson workings are reported in the upper two thirds of the pegmatite on both sides

of a downward roll in the schist roof. These mica shoots coalesce at the main heading, where the roll becomes less prominent.

The mica is ruby in color, clear, very hard, and flat. Many books as much as three inches across will transmit light in the direction parallel to the cleavage. About a tenth is No. 1 quality and two thirds No. 2 superior.

No staining was seen, but much of the mica contains biotite intergrowths, both parallel and normal to the cleavage. The biotite inclusions are commonly in the form of euhedral crystals. Quartz intergrowths are also common between the cleavage planes, and quartz and garnet intergrowths also lie across the cleavage planes. There is a moderate amount of flat "A" mica, some of which shows a slight color zoning. A little wedge mica was noted, much of which is not free splitting. The main defects of the mica are extensive ruling and cracks. Nevertheless, much strategic mica is obtainable although three quarters or more is under 1 1/2 x 2 inches in size. The operators reported that about 6% of the mine-run book mica is recovered as trimmed sheet and punch.

It should be pointed out that this application is part of the property covered in the application of the 4 Way Mining Company (DMEA-2956). The program of exploration recommended is the same as recommended for the Johnson mine in that application.

It is recommended that a 60-foot vertical shaft be sunk at the approximate location shown on the attached map and 100 feet of drift and/or crosscut be driven from the shaft. As the shaft location is near the south boundary of the property, the major footage of the level work should be northeast of the shaft towards the rake of the "rolls" described above.

Estimated Cost:

60-foot, 5' x 7' 2-compartment shaft @ $50/ft.	$3,000.00
100 feet of drift and/or crosscut @ $35/ft.	3,500.00
Estimated total cost	$6,500.00

Estimated time required -- 8 months.

February 25, 1954.

K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

Wm. A. Beck & L. E. Shirley, Mining Engineers
U. S. Bureau of Mines

File Copy
Surname:

Houk
Larrabee
Anderson
Elizabeth
Hickman

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

FEB 12 1954

Mr. Newland Buchanan

Spruce Pine, North Carolina

Re: Docket No. DMEA-3247 - Mica
Newland Buchanan, Kester Buchanan
and Frank Cook
Johnson Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:gad 2/10/54

Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.G.
2-12-54

FILE COPY
Surname:

Anderson
Houk
Selfridge
Hedges

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

FEB 12 1954

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. DMEA-3247 - Mica
Newland Buchanan, Kester Buchanan
and Frank Cook
Johnson Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated January 29, 1954, and from the Bureau of Mines, dated February 5, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (NB)

Approved:

J. H. Hedges (NB)
Member, Bureau of Mines

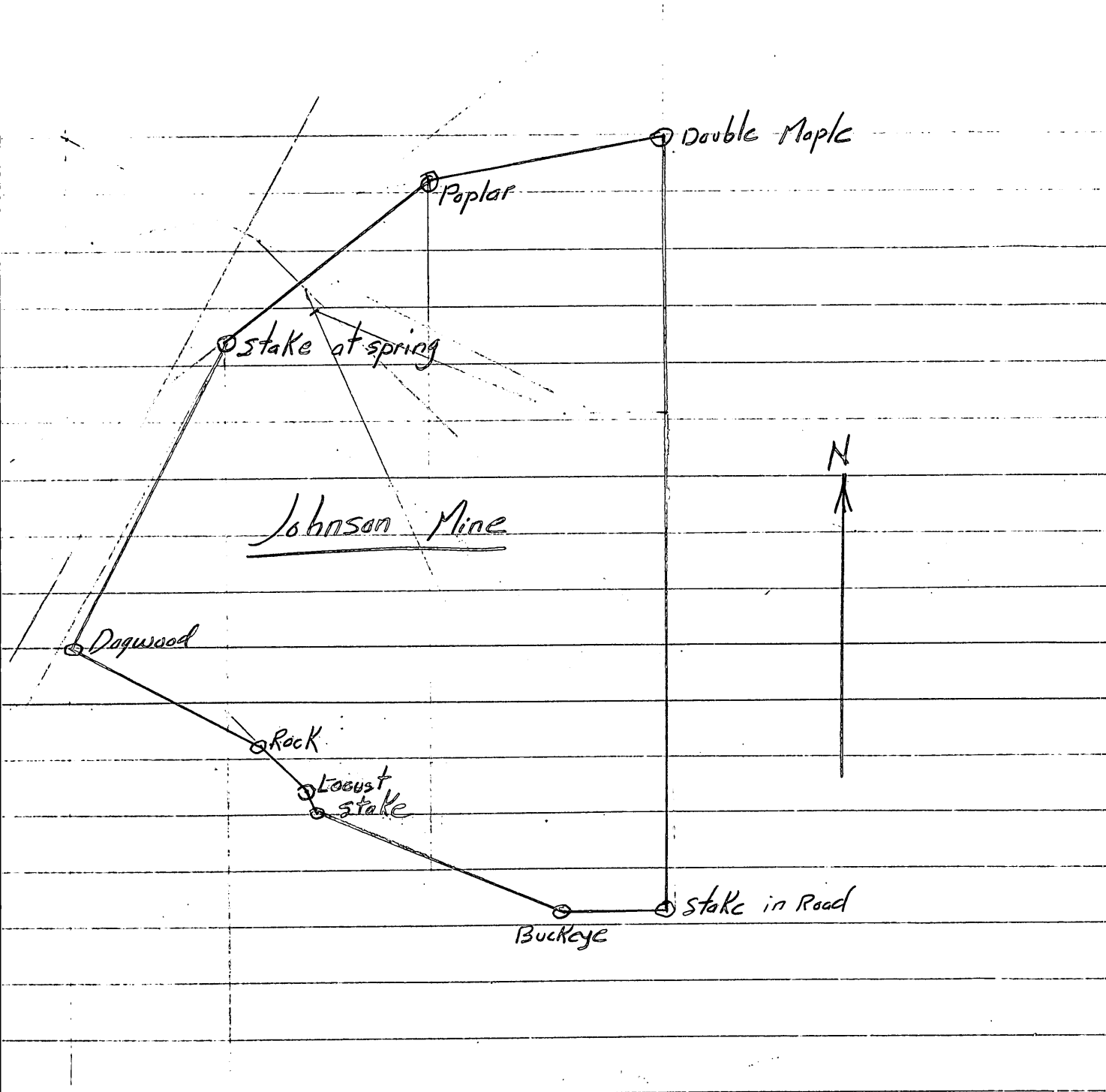
D. M. Larrabee
Member, Geological Survey (NB)

Enclosures 4

WCAnderson:gad 2/10/54

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.L. 2-18-54


Double Maple
Poplar
stake at spring
Johnson Mine
N
Dogwood
Rock
Locust
stake
stake in Road
Buckeye

Mr. Anderson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

February 5, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3247

Applicant: Buchanan and Cook

Name and Location of Property: Johnson Mine
Mitchell County, North Carolina

Application Rec'd by Ceramic & Fertilizer Mats. Branch: January 27, 1954

Comments:

1. Geological Survey (Professional Paper No. 225, p. 73) tested 23 pieces of mica from this mine and found it to be 100 percent E-1 quality. Color was classed as dark yellowish olive, usually considered to be the transition stage from green to rum.

2. Although the applicant makes reference to mica from this mine being sold to Colonial Mica, no data are available in this office to substantiate the statement.

3. Estimated cost of project - $7,500

Recommendation:

It is recommended that the field team visit this property when a member of the field team is in that vicinity to ascertain if an exploration program is justified.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 29 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 29, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3247 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. A. Brobst, U. S. Geological Survey
Applicant: Newland Buchanan, Spruce Pine, North Carolina, and Kester Buchanan and Frank Cook, Minpro, North Carolina.
Name of property: Johnson Mine.
Location of property: Bandana, Mitchell County, North Carolina.
Estimated cost of project: $7500.00.
Summary of applicant's proposal:

80' of 5'x7' shafting at $50/ft....	$4000.00
100' of drift at $35/ft.....	3500.00
	$7500.00

Sources of information on applicant's property:
There is no information about this property available in our files.

Comments:

1. No information is given about the character of the pegmatite or the mica at this property, except to say that some mica was sold to the Colonial Corp. during World War II.
2. The applicants actually have not proposed a definite program of exploration . . . sink a shaft and explore the best pegmatite cut by the shaft is hardly a realistic approach! We are nevertheless forced into recommending a field examination.

RECOMMENDATION:

Refer the application to the field team for examination of the property.

D. A. Brobst

D. A. Brobst

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

January 27, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region VII

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region VII.

DMEA -3247 Newland Buchanan, et al.

ROBERT E. ADAMS

Robert E. Adams
Chief, Operation's Control
and Statistics Division

Mr. Newland Buchanan, et al.
Spruce Pine
North Carolina

January 27, 1954
Subject: DMEA-3247
Re: Exploration Assistance
Johnson Mine

Dear Mr. Buchanan:

The receipt of your application dated (undated) for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3247 and referred to the NonMetallic Minerals Division.

Kindly refer to DMEA-3247 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Chief, Operation's Control
and Statistics Division

Spruce Pine North Carolina

February [illegible]

Mr. F. M. Murphy, [illegible]
Division of Minerals
Washington 25, D.C.

DMRA-9247
E664

Dear Mr. Murphy:

I am in receipt of your letter of February 20, 1964 in regard to [illegible] mine that my [illegible] and has at one time been in partnership [illegible] Johnson Mine.

My [illegible] away [illegible] and I am sorry to say that I know nothing of this Mine and its operation. As far as I know, it has not been [illegible] or mined in at least a year. I have not received any rov[illegible] or correspondence of any kind about it.

I am sorry that I cannot [illegible] more information at this time. However if I find out [illegible] I will be glad to contact you.

[illegible] yours,

[illegible] Parksdale

[illegible] Circle

[illegible] Spring, [illegible] C.

REPORT OF
ROYALTY REVIEW

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-X664, Docket RMEA-3247 (mica), dated March 22, 1954, with

Newland Buchanan, Hester Buchanan, and Frank Cook
c/o Newland Buchanan
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the (Ernest) Johnson Mine located in Mitchell County, North Carolina, during the period May 8, 1959, through December 12, 1962.

A certification of discovery or development was issued on December 2, 1954, and, in accordance with Annex II 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 October 20, 1954, indicated accepted costs under the exploration contract amounting to $6,500.00 with the Government's contribution on a 75 percent basis being $4,875.00.

The status of the project, the scope of review, and the reasons therefor are stated on page 1.

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 $2,176.43. The royalty account as of May 7, 1959, was:

Total Royalty Payable	$108.83
Total Royalty Paid	108.83
Balance of Royalty Due	$ -0-

As of December 12, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$108.83
Total Royalty Paid	108.83
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OME Auditor

January 3, 1963

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract provides that the Operator or its successor in interest shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of a tract of 9.5 acres, more or less, in Bandana Hollow about 3.25 miles southeast of Bakersville. At the time the contract was executed the Operator was in possession by virtue of a January 14, 1954, lease from N. T. Barksdale, Spruce Pine, N. C., Frank Cook, Minpro, N. C., and Clyde Morton, Old Fort, N. C. In consideration of the contract, the lessors executed an Owner's Consent to Lien. The contract contains the so-called "abandonment" provision.

Exploration work under the contract was completed on September 24, 1954. Production during the exploration period resulted in aggregate sales (variously, in the name of W. K. Buchanan, Johnson Mining Company, and Sam L. Phillips) of 171.23 lbs. of sheet, 1,924 lbs. of punch, and 9,570 lbs. of scrap mica. These sales, on which the proceeds totaled $2,176.43, are covered by prior Reports of Royalty Review.

Subsequent examinations of the property, inquiries, and checks of the Spruce Pine Mica Purchase Depot's records by DMEA and OME regional representatives disclosed that (1) the Operator abandoned the property after completion of exploration work, (2) the property was worked unsuccessfully during June and July 1957 by Roy Grindstaff and partners, and (3) there was no evidence of further sales of production through June 15, 1960.

An examination of the Mica Purchase Depot's records during June 1962 by a representative of this Division found no unreported sales from the property under the contract. In a December 12, 1962, reply to a MME Form 63 inquiry one of the landowners (N. T. Barksdale) stated that there had been no production from the property since June 15, 1960.

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

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

JAN 7 - 1963

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, North Carolina
Contract Idm-8664

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

George C. Selfridge

Enclosure

GCSelfridge/egk (1-7-63)
cc: Docket DMEA-3247
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 1/3/63 and orig. of memo dtd 1/3/63 to Chief, Div. of Field Operations from CA&A Division,
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence

January 3, 1963

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, North Carolina
Contract Ide-E664

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

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

(b) Two copies to Region IV files.

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

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

Enclosures

EDTalbert/ama 1-3-63

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

JUL 16 1962

Memorandum

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

From: Chief, Division of Field Operations

Subject: DMEA-3247 (Mica)
Newland Buchanan, Kester Buchanan, and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract Idm-E664
and
DMEA-3452 (Mica)
Howard Boone and John Jarrett, Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Idm-E734

Thanks for your July 11 memorandum regarding the July 8 letter from M. V. Burleson. In accordance with your suggestion I have checked with Frank Lesure as to the possibility that the property referred to in Mr. Burleson's letter as "Morris-Putnam" may be the same as the "Marsh Putnam" under Contract Idm-E734, Docket DMEA-3452.

Mr. Lesure's records indicate that the Morris-Putnam property is not the Marsh Putnam prospect. It is, however, in the same vicinity as both the Marsh Putnam prospect and the Johnson mine.

George C. Selfridge

EDTalbert/ama 7-16-62

cc:
Docket
Director's Reading File
CA & A Division - Idm-E664
Review Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

July 21, 1958

OFFICIAL FILE COPY
O. M. E.
DECEIVED
1958

[redacted]

[redacted] C. Baldridge, Chief
[redacted] of Field Operations, [redacted], Washington, D.C.

[redacted] L. [redacted]

[redacted] (Mine)
[redacted] Buchanan, Master Mechanic
[redacted] Frank Cook, Foreman
[redacted] Maps
[redacted] County, [redacted] Carolina
[redacted] No. [redacted]

[redacted] Letter from M. E. Burleson, dated July 8, 1958.

[redacted] called "Morris[redacted]" in this letter is [redacted]
[redacted] "March [redacted] of [redacted], Contract [redacted]
[redacted] certified. I would suggest that you [redacted]

MOUNTAIN MINING COMPANY
P. O. BOX 1
SPRUCE PINE, N. C.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 9 1962

July 8th,1962.

U. S. Department of The Interior
Office of Minerals Exploration
Washington 25, D. C.

Att: George Fumich Jr.

Re: DMEA-32[illegible] (Mica)
Newland Buchanan, Kester Buchanan & Frank Cook, Partners
Johnson Mine
Mitchell County, N. C.
Contract Idm-[illegible]

Dear Mr. Fumich:

This will answer your letter to Mr. H. T. Barksdale on July 3rd.

This is a mix up of properties due to Frank Phillips stating at the time of sale that it came from the Johnson Property. The property from which the mica was sold was known as the Morris-Putman property but at the time we purchased the property it was owned by two Johnson brothers so Mr. Phillips designated it as the Johnson Mine because he did not know it as the Morris-Putman property.

The contract referred to above and mine worked with the loan is at least a half mile from where Mr. Phillips mined the mica he sold because the writer knows all the parties involved and knew about the loan at the time the above parties were working the mine. The mine the loman was secured on is on the narrow gravel road that goes down back off a small store at Bandana, N. C. It is only about three to four hundred yards from the store.

I hope this will clarify this matter for your office.

Very truly yours,

M. L. Burleson

Copies sent Reg. IV
7/9/62

JUL 3 1962

Mr. H. T. Marksdale
Spruce Pine, North Carolina
Mr. Frank Cook
Minpro, North Carolina
and
Mr. Clyde Norton
Old Fort, North Carolina

Re: DMMA-5247 (Mica)
Newland Buchanan, Kester Buchanan,
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract Idm-8664

Gentlemen:

An Owner's Consent to Lien executed by each of you as an inducement to the Government to enter into the referenced exploration project contract granted to the Government a lien for its percentage royalty provided by the contract for a period of 10 years from the date of the contract, March 22, 1954, or until the entire amount of the Government's contribution to exploration costs have been repaid. The Government's contribution amounted to $4,833.00 of which $198.85 has been repaid to date.

Our files disclose that a purchase was made of 3,570 pounds of block mica by the Mica Purchase Depot, Spruce Pine, North Carolina, for $854.94 on which royalty has not been received by the Government. This sale was made by M. S. Burleson and Frank W. Phillips Co., c/o Mitchell Lumber Co., Spruce Pine, North Carolina, covered by final settlement of the Depot under lot No. SPDR-163(a), approved August 14, 1960. Royalty due at the 5 percent rate provided by the contract is $42.75.

Please promptly remit the amount of $42.75, plus any additional royalty which may be payable to the Government on any other sales of mineral production from the property. Remittance should be made by check or money order payable to the Office of Minerals Exploration.

CEFisher/ama 7-2-62

Sincerely yours,

George Fumich, Jr.

Director

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

OFFICIAL FILE COPY

Date	Surname	Code
		500
		120
		110
		170
		220

Idm-E664

June 27, 1962

Memorandum

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

From: C. E. Fisher, OME Auditor

Subject: Audit Trip to Spruce Pine, North Carolina

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

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

The last purchase by the Depot under the Mica Purchase Program was made on June 7, 1962. Mr. J. P. McKinney, Depot Superintendent, stated that processing the mica on hand and making final settlements with vendors will take another 60 to 90 days before the Depot is finally closed. Mr. McKinney also advised that 1,972 Participation Certificates were issued and 21,409 lots of mica were purchased during the program. At June 15 the yield of strategic mica amounted to 1,716,755.75 pounds. This will increase some when all processing is completed. As of June 1 the total payments to vendors amounted to $20,526,000. This amount will be increased when final settlements have been completed.

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

During the early stages of the exploration program, that is until 1957/8, two or more Government representatives were supervising exploration work in this mica region. They made frequent inspections of the various properties and were aware of what was happening. Mr. Beck made regular trips through the area and reminded the various parties of their royalty obligations. He checked the Depot records and often collected royalty. Several audit trips were made by representatives of this office, the last being my trip in February 1958. Mr. Beck continued his visits to the Depot and to the various operators through 1959 and subsequent investigations have been made by Messrs. Lynch and Lesure.

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

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

Second, nine of the mica exploration contracts repaid their entire Government advance prior to 1958 and, of course, had no further royalty obligation. (For example, Linkhole Miners, Idm-E364, DMSA-2379, operated right up to the day the Depot stopped buying.)

Third, there was a tendency on the part of the individual miners and some of the larger operators to work properties not subject to the Government's 5% royalty. I noticed some instances where the mica [illegible] indicated that the production came from properties where [illegible] had issued letters of [illegible]very. If the Government was not [illegible] most of the mining expense in the form of contributions to exploration costs, why not work a property not subject to the Government's 5% royalty?

I visited the Spruce Pine Mica Company and met Mr. Lawrence Conley, who has been with that company and in the mica business for many years. He informed me that the only mica from the White Face Mine (Contract Idm-E662, DMSA-3255) his company had purchased were the two lots sold by John Carroll in 1954. Mr. Beck and I collected $13.34 royalty applicable to these sales from the property-owner, W. Howard Simpson, President of Non-Metallic Minerals Corp., on March 16, 1955. Mr. Conley expressed the opinion that no work had been done on the property since John Carroll was there.

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

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

B-Y Associates [illegible] contract Idm-[illegible] [illegible] with to the Spruce Pine [illegible] area. Mr. [illegible] hopes that will continue operations as the Spruce Pine is a good source of supply and, further, he would like to see a North Carolina operation continued. He stated that B-Y Associates own a couple of punch presses (presumably in Baltimore), but that so far as he knew they had not used them on [illegible] Mica production.

Sam Phillips [illegible] me for an hour or so on Friday afternoon at the Lakes Hotel. This was after the rest of the investigation had been completed and I was satisfied that there was not much to be gained by such a visit. Our talk was very general and limited mainly to [illegible] he had been interested. He called my attention to [illegible] of projects in which he was interested had reached the [illegible] advanced [illegible] refrained from mentioning [illegible] least [illegible] times as [illegible] projects, he and his associates, had topped mining almost as [illegible] as the Government contributions could. He mentioned the [illegible] Mine (Contract Idm-[illegible]) [illegible] I did not see any [illegible] in a discussion of that case.

Mr. Phillips [illegible] that all feldspar [illegible] in the area were large [illegible] operations and that it is practically impossible for the small operator to sell [illegible]. The big operators [illegible] adequate supplies and [illegible] to be [illegible] low that the little [illegible] cannot afford to mine [illegible] supply. Of course, with most of the mining expense [illegible] exploration cost, some of the feldspar was sold. For example, [illegible] Idm-1412, [illegible], [illegible] Mica Miners, was [illegible] of feldspar discovery. According to Mr. Phillips [illegible] has not been operated since completion of the exploration [illegible].

My review of the [illegible] records indicated possible unpaid royalty in connection with [illegible] contracts as follows:

Contract Idm-[illegible], [illegible]-2377, Piedmont Minerals, Inc.

I secured for our files a copy of the final settlement statement for lot No. [illegible], approved Mar. 14, 1958, covering purchase from

[illegible] 71.74
[illegible] 94.50.
[illegible] $10.73
[illegible] document was
[illegible] from pro-
[illegible] under
[illegible] quality in
[illegible] the

[illegible] best

[illegible] contract

[illegible] about

[illegible] the

[illegible] e-

[illegible] at

[illegible] gating

$206.08 and $865.[illegible], respectively, for mica sold by Baird Cove Mining Company, Route 3, c/o Ralph Cunningham, Franklin, N. C. The name and location of the mine are shown as Baird Cove Mine, Macon County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-[illegible]495, DMEA-2793, Burns-Spangler Construction Co.

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

Contract Idm-[illegible]548, DMEA-2921, Fred Taylor, Julian Greene & Johnnie Greene

Final settlement sheet SPAR-547(a), approved May 8, 1959, covered payment of $214.14 to Lewie Aldridge, Spruce Pine, N. C. The name and location of the mine are shown as Cow Camp, Avery County, N. C., which is in agreement with the description of the mine in the exploration contract.

Contract Idm-[illegible]557, DMEA-3000, B. T. R. Mining Company

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

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

Date	Lot No.	Amount	
6/7/62	SPAR-496	$2,145.16	Final
6/15/62	" -512	1,214.58	"
4/5/62	" -525	1,100.98	Preliminary
4/12/62	" -530	1,181.30	"
4/19/62	" -537	950.82	"
4/26/62	" -542	875.89	"
5/3/62	" -547	966.57	"
5/10/62	" -560	842.05	"
5/18/62	" -566	917.21	"
6/1/62	" -591	435.49	"
6/5/62	" -599	256.26	"
6/7/62	" -607	279.04	"
4/5/62	SPAO-156	222.24	"
4/12/62	" -161	296.28	"

Contract Idm-[illegible], [illegible]-3[illegible], [illegible] Mines, Inc.

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

Lot No.	Date Approved	Seller	Amount
SPAP-257(a)	[illegible]/5/59	S. P. Lett, Rt. 3, [illegible], Ala.	$2,019.20
" -2[illegible](a)	12/30/59	" " " "	455.57
" -333(a)	1[illegible]/19/59	" " " "	861.37
" -414(a)	1/15/59	L. T. Roun[illegible], Rt. 2, Columbiana, Ala.	157.82
" -511(a)	3/25/59	" " "	649.37
" -780(a)	6/23/59	" " "	356.95

Contract Idm-[illegible], [illegible]-3247, Lewis Buchanan, et al.

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

Contract Idm-[illegible], [illegible]-3740, Roy Grindstaff, et al.

Final settlement sheet for lot No. [illegible] approved January 27, 196[illegible], [illegible] payments aggregating [illegible] Bailey & Grindstaff, [illegible], c/o [illegible] Grindstaff, [illegible], N. C. The name and location of the mine are shown as [illegible], Mitchell County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-[illegible], [illegible]-337, Hawk Mining Company

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

Lot No.	Date Approved	Seller	Amount
SPAO-475(a)	4/13/59	J. E. Wilson, c/o Mitchell Lumber Co., Spruce Pine, N.C.	$ 114.80
" - 12(a)	7/24/59	" " " "	594.62
" - 51(a)	8/24/59	" " " "	1,070.75*
" - 89(a)	1/2/[illegible]	" " " "	302.37*

* Includes [illegible] from various mines. Amounts applicable to Hawk Mine are $195.[illegible] and $9.4[illegible], respectively.

Contract Idm-8665, DMSA-3216, Hector Mining Company

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

Contract Idm-8734, DMSA-3452, Howard Boone & John Jarrett

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

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

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

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

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

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

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

CEFisher/ama 6-27-62

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

E 664 3/22/54 DMEA-3247 Newland Buchanan, et al

Mitchell County, N.C. (Concord) Johnson Mine

Sam Phillips

Rad reported Depot sale Acceptance 65% 10/6/54 $461.14 Auth 153A

Other known parties of possible interest:

Kester Buchanan	Partner	Clyde Norton	owner
Frank Cook	"	Roy Grindstaff	According to Beck Grindstaff and others operated in June + July 51 but did not find any mica.
H. T. Barksdale	owner	Sam C. Phillips	

4 sales of sheet mica $1,808.37 were reported. All by Sam Phillips

Investigate attached.

IPPR-163(a) not produced from board under this contract.
Per 7/8/60 ltr. from M. B. Buchanan. 7/9/60

Ab.

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

GENERAL S[illegible] IC[illegible] ADMINISTRATION

FINAL SETTLEMENT - PROGRAM B - MICA PURCHASE

(MICA REGULATION 7, REVISION 3, AMENDMENT 2, FURTHER AMENDED BY 4 AND 8)

MICA PURCHASE DEPOT - Spruce Pine, N. C.

PURCHASED [illegible]-10-60

ACCEPTANCE NUMBER [illegible]-163(a) Mon. [illegible]

W.A.I. NUMBER	LOT NUMBER	VOUCHER NUMBER	SCHEDULE NUMBER
[illegible]-3-154B	[illegible]-163(a)		

TYPE OF MICA	POUNDS PURCHASED	INITIAL PAYMENT
[X] RUBY [ ] NONRUBY	3570.00	$ 414.84

STATEMENT OF ACTUAL YIELD

QUALITY	POUNDS	PROGRAM A - VALUE STAINED MICA ($)
1. GOOD STAINED AND BETTER	21.97	
2. STAINED	45.57	$ [illegible]
3. HEAVY STAINED	28.78	
4. TOTAL YIELD	96.32	

COSTS

6. RIFTING: 139 HOURS x $ 1.05 = $ 145.95

7. TRIMMING: 290.75 HOURS x $ 1.10 = $ 319.83

8. RIFTING AND TRIMMING (Per pound): TOTAL COSTS (Items 6 and 7) $ 465.78 ÷ TOTAL YIELD (Item 4) 96.32 = COST PER LB. $ 4.84

COMPUTATION OF FINAL PAYMENT

9. POUNDS OF GOOD STAINED AND BETTER (Item 1) 21.97 x $ 37.037 PER LB. - RUBY =		$ 813.70
10. POUNDS OF STAINED (Item 2)		NUMBER OF POUNDS 45.57
11. POUNDS OF GOOD STAINED AND BETTER (Item 1) 21.97 x 1.5 = EQUIVALENT LBS. OF STAINED		NUMBER OF POUNDS 32.96
12. DIFFERENCE (Item 10 minus 11)		NUMBER OF POUNDS 12.61
13. PROGRAM A - VALUE OF STAINED (Item 5) $369.32 ÷ LBS. OF STAINED (Item 2) 45.57 =		(Per lb.) $ 8.11
14. DUE SELLER ON STAINED (Item 12) 12.61 X (Item 13) $ 8.11 =		$ 102.27
15. TOTAL (Item 9 + Item 14)		$ 915.97
16. COST OF RIFTING AND TRIMMING (Item 12 x Item 8)		$ 61.03
17. GROSS AMOUNT DUE SELLER (Item 15 - Item 16)		$ 854.94
18. MAXIMUM ALLOWABLE (3570.00 lbs. x 30¢)		$ 1071.00
19. INITIAL PAYMENT		$ 414.84
20. DUE [X] SELLER [ ] GOVERNMENT		$ 440.10

NAME AND LOCATION OF MINE

Johnson Mine, Mitchell County, N. C.

SELLER'S NAME AND ADDRESS (Type or print)

664

M. E. Burleson & Frank W. Phillips Co.
& Mitchell Lumber Co.
Spruce Pine, N. C.

APPROVED

DEPOT SUPERINTENDENT

DATE [illegible]-24-60

GSA WASH D C 58-3177

GSA FORM 1015b SEPTEMBER 1957

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-E664, Docket No. DMEA-3247 (Mica), dated March 22, 1954, with

Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Spruce Pine, North Carolina

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

A certification of discovery or development was issued on December 2, 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 October 20, 1954, indicated accepted costs under the exploration contract amounting to $6,500.00 with the Government's contribution, on a 75 percent basis, being $4,875.00.

A prior report of royalty review dated March 21, 1955, indicated total sales subject to Government royalty amounting to $2,176.43 for the period March 22, 1954, through March 9, 1955, and that the royalty due the Government amounting to $108.83 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)

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 March 22, 1954, to March 9, 1955 by:

Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Spruce Pine, North Carolina

produced from property referred to as the Johnson Mine located in Mitchell County, North Carolina, under terms of Contract Idm-3664, Docket No. DMEA-3247.

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) The production involved was incidental to the exploration operations;

(2) A review of the records of General Services Administration Mica Purchase Depot, Spruce Pine, North Carolina, did not disclose any other sales of mica from this mine since the effective date of the exploration contract; and

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

The audit established the total sales of mica for this period to be $2,176.43. Royalty due the U. S. Government at the contract rate of 5 percent is $108.83. The royalty paid and balance due are as follows:

Total Royalties Due	$108.83
Total Royalties Paid	108.83
Balance of Royalties Unpaid	$ -0-

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

March 21, 1955

SEXTUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with Hamilton National Bank, Knoxville, Tenn. 10/11/51
(Name and location of depositary) (Date sent)

DEPOSIT NO. 11-25-070-22

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

$55.77

SYMBOL NO. 1123

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

On account of— 11X1401 (55.77 (see reverse)

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

Cora A. Piper, Fiscal Officer
Bureau of Mines
Department of the Interior
Knoxville, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

R. C. Alee
(Authorized signature)

OCT 1 5 1951
(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

For Certificate of Deposit No. 30, dated October 11, 1954, giving royalty repayment of $27.14, see E-476.

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 659)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with Knoxville National Bank, Knoxville, Tenn. 10/3/56
(Name and location of depositary) (Date sent)

DEPOSIT NO. 24-03-070-29

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

$ 4.46

SYMBOL NO. 2420

C. A. Gibson, Oak Ridge, Tennessee
(Name and address of officer to be credited)

On account of— 2420 0 4.46 Royalty payment, 2-3-46 Indian C Coal

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

Cora A. Piper, Fiscal Officer
Bureau of Mines
Department of the Interior
Knoxville, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

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

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

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. 21-23-070-23

Deposited with First Nat. National Bank, Knoxville, Tenn. 10/7/54
(Name and location of depositary) (Date sent)

$ 6.63

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

SYMBOL NO. 1423

D. A. Edison, Oak Ridge, Tennessee
(Name and address of officer to be credited)

On account of— Royalty Payment, 2M-3-66, Buchanan & Cook

1454401 6.63

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

Cora A. Piper, Fiscal Officer
Bureau of Mines
Department of the Interior
Knoxville, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

E-664

For Certificate of Deposit No. 21, dated September 13, 1954, giving royalty repayment of$26.60, see E-561.

SEXTUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
[illegible]

Deposited with Danville National Bank, Danville, Tenn. [illegible]
(Name and location of depositary) (Date sent)

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

$ 13.63

SYMBOL NO.

[illegible]

E. A. Dixon, Cash Officer, Tenn.
(Name and address of officer to be credited)

On account of—

Royalty Payment Id-D-66
Johnson Binder Co.

[illegible] 13.63

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

Cora A. Piper, Fiscal Officer
Bureau of Mines,
Department of the Interior
Knoxville, Tenn.

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

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

(Authorized signature)

AUG 23 [illegible]
(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Newland Buchanan, Kester Buchanan & Frank Cook

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E664, Docket No. DMEA-3247, for the months of April 1954 to September 1954, inclusive, covering a project for the exploration of mica on property, known as the Ernest Johnson Mica Mine, located in Mitchell County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team's Final Report, 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		$6,500.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$6,500.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four thousand eight hundred seventy-five and no/100 Dollars

$4,875.00

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

E. D. Talbert

E. D. Talbert, Auditor

October 20, 1954

Form MF-10f (Rev.)
(April 1952)

Final Report

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

OCT 15 1954

Month of September, 195 4 Docket No. DMEA 3247 Contract No. Idm-E664
Operator's Name Newland & Kester Buchanan and Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, N. C.
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

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						
25' Drifting @ 35.00	875.00	2625.00	3500.00			
Shafting		3000.00	3000.00			
(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	875.00	5625.00	6500.00	875.00	5,625.00	6500.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9-27-54 *Payee Johnson Mining Co.

Newland Buchanan 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:

$656.25

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date OCT 7 1954 Vou. No. 63
(See other side)

6 + 7

C 9/24

218.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dm-E664 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date Sept. 30, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. A. Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date OCT 1 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form [redacted]F-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 4 Docket No. DMEA 3247 Contract No. Idn-E664

Operator's Name Newland & Kester Buchanan and Frank Cook Minerals Mica

Address c/o Newland Buchanan, Spruce Pine, 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
25' Drifting @ 35.00	Ft.	875.00	25	3500.00	100	35.00	100	35.00
Crosscutting								
Raising								
Shafts	Ft.			3000.00	60	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		875.00		6500.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		875.00		6500.00				

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 9-27-54 Operator Johnson Mining Co.

Per Newland Buchanan 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.

(Instructions on reverse)

Remarks:

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Report of Progress

Month of September, 1954

DMEA-3247

Idm-E 664 (Mica)

Work Accomplished:

We drifted 25' during the month, and completed the 100 feet of drifting set up in the contract. We were in vein material all of the way during this month, and recovered about one ton of mica. During the month Mr. Teague visited the mine and suggested that the drift be turned slightly to the North. This was done and some of the best mica recovered to date was found.

Daily Notes:

September 1 - 3 - Pumped water, mucked. Did some shooting.

September 6 - 10 - Pumped water, recovered mica, mucked. Mr. Teague visited the mine and suggested the drift be directed more to the North. Upon following this suggestion, the mica improved.

September 13 - 17 - Shot, mucked, pumped water. Continued the drift without incident and recovered some mica each day.

September 20 - 24 - Completed the contract drifting, recovering mica and operating with no particular difficulty.

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

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

RECEIVED
SEP 22 1954
Defense Minerals Administration

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

Month of August, 1954 Docket No. DMEA 3247 Contract No. Idm-E664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, N. C.
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

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						
32' @ 35.00 ft. Drifting	1120.00	1505.00	2625.00			
Shafting		3000.00	3000.00			
(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	1120.00	4505.00	5625.00	1120.00	4,505.00	5,625.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS No. 17

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9-8-54 *Payee Johnson Mining Co.
Per Newland Buchanan 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:

$ 840.00

Signature Conrad A. Pipes
(Authorized Certifying Officer)
Date SEP 20 1954 Vou. No. 59
(See other side)

5

280.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dm-E664 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date Sept. 13, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurens Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 15 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF
Defense Minerals Ex.
RECEIVED
SEP 22 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 3247 Contract No. Idm-E664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address d/o Newland Buchanan, Spruce Pine, 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
32' Drifting @ 35.00	Ft.	1120.00	32	2625.00	75	35.00	100	35.00
Crosscutting								
Raising								
Shafts	Ft.			3000.00	60	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1120.00	32	5625.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1120.00		5625.00				

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 9-8-54 Operator Johnson Mining Co.

Per Newland Buchanan 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

SEP 22 1954

OPERATOR'S
Monthly Report of Progress

Month of August, 1954

DMEA-3247, Idm-E664

Mica

Work Accomplished:

We drifted 32' during the month, in vein material all the way, and recovered about one ton of mica. The mica is not a very high quality, being slightly gummy. We widened the drift during the last part of the month, upon the suggestion of Mr. Teague, in order to take better care of the mica.

Daily Notes:

August 2 - 6 - Pumped water, did some shooting, recovered some mica each day.

August 9 -13 - Pumped water, drilled and shot. In vein material all the way, recovering mica in small amounts.

August 16-20 - Continued with the drift as before, pumping water and working in vein. Field Team visited mine on Aug. 18 and suggested widening the drift in order to protect the mica being recovered.

August 23-27 - Pumped water, drilled and shot. More mica now being recovered each day, but the mica is of a gummy quality.

August 30-31 - Continued with the same work. About a ton of mica has been recovered alltogether during the month.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1954 Docket No. DMEA 3247 Contract No. Idm-E664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, N. C.
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

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						
18' Drifting @ 35.00	630.00	875.00	1505.00			
Shafting		3000.00	3000.00			
(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	630.00	3875.00	4505.00	630.00	3,875.00	4,505.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-6

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-2-54 *Payee Johnson Mining Co.
Per Newland Buchanan Title Partner

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

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

(Instructions on reverse)

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

$ 472.50

Signature Cora A. Piper
(Authorized Certifying Officer)
Date AUG 11 1954 Vou. No. 28
(See other side)

4

157.50

(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-E6-64 in accordance with the terms of the contract.

Signature Dewey H. Amos Title Geologist-USGS Date Aug. 5, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date AUG 6 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA 3247 Contract No. Idm-E664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, 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
181 Drifting @ 35.00	Ft.	630.00	18	1505.00	43	35.00	100	35.00
Crosscutting								
Raising								
Shafts	Ft.			3000.00	60	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		630.00	18	4505.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		630.00		4505.00				

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 8-2-54 Operator Johnson Mining Co.

Per Newland Buchanan 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.

(Instructions on reverse)

Remarks:

(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 REPORT OF PROGRESS

for the month of July, 1954

DMEA-3247

Idm-E664

Work Accomplished:

We completed 18 feet of drifting during the month of July. Our progress was slowed considerably due to hoist trouble and we had to wait for several days for parts that were ordered for the hoist. We hit old works at about the 38 foot point in the drift, and turned to the right of the old works. We were in vein material most of the way and recovered about 1000 lbs. of small mica during the month.

Daily Notes:

July 1 & 2 - Pumped water, drilled.

July 5 - 9 - Pumped water, mucked and continued to drill.

July 12 - 16 - Pumped water, mucked. Now in vein material, and beginning to hit old works.

July 19 - 23 - Began to direct drift to the right of the old works and vein began to produce some small mica. Drilled and mucked, recovering some mica.

July 26 - 30 - Pumped water, continued drift in the same direction. Drilled, mucked. Mica improving some, and we recovered more mica, making a total of about 1000 lbs.

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

Month of June, 1954 Docket No. DMEA 2247 Contract No. [illegible]
Operator's Name Newland Buchanan, Doctor Buchanan & Mexican Geol. Minerals [illegible]
Address c/o Newland Buchanan, Grants, N. M.
Contract Amount, $ [illegible] Government Participation: 75% 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						
Drifting	[illegible]		[illegible]			
[illegible]		[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]	875.00	3,000.00	3,875.00

RECEIVED JUL 19 1954

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-2

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

Date [illegible] *Payee [illegible]

Per Newland Buchanan 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:

$ 656.25

Signature Cora A. Piper
(Authorized Certifying Officer)

Date JUL 15 1954 Vou. No. 14

(See other side)

3

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dm-E664 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date July 10, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 19 1954

Month of June 1954 Docket No. DMEA 3247 Contract No. IC-3 604
Operator's Name Newland Buchanan, Hector Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Strong Bldg., 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
25' Drifting @ 35.00'	Ft.	875.00	25	875.00	25	35.00	200	35.00
Crosscutting								
Raising								
Shafts	Ft.			3000.00	60	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		875.00	25	3875.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		875.00		3875.00				

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

Date 7-6-54 Operator Johnson Mining Co.

Per Newland Buchanan Title Partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATORS

MONTHLY REPORT OF PROGRESS

for the Month of June, 1954

DMEA-3247

Contract No. Ida-3644

(Mica)

COPY

Work Accomplished:

We drifted a total of 25 feet during the month, and although no mica to speak of has been encountered, we are in vein material and a few half-dollar size pieces of mica have been found. Had some difficulty with the breaking down of the hoist, but otherwise have progressed satisfactorily.

Daily Notes:

June 1 - 4 - Pumped water, mucked. Begun shooting and drilling.

June 7 - 11 - Mucked, continued drilling. We are in vein material but no mica encountered.

June 14 - 18 - Pumped water, mucked. Continued the drift in same direction, beginning to see specks of mica in the vein material.

June 21 - 25 - Pumped water, continued to drill, shoot and muck.

June 28 - 30 - Had trouble with hoist, had to repair this and was slowed up considerably. Continued to drift in vein material which looks hopeful. Small mica bits now showing.

MF-104 (Rev.)
April 1952)

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

Received
JUN 1 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1954 Docket No. DMEA 3247 Contract No. Idm-E 664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, N. C.
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

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						
25' Shafting @ 50.00ft.	1250.00	1750.00	3000.00			
(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	1250.00	1750.00	3000.00	1,250.00	1,750.00	3,000.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 71

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 1 *Payee Newland Buchanan, Kester Buchanan and Frank Cook

Per Newland Buchanan 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:

$ 937.50

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date JUN 9 1954 Vou. No. 309

(See other side)

312.50

(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-E664 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date June 5, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. A. Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date JUN 7 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 [illegible]-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1954 Docket No. DMEA 3247 Contract No. Idm-E 664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, 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								
Crosscutting								
Raising								
25' Shafting @ 50.00	Ft.	1250.00	25	3000.00	60	3800.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1250.00	25	3000.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1250.00		3000.00				

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 June 1, 1954 Operator Newland Buchanan, Kester Buchanan & Frank Cook

Per Newland Buchanan 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

SEXTUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with Carlton National Bank, Knoxville, Tenn. 9/9/54
(Name and location of depositary) (Date sent)

DEPOSIT NO. 34-22-675-20

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

$ 7.10

SYMBOL NO. 2620

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

On account of—

Royalty Payment 2&-2-44, Johnson Mining Co.

34440 7.10

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

Cora A. Piper, Fiscal Officer
Bureau of Mines
Department of the Interior
Knoxville, Tenn.

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

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

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

OPERATORS
MONTHLY PROGRESS REPORT

for the Month of May, 1954

DMEA-3247

Work Accomplished:

We have now sunk the shaft an additional 25 feet, making a total of 60 feet. We installed an electric pump in the shaft to take care of pumping out the water. Powder magazine has been put in, and we have also installed an electric air fan. We were having some air difficulty, but the fan seems to take care of that.

Daily Notes:

May 3 - 5 Installed electric pump in the shaft.

May 6 - 7 Pumped water, installed powder magazine.

May 10 - 12 Pumped water, drilled, mucked. We are in material that is chiefly slate.

May 13 - 14 Pumped water, continued drilling, mucking.

May 17 - 19 Began encountering some trouble with bad air. Decided to install air fan, and began work on this.

May 20 - 21 Pumped water, drilled, mucked. Material seems to be changing from slate to more promising material.

May 24 - 26 Pumped water, drilled. Vein material now begins to look as though we are approaching the capping of a vein.

May 27 - 29 Continued to drill. No mica found, but material continues to look hopeful.

COPY

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

Month of April, 1954 Docket No. DMEA 3247 Contract No. IDm-664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address Spruce Pine, N. C. (c/o Newland Buchanan)
Contract Amount, $ 6500.00 Government Participation: 75 % Amount, $ 4875.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shafting 35'@$50.ft.	1750.00	None	1750.00			
(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	1750.00	None	1750.00	1,750.00	—	1,750.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-64

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 4, 1954 *Payee Newland Buchanan, Kester Buchanan and Frank Cook

Per Newland Buchanan Title Partner

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

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

(Instructions on reverse)

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

$ 1,312.50

Signature Cora A. Pigeon
(Authorized Certifying Officer)

Date MAY 13 1954 Vou. No. 278
(See other side)

1st S 415 437.50

(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. Ida-E664 in accordance with the terms of the contract.

Signature Kefton H. Teague Title Geologist USGS Date MAY 7 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date MAY 7 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1954 Docket No. DMEA 3247 Contract No. Idm-664
Operator's Name Newland Buchanan, Kester Buchanan & Frank Cook Minerals Mica
Address c/o Newland Buchanan, Spruce Pine, 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								
Crosscutting								
Raising								
Shafts	Ft.	1750.00	35	1750.00	35	50.00	60	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1750.00		1750.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		1750.00		1750.00				

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 May 4, 1954 Operator Newland Buchanan, Kester Buchanan & Frank Cook

Per Newland Buchanan Title Partner
Newland Buchanan

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATORS
MONTHLY PROGRESS REPORT

For the Month of

April, 1954

DMEA - 3247
Idm-664
Date Work Began: April 1, 1954

COPY

Work Accomplished:

We moved to location, set up machinery; hoist, air compressor, put up boom pole, mask pole, etc. Sank shaft about 35 feet and had to timber about 17 feet of the shaft. We had to pump water from another hole as we went down. Satisfactory progress had been made, with no serious difficulties encountered.

Daily Notes:

April 1 - 2	Moved in equipment
April 5 - 6	Set up hoist, air compressor
April 7- 9	Put up mask pole, boom pole, etc.
April 12 -15	Cleared off place, began shooting and drilling.
April 16	Drilled.
April 19 -23	Continued drilling, and pumping water as we went down.
April 26 -27	Timbered, drilled.
April 28-30	Drilled to a depth of 35 feet.

MAR 2 4 1964

Mrs. R. T. Barksdale
104 Hillcrest Circle
Spruce Pine, North Carolina

Re: DMEA-3247 (Mica)
Buchanan, Buchanan, and Cook
Johnson Mine
Mitchell County, North Carolina
Contract Idm-E664

Dear Mrs. Barksdale:

Thank you for the information in your letter of February 27, 1964. We are sorry to hear of the passing of your husband, who with Frank Cook and Clyde Norton executed an Owner's Consent to Lien on the Johnson Mine property in connection with the subject contract.

The period during which royalty was due on production from the subject property expired on March 22, 1964; therefore, the Government retains no lien or claim on the land. We, therefore, are closing our books and records on this contract.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/mm (3/9/64)
cc: Director's Reading File
R. A. Laurence w/cy of incoming ltr dated 2/27/64
✓CA&A Division
Docket
Code 500

GOVERNMENT'S COPY

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

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

To: Haulard Buchanan, Hester Buchanan, and Frank Cook, Partners
C/O Haulard Buchanan
Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. LDM-[illegible], dated March 22, 1954 (Docket No. DMA-[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:

Strategic mica concentrations were discovered in a conformable unnamed pegmatite in mica schist and gneiss country rock on the 56-foot level.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals
Exploration Administration

Dated: DEC 2 - 1954

LGHouk:gad 11/23/54
Copy to: Mr. Frank Cook, Minpro, North Carolina
Mr. H. T. Barksdale
Mr. Clyde Norton
Mr. Irving Gumbel, EPS, GSA
Docket
Admr. R. File
Mr. Chambers
Mr. Johnson
Mr. Houk
Field Team, Region VII
Mr. Kiilsgaard, 5222
Operating Committee
Finance Office
Mr. Hedges, 4604

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

DEC - 2 1954

Mr. Rowland Buchanan

Spruce Pine, North Carolina

Re: Docket No. DMEA-347 - Mica
Rowland Buchanan, Lester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-2664

Dear Mr. Buchanan:

Transmitted herewith is a certification of discovery or development on Contract No. Idm-2664 on the Johnson Mine, Mitchell County, North Carolina.

By the terms of the Exploration Project Contract and of the certification, all production from the property from the date of the Exploration Project Contract, March 22, 1954, is subject to the Government's percentage royalty as set forth in the contract until the sum of $4,875.00 is paid or until March 22, 1964, whichever occurs first.

Payments should be made to Mr. Robert A. Lawrence, 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 Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check to the Executive Officer.

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

You are requested to notify Mr. Lawrence 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. Lawrence at six-month intervals that no production has been made.

Sincerely yours,

C. D. Mittenderf

Administrator

Enclosure

WCAnderson:gad 11/17/54

Copy to: Mr. Frank Cook
Mr. H. T. Barksdale
Mr. Clyde Horton
Admr. R. File
Docket

Mr. Johnson
Mr. Chambers
Mr. Hook
Mr. Hodges, 4604
Operating Committee

Mr. Killgaard, 5222
Field Team, Region VII

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

DEC - 2 1954

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

Re: Docket No. DMEA-3247 - Mica
Rawland Buchanan, Hester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-8564

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 on March 22, 1954, with the Government participating to the extent of 75% of $6,500.00 or $4,875.00.

The project was started on April 5, 1954, and completed September 24, 1954, after the expenditure of $6,500.00 which is the total net accepted cost according to the Audit Review. The Government paid 75% of the total accepted cost or $4,875.00.

The work performed on this project consisted of sinking a 60-foot shaft and from the bottom of the shaft drifting and/or cross-cutting a total of 100 feet. The drifting exposed a conformable unzoned pegmatite about 40 feet thick enclosed in mica schist and gneiss. A commercial deposit of sheet mica was discovered by this work. An estimated three tons of "mine run" mica was produced during the project from which $946.58 worth of mica was sold.

An ore reserve estimate cannot be made, since work did not expose the mica zone sufficiently to determine the size, shape, and extent 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 the contract.

Sincerely yours,

C. G. Mittendorf
Administrator

Enclosure

WCAndersen:gad 11/17/54

Operating Committee
Field Team, Region VII
Mr. Kilsgaard, 5222
Mr. Hedges, 4604

Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Houk

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

DEC 22 1954

Mr. H. T. Barksdale

Spruce Pine, North Carolina

Re: Docket No. DMEA-3247 - Mica
Newland Buchanan, Lester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-3664

Dear Mr. Barksdale:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased by H. T. Barksdale, Frank Cook and Clyde Norton of Mitchell County, North Carolina, to Newland Buchanan, Lester Buchanan, and Frank Cook, under a Mining Lease, dated January 14, 1954, and is the same property referred to in the Owner's Consent to Lien.

Also enclosed is a copy of our letter, dated December 2, 1954, and addressed to Mr. Newland Buchanan, addressee in behalf of the Operators.

Sincerely yours,

L. O. Mittenthal

Administrator

Enclosures 2

WCAnderson:gad 12/21/54
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Henk
Mr. Hedges, 4604
Mr. Kiilsgaard, 5222
Field Team, Region VII
Operating Committee

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

DEC 22 1954

Mr. Clyde Norton

Old Fort, North Carolina

Re: Docket No. DMEA-3247 - Mica
Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-D664

Dear Mr. Norton:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased by H. T. Barksdale, Frank Cook and Clyde Norton of Mitchell County, North Carolina, to Newland Buchanan, Kester Buchanan, and Frank Cook, under a Mining Lease, dated January 14, 1954, and is the same property referred to in the Owner's Consent to Lien.

Also enclosed is a copy of our letter, dated December 2, 1954, and addressed to Mr. Newland Buchanan, addressee in behalf of the Operators.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures 2

WCAnderson:gad 12/21/54
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Houk
Mr. Hedges, 4604
Mr. Kiilsgaard, 5222
Field Team, Region VII
Operating Committee

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

600

DEC 22 1954

Mr. Frank Cook

Minpro, North Carolina

Re: Docket No. DMEA-3247 - Mica
Newland Buchanan, Kester Buchanan
and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract No. Idm-E664

Dear Mr. Cook:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased by H. T. Barksdale, Frank Cook and Clyde Norton of Mitchell County, North Carolina, to Newland Buchanan, Kester Buchanan, and Frank Cook, under a Mining Lease dated January 14, 1954, and is the same property referred to in the Owner's Consent to Lien.

Also enclosed is a copy of our letter, dated December 2, 1954, and addressed to Mr. Newland Buchanan, addressee in behalf of the Operators.

Sincerely yours,

C. O. Mitchell

Administrator

Enclosures 2

WCAnderson:gad 12/21/54
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Mr. Houk
Mr. Hedges, 4604
Mr. Kiilsgaard, 5222
Field Team, Region VII
Operating Committee

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

March 18, 1954

Memorandum

To: Mr. G. C. Selfridge
Chairman, Operating Committee

From: Jay L. Chambers (Signed) J. L. Chambers
Chief, Contract Administration and Audit Division

Subject: Docket No. DMEA-3247 (Mica),
Newland Buchanan, Kester Buchanan and Frank Cook,
Johnson Mine, Mitchell County, North Carolina.

From an audit standpoint the contract is all right. I have looked up the history of this region and find that the ordinary mica discovery produces less than $20,000 worth of mica. This particular project would have to produce $97,500 worth of mica in order to repay the Government for its share of the contract, which is $4,875. I am not an engineer but from a layman's viewpoint it is a pretty bad investment.

Furthermore, I believe that all mica contracts and some of the other high percentage minerals should be placed on a maximum cost type of contract, rather than an agreed unit type of contract. I have seen no cost data that substantiates this contract.

JLChambers/wb
March 18, 1954

Copy to; Docket
Admr. Reading File
Mr. Chambers

Docket No. DMEA - 3247

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 ~~664~~

Date of Contract ~~or Amendment:~~ March 22, 1954

Name and Address of Operator:

Newland Buchanan, Kester Buchanan and
Frank Cook
Johnson Mine
Mitchell County, North Carolina

Amount of Government participation $ 4,875.00

Percent of Government participation 75 %

Region: V11 State: North Carolina

JLC

(Name)

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

(Title)

Date Delivered to Bureau of Mines, Washington. 3/22/54

54458

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 8 1954

DOCKET NO. DMEA 3247

COMMODITY Mica

IDM - 664
Government's Copy

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 22 day of March, 1954 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Newland Buchanan, Kester Buchanan, and Frank Cook, Partners
C/o Newland Buchanan
Spruce Pine, North Carolina

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

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

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

the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

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

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

ARTICLE 3. *Exploration project.*—The Operator, within 30 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 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 75 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 $4,875.00, which is 75 percent of $6,500.00 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:

(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. See Annex II, substituted for Article 6.

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.

By Marshall Buchanan (Partner)

By Kesler Buchanan (Partner)

By Frank Cook (Partner)

THE UNITED STATES OF AMERICA

By C. D. Mitkendorf

Administrator, Defense Minerals Exploration Administration

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

..... [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
NEWLAND BUCHANAN, KESTER BUCHANAN, AND FRANK COOK, PARTNERS
DOCKET NO. DMEA-3247

ANNEX I

The land referred to in Article 2 of the contract form is known as the Johnson mine and was leased to the applicants for a period of five years by H. T. Barksdale, Frank Cook, and Clyde Norton, under a mining lease dated January 14, 1954. The property is shown on the attached map entitled "Ernest Johnson Mica Mine, Mitchell County, North Carolina," and is more particularly described as follows:

> "Adjoining the lands of Clyde Buchanan, D. M. Thomas, and others, and beginning on a dogwood and running south 63 east 15 poles to a rock; thence south 46 east 4½ poles to a locust; south 24 east 1½ poles to a stake; thence south 68 east up the branch 18½ poles to a buckeye; thence east 7 poles to a stake in the old north-and-south line; thence north with said line 53 poles to a double maple on the ridge; thence south 80 west 16½ poles to a poplar on a rock; south 52 west 18 poles to a stake at the spring; thence south 29 west 23 poles to the beginning, containing 9½ acres, more or less."

EXPLORATION PROJECT CONTRACT
NEWLAND BUCHANAN, KESTER BUCHANAN, AND FRANK COOK, PARTNERS
DOCKET NO. DMEA-3247

ANNEX II

The following provisions are in lieu of Article 6:

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

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

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

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

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

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

EXPLORATION PROJECT CONTRACT
NEWLAND BUCHANAN, KESTER BUCHANAN, AND FRANK COOK, PARTNERS
DOCKET NO DMEA-3247

EXHIBIT "A"

Description of the Work

The project consists of exploring the Johnson mine by sinking not to exceed 60 feet of 2-compartment shaft, and driving not to exceed an aggregate of 100 feet of drift and/or crosscut, at the approximate locations shown on the attached map entitled "Ernest Johnson Mica Mine, Mitchell County, North Carolina." The shaft, and the drifts and crosscuts shall have dimensions not less than 5 feet by 7 feet in the clear. The location of the shaft, and the direction of the drifts and crosscuts, are subject to the prior approval of the Government.

Estimated Costs of the Project

60 feet of shaft, @ $50.00/ft.	$3,000.00	
100 feet of drift and/or crosscut @ $35.00/ft.	3,500.00	
Agreed Estimated Total Cost of Project		$6,500.00
Government Participation @ 75%		$4,875.00

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, described as follows: 1/ Adjoining the lands of Clyde Buchanan, D. M. Thomas and others and BEGINNING on a dogwood and running south 63 east 15 poles to a rock; thence south 46 east 4½ poles to a locust; south 24 east 1½ poles to a stake; thence south 68 east up the branch 18½ poles to a buckeye; thence east 7 poles to a stake in the old north and south line; thence north with said line 53 poles to a double maple on the ridge; thence south 80 west 16½ poles to a poplar on a rock; south 52 west 18 poles to a stake at the spring; thence sout h 29 west 23 poles to the BEGINNING, containing 9½ acres, more or less.

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/ Newland Buchanan, Spruce Pine, N. C. , Kester Buchanan and Frank Cook of Minpro, N. C.

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

4. Changes and added provisions _____

Dated this _____ day of _____, 195___.

H T Buchanan [Seal]

Frank Cook [Seal]

Clyde Norton [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.

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

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

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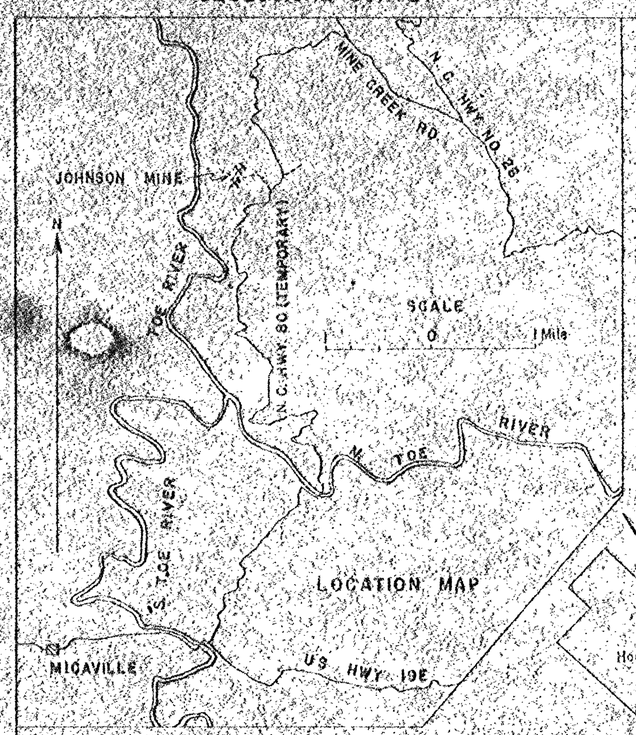
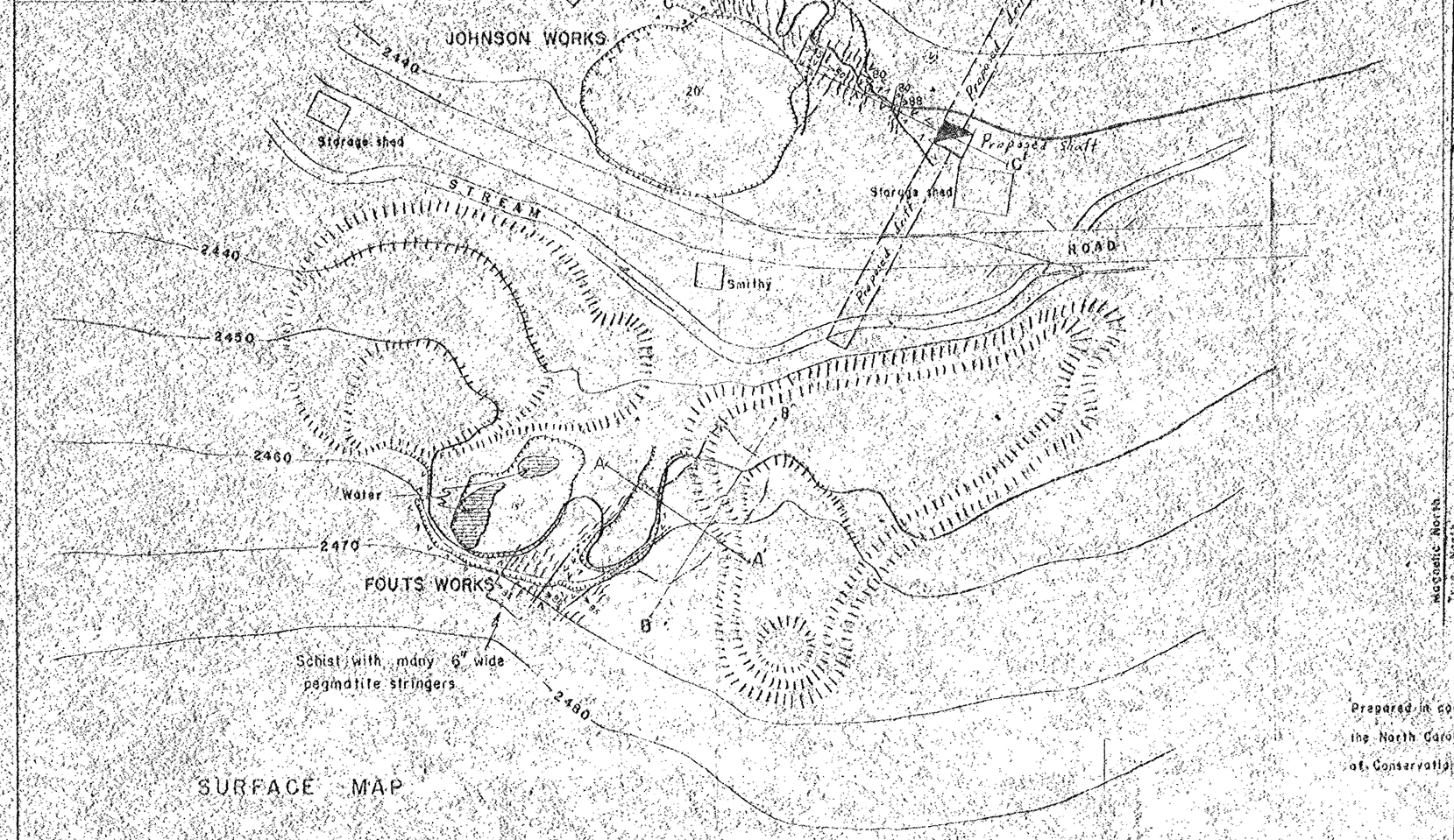
f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior--Duplicating Section, Washington, D. C. 47318

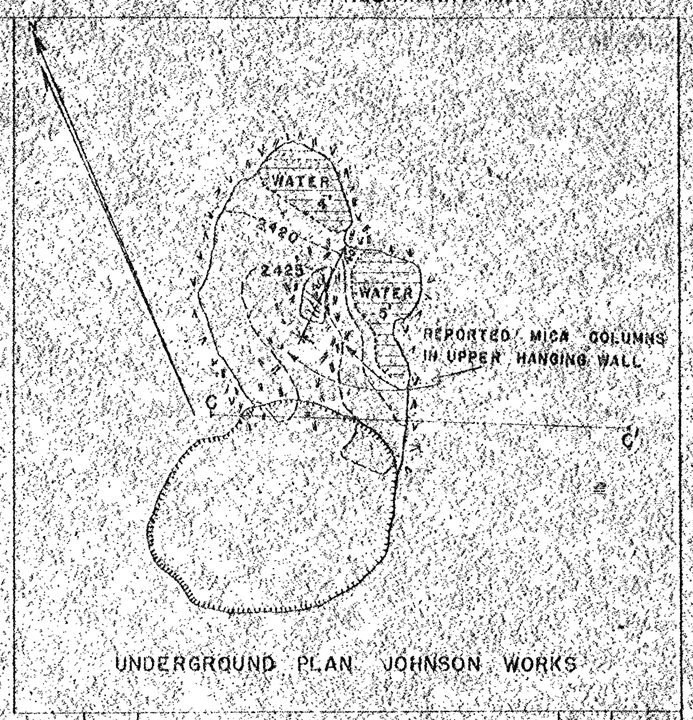
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP

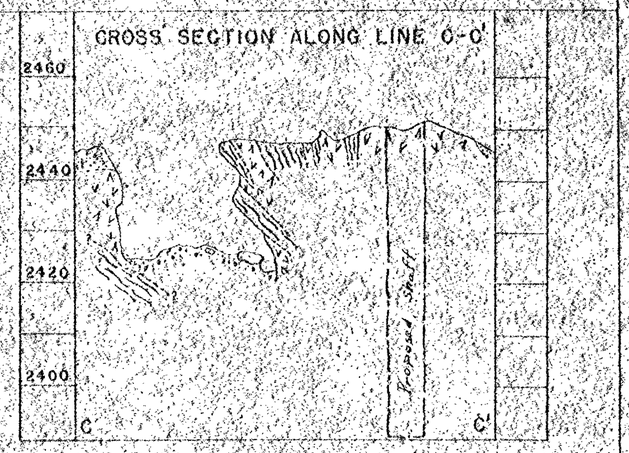




SURFACE MAP



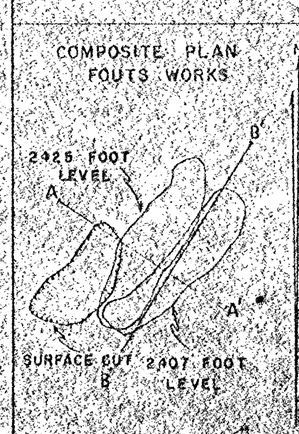
UNDERGROUND PLAN JOHNSON WORKS

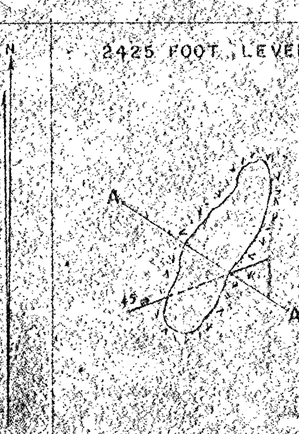


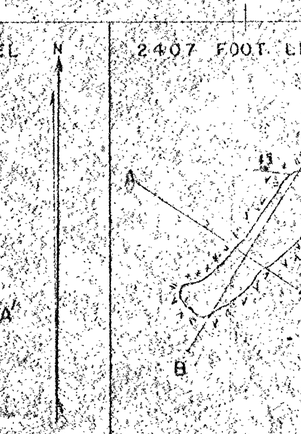
EXPLANATION

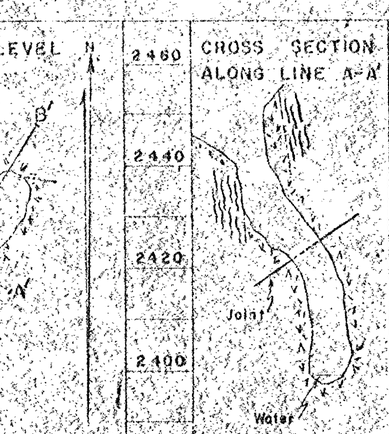
- Dump material
- Quartz-plagioclase pegmatite
- Quartz rich pegmatite
- Scrap mica zone
- Sheet mica zone
- Biotite-muscovite gneiss
- Strike and dip of foliation
- Strike and dip of joint
- Axis of roll in pegmatite contact, showing pitch
- Contact, location accurate, showing dip
- Contact, location approximate
- Limit of outcrop
- Edge of open cut, showing depth
- Outline of underground workings
- Projected outline of underground workings
- Contours on mine floor
- Dump
- Shaft, showing depth

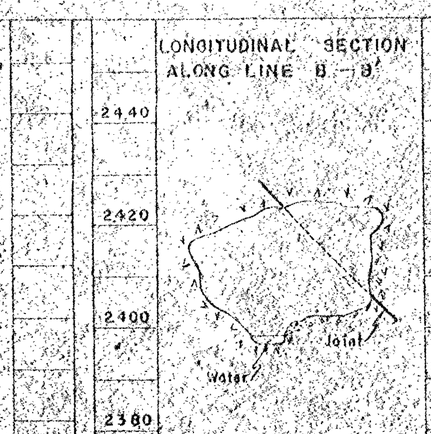
Prepared in cooperation with the North Carolina Department of Conservation and Development











Mapped by
James R. Wolfe, Jr.
Edward Ellingwood
August 7-8, 1944

SCALE IN FEET
20 10 0 20 40 60 80 100
Contour interval 10 feet. Datum assumed

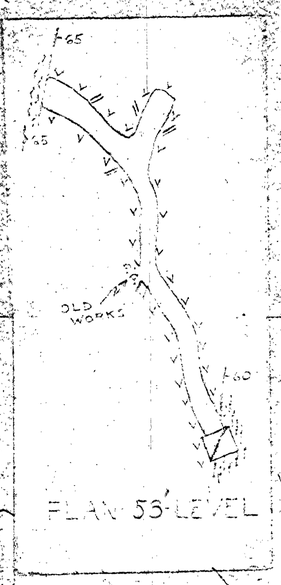
ERNEST JOHNSON MICA MINE, MITCHELL COUNTY, NORTH CAROLINA

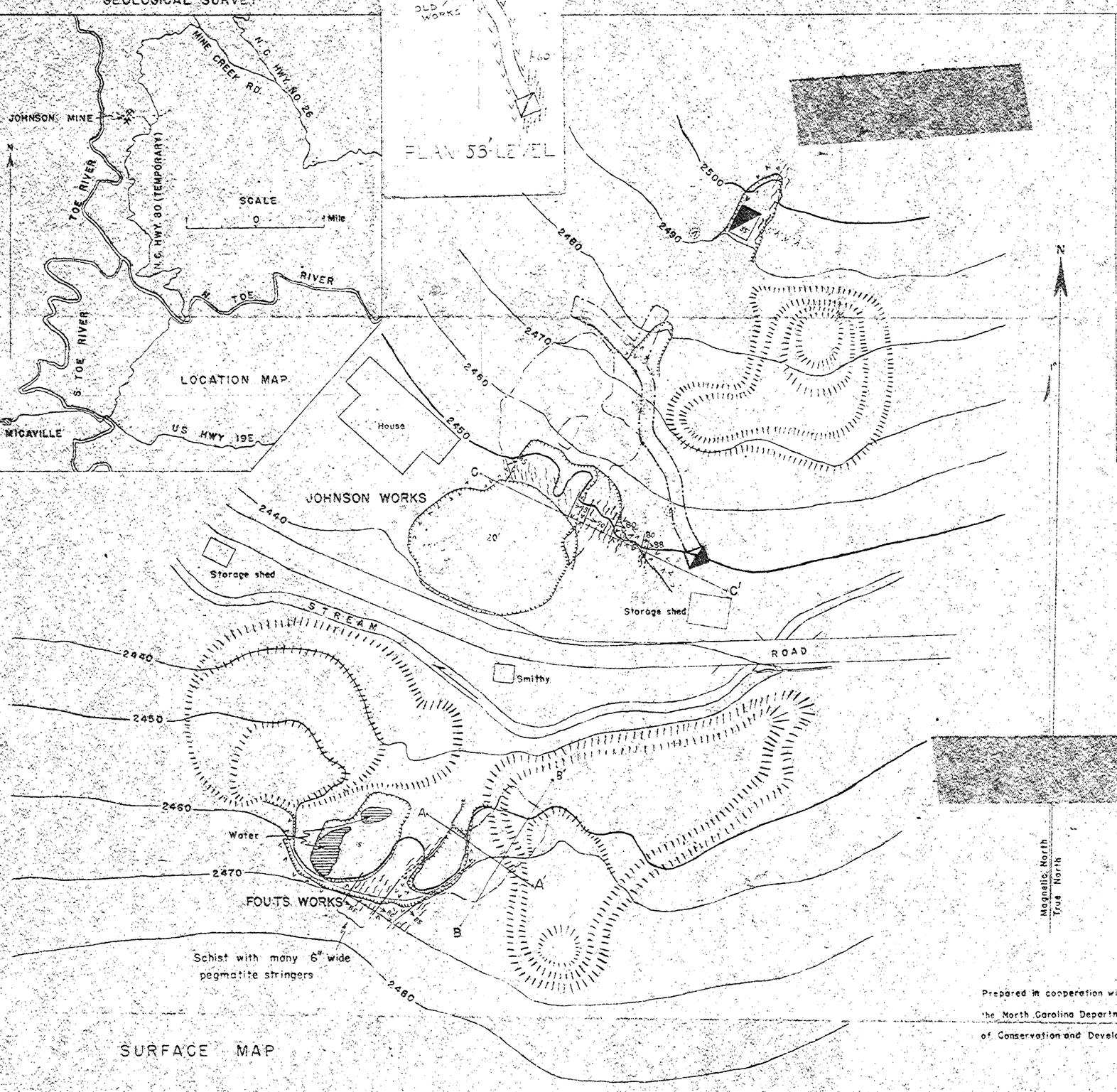
DMER-3247

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

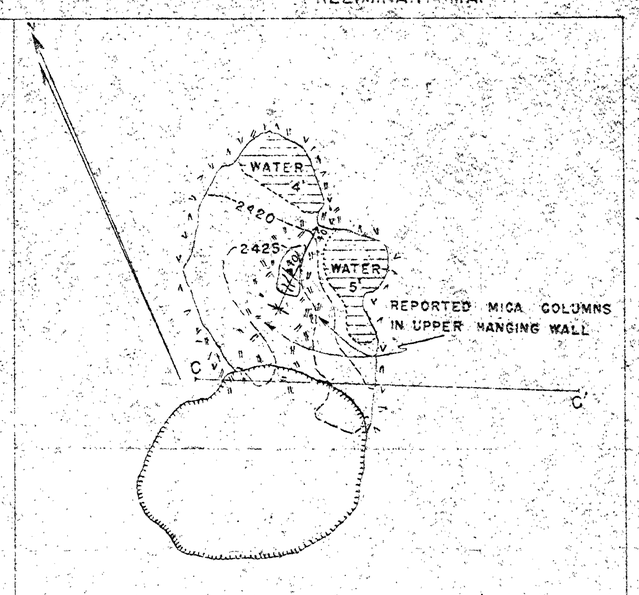
STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP

LOCATION MAP

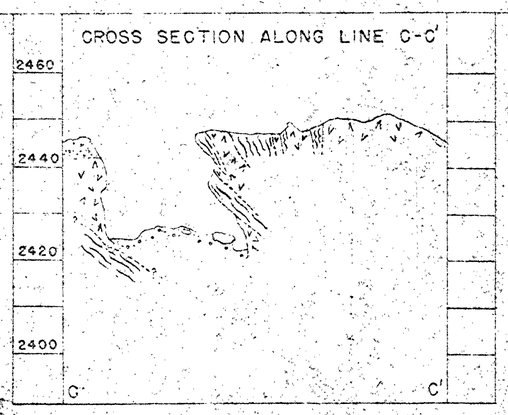




SURFACE MAP



UNDERGROUND PLAN JOHNSON WORKS



Magnetic North
True North

Prepared in cooperation with the North Carolina Department of Conservation and Development

EXPLANATION

- Dump material
- Quartz-plagioclase pegmatite
- Quartz rich pegmatite
- Scrap mica zone
- Sheet mica zone
- Biotite-muscovite gneiss
- 40 Strike and dip of foliation
- 45 Strike and dip of joint
- 40 Axis of roll in pegmatite contact, showing pitch
- 80 Contact, location accurate, showing dip
- Contact, location approximate
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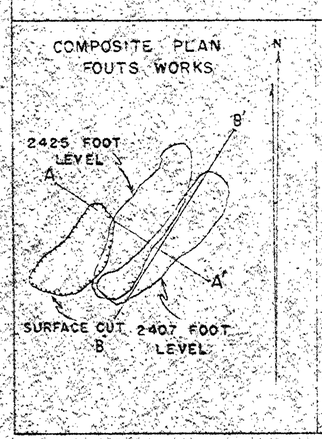
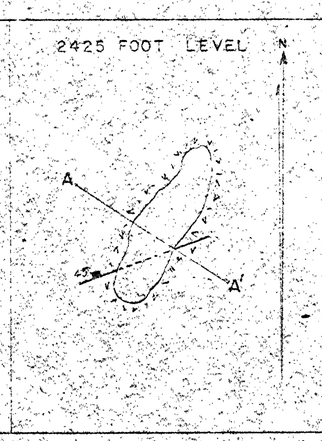
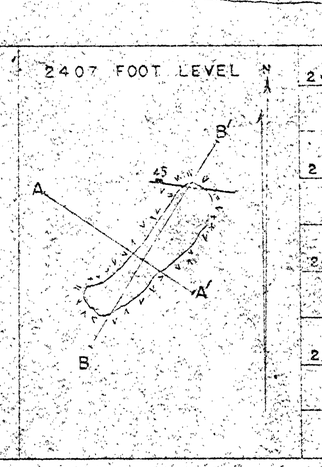
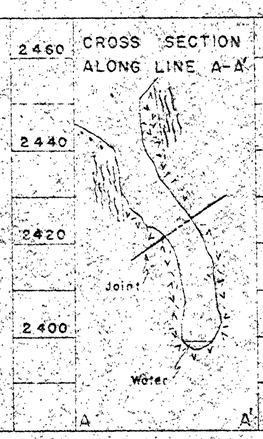
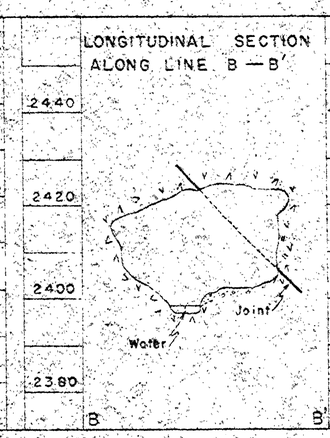
- Outline of underground workings
- Projected outline of underground workings
- Contours on mine floor
- Dump
- 35 Shaft, showing depth









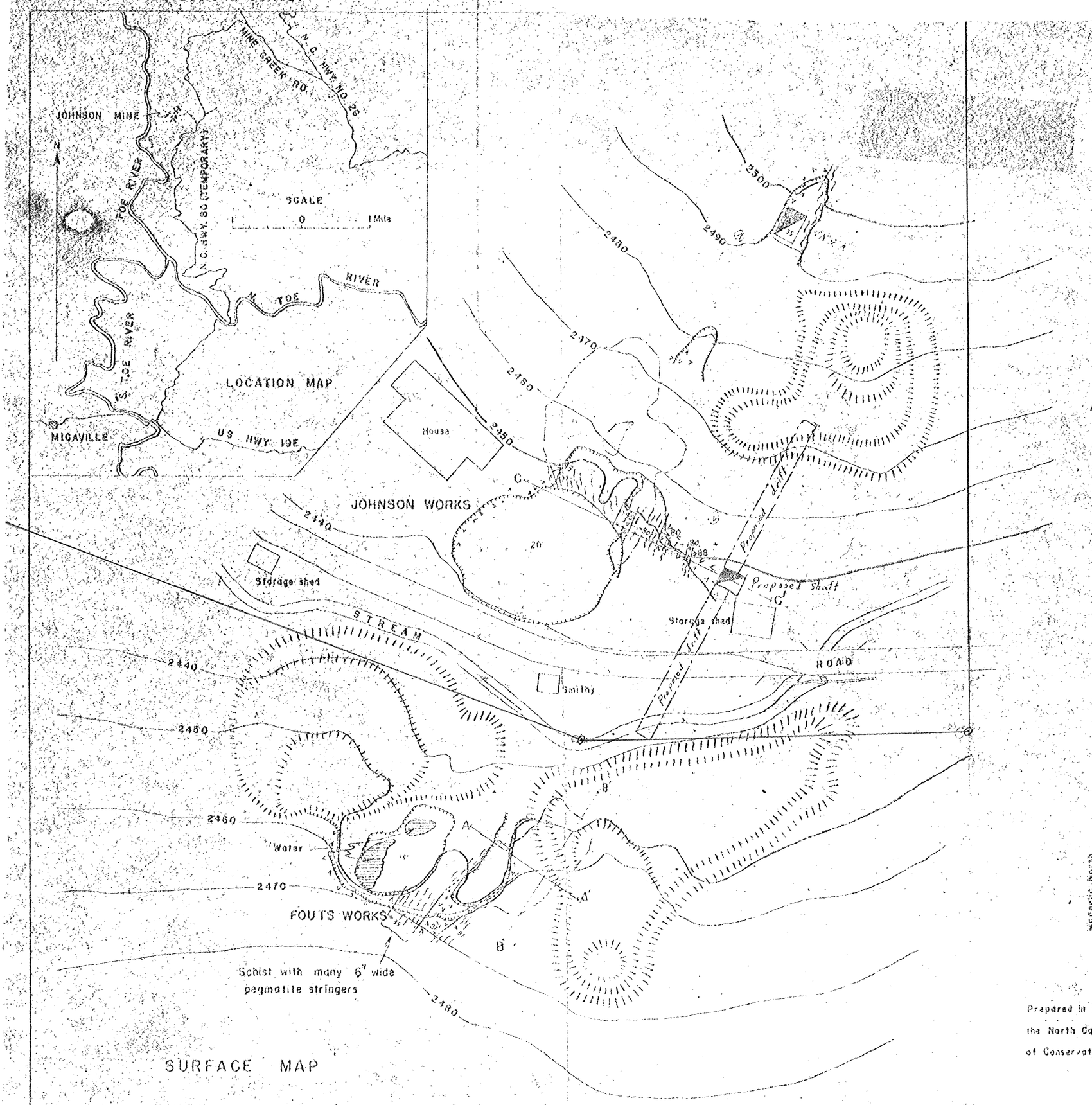


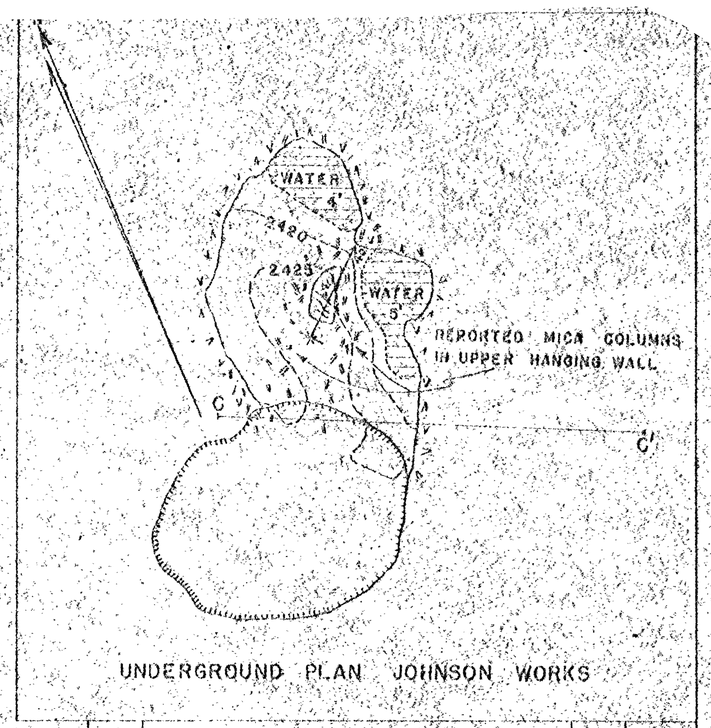
Mapped by
James R. Wolfe, Jr.
Edward Ellingwood
August 7-8, 1944

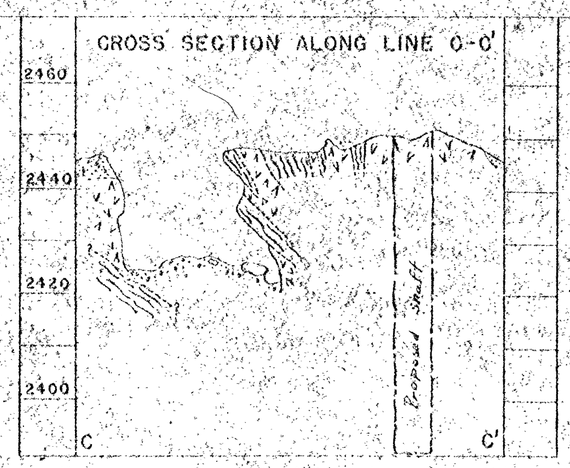
SCALE IN FEET
20 10 0 20 40 60 80 100
Contour interval 10 feet. Datum assumed

ERNEST JOHNSON MICA MINE, MITCHELL COUNTY, NORTH CAROLINA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



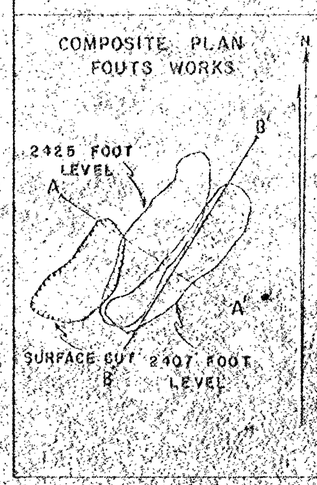


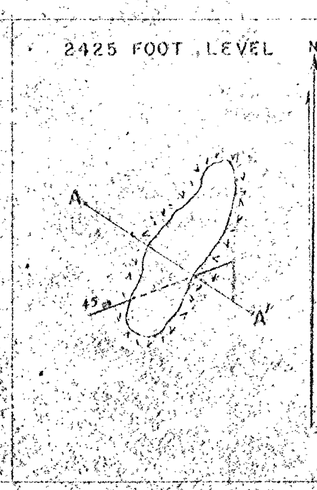


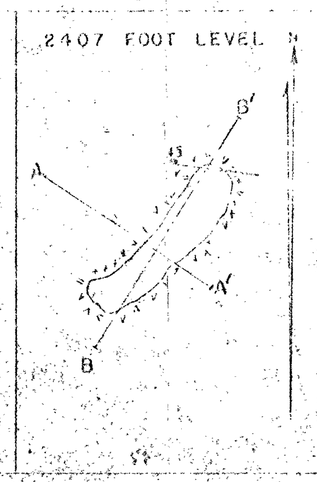
EXPLANATION

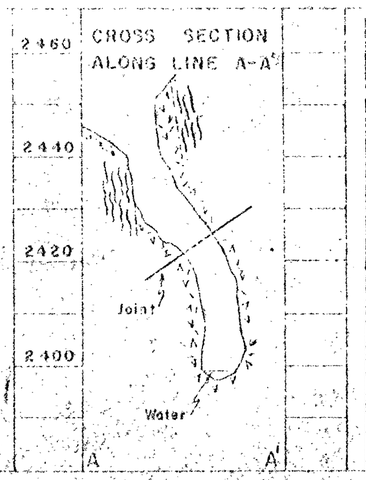
- Dump material
- Quartz-plagioclase pegmatite
- Quartz rich pegmatite
- Scrap mica zone
- Sheet mica zone
- Biotite-muscovite gneiss
- 40 Strike and dip of foliation
- 45 Strike and dip of joint
- 30 Axis of roll in pegmatite contact, showing pitch
- 80 Contact, location accurate, showing dip
- Contact, location approximate
- Limit of outcrop
- 10' Edge of open cut, showing depth
- Outline of underground workings
- Projected outline of underground workings
- Contours on mine floor
- Dump
- Shaft, showing depth

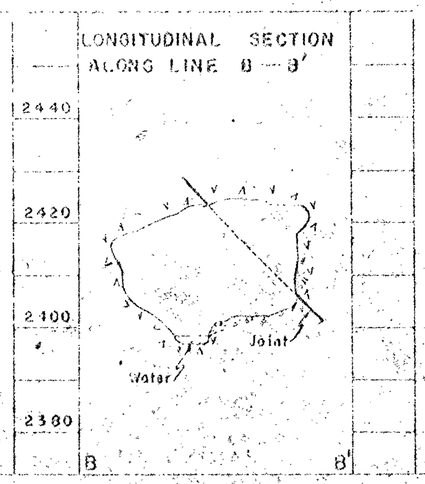
Prepared in cooperation with the North Carolina Department of Conservation and Development











Mapped by
James R. Wolfe, Jr.
Edward Ellingwood
August 7-8, 1944

SCALE IN FEET
20 10 0 20 40 60 80 100
Contour interval, 10 feet, Datum assumed

ERNEST JOHNSON MICA MINE, MITCHELL COUNTY, NORTH CAROLINA

DMEA-3241