☑ Audited 1/8/55 W[redacted]K ANALYSIS SHEET - DMEA PROJECT[redacted] ☐ Actual Cost

☐ Certified Analysis as of 12/20/54 ☑ Agreed Unit Costs

Incl. Voucher for Oct. & Nov. 55

Name Sam Smith, Jr., Stewart Cook & David Dugger Docket No. 3302

State No. Carolina Commodity Mica Idm-E No. 683

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts	100 Ft.	$4,000.00	100 Ft.	$4,000.00	$4,000.00
Winzes					
Drilling (Specify)					
Surface Excavation		$300.00		300.00	300.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		113.00		113.00	113.00
Other (Specify)					
Totals		$4,413.00		$4,413.00	$4,413.00

Prepared by Walter C. Anderson

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sam Smith, Jr., Stewart Cook and David Dugger
c/o Sam Smith, Jr.
Ingalls, North Carolina

pertaining to Exploration Project Contract No. Idm-2683, Docket No. DMEA-3302, for the months of August 1954 to November 1954, inclusive, covering a project for the exploration of mica on property, known as the Ingram-Benfield Mine, located in Avery County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to the 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		$4,413.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$4,413.00

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 Three thousand three hundred nine and 75/100 Dollars

"$3,309.75"

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

January 5, 1955

MF-200 (A)
(February 1952)

DOCKET DMEA 3302

COMMODITY Mica

Division Copy

IDM-E 683

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 12th day of July, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Sam Smith, Jr., Stewart Cook, and David Dugger, Partners
C/o Sam Smith, Jr.
Ingalls, North Carolina

hereinafter called the "Operator," ~~as follows:~~ as 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 Avery, described as ~~follows:~~ 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~~ as set forth in Annex I, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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

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

in or upon the described land; and shall bring the project to completion within a period of Five (5) 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 $3,309.75, which is 75 percent of $4,413.00, 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

Sam Smith Jr. (Partner)

By C. Mittendorf
Acting Administrator, Defense Minerals Exploration Administration

By Stewart Cook (Partner)

By David Dugan (Partner)

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
SAM SMITH, JR., STEWART COOK AND DAVID DUGGER
DOCKET NO. [illegible]-3308

ANNEX I

The land referred to in Article 2 of the contract form and in Annex II attached to the contract is known as the Brown Ingram-Harold Benfield Mine. The mineral rights are owned by Sam Smith, Jr. and wife, Sibyl Smith. Two-thirds interest in the mineral rights was leased to Stewart Cook and David Dugger (for a period of five years with option to renew for five years) by Sam Smith, Jr. and wife, Sibyl Smith, by an instrument dated April 1, 1954. An Owner's Consent-to-Lien executed by Sam Smith, Jr. and wife, Sibyl Smith, is attached. The land is located 1.6 airline miles N. 35° East of Ingalls, Avery County, North Carolina and is bounded as follows:

> Beginning on a stake beside the road, corner of the Maude McGee tract in the Mary Justice line; thence north 1450 feet to a locust; thence north 65 degrees east 920 feet to a dead locust; thence south 4 degrees west 1840 feet to a large white oak in the Bedford Wiseman line; thence with the Mary Justice line south 67 degrees west 500 feet to the BEGINNING, and containing 17 acres, more or less.

EXPLORATION PROJECT CONTRACT
SAM SMITH, JR., STEWART COOK AND DAVID DUGGER
DOCKET NO. DMEA-3302

ANNEX II

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the 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. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten 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.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is 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.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

58694

EXPLORATION PROJECT CONTRACT
SAM WEBB, JR., STANLEY OAKS AND DAVID BURNER
DOCKET NO. NMA-3308

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area on the attached map entitled "Sketch of Ingram-Sheffield Mine, Avery Co., N.C. NMA-3308," in two stages as follows:

Stage I

Strip the pegmatite outcrop for about 100 feet with a bulldozer.

Stage II

If after examination of the pegmatite outcrop, the Government approves the undertaking of Stage II:

(1) Construct: a 10 feet by 12 feet toolhouse, a powder magazine, and an exploder magazine; and

(2) Drive not more than 100 feet of incline and/or drift down the dip of the pegmatite.

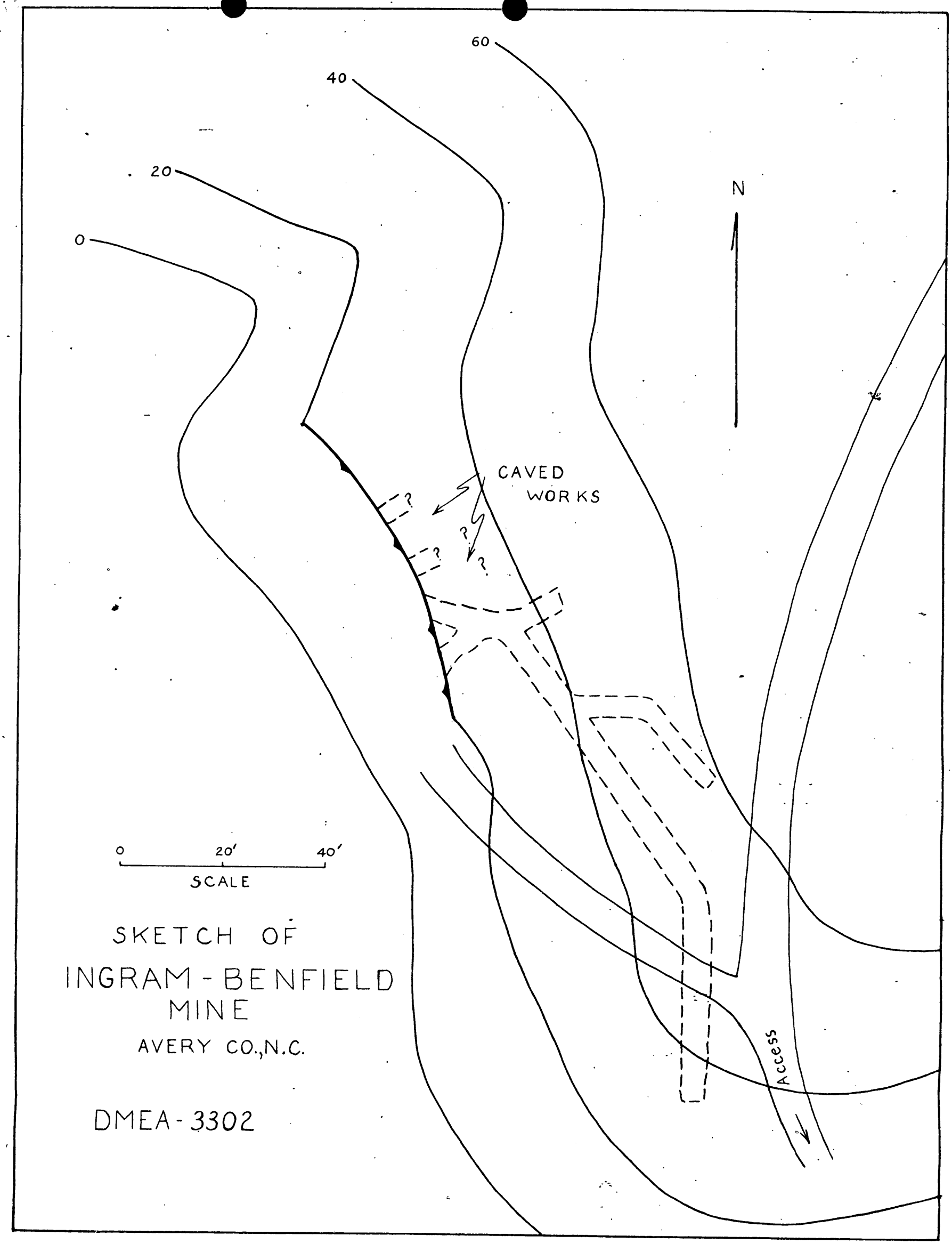
The drift and/or incline shall be timbered where necessary, and shall be 5 feet by 7 feet in the clear of timber.

The location, inclination, direction, and extent of all work are subject to the approval of the Government.

Agreed Unit Costs

Bulldozing - 30 hours @ $10.00/hr.	$300.00
Construction - toolhouse 1/	75.00
Powder magazine 1/	85.00
Exploder magazine 1/	13.00
Driving 100 ft. of incline and/or drift @ $40.00/ft.	4,000.00
Agreed estimated Total Cost of Project	$4,473.00
Government Participation @ 75%	$3,309.75

1/ The Engineer will determine the need.



SKETCH OF
INGRAM - BENFIELD
MINE
AVERY CO., N.C.

DMEA - 3302

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 Avery, described as follows:1/ Beginning on a stake beside the road, corner of the Hardy Potter tract in the Mary Justice line; thence north 2[illegible] feet to a locust; thence north 6[illegible] degrees east [illegible] feet to a dead locust; thence south 4 degrees west [illegible] feet to a large white oak in the Bedford Pleasant line; thence with the Mary Justice line south 67 degrees west [illegible] feet to the BEGINNING, and containing 37 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/ Sam Smith, Jr. Dessert Cook and Lilah Dexter, Partners

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___.

Sam Smith Jr [Seal]

Lilah Smith [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

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 (including any bonuses), 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 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.

Interior--Duplicating Section, Washington, D. C. 47318

603

MAR 1 1955

Mr. Sam Smith, Jr., et al.

Ingalls, North Carolina

Re: Docket No. D[illegible]-3302 - Mica
Sam Smith, Jr., et al.
Brown Ingram and Harold Banfield Mine
Avery County, North Carolina
Contract No. Lm-2663

Dear Mr. Smith:

This is with reference to the subject Exploration Contract between you and the Government.

It is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to the provisions of the Contract which require the Operator to keep and preserve certain records for the period indicated.

We regret that the exploration work performed did not [illegible]sult in a certification of discovery or development. Your [illegible]rticipation in the exploration program, however, is sincerely [illegible]preciated.

Sincerely yours,

C. O. Mittelhauser

Administrator

[illegible]erson:gad 3/11/55
[illegible]o: Admr. R. File
Docket
Field Team, Region V
Mr. and Mrs. Sam Smith, Jr., Ingalls, North Carolina
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Bietrich, 3061
Mr. Houk

Project Summary Report

By: Walter C. Andersen March 10, 1955

1. Docket No. DMEA-3302 - Mica
Contract No. Idm-E683
Brown Ingram-Harold Benfield Mine
Avery County, North Carolina

Operators: Sam Smith, Jr., Stewart Cook and David Dugger, Partners
C/O Sam Smith, Jr.
Ingalls, North Carolina

Application: Form MF-103 (April 1952), received April 7, 1954.
Work proposed - Explore pegmatite entirely by quarrying method. Amount requested - $9,664.00

Operators' property rights:
Mineral rights owned by Sam Smith, Jr. and wife, Sybil Smith, 2/3 interest in mineral rights leased to Stewart Cook and David Dugger for period of five years with option to renew for five years - dated April 1, 1954.
Owner's Consent to Lien, dated April 21, 1954.

2. Contract - Form 200(A) (February, 1952) dated July 12, 1954.

Work authorized:	
Bulldoze pegmatite outcrop	$300.00
Construct toolhouse, powder and exploder magazines	113.00
Drive 100 feet of incline and/or drift @ $40.00/ft.	4,000.00
Total agreed unit costs	$4,413.00
Government participation @ 75%	$3,309.75

Amendments - none.

Work completed:	
Bulldozing pegmatite outcrop	$300.00
Construction - toolhouse, powder and exploder magazines	113.00
100 feet of drift @ $40.00/ft.	4,000.00
Total accepted cost	$4,413.00
Government participation @ 75%	$3,309.75

Work began on August 5, 1954, and completed November 30, 1954. Field Team Final Report, received December 27, 1954. Operators' Final Report received December 27, 1954. Mica produced and sold during project:

10 pounds trimmed sheet mica	$146.54
1,460 pounds scrap mica	21.90
Total	$168.44
Royalty paid the Government	$ 8.42

No equipment purchased under contract.

3. Audit - Report of Review issued January 5, 1955.

Accepted cost	$4,413.00
Government participation	$3,309.75

4. Certification of discovery - none issued.

5. Comments:

How conducted - all the work in which the Government participated was acceptable. There is question whether the work should have continued on an unzoned pegmatite.

Operation - the compentency of the Operators was satisfactory. Slow at first, but finished the work on schedule.

Engineering - reporting by Operators was acceptable.

Geological premise: The premise that paying quantities of strategic mica would be found in a low-dipping sill-like pegmatite did not materialize as the pegmatite pinched to six inches at the head of a 100-foot adit and was barren of mica except for a small pocket near the portal.

Geological criteria upon which work was based:
1. Unweathered, unzoned, sill-like, low-dipping pegmatite 8-feet thick at outcrop.
2. Strategic mica; green, hard, free splitting and clear. Books up to 8 inches across.
3. Past production - according to statement by Operators in application.

Criteria developed during project:
1. Pegmatite pinched to 8 inches in thickness.
2. Pegmatite barren of mica except for small pocket near adit portal.

Future possibilities - reserves negligible. Operators will not do additional work due to scarcity of mica in the pegmatite.

Recommendations - The Nonmetallic Minerals Division concurs in Field Team's recommendation that no further work is warranted and that a certification of discovery should not be issued. The Bureau of Mines and the Geological Survey are in agreement.

WCAnderson:gad 3/10/55
Copy to: Admr. R. File
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Room 13, Post Office Bldg.
Knoxville 2, Tenn.

December 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Final Reports, DMEA-3302, Idm-E683 (mica) Sam Smith, Jr., Stewart Cook & David Dugger, Ingram-Benfield Mine, Avery County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject exploration project contract.

Very little mica was discovered by the project and we agree with the recommendation that certification should not be issued.

/s/ Kefton H. Teague for
Robert A. Laurence
Executive Officer
DMEA, Region VII

/s/ Wm. A. Beck (by ZM) for V. J. Lynch
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 26 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
FIELD TEAM, REGION VII

On

DMEA-3302, INGRAM-BENFIELD MINE
(mica)
Avery County, North Carolina

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

(date)

FINAL REPORT

DMEA-3302, Idm-E 683, INGRAM-BENFIELD MINE (mica)

Operator: Sam Smith, Jr., Stewart Cook and David Dugger, Ptnrs.
c/o Sam Smith, Jr. Ingalls, N. C.

Location: 1.6 airline miles N. 35° E. of Ingalls, N. C.

Work completed under the contract consisted of stripping a pegmatite with a bulldozer, constructing a toolhouse and two magazines, and driving 100 feet of drift. As only a limited quantity of strategic mica was recovered, from this work, no certification of discovery should be issued. No additional exploratory work is warranted.

Work began on August 5, 1954 and was completed on November 30, 1954. The pegmatite was stripped with a bulldozer for about 150 feet along its strike. This required about 30 equipment hours and some spot blasting. A toohouse, powder magazine and exploder magazine were constructed. A 100-foot adit, beginning at a point 30 feet north of the existing main adit, was driven as follows: first 37 feet in a N. 65° E direction, next 38 feet S. 65° E., and last 25 feet S. 75° E.

A low dipping, sill-like pegmatite is exposed in the drift. It pinches and swells along the strike with the average thickness decreasing eastward. At and near the portal of the drift the body is about 8 feet thick but at the head of the drift it only averages about 6 inches. The pegmatite is conformable to the foliation of the enclosing country rock, semi-weathered biotite gneiss, which strikes north-south and dips 5-10° to the east. It consists of medium-to coarse-grained plagioclase, perthite, quartz, muscovite and garnet. No zoning is apparent.

The mica tends to be concentrated along both walls in the thicker portions of the pegmatite. It is green-colored, generally clear and hard. The chief defects are cracks and "hairlines"; the latter develops shortly after mining. A total of 10 pounds of trimmed sheet mica worth $146.54 has been sold from mica recovered from work done under the contract. Most was obtained from the dozing. The quality and sizes of this mica was as follows:

	Good Stained & Better	Stained
Nos. 4 & 5	1.04 lbs.	0.33 lbs
Nos. 5½ & 6	6.21 lbs.	2.42 "

A total of 1460 pounds of scrap worth $21.90 has also been sold.

Reserves revealed by work done under the contract are negligible.

Expenditures:

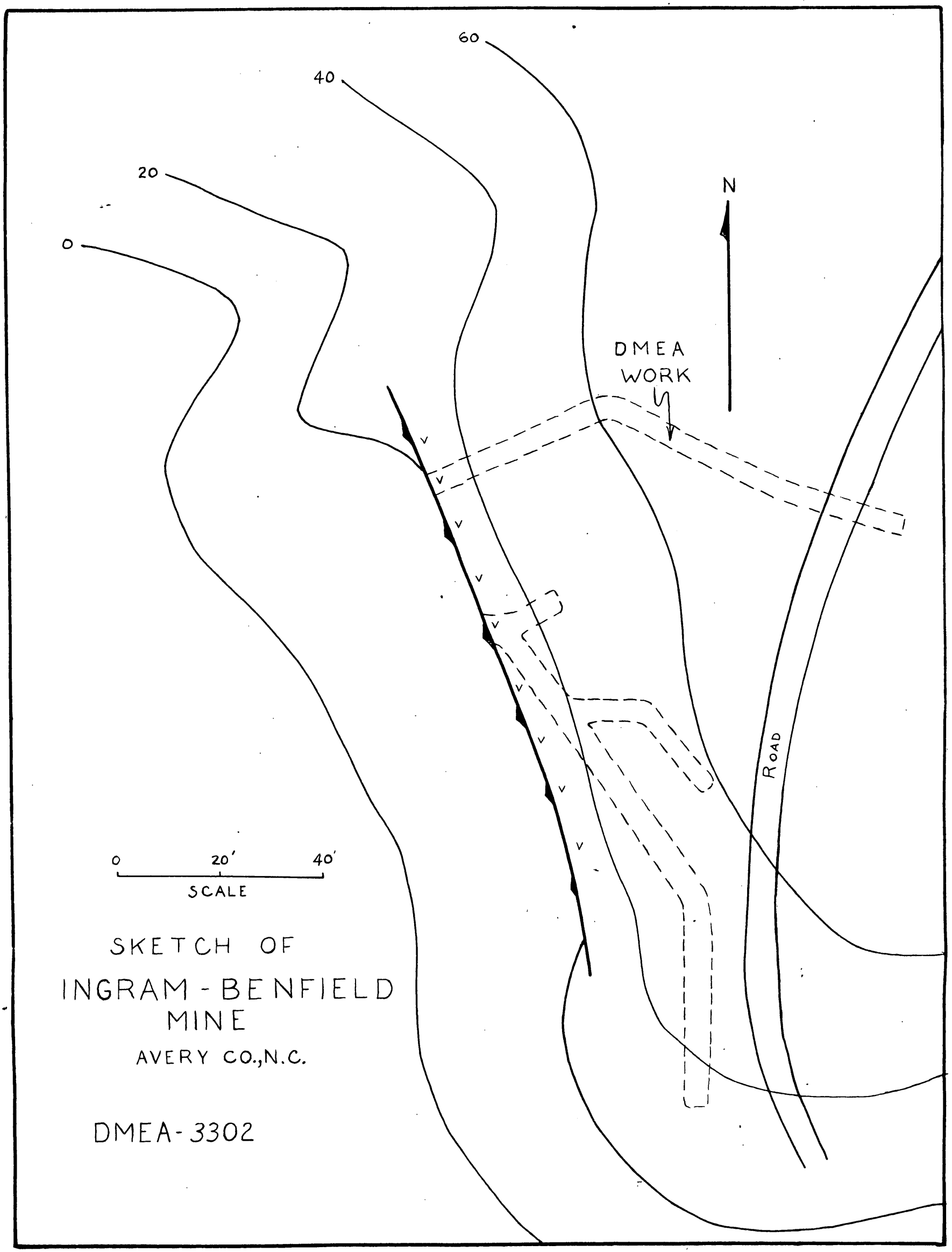
(a)	Total approved	$4413.00
(b)	Total cost of project	4413.00
(c)	Government's share of cost	3309.75
(d)	Government's share unexpended	none
(e)	Value of production during oper.	168.44
(f)	Royalty received to date	8.42

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

December 21, 1954.

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

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


60
40
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DMEA
WORK
ROAD
0
20'
40'
SCALE
SKETCH OF
INGRAM - BENFIELD
MINE
AVERY CO., N.C.
DMEA-3302

IN REPLY REFER TO:

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

January 14, 1955

DMEA Docket 3302 (Mica)
Ingram-Benfield mine
Avery County, N. C.
Contract Idm-2683

Memorandum

To: Mr. L. G. Hauk, Chief, Nonmetallic Minerals Division, Defense Minerals Exploration Administration

From: Thor N. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team Final Report

Exploration completed under the project consisted of stripping the outcrop of a pegmatite with 150 feet of bulldozer trenching and the driving of a 100-foot adit, which drifted on the pegmatite. This work revealed the pegmatite to be a low-dipping, sill-like body that is conformable with foliation of the enclosing biotite gneiss. The pegmatite was found to be about 8 foot thick in the dozer trench but to narrow to a thickness of 6 inches at the face of the adit. No further exploration is recommended.

Ten pounds of trimmed mica and 1460 pounds of scrap mica were produced during project work. This production is regarded as inconsequential by the Field Team who recommend that no certification of discovery be issued to the operator.

In view of the poor exploration findings and the limited amount of mica produced, I concur with the Field Team and recommend that no certification of discovery be issued.

Thor N. Kiilsgaard
Geologist

TNKiilsgaard:hlm
G-1/14/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061 Interior

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

RECEIVED

January 13, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3302 (mica)

Applicant: Sam Smith, Stewart Cook, and David Dugger

Name and Location of Property: Ingram-Benfield Mine
Avery County, North Carolina

Contract Number: Idm-E 683

Date of Field Team Final Report: December 22, 1954

Date Rec'd. by Branch of Ceramic & Fert. Mtls.: January 7, 1955

Field Team Recommendation:

1. No certification.

Comments:

1. Most strategic mica was obtained from bulldozing.
2. Reserves of strategic mica are estimated to be negligible.
3. Expenditures - Total approved $4,413.00
   Total cost 4,413.00
   Government's share 3,309.75
   Value of production during oper. 168.44

Recommendation:

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

Signed
W. F. Dietrich

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

Received
DEC 27 1954

December 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Final Reports, DMEA-3302, Idm-E 683 (mica) Sam Smith, Jr., Stewart Cook & David Dugger, Ingram-Benfield Mine, Avery County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject exploration project contract.

Very little mica was discovered by the project and we agree with the recommendation that certification should not be issued.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

RAL/sm
cc:
Beck
Shirley
Files

Final Report on Exploration Project

DMEA-3302 IDM-E-683

Sam Smith Jr, Stewart Cook, & Dave Dugger
% Sam Smith Jr. Ingalls, N. C.

DEPARTMENT OF
Bureau Mines
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Started work August 5, 1954.

We bulldozed 30 hours, cleared out location for machinery, hauled in and set down machinery. Found Pegmetite and got around 1500 pounds small block mica, which we had processed and sold 10 pounds to the U.S. Mica Depot, the remainder was scrap mica and was sold. Sales tickets for the two sales are herewith attached and amounted to a total of $168.44.

We continued to follow the pegmetite, drilling, shooting, laying track line, water & air line as needed. We built Tool House, Powder Magazine, and Exploder Magazine.

Pegmetite continued to show and looked very promising the entire time but it never produced any more mica. In all, we drilled an total of 100 feet in good looking rock but no mica after the first small pocket in the first week.

We finished out our contract on November 31, 1954 without making a strick, therefore, we herewith terminate our contract as of Nov. 31, 1954.

We are attaching $8.42 to cover the 5% due the Treasury of the U.S. Government along with the copies of mica sales made.

Dated 12-17-54 Same Smith, Jr. Stewart Cook & Dave Dugger.

Signed Sam Smith Jr
Sam Smith, Jr.
Stuart. Cook
David. Dugger

Position MANAGER

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1954

December 20, 1954

Memorandum

To: Helen Miller, Administrative Officer, Region VII

From: Executive Officer, DMEA - Region VII

Subject: Royalty check on DMEA-3302, Idm-E 683, Sam Smith, Jr. Et al.

Transmitted are bill-of-sales in the amount of $168.44, and a royalty/money order for 5% of the sales in the amount of $8.42 on the subject contract.

Robert A. Laurence

ZM.
cc:
Beck
Lynch
Mr. Smith
Mr. Mittendorf
Files

(M. O. No. 5-21,965,606
dated 12/17-54

GENERAL SERVICES ADMINISTRATION, REGION VII

Mica Purchase Depot, Spruce Pine, N. C.

Authorization No. 1270A Acceptance No. A04-271 Date: 8-13-54

Seller: Sam Smith, Jr. Stewart Cook, Dave Duggan

Mine: Brown Ingram (Benfield mine) DMEA No. 3302, IdM-683

Ingalls, N.C.

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				1.04	$40.00	41.60
" No. 5½ and 6				6.21	$15.00	93.15
Stained No. 3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00		.33	$ ~~8.00~~ 6.40	2.11
No. 5½ and 6		$ 3.00		2.42	$ ~~5.00~~ 4.00	9.68
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				10.00		
TOTAL						146.54

9-9-54

Scrap Mica 1460 lbs. @ $30/T

$ 21.90

Punch Mica

Total:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII
HAMILTON BANK BUILDING

OFFICE OF
REGIONAL DIRECTOR

POST OFFICE BOX 1909
KNOXVILLE, TENNESSEE

DEPARTMENT OF THE INTERIOR
Defense Minerals
DEC 22 1954

December 21, 1954

Memorandum

To: J. L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Officer, Region VII, Knoxville, Tennessee

Subject: Monthly Reports and Vouchers

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

Dhs-E-683	Sam Smith, Jr., et.al. DMEA Docket No. DMEA-3302 3rd payment - months of October and November Amount $220.00
Ydm-E-705	South Tom Mining Company, Inc. DMEA Docket No. 3248 2nd payment - month of November Amount $525.00

Helen R. Miller

Attachments 4
/hm
Copies to W. A. Beck
R. A. Lawrence
Region Files
Day Files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 29

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Oct. & Nov., 1954 Docket No. DMEA 3302 Contract No. IDM-E-683
Operator's Name Sam Smith Jr., Stewart Cook & Dave Dugger Minerals M Mica
Address % Sam Smith Jr., Ingalls, N. C.
Contract Amount, $ 4413.00 Government Participation: 75% Amount, $ 3309.75

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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DEC 22 1954

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		300.00	300.00			
Crosscutting						
Drifting Incline	2960.00	1040.00	4000.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
xx Tool House		75.00	75.00			
Pipe Powder Mag.		25.00	25.00			
Track Explod. Mag.		13.00	13.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2960.00	1453.00	4413.00	2960.00	1453.00	4413.00

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

Date ..... *Payee Sam Smith Jr., Stewart Cook & Dave Dugger

Per Sam Smith Jr. Title Manager

*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:

$ 2,220.00

Signature Helen R. Muller
(Authorized Certifying Officer)

Date DEC 21 1954 Vou. No. .....
(See other side)

740.00

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. Thm E683 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lane Title EXECUTIVE OFFICER DMEA REGION VII Date DEC 13 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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DEC 22 1954

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

Month of Oct. & Nov. 1954 Docket No. DMEA 3302 Contract No. IDM-E-683

Operator's Name Sam Smith, Jr. Stewart Cook & Dave Dugger Minerals Mica

Address % Sam Smith, Jr., Ingalls, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting Bulldozing				$300.00	1	300.00	1	300.00
Crosscutting								
Raising Incline	Feet	$2960.	74'	$4000.00	100	4000.00	100	4000.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping Tool House	1			75.00	1	75.00	1	75.00
Trenching Powder Mag.	1			25.00	1	25.00	1	25.00
Test Pits Expl. Mag.	1			13.00	1	13.00	1	13.00
Roads and Trails								
Total Distributed Costs		$2960.00		$4413.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2960.00		$4413.00				

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.

Remarks: Exploration Project completed-No strike-

Date 12-6-54 Operator Sam Smith, Jr. Stewart Cook & Dave Dugger.

Per Sam Smith Jr Title Manager

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

DMEA 3302 IDM-E-683 October & November

Operators Monthley Progress Report.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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DEC 22 1954

October 1 to 13		Machinery brok down-Spent time repairing and getting set back up for work.
"	13 -25	Drilled shot, mucked, laid 10 foot track.
"	25	Drilled 6 holes, shot & mucked
"	26	Drilled 10 holes, shot & mucked.
"	27	" " " " " "
"	28-30	" 15 " " " "
November 1		Drilled 10 holes, shot & Mucked.
"	2-10	" Shot & Mucked
"	12	" " " "
"	15-16	" " " "
"	17	Laid more track, drilled shot & Mucked.
"	18	Laid pipe line, drilled 8 holes, shot.
"	19	Mucked, drilled, shot Mucked U laid track
"	22	laid pipe line, drilled 6 holes , mukked.
"	23	Shot 12 holes, mucked, laid pipe line,
"	24	~~Drilled, Shot~~ Drilled 10 holes, shot, mucked laid t track.
"	25	Drilled, shot 12 holes, mucked laid track.
"	26	Drilled, shot & mucked. Set some timber.
"	27	Drilled 12 holes, shot & mucked.

INTERIM REPORT

DMEA-5308 Idm-5585 (mica) INGRAM-MERRIFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.8 airline miles N 35° E of Ingalls, Avery County, N. C.

This contract has been completed without making a sizeable discovery of strategic mica. The operator does not indicate that any additional work will be performed at his own expense, due to the scarcity of mica and the poor showing of the pegmatite in last work.

The contract consisted of stripping the outcrop for 100 feet by Bulldozer, which required 30 hours of machine time. A tool house, powder magazine and cap magazine were constructed and used throughout the exploration. 100 feet of drift was driven; 35' N 65° E, 58' S 65° E, and 35' S 75° E. All of the work followed pegmatite, whose thickness varied considerably. Material encountered consisted of both pegmatite and country rock. The pegmatite was composed largely of kaolinized feldspar, quartz and green muscovite mica. The mica recovered was hard and clear, but rather badly hair cracked. At least two small sales of mica was made to the GSA Mica Depot, Spruce Pine, N. C.

The project moved rather slowly at the beginning of the contract but work was performed satisfactorily. The operators were cooperative at all times with the Field Examiners.

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

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

November 30, 1954

Anderson

INTERIM REPORT

DOBA-[illegible] Idr-[illegible] (mica) INGRAM-BENFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.0 airline miles N 50° E of Ingalls, Avery County, N. C.

Drifting continues on this contract and is now at 87 feet. The operator was advised to continue advancing the drift in the present direction.

Since the Interim Report of November 2, 1954 an advance of 18 feet has been made, 16 feet of which was driven S 60° E in both pegmatite and biotite gneiss. Pegmatite composition has not changed appreciably and is primarily kaolinized feldspar, minor quartz and green muscovite mica. Several stringers were observed in the present face.

Some timber work in the form of stulls has been accomplished. Suggestions were made for doing other timber work in the drift and at the portal.

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

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

November 16, 1954

INTERIM REPORT

[illegible] (also) [illegible] MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Duggan, Partners
c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.6 airline miles N 55° E of Ingalls, Avery County, N. C.

Drifting continues on this contract and is now at 41 feet. The operator was advised to turn the drift more to the east and continue driving until another visit can be made.

Recent drift work has encountered both pegmatite and country rock, a biotite gneiss. The body is feldspathic and contains blocks of green mica in varying sizes. Their crystals develop in the mica early after mining and the operators have found it necessary to process the mica shortly after removal from the pegmatite. The drift has been driven in a N 55° E direction to its present face, but the operator was advised to turn to N 65° E in order to mine more pegmatite and less country rock.

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

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

November 5, 1954

INTERIM REPORT

DMMA-1802 Idn-2625 (mine) INGRAM-HENFIELD MINE

OPERATOR: Sam Smith, Jr., Shannon Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, North Carolina

LOCATION: 1.6 airline miles N 80° E of Ingalls, Avery County, N. C.

No progress has been made on this contract for the past two week interim. No one was present at the mine at the time of this visit and the operators could not be contacted.

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

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

October 30, 1964

INTERIM REPORT

[redacted]-3302 Idm-3563 (mica) INGRAM-SEHFIELD MINE

OCT 18 1954

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.8 airline miles N 36° E of Ingalls, Avery County, N. C.

Drifting continues slowly on this cent[illegible]t and is now at 28 feet. Drilling was in progress during this visit and the operators stated that they intend to work steadily during the current month.

No change in the material from that already reported was noted. More mica was evident in the roof area, but the face still contains inclusions of biotite schist.

The operators were advised to timber the portal as soon as practicable, and to keep the working area barred down at all times.

Mr. W. A. Beck, member of the Field Team, Region VII, accompanied the examiners on this visit to the mine.

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

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

October 6, 1954

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 Sept., 1954 Docket No. DMEA 3302 Contract No. IDM-3 683
Operator's Name Sam Smith, Jr. Stewart Cook & Dave Duggor Minerals Mica
Address Sam Smith Jr. Ingalls, N. C.
Contract Amount, $ 4,413.00 Government Participation: 75 % Amount, $ 3,309.75

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		300.00	300.00			
Crosscutting						
Drifting Incline	840.00	200.00	1040.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track Tool House		75.00	75.00			
Powder Magazine		25.00	25.00			
Mold. Magazine		13.00	13.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	840.00	613.00	1453.00	840.00	613.00	1453.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 10-5-54 *Payee Sam Smith, Jr. Stewart Cook And Dave Duggor

Per Sam Smith Jr. Title Partner & Manager

*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:

$ 630.00

Signature Cecil A. Pipes
(Authorized Certifying Officer)
Date OCT 13 1954 Vou. No. 72
(See other side)

210.00

(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. Tdm-E683 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Oct. 11, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Lora A Beck ACTING EXECUTIVE OFFICER Title DMEA REGION VII Date OCT 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

Month of Sept. 1954 Docket No. DMEA 3302 Contract No. IDM-3 683
Operator's Name Sam Smith, Jr. Stewart Cook & Dave Dugger Minerals Mica
Address Sam Smith, Jr., Ingalls, 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
Bulldozing	1			$300.00	1	$300.00	1	$ 300.00
Crosscutting								
Incline	Foot	$840.00	21'	$1040.00	26'	10[illegible]	100	4000.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Tool House	1			75.00	1	75.00	1	75.00
Powder Mag.	1			25.00	1	25.00	1	25.00
Blpld. Magzn.	1			13.00	1	13.00	1	13.00
Roads and Trails								
Total Distributed Costs		$840.00	21'	$1453.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
Total Costs		$840.00		$1453.00				

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 10-5-54 Operator Sam Smith, Jr. Stewart Cook & Dave Dugger

Per Sam Smith Jr Title Partner & Manager

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

INTERIM REPORT

DREA-3502 Ind-3583 (mica) LOFRAN-BENFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook, and David Dugger, Partners
c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.8 airline miles N 26° E of Ingalls, Avery County, N. C.

No progress is reportable on this contract for the past two weeks due to seasonal labor layoffs for harvesting crops and compressor trouble. Contact with the operator indicates that another compressor has been obtained and that work would resume during the current week.

The operator was advised to timber the portal properly and to bar down all loose material in the drift before attempting any additional drift work.

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

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

September 25, 1944

[illegible]

MEMO:

AUTO FINANCING

HOME FINANCE COMPANY

34 OAK STREET

SPRUCE PINE, N. C.

TEL. PO 5-2240
PO 5-2751

VANCE SIZEMORE
TOM GRANT

INTERIM REPORT

[illegible] 14[illegible] ([illegible]) INGRAM-[illegible]FIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, North Carolina.

LOCATION: 1.8 airline miles N 30° E of Ingalls, Avery County, N. C.

Drifting is underway on this contract and has advanced 26 feet to the northwest. Toolhouse and magazine construction is nearing completion.

Material encountered is primarily pegmatite containing large massives of biotite schist. Mica recovery has been scant in the drift work to date, but one sale of processed mica has been made and another sale is anticipated within the week. The operator was advised to continue the drift with a gradual change in direction.

Progress on this contract is satisfactory.

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

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

September 7, 1954

m 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 13 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 3302 Contract No. IDM-E 683
Operator's Name Sam Smith Jr. Stewart Cook & Dave Dugger Minerals Mica
Address Sam Smith Jr., Ingalls, N. C.
Contract Amount, $ 4,413.00 Government Participation: 75 % Amount, $ 3,309.75

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	300.00		300.00			
Crosscutting						
Drifting Incline	200.00		200.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
~~Xxck~~ Tool House	75.00		75.00			
Powder Magazine	25.00		25.00			
Elpld. Magazine	13.00		13.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$613.00		$613.00	613.00		613.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-14

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

Date 9-1-54 *Payee Sam Smith, Jr, Stewart Cook & ~~Dave Dugger~~

Per Sam Smith Jr Title Manager

*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:

$ 459.75

Signature Cora A. Price
(Authorized Certifying Officer)

Date SEP 10 1954 Vou. No. 53

(See other side)

1pt 8/5 153.25

(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. Bm-E683 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date Sept. 2, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 8 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

RECEIVED
SEP 17 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 4 Docket No. DMEA 3302 Contract No. IDM-E 683
Operator's Name Sam Smith Jr. & Stewart Cook & Dave Duggar Minerals Mica
Address % Sam Smith Jr. Ingalls, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting Bulldozing	1	300.00	1	300.00	1	300.00	1	300.00
Crosscutting								
Raising Incline	Foot	200.00	5'	200.00	5'	200.00	100	4000.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping Tool House	1	75.00	1	75.00	1	75.00	1	75.00
Trenching Powder Magazine	1	25.00	1	25.00	1	25.00	1	25.00
Testing Explosi.	1	13.00	1	13.00	1	13.00	1	13.00
Roads and Trails								
Total Distributed Costs		613.00		613.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		613.00		613.00				

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 9-1-54 Operator Sam Smith Jr. & Stewart Cook & Dave Duggar

Per Sam Smith Title Manager

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

DMA 3302 I-H-3 683

Operators Monthly Progress Report

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
SEP 17 1954

Work Accomplished

Daily notes

August 5- Hired Bulldozer & Bulldozed 10 hours

6- Bulldozed 10 hours

9- " " "

10- Cleared place to set machinery

11- Hired two men, picked up machinery

12- Hauled in Machinery & tools

13- Set down machinery-mucked

16- Drilled and mucked

17- Hauled in lumber etc.

18- Laid track, started buildings

19- Drilled, mucked, worked on buildings

20- " " " " "

23- Drilled & Mucked

24- Laid more track, air line , drilled.

25- Visited by field men, mucked

26- Worked on Magazine, drilled & mucked

27- Drilled & Mucked

30- Drilled & Mucked

31- Drilled & Mucked.

INTERIM REPORT

DMEA-3302, Idm-E 683, INGRAM-BENFIELD MINE
(mica)

Operator: Sam Smith, Jr., Stewart Cook and David Dugger, partners, c/o Sam Smith, Jr. Ingalls, North Carolina

Location: 1.6 airline miles N. 35° E. of Ingalls, Avery County, N. C.

Incline sinking has begun on this contract and has been advanced about 5 feet to the east in pegmatite. A small amount of fair quality mica was recovered from this work.

Construction of a toolhouse has been started.

The Operator was advised to continue to advance the incline eastward.

Progress on the contract is satisfactory.

Examined: August 25, 1954

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

INTERIM REPORT

DMEA-3302, Idm-E 683, INGRAM-BENFIELD MINE
(mica)

Operator: Sam Smith, Jr., Stewart Cook and David Dugger, partners
c/o Sam Smith, Jr. Ingalls, North Carolina

Location: 1.6 airline miles N. 35° E. of Ingalls, Avery County, N. C.

Stage I of this contract has been completed. The pegmatite outcrop was stripped for a distance of about 150 feet with a bulldozer and some blasting. An unzoned pegmatite up to 8 feet thick was exposed by this work. About 4000 pounds of fair quality "mine-run" mica was recovered during Stage I. The chief defects are small size, cracks, and hair-cracks. Most came from the vicinity of the portal of the existing main adit.

Location site for an incline to be driven under Stage II of the contract was chosen about 30 feet north of the main existing adit by the field examiners.

Date of Exam: August 12, 1954

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

Can we justified in working on an unzoned pegmatite

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

August 17, 1954

Mr. Sam Smith, Jr.

Ingalls, North Carolina

Re: DMEA-3302, Idm-E 683 (mica)
Ingram-Benfield Mine

Dear Mr. Smith:

This will confirm the verbal authorization given you last week to proceed with Stage II of the exploratory work at the Ingram-Benfield mine, as provided in the subject exploration contract.

Very truly yours,

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

RAL/zm
Cck
Lynch
Cor. Con.-2
Files

[redacted]

Room 13, Post Office Building
Knoxville 2, Tennessee

July 19, 1954

Memorandum

To: Operating Committee, HHFA - Washington

From: Executive Officer, HHFA - Region VII

Subject: Signed Contracts: Lee-K 183, HHFA-1992, Sam Smith, et al. (nice)

Transmitted herewith are three signed copies of the subject contract with Owner's Consent to Lien attached. The usual distribution of the other copies has been made.

Robert A. Lawrence

RL,
cci
Book
Lynch
Finance Office
Files
Gov. Con.

600

JUL 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-3302 - Mica
Sam Smith, Jr., Stewart Cook,
and David Bugger
Brown Ingram and Harold Benfield
Mine
Avery 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. It is subject to the attachment of new Owner's Consent to Lien forms, executed by Sam Smith, Jr., and his wife, Sibyl Smith. A copy of memorandum from the Legal Division is enclosed.

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 June 3, 1954, and from the Bureau of Mines, dated June 15, 1954, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Philip W. Guild

Member, Geological Survey

Enclosures 17

LGHouk:gad 7/2/54

Copy to: Admr. R. File
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Docket File
Operating Committee
Mr. Houk

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3302

COMMODITY Mica

Division copy

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Sam Smith, Jr., Stewart Cook and David Dugger, partners
c/o Sam Smith, Jr.
Ingalls, North Carolina

hereinafter called the "Operator," as set forth in Annex 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 Avery, described as set forth in Annex I

the Operator represents and undertakes:[4]

(a) That Sam Smith, Jr. is owner of an undivided one-half interest in the mineral rights and with his wife, Sibyl, has leased a two-third interest in the mineral rights to his partners, Stewart Cook and David Dugger, and

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

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

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

in or upon the described land; and shall bring the project to completion within a period of Five (5) 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 $3,309.75 which is 75 percent of $4,413.00 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

..... Partner

(Corporate

By ..... Partner

..... Partner

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

Robert Hoffland
Hook
Talbert

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

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3302

COMMODITY Mica

Government copy

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this .... day of ...., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Sam Smith, Jr., Stewart Cook and David Dugger, partners
c/o Sam Smith, Jr.
Ingalls, North Carolina

hereinafter called the "Operator," ~~as follows~~ as 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 Avery, described ~~as follows~~[3] as set forth in Annex I

the Operator represents and undertakes:[4] ~~(a) the mineral rights are owned by Sam Smith Jr. and~~

~~(a) That the Operator is the owner in fee ... in possession and ... that ... liens, or encumbrances as to each of which the subordination agreement of the holder is attached~~

~~That Sam Smith, Jr. is owner of an undivided one-half interest in the mineral rights and with~~ his wife, Sibyl, has leased a two-third interest in the mineral rights to his partners, Stewart Cook and David Dugger, and as set forth in Annex II ~~and together they have~~

(b) That the Operator is ~~not~~ in possession and entitled to possession and the Owner's Consent to Lien is attached.

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

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

in or upon the described land; and shall bring the project to completion within a period of Five (5) 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.

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[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.

16—66329-1

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

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(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.)

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(*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

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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

_____ Partner

(~~OPXXXX~~

By _____

Administrator, Defense Minerals Exploration Administration

By _____ Partner

_____ ~~Partner~~

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

June 29, 1954

Memorandum

To: The Administrator Through: L. G. Houk

From: Acting Assistant Solicitor, ERRA

Subject: Docket No. ERRA-1908, Sam Smith, Stewart Cook and David Dugger, Partners
(Rice)

Attached is a contract covering the above-described project in satisfactory legal form for execution, subject to the attachment of new Owner's Consent-to-Lien forms, executed by Sam Smith, Jr., and his wife, Sibyl Smith. The appropriate forms are attached to this memorandum.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor

Attachments

HCRubin:lm - 6-29-54

Copies to: Docket
L. G. Houk (2)
J.L. Hofflund
H.C. Rubin
Chron.

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

June 15, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3302 (mica)

Applicant: Sam Smith, Jr., Stewart Cook, and Dave Dugger

Name and Location of Property: Brown Ingram-Harold Benfield Mine
Avery County, North Carolina

Date of Field Team Report: May 20, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: June 3, 1954

Field Team Recommendation:

1. Approval of 2-stage exploration program in the amount of $4,525.

Comments:

1. Examination of the property disclosed the existence of strategic grade green mica and a good possibility of discovering a significant deposit.

2. The proposed method of prospecting is feasible and economical.

Recommendation:

I concur in the field team's recommendation for a 2-stage exploration project in the amount of $4,525, on the basis of the possibility of discovery of strategic grade mica.

Signed

Donald R. Irving

IN REPLY REFER TO:

C-MD-UNA

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

June 3, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3302 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Sam Smith, Jr., Ingalls, N. C., Stewart Cook and Dave Dugger, Elk Park, N. C.
Name of property: Brown Ingram-Harold Benfield Mine.
Location of property: Avery County, N. C.
Date of Field Team Report: May 25, 1954.
Authorship of Field Team Report: K. H. Teague, D. H. Amos, and L. E. Shirley.
Field Team's recommendation:

1. Bulldozing.
2. Buildings, incline or drift 100'

Total: $4,525

Comments: Good expectations for significant discovery.
Strategic mica is present.
Where do they expect to go down, with respect to old workings?

ACTION RECOMMENDED:
Follow Field Team's recommendation.

D. M. Larrabee

Larrabee:jeh
6/3/54
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

May 27, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Field Examination Report, DMEA-[illegible] (mica)
Brown-Ingram - Joseph Bagfield Mine, Avery County, N. C.

Enclosed are four copies of the subject examination report, and six extra copies of the map.

We are in agreement with the examiners' findings that the deposit is worth exploring and that the method proposed in the report is the most economical one. Therefore, we recommend approval of a contract to provide for the following work, in two stages, on a unit-cost basis: *

Stage I.	Bulldozing, 30 hrs. @ $[illegible]/hr.	$ 300.00
Stage II.	Tool House	150.00
	Powder Magazine	50.00
	Explosives	[illegible]
	Lumber and/or drift, [illegible] ft. @ $40/ft.	[illegible]
	Total	[illegible]

We suggest that the unit for the bulldozing work be expressed in hours, rather than in linear feet or cubic yards. It is difficult to estimate the exact amount that required for bulldozing of this kind, and conversion to other units usually results in higher cost to the Government.

Robert A. Lawrence

Reviewed by
DMEA OPERATING COMMITTEE

6-4-54
(date)

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

RA./mm
cc:
Dent-Lynch
Files

(DMEA Bud Copy)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

On

DMEA-3302, Brown Ingram-Harold Benfield Mine
(mica)
Avery County, North Carolina

By

Kefton H. Teague and Dewey H. Amos, Geologists
U. S. Geological Survey

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

May 25, 1954

Reviewed by
DMEA OPERATING COMMITTEE
6-4-54
(date)

FIELD EXAMINATION REPORT

On

DMEA-3302, Brown Ingram-Harold Benfield Mine
(mica)

Applicants: Sam Smith, Jr., Ingalls, N. C., Stewart Cook and Dave Dugger, Elk Park, N. C.

This pegmatite has been worked by a series of adits down dip and along its strike. Mica of strategic grade is present. Evidence available for inspection indicates that the possibilities for the discovery of a significant deposit of strategic mica are good. Exploration assistance is recommended.

This deposit was examined on May 20, 1954. Messrs. Sam Smith, Jr., Stewart Cook, Dave Dugger and Brown Ingram accompanied the examiners on the inspection (in the rain) which required two hours.

The Ingram-Benfield Mine is 1.6 airline miles N. 35° E. of Ingalls, Avery County, North Carolina. Access is possible at all times by jeep.

The applicants appear competent to conduct the proposed exploration. One of the applicants (Mr. Smith) owns the property , area of which is adequate for the proposed project.

There are no surface facilities on the property. Workings that are accessible are shown on the attached sketch. In addition to the workings shown, caved and inaccessible adits and pits extend for 50 feet in a N. 40° W. direction from those shown. Their extent and length down the dip are not known.

These openings have been made in a low dipping sill-like pegmatite that strikes in the northern portion of the area about N. 40° W., and at the south end of the 150-foot adit about N. 30° E. Dips, where observed ranged between 10° and 20° east. The pegmatite thins and thickens on both strike and dip. Greatest thickness observed was about 8 feet which is near the portal of the accessible adit. Elsewhere it may thin to as little as six inches. In the thinner portions evidence of a small amount of shearing is present. The pegmatite is unweathered, but the enclosing biotite gneiss wall rock is semi-weathered.

The pegmatite is composed of plagioclase, perthite, quartz, muscovite, and red garnet. There is little evidence of zoning. Quartz occurs as pods up to 18 inches thick and 5 feet long, but they appear to be arranged at random throughout the pegmatite. The mica appears to be concentrated adjacent to the quartz pods and near both walls of the pegmatite. The feldspar is medium coarse.

The mica is green, hard, free splitting and clear. Some is curved and contains cracks. Books of mica up to 8 inches across are present. It is estimated that book mica constitutes between 3 and 5 percent of the pegmatite.

The applicants proposal represents essentially an open cut quarrying operation. The examiners are of the opinion that the best way to explore the deposit is to strip the pegmatite outcrop for about 100 feet with a bulldozer, after which the outcrop should be examined, then not more than 100 feet of incline and/or drift be driven down the dip of the pegmatite. This approach was discussed with the applicants and it is agreeable to them.

Estimated Cost:

Clear and level old dump and strip 100 feet of pegmatite outcrop.

Bulldozer, 30 hrs. @ $10/hr	$300.00
Toolhouse (10' x 12')	150.00
Powder magazine	50.00
Explorder magazine	25.00

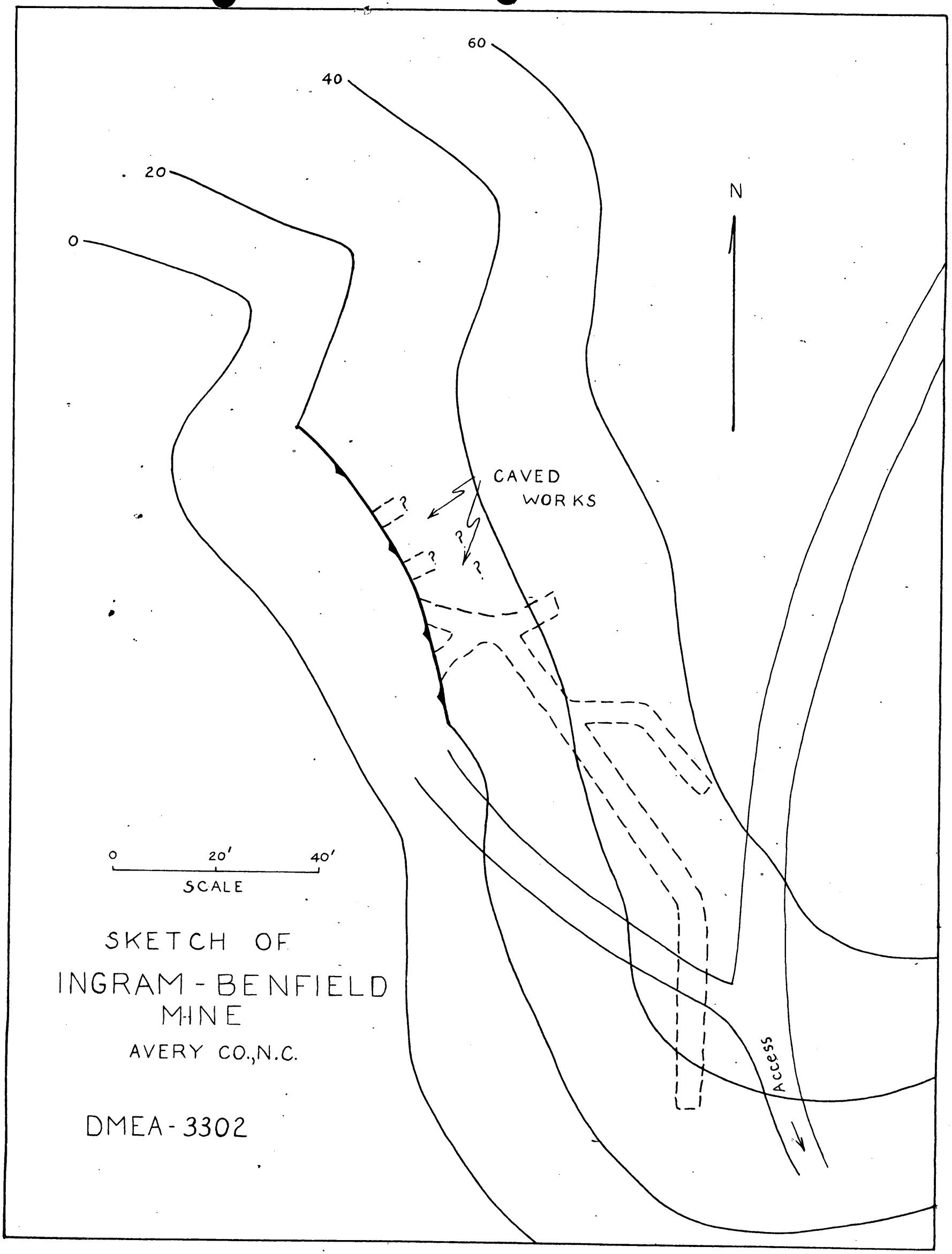
100 feet incline and/or drift (40 shifts)

Labor and Supervision:		
1 - miner-foreman @ $1.50/hr.	$480.00	
1 - hoistman @ $1.25/hr.	400.00	
2 - Laborers @ $1/hr.	640.00	
Operating Material & Supplies:		
Timber, 1 M @ $70/M	70.00	
Explosives and caps	700.00	
Gasoline & Oil	600.00	
Drill steel	200.00	
Small tools and supplies	150.00	
Operating Equipment:		
Compressor & hammer @ $220/Mo.	440.00	
Hoist @ $50/Mo.	100.00	
Miscellaneous:		
Insurance, Soc. Sec., etc.	200.00	
		$3,980.00
Estimated Total Cost		$4,505.00

May 20, 1954

K. H. Teague and D. H. Amos, Geologists, USGS.

L. E. Shirley, Mining Engineer, USBM.



SKETCH OF
INGRAM - BENFIELD
MINE
AVERY CO., N.C.

DMEA - 3302

600

APR 28 1954

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

Subject: Docket No. DMEA-3302 - Mica
Sam Smith, Jr., Stewart Cook, and David Dugger
Brown Ingram and Harold Benfield Mine
Avery 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 April 9, 1954, and from the Bureau of Mines, dated April 21, 1954, are enclosed for your information.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

Enclosures 4

WCAnderson:gad 4/27/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

APR 2 1954

Mr. Sam Smith, Jr., et al,

Ingalls, North Carolina

Re: Docket No. DMEA-3302 - Miss
Brown Ingram and Harold Benfield Mine
Avery County, North Carolina

Gentlemen:

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. Lawrence, 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,

G. D. Mittendorf

Administrator

WCAndersen:gad 4/27/54
Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

April 21, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3302

Applicant: Sam Smith, Stewart Cook, and David Dugger

Name and Location of Property: Brown Ingram and/or Harold Benfield Mine
Avery County, North Carolina

Date Application Rec'd. by Ceramic & Fert. Mats. Br.: April 9, 1954

Comments:

1. No data available in this office on subject mine.
2. Proposed plan of exploration is not clear.
3. Estimated cost of $9,664 appears high.

Recommendation:

It is suggested the field team examine this mine to determine if an exploration program is justified. If so, the field team and applicants should agree on a definite exploration plan of bulldozing or combination of bulldozing and underground work with expenditures on a unit-cost basis.

Signed

W. F. Dietrich

IN REPLY REFER TO:

G-MU-CMH

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

April 9, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3302 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant's name and address: Sam Smith, Jr., Ingalls, N. C.; Stewart Cook, Elk Park, N. C.; and David Dugger, Elk Park, N.C.
Name of property: No name.
Location of property: No fixed location given.
Summary of applicant's proposal: Bulldoze overburden and pegmatite. $9,664
Sources of information on applicant's property: Without an exact location and name of mine, we cannot look up information.
Comments:

1. Get name of mine and exact location.
2. Ask applicant for sketch showing pegmatite, present work, and proposed work.

RECOMMENDATION:

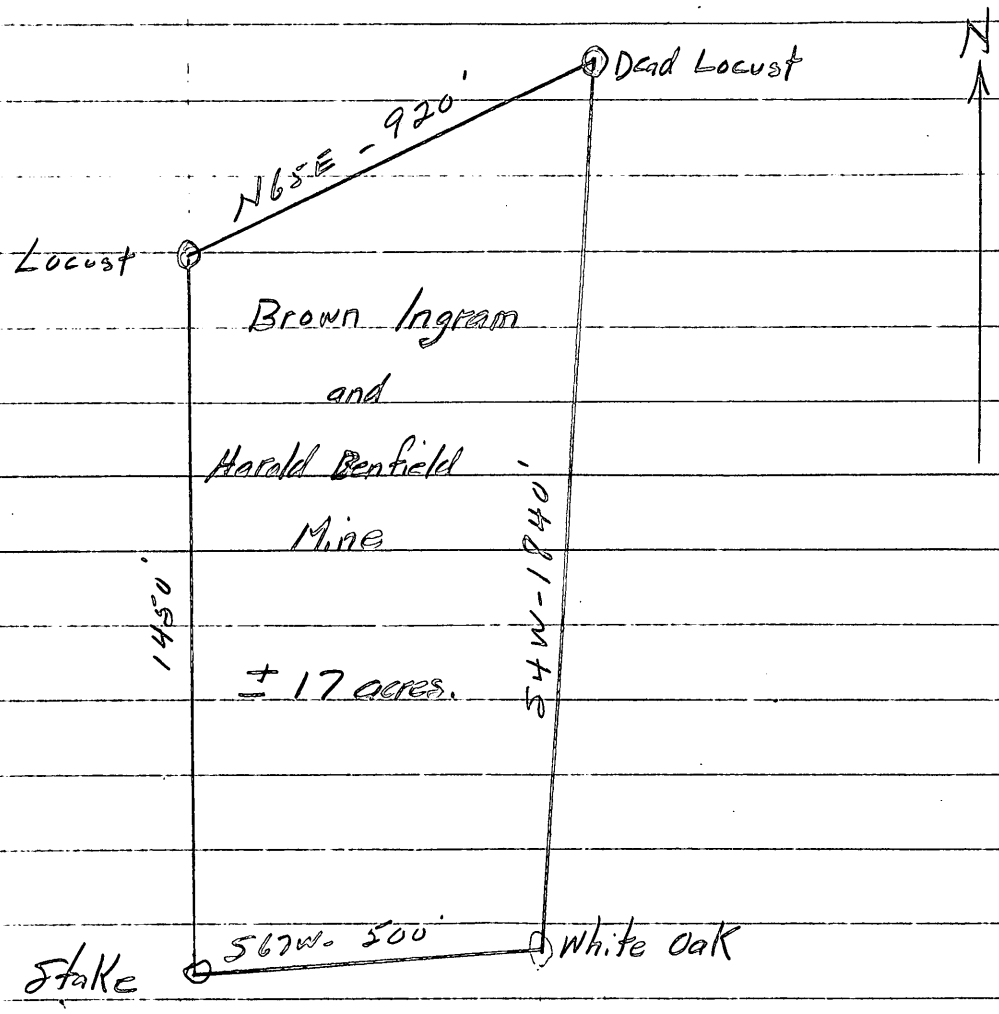
After above questions are answered, refer to Field Team for examination if required.

D. M. Larrabee

Copy to: DMEA 3 ✓
Director's reading 4212
Branch reading 4212
Larrabee G-230

DMEA - 3302

Sam Smith, Jr, et al



Applicant's Property Rights - Owner + Lease - In Good order

OCL - Requested by FT.