☐ Audited 1/6/55 WORK ANALYSIS SHEET - DMEA P ☐ Actual Cost

☐ Certified Analysis as of Dec 20 1954 ☐ Agreed Unit Costs
Incl. Voucher for November

Name John Jarrett Docket No. 3402

State Commodity Idm-E No. 702

North Carolina Mica

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	Feet 80	$2400.00	Feet 80	2400.00	2400.00
Raising					
Shafts	50	2000.00	41	1640.00	1640.00
Winzes					
Drilling (Specify)					
Surface Excavation		100.00		50.00	50.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		38.00		38.00	38.00
Other (Specify)					
Totals		$4538.00		4128.00	4128.00

Prepared by [signature]

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

John Jarrett
Route 3
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-E702, Docket No. DMEA-3402, for the months of September, 1954 to November, 1954, inclusive, covering a project for the exploration of mica on property, known as the Jarrett Prospect, located in Mitchell County, North Carolina.

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

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

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

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

Total cost as billed by Contractor		$4,128.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$4,128.00

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 ninety-six and no/100 Dollars

$3,096.00

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

E. D. Talbert

E. D. Talbert, Auditor

January 6, 1955

September 14, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII - Knoxville, Tenn.

Subject: Signed Contract. DMEA-3402, Idm-2 702. John Jarrett (min)
Rutherfordville, North Carolina

Transmitted are three signed copies of the subject contract. The usual distribution of the other copies has been made from this office.

Robert A. Lawrence

RAL

Beck
Lynch
Finance Office
Files

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 16 1954

Doc. No. DMEA 3402

COMMODITY Mica

IDM - E 702 Division copy

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 7th day of Sept., 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] John Jarrett
Route 3
Bakersville, North Carolina

hereinafter called the "Operator," ~~as follows~~ xxxxxx 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 Mitchell, described as follows: xxxx 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: None

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

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

ARTICLE 3. *Exploration project.*—The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for[5] Mica

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 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 $3,403.50, which is 75 percent of $4,538.00, 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* That part of the second sentence in Article 7 beginning with the word "Provided" is deleted

Executed in sextuplicate the day and year first above written.

John Jarrett
(Operator)
JOHN JARRETT

By _____

THE UNITED STATES OF AMERICA

By C P Mitteendorf
Administrator, Defense Minerals Exploration Administration

Robin
Houck
Anderson
Chandler

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—66320-1

SEP 16 1954

EXPLORATION PROJECT CONTRACT
JOHN JARRETT
DOCKET NO. DMEA-3402

ANNEX I

The land referred to in Article 2 of the contract form and in Annex II is known as the Jarrett Prospect and is owned by the Operator, John Jarrett. It is 1.3 airline miles N. 5° W. of Boonford, Mitchell County, North Carolina, and is described as follows:

Beginning at the opening known as the Jarrett Prospect in Snow Creek Township, Rebels Creek, Mitchell County, North Carolina and running north 250 feet, west 250 feet, south 500 feet, east 500 feet, north 500 feet, then west 250 feet to the beginning.

EXPLORATION PROJECT CONTRACT
JOHN JARRETT
DOCKET NO. DMEA-3402

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 16 1954

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

RECEIVED
SEP 16 1954

EXPLORATION PROJECT CONTRACT
JOHN JARRETT
DOCKET NO. DMEA-3402

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the attached map entitled " Sketch of Jarrett Pros. Mitchell Co , N.C. DMEA-3402 (mica)," as follows:

1. Prepare shaft site with a bulldozer by cutting a trench 6 feet deep by 20 feet wide across the crest of a low ridge.

2. Construct a powder magazine and an exploder magazine, each adequate for the requirements of the project.

3. Sink on the pegmatite a two-compartment shaft to a depth of not more than 50 feet.

4. From the bottom of the shaft, explore the pegmatite by driving not more than 80 feet of drifts and/or crosscuts.

The shaft and the drifts and crosscuts shall be timbered as necessary and shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber.

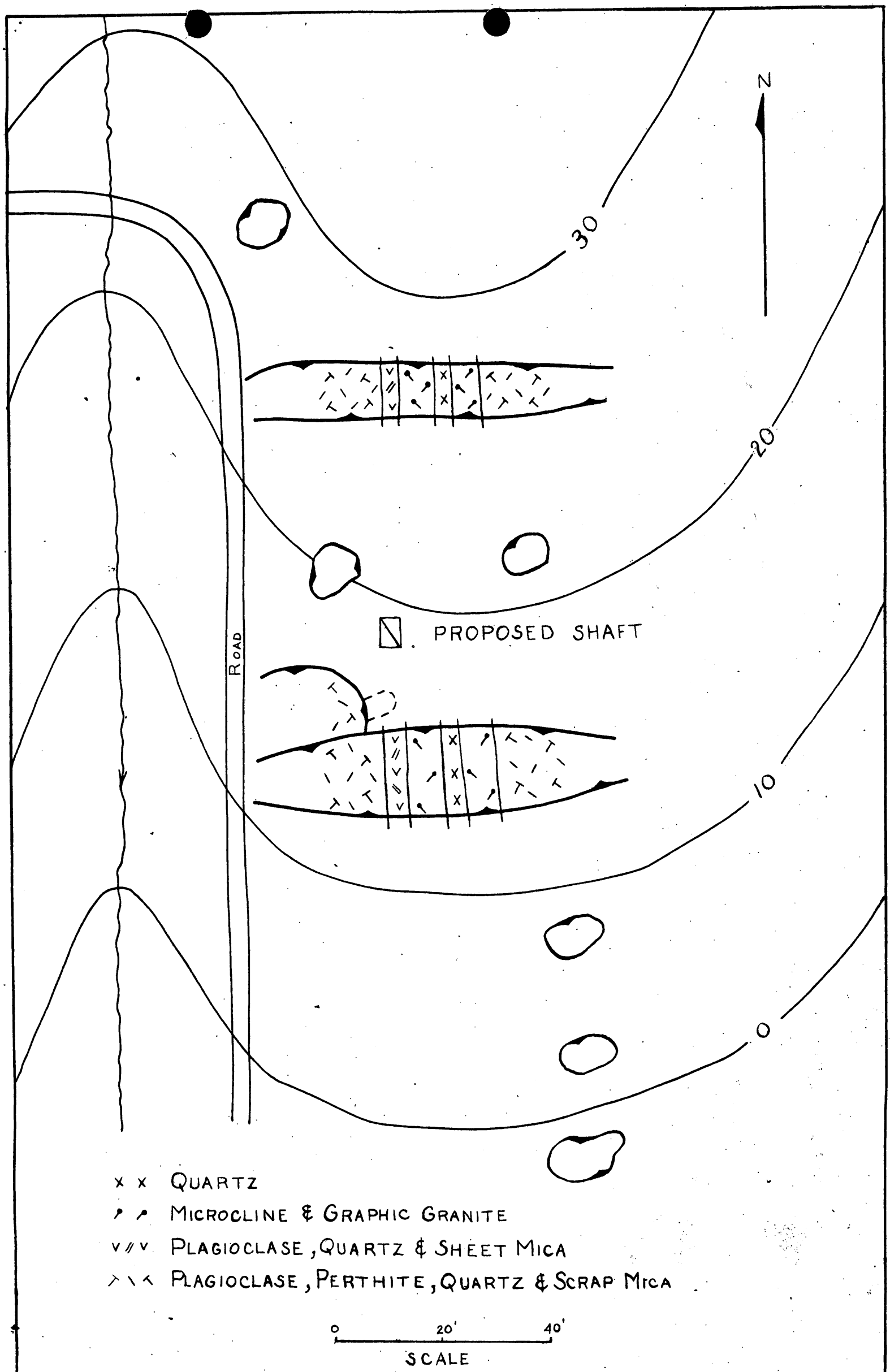
The location, inclination, direction, and extent of all work are subject to the approval of the Government.

Agreed Unit Costs

Bulldozing shaft site - 10 hours @ $10.00/hr.	$100.00
Constructing - Powder magazine 1/	25.00
Exploder magazine 1/	13.00
Sinking 50 feet of shaft @ $40.00/ft.	2,000.00
Driving 80 feet of drifts and/or crosscuts @ $30.00/ft.	2,400.00
	$4,538.00

AGREED ESTIMATED TOTAL COST OF PROJECT	$4,538.00
GOVERNMENT PARTICIPATION AT 75%	$3,403.50

1/ The completed work constitutes the unit.



SKETCH OF
JARRETT PROS.
MITCHELL CO., N.C.

DMEA-~~3387~~ (mica)
3402

JAN 27 1956

Mr. John Jarrett
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell County, North Carolina
Contract No. Idm-2702

Dear Mr. Jarrett:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

T. O. Mitchell

Administrator

WCAnderson:gad 1/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

JAN 27 1956

Mr. John Jarrett
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell County, North Carolina
Contract No. Ldm-8702

Dear Mr. Jarrett:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

[illegible]

Administrator

WCAnderson:gad 1/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Chambers
Mr. Killegaard, 5222
Mr. Dietrich, 3061
Mr. Mouk
Mr. Anderson

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

RECEIVED
JAN 18 1956

January 11, 1956

Memorandum

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

From: Acting Executive Officer, DMEA - Region V

Subject: Royalty payments. January 1956

Transmitted are bills-of-sale and royalty checks on the following:

DMEA-3402, Idm-2792, John Jarrett, Sale $10.50, Check- 53¢.

DMEA-3375, Idm-2686, Dixie Mines, Inc. Sale $2.54, Check- 13¢.

V. J. Lynch

CC:
Mittendorf
Shirley
Book
Files

COPY

Wittendorf

COPY

ENGLISH MICA COMPANY
Spruce Pine, N. C.

Bought from:

John Jarrett, R#3, Bakersville, N. C.

700 lbs. scrap mica @ 1½¢ per lb. $10.50

DMEA-3402, Idm-E702

RECEIVED
JAN 13 1956

DEC 21 1955

Mr. John Jarrett
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell County, North Carolina
Contract No. Idm-2702

Dear Mr. Jarrett:

Under Annex II b. (1) of the subject contract you are obligated to pay the Government a royalty on all minerals mined or produced from the land "...regardless of any certification of discovery or development, from the date of the contract until the lapse of 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". According to your final report a total of about 700 pounds of scrap mica was recovered during the operation. Regardless of whether the mica was of strategic, scrap or any other grade, an accounting must be made to the Government of recovered mica.

In order to close out our records on this contract, it would be appreciated if you send to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, your check for the Government's royalty on the above, and any other production from the property. The check should be made payable to the Defense Minerals Exploration Administration and should be accompanied by certified copies of sales slips.

Sincerely yours,

C. O. Mitchell

Administrator

WCAnderson:gad 12/19/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

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

September 14, 1955

Memorandum

To: Operating Committee, DMEA- Washington

From: Executive Officer, DMEA - Region V

Subject: Unsettled Royalty Accounts.
Your letter of September 9, 1955

We wrote to the three Operators concerned (DMEA-3329, 3391, 3402) in July, but have had no replies. We are writing them again this week for the necessary information and payments, and will advise you when we receive an answer.

Robert A. Laurence

RAL/zm

SEP - 9 1955

Mr. Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region V
Room 1[illegible], Post Office Bldg.
Knoxville 2, Tennessee

Dear Mr. Lawrence:

Reference is made to our letter of June 27, 1955, relative to six uncertified projects which have been completed or terminated but no closing letters have been written because of the unsettled situation with regard to royalties.

We have received reports on three of these projects. We have not had reports on the following projects:

Docket No.	Contract No.	Value of production
DMEA-3329	Idm-[illegible]714	$70.00
DMEA-3391	Idm-[illegible]704	$[illegible].00
DMEA-3402	Idm-[illegible]702	Unknown

If you will clear up this matter it will be appreciated as we wish to close out the contracts as soon as possible.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes
Member, Bureau of Mines

/s/ N. E. Nelson
Member, Geological Survey

WCAnderson:gad 9/8/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Killingsard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

Project Summary Report

By: Walter C. Anderson June 10, 1955

1. Docket No. DMEA-3402 - Mica
Contract No. Idm-E702
Jarrett Prospect
Mitchell County, North Carolina

Application: Form MF-103 (April, 1952) received June 20, 1954
Work Proposed : Bulldoze a cut 100 feet by 10 feet deep by 12 feet wide; shaft 80 feet deep; and drift 100 feet long.
Amount requested: $7,700.00
Operator: John Jarrett
Route 3, Bakersville, North Carolina
Operator's Property Rights: Owner

2. Contract: Form MF-200(A) (February, 1952) dated September 7, 1954.
Work Authorized:

Bulldoze shaft site	$100.00
Construct powder and exploder magazines	38.00
50 feet of shaft @ $40.00/ft.	2,000.00
80 feet of drifts and/or crosscuts @ $30.00/ft.	2,400.00
Total agreed unit costs	$4,538.00
Government participation @ 75%	$3,403.50

Amendments: None

Work completed:

Bulldozing shaft site	$50.00
Construction - powder and exploder magazines	38.00
41 feet of shaft @ $40.00/ft.	1,640.00
80 feet of drift @ $30.00/ft.	2,400.00
Total accepted cost	$4,128.00
Government participation @ 75%	$3,096.00

Work began on September 21, 1954, and completed November 16, 1954.

Field Team Final Report received December 10, 1954.

Operator's Final Report received December 10, 1954.

About 800 pounds of "mine run" mica recovered during operation.

No equipment purchased under contract.

3. Audit:

Report of Review issued January 6, 1955

Accepted cost	$4,128.00
Government participation	$3,096.00

4. Certification of Discovery: None issued

5. Comments:

How conducted: All of the work in which the Government participated was acceptable.

Operation: The competency of the Operator was satisfactory.

Engineering: Operator furnished satisfactory account of the project. All work was in pegmatite.

Geological premise: The exploration work did not substantiate the premise that commercial quantities of strategic mica would be found in a large, well-zoned pegmatite.

Geological Criteria upon which work was based:

1. Well zoned pegmatite 20 to 25 feet thick
2. Mica - flat, hard, non-ruby and clear. Sizes up to 6 inches.
3. Past production - extent not known.

Geological Criteria developed during the project:

1. Zoned pegmatite in excess of 25 feet thick.
2. Mica - green, small in size, badly cracked, warped and some "flat-A". Little of strategic quality.
3. Production - about 800 pounds of "mine run" mica.

Future possibilities: Production is not economically possible. Reserves are negligible.

Recommendations: The Nonmetallic Minerals Division concurs in the Field Team's recommendation not to issue a certification of discovery. The Geological Survey and Bureau of Mines agree. Closing letter should not be written until June 10, 1955, pending possible sale of scrap mica.

WCAnderson:ai
7/14/55

Walter C. Anderson, Mining Engineer

cc to: Admr. Reading File
Division Docket
Docket (Original)
Mr. Anderson
Mr. Houk
Blue Chron.

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

JUN 27 1955

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

Dear Mr. Laurence:

Reference is made to a number of uncertified projects which have been completed or terminated, but no closing letters have been written because of the unsettled situation with regard to royalties.

Under the following contracts, having royalty provisions regardless of certification, the Field Team reported production, either of known or unknown values:

Docket No.	Contract No.	Value of production during project
DMEA-2909	Idm-E524	Unknown
DMEA-3248	Idm-E705	Unknown
DMEA-3329	Idm-E714	$70.00
DMEA-3356	Idm-E711	Unknown
DMEA-3391	Idm-E704	$40.00
DMEA-3402	Idm-E702	Unknown

In order to close out these contracts it will be appreciated if you will take whatever action you deem appropriate for collection of these royalties. It is suggested in the case of unknown values of production during the project that an estimate be made agreeable to the Government and the Operators.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:gad 6/22/55

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

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
MAR 16 1955

March 14, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Reg. V - Knoxville

Subject: Docket No. DMEA-3402, Idm-E 702 (mica) Jarrett Prospect North Carolina

Reference is made to your letter of March 11, in regard to subject docket.

Through an error in the Field Team Final Report the total cost of the project was reported as $4,090.00. The correct amount is $4,128.00, as stated in the Operations Final Report.

V. J. Lynch

VJL/mm
cc:
Lynch
Files

MAR 11 1955 600

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

Subject: Docket No. DMEA-3402 - Miss John Jarrett
Jarrett Prospect
Mitchell County, North Carolina
Contract No. Idm-2702

Dear Mr. Laurence:

In reviewing the subject docket, we note in the Field Team Final Report of November 16, 1954, that the total cost of project is $4,090.00, while the Operator's Final Report of December 1, 1954, claims $4,128.00 as the total cost of project.

In order to have our files complete kindly advise which is correct.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

WCAnderson:gad 3/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

IN REPLY REFER TO:

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

January 14, 1955

DMEA Docket 3402 (Mica)
John Jarrett property
Mitchell County, N. C.
Contract Idm-2702

Memorandum

To: Mr. L. G. Hook, 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 contract terms consisted of 5 hours of bulldozing, during which time a trench 50' x 80' x 6' was excavated; a 41-foot 5' x 7' vertical shaft; and an 80-foot drift which was driven from the shaft on the 39-foot level. The work explored a zoned pegmatite that is more than 25 feet in thickness where exposed in the shaft and drift.

About 800 pounds of poor quality, "mine-run" mica was produced during the project, little of which was of strategic quality.

Because of the negligible reserves of strategic mica found by exploration work, the Field Team recommends that a certification of discovery not be issued to the operator. I concur with these recommendations.

T. 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
JAN 11 1955

January 11, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3402 (mica)

Applicant: John Jarrett

Name and Location of Property: Jarrett Property
Mitchell County, North Carolina

Contract Number: Idm-E702

Date of Field Team Final Report: December 9, 1954

Date Rec'd. by Br. of Ceram. & Fert. Mat.: December 16, 1954

Field Team Recommendation:

1. No certification.

Comments:

1. About 800 pounds of "mine-run" mica was obtained, but mainly of poor quality and small grades.

2. Reserves of mica are negligible.

3. Expenditures -

Total approved	-	$4,538
Total cost	-	4,090
Gov't. share	-	3,067
Value of production during operation	-	?

Recommendation:

I concur in the field team's recommendation not to certify this project.

SIGNED

W. F. Dietrich

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

December 9, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Report, DMEA-3402, Idm-E 702 (mica) John Jarrett, Bakersville, N. C.

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

We agree with the examiners 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

WAB/sm
cc:
Beck
Lynch
Files

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

Budget Bureau No. 42-R1036.5

27

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

Month of November, 1954 Docket No. DMEA 3402 Contract No. Idm-E702
Operator's Name John Jarrett Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 4538.00 Government Participation: 75 % Amount, $ 3403.50

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		50.00	50.00			
Crosscutting						
45' Drifting @ 30.00 ft.	1350.00	1050.00	2400.00			
Shaft		1640.00	1640.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder Magazine	25.00		25.00			
Exploder Magazine	13.00		13.00			
(8) Contingencies (specify):						
TOTALS	1388.00	2740.00	4128.00	1388.00	2740.00	4128.00

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

Date 12-1-54 *Payee John Jarrett

Per John Jarrett Title Operator

*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:

$ 1041.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date DEC 8 1954 Vou. No. 100
(See other side)

3x 9

C 11/30

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 702 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Dec. 6, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 November 1954 Docket No. DMEA 3402 Contract No. Idm-E702

Operator's Name John Jarrett Minerals Mica

Address Route 3, Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
45' Drifting @ 30.00 ft.	Ft.	1350.00	45	2400.00	80	30.00	80	30.00
Crosscutting								
Raising								
Shafts	Ft.			1640.00	41	40.00	50	40.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				50.00	5	10.00	10	10.00
TOTAL DISTRIBUTED COSTS		1350.00		4090.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Powder & Exploder Magazines		38.00		38.00				
TOTAL COSTS		1388.00		4128.00				

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 12-1-54 Operator John Jarrett

Per John Jarrett Title Operator

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATOR'S

MONTHLY REPORT OF PROGRESS

Month of November, 1954

DMEA-3402

Idm-E 702

WORK ACCOMPLISHED:

We completed the contract this month, drifting a total of 45'. We recovered a total of about 700# of scrap mica, chiefly Chub A, heavy stained, non-ruby variety. Three men worked regularly, and one partner worked about 4 hours per day overtime in order to complete the footage on the drift.

DAILY NOTES:

Nov. 1 - 5 - Continued with drift, in soft vein material most of the way during week. Mucked, dug vein material.

Nov. 8 - 12 - We began to pick up some scrap mica, wavy and heavy stained. Hit harder material, and had to do some shooting. Mucked.

Nov. 15 - 19 - Continued with drift to the 52' area, where we turned North. In vein material, continued to shoot and muck.

Nov. 22 - 26 - Drilled and shot, mucked. Recovered more scrap mica, Chub A, flatter than previously found, but heavy stained.

Nov. 29 - 30 - Recovered more mica, making a total for month of about 700#. Mucked. Completed the drift called for in the contract. Discontinued operation, as mica was too scarce and of too poor quality to justify operating.

Spruce Pine, North Carolina
December 2, 1954

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

Re: DMEA-3402, Jarrett Prospect
Mitchell County, N. C.
Final Engineering Report

Dear Mr. Laurence:

Work began on the Jarret project on September 21, 1954 and was completed on November 30, 1954.

We moved in our equipment, which included hoist and air compressor; set up boom pole and began sinking the shaft after bulldozing off the crest of the ridge. We sank a 5'x7' shaft in the vein to a depth of 41', and bottomed the shaft in about 4' of slate. On the instructions of the Field Team, we turned off at this level with the drift. We began to drift in a Southeast direction and continued for a total of 52'. In this drift we picked up about 400# of mica, being Chub A, heavy stained, wavy, non-ruby mica.

We turned to the North after drifting 52', and continued North for the remainder of the 28' of contract drift. In the last 28', we picked up about 300# of scrap mica. This mica was flatter than that found previously, but was again heavy stained and very poor quality. We recovered in the entire operation a total of about 700 lbs. of scrap.

We discontinued operation at the completion of the contract footage, since the mica was far too poor and too scarce to justify continuing the work.

We wish to thank the Field Team for their help and cooperation on the Jarrett project.

Very truly yours,

John Jarrett

John Jarrett

P/b

DEC 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COPY

~~WASHINGTON 25, D.C.~~

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 9, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Report, DMEA-3402, Idm-E 702 (mica) John Jarrett, Bakersville, N. C.

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

We agree with the examiners 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

WAB/zm
cc:
Beck
Lynch
Files

Reviewed by
DMEA OPERATING COMMITTEE
12-15-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
On

DMEA-3402, JARRETT PROSPECT
(mica)
Mitchell County, N. C.

BY

H. K. 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
12-15-54
(date)

November 16, 1954

FINAL REPORT
ON
DMRA-3402, HARRATT PROSPECT (mica)
Idm-N 702

Operator: John Jarrett, Route # 3, Bakersville, North Carolina

Location: 1.3 airline miles N. 5° W. of Boonford, Mitchell County, N. C.

Work completed under the contract consisted of bulldozing a shaft site, sinking a 41-foot shaft and driving 80 feet of drift. As only an insignificant quantity of strategic mica was discovered by the work performed, no certification of discovery should be issued. Additional exploratory work is not warranted.

Work began on September 21, 1954 and was completed November 16, 1954. A shaft site was prepared by bulldozing a trench 50' x 20' x 6' deep (see attached sketch). This dozing required a total of 5 hours. A 5' x 7' vertical shaft (two-compartment) was sunk and timbered to a depth of 41 feet. From the 39-foot level of this shaft an 80-foot drift was driven as follows: first 49 feet in a S. 27° E direction, next 16 feet S. 45° E., and next 8 feet N. 70° E. and the last 7 feet due north. All work was in pegmatite.

A zoned pegmatite that is in excess of 25 feet thick is exposed in the shaft and drift. Massive quartz 4 1/2 feet thick was intersected by the drift about 60 feet from the shaft. This zone strikes north-south and dips steeply to the east. Adjacent to the quartz is a zone about 2 feet thick composed of plagioclase, quartz, and muscovite of sheet size but poor quality. The remainder of the body traversed by the drift consists of medium-to coarse-grained kaolinized feldspar (perthite dominant) minor quartz, sparse muscovite of scrap sizes, and garnet. Part of this zone has a graphic texture. Weathered mica schist is exposed in the lower 2-3 feet of the shaft. At this point the pegmatite appears to bottom with the "keel" of the body plunging about 23° to the south-southeast.

About 800 pounds of mine-run mica were recovered during the project; most was poor quality and small sizes. Recovery came from (1) adjacent to a thin quartz core in the shaft about 10 feet from the collar, and (2) adjacent to the quartz core about 60 feet from the shaft bottom in the drift. The mica is green-colored, generally small in size, badly cracked and in part warped. Some is "flat -A". Little of the mica recovered will yield sheet of strategic quality.

Reserves of strategic mica revealed by the work done under the contract are negligible.

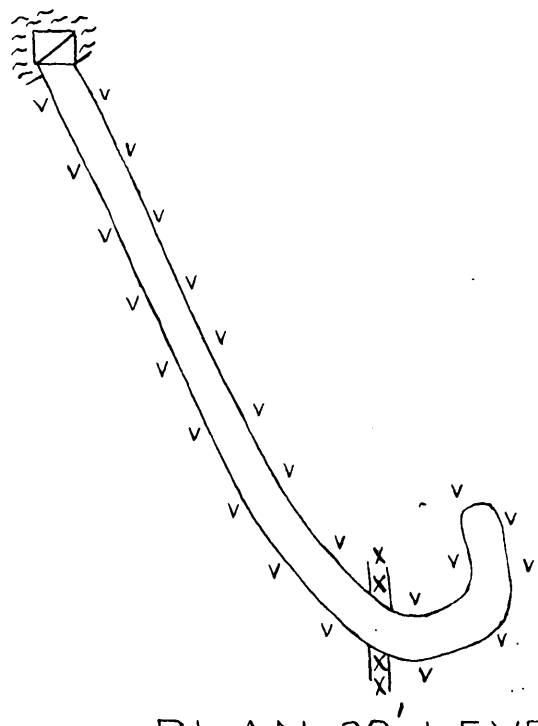
Expenditures:

(a)	Total approved	$4,538.00
(b)	Total cost of project	4,090.00
(c)	Government's share of cost	3,067.00
(d)	Government's share unexpended	336.00
(e)	Value of production during Oper. ? ?	

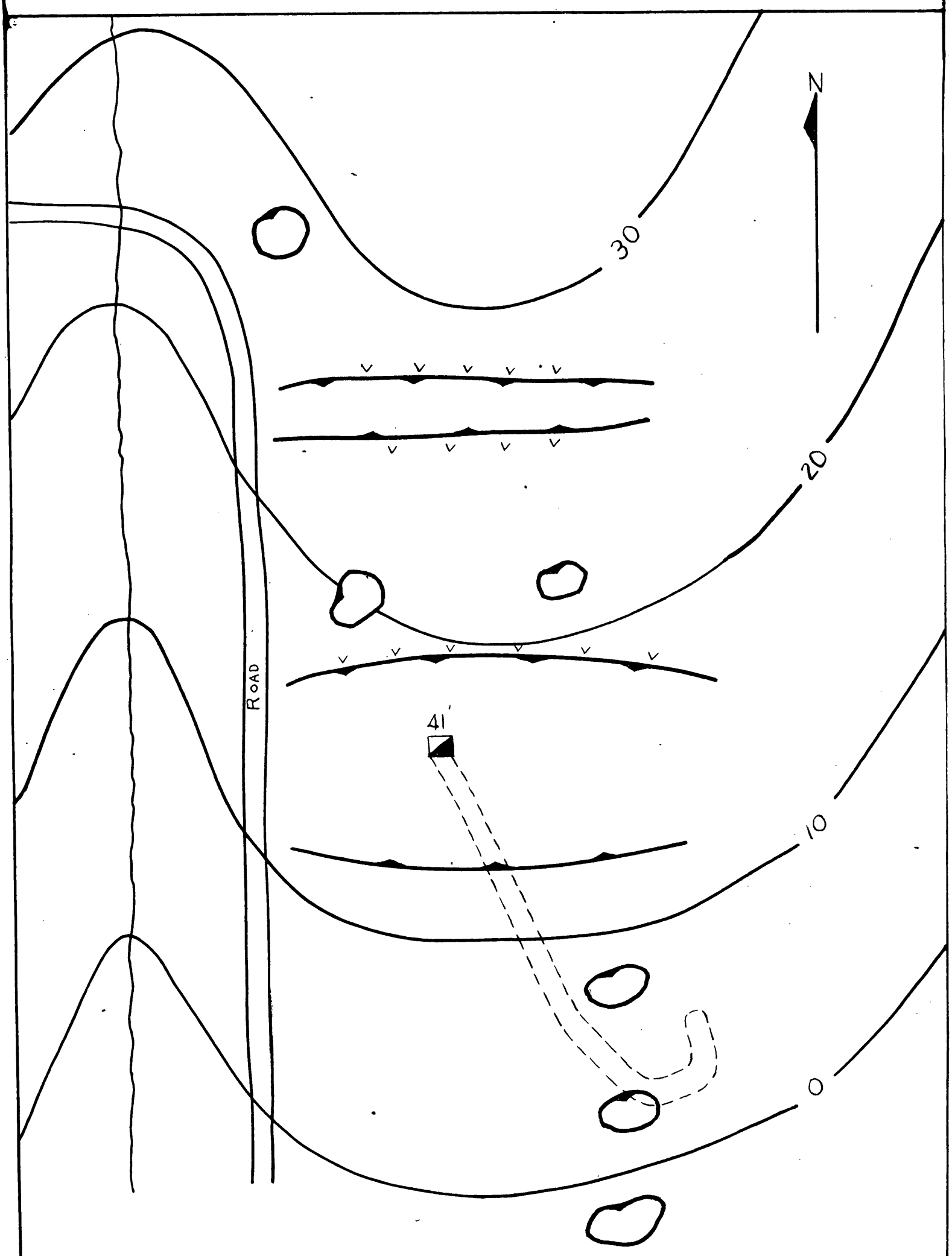
The project was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

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

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



PLAN 39'-LEVEL



0 20' 40'
SCALE

SKETCH OF
JARRETT PROS.
MITCHELL CO., N.C.

DMEA-3402(mica)

Orlando

INTERIM REPORT

DMEA-3402 Idm-8708 (mica) JARRETT PROSPECT

[redacted] John Jarrett, Route #6, Bakersville, N. C.

LOCATION: 1.3 airline miles N 8° W of Bearfield, Mitchell County, N. C.

All drift work as outlined on this contract has been completed without making a sizeable discovery of strategic mica. The operator stated that no additional work at his own expense would be attempted at this time.

Briefly, the project consisted of sinking a vertical shaft for a depth of 39 feet and driving a drift, which varied in direction from S 87° E to due north, for a total distance of 82 feet. Most of the work was accomplished in feldspathic pegmatite, barren of mica. A thin mica zone was found at 10.5 feet in the shaft and another zone in the drift at 61 feet near a continuous quartz core. An old drift about 30' in length was encountered in this same area. About eight hundred pounds of mica, mostly of poor quality, was recovered. Much of it was cracked and warped, and only a very small amount is good enough to be processed for sale.

The operator was cooperative and followed closely all suggestions made by the Field Examiners.

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

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

November 15, 1964

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1954 Docket No. DMEA 3402 Contract No. Idm-E702
Operator's Name John Jarrett Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 4538.00 Government Participation: 75 % Amount, $ 3403.50

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					50.00	50.00
Crosscutting						
35' Drifting @ 30.00 ft.	1050.00		1050.00	1050.00		1,050.00
26' Shafting @ 40.00 ft.	1040.00	600.00	1640.00	1040.00	600.00	1,640.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2090.00	600.00	2690.00	2,090.00	650.00	2,740.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 11-1-54 *Payee John Jarrett
Per John Jarrett Title Operator

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1,567.50
Signature Helen R. Miller (Authorized Certifying Officer)
Date Nov 23 1954 Vou. No. 85
(See other side)

2

522.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E702 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Nov. 5, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1954 Docket No. DMEA 3402 Contract No. Ion-5702

Operator's Name John Jarrett Minerals Mica

Address Route 3, Bakersville, 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
35' Drifting @ 30.00	Ft.	1050.00	35	1050.00	35	30.00	80	30.00
Crosscutting								
Raising								
26' Shafts @ 40.00	Ft.	1040.00	26	1640.00	41	40.00	50	40.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2090.00		2690.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2090.00		2690.00				

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 11-1-54 Operator John Jarrett

Per John Jarrett Title Operator

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

(Instructions on reverse)

Remarks:

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR's

Monthly Report of Progress

DMEA-3402

Idm-E 702

Work Accomplished:

We continued down with the shaft 26' during the month, making a total of 41 feet. The field team visited the mine on October 20 and started the crew on a drift at this level. We have drifted 35 feet, in vein material all the way, but have hit no mica. A few very small particles of mica are beginning to show in the vein material at this time.

Daily Notes:

October 1 - Continued down with the shaft and hit a little harder material at the 16' level. We had to drill and do some shooting .

Oct. 4 - 8 - Timbered, continued down with shaft. Drilled, shot, mucked.

Octo. 11 -15 - Timbered to the 31' depth, and at about 32' we hit slate. Drilled and shot, mucked.

Oct. 13 - 22 - Sank shaft and hit water at about 36 feet. At the bottom of the slate, at 38 feet, we came into a water hole. Baled out water. Did not hinder progress. Teague visited mine on 20 and had men begin drift.

Octo. 25 - 28 Continued drift in direction advised by field team. In vein material consisting of flint, feldspar, some quartz and soft granite.

Oct. 29 Completed 35' drift, toward last few feet some small particles of mica beginning to show.

November 8, 1954

Mr. John Jarrett
Route # 3
Bakersville, N. C.

Re: DMEA-3402, Idm-R 702 (mica)
Jarrett Prospect, Mitchell Co., N.C.

Dear Mr. Jarrett:

Your October monthly report and voucher has been received in this office and is being sent to the Finance Office today for payment.

Your neglected to put in your reports the item of $50.00 that you spent for bulldozing and for which you were paid on your September voucher. We have corrected our copies, please make the totals on your copy as follows: $2090.00; $650.00 and $2740.00.

Very truly yours,

Robert A. Lawrence
EXECUTIVE OFFICER
DMEA REGION VII

WAL/mm

Finance Office-3
Lynch
Book

Files

INTERIM REPORT

DMRA-5408 Idm-8702 (mica) JARRETT PROSPECT

OPERATOR: John Jarrett, Route 5, Bakersville, N. C.

LOCATION: 1.5 airline miles N 5° W of Boonford, Mitchell County, N. C.

Drifting to the southeast from the 39-foot shaft level is underway on this contract and an advance of 52 feet has been made. The operator was advised to continue the drift until another examination can be made in the near future.

Material encountered in the S 20° E drift continues to be feldspathic, containing but little quartz and no mica of consequence. Much of the material is kaolinized and narrow seams along fractures are filled with red clay containing a little silica. The operator was advised to timber the drift where necessary and to set stulls at some specific locations. It was suggested that safety precautions be taken while working in this weathered ground and that all workers wear safety hats. Progress on this contract is satisfactory.

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

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

November 5, 1954

INTERIM REPORT

DMEA-[illegible] Lim-[illegible] (mica) JARRETT PROSPECT

OPERATOR: John Jarrett, Route 3, Bakersville, North Carolina

LOCATION: 1.5 airline miles N 5° W of Bonnford, Mitchell County, North Carolina.

Shaft sinking continues on this contract and is now at 30 feet. The operator was instructed to turn off from this level and start drifting to the southeast.

No change in material or mica recovery was evident in shaft work completed since the last visit. Dump material examined was principally feldspathic containing small green mica. At the 30 ft. level the body appears to bottom and plunge or dip 25° SE. The examiners believe it advisable to turn off at this level in order to stay with the pegmatite.

The shaft has been cribbed to near bottom and ladders have been installed in the separated manway. Progress on this contract is satisfactory.

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

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

October 20, 1964

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

Budget Bureau No. 42-R1036.5

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

Month of September, 1954 Docket No. DMEA 3402 Contract No. Idm-E702
Operator's Name John Jarrett Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 4538.00 Government Participation: 75% Amount, $ 3403.50

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						
5 hr. Bulldozing @ 10.00	50.00	-	50.00			
Crosscutting						
Drifting						
15' Shafting @ 40.00	600.00	-	600.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	650.00		650.00	650.00	—	650.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 10-4-54 *Payee John Jarrett
Per John Jarrett Title Operator

*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:
$ 487.50
Signature L.A.B.
(Authorized Certifying Officer)
Date OCT 20 1954 Vou. No. 74
(See other side)

1st
9/21
162.50 Sch. No. K-21

(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-E702 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lauren Title EXECUTIVE OFFICER DMEA REGION VII Date OCT 18 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 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

Received
OCT 25 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1954 Docket No. DMEA 3402 Contract No. Idm-3702
Operator's Name John Jarrett Minerals Mica
Address Route 3, Bakersville, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
15' Shafts @ 40.00	Ft.	600.00	15	600.00	15.	40.00	50	40.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
5 hr. Bulldozing @ 10.00	hr.	50.00	5	50.00	5	10.00	10	10.00
Total Distributed Costs		650.00		650.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		650.00		650.00				

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 10-6-54 Operator John Jarrett

Per John Jarrett Title Operator

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S
Monthly Progress Report

Month of Sept.,1954

DMEA-3402

Idm-E 702 (Mica)

Date Work Began: 9-21-54

Work Accomplished:

We bulldozed the site, moved in hoist and air compressor and sank the shaft a total of 15 feet during September. The shaft was timbered and the ground fairly soft. The shaft was in pegmatite most of the way, containing feldspar in small amounts and other materials.

Daily Notes:

Sept. 21 - Bulldozed 5 hours across crest of the ridge.

Sept. 22 - Moved in hoist and air compressor, prepared to begin sinking shaft.

Sept. 23 - Field Team visited site, spotted location for the shaft. Began on shaft.

Sept. 24 - Timbered as we went down, began sinking shaft.

Sept. 27-30 Continued down with the shaft; continued to timber. In vein material but no mica. No difficulties encountered, and material looks promising.

INTERIM REPORT

DMEA-3402 Idn-E702 (mica) JARRETT PROSPECT

OPERATOR: John Jarrett, Route #4, Bakersville, N. C.

LOCATION: 1.5 airline miles N 8° W of Boonford, Mitchell County, N. C.

Shaft sinking is underway on this contract and is now at 20.5 feet. Instructions were given for continued sinking to a total depth of 50 feet. The entire cross section of the shaft is in pegmatite composed principally of feldspar, some massive quartz and zones of sericite. A thin mica zone was picked up under a 2 ft. massive quartz zone at about 10.5 feet. The mica recovered is green and of poor quality.

The shaft is 6' x 7', two compartment and has been cribbed to a depth of about 15 feet. Suggestions were made concerning the installation of ladders in the manway and making the shaft safe.

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

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

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

October 7, 1964

WRITTEN REPORT

DMRA-3408 Ice-E708 (mica) JARRETT PROSPECT

OPERATOR: John Jarrett, Route #3, Bakersville, N. C.

LOCATION: 1.3 airline miles N 5° W of Boonford, Mitchell County, N. C.

Starting date on this contract is September 21, 1954. Preparation of a shaft site by bulldozing has been completed and the site for sinking was spotted by the examiners. Shafting is expected to begin in the near future.

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

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

September 23, 1954

600

SEP - 7 1954

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

Subject: Docket No. DMEA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

If the contract meets with your approval present it to the Operator for approval and signature. Please explain to the Operator that the contract, when executed, is a firm commitment under the terms of which he is 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 Operator 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 August 17, 1954, and from the Bureau of Mines, dated August 23, 1954, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:gad 9/2/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5227
Mr. Houk

Enclosures 10

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

August 23, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3402 (mica)

Applicant: John Jarrett

Name and Location of Property: Jarrett Prospect, Mitchell County North Carolina

Date of Field Team Report: August 6, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: August 13, 1954

Field Team Recommendation:

1. Exploration assistance.

Comments:

1. The field team is of the opinion the deposit merits exploration.
2. Strategic mica occurs in one zone of the pegmatite.
3. Estimated costs total $4,538.

Recommendations:

I concur in the field team's recommendation for an exploration project in the amount of $4,538.

W. F. Dietrich

IN REPLY REFER TO:

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

August 17, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3402 (mica)

To: Lawrence G. Hook, Defense Minerals Exploration Administration
From: R. D. Trace, U. S. Geological Survey
Applicant: John Jarrett, Bakersville, North Carolina
Name of property: Jarrett Prospect
Location of property: Mitchell County, North Carolina
Date of Field Team Report: August 4, 1954
Authorship of Field Team Report: Teague and Amos, USGS
Field Team's recommendation: Sink 50-foot shaft and drift 80 feet.
Comments: None
ACTION RECOMMENDED: Follow Field Team recommendation.

R. D. Trace

RDTrace:hlm
G-8/17/54

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

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

August 6, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Field Examination Report - DMEA-3402 (mica) Jarrett Pros. Mitchell County, N. C.

Enclosed are four copies of the subject report, and six extra copies of the map. We recommend approval of the application as proposed in the report.

The shaft site was selected as shown on the map because the large cut, some 5 years old, is slumped and is not drained, so that the same amount of shaft preparation would be required in the cut as will be required on the hill.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

RAL/zm
cc:
Beck
Lynch
Opr. Com.
Files

Reviewed by
DMEA OPERATING COMMITTEE
8-13-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-1402, JARRETT PROSPECT
(Mica)
Mitchell County, N. C.

By

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

August 4, 1954

Reviewed by
DMEA OPERATING COMMITTEE
8-13-54
(date)

FIELD EXAMINATION REPORT

On

DMEA-3402, JARRETT PROSPECT (mica)

Applicant: John Jarrett, Route #3, Bakersville, North Carolina

Some prospecting for mica has been done previously on this pegmatite. The pegmatite is large, well zoned where exposed, and appears to contain strategic mica. The examiners recommend that exploration assistance be granted.

The deposit was examined on July 29, 1954. Messrs. John Jarrett, Howard Boone, and S.L. Phillips accompanied the examiners on the inspection, which required two hours.

The Jarrett Prospect is near John Jarret's home, 1.3 airline miles N. 5° W. of Boonford, Mitchell County, North Carolina. It is on the west side of Rebels Creek along the crest of a low ridge. Access is excellent at all times.

The applicant is competent to conduct the proposed exploration project. He owns the property (30acres) on which the deposit occurs; none of the boundaries are sufficiently near to influence the proposed project in any way.

There are no surface facilities on the property. Workings consist of a group (3) of caved shafts and pits on the south end of the pegmatite that were opened about 50 years ago, and which are reported to have been from 25 to 40 feet deep. No information is available about the extent of level work from these caved shafts. In addition, the applicant has dug several shallow pits and had two bulldozer trenches cut in the pegmatite up the ridge (north) from the area of caved shafts.

This pegmatite occurs along the crest of a low ridge. It strikes North-South and appears to dip near vertical, although no accurate dip can be observed. The dike has been prospected along its strike for at least 500 feet. It is between 20 and 25 feet thick near the middle and appears to thin to the south. The middle portion appears to be coarser-grained than the ends.

The pegmatite where best exposed is well zoned. Zoning as observed from the east to west is as follows: (1) 5 feet + of fine-grained pegmatite composed of plagioclase, perthite, small quartz, and small scrap mica; (2) 4 feet of coarse potash feldspar and graphic granite; (3) 3 feet quartz core; (4) 4 feet of coarse potash feldspar and graphic granite; (5) 2 feet flat mica zone composed of non-ruby, flat mica, plagioclase, and quartz;

and (6) 5 feet + same as (1). On both sides of the qurtz core, zones of Wedge-1" green mica of scrap quality occurs.

In the flat mica zone (5), the mica is relatively flat, hard, non-ruby (green) and generally clear except for clay-stain. Sizes up to 6 inches in diameter are exposed. Mica of strategic grade occurs in this zone.

History of production from the caved shafts is not known. John Willis is supposed to have worked the mine about 50 years ago and produced considerable mica, quality and quantity of which are not known.

The field examiners believe that the deposit has merit for exploration. We recommend that the exploration program consist of preparing a shaft site by cutting a trench 6 feet deep and 20 feet wide across the crest of the low ridge; constructing magazines, sinking 50 feet of 5' x 7' shaft on the flat mica zone, and driving 80 feet of drifts from the shaft.

Estimated cost:

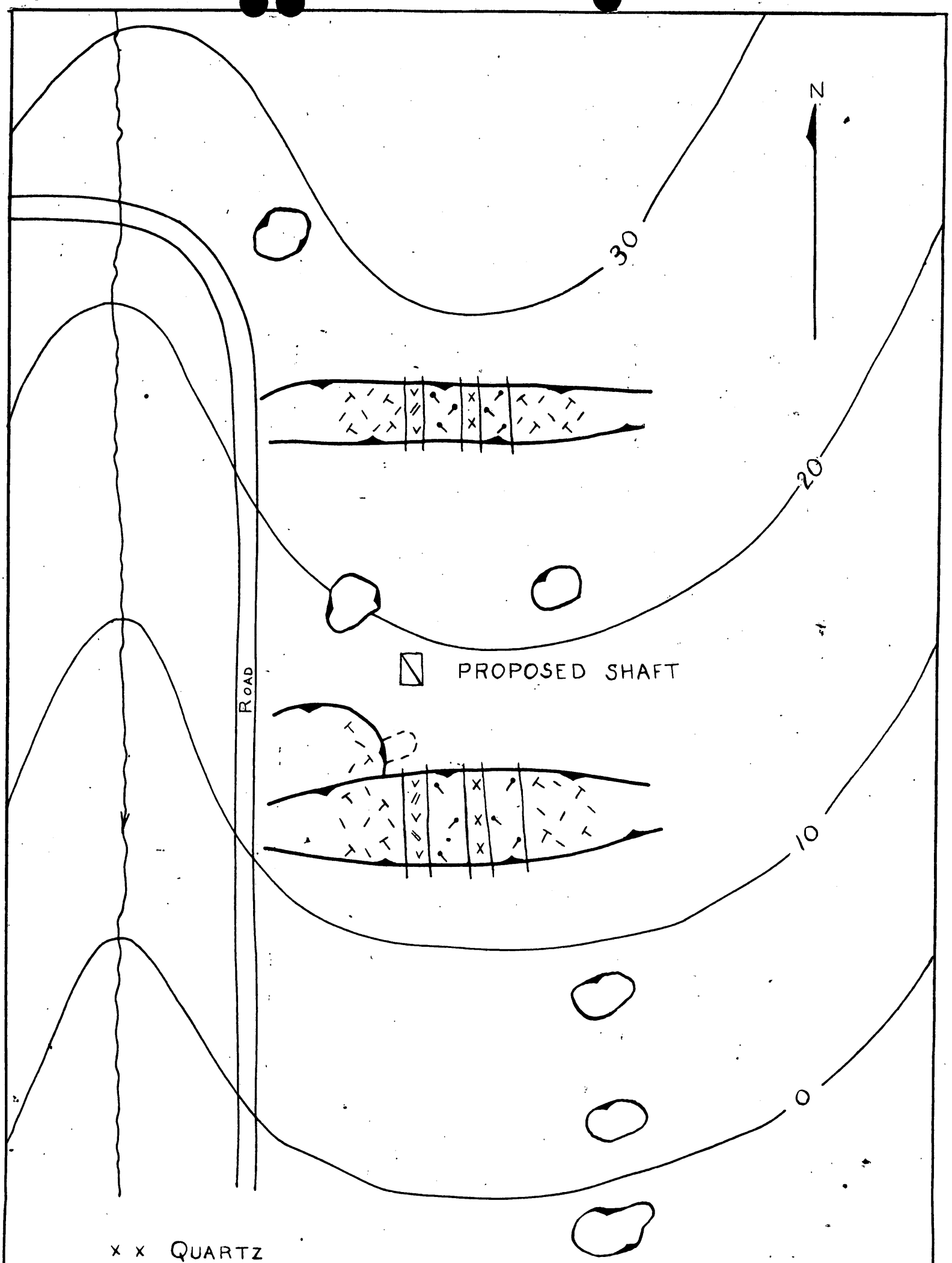
Prepare shaft site		
10 hrs. bulldozer @ $10/hr.	$100.00	
Magazines		
Powder Magazine	25.00	
Exploder "	13.00	$138.00
50 feet, 5' x 7', 2-compartment shaft (ground semi-weathered to hard) (25 shifts)		
Labor:		
1- Miner @ $1.50/hr.	300.00	
1- Hoistman @ $1.25/hr	250.00	
1- Laborer @ $1.00/hr	200.00	
Equipment (rental)		
Gasoline hoist @ $50/Mo.	62.50	
Compressor, drill, pump, @ $240/mo.	300.00	
Supplies:		
Timber, 5M @ $65.00/M	325.00	
Drill steel, powder, exploders	150.00 - 3.00	
Gasoline and oil	150.00 - 3.00	
Hand tools, etc.	112.50	
Miscellaneous, soc. sec. etc.	150.00	
Estimated shaft cost.....		$2,000.00
80 feet, 5' x 7' drift and/or crosscut (30 shifts)		
Labor:		
1-miner @ $1.50/hr.	360.00	
1-Hoistman @ $1.25/hr	300.00	
1-Laborer @ $1.00/hr	240.00	
Equipment rental		
Gasoline hoist @ $50/Mo.	75.00	

Equipment rental cont'd

Compressor, drill, pump @ $120/Mo.	$360.00	
Supplies		
Timber, 4 M. @ $65/M	260.00 - 3.12	
Drill steel, powder, exploders	300.00 - 3.75	
Gasoline and oil	300.00 - 3.75	
Hand tools, etc.	50.00	
Miscellaneous: Social Sec., Insurance, etc.	155.00	
Estimated cost of drift.....		$ 2,400.00
Estimated total cost of project....		$ 4,538.00

August 4, 1954

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



× × QUARTZ

/ / MICROCLINE & GRAPHIC GRANITE

V // V PLAGIOCLASE, QUARTZ & SHEET MICA

/ \ < PLAGIOCLASE, PERTHITE, QUARTZ & SCRAP MICA

0 20' 40'

SCALE

SKETCH OF

JARRETT PROS.

MITCHELL CO., N.C.

DMEA-~~3387~~ (mica) 3402

600

JUL 14 1954

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

Subject: Docket No. DMRA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell County, North Carolina

Dear Mr. Lawrence:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated June 30, 1954, and from the Bureau of Mines, dated July 6, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

Enclosures 4

WCAnderson:ag 7/9/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

JUL 1 6 1954

Mr. John Jarrett
Route 3
Bakersville, North Carolina

Re: Docket No. [illegible]-3402 - Mica
Jarrett Prospect
Mitchell County, North Carolina

Dear Mr. Jarrett:

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.

Please advise this office in writing if you desire to have your application processed under the new Government participation rate which is 75 percent of the approved cost.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:ag 7/9/54
Copy to: Admr. A. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

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

Defense Minerals Administration
RECEIVED
JUL 7 - 1954

July 6, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3402 (mica)

Applicant: John Jarrett

Name and Location of Property: Jarrett Property
Mitchell County, North Carolina

Application Rec'd. by Ceramic & Fertilizer Mtls. Br.: June 29, 1954

Comments:

1. Proposed exploration by bulldozing 100-foot cut, sinking 80-foot shaft, and drifting 100 feet is consistent with local practices and in line with unit-cost estimates for other DMEA dockets.

2. It may be found upon examination that the proposed bulldozing can be reduced in footage or even eliminated altogether.

Recommendation:

It is recommended that the field team visit this property to ascertain if an exploration project is justified. If so, a definite plan of exploration on a unit-cost basis should be agreed upon.

Signed

W. F. Dietrich

IN REPLY REFER TO:

G-[illegible]

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

June 30, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3402 (nick)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant's name and address: John Jarrett, Bakersville, N. C.
Name of property: Jarrett Prospect.
Location of property: No location given.
Summary of applicant's proposal: $7700

Bulldose cut 100' x 12' x 10' deep
Shaft 80'
Drift 100'

Sources of information on applicant's property: None. New prospect.
Comments: 1. No location given.
2. What evidence of peg? "Nice outcrop" 50' long? Could use a better description.
3. If project is set up, it should be on a stage basis.

RECOMMENDATION:
Refer to Field Team for examination if necessary.

D. M. Larrabee

Larrabee:jeh
G-6/30/54
cc: Director's reading 4212
Branch reading 4212
DMEA ✓
Larrabee 5218 Interior