OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-8734, Docket DMEA-3452 (mica), dated October 28, 1954, with

Howard Boone and John Jarrett
Route 3
Bakersville, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Marsh Putnam, Lester Putnam, and Putnam Prospect or Mine located in Mitchell County, North Carolina, during the period April 18, 1959, through August 11, 1962.

A certification of discovery or development was issued on June 7, 1955, and, in accordance with Article 7 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated May 16, 1955, indicated accepted costs under the exploration contract amounting to $5,292.00 with the Government's contribution on a 75 percent basis being $3,969.00.

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

This review established the total sales subject to the DMEA royalty for the period to be $205.72. Royalty payable to the Government at the rate specified in the contract is $10.29.

A prior Report of Royalty Review found the sales subject to the Government's royalty through April 17, 1959, to be $2,748.87, which added to the sales for this subsequent period make a total of $2,954.59. The royalty account as of April 17, 1959, was:

Total Royalty Payable	$137.45
Total Royalty Paid	137.45
Balance of Royalty Due	$ -0-

As of August 11, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$147.74
Total Royalty Paid	147.74
Balance of Royalty Due	$ -0-

August 16, 1962

E. J. Talbert
E. J. Talbert, OMM Auditor

Idm-8734 Howard Boone and John Jarrett DMSA-3452

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land under the contract. At the time this contract was executed the Operator was in possession of the property, located on the east side of the Tom River about one-half mile southwest of Bandana, by virtue of July 23, 1954, lease from Lester H. Putnam, 4401 W. 77th Place, Prairie Village 15, Kansas. In consideration of the contract, the landowner executed an Owner's Consent to Lien.

Exploration work under the contract was completed on March 31, 1955. Production during the exploration work resulted in sales of 154.38 pounds of trimmed, 1,132 pounds of hand-cobbed, 2,800 pounds of scrap, and 2,835 pounds of punch mica. The sales, which aggregated $2,748.87, were made by the Operator in the name of Putnam Mining Company and by Sam L. Phillips.

The files indicate that lease of the property was dropped by the Operator during 1956 and that the property remained inactive thereafter except for short periods of operation by C. W. Ellis and Parsley & Grindstaff during 1959. Ellis sold 9.54 pounds of trimmed mica for $104.41 and Parsley & Grindstaff sold 9.99 pounds of trimmed mica for $101.31. Mr. Ellis reported and paid royalty on his sale on February 15, 1961. The Parsley & Grindstaff sale was not reported but was disclosed in a check by a representative of this Division during the week ending June 22, 1962, of the records of the G.S.A. Mica Purchase Depot at Spruce Pine, N. C. The royalty was paid by one of the Operator-partners (Howard Boone) on August 11, 1962.

Examinations of the property, inquiries, and checks of the Mica Purchase Depot records indicate that all production from the property, excepting a possible small amount of punch and scrap incident to the 1959 operations, have been reported and proper royalty thereon paid. In a letter transmitting the August 11, 1962, payment of royalty, the Operator promised to check into the sales of punch and scrap, "if any".

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

(1) The files indicate that all production, except possibly a small quantity of punch and scrap, has been reported and proper royalty paid; and

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

800

Messrs Howard Boone and John Jarrett
Route 3
Bakersville, North Carolina

Re: DMRA-3452 (Mica)
Howard Boone and John Jarrett,
Partners
North Putnam Prospect
Mitchell County, North Carolina
Contract Ida-4734

Gentlemen:

Enclosed for your information and files is a copy of a Report of Royalty Review dated August 16, 1962, prepared by our Division of Contract Administration and Audit.

Sincerely yours,

Acting Chief,
Division of Field Operations

Enclosure

Harry/hb 8/20/62
cc to: Docket DMRA-3452
Director's Reading File
CAAA Division
G. C. Selfridge
R. A. Lawrence, Knoxville
Avery Reed, Knoxville

800

20 1962

Memorandum

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

From: Acting Chief, Division of Field Operations, OGE

Subject: DMEA-3452 (Mica)
Howard Boone and John Jarrett, Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Ldm-2734

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

Enclosure

WHGriswold/hb
8/16/62
cc to: Docket DMEA-3452
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Region IV, w/cy of Report of Royalty Review dtd 8/16/62 & orig. cy of memo dtd 8/16/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

August 16, 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-3452 (Hice)
Howard Boone and John Jarrett, Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Idn-3734

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

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary;
(b) One copy to the Operator; and
(c) Two copies to Region IV files.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished this Division. If for any reason you do not concur, the original and all copies should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 8-16-62

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

August 14, 1962

Memorandum

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

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

Subject: OMSA-3452 (Mica)
Howard Boone and John Jarrett, Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Idm-E734

Enclosed for deposit to the subject OMSA account under symbol 14X4401 as a royalty receipt is U. S. Postal Money Order no. 6,383,756,794 payable in the amount of $5.07.

This money order was purchased by Howard Boone, Route 5, Bakersville, N. C., on August 11 from the Newdale Rural Station of the Burnsville, N. C., Post Office. It is in payment of royalty delinquently due to the Government on a December 1, 1959, sale of mica by Parsley & Grindstaff, Bakersville, N. C.

Enclosure

EDTalbert/ama 8-14-62

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

C
O
P
Y

Route III Box 117
Bakersville, N. C.
Aug. 11, 1962

United States
Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Dear Sir:

Conserning the Marsh Putnam propetery we dropped our lease six years ago. Parsley and Grindstaff worked the propetery after our lease was dropped. I will contact them and see how much punch and scrap's was sold if any.

Sincerely yours

/s/ Howard Boone

AUG 3 1962

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Messrs. Howard Boone and John Jarrett
Route 3
Bakersville, North Carolina

Re: DMRA-3452 (Mica)
Howard Boone and John Jarrett,
Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Idm-2734

Gentlemen:

The remittance requested by my July 3 letter, a copy of which is enclosed, has not been received. Your prompt remittance, by check or money order payable to the Office of Minerals Exploration, is solicited.

Your immediate attention to this matter will alleviate the need for further action by the Government to collect the delinquent royalty involved. If legal recourse is necessary, additional costs to you may result.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

Enclosure

EDTalbert/ama 8-2-62

Letter returned by Postmaster because of lack of being registered. Re-mailed 8/8/62.

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

JUL 16 1962

Memorandum

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

From: Chief, Division of Field Operations

Subject: DMSA-3247 (Mica)
Newland Buchanan, Kester Buchanan, and Frank Cook, Partners
Johnson Mine
Mitchell County, North Carolina
Contract Idm-E664
and
DMSA-3452 (Mica)
Howard Boone and John Jarrett, Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Idm-E734

Thanks for your July 11 memorandum regarding the July 8 letter from M. L. Burleson. In accordance with your suggestion I have checked with Frank Leaure as to the possibility that the property referred to in Mr. Burleson's letter as "Morris-Putnam" may be the same as the "Marsh Putnam" under Contract Idm-E734, Docket DMSA-3452.

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

George C. Selfridge

RDTalbert/ama 7-16-62

cc:
Docket
Director's Reading File
CA & A Division - Idm-E734
Review Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL FILE COPY

July 11, 1962

Memorandum

To: George C. Salfridge, Chief
Division of Field Operations, [illegible], Washington, [illegible]

From: Robert A. Laurence

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

Reference: Letter from M. E. Burleson, dated July 8, [illegible]

The property called "Morris-Putnam" in this letter is [illegible]
the same as the "Marsh Putnam" of [illegible]-1452, Contract [illegible]
[illegible] certified. I would suggest that you [illegible]
[illegible] here.

MOUNTAIN MINING COMPANY

P. O. BOX 1

SPRUCE PINE, N. C.

OFFICIAL FILE COPY
O. M. E
JUL 9 1962

July 8th,1962

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

Att: George Fumich Jr.

Re: DMEA-32~~47(Mica)~~
Newland Buchanan, Kester
Buchanan & Frank Cook,
Partners
Johnson Mine
Mitchell County, N. C.
Contract Idm-E664

Dear Mr. Fumich:

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

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

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

I hope this will clarify this matter for your office.

Very truly yours,

M. E. Burleson

Copies sent [illegible] 7/9/62

Messrs. Howard Boone and John Jarrett
Route 3
Bakersville, North Carolina

Re: DMA-3452 (Mica)
Howard Boone and John Jarrett,
Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Idm-6734

Gentlemen:

Under provisions of the referenced exploration project contract you agreed to pay, as principal if the producer or as surety if not the producer, a percentage royalty to the Government on all minerals mined or produced from the land described in the contract during a period of 10 years from the date of the contract, October 28, 1954, or until the Government's contribution to exploration costs under the contract had been fully repaid. The Government's contribution amounted to $3,969.00 of which $142.67 has been repaid to date.

Our records disclose that a purchase of 9.99 pounds of trimmed mica by the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, was made from Parsley & Grindstaff, c/o Roy Grindstaff, Bakersville, North Carolina, representing production from the property on which royalty is due to the Government. The purchase is identified as Depot lot No. SPAR-359(a), approved December 1, 1959, in the total amount of $101.31.

Please promptly remit the 5 percent royalty due in the amount of $5.07, together with any additional royalty which may be due in connection with the sale of punch or scrap mica or other production of minerals from the property. Remittance should be made by check or money order payable to the Office of Minerals Exploration.

Sincerely yours,

George Fumich, Jr.

Director

CEFisher/ama 7-2-62

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

E 734 10/28/54 DMSA-3452 Howard Boone & John Jarrett

Mitchell County, N.C. Marsh (Carter) Putman (Putman) Mine

Last reported Dept sale Afr-957(a) 6/1/59 after contract: 104.41 C.W. Ellis
Cert DMS4-472A

Other known parties of possible interest:

Lester H. Putman owner Putman (Putman) Mining Company

C.W. Ellis Sam L. Phillips

See Lynch's memo 3/3/61

Last Dept sales (cont):

Putman Mng. Co. (Boone & Jarrett)	Cert	86B	Lot 8PBR-11(a)	748.20	5/12/55
do	"	1508A	1836	430.55	4/4/55
Sam L Phillips	"	EPS4-153A	1380	427.12	1/26/55

No

Howard Boone 4/13/62 ✓

[redacted] BY [redacted] GEN., U.S. [redacted] 1957

GENERAL SE[redacted]MINISTRATION

FINAL SETTLEMENT - MICA PURCHASE

MICA PURCHASE DEPOT: Spruce Pine, N. C.

[redacted] A B

DATE PURCHASED: [redacted]

ACCEPTANCE NUMBER: AR3-35[redacted](a)

CERTIFICATE AUTHORIZATION NUMBER	TCP NUMBER	VOUCHER NUMBER	SCHEDULE NUMBER
CMS-4-1921A	SPAA-35[redacted]		

EVALUATION DATA

RUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ [illegible]	$
GRADES NO. 4 AND 5				.18	[illegible]	6.87
GRADES NO. 5½ AND 6				2.29	[illegible]	39.83
STAINED						
GRADES NO. 3 AND LARGER		12.00			[illegible]	
GRADES NO. 4 AND 5		5.00		.36	[illegible]	6.21
GRADES NO. 5½ AND 6		3.00		5.36	7.56	41.38
HEAVY STAINED						
GRADES NO. 3 AND LARGER		8.00			14.80	
GRADES NO. 4 AND 5		4.00		.06	6.85	.41
GRADES NO. 5½ AND 6		2.00		1.62	4.00	6.48
TOTALS			$			$

NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ [illegible]	$
GRADES NO. 4 AND 5					46.00	
GRADES NO. 5½ AND 6					17.70	
STAINED						
GRADES NO. 3 AND LARGER		9.60			25.55	
GRADES NO. 4 AND 5		4.00			14.60	
GRADES NO. 5½ AND 6		2.40			[illegible]	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		6.40			12.45	
GRADES NO. 4 AND 5		3.20			5.45	
GRADES NO. 5½ AND 6		1.60			4.00	
TOTALS			$			$

TOTAL YIELD AND VALUE	[X] RUBY [ ] NONRUBY (Half trim plus full trim)	9.99 LBS.	$101.31
ADJUSTED VALUE WHEN LESS THAN 18% GS & B (ABOVE VALUE $ _____ x _____ ÷ 18)			$
FOR PROGRAM B, DEDUCT $4.00 PER POUND FOR PICKING AND TRIMMING			
FINAL BASIS FOR PAYMENT			$101.31
LESS: INITIAL PAYMENT	VOUCHER NUMBER	SCHEDULE NUMBER	64.88
BALANCE DUE	[X] SELLER [ ] GOVERNMENT		$ 36.43

NAME AND LOCATION OF MINE

Putnam, Mitchell County, N. C.
% 08 & B 24.12

SELLER'S NAME AND ADDRESS (Type or print)

Parsley & Grindstaff
% Roy Grindstaff, Route 3
Bakersville, N. C.

PROCESSED FOR PAYMENT (LBS.)	9.99
PROCESSED - NO PAYMENT (LBS.)	.59
THINS	Unqualified
BLACK (Dots, Spots, Stained)	
UNDERSIZED	
PROCESSING LOSS	.04
TOTAL POUNDS PURCHASED	10.62

APPROVED

DEPOT SUPERINTENDENT: [signature]

DATE: 12-1-59

GSA WASH D C 58-3177

GSA FORM 1013a
SEPTEMBER 1957

Idm-E734

June 27, 1962

Memorandum

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

From: C. E. Fisher, OME Auditor

Subject: Audit Trip to Spruce Pine, North Carolina

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

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

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

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

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

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

First, a typical contract resulted in production during the exploration period and sometimes a little longer. Most of the mica exploration contracts were completed prior to 1958.

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

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

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

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

concentrating on strategic mica. Their company got only the local material that was not eligible for purchase by the Depot. Mr. Conley stated that some of the local miners have been in to "talk" about the possibility of continuing mining and are "considering" the matter. He indicated that he expected some land-owner farmers would probably bring in punch from time to time as they felt the need for cash. Just another crop from the land.

B-K Associates (Contract Idm-E557, DMEA-3000) sold punch to the Spruce Pine Mica Company. Mr. Conley hopes they will continue operations as the Bryson Mine is a good source of supply and, further, he would like to see a North Carolina operation continued. He stated that B-K Associates own a couple of punch presses (presumably in Baltimore), but that so far as he knew they had not used them on Bryson Mine production.

Sam Phillips met with me for an hour or so on Friday afternoon at the Baker Motel. This was after the rest of my investigation had been completed and I was satisfied that there was not much to be gained by such a meeting. Our talk was very general and limited mainly to projects in which he had been interested. He called my attention to the fact that 6 projects in which he was interested had repaid the Government advance in full. I carefully refrained from mentioning that in at least 10 times as many projects, he, and his associates, had stopped mining almost as soon as the Government contributions ceased. He mentioned the McKinney Mine (Contract Idm-E692, DMEA-3260) but I did not see any profit in a discussion of that case.

Mr. Phillips told me that all feldspar operations in the area were large open-cut mechanical operations and that it is practically impossible for the small operator to sell feldspar. The big operators have their own adequate supplies and do not wish to be bothered. The price is so low that the little fellow cannot afford to mine and haul his supply. Of course, when most of the mining expense was an exploration cost, some of the feldspar was sold. For example, Contract Idm-E412, DMEA-2277, Burke John Mica Miners, was certified because of feldspar discovery. According to Mr. Phillips the property has not been operated since completion of the exploration project.

My review of the Depot records indicated possible unpaid royalty in connection with 13 contracts as follows:

<u>Contract Idm-E311, DMEA-2377, Piedmont Minerals, Inc.</u>

I secured for our files a copy of the final settlement statement for lot No. SPBR-149(a), approved May 14, 1958, covering purchase from

Frank W. Phillips of 1,315 pounds of block mica, yielding 51.74 pounds of trimmed mica, for which payments aggregated $394.50. A Report of Royalty Review dated April 23, 1959, indicated $19.73 unpaid royalty applicable to this sale. A copy of the document was obtained to complete the DMEA files. This sale was made from production subsequent to "abandonment" by the original operators under the contract. Under a ruling by the Solicitor's office royalty is not collectible unless the original operators should again mine the property during the repayment period.

Contract Idm-E349, DMEA-2375, Douglas M. Robinson & H. Cline West

Final settlement statement for lot No. SPAR-12(a), approved July 20, 1956, under which Robert H. Redus, Jr., 4½ Wall Street, Asheville, N. C., received a net settlement of $35.20, shows the mine name as "Summer" but does not give the location of the mine. This contract covered exploration at the Swannanoa Mine. According to the contract and the Landlord's Subordination Agreement executed by T. B. Sumner, that mine is located in Buncombe County, N. C. Asheville is the county seat of Buncombe County. It is believed that the sale by Mr. Redus covered production from Swannanoa Mine, reported by him under the mine owner's name, and erroneously shown as Summer Mine on the settlement sheet.

On March 11, 1955, Mr. Beck and I called upon Mr. Sumner whose address is Sumner & Foster, Inc., Haywood Building, Asheville, N. C., and found him to be very cooperative in furnishing information about sales from the Swannanoa Mine on which he had received royalty as owner of the property. I suggest that he be contacted regarding the sale by Redus and asked if there is any other production on which the Government is entitled to royalty. This project was certified because of reserves of feldspar.

Contract Idm-E431, DMEA-2610, Dixie Minerals, Inc.

Final settlement statement was obtained for lot No. SPAR-229(a), approved August 6, 1956, under which Jackson Mining Company, Box 962, Sylva, N. C., received payments aggregating $272.12. This settlement statement shows the mine name as Shell Ridge, but does not give the location of the mine. Contract Idm-E431 covered exploration at the Shell Ridge Mine located in Jackson County, N. C., of which Sylva is the county seat.

Contract Idm-E459, DMEA-2579, Mica Industries, Inc.

Final settlement sheets SPBR-47(a), approved December 2, 1960, and SPBR-68(a), approved December 23, 1960, covered payments aggregating

$206.08 and $865.20, respectively, for mica sold by Baird Cove Mining Company, Route 3, c/o Ralph Cunningham, Franklin, N. C. The name and location of the mine are shown as Baird Cove Mine, Macon County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E495, DMEA-2793, Burns-Spangler Construction Co.

Final settlement sheet SPAR-157(a), approved September 18, 1958, covered payments aggregating $136.64 to Ed Burleson, Box 265, Bakersville, N. C. The name and location of the mine are shown as Lee Cornwell, Cleveland County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E548, DMEA-2921, Fred Taylor, Julian Greene & Johnnie Greene

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

Contract Idm-E557, DMEA-3000, B. T. R. Mining Company

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

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

Date	Lot No.	Amount	
6/7/62	SPAR-496	$2,145.16	Final
6/15/62	" -512	1,214.58	"
4/5/62	" -523	1,100.98	Preliminary
4/12/62	" -530	1,181.30	"
4/19/62	" -537	950.82	"
4/26/62	" -542	875.89	"
5/3/62	" -547	966.57	"
5/10/62	" -560	842.03	"
5/18/62	" -566	917.21	"
6/1/62	" -591	435.49	"
6/5/62	" -599	236.26	"
6/7/62	" -607	279.04	"
4/5/62	SPAO-156	222.24	"
4/12/62	" -161	296.28	"

Contract Idm-E618, DMEA-3132, Dixie Mines, Inc.

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

Lot No.	Date Approved	Seller	Amount
SPAR-257(a)	11/5/58	S. P. Lett, Rt. 3, Linville, Ala.	$2,019.20
" -270(a)	12/30/58	" " " "	455.57
" -333(a)	12/19/58	" " " "	861.37
" -414(a)	3/16/59	L. T. Rounds, Rt. 2, Columbiana, Ala.	157.82
" -511(a)	3/25/59	" " "	649.37
" -780(a)	6/23/59	" " "	356.95

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

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

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

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

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

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

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

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

Contract Idm-E665, DMEA-3216, Hector Mining Company

Final settlement sheets for lots SPAO-10(a) and SPAO-14(a), approved September 7, 1960, covered payments aggregating $195.70 and $141.11, respectively, to Dan Allen, Route 2, Burnsville, N. C. The name and location of the mine are shown as Hector Mine, Yancey County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E734, DMEA-3452, Howard Boone & John Jarrett

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

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

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

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

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

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

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

CEFisher/ama 6-27-62

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

FEB 2 8 1961

Memorandum

To: Mr. V. J. Lynch, Bureau of Mines, Knoxville, Tennessee

From: Chief, Division of Field Operations, GSE

Subject: DMMA-3438 (Mica)
Howard Bowman and John Jarrett, Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Idm-2734

Reference is made to the Final Settlement, approved June 10, 1959, by the Depot Superintendent at Spruce Pine, on lot no. SPAR-757(n), purchased June 1, 1959, from C. W. Ellis as production from the property under the subject contract. A copy of this settlement sheet was submitted with a copy of your February 21, 1961, memorandum transmitting an applicable royalty check.

As all reports--including the semiannual report for the period January 1 to June 30, 1959--from July 1, 1956, through June 30, 1960, indicated that the project was inactive, we are curious to know the reason for the heretofore unreported production and the more than eighteen months delay in the royalty payment. Could there be other cases such as this? Could there be production from properties in general by others than the operators under the contracts about which we could not know except possibly by field inspection?

We shall appreciate any comments you may offer.

George C. Selfridge

EDTalbert/GCSelfridge/ama/hb
(2/28/61)
Copy to: Docket
Director's Reading File
CA & A Division
Review Committee
R. A. Lawrence

Memorandum

To: Mr. V. J. Lynch, Bureau of Mines, Knoxville, Tennessee

From: Chief, Division of Field Operations

Subject: DMEA-3452 (Mica)
Howard Boone and John Jarrett, Partners
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract Idm-8754

Reference is made to the Final Settlement, approved June 18, 1959, by the Depot Superintendent at Spruce Pine, on lot no. SPAR-757(a), purchased June 1, 1959, from C. W. Ellis as production from the property under the subject contract. A copy of this settlement sheet was submitted with a copy of your February 21, 1961, memorandum transmitting an applicable royalty check.

The more than eighteen months delay in payment of this royalty is not understood. Furthermore, this office had no knowledge of either the royalty being due the Government or a change in property rights.

A Semi-Annual Report of Certified Projects, Southeastern States, for the period of January 1, 1959, to June 30, 1959, as submitted by you during August 1959, lists this project as inactive. In fact, reports covering the aggregate period of July 1, 1956, through June 30, 1960, indicate this project as being inactive.

Your advice in the matter would be appreciated.

EDTalbert/ama
February 23, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Review Committee

E-734

For royalty payment of $5.22, dated February 21, 1961, see transmittal letter file.

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

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT - MICA PURCHASE

MICA PURCHASE DEPOT - Spruce Pine, N. C.

PROGRAM: [X] A [ ] B

DATE PURCHASED: 6-1-59

ACCEPTANCE NUMBER: A83-757(a)

CERTIFICATE AUTHORIZATION NUMBER: DMS-4-472A

LOT NUMBER: SPAR-757(a)

VOUCHER NUMBER:

SCHEDULE NUMBER:

EVALUATION DATA

RUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ 70.00	$
GRADES NO. 4 AND 5				.16	40.00	5.60
GRADES NO. 5½ AND 6				3.03	17.70	33.63
STAINED						
GRADES NO. 3 AND LARGER		12.00			31.90	
GRADES NO. 4 AND 5		5.00		.07	[illegible]	1.04
GRADES NO. 5½ AND 6		3.00		5.13	7.55	39.18
HEAVY STAINED						
GRADES NO. 3 AND LARGER		8.00			14.80	
GRADES NO. 4 AND 5		4.00			6.85	
GRADES NO. 5½ AND 6		2.00		1.09	4.00	4.36
TOTALS			$			$

NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ 70.00	$
GRADES NO. 4 AND 5					40.00	
GRADES NO. 5½ AND 6					[illegible]	
STAINED						
GRADES NO. 3 AND LARGER		9.60			25.00	
GRADES NO. 4 AND 5		4.00			14.[illegible]	
GRADES NO. 5½ AND 6		2.40			[illegible]	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		6.4[illegible]			11.8[illegible]	
GRADES NO. 4 AND 5		3.20			5.45	
GRADES NO. 5½ AND 6		1.60			4.00	
TOTALS			$			$

TOTAL YIELD AND VALUE [X] RUBY [ ] NONRUBY (Half trim plus full trim) 9.54 LBS. $ 104.41

ADJUSTED VALUE WHEN LESS THAN 18% GS & B VALUE VAL. $ ____ x ____ (18) $

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

FINAL BASIS FOR PAYMENT $ 104.41

LESS: INITIAL PAYMENT VOUCHER NUMBER SCHEDULE NUMBER 61.54

BALANCE DUE [X] SELLER [ ] GOVERNMENT $ 42.87

NAME AND LOCATION OF MINE

Putnam, Mitchell County, N. C.
X GS 2 9 33.23

SELLER'S NAME AND ADDRESS (Type or print)

C. W. Ellis
Route 3
Bakersville, N. C.

PROCESSED FOR PAYMENT (LBS.)	9.54
PROCESSED - NO PAYMENT (LBS.) THINS	
BLACK (Dots, Spots, Stained)	
UNDERSIZED	
PROCESSING LOSS	.08
TOTAL POUNDS PURCHASED	9.62

APPROVED

DEPOT SUPERINTENDENT: J. P. McKinney

DATE: 6-18-59

EXTRA COPY
O. M. E
RECEIVED FEB 23 1961
DATE

104.41
@ 6%
$ 5.00

GSA WASH D C 58-3177

GSA FORM 1013a
SEPTEMBER 1957

REPORT OF
ROYALTY REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Nonmetallic Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-8734, Docket No. DMEA-3452 (Mica), dated October 28, 1954, with

Howard Boone and John Jarrett
Route 3
Bakersville, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of mica from property referred to as Marsh Putnam Prospect located in Mitchell County, North Carolina, during the period January 27, 1956, through April 17, 1959.

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

My review established the total sales of mica for this period to be $146.80. Royalty due the U. S. Government at the contract rate of 5 percent is $7.34. A prior report of royalty review for the period October 28, 1954, to January 26, 1956, stated the sales of mica to be $2,602.07 and the royalty at the contract rate of 5 percent to be $130.11. The auditor stated the royalty account as follows:

Total Royalty Due	$130.11
Total Royalty Paid	130.11
Balance of Royalty Due	$ -0-

As of April 17, 1959, the royalty account of this project was found to be:

Total Royalty Due	$137.45
Total Royalty Paid	137.45
Balance of Royalty Due	$ -0-

C. E. Fisher, OME Auditor

April 21, 1959

HOWARD BOONE AND JOHN JARRETT

Contract No. Idm-E734 Docket No. DMEA-3452

STATUS OF PROJECT, DESCRIPTION
OF REVIEW AND REASONS THEREFOR

A certification of discovery or development was issued on June 7, 1955, and, in accordance with Article 7 of the contract, royalty is payable on the net value of production from the land described in Article 2 during a period of 10 years from the date of the contract or until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first. A Report of Review in lieu of final cost audit dated May 16, 1955, indicated accepted costs under the exploration contract amounting to $5,292.00 with the Government's contribution, on a 75 percent basis, being $3,969.00.

My review consisted of a recomputation of the settlement data furnished by the Executive Officer, OME Field Team, Region V, pertaining to royalty received subsequent to January 26, 1956, and reconciliation of such receipt with the copy of the deposit slip furnished by the regional finance office. The only receipt of royalty included in this report related to a sale of 1,835 pounds of punch mica on September 20, 1956, to the Spruce Pine Mica Co. on which Government royalty amounting to $7.34 was deposited in the Hamilton National Bank, Knoxville, Tennessee, on October 1, 1956, being included in Deposit No. 14-23-070-38.

The review was made in lieu of an on-site audit of the accounts and records for the following reasons:

(1) All of the production involved was incidental to the exploration operations;

(2) Periodic investigations by a representative of the Field Team, Region V, indicate that the property has been idle since completion of the exploration work; and

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

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Boone and Jarrett

Address Route # 3

Bakersville, North Carolina

Exploration Contract No. Idm-E734 Docket No. 3452

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

APR 17 1959
Date

W. A. Beck
Mining Engineer

53362

E-734

For Certificate of Deposit No. 38, dated October 1, 1956, giving royalty payment of $7.34, see E-432.

REPORT OF
ROYALTY REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region V, Knoxville, Tennessee, pertaining to Contract Idm-E734, Docket No. DMEA-3452, dated October 26, 1954, with

Howard Boone and John Jarrett
Route 3
Bakersville, North Carolina

for the purpose of determining the amount of royalties due the United States Government on sales of mica from property referred to as the Marsh Putnam Prospect located in Mitchell County, North Carolina, during the period October 26, 1954, to January 26, 1956.

A certificate of discovery or development was issued on June 7, 1955, and in accordance with the contract, royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of final cost audit dated May 16, 1955, indicated accepted costs under the exploration contract amounting to $5,292.00 with the Government's contribution, on a 75 percent basis, being $3,969.00.

My review included a verification of the royalty paid in connection with the sale of 154.38 pounds of trimmed, 1,132 pounds of hand cobbed, 2,800 pounds of scrap, and 600 pounds of punch mica recovered during the exploration period. In addition, a conference was held with Mr. William A. Beck, Mining Engineer, Knoxville, Tennessee, who is thoroughly familiar with the project.

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

(a) The production involved was incidental to the exploration operations.
(b) The property has been idle since completion of the exploration work.
(c) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

The review established the total sales of mica to be $2,602.07. Royalty due the United States Government at the Contract rate of 5 percent is $130.11. The royalty paid and balance due are as follows:

Total Royalty Due	$130.11
Total Royalty Paid	130.11
Balance of Royalty Due	$ -0-

C. E. Fisher

February 1, 1956

C. E. Fisher, Auditor

QUADRUPLICATE

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

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with Hamilton National Bank, Knoxville, Tennessee 6/28/55
(Name and location of depositary) (Date sent)

DEPOSIT NO. 14-23-070-115

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

$ 3.00

SYMBOL NO. 1428

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

On account of—

14x4403 $3.00 Royalty Payment Ice-E-734 Putnam Mining Company

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

Helen R. Miller, Adm. Asst.
Dept. of Interior, Bureau of Mines
P. O. Box 1909
Knoxville 1, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

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

JUN 30 1955
RECEIVED
DEPARTMENT OF THE INTERIOR
LIBRARY

RECEIVED
JUL 1 1955
U. S. BUREAU OF MINES
ELECTROTECHNICAL LABORATORY
NORRIS, TENNESSEE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

C
O
P
Y

June 17, 1955

Mr. Howard Boone
Route # 3
Bakersville, N. C.

Re: Docket No. 3452 (mica)
Howard Boone and John Jarrett
(partners)
Marsh Putnam Prospect
Mitchell County, N. C.
Contract No. Idm-E734

Dear Mr. Boone:

Reference is made to your letter of June 13 advising us that you have ceased work on the subject prospect.

Our records show that you have paid the Government royalty in the amount of $127.11 on four sales to the Government Buying Depot for which you received a total of $2,542.07.

We have no record of ever having received any royalty on the sale of scrap or punch mica that must have been recovered in sheeting three of the above sales.

Very truly yours,

V. J. Lynch, Acting
Executive Officer, DMEA
Field Team, Region 5

E-734

For Certificate of Deposit No. 102, dated May 26, 1955, giving royalty repayment of $37.41, see E-410.

E-734

For Certificate of Deposit No. 89, dated April 12, 1955, giving royalty repayment of $38.51, see E-77.

E-734

For Certificate of Deposit No. 86, dated March 31, 1955, giving royalty repayment of $29.83, see E-181.

For Certificate of Deposit No. 69, dated February 14, 1955, giving roylaty repayment of $21.36, see E-726.

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Howard Deane and John Jarrett
Route 3
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-8734, Docket No. DMEA-3452, for the months of December, 1954 to March, 1955, inclusive, covering a project for the exploration of mica on property, known as the March Putnam 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 reports, and a determination of the reasonableness and propriety of the costs.

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

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

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

Total cost as billed by Contractor		$5,292.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,292.00

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 nine hundred sixty-nine and no/100 Dollars

**$3,969.00

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

May 16, 1955

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Final Report
PAID ON VOUCHER SCHEDULE OF PAYMENTS K-
RECEIVED APR 13 1955 54

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 195 5 Docket No. DMEA 3452 Contract No. Ico E-734
Operator's Name Howard Boone and John Jarrett Minerals Mica
Address c/o Howard Boone, Route 3, Bakersville, N.C.
Contract Amount, $ 5292.00 Government Participation: 75% Amount, $ 3969.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
44' Drifting 30.00 ft.	1320.00	1680.00	3000.00			
Shaft		1426.00	1426.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Rehabilitating Shaft		702.00	702.00			
Road Access		50.00	50.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse		76.00	76.00			
Powder & Exploder Tags.		33.00	33.00			
(8) Contingencies (specify):						
TOTALS	1320.00	3972.00	5292.00	1320.00	3972.00	5292.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 4-1-55 *Payee Howard Boone & John Jarrett
Per John Jarrett Title Partner

*When 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:

$ 990.00

Signature Helen R. Muller
(Authorized Certifying Officer)

Date 4-11-55 Vou. No.
(See other side)

4 + 7 C 3-31 330.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E734 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date April 6, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING Title DMEA EXECUTIVE OFFICER REGION V Date APR 7 1955

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
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 195 5 Docket No. DMEA 3452- Contract No. Idm-E734
Operator's Name Howard Boone & John Jarrett Minerals Mica
Address c/o Howard Boone, Rt. 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
44' Drifting @ 30.00	Ft.	1320.00	44	3000.00	100	30.00	100	30.00
Crosscutting								
Raising								
Shafts				1426.00	31	46.00	31	46.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				50.00	400	.125	400	.125
Rehabilitating Shaft				702.00	54	13.00	54	13.00
Total Distributed Costs		1320.00		5178.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Toolhouse				76.00				
Powder & Exploder Magazines				38.00				
Total Costs		1320.00		5292.00				

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 4-1-55 Operator Howard Boone & John Jarrett

Per John Jarrett Title Partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Operator's

Monthly Progress Report

DMEA-3452, Idm-E 734

Work Accomplished:

Completed the drifting called for in the contract. We have recovered some mica but it is too poor quality to warrant a profitable operation. We sold about $1000.00 worth of mica from the entire operation. The mica was not free-splitting and contained considerable biotite. The contract has been completed and work discontinued.

Daily notes:

March 1 - 4: Pumped water, drilled, shot and mucked.

March 7 -11: Continued down with drift, repeating above operations. Recovered some poor quality mica.

March 14 -18: Pumped water, drifting in same general direction. Drilled and shot, then mucked. Brought in more mica.

March 21- 31: Completed the contract drifting, finding the vein producing mica of too poor quality to continue operations. Recovered some mica. Pumped water, drilled, shot and mucked.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ATTACHED ON VOUCHER & SUBSEQUENT PAYMENTS K- 44

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1955 Docket No. DMEA 3452 Contract No. Idn-E 734

Operator's Name Howard Boone and John Jarrett Minerals

Address c/o Howard Boone, Route 3, Mocksville, N. C.

Contract Amount, $ Government Participation: 75 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
40' Drifting @ 30.00	1200.00	430.00	1630.00			
Shaft		1426.00	1426.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Rehabilitating Shaft		702.00	702.00			
Road Access		50.00	50.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.	38.00		38.00			
Toolhouse		76.00	76.00			
(8) Contingencies (specify):						
TOTALS	1238.00	2734.00	3972.00	1238.00	2734.00	3972.00

Bureau of the Mint
Denver Colorado Distribution
RECEIVED
MAR 11 1955

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

Date *Payee Howard Boone

Per Howard Boone Title Partner

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

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

(Instructions on reverse)

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

$ 928.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 3-9-55 Vou. No.
(See other side)

3

309.50

(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-E234 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date March 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lemmons Title EXECUTIVE OFFICER DMEA REGION V Date MAR 8 1955

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1955 Docket No. DMEA 3452 Contract No. 16m-E734

Operator's Name Howard Boone and John Jarratt Minerals Mica

Address d/o Howard Boone, 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
40' Drifting 30.00	Ft.	1200.00	40	1680.00	56	30.00	100	30.00
Crosscutting								
Raising								
Shafts				1426.00	31	46.00	31	46.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				50.00	400	.125	400	.125
Rehabilitating Shaft				702.00	54	13.00	54	13.00
TOTAL DISTRIBUTED COSTS		1200.00		3858.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Tool House				76.00				
Powder & Exploder Magazines		33.00		33.00				
TOTAL COSTS		1233.00		3972.00				

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 3-2-55 Operator Howard Boone & John Jarratt

Per Howard Boone Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S
Monthly Progress Report

February, 1955

DMEA-3452

Idm-E734

Work Accomplished:

At the beginning of the month, we had considerable water trouble. We had power brought to the mine and installed an electric pump which is now handling the water satisfactorily. We have completed 40' of drift during the month, and have been recovering about 100 lbs. of mica per day, but the mica is of a very poor quality. The drift has been in vein material all the way, between two slates.

Feb. 1 - 4 - Bailing water took part of mornings, drilled, shot and mucked.

Feb. 7 -11 - Got power to mine, installed electric pump. Continued with drift, recovering some poor quality mica.

Feb.14-18 - Drilled, shot, mucked. Recovered about 100# of mica per day. Started one sheeter and one trimmer working on the mica.

Feb. 21-28 - Continued in same direction with drift, vein looking much the same. Continued to recover mica, still poor quality. Repeated drilling, shooting and mucking operations.

Have had three men working one shift all the month.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ON VOUCHER & SCHEDULE OF PAYMENTS K- 35

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 195 5 Docket No. DMEA 3452 Contract No. Idm-E 734
Operator's Name Howard Boone and John Jarrett Minerals Mica
Address c/o Howard Boone, Rt. 3, Bakersville, N. C.
Contract Amount, $ 5292.00 Government Participation: 75% Amount, $ 3969.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
16' Drifting @ 30.00	480.00		480.00			
10' Shaft @ 46.00	460.00	966.00	1426.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Rehabilitating Shaft		702.00	702.00			
Road Access		50.00	50.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse		76.00	76.00			
(8) Contingencies (specify):						
TOTALS	940.00	1794.00	2734.00	940.00	1,794.00	2,734.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 2-2-55 *Payee Howard Boone
Per Howard Boone Title Partner

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

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

(Instructions on reverse)

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

$ 705.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 2-8-55 Vou. No.
(See other side)

235.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E734 in accordance with the terms of the contract.

Signature Henry H. Ames Title Geologist-USGS Date Feb. 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER ~~DMEA REGION V~~ Date FEB 7 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 9 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 195 5 Docket No. DMEA 3452 Contract No. IdmE 734
Operator's Name Howard Boone and John Jarrett Minerals Mica
Address c/o Howard Boone, Rt. 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
16' Drifting @ 30.00	Ft.	480.00	16	480.00	16	30.00	100	30.00
Crosscutting								
~~10'~~ Raising								
10' Shafts @ 46.00	Ft.	460.00	10	1426.00	31	46.00	31	46.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Ft.			50.00	400	.125	400	.125
Rehabilitating Shaft	Ft.			702.00	54	13.00	54	13.00
TOTAL DISTRIBUTED COSTS		940.00		2658.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Toolhouse				76.00				
TOTAL COSTS		940.00		2734.00				

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 2-2-54 Operator Howard Boone & John Jarrett

Per Howard Boone Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED

OPERATOR'S
MONTHLY REPORT OF PROGRESS

January, 1955

DMEA-3452

Idm-E734

Work Accomplished:

We completed the 31 feet of shaft called for in the contract and have started the drift, advancing 16 feet. We have run into a lot of water and are making an effort to get power to the mine so that we can start pumping. We recovered about 400 lb.s of mica as we went down with the shaft, and about the same amount of very poor mica in the drift. The drift is in extremely hard pegmatite, and the vein is about 3' wide, between two slates. The mica is not free splitting and is of poor quality.

Daily Notes:

Jan. 3 - 7 - Sank shaft slowly, hampered with much water. Recovered some mica of fair quality.

Jan. 10 - 14 - Drilled and shot, mucked. Recovered more mica. Completed the shaft called for in contract.

Jan. 17 - 21 - Began work on the drift. Drilled and shot. The pegmatite is extremely hard, with slate on either side.

Jan. 24 - 31 - Continued with drift, in hard material. Vein about 3' wide, finding poor quality mica which is not free-splitting. Completed about 16' of drift and recovered about 400 lb.s mica.

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

PA[illegible] ON VOUCHER & SCHEDULE
OF PAYMENTS K-
Budget Bureau No. 42-R1036.5

31

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 195 4 Docket No. DMEA 3452 Contract No. Idm-E734
Operator's Name Howard Boone and John Jarrett Minerals Mica
Address c/o Howard Boone, Rt. 3, Bakersville, N. C.
Contract Amount, $ 5292.00 Government Participation: 75% Amount, $ 3969.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
54' Rehabilitating Shaft @13.00	702.00	-	702.00			
Bulldozing						
21' Sinking Shaft @46.00	966.00	-	966.00			
Drifting						
400' Road Access @ .125	50.00	-	50.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Toolhouse	76.00		76.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1794.00	-	1794.00	1,794.00	—	1,794.00

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

Date 1-3-55 *Payee Howard Boone & John Jarrett

Per John Jarrett Title Partner

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

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

(Instructions on reverse)

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

$ 1,345.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 1-11-55 Vou. No.
(See other side)

1st

11/25

448.50

(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. Dm-E734 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.D.A. Date Jan. 10, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date JAN 11 1955

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

RECEIVED JAN 3 1955

Month of December 195 4 Docket No. DMEA 3452 Contract No. Idm-E734

Operator's Name Howard Boone and John Jarrett Minerals Mica

Address c/o Howard Boone, Rt. 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
54' Rehabilitating Shaft ~~Drifting~~ @ 13.00	Ft.	702.00	54	702.00	54	13.00	54	13.00
Crosscutting								
21' Raising Shafts @ 46.00	Ft.	966.00	21	966.00	21	46.00	31	46.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
400' Roads and Trails @ .125	Ft.	50.00	400	50.00	400	.125	400	.125
Total Distributed Costs		1718.00		1718.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Toolhouse		76.00		76.00				
Total Costs		1794.00		1794.00				

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

Date 1-3-55 Operator Howard Boone & John Jarrett

Per John Jarrett Title Partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

GPO 872894

OPERATOR'S
MONTHLY REPORT OF PROGRESS

Month of December, 1954

DTEA-3452

Idm-E734

Work Accomplished:

We bulldozed road access, moved in equipment, built toolhouse, rehabilitated 54' of shaft by trimming and timbering, then sank the shaft an additional 21 feet during December. No outstanding difficulties encountered, except for large quantities of water which we hit at the 58' level.

Daily Notes:

Dec. 1 - 3 - Bulldozed road access, moved in equipment and set it up. Built tool house.

Dec. 6 - 10 - Began work on old shaft. Timbered and trimmed. Cleaned out trimmings and waste.

Dec. 13- 17 - Continued work on rehabilitating shaft. Trimmed and timbered.

Dec. 20- 24 - Began to lower shaft below old works. Had to do some shooting. Mucked.

Dec. 27- 31 - Hit water at about 58' and had to install pump. Continued down with shaft at rather slow rate due to excessive water.

NOV 2 0 1964

Messrs. Howard Boone and John Jarrett
Route 3
Bakersville, North Carolina

Re: DMRA-3452 (Mica)
Howard Boone and John Jarrett
Marah Putnam Prospect
Mitchell County, North Carolina
Contract Idm-8734

Gentlemen:

By the terms of the subject Exploration Project Contract and the certification of discovery or development dated June 7, 1958, all minerals mined or produced from October 28, 1954, to October 26, 1964, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

George Fumich, Jr

Acting Director

FMMurphy/mm
11/20/64
cc: Director's Reading File
CA&A Division
R. A. Lawrence, USGS, Knoxville, Tenn. w/cy of incoming 63 form dated 10/28/64
Docket
Code 120M
Mr. Lester H. Putnam, 5720 Floyd, Mission, Kansas

GOVERNMENT COPY

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

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

To: Howard Boone and John Jarvett (Partners)
Route 3
Bakersville, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Lim-[illegible], dated October 28, 1954 (Docket No. DMEA-[illegible]), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

A zoned conformable pegmatite in mica grades was exposed by a vertical shaft and drifts. Indicated and inferred reserves of mica may be calculated.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals
Exploration Administration

Dated JUN 7 1955

WCAnderson:ad 5/26/55
Copy to: Mr. Lester H. Putnam, 4401 W. 77th Place, Prairie Village 15, Kansas
Mr. Clarence A. Fredell, EPS, GSA
Docket
Admr. R. File
Mr. Chambers
Mr. Johnson
Operating Committee
Finance Office
Field Team, Region V
Mr. Killegaard, 5222
Mr. Hedges, 3612
Mr. Houk

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

JUN - 7 1955

Messrs. Howard Boone and John Jarrett (Partners)
Route 3
Bakersville, North Carolina

re: Docket No. DMEA-3452 - Mica
Howard Boone and John Jarrett
(Partners)
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract No. Idm-2734

Gentlemen:

Transmitted herewith is a certification of discovery or development on Contract No. Idm-2734 on the Marsh Putnam Prospect, Mitchell County, North Carolina.

By the terms of the Exploration Project Contract and of the certification, all production from the property from the date of the Exploration Project Contract, October 28, 1954, is subject to the Government's percentage royalty as set forth in the contract until the sum of [illegible],000.00 is paid or until October 28, 1964, whichever occurs first.

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Copy to: Mr. Lester H. Putnam, 4401 N. 47th Place, Prairie Village 15, Kansas
Adm. R. File
Docket
Mr. Johnson
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Killingsord, 5222
Mr. Hodges, 3612
Mr. Hook

McAmbrosent 5/27/55

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

JUN - 7 1955

Mr. Clarence A. Fradell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
7th and D Streets, N. W.,
Washington 25, D. C.

Re: Docket No. DMEA-345 - Mica
Howard Moore and John Jarrett
(Partners)
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract No. Idm-274

Dear Mr. Fradell:

I am enclosing one copy of a certification of discovery or development relating to the subject contract.

The exploration contract was signed October 20, 1954, with the Government participating to the extent of 75% of $5,292.00 or $3,969.00. The project was started on December 1, 1954, and completed March 31, 1955, after the expenditure of $5,292.00 which is the total net and accepted cost according to the audit review. The Government paid 75% of the total accepted cost, or $3,969.00.

The work performed on this project consisted of construction of access road, toolhouse and powder and exploder magazines, rehabilitation of an existing 54-foot shaft, deepening this shaft an additional 31 feet and driving 100 feet of drifts. The work explored a zoned conformable pegmatite 3 to 5 feet thick in mica gneiss. The exploration work furnished sufficient data to calculate indicated reserves of 12,000 pounds and inferred reserves of 18,000 pounds, both "mine-run" mica. About 1,000 pounds of "mine-run" mica and 1,134 pounds of hand-cobbed mica were recovered during the project. Sales of trimmed mica processed from the "mine-run" mica and hand-cobbed mica amounted to $1,734.00.

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

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Operating Committee
Field Team, Region V
Mr. Hillegeard, 5222
Mr. Hodgson, 3612
Mr. Houk

Concurrence 5/31/55
Copy to: Adm. R. File
Docket
Mr. Johnson
Mr. Chambers

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

JUN - 7 195

Mr. Lester H. Putnam
4401 W. 77th Place
Prairie Village 15, Kansas

Re: Docket No. DMEA-3452 - Mica
Howard Boone and John Jarrett
(Partners)
Marsh Putnam Prospect
Mitchell County, North Carolina
Contract No. Idm-274

Dear Mr. Putnam:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased by Lester H. Putnam of 4401 W. 77th Place, Prairie Village 15, Kansas, to Howard Boone and John Jarrett, under a Mining Lease dated July 23, 1954, and is the same property referred to in the Owner's Consent to Lien.

Also enclosed is a copy of our letter to Howard Boone and John Jarrett.

Sincerely yours,

C. O. Mittendorf,

Administrator

WCAnderson:ad 5/31/55
Copy to: Admr. - File
Docket
Mr. Johnson
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Killagaard, 5-22
Mr. Hedges, 3612
Mr. Houk

Docket No. DMEA - 3452

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 734

Date of Contract ~~or Amendment:~~ Oct. 28, 1954

Name and Address of Operator:
Howard Boone and John Jabrett
Marsh Putnam Prospect
Mitchell County, N. C.

Amount of Government participation ____ $ 3,969.00

Percent of Government participation 75 %

Region: V11 State: N. C.

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

(Title)

Date Delivered to Bureau of Mines, Washington. 10/28/54

54458

Government's copy

RECEIVED

MF-200A
(Revised June 1954)

Docket No. DMEA 3452

Commodity Mica

Contract No. Idm-E 734

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 28th day of October, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Howard Boone and John Jarrett, Partners, whose mailing address is Route 3, Bakersville North Carolina, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of [3] North Carolina, County of Mitchell, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease dated July 23, 1954 [7] recorded in Book , page , official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Owner's Consent to Lien

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica. The work to be performed is described in Exhibit "A." The Operator on or before within 60 days shall commence the work, and on or before April 8, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,292.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,969.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

Howard Boone and John Jarrett
(Operator)

By John Jarrett (Partner)

Howard Boone (Partner)

THE UNITED STATES OF AMERICA

By O. M. Mitchendon
Administrator, Defense Minerals
Exploration Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 - 1954

EXPLORATION PROJECT CONTRACT
HOWARD BOONE AND JOHN JARRETT
DOCKET NO. DMEA 3452

ANNEX I

The land referred to in Article 2 of the contract is known as the Marsh Putnam Prospect, and was leased by Lester H. Putnam to the operator for a period of five years, with option to renew for an additional five years by an instrument dated July 23, 1954. It is located about one-half mile southwest of Bandana, on the east side of Toe River, and about three miles due south of Bakersville, Mitchell County, North Carolina, and is described ~~in the lease~~ as follows:

> "Beginning at the center of the 54' shaft of ~~what is known as~~ the Lester Putnam Prospect in Mitchell County, N. C., and running North 250', thence West 250', thence South 500', thence East 500', thence North 500', thence West 250' to the beginning."

EXPLORATION PROJECT CONTRACT
HOWARD BOONE AND JOHN JARRETT
DOCKET NO. DMEA-3452

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 Marsh Putnam Mine, Mitchell Co., N. C. DMEA-3452 (mica)," as follows:

1. Construct: 400 feet of access road; a toolhouse, minimum dimensions 7 feet by 10 feet by 12 feet; a powder storage magazine, minimum dimensions 4 feet by 4 feet by 4 feet; and an exploder storage magazine, minimum dimensions 4 feet by 4 feet by 3 feet.

   The toolhouse and powder magazine may be unfloored. The exploder magazine shall be boxed on all sides. The buildings shall be constructed of rough, unfinished lumber, shall have protective roof coverings, and shall have locks. The exploder magazine shall be located in an isolated area. The construction of all buildings are subject to approval by the Government.

2. Enlarge the existing 54-foot shaft, from a cross-sectional dimension of 4 feet by 4 feet, to not less than 5 feet by 7 feet in the clear of timber, and install a separate manway in the shaft.

3. After the shaft is enlarged, sink on the pegmatite an additional 31 feet of two-compartment shaft to a total depth from the surface of not more than 85 feet.

4. From the bottom of the shaft, explore the pegmatite by driving not more than 100 feet of drifts and/or crosscuts.

   The shaft and the drifts and/or 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.

Fixed Unit Costs

Constructing:		
400 linear feet of access road @ $0.125/ft.	$ 50.00	
Toolhouse 1/	76.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	13.00	
Enlarging and timbering 54 feet of existing shaft @ $13.00/ft.	702.00	
Sinking 31 feet of additional shaft @ $46.00/ft.	1,426.00	
Driving 100 feet of drifts and/or crosscuts @ $30.00/ft.	3,000.00	
Estimated Total Cost of Project		$5,292.00
Government Participation @ 75%		$3,969.00

1/ The completed work constitutes the unit.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 - 1954

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, described as follows:1/

Beginning at the center of what is known as the Lester Putnam Prospect in Mitchell Co., N. C. and running North 250', thence West 250', thence South 500', thence East 500', thence North 500', thence West 250' to the beginning. This property located near Bandana in Mitchell County and belonging to Lester H. Putnam.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Howard Boone and John Jarrett

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions _____

_____

_____

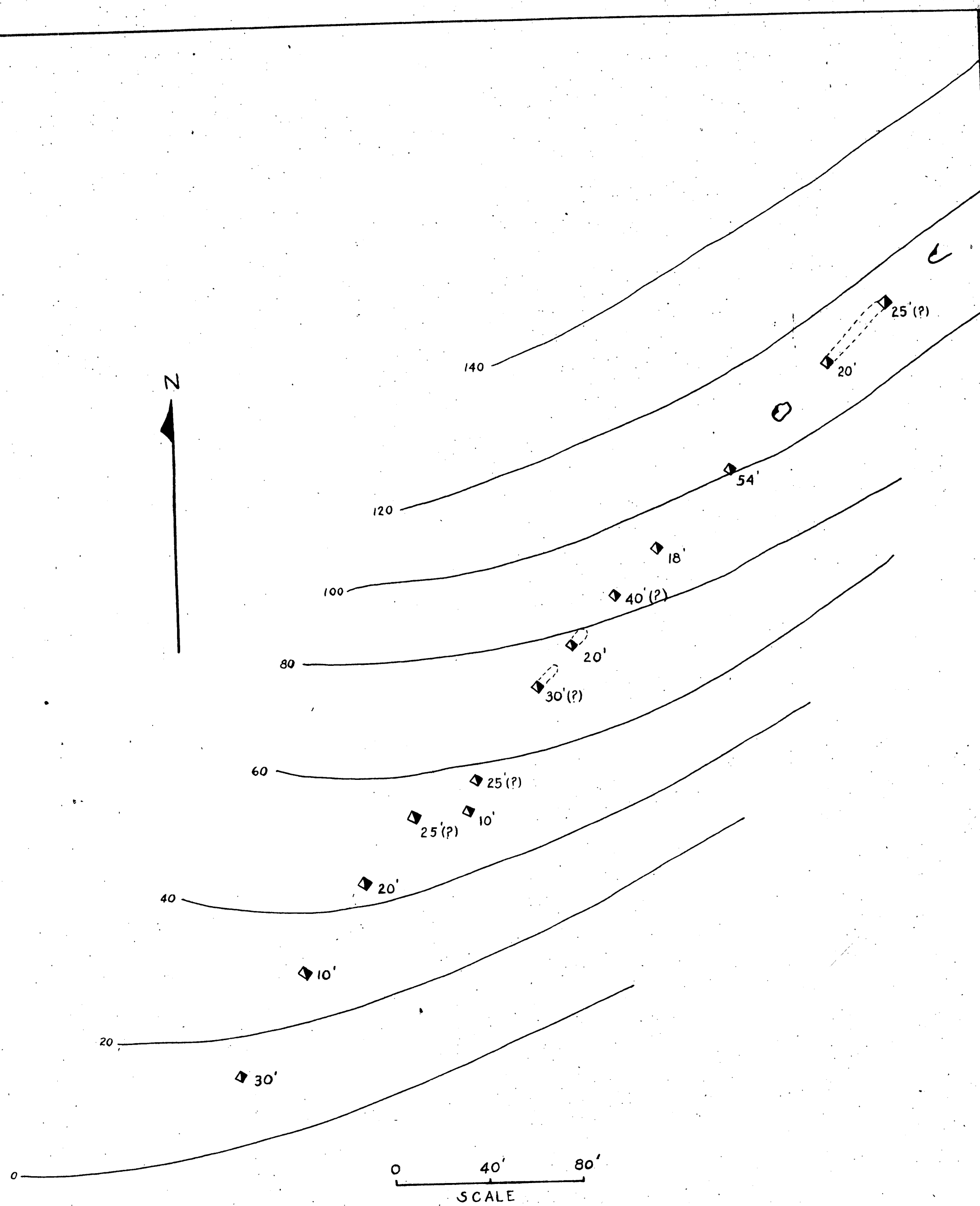
_____

Dated this 23rd day of July, 1954.

Lester H. Putnam [Seal] 4401 W. 77th Place Prairie Village 15, Kan.

_____ [Seal]

_____ [Seal]



SKETCH OF

MARSH PUTNAM MINE

MITCHELL CO. N.C.

DMEA-3452 (mica)