74

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Wilson Burleson and D. C. Keller
d/b/a Burleson & Keller Mining Company
Elizabethton, Tennessee

pertaining to Exploration Project Contract No. Idm-2759, Docket No. DMEA-3574, for the months of February 1955 to May 1955, inclusive, covering a project for the exploration of mica on property, located in McKinney Cove, 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 the 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		$4,688.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$4,688.00

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 five hundred sixteen and no/100 Dollars

$3,516.00

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

June 6, 1955

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

Defense Minerals Administration
RECEIVED
FEB 17 1955

February 16, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V - Knoxville

Subject: Signed Contract - Idm-E759, DMEA-3574, Burleson & Keller Mining Company (mica)

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

V. J. Lynch

ZM.
Helen Miller
Shirley
Lynch
Files

Division Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1955

MF-200A
(Revised June 1954)

Docket No. DMEA -3574

Commodity Mica

Contract No. Idm-E - 759

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

It is agreed this 21st day of January, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Millard Burleson, Lilson Burleson and D. C. Keller, partners d/b/a/ Burleson & Keller Mining Co.,

whose mailing address is c/o Millard Burleson Elizabethton, Tennessee,

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 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, [7] unrecorded 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 FEB 21 1955 shall commence the work, and on or before 4 mos. from date of contract (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 $4,688.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,516.00: *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.

THE UNITED STATES OF AMERICA

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

Robert Hoffman
Hopkins
Houk
Jackson
Selfridge

BURLESON & MILLER MINING CO.
(Operator)

By .....

.....

+ D. C. Keller.

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
Defense Minerals
FEB 17 1955

EXPLORATION PROJECT CONTRACT
BURLESON & KELLER MINING CO.
DOCKET NO. DMEA-3574

ANNEX I

The land referred to in Article 2 of the Contract was leased by Wilson Burleson, Millard Burleson and Pearl B. Keller to Wilson Burleson, Millard Burleson and D. C. Keller by an instrument dated November 15, 1954, and is described as follows:

> Beginning at the center of the McKinney Cove Mine Prospect located 40 poles S.E. of a Hickory tree on W. B. McKinney's corner and running North 250'; thence West 250'; thence South 500'; thence East 500'; thence North 500'; thence West 250'. This property located in McKinney Cove, Mitchell County, 3 miles Northwest of Bakersville.

EXPLORATION PROJECT CONTRACT
BURLESON & KELLER MINING CO.
DOCKET NO. DMEA-3574

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
FEB 17 1975

EXHIBIT "A"

The area where the work is to be performed is shown on the attached sketch entitled, "Sketch of McKinney Cove Mine, Mitchell Co., N. C. DMEA 3574 (mica)." The work consists of the following:

1. Rehabilitate and clean out existing 40 feet of open cut.

2. Construct:

(a) A toolhouse, minimum dimensions 8 feet by 10 feet by 7 feet high.

(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 1 foot.

(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse may be unfloored; shall be made from unfinished lumber with protective roof covering; and shall be equipped with lock and key.

The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood; and shall be braced at the corners. Lumber for these boxes shall be smooth on the inside of the boxes. No metal shall be exposed, and the lids shall be securely locked with the equivalent of a 5-tumbler jar-proof lock.

3. Sink a 40-foot incline in the pegmatite, starting from the bottom of the open cut. The incline shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

4. From the bottom of the incline, drive on the pegmatite not more than 75 feet of drifts and/or crosscuts having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary.

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

Fixed Unit Costs

Rehabilitate and clean out 40 feet of open cut 1/	$ 150.00	
Construct:		
Toolhouse 1/	75.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	13.00	
Sink 40 feet of incline shaft @ $45.00/ft.	1,800.00	
Drift and/or crosscut 75 feet @ $35.00/ft.	2,625.00	
Estimated Total Cost of Project		$4,688.00
Government participation @ 75%		$3,516.00

1/ The completed work constitutes the unit.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1955

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 the McKinney Cove Mine Prospect located 40 poles S.E. of a Hickory tree on W.B. McKinney's corner and running North 250', West 250'; thence South 500; thence East 500'; thence North 500'; thence West 250' to beginning. This property located in McKinney Cove, Mitchell County, 3 miles Northwest of Bakersville.

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/ Burleson & Holler Mining Company
c/o Millard Burleson
Jellico Grocery Co., Elizabethton, Tenn.

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 _____

_____

_____

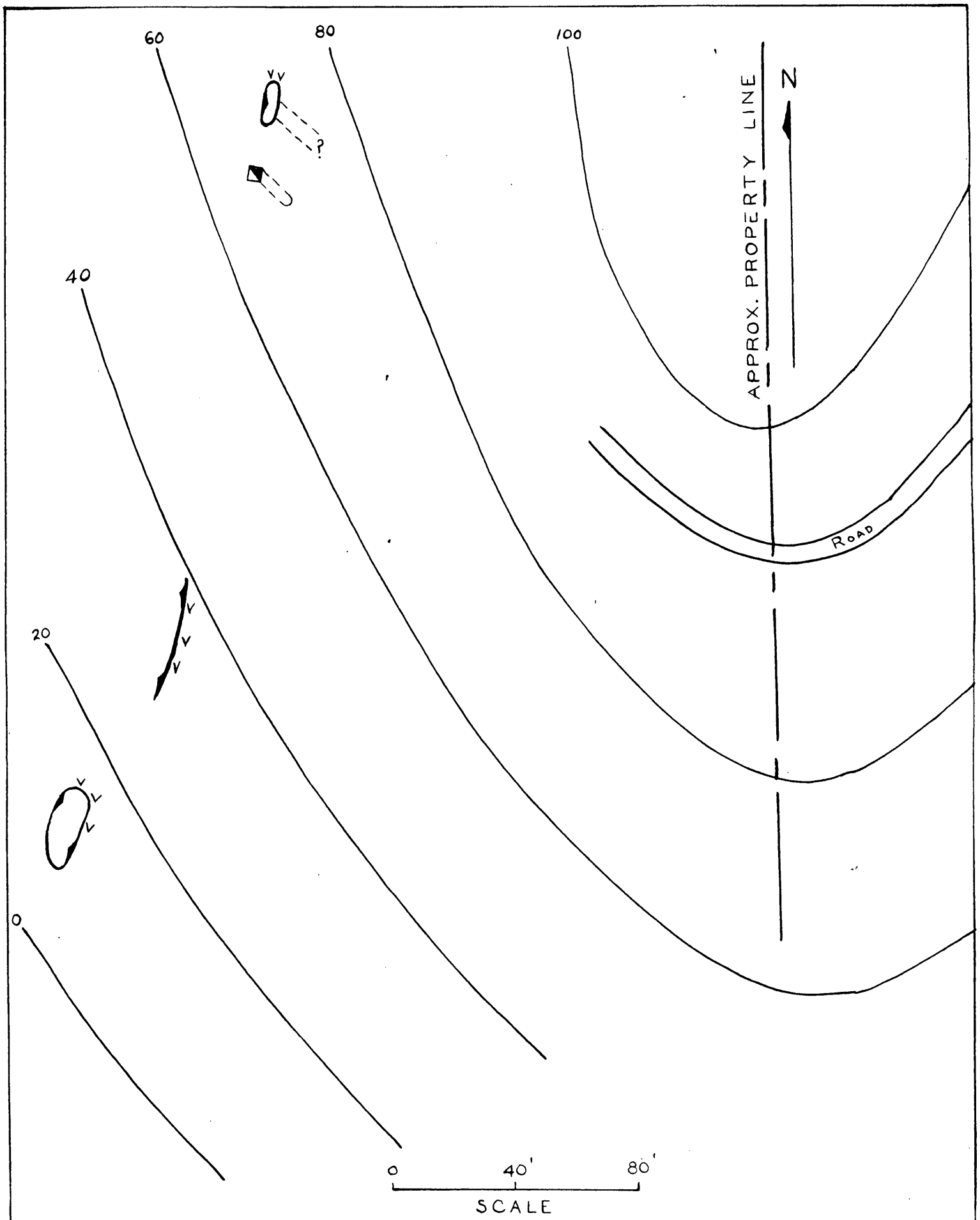
_____

Dated this 15th day of November, 1954.

Wilson Burleson [Seal] c/o Jellico Grocery Co. Elizabethton, Tenn.

Wilson Burleson [Seal] " "

Pearl B. Keller [Seal] Rt 8, Johnson City, Tenn.



SKETCH OF
McKINNEY COVE MINE
MITCHELL CO., N.C.

DMEA-3574 (mica)

CCO

APR 26 1957

Burleson & Keller Mining Co.
c/o Willard Burleson
Jellico Grocery Company
Elizabethton, Tennessee

Re: Docket No. DMA-3574-Mica
Burleson & Keller Mining Co.
McKinney Cove Prospect
Mitchell County, North Carolina
Contract No. Idm-R759

Gentlemen:

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

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

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

Sincerely yours,

[illegible]

[illegible] Administrator

TOHouk:rsi 4/24/57
Copy to: Admr. R. Tile
Mr. Chambers
Field Team, Region V
Mr. Hillsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

APR 26 1957

Mr. Millard Burleson
c/o Pellico Grocery Co.
Elizabethton, Tennessee

Re: Docket No. D[illegible]-3574-Mica
Burleson & Feller Mining Co.
McKinney Cove Prospect
Mitchell County, North Carolina
Contract No. Idm-4759

Dear Mr. Burleson:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Owner's Consent to lien signed by you on November 15, 1954.

Sincerely yours,

[illegible]

[illegible] Administrator

Enclosure

LDHouk:rsi 4/24/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

600

APR 26 1957

Mrs. Pearl S. Keller
Route 5
Johnson City, Tennessee

re: Docket No. [illegible]-1574-Ics
Burleson & Keller Mining Co.
McKinney Cove Prospect
Mitchell County, North Carolina
Contract No. Idm-[illegible]759

Dear Mrs. Keller:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Owner's Consent to Lien signed by you on November 15, 1954.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosure

DJHouk:rsi 4/24/57
Copy to: Mr. R. Fife
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

APR 26 1957

Mr. Wilson Burleson
c/o Jellico Grocery Co.
Elizabethton, Tennessee

Re: Docket No. D 24-3574-Ica
Burleson & Keller Mining Co.
McKinney Cove Prospect
Mitchell County, North Carolina
Contract No. Ida-2759

Dear Mr. Burleson:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Owner's Consent to Lien signed by you on November 15, 1954.

Sincerely yours,

[illegible] Administrator

Enclosure

LHouk:rsl 4/24/57
Copy to: Adm. R. File
Mr. Chambers
Field Team, Region V
Mr. Hillsgaard, 3222
Mr. Dietrich, 3061
Mr. Houk

April 23, 1957

Project Summary Report

By: L. G. Houk

1. Docket No. DMEA-3574 - Mica
Contract No. Idm-E759
Property: McKinney Cove Mine
Mitchell County, North Carolina

Application: MF-103 (April 1952) received November 18, 1954.

Work proposed by applicant:

40 hrs. bulldozing @ $10.00/hr.	$400.00
Sink 5x7' shaft 100 ft. @ $50.00/ft.	5,000,00
Drift 100 ft. @ $35.00/ft.	3,500.00
	$8,900.00

Operator: Burleson & Keller Mining Co.
c/o Millard Burleson
Elizabethton, Tennessee

Operator's property rights: Five year mining lease, dated November 15, 1954.

Owner's Consent to Lien, dated November 15, 1954.

2. Contract dated January 21, 1955.

Work authorized:

Rehabilitate and clean out 40 feet of opencut	150.00
Construction: Toolhouse, Powder magazine, Exploder magazine	113.00
Sink 40 feet of incline shaft @ $45.00/ft.	1,800.00
Drift and/or crosscut 75 feet @ $35.00/ft.	2,625.00
Estimated total cost of project	$4,688.00
Government participation 75%	$3,516.00

Amendments: None

Work completed:

Rehabilitation and repairs	$150.00
Construction: Toolhouse, Powder and exploder magazines	113.00
75 feet of drifting @ $35.00/ft.	2,625.00
40 feet incline shaft @ $45.00/ft.	1,800.00
Total cost of project	$4,688.00
Government participation 75%	$3,516.00

Work began on February 7, 1955, and was completed May 18, 1955.
Field Team Final Report received June 10, 1955.
Operator's Final Report received May 23, 1955.
Royalty received $.85 for total production during operation and up to February 6, 1956.
No equipment was purchased under the contract.

3. Audit - Report of Review issued June 6, 1955.

Total accepted cost	$4,688.00
Government participation 75%	$3,516.00

4. Certification of discovery - none recommended.

5. Comments: Produced 150# of mica which cut to 2 pounds and sold for $17.00. Government royalty of $.85 was received.

How conducted: Satisfactorily

Operation: Good

Engineering: Good

Geological premise: Possibility of second shoot on north pegmatite.

Geological criteria upon which work was based: Removal of 70 feet of mica shoot on southwest end of pegmatite - pegmatite well zoned.

Criteria developed during project: Pegmatite emplaced in fault zone. No zoning apparent - post pegmatite faulty - no mica segregations or shoots located except one in shaft that produced 150 pounds.

Future possibilities: Operator planned at time of termination to work southwest of incline. Nothing has been received on the results of this work.

Recommendations: The Nonmetallic Minerals Division concurs with the Field Team that no certification of discovery or development be issued. The commodity members of the Geological Survey and the Bureau of Mines concur.

LGHouk:rsi 4/23/57
Copy to: Admr. R. File
Mr. Houk ✓

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

February 6, 1956

Mr. Hobbs

Memorandum

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

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty payment - DMEA-3574, Idm-K759, Millard Burleson (mica) N. C.

Transmitted is a check for eighty-five cents for royalty on the subject contract, and a letter of explanation.

Robert A. Laurence

RM.
cc:
Lynch
Mittendorf
Shirley
Files

Jan. 31, 1956

Wm A. Beck
DMEA-Region I
Knoxville, Tenn

RECEIVED
FEB - 8 1956

Dear Sir:

In reference to DMEA-3574 (mica), McKinney Cove Prospect. The mica found during the exploration was of such small quantity & nature; that it could not be trimmed at the point deposit in Spruce Pine.

Mr John Wilson, Route 1, Bakersville, North Carolina, trimmed it & sold it with some of his as we did not have enough to make a sale.

After the punch & other scrap was trimmed out we had about 2 lb. of saleable mica, for which we received $17

The government's royalty is 85¢. Due to an oversight, I as bookkeeper, failed to send in the check for the same. The error was brought to my attention, upon checking the books at the end of the year.

I am enclosing the check for 85¢. If any verification of the sale needed to be made, We can obtain it from Mr Wilson.

Yours,
Millard Burleson
Burleson-Keller Mining Co.
By Harold Burleson

RECEIVED
JAN 31 1956
Energy, Com.

IN REPLY REFER TO:

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

September 29, 1955

Re: DMEA 3574
Burleson & Keller Mining Co.
McKinney Cove Mine
Mitchell Co., N. C.
Mica

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final report.

The contract was approved for $4,688.00 and that amount was expended. Work done consisted of a 40-foot inclined shaft and 75 feet of driving from it.

An unexposed conformable pegmatite with a maximum thickness of 9 feet was partially explored. No mica of strategic quality was discovered and the examiners recommend that no certificate of discovery be issued.

I concur with the recommendation of the examiners and the Field Team.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-9/29/55

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

RECEIVED
SEP 30 1955

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

RECEIVED
JUN 28 1955

June 28, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3574 (mica)

Applicant: Burleson & Keller Mining Company

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

Contract Number: Idm-E 759

Date of Field Team Report: June 8, 1955

Date Rec'd by Br. of Ceramic & Fertilizer Materials: June 17, 1955

Field Team Recommendation: No certification of discovery

Comments:

1. Sufficient work has been done to indicate the pegmatite is not suitable for producing large quantities of strategic mica.

2. Expenditures -

Total approved	$4,688.00
Total cost	4,688.00
Gov't share of the cost	3,516.00
Value of production during operation	None

Recommendation:

I concur with the field team's recommendation that no certificate of discovery should be issued.

W. F. Dietrich

INTERIM REPORT

DMEA-3574, Idm-E759 (mica) McKINNEY COVE PROSPECT

Operator: Burleson and Keller Mining Co.,c/o M. Burleson, Elizabethton, Tenn.

Location: Near the crest of Lick Ridge and its junction with Meadow Mountain, 2.28 airline miles N. 33° E. of Bakersville, Mitchell County, N. C.

This contract has been completed without making any discovery of strategic mica. An existing incline was deepened an additional 40 feet and 75 feet of drift were driven northeastward from its bottom. The pegmatite explored by this work was barren of mica. Certification of discovery will not be recommended.

The project was conducted in a satisfactory manner.

Date of examination: May 18, 1955.

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

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

COPY

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.
June 8, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region 5, Knoxville, Tennessee

Subject: Final Report, DMEA-3574, Idm-E759 (mica) Burleson & Keller Mining Co., Elizabethton, Tenn. McKinney Cove Mine, Mitchell County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject exploration project. We agree with the recommendation that certificate of discovery should not be issued.

/s/ ROBERT A. LAURENCE
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

/s/ V. J. LYNCH
V. J. Lynch, Member
Bureau of Mines

Received by
DMEA OPERATING COMMITTEE
6-15-55
(date)

RECEIVED
JUN 10 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
FIELD TEAM, REGION V

On

DMEA-3574, McKINNEY COVE MINE (mica)
Mitchell County, N. C.

By

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

and

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

6-15-55

FINAL REPORT

DMEA-3574, Idm-E759, MCKINNEY COVE MINE

RECEIVED JUN 6 1955

Operator: Burleson and Keller Mining Co., c/o Millard Burleson, Elizabethton, Tennessee

Location: Near the crest of Lick Ridge at its junction with Meadow Mt. 2.88 airline miles N. 33° E. of Bakersville, Mitchell County, N.

Exploration conducted northeast of a previously mined mica shoot failed to discover a parallel one. It is recommended that no certification of discovery be issued. Additional exploratory work with Government assistance is not warranted.

The work outlined in the contract began on February 7, 1955, and was completed May 18, 1955. An existing 40-foot vertical shaft was cleaned out and rehabilitated and a toolhouse, powder and exploder magazines were constructed. From the bottom of this shaft a 40-foot incline was sunk in a S. 55° E. direction at a -48° inclination. A total of 75 feet of laterals consisting of a 70-foot drift and a 5-foot crosscut were driven from the bottom of the incline. The location and directions of these openings are shown on the attached sketch map.

An essentially conformable pegmatite having a maximum thickness of 9 feet but averaging about 2.5 feet was exposed by the incline and the laterals. It strikes N. 15°- 60° E. and dips 35-50° to the southeast. The body is composed of plagioclase, quartz, and sparse muscovite. No well-defined zoning is apparent. The pegmatite is emplaced in a fault zone as evidenced by slickensides on both wall rock contacts. Numerous post-pegmatite faults have locally displaced the body short distances. The enclosing country rock is hornblende gneiss except for a zone of biotite schist about 6 inches thick adjacent to both contacts.

No mica of strategic quality was discovered by the work nor were any reserves revealed. The Operator plans to do some exploration southwest of the incline at his expense.

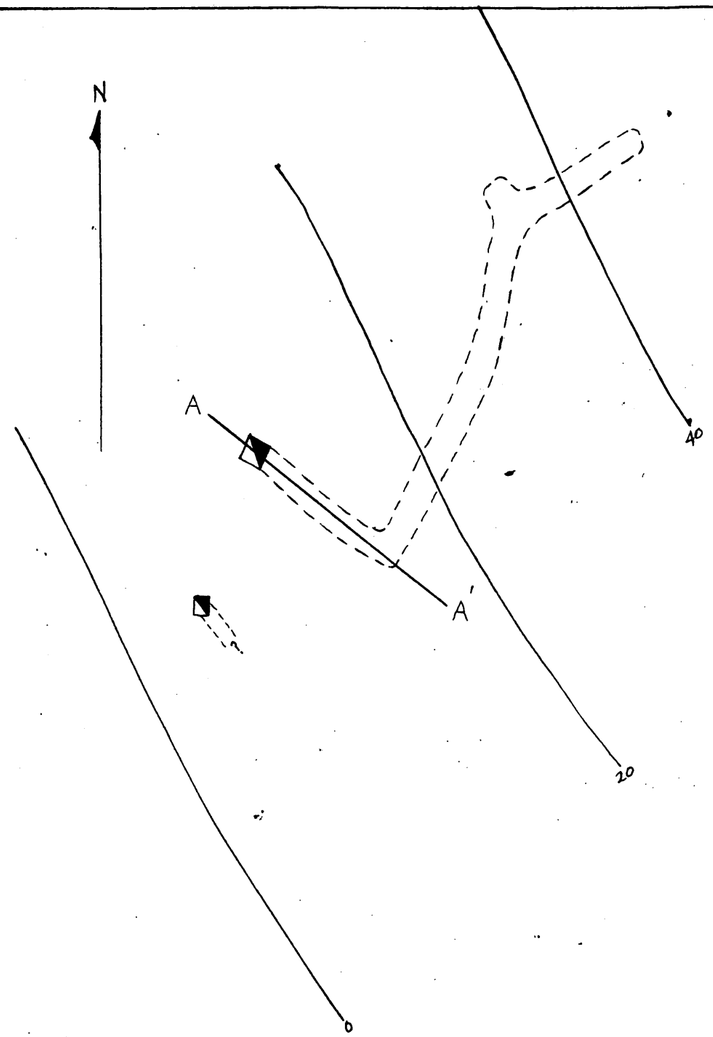
Expenditures:	(a)	Total approved	$4,688.00
	(b)	Total cost of project	4,688.00
	(c)	Government's share of cost	3,516.00
	(d)	" " unexpended	None
	(e)	Value of production during opr.	None $1700

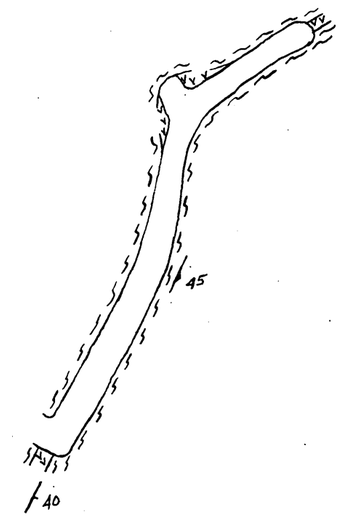
The work performed under the contract was conducted in an efficient and satisfacvory manner. No equipment was purchased under the contract.

May 27, 1955

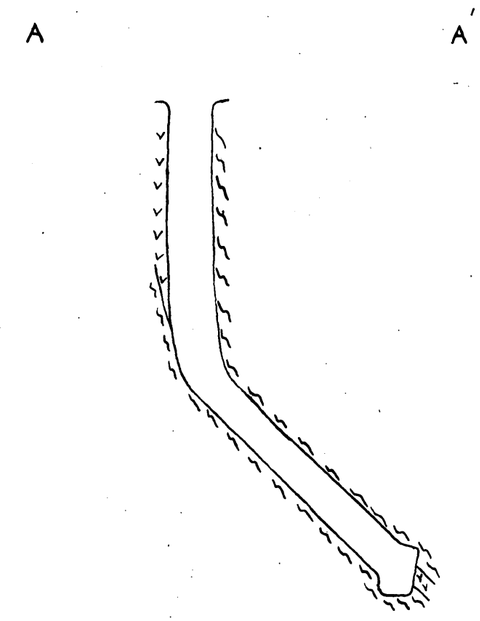
K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

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





PLAN OF DRIFT



SECTION A-A'

LEGEND
- ~~ hornblende gneiss
- v v pegmatite
- — contact
- strike & dip of foliation
- strike & dip of contact
- ■ shaft
- --- outline of underground works

0 20' 40'
scale

SKETCH OF
Mc KINNEY COVE MINE
MITCHELL CO., N.C.

JUN 8 - 1955

DMEA- 3574

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 3 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUN 10 1955

June 8, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region 5, Knoxville, Tennessee

Subject: Final Report, DMEA-357~~3~~4, Idm-E759 (mica) Burleson & Keller Mining Co., Elizabethton, Tenn. McKinney Cove Mine, Mitchell County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject exploration project. We agree with the recommendation that certificate of discovery should not be issued.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

RAL/sm
cc:
Lynch
Shirley
Files

RECEIVED
JUN 10 1955

Elizabethton, Tennessee
May 20, 1955

Mr. Robert A. Laurence, Executive Officer
DMEA, Region VII, P.O. Building
Knoxville, Tennessee

Re: DMEA-3574 - Idm-E 759 (Mica)
McKinney Cove Mine, Final Report
Mitchell County, N. C.

Dear Mr. Laurence:

Work began on the above project February 7, 1955 and was completed on May 18, 1955.

We moved in machinery including hoist and air compressor, supplies and tools. Cut timber and rehabilitated the old shaft, then sank a shaft an additional 40 feet, picking up only one small pocket of mica weighing about 150 lbs. The shaft was in vein material most of the way, and we found it necessary to drill and shoot the entire depth. We then drifted North, as directed by the field team, a distance of 71', in vein material which looked promising all the way. No mica was recovered.

Work was completed on the contract on May 18, but we are continuing with our work as the material looks hopeful.

We wish to thank the field team for their cooperation and assistance on this project. If further information is needed, please contact me.

Very truly yours,

BURLESON & KELLER MINING CO.

D. C. Keller

D. C. Keller

K/b

Closed letter dated May 20, 1955 & Bad Lands Report dated February 1956

RECEIVED
MAY 23 1955
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Final Report

MF-104 (Rev.)
April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5
... ON VOUCHER & SCHEDULE
OF PAYMENTS K- 65

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 195 5 Docket No. DMEA 3574 Contract No. Ic-E 759
Operator's Name Burleson & Keller Mining Co. Minerals Mica
Address c/o Millard Burleson, Elizabethton, Tenn.
Contract Amount, $ 4688.00 Government Participation: 75 % Amount, $ 3516.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
25' Drifting @ 35.00 ft.	875.00	1750.00	2625.00			
Incline Shaft		1300.00	1300.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		150.00	150.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse		75.00	75.00			
Powder & Exploder Magazines		38.00	38.00			
(8) Contingencies (specify):						
TOTALS	875.00	3813.00	4688.00	875.00	3813.00	4688.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5-25-55 *Payee Burleson & Keller Mining Co.
Per D C Keller Title

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 656.25
Signature Helen R. Meier
(Authorized Certifying Officer)
Date 6-1-55 Vou. No.
(See other side)

218.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-759 in accordance with the terms of the contract.

Signature Keyton H. Teague Title Geologist, U.S.G.S. Date 5/27/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date MAY 27 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

Month of May 1955 Docket No. DMEA 3574 Contract No. Idm-E 759

Operator's Name Burleson & Keller Mining Co. Minerals Mica

Address c/o Milford Burleson, Elizabethton, Tenn.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
25 Drifting 35.00	Ft.	875.00	25	2625.00	75	35.00	75	25.00
Crosscutting								
Raising								
Shafts Incline	Ft.			1800.00	40	45.00	40	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		875.00		4425.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				150.00				
New Buildings, Improvements, etc. Toolhouse				75.00				
Powder & Exploder Magazines				38.00				
Total Costs		875.00		4638.00				

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 5-25-55 Operator Burleson & Keller Mining Co.

Per D C Keller Title Partner

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

(Instructions on reverse)

Remarks:

(For Government use only)

Kelton H. Teague
Geologist, U.S.G.S.

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
JUN - 9 1955

OPERATOR'S
Monthly Progress Report

May, 1955

DMEA- 3574

Idm- E 759

Work completed: 5-18-55

Work Accomplished:

We drifted a total of 25' during the month, and were stopped by the field team when they visited the mine May 18. No mica was found, but the drift was in vein material all the way, and we are going to continue working, even though the cont act is completed.

Daily Notes:

May 2 - 6 : Bailed water, drilled, shot and mucked. In vein material which is hard.

May 9 -13 : Continued with drift, vein material remaining much the same. Repeated drilling and mucking operations. Bailed water.

May 16-18 : Completed 25' of drift for the month; making a a total of 75 feet in all. Field team visited the mine and stopped work at this point.

Region V

P. O. Box 217
May 19, 1955

Memorandum

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

From: Administrative Assistant, Electrotechnical Experiment Station, Region V, Norris, Tennessee

Subject: Monthly reports and vouchers

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

Idm-E-759 Burleson & Keller Mining Company
DMEA Docket No. 3574
3rd payment - month of April
Amount $1,181.25

Idm-E-772 Elbert Watson
DMEA Docket No. 3615
1st and final payment - Stage I
Starting Date: 4/1/55
Completion Date: 4/5/55
Amount $112.50

Helen R. Miller

Attachments
/hbm
Copies to R. A. Laurence
V. J. Lynch
Norris files
Day Files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

63

Month of April 1955 Docket No. DMEA 3574 Contract No. 10-3 750
Operator's Name Durleson & Keller Mining Co. Minerals Silica
Address c/o Millard Durleson, Elizabethtown, Penn.
Contract Amount, $ 4633.00 Government Participation: 75% Amount, $ 3516.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
45' Drifting @ 35.00 ft.	1575.00	175.00	1750.00			
Incline Shaft		1500.00	1500.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		150.00	150.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse		75.00	75.00			
Powder & Exploder Tags.		38.00	38.00			
(8) Contingencies (specify):						
TOTALS	1575.00	2238.00	3813.00	1575.00	2238.00	3813.00

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

Date _____ *Payee D C Keller

Payee Per _____ 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:

$ 1181.25

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 5-19-55 Vou. No. _____
(See other side)

393.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm-E759 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date May 16, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. T. Beck Title ACTING EXECUTIVE OFFICER DMEA REGION V Date MAY 17 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 23 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 195 5 Docket No. DMEA 3574 Contract No. DC-2757
Operator's Name Durlocon & Keller Mining Co. Minerals Mica
Address c/o Millard Durlocon, Elizabethton, Tenn.

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
45' Drifting @ 35.00	Ft.	1575.00	45	1750.00	50	35.00	75	35.00
Crosscutting								
Raising								
Shafts: Incline	Ft.			1800.00	40	45.00	40	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1575.00		3550.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				150.00				
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Magazines				33.00				
Total Costs		1575.00		3813.00				

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 5-11-55 For Operator D C Keller

Operator Per Durlocon & Keller Mining Co. Title Partner

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

(Instructions on reverse)

Remarks:

(For Government use only)

Laurence E. Shirley - May 16, 1955
U.S.B.M.

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Report of Progress

April, 1955

DMEA-3574

Idm-E 759

Work Accomplished:

Completed 45' of drift during the month with no outstanding difficulties. In vein material containing small mica and slate most of the way.

Daily Notes:

April 1 - 5: Bailed water, drilled and mucked. In slate and vein material.

April 11 -15: Still in vein material and slate. Continued with drift in same direction, drilling, shooting and mucking.

April 18 -22: Built ramp for wheelbarrow. Bailed water, drilled, shot and mucked. Vein widening and containing more flint and slightly less feldspar.

April 25 -29: Continued with drift. Vein widening to 6' or 8'. To follow vein, had to leave slab of small mica showing. Mica pieces becoming larger in vein. Bailed water, drilled, shot and mucked.

INTERIM REPORT

DMEA-3574, Idm-E759 (mica) McKinney Cove Mine

Operator: Burleson and Keller Mining Co., c/o Millard Burleson, Elizabethton, Tennessee

Location: Near the crest of Lick Ridge, and its junction with Meadow Mountain, 2.28 airline miles N. 33° E. of Bakersville, Mitchell County, North Carolina

Drifting continues on this contract and is now at 48 feet. Forty-two feet has been driven in a N. 15° E. direction and 6 feet to the southeast. Most of the drift work has been accomplished in feldspathic material, but the last 10 feet shows quartz ribs in the feldspar with small blocks of mica closely associated on the southwest side of the drift. Some scattered semi-weathered inclusions of hornblende gneiss were evident in the heading. The Operator was advised to continue the drift in the same general direction until another visit can be made. 21 feet of drift remains to be driven under the contract.

The Operator was advised to scale the drift roof thoroughly before attempting any additional work. Progress on this contract is satisfactory.

Inspected: May 5, 1955.

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

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

Hopkins

INTERIM REPORT

IMKA-3574, Idm-E759 (mica) MCKINNEY COVE PROSPECT

Operator: Burleson and Keller Mining Co. c/o M. Burleson, Elizabethton, Tenn.

Location: Near the crest of Lick Ridge and its junction with Meadow Mountain, 2.28 airline miles N. 33° E. of Bakersville, Mitchell County, N. C.

Drifting is underway at this mine and now totals 26 feet all of which has been driven in a N. 30° E. direction. This lateral is along a pegmatite 1.5 - 3.5 feet thick which strikes N. 30° E. and dips 45° to the southeast. No mica of strategic size or grade has been recovered to date. Considerable minor post-pegmatite faulting is exposed in the drift.

Drifting will continue to the northeast until another visit by the field examiners can be made.

Progress on the contract is satisfactory.

Date of Examination: April 20, 1955.

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

and

V. J. Lynch, Mining Engineer
U. S. Bureau of Mines

z

Hopkins

INTERIM REPORT

IMEA-3574, Idm-E759 (mica) MCKINNEY COVE PROSPECT

Operator: Burleson and Keller Mining Co. c.o M. Burleson, Elizabethton, Tennessee

Location: Near the crest of Lick Ridge and its junction with Meadow Mountain, 2.28 airline miles N. 33° E of Bakersville, Mitchell County, North Carolina

Incline sinking has been completed on this contract. Instructions were given for turning off a drift level to the northeast and the Operator indicates that this work will begin immediately. Incline sinking totals 40 feet and a drift extension in the same direction totals 6 feet. Material encountered is primarily kaolinized feldspar containing pods of quartz and occasional mica in the quartzitic zones. The enclsoing rock is a biotite gneiss, badly weathered on the hanging wall and fresh on the footwall. Progress on this contract is satisfactory.

Inspected: April 5, 1955.

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

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

Note

70 feet of drifting remain after Mar 31st.
Completion date of contract is May 31, 1955
Therefore: There are remaining 44 workings days including Saturdays to complete the work or 1.6 feet per day.

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

Budget Bureau No. 42-R1036.5

APR 13 1955

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

Month of March, 1955 Docket No. DMEA 3574 Contract No. [illegible]
Operator's Name Burleson & Keller Mining Co. Minerals Mica
Address c/o William Burleson, Elizabethton, Tenn.
Contract Amount, $ 4033.00 Government Participation: 75% Amount, $ 3530.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting @ 35.00 ft.	175.00		175.00			
23' Incline @ 45.00 ft.	1260.00	540.00	1800.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		150.00	150.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Tool[illegible]		75.00	75.00			
Powder & Blasting Caps		33.00	33.00			
(8) Contingencies (specify):						
TOTALS	1435.00	803.00	2238.00	1435.00	803.00	2238.00

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

Date 4-5-55 *Payee Burleson & Keller Mining Co.

Per Harold Burleson Title Bookkeeper

*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:

$ 1076.25

Signature Helen R. Miller
(Authorized Certifying Officer)

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

358.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tm-E759 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. USBM Date April 6, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

Department of the Defense Minerals Administration
RECEIVED
APR 13 1955

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

Month of March 1955 Docket No. DMEA 3574 Contract No. DMA-3759
Operator's Name Burleson & Keller Mining Co. Minerals Mica
Address c/o Willard Burleson, Kingsbehten, Ore.

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
5' Drifting @ 35.00 ft.	Ft.	175.00	5	175.00	5	35.00	75	35.00
Crosscutting								
Raising								
28' Shafts Incline @ 45.00	Ft.	1260.00	28	1800.00	40	45.00	40	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1435.00		1975.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				150.00				
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Magazines				33.00				
Total Costs		1435.00		2233.00				

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 4-5-55 Operator Burleson & Keller Mining Co.

Per Harold Burleson Title Bookkeeper

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

March, 1955

DMEA-3574

Idm-E 799

Work Accomplished:

We completed the incline shaft and 5' of drift during the month. At about 20' we found a small pocket of mica; about 150# total. This mica was fair quality. We were in vein material the remainder of the incline, but encountered no more mica. We began a drift in the direction recommended b the field team, and are now in vein material. No particular difficulties, and very little water.

Daily Notes:

March 1 - 4: Timbered, bailed water, drilled and shot.

March 7 -11: Continued down with incline, drilling, shooting and mucking. Hit a small pocket of mica, recovered about 150 lbs.

March 14 -18: Had to do some work on road. Bailed water, timbered. Drilled, shot and mucked. No more mica in vein.

March 21 -25: Continued to go down, reaching 40' level with incline. Began to drift in direction recommended by field team.

March 28 -31: In vein material through 5' of drift, but no more mica encountered. Drilled and shot, then mucked. Four men now working full time.

RECEIVED
APR 7 1955
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

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Hap Rind

INTERIM REPORT

On

DMEA-3574, Idm-E759 (mica), MCKINNEY COVE PROS.

Operator: Burleson & Keller Mining Co. c/o Millard Burleson, Elizabethton, Tenn.

Location: Near the crest of Lick Ridge and its junction with Meadow Mt. 2.28 airline miles N. 33° E. of Bakersville, Mitchell Co., N.C.

The starting date on this contract is February 14, 1955. Rehabilitation and cleaning out of an existing 40 ft. open cut including necessary timbering, has been completed. Incline shaft sinking is underway and 12 feet of sinking in new ground has been accomplished in pegmatite, composed of kaolinized feldspar, principally. No mica has been recovered todate. The body strikes about N. 20° E and dips 48° SE. Sinking will continue until another visit can be made.

A toolhouse, powder magazine, and an exploder magazine has been constructed according to specifications. Equipment on the job consists of a 105 c.f.m. air compressor, single-drum gasoline powered hoist with conventional hoisting frame and necessary hand tools. It was suggested that slides for hoisting and ladders be install as soon as practical. Progress on this contract is good.

Inspected: March 3, 1955

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

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

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

44

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1955 Docket No. DMEA 3574 Contract No. [illegible]-0759
Operator's Name Burleson & Keller Mining Co. Minerals Mica
Address c/o Millard Burleson, Elizabethton, Tenn.
Contract Amount, $ 4600.00 Government Participation: 75 % Amount, $ 3516.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
12' Drilling Shaft @ 45.00	540.00		540.00			
Bulldozing						
Crosscutting						
Drifting						
40' Rehabilitating Shaft	350.00		350.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse	75.00		75.00			
Powder Compander Tags	33.00		33.00			
(8) Contingencies (specify):						
TOTALS	803.00		803.00	803.00		803.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-1-55 *Payee Millard Burleson
Per D C Kelley 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:
$ 602.75
Signature Helen R. Miller
(Authorized Certifying Officer)
Date 3-9-55 Vou. No.
(See other side)

Defense Minerals Administration
RECEIVED
MAR 11 1955

1 2/7 300.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dm-E 759 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence 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.

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

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 11 1955

Month of Feb. 1955 Docket No. DMEA 3874 Contract No. [illegible]-5759
Operator's Name Durleson & Keller Mining Co. Minerals Mica
Address c/o Millard Durleson, Elizabethton, Tenn.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
12' Shafts @ 45.00	ft.	540.00	12	540.00	12	45.00	90	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
40' Rehabilitating Shaft		150.00		150.00				150.00
TOTAL DISTRIBUTED COSTS		690.00		690.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
Lodging New Buildings, Improvements, etc.		75.00		75.00				
Powder & Exploder Magazines		33.00		33.00				
TOTAL COSTS		798.00		798.00				

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 3-3-55 Operator Durleson & Keller Mining Co.

Per D. C. Keller 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-3574

Idm-E759

Date Work Began: 2-7-55

Work Accomplished:

We have completed rehabilitation of the old shaft, moved in our machinery, cut timber for use, and have lowered the shaft an additional 12' below the old level. The shaft has been in slate and hard material most of the 12', but no mica has been found so far.

Daily Notes:

Feb. 7 - 11 : Began cleaning out and rehabilitating the old shaft. Cut timber for use i the shaft. Three men worked full time.

Feb. 14 -18 : Moved in machinery, including hoist, air compressor and supplies. Cut timber, made ready to go down with shaft.

Feb. 21- 28 : Started down with shaft. In slate and hard material and found it necessary to drill and shoot all the way. Mucked, repeated operations. Reached 12' level below the old shaft. No mica encountered.

JAN 21 1955 600

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

Subject: Docket No. DMEA-5574 - Mica
Burleson & Keller Mining Co.
McKinney Gem Prospect
Mitchell County, North Carolina

Dear Mr. Lawrence:

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

If the contract meets with your approval present it to the Operators for their approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated January 11, 1955, and from the Bureau of Mines, dated January 13, 1955, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 10

JHopkins:ad 1/19/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

January 13, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3574 (mica)

Applicant: Burleson and Keller Mining Company

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

Date of Field Team Report: December 31, 1954

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: January 7, 1955

Field Team Recommendation:

1. Approval of contract.

Comments:

1. Proposed exploration project is consistent with good engineering practices and costs are in line with other DMEA projects.

2. The northern pegmatite dike appears to be the only promising area for obtaining strategic mica.

Recommendation:

I concur in the field team's recommendation for a project in the amount of $4,688.

Signed

W. F. Dietrich

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
JAN 12 1955

January 11, 1955

Re: DMEA-3574
Burleson & Keller
(McKinney Cove
Prospect)
Mitchell Co., N. C.
$4,688 - Mica

Memorandum

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

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

Subject: Review of Field Team examination report

The Field Team has recommended further exploration on the north end of the property be approved. A 40 foot incline would be sunk from the bottom of the open cut and a 75 foot drift driven northeast on pegmatite.

There is a good possibility that a new mica shoot will be found by the proposed work. If the northern deposits are zoned and structurally similar to the southern deposits then the hanging wall part of the pegmatite should be followed by the proposed exploration.

I recommend the Field Team's recommendations be followed and a contract be approved for exploration in northern open cut.

E. L. Newcomb

ELNewcomb:hlm
G-1/11/55

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

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 31, 1954

Memorandum

To: Operating Committee, DMEA, Washington, D. C.

From: Field Team, Region VII

Subject: Field Examination Report, DMEA-3574 (mica)
Burleson and Keller Mining Company, c/o Millard Burleson
Jellico Grocery Co., Elizabethton, Tennessee
McKinney Cove Prospect, Mitchell County, N. C.

Enclosed are the original and three copies of the subject report and six extra copies of the map. The Field Team is in agreement with the recommendations.

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

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

Enclosures 10

cc - Division File-DMEA
Mr. Beck
Mr. Lynch
Files

Reviewed by
DMEA OPERATING COMMITTEE
1-7-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM - REGION VII

on

DMEA-3574, MCKINNEY COVE PROSPECT (mica)
Mitchell County, North Carolina

By

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

and

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

December 30, 1954

Reviewed by
DMEA OPERATING COMMITTEE
1-7-55
(date)

PROPERTY OF U.S. GEOLOGICAL SURVEY
LOCAL LIBRARY
RECEIVED
JUN 21 1955

EXAMINATION REPORT BY FIELD TEAM
on
DMEA-3574, MCKINNEY COVE PROSPECT (mica)

Applicant: Burleson and Keller Mining Company
c/o Millard Burleson
Jellico Grocery Company
Elizabethton, Tennessee

Three places have been worked on this lease, only one of which merits exploration assistance. No mining has been done on the pegmatite which justifies assistance in many years, but at the other two places recent bulldozing has failed to locate a workable deposit.

The property was examined on December 15, 1954. Messrs. Wilson Burleson, Wilson Burleson, Jr., Ed Ellis, Jessie Green and John Wilson accompanied the examiners on the inspection which required three hours.

The McKinney Cove Prospect is near the crest of Lick Ridge, near the point of junction of Lick Ridge with Meadow Mountain 2.28 airline miles N. 33° E. of Bakersville, Mitchell County, North Carolina. Access is possible at most times by 4-wheel drive car.

None of the applicants have mica mining experience. Should exploration assistance be granted, they plan to employ Ed Ellis, who is experienced in mica mining, to supervise the work.

Two of the applicants and the other applicant's wife owns the property, area of which is adequate for the proposed work.

The two southern openings have been made as open cuts on pegmatites that are about 8 feet thick. These pegmatites are unzoned and contain little mica. No work is recommended at either place.

Work at the northern location has been conducted from two openings. At this place the south opening is a 30-foot vertical shaft from which an open incline 50 feet deep extends down the dip. Reports indicate that about 20 feet of muck is present in the bottom of the incline, making a total incline length of about 70 feet. The north opening is an open cut about 40 feet deep. Apparently all of the mica-bearing shoot at the southwest end has been removed. No work has been done either northeast or southwest of the two openings.

The pegmatite trends N. 40° E. and dips 35° - 40° SE and the crest plunges 50° SW. The mica shoot previously mined probably has a similar rake. The country rock within 6 inches of the pegmatite contact is mica schist. Beyond that point it is hornblende gneiss. Country rock and pegmatite are conformable. Movement has taken place along both contacts of the pegmatite as evidenced by slickensides.

Where exposed in the south shaft the pegmatite is well zoned. It is 6 to 7 feet thick and consists of a quartz core 2-3 feet thick bounded on both sides by feldspathic pegmatite. The feldspathic pegmatite is composed of plagioclase feldspar, small lenses and blebs of smoky quartz, muscovite, biotite, and red garnet. Numerous small inclusions of mica schist are present in the feldspathic portion of the sill-like intrustion.

In the north open cut the pegmatite is exposed, but could not be examined because of poor access. It appears to be of similar composition and thickness as that in the south shaft, although the quartz core is not so conspicuous.

Most of the mica obtained during previous mining has been obtained from the south shoot and came from the hanging wall side of the quartz core. The mica is brown (non-ruby) in color, hard, flat, clear, and free splitting. Large sizes are reported to have been obtained. The mica is of strategic grade.

The history of work at this place is not known. Apparently, all mining was done prior to World War II.

The applicants proposal is directed at the middle location shown on the attached sketch. The examiners do not believe that work is justified at this middle place, but do believe that work is justified at the northern location.

On the north pegmatite only one mica shoot has been located and worked. There is a good possibility that another shoot occurs farther to the northeast. The examiners believe that this possibility warrants exploring and recommend the following program of work. Set stulls in the existing north open cut and remove existing muck in bottom, construct toolhouse and magazines, sink a 40-foot incline from the bottom of the open cut on the pegmatite, and drive 75 feet to the northeast on the pegmatite.

Estimated Cost:

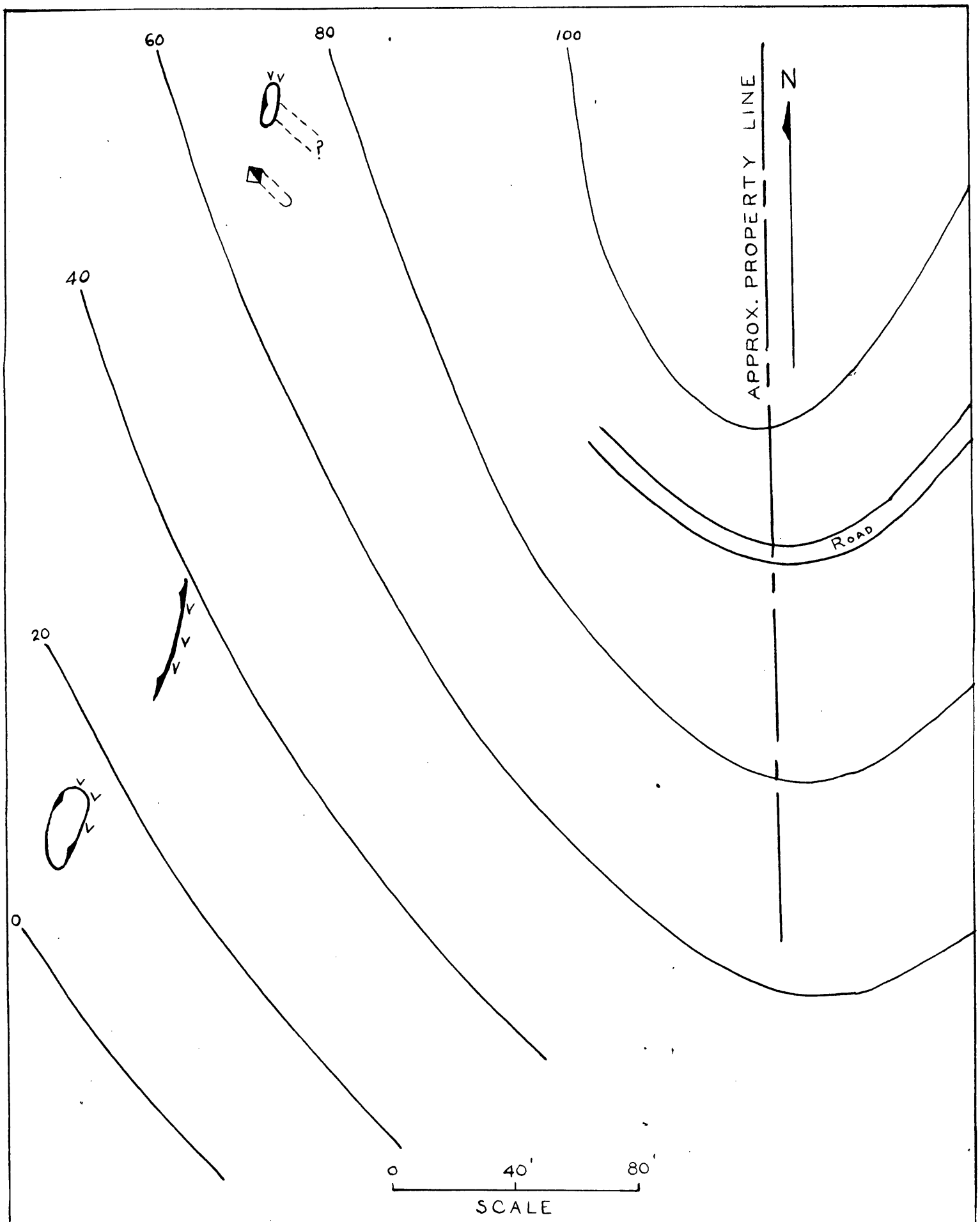
Rehabilitate and clean out existing 40 feet of open cut		$150.00
Toolhouse		75.00
Powder magazine		25.00
Exploder magazine		13.00
Sink 40 feet of incline (25 shifts)		
Labor:		
1 - Miner @ $1.50 per hr.	$300.00	
1 - Hoistman @ $1.25 per hr.	250.00	
1 - Laborer @ $1.00 per hr.	200.00	
Equipment (rental):		
Compressor and drill @ $220.00 per mo.	275.00	
Hoist @ $50.00 per mo.	62.50	
Supplies:		
Explosives	125.00	
Drill steel	80.00	
Timber, 1000 b.f. @ $65/M	65.00	
Hand tools	100.00	
Pipe	100.00	
Gasoline and oil	75.00	
Miscellaneous	75.50	
Social Security and insurance	92.00	$1,800.00
Drive 75 feet of drift on pegmatite (30 shifts)		
Labor:		
1 - Miner @ $1.50 per hr.	360.00	
1- Hoistman @ $1.25 per hr.	300.00	
2 - Laborers @ $1.00 per hr.	480.00	
Equipment (rental):		
Compressor, pump, jackleg and drill @ $250.00 per month	375.00	
Hoist @ $50.00 per month	75.00	
Supplies:		
Explosives	200.00	
Drill steel	150.00	
Hand tools	100.00	
Pipe	100.00	
Gasoline and oil	150.00	
Miscellaneous	150.00	
Social security and insurance	185.00	$2,625.00
Estimated Total Cost		$4,688.00

December 30, 1954

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

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

mg



SKETCH OF
McKINNEY COVE MINE
MITCHELL CO., N.C.

DMEA-3574 (mica)

600

DEC 17 1954

Burleson & Keller Mining Co.
C/o Millard Burleson
Jellico Grocery Co.
Elizabethton, Tennessee

Re: Docket No. DMEA-3574 - Mica
Millard Burleson, Wilson Burleson
and D. C. Keller, Partners
Burleson & Keller Mining Co.
McKinney Cove Prospect
Mitchell County, North Carolina

Dear Mr. Burleson:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ad 12/13/54
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region VII
Mr. Kilagaard, 5222
Mr. Dietrich, 3061
Mr. Houk

DEC 17 1954

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

Subject: Docket No. DMEA-3574 - Mica
Millard Burleson, Wilson Burleson
and D. C. Keller, Partners
Burleson & Keller Mining Co.
McKinney Cove Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda from the Geological Survey, dated November 26, 1954, and from the Bureau of Mines, dated December 9, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 4

JHopkins:ad 12/13/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

Defense Minerals
RECEIVED
DEC 9 1954

December 9, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3574 (mica)

Applicant: Millard Burleson

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

Date Application Rec'd. by Ceramic & Fertilizer Mtls. Br.: 11/18/54

Comments:

1. No data available in this office since this is a prospect.
2. Proposed exploration appears in line with other projects in this area but without an examination it is difficult to determine if an exploration project is justified or if the proposed plan is the best method for conducting the exploration.
3. Costs are estimated at $8,900.

Recommendation:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

Signed

W. F. Dietrich

IN REPLY REFER TO:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 30 1954

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

November 26, 1954

Re: DMEA-3574
Burleson & Keller
(McKinney Cove Prospect)
Mitchell Co., N. C.
$8,900 - Mica

Memorandum

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

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

Subject: Review of application

The operator requested exploration assistance to develop a new prospect. The proposal consists of trenching, 50 feet of shaft sinking, and 100 feet of drifting in pegmatite.

We have no information in our files on this property.

A staged project probably will be required, if the property warrants the initial trenching. However, the Field Team examiners will need to review the proposal and make a recommendation. This application should be referred to the Field Team.

E. L. Newcomb

ELNewcomb:hlm
G-11/24/54

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