☐ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of Oct 15

Incl. Voucher for Sept

☐ Actual Cost

☑ Agreed Unit Costs

Name Phillipson McCoy

Docket No. 3611

State North Carolina

Commodity Mica

Idm-E No. 785

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	75	2625.00	75	2625.00	2625.00
Raising					
Shafts	50	2250.00	45	2025.00	2025.00
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation		200.00		200.00	200.00
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation		150.00		150.00	150.00
New Building, Improvements, etc.		115.00		115.00	115.00
Other (Specify)					
Totals		5340.00		5115.00	5115.00

Prepared by

ivision
xtra Copy

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS AND JIM McKINNEY, JR.
DOCKET NO. DMEA-3611

AMENDMENT NO. 1

It is agreed the 28th day of October, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and John Phillips and Jim McKinney, Jr., that Contract Idm-E785 (Docket No. DMEA-3611) dated April 21, 1955, is amended as of April 21, 1955 as follows:

1. In Exhibit "A" under "Description of the Work": Under Stage II, paragraph 1, delete "Drive 75 feet of drift on the pegmatite from the winze.", and add, "Drive 75 feet of drift and/or crosscut on the pegmatite, from the winze."

2. In Exhibit "A" under "Fixed Unit Costs": Under Stage II, Item 1, delete "Drive 75 feet of drift @ $35.00/ft. - $2,625.00.", and add "Drive 75 feet of drift and/or crosscut @ $35.00/ft. - $2,625.00."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator Defense Minerals Exploration Administration

John Phillips and
Jim McKinney, Jr. (partners)

By John Phillips

By Jim McKinney Jr.

"Appd. Sol. Off."

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

John Phillips and Jim McKinney, Jr.

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-2785, Docket No. DMEA-3611, for the months of May 1955 to September 1955, inclusive, covering a project for the exploration of mica on property, known as the Little Hawk Mine, located in Mitchell County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team 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 fixed unit costs of work actually performed.

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

Total cost as billed by Contractor		$5,115.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,115.00

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 eight hundred thirty-six and 25/100 Dollars

$3,836.25

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

E. D. Talbert

E. D. Talbert, Auditor

October 18, 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 85 POST OFFICE BLDG.
KNOXVILLE 2, TENN.
May 2, 1955

Defense Minerals Administration
RECEIVED

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region 5 - Knoxville

Subject: Signed Contract: Idm-E785, DMEA-3611, John Phillips and Jim McKinney, Jr. Partners, Spruce Pine, N. C.

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

V. J. Lynch

ZM.
cc:
Lynch
Shirley
Finance Office
Files

Division Copy

MAY 4 - 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 9811

Commodity Mica

Contract No. Idm-E - 785

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 April, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] John Phillips and Jim McKinney Jr., partners, whose mailing address is c/o John Phillips, Spruce Pine, North Carolina, hereinafter called the "Operator," as follows:

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

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of 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] recorded in Book ....., page ..... official records of said County; and

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

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

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

16—70618-1

(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 [illegible] The work to be performed is described in Exhibit "A." The Operator on or before JUN 1 1955 shall commence the work, and on or before DEC 21 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $[illegible] The Government will contribute [illegible] percent of the fixed unit costs as work is performed, in a total sum not in excess of $[illegible]: *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.

John Phillips & Jim McKinney Jr.
(Operator) (partners)

By John Phillips

By Jim McKinney Jr.

THE UNITED STATES OF AMERICA

By Frank E. Johnson

ACTING Administrator, Defense Materials Exploration Administration

Robin Hoffhund
Appd. Sol. Off.
Hopkins
Shook
Chamberlin
Selfridge

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

Minerals Administration
RECEIVED

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS AND JIM MCKINNEY JR.
DOCKET NO. DMEA-3611

ANNEX I

The mineral rights in the land referred to in Article 2 of the Contract were leased by Land and Mineral Company to the Operator by an instrument dated November 16, 1954, for a period of 5 years from said date, renewable for a like period. The land is described as follows:

Beginning at the center of the shaft of the Little Hawk Mine located 300' N.E. of a large Hickory tree marked with an "X" and running 600' North; thence 600' West; thence 1200' South; thence 1200' East; thence 1200' North; thence 600' West to beginning.

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS AND JIM MCKINNEY JR.
DOCKET NO. DMEA-3611

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 4 - 1952

EXHIBIT "A"

Description of the Work

The work shall be performed in two successive stages, as follows:

Stage I

1. Construct the following:

A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.

An exploder magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

A toolhouse, minimum dimensions 8 feet by 10 feet by 7 feet.

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. No metal shall be exposed, and the lids shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

2. Rehabilitate 75 feet of Adit No. 6. This work requires cleaning out muck from portal and floor of Adit, widening at two places, timbering as necessary, and installation of track.

3. Establish hoisting station for winze. This work requires enlarging a 5-foot by 5-foot adit to provide a room with minimum dimensions of 10 feet by 10 feet by 8 feet in the clear of timber.

4. Sink a 50-foot winze, minimum dimensions 5 feet by 7 feet in the clear of timber. The winze shall be collared in the hanging wall, shall be sunk vertically until pegmatite is encountered, and then shall be continued in the pegmatite.

If the Government is of the opinion that the results of Stage I warrant further work the Operator shall perform such Stage II work as is approved in advance by the Government.

The approximate location of the winze is shown on the sketch map entitled, "Sketch of Little Hawk Mine, DMEA-3611 Mica," attached hereto and made a part hereof.

Stage II

Drive 75 feet of drift on the pegmatite from the winze.

All project work shall be timbered as necessary.

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

Fixed Unit Costs

Stage I

Construct:

Toolhouse 1/	$ 75.00	
Powder Magazine 1/	26.00	
Exploder Magazine 1/	14.00	
Rehabilitate 75 feet of Adit No. 6 1/	150.00	
Establish hoisting station for winze 1/	200.00	
Sink 50-foot winze @ $45.00/ft.	2,250.00	
Total Cost Stage I		$2,715.00

Stage II

Drive 75 feet of Drift @ $35.00/ft.	2,625.00	
Estimated Total Cost of Project		$5,340.00
Government participation @ 75%		$4,005.00

1/ The completed work constitutes the unit.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 4 - 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 Avery, described as follows:1/

Beginning at the center of the shaft of the Little Hair Mine located 300' N.E. of a large Hickory tree marked with an "X" and running 600' North; thence 600' West; thence 1200' South; thence 1200' East; thence 1200' North; thence 600' West to the beginning. This property located on Hanson's Creek, 6 miles N.E. of Ingalls, N. C.

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/ John Phillips and Jim McNancy, Jr.

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 16th day of November, 1954.

Land and Minerals Company [Seal]

By (Signed) J. Fuller Brown, Pres. [Seal]

_____ [Seal]

MAY 11 1956

Messrs. John Phillips and
Jim McKinney, Jr.
c/o Mr. John Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-9611-nien
John Phillips and Jim McKinney, Jr.
Little Hank Mine -
Little Hank Prospect
Mitchell County, North Carolina
Contract No. Lim-4765

Gentlemen:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:mm 5/10/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Killingsworth, 9202
Mr. Dietrich, 9061
Mr. Houk
Mr. Hopkins
Admr. R. File
J. Fuller Brown, President) land owners (Copy to Field Team
Land and Minerals Company) for forwarding)

May 10, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3611-mica
Contract No. Idm-E785
Little Hawk Mine
Mitchell County, North Carolina

Operators: John Phillips and Jim McKinney, Jr.
Spruce Pine, North Carolina

Operators' Property Rights:
Lessees of the mineral rights owned by Land and Minerals Company.

2. Contract: dated April 21, 1955

a) Work Authorized:

Stage I	
Buildings	$ 115.00
Rehabilitate 75' of Adit	150.00
Establish hoisting station	200.00
Sink Winze 50' @ $45.00	2,250.00
Stage II	
Drift 75' @ $35.00	$2,625.00
Estimated Total Cost	$5,340.00

b) Amendments: No. 1 authorizes crosscutting in Stage No. II

c) Work Completed:

Buildings	$ 115.00
Rehabilitation	$ 150.00
Cut Station	$ 200.00
Winze Sinking	$2,025.00
Drifting	$2,625.00
Total Cost of Project	$5,115.00

Work began May 9, 1955.
Work completed September 3, 1955.
The Final Field Team Report was dated October 28, 1955.
The Operators' Final Report was dated October 4, 1955.

3. Audit: Report of Review dated October 18, 1955

Total Cost as billed by Operator	$5,115.00
Exceptions	-0-
Total Accepted Cost	$5,115.00
Government participation @ 75%	$3,836.25

4. Certification of Discovery - none issued

5. Comments:

This property had been extensively worked and undoubtedly had been a large producer.

The project was established to explore at depth a pegmatite that had been extensively worked on 6 levels between elevations of 4416 feet and 4275 feet.

The pegmatite is a tabular body about 200 feet long and averages about 6 ft. wide conformably emplaced in hornblende gneiss.

Evidence revealed by the project indicated that the pegmatite explored has bottomed and that little mica-bearing pegmatite occurs below the 4300 level.

On the new drift level the pegmatite strike length was found to be considerably less than that exposed on the upper levels. The mineralization has changed somewhat. On the lower level it contains much coarse plagioclase, scattered quartz, a little muscovite, biotite, scattered red garnet and apatite. Most of the muscovite occurs associated with the small quartz. The wall rock has changed from a hornblende gneiss to a biotite gneiss.

Approximately 800 pounds of mine-run mica was recovered during the project. It was in small sizes, somewhat ruled, flat, clear ruby colored and of excellent quality. - (Field Team Report)

A later report says that the mica recovered was a few hundred pounds of scrap. None was sold.

There are no reserves of mica.

The Field Team concludes that a significant discovery was not made and therefore recommends that no certification of discovery be issued.

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

The Nonmetallic Minerals Division concurs in the recommendation of the Field Team.

The Commodity Divisions of the Bureau of Mines and Geological Survey also concur.

Hopkins:ms 5/10/56
y to: Mr. Houk
Mr. Hopkins
Admr. R. File

James Hopkins
Nonmetallic Minerals Division

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

RECEIVED
APR 9 - 1956

April 6, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Letter of March 23, 1956 pertaining to production and royalties on six uncertified projects-

A check of the records at the Government Buying Depot in Spruce Pine, N. C., was made to determine what sales had been made from these projects and an inquiry as to their present status:

DMEA-3575, Idm-E776, S. D. McKinney Mine: Not operating. The only sale made was one for 1170 pounds of hand cobbed mica under the old amended "B" program for which they received $539.66, royalty of $26.98 has been paid.

DMEA-3682, Idm-E806, Rube Sparks Mine: Operator made one sale from this operation for 4000 lbs. of poor quality hand cobbed mica for which an initial payment of $800.01 was made. Upon processing the mica it was found its value was only $580.75. A charge of $4.01 was made for rifting and trimming, so the Operator had to refund $223.27 to the Government. Royalty of $28.84 has been paid.

DMEA-3728, Idm-E824, Walter Grindstaff Prospect: No sales were made to the Government Depot. Operator made one sale of 375 lbs. of run-of-mine mica to the Ralph Jarrett Mining Company at 40¢ per lb. and received $150.00 for it. Royalty on this sale in the amount of $7.50 has been paid to the Government.

DMEA-3611, Idm-E785, Little Hawk Mine: Mine not operating. John Phillips, one of the partners in the contract stated that no mica was sold from the property. He stated that all recovered was a few hundred pounds of scrap and it was not worth bothering with.

DMEA-3877, Idm-E864, Jasper Smith Mine: Mine not operating. Operators made one sale of 117.06 lbs of sheet mica to the Government Depot for which they received $234.96. They also sold 447 lbs. of scrap to Tar Heel Mica Company for $6.70. Royalties in the amount of $12.08 has been paid.

DMEA-3731, Idm-E815, Randolph Mine: Mine not operating. Operators made one sale of 9,30 pounds of sheet mica to the Government Depot for $154.16. Also sold 202 lbs. of scrap to Herman Johnson for $2.02. Royalty on these sales in the amounts of $7.71 and 10¢ respectively has been paid.

V. J. Lynch,

WAR/sm
cc:
Opr. Com.-2
Lynch
Beck
Files

MAR 26 1956

Mr. Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region V
Room 19, Post Office Building
Knoxville, 2, Tennessee

Dear Mr. Lawrence:

Reference is made to the following uncertified projects which have been completed or terminated, but no closing letters can be written because of incomplete information on the production and the royalties which may be due the Government:

Docket No. DMEA-	Contract No. IAm-	Production during Project	Value of Production	Royalties Due	Royalties Paid	End of Certification Period (6 mos. from date Final Report)
3575	E776	1080 lbs.	$599.[illegible]	$26.98	$26.98	Feb. 8, 1956
3682	E806	few hundred pounds.	?	?	None	Mar. 26, 1956
3728	E824	100 lbs.	$150.00	$ 7.50	$ 7.50	Mar. 26, 1956
3811	E785	about 800 lbs.	?	?	None	Apr. 4, 1956
3877	E864	approx. 750 lbs.	$241.66	$12.08	$12.08	Apr. 31, 1956
3731	E815	about 300 lbs.	$156.20	$ 7.81	$ 7.81	May 17, 1956

In order to clean out these contracts it will be appreciated if you will take whatever action you deem necessary for collection of the unpaid royalties. On those projects where royalties have been paid, please ascertain whether there has been, or whether there is likely to be, any production made between the time of the last royalty payment and the end of the period in which certification may be made.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Mr. Kent(6)
Mr. Hopkins
Admr. R. File

Dispatched 3/30/56
Copy to: Kent(6)
Operating Committee
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Eberlin, 3061

IN REPLY REFER TO:

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

RECEIVED
MAR 12 1956

March 9, 1956

Re: DMEA 3611, Xm-8785
John Phillips and Jim McKinney
Little Hank Mine
Mitchell Co., N. C.
$5,340.00 - Mica

Memorandum

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

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

Subject: Review of Final Field Team report

The contract authorized the spending of $5,340.00 in a search for the downward extension of the Little Hank pegmatite from which a past production of good ruby mica is reported to have been obtained. The work provided for consisted of rehabilitation of No. 6 adit, a winze, a drift from the winze and crosscuts. Most of the work was done, $5,115.00 was expended and little mica-bearing pegmatite was found.

Unfortunately no information is given as to the attitude of the pegmatite where it was mined in a relatively large stope below No. 3 adit, but, if the stope outline (as interpreted) is correct, the southerly limit of the mica-bearing pegmatite is south of the steep and pudgy pegmatite followed in the lifting inclined drift from the foot of the winze, probably at a lower elevation than the lowest point in the stope. If the interpretation is correct, the pegmatite worked in is not the mine pegmatite.

A drift 130 feet long from the inner end of the No. 6 adit (at the winze) would have provided a better place for crosscuts or long drill holes aimed at finding the downward extension of the fat pod stoped probably from below 5 to 3 levels at least. Diamond drilling is indicated as the best way to prod for the extension, but the pod may have been mined to the bottom.

The examiners and the Field Team recommend that no certification be made. I concur with that recommendation.

NENelson:iml
G-3/9/56
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

N. E. Nelson

N. E. Nelson

600

NOV 1955

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

Subject: Docket No. DMEA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine and
Little Hawk Prospect
Avery County, North Carolina
Contract No. Idm-E785

Dear Mr. Laurence:

Reference is made to your memorandum dated November 1, 1955, recommending an amendment to the subject contract to allow the following work at the Little Hawk Prospect:

1.	Construct 500 yards access road @ 40¢/yd.	$200.00
2.	Recondition 30 feet of incline through old workings @$15.00/ft.	450.00
3.	Sink 80 feet of incline and/or drift @ $40.00/ft.	3,200.00
Estimated total cost		$3,850.00

The final Field Team Report on the Little Hawk Mine and the original Field Team report on the Little Hawk Prospect dated February 16, 1955, have been carefully reviewed in connection with your recommendation. We regret being unable to find any new or old criteria in either report that would be a basis to justify work on the Little Hawk Prospect.

The exploration project at the Little Hawk Mine involved probing below old workings for extension of the pegmatite that was reported to be very productive near the surface. Because this work was unsuccessful it appears reasonable to believe that similar work on the westward continuation of the Little Hawk pegmatite could not be expected to meet with any greater success. We are inclined to believe that the recommended work on the Little Hawk Prospect would only reveal that the former operators had extracted all commercial mica in the old workings and had practically exhausted all possibilities as they had done in the Little Hawk Mine.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

JHopkins:ad 11/14/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Killegaard, 5222

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

November 14, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3611 (mica)

Applicant: J. McKinney and J. Phillips

Name and Location of Property: Little Hawk Mine, Avery Co., N. C.

Contract Number: Idm-E 785

Date of Field Team Report: 10/28/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/8/55

Field Team Recommendation: Recommend no certification of discovery for Little Hawk mine. Action on Little Hawk Prospect is still pending.

Comments:

1. The exploration did not disclose any worthwhile deposits of mica and the pegmatitic had bottomed.

2. Value of mica recovered during project and royalty due should be determined.

3. Expenditures -

Total approved	$5,340.00
Total cost	5,115.00
Gov't share of the cost	3,836.25
Value of production during operation	unknown

Recommendation: I concur with the field team's recommendation.

Signed

W. F. Dietrich

RECEIVED
NOV 14 1955

Memorandum

To: Files

From: James Hopkins

Subject: Evaluation of Report on Little Hawk Prospect recommending an Amendment

Docket No DMEA-3611; Idm E785 (micon)

Little Hawk Mine - Little Hawk Prospect

Mineral County, Northwestern

An exploration project on the Little Hawk Mine failed to make a significant discovery and was completed September 30, 1958.

A report on the Little Hawk Prospect was made February 16 1955 but did not recommend work because it was believed that the work at the "mine" would prove the property sufficiently.

However, in the field team final report, it was suggested that some work at the "prospect" is now warranted. Accordingly, it is recommended that Contract Idm-E785 be amended to allow the following work on the "Prospect":

1. Construct 500 yds access road @ 40¢ per yd	200.00
2. Rehabilitate 30 ft of inclines @ 1.33 per ft	40.00
3. Sink 80 ft of incline and/or drift @ 40.00 per ft	3200.00
Estimated Total Cost	$3850.00

The work is proposed for a pegmatite that appears to be the southwest extension of the Little Hawk Mine pegmatite, and will be conducted at

elevation of 4520 feet at surface to 4440 feet or about 80 feet below the surface.

The pegmatite and mica at the "prospect" is almost identical with that at the "mine".

The workings consists of two adits of unknown length on the pegmatite at approximate elevations of 4480' and 4520' and a crosscut at an elevation of approximately 4530' driven to intersect the upper adit. All workings are inaccessible.

There is no record of production nor the exact extent of all workings are unknown.

Remarks:

This proposal appears to be a "very very long shot in the dark".

My reasoning is as follows: If the former operators worked the main pegmatite and recovered $50,000.00 worth of mica, they surely would have continued work at the "prospect" if the two adits on the pegmatite had shown any degree of encouragement.

Fred Hess report 800# of mica produced operators final report very little. Which is correct

Silsbee report of 66# 5,295# says appreciable amount of mica was recovered. July 13 report substantial production

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 11-8

REFERRED TO:
1. 600
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: The proposed work on the "Prospect" looks like a very long long shot to me.

Check (X) before the items needing attention.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

Hopkins

UNITED STATES
DEPARTMENT OF THE INTERIOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

November 1, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, Region V - Knoxville

Subject: Final Reports, DMEA-3611, Idm-E785 (mica) John Phillips and Jim McKinney, Jr. Spruce Pine, N. C. Little Hawk Mine, Mitchell County, North Carolina

Enclosed are four copies each of the Operator's and Field Team final reports on the subject project. We do not recommend a certification.

Please note that a request for an amendment to authorize crosscutting is still pending. Completion of this report would ordinarily have been delayed until the amendment has been executed, but this report was prepared this week to avoid a heavy load of report writing during Mr. Teague's last week with us, in early November.

A separate memorandum is being written on the Little Hawk Prospect recommendation. If approved, this would extend the subject contract for an additional period.

/s/ Robert A. Laurence
Executive Officer
DMEA, Region V

/s/ V. J. Lynch, Member
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
11-7-55
(date)

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NOV - 8 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-3611, LITTLE HAWK MINE (mica)
Mitchell County, N. C.

By

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

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

Reviewed by
DMEA OPERATING COMMITTEE
11-7-55
(date)

October 28, 1955

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NOV - 3 1955

FINAL REPORT
On
DMEA-3611, Idm-E785 (mica) Little Hawk or
Little Ridge Mine.

Operators: John Phillips and Jim McKinney, Mr. Spruce Pine, N. C.

Location : On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N. 62° W. of Plumtree, Mitchell Co.,N.C.

Except for 5 feet of incline, all work provided in this contract was completed without making a whorthwhile discovery. Evidence revealed by this project indicates the pegmatite explored has bottomed and that little mica-bearing pegmatite occuts below the 4300-foot level. No certification of a discovery is recommended for that part of the deposit explored. Additional work on the northeast pegmatite is not warranted.

In the original application, a pegmatite which was termed "Little Hawk Prospect" was included. In a report covering the "Prospect", dated February 16, 1955, the Field Examiners recommended that no work be done on the "Prospect" at that time. We feel now that the "Prospect" may warrant additional consideration. These views are expressed in the transmittal memorandum.

Work accomplished consisted of the construction of a toolhouse, two magazines, reconditioning an existing 75-foot adit, enlarging adit at one point for a hoisting station, sinking 45 feet of winze, driving 63 feet of drift and + 25° raise and driving 12 feet of crosscut. The Operator at his own expense drilled a 16-foot test hole from the face of the crosscut into the footwall and a 16-foot hole opposite the crosscut into the hanging wall without finding pegmatite.

The winze was collared in hornblende gneiss and sunk in hornblende ~~and sunk in hornblende~~ gneiss to the 22-foot level. From the 22-foot level to the 40-foot level, the winze is in pegmatite. At this point the pegmatite bottoms. The winze was continued to 45 feet in wall rock, and test holes drilled in the bottom and foot and hanging walls. No pegmatite was encountered in any of the test holes. The pegmatite in the winze is about 3 feet thick, strikes N. 70° E and dips from 60° SE to vertical. It is conformable on strike, but crossuctting on dip to the bornblende gneiss wall rock.

The drift was started in about 3 feet of pegmatite. This pegmatite gradually thinned, and at the 25-foot point disappeared in the roof of the drift. At this point, a + 25° raise was driven following the pegmatite up the rake along the strike to the 40-foot point where the pegmatite thickens to 3 feet. The heading from the 40-foot point to the 63-foot point, the drift

is level and followed pegmatite to the 57-foot point. Beyond that point the level was driven in the zone, but no pegmatite was encountered. At the 63-foot point a 12-foot crosscut was driven due north in the footwall without encountering pegmatite. The drift is in a S. 80° W. direction.

Pegmatite encountered in these openings range up to about three feet in thickness; it thickens and thins along strike, and apparently bottoms about 40 feet below the collar of the winze. Also, it appears that the strike length has become considerably less on the new drift level than that exposed in the higher levels. The exposed pegmatite contains much coarse plagioclase, scattered quartz, a little muscovite, biotite, scattered red garnet, and apatite. Most of the muscovite occurs associated with the small quartz. The pegmatite trends N. 80° E. and dips from 60° SE to vertical. The rock adjacent to the pegmatite is biotite gneiss, although a foot or more away from it the wall rock is biotite gneiss. How far?

Approximately 800 pounds of mine-run mica was recovered during this project. This mica is in small sizes, somewhat ruled, flat, clear, ruby-colored, and of excellent quality.

Expenditures:

(a)	Total approved	$5340.00
(b)	Total cost of project	5115.00
(c)	Government's participation	3836.25
(d)	Government's share unexpended	168.75
(e)	Value of production during opr..	Unknown

This project was conducted in a satisfactory manner. No equipment was purchased for the project.

October 28, 1955

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

L. E. Shirley, Mining Engineer
U. S. B. M.

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

RECEIVED
OCT 19 1955

October 17, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region V - Knoxville

Subject: DMEA-3611, Idm-E785 (mica) John Phillips & Jim McKinney, Jr.
Little Hawk Mine, Avery County, N. C.

Reference is made to your letter of October 13, 1955, commenting on our memorandum of September 30.

We do not wonder that you were puzzled by this apparently meaningless request, and we hasten to explain, with our faces colored an appropriate shade of bright red, that we signed the memorandum without noticing that an entire line was omitted between "words" and "pegmatite."

What we requested was an Amendment that would authorize the cross-cutting in the footwall by adding the words "and/or crosscut" in the two appropriate places. As the interim report of September 20 indicates, this work was authorized verbally by the field examiners with our approval, and we want to approve it formally with an Amendment. If you agree, please authorize us to draft the amendment, or send us one already drafted for transmittal to the Operator.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
U. S. Bureau of Mines

RAL/sm
cc:
Lynch
Shirley
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 605 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1955

March 24, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Summary of Field Examination Report on DMEA-3611 (mica)
Little Hawk Prospect, Mitchell County, N.C.

Transmitted are four copies of the above subject summary.

The Field Team concurs with the examiners that a contract should be withheld if a contract is to be issued on the Little Hawk Mine.

V. J. Lynch, Acting
EXECUTIVE OFFICER
DMEA REGION V -

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

ZH.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM EXAMINATION REPORT, REGION V

On

DMEA-3611, LITTLE HAWK PROSPECT (mica)
Mitchell County, N. C.

By

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

and

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

February 16, 1955

FIELD EXAMINATION REPORT
ON
DMEA-3611, LITTLE HAWK PROSPECT (mica)

A report on the Little Hawk Mine, dated February 2, 1955, has been prepared previously. The subject prospect is on the same leased area as the mine and represents the westward continuation of the Little Hawk, pegmatite. At only one place (the 4500-foot level) has an opening been made to connect the Little Hawk Mine and the Little Hawk Prospect. At this place the pinchout between the two pegmatites is 14 feet. No effort has been made to connect the two pegmatites at lower elevations, although it probably could be accomplished. Although the Little Hawk Prospect appears to offer possibilities for the discovery of a worthwhile mica deposit, the examiners are of the opinion that any action on a contract for the Prospect should be deferred, pending a contract on the mine. If a contract is granted on the mine similar to that outlined in the examination report dated February 2, 1955, the level from the winze could be extended southwest beyond the point of pinchout to test the probable occurrence of pegmatite beyond this point. If pegmatite is discovered beyond this pinchout, approximately 250 feet of unstoped pegmatite would be above the level.

The pegmatite at the Prospect is similar to the one mined at the Little Hawk Mine. It has the same mineral composition, thickness, quality and quantity of mica, and attitude.

Two adits have been driven on the pegmatite and one crosscut intersects the upper most adit about 100 feet from the portal. All are now somewhat caved.

The examiners cannot recommend exploration assistance at both locations on this property. We believe that a successful project can be conducted from the lowest adit at the Little Hawk Mine which will eliminate any need for a project on the Prospect. Furthermore, if a project on the mine is successful, the Operator should be in a position to conduct any additional exploration at his own expense.

We strongly recommend exploration on the Little Hawk Mine, but no assistance on the Prospect at this time.

February 16, 1955

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

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

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

RECEIVED
NOV - 3 1955

November 1, 1955

Memorandum

To: Operating Committee DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: DMEA-3611, Idm-E785 (mica) Little Hawk Mine and Little Hawk Prospect, Mitchell County, N. C.

The original application on this project requested work at both the Little Hawk Mine and the Little Hawk Prospect. These are both on the same property.

Reports by the Field Examiners, dated February 2, 1955, recommended work at the "mine" but did not recommend work at the "prospect" at that time, it being their opinion that the work at the "mine" would prove the property sufficiently. However, work at the "mine" indicated that the pegmatite there bottomed at about the 4300-foot level.

However, in their final report, they suggest that some exploration at the "prospect" is now worth while. The sketch map prepared, last February, 13 copies of which are attached, shows only the existing work at the prospect. The cut at the upper right corner, just bel the 4500 foot contour, gives a tie-in to the map in the Little Hawk Mine final report.

Mr. Teague and Mr. Shirley have recommended that the following work be done at the "prospect," at the site indicated on the sketch:

Estimated Cost:

Construct 500 yds. of access road at 40¢ per yd.	$200.00
Recondition 30 ft. of incline through old works at $15/ft.	450.00
Sink 80 ft. of incline and/or drift at $40/ft.	3200.00
Estimated Total cost.....	$3850.00

we believe the "prospect" shows sufficient promise to suggested work, and recommend approval of an amendment to t as outlined above. Completion date should be extended to 1956.

ch, Member
reau of Mines

R. A. Laurence, Exec. Officer
DMEA Field Team.

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

RECEIVED
NOV - 3 1955

November 1, 1955

Memorandum

To: Operating Committee DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: DMEA-3611, Idm-E785 (mica) Little Hawk Mine and Little Hawk Prospect, Mitchell County, N. C.

The original application on this project requested work at both the Little Hawk Mine and the Little Hawk Prospect. These are both on the same property.

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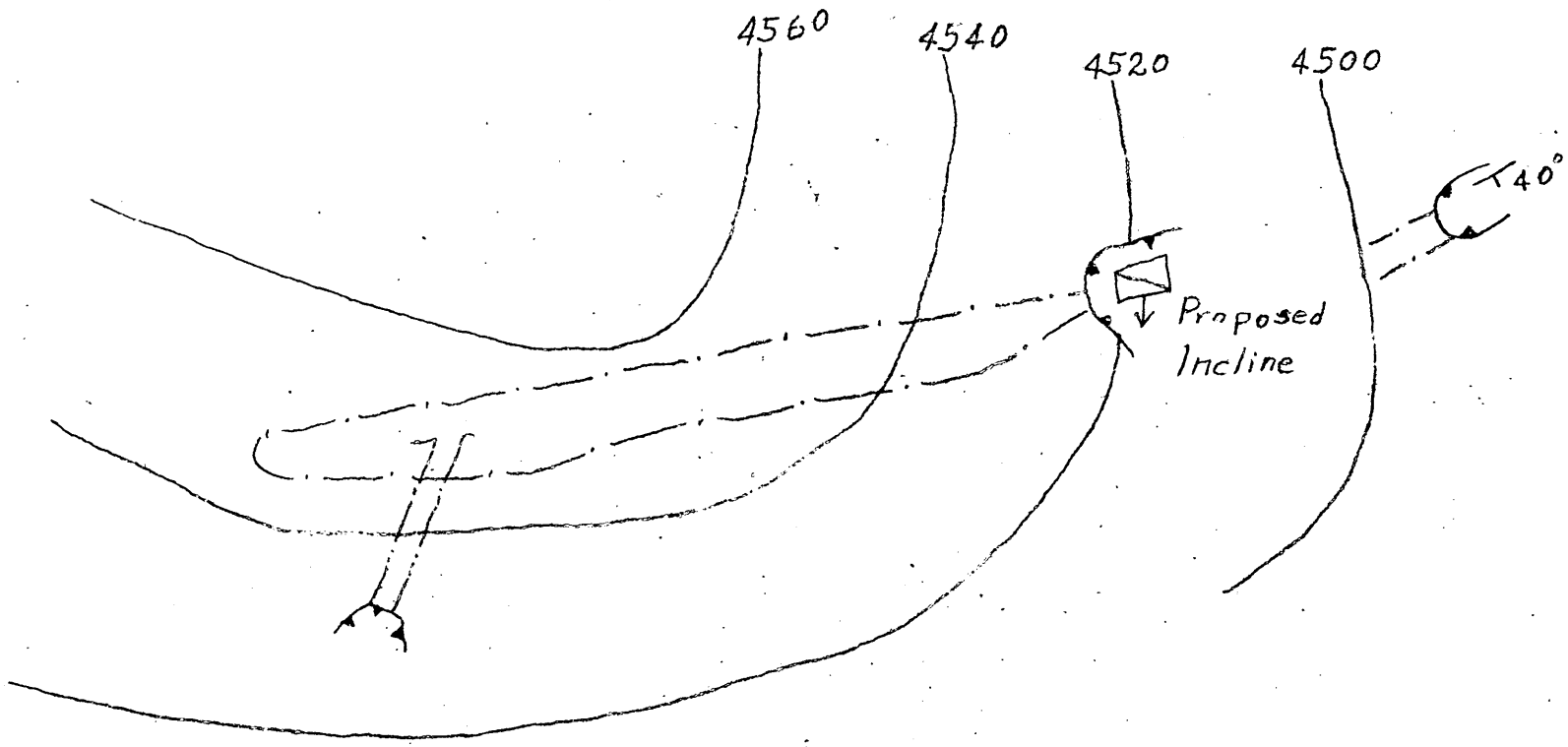
Recondition 30 ft. of incline through old works at $15/ft.	450.00
Sink 80 ft. of incline and/or drift at $40/ft.	3200.00
Estimated Total cost.....	$3850.00

We believe the "prospect" shows sufficient promise to warrant the suggested work, and recommend approval of an amendment to the contract as outlined above. Completion date should be extended to March 31, 1956.

V. J. Lynch, Member
U. S. Bureau of Mines

R. A. Laurence, Exec. Officer
DMEA Field Team.

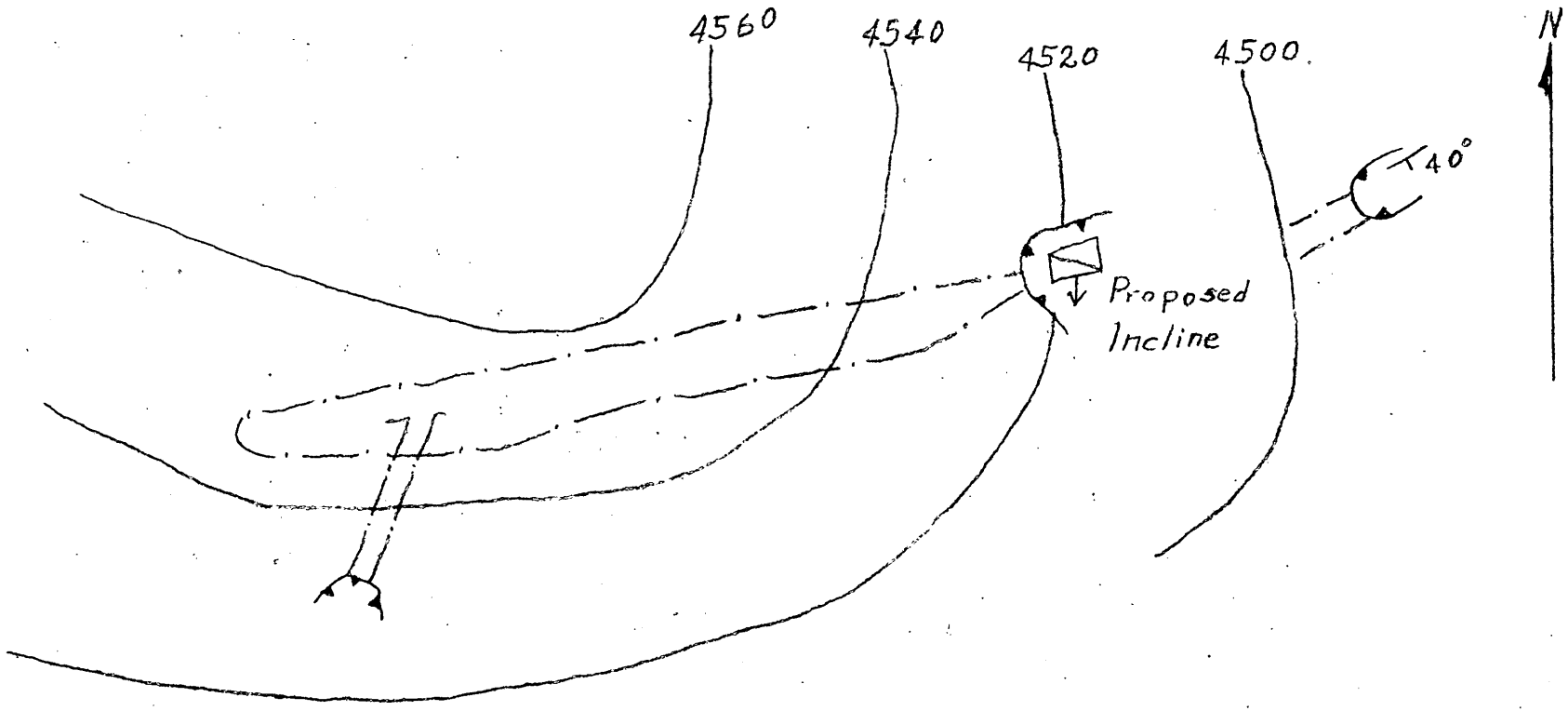


Sketch of the
Little Hawk Prospect
Mitchell Co., N.C.

0 40' 80'
Scale

DMEA-3611 (mica)
2-16-55

RECEIVED
NOV - 3 1955



Sketch of the
Little Hawk Prospect
Mitchell Co., N.C.

0 40' 80'
Scale

DMEA-3611 (mica)
2-16-55

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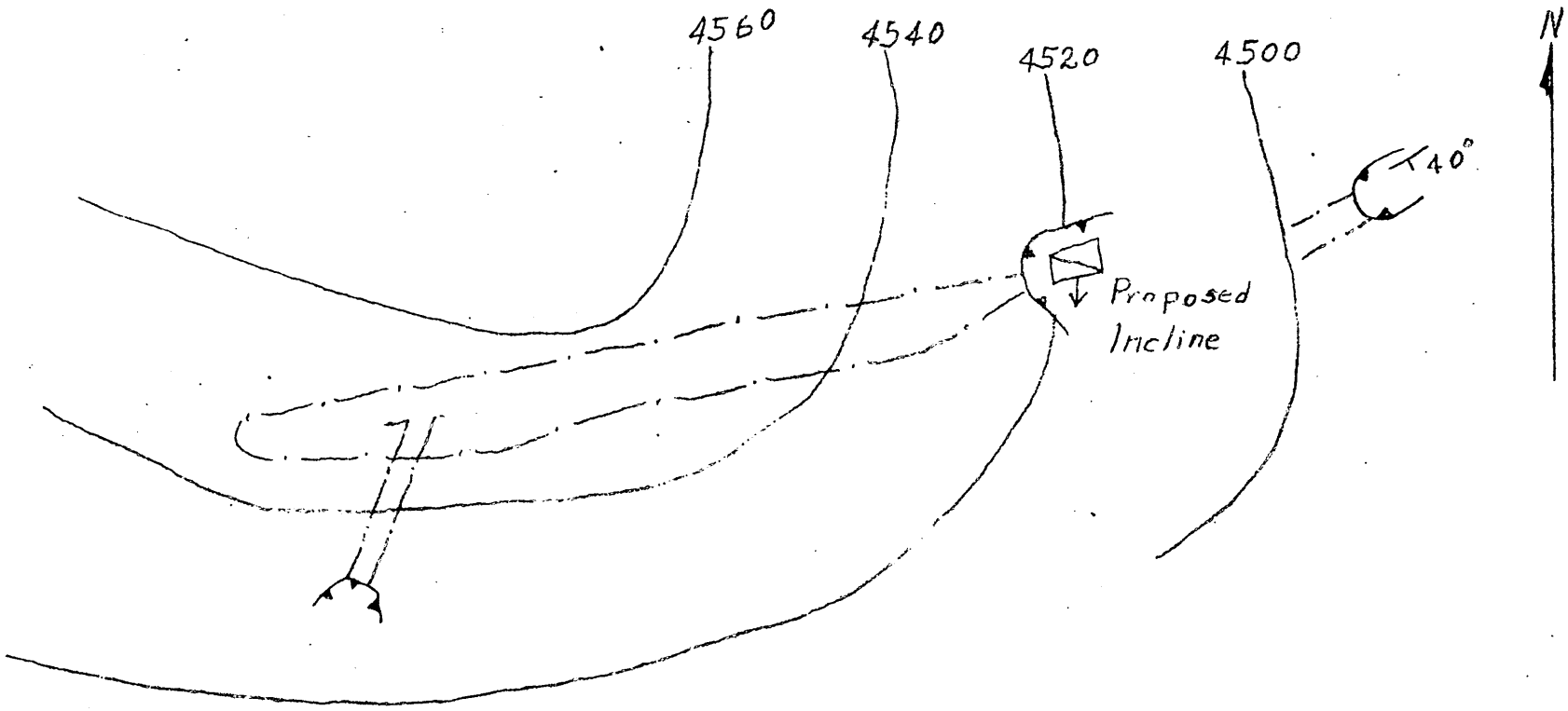
NOV 3 1955



Sketch of the
Little Hawk Prospect
Mitchell Co., N.C.

0 40' 80'
Scale

DMEA-3611 (mica)
2-16-55

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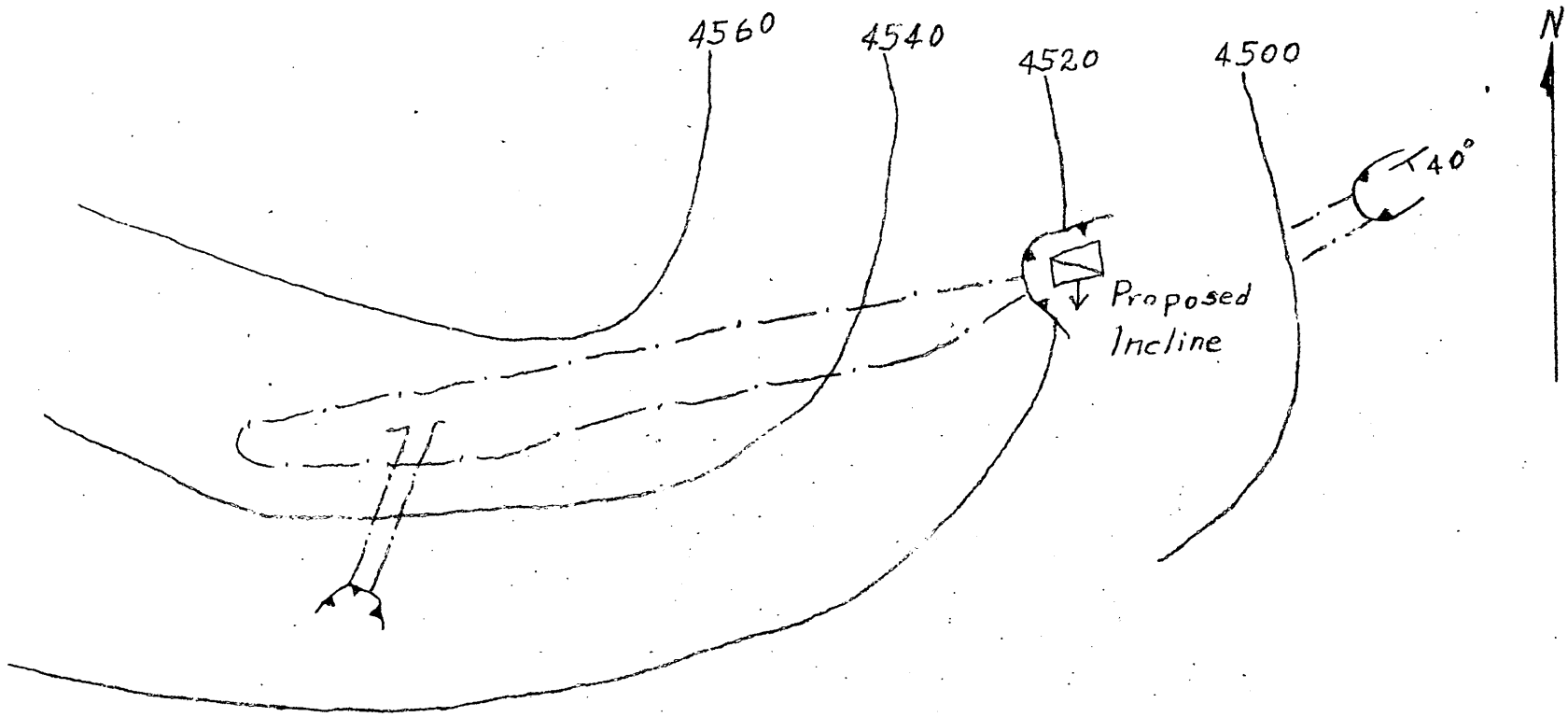

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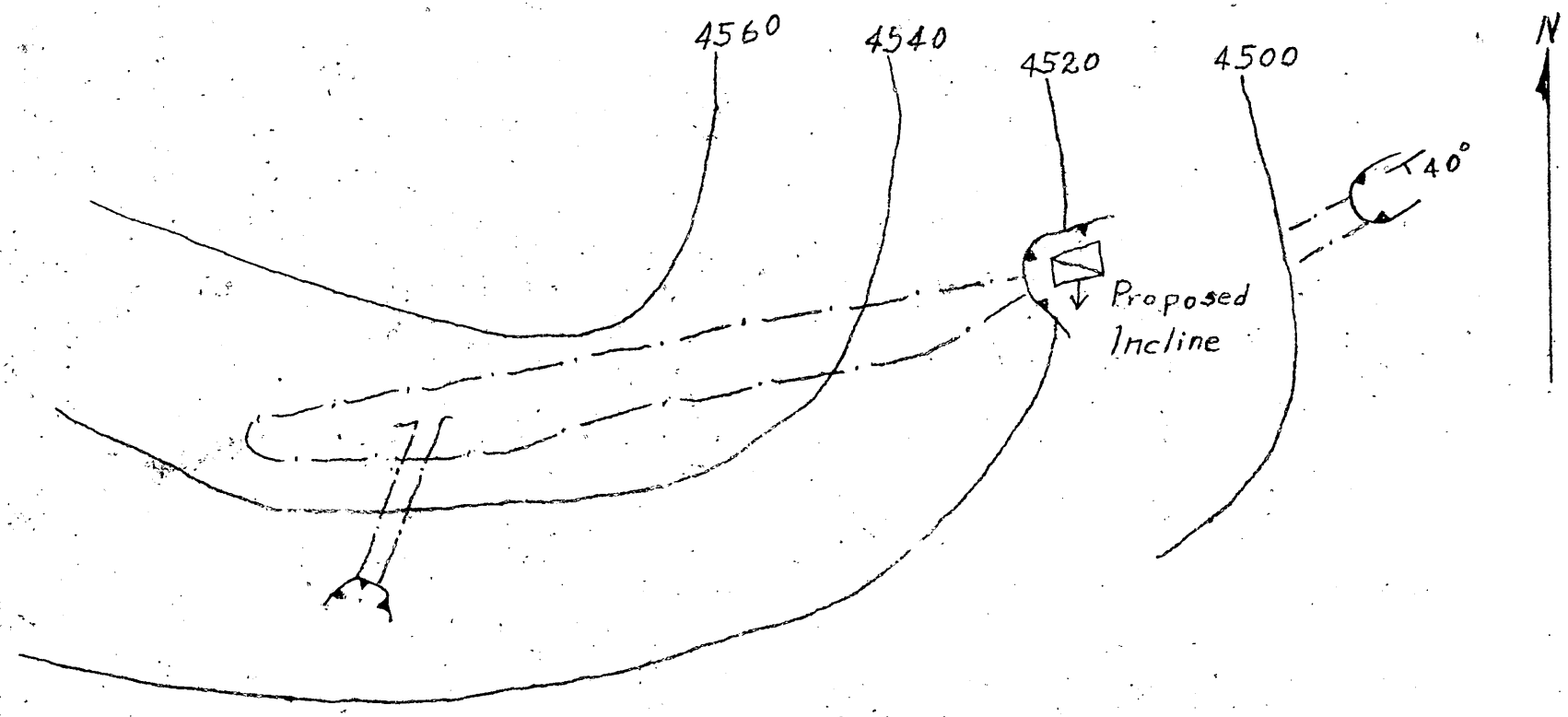

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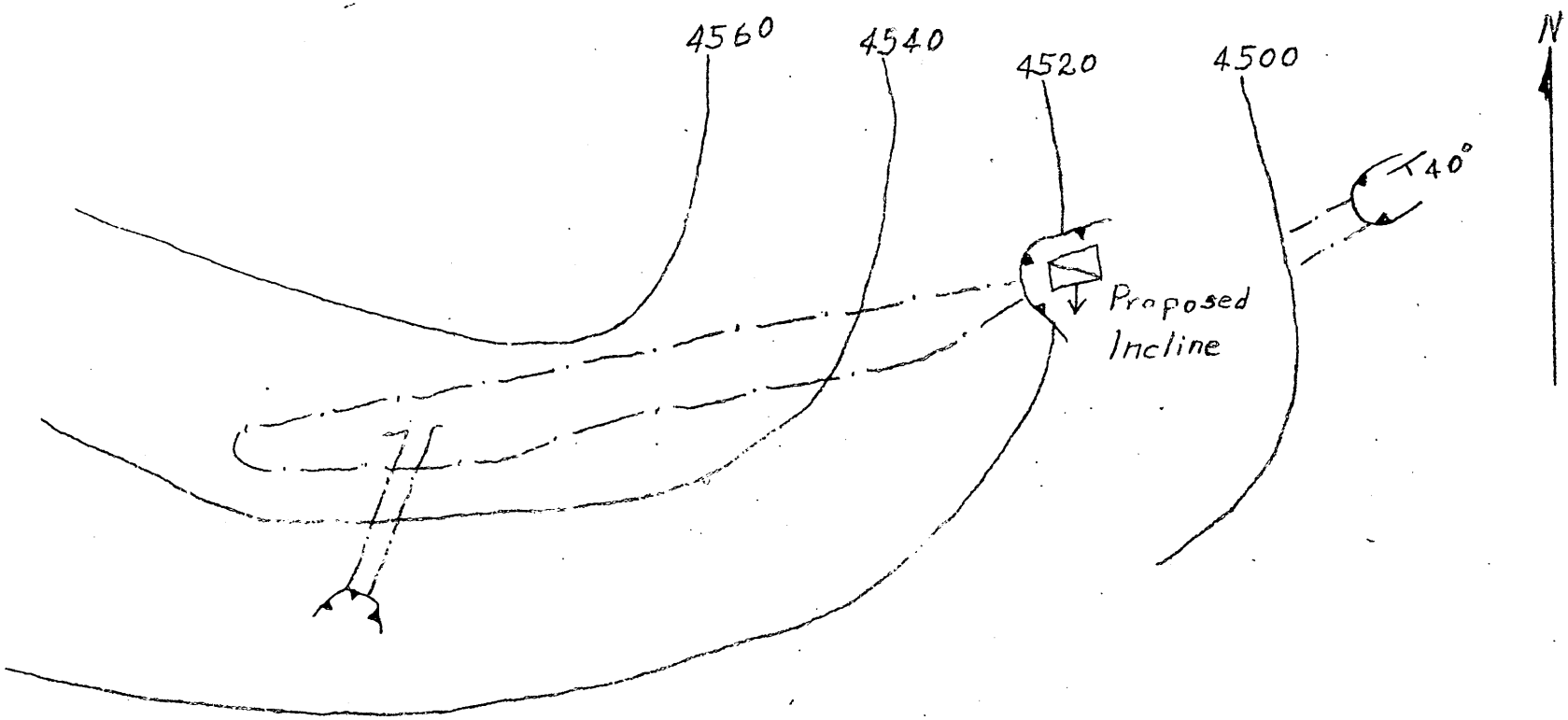

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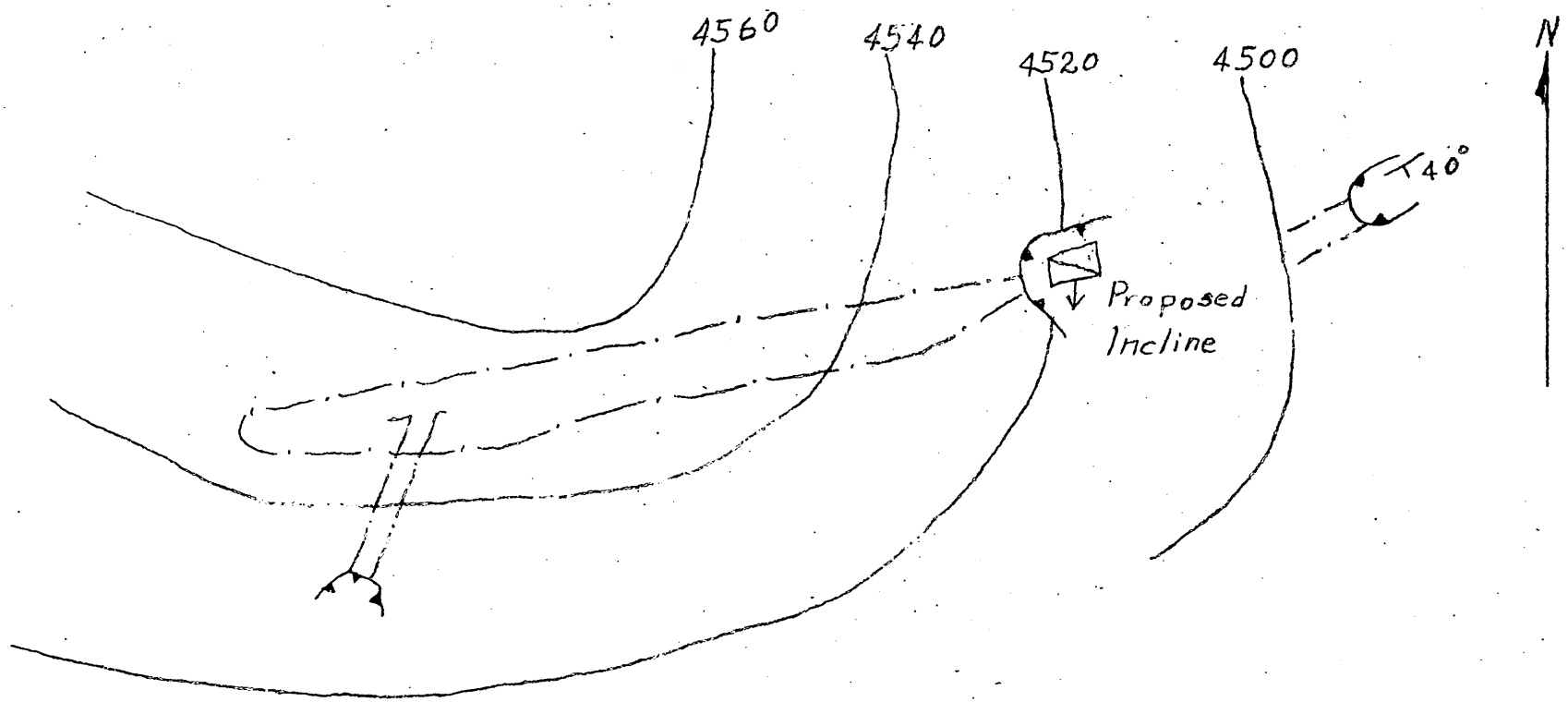

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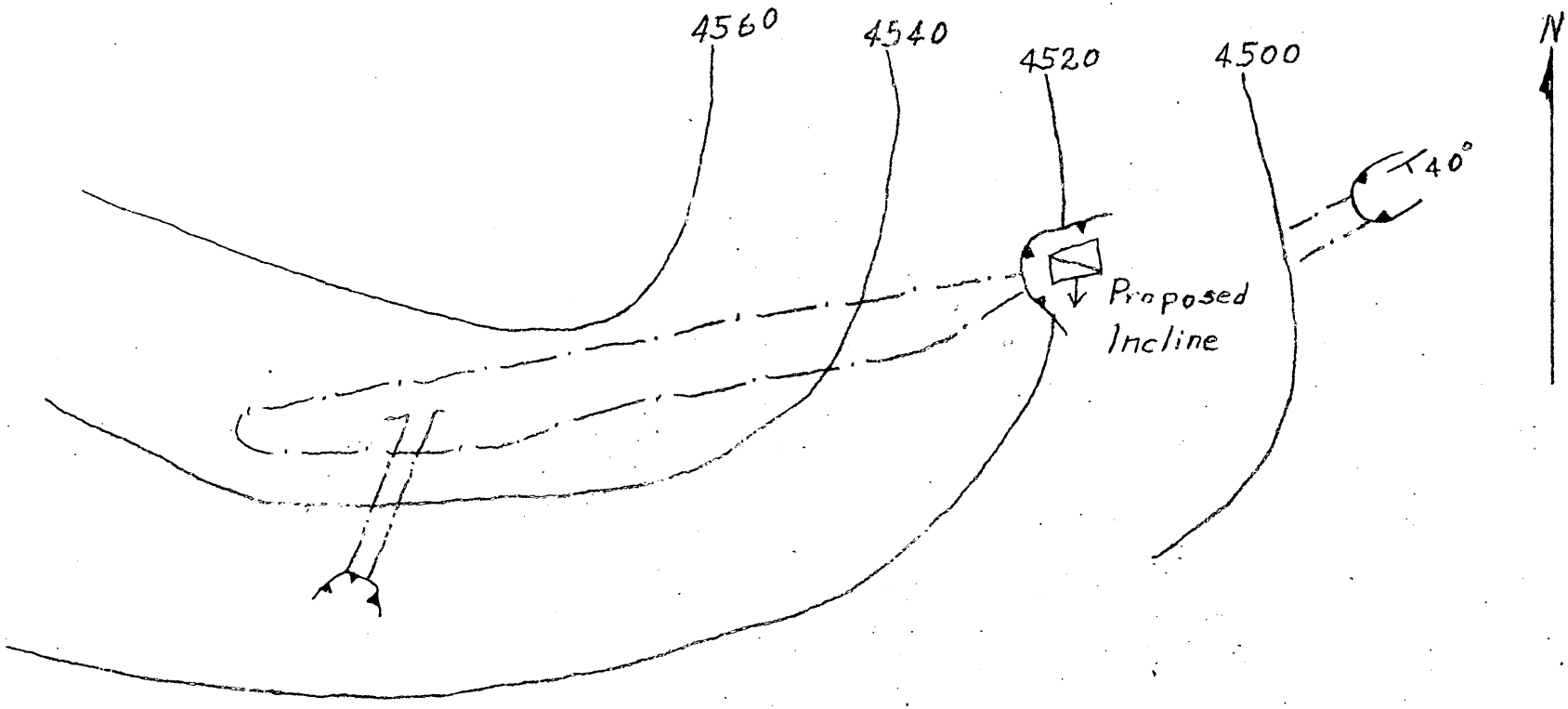

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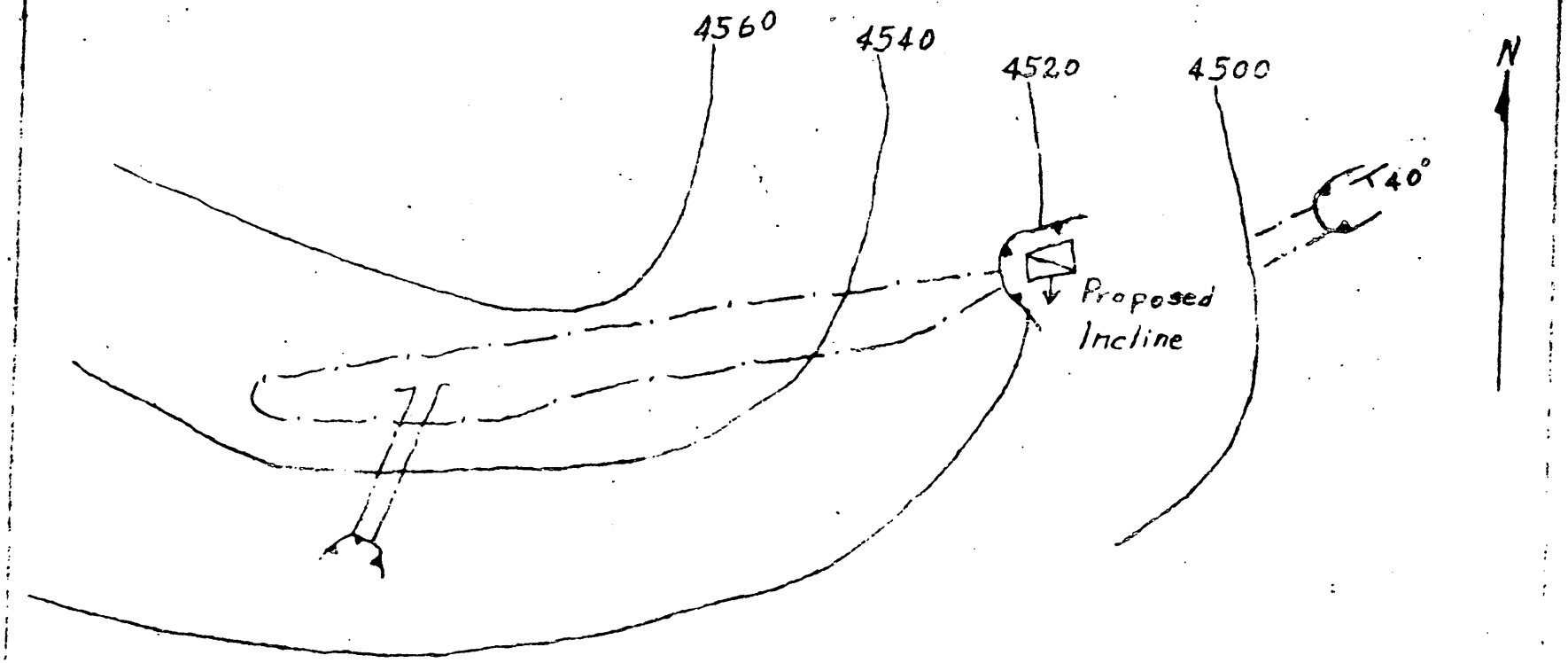

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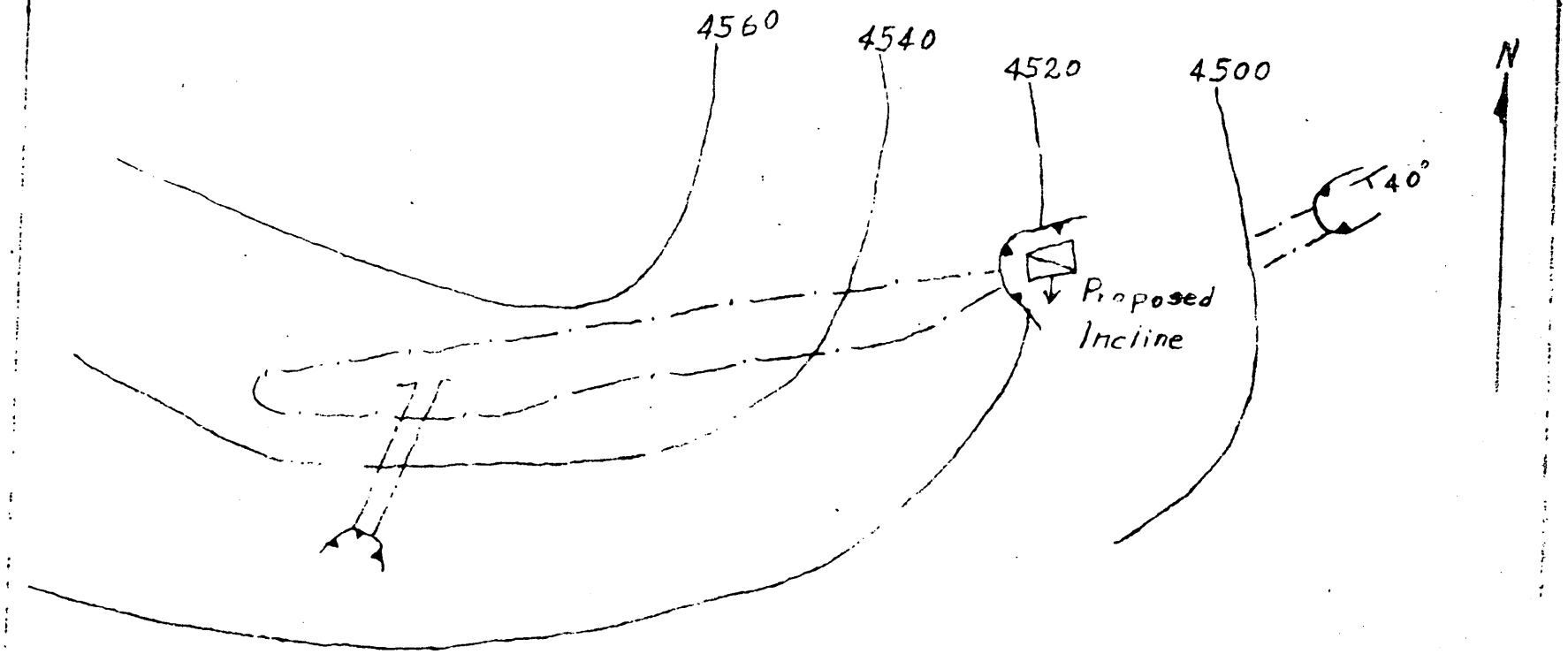

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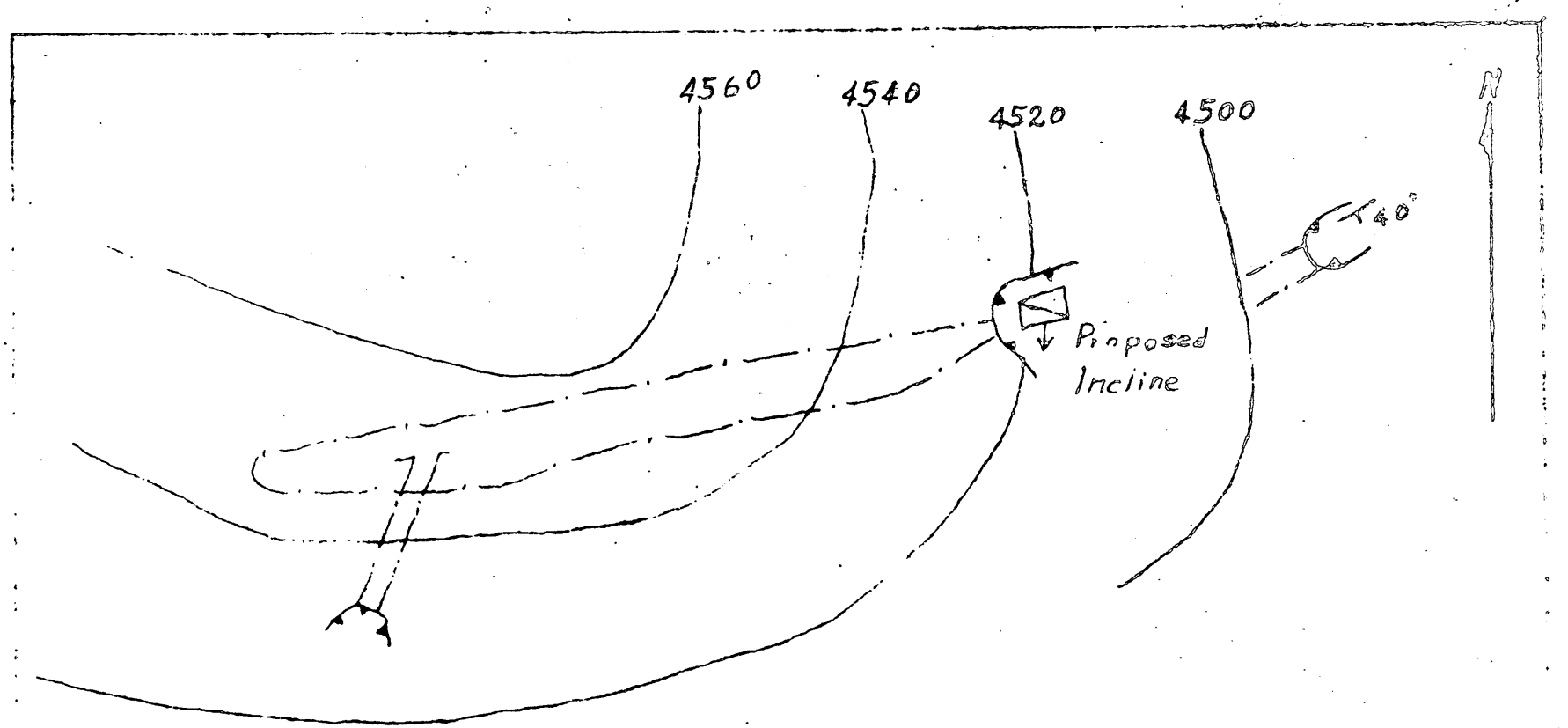

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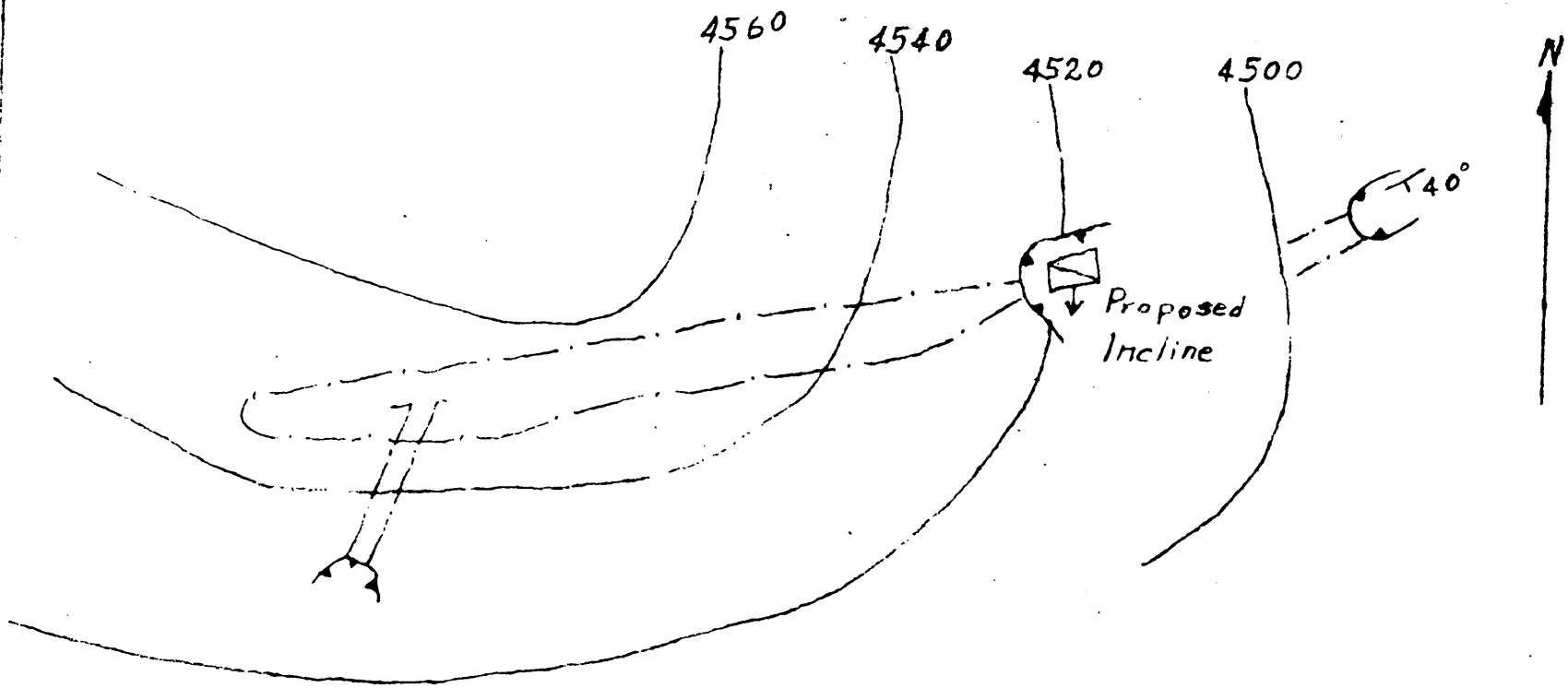

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
NOV - 3 1955

November 1, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, Region V - Knoxville

Subject: Final Reports, DMEA-3611, Idm-E785 (mica) John Phillips and Jim McKinney, Jr. Spruce Pine, N. C. Little Hawk Mine, Mitchell County, North Carolina

Enclosed are four copies each of the Operator's and Field Team final reports on the subject project. We do not recommend a certification.

Please note that a request for an amendment to authorize crosscutting is still pending. Completion of this report would ordinarily have been delayed until the amendment has been executed, but this report was prepared this week to avoid a heavy load of report writing during Mr. Teague's last week with us, in early November.

A separate memorandum is being written on the Little Hawk Prospect recommendation. If approved, this would extend the subject contract for an additional period.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

V. J. Lynch, Member
U. S. Bureau of Mines

RECEIVED
NOV - 3 1955

Spruce Pine, North Carolina
October 4, 1955

Mr. Robert A. Laurence
Executive Officer, DMEA, Region 7
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-3611, Idm-E 785 (Mica)
Little Hawk Mine, Mitchell Co., N.C.

Dear Mr. Laurence:

Work began on the Little Hawk project on May 2, 1955, and was completed on September 30, 1955.

We moved in and set up equipment, built hoisting station, tool house, powder and exploder magazines. We rehabilitated an old adit, then lowered a winze to a depth of forty-five feet. Except for a few pieces scattered in the vein, no mica was found in this operation.

From the forty-five foot depth, we drifted North for a total of sixty-three feet, shooting in vein about twenty-five feet of this distance. No mica was recovered.

At the sixty-three foot point in the drift, after running out of vein, we ran a cross-cut of twelve feet. No mica was encountered in the crosscut, and the work of the contract was then complete.

Satisfactory progress was made throughout the operations, although the material was extremely hard to work through in some places.

We wish to thank the DMEA Field Team for their assistance on the Little Hawk project. If further details of this operation are necessary, please contact us.

Very truly yours,

John Phillips

John Phillips

P/b

OCT 31 1955 600

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

Subject: Docket No. DMEA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine
Avery County, North Carolina
Contract No. Idm-E735

Dear Mr. Laurence:

Reference is made to the Field Team memorandum of September 30, 1955, concerning the proposed amendment to the subject contract.

There are transmitted herewith the original and five copies of Amendment No. 1 which have been signed by the Administrator for the Government. If the amendment meets with your approval present it to the Operator for approval and signature. If any part of this amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies are to be returned to this office, together with the proposed changes for consideration.

After execution of the amendment, the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 8

JHopkins:gad 10/26/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

P.S. We are also enclosing two extra copies of the amendment.

Hopkins

INTERIM REPORT

RECEIVED
OCT 17 1955

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, N. C.

Crosscutting work directed into the footwall from the drift level has been finished, and test holes have been drilled in both the hanging wall and foot wall area. This completes this contract, without having made a worthwhile discovery of strategic mica.

Exploration conducted consisted of sinking a winze from an existing adit to a total depth of 45 feet, driving 63 feet of drift from the winze bottom in a S80°W direction and driving 12 feet of crosscut in the foot wall area to the northwest. Sixteen foot test holes were placed in both walls in an effort to locate pegmatite, but none of minable thickness was encountered. A negligible amount of mica was recovered from exploration attempted. Material encountered in addition to hornblende gneiss country rock, was pegmatite composed of feldspar, quartz, biotite mica and scattered muscovite mica of very good quality. Most of the work was conducted in hard rock which required a minimum of timber. A ladderway and bucket skidway was installed in the winze. In addition to exploration, a toolhouse, powder magazine, and cap magazine was built. A 75-foot existing adit was rehabilitated, and a hoisting station for the winze was established. The winze was not sunk to the total depth authorized by contract, and 5 feet remains. All work was completed satisfactorily.

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

October 5, 1955

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

Final Report

Form MF-10 (Rev.) (April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 27

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED OCT 13 1955

Month of September 1955 Docket No. DMEA 3611 Contract No. Idm-E785
Operator's Name John Phillips and Jim McKinney, Jr. Minerals Mica
Address c/o John Phillips, Spruce Pine, N. C.
Contract Amount, $ 5340.00 Government Participation: 75 % Amount, $ 4005.00

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						
37' Drifting @ 35.00 ft.	1295.00	1330.00	2625.00			
Winze		2025.00	2025.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Hoisting Station		200.00	200.00			
Powder & Exploder Magazines		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	1295.00	3820.00	5115.00	1295.00	3820.00	5115.00

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

Date 10-1-55 *Payee John Phillips & Jim McKinney, Jr.

Per John Phillips 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:

$ 971.25

Signature Helen R. Mielu
(Authorized Certifying Officer)

Date OCT 11 Vou. No. 76
(See other side)

323.21

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E785 in accordance with the terms of the contract.

Signature W. J. Lynch Title Mining Eng. Date 10/6/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date OCT 10 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

RECEIVED
OCT 13 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 5 Docket No. DMEA 3611 Contract No. Idn-E 785
Operator's Name John Phillips & Jim McKinney, Jr. Minerals Mica
Address c/o John Phillips, Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
37' Drifting @ 35.00	Ft.	1295.00	37	2625.00	75	35.00	75	35.00
Crosscutting								
Raising								
Shafts								
Winzes				2025.00	45	45.00	50	45.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1295.00		4650.00				Total Costs Authorized by Contract
Hoisting Station				200.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				150.00				
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Magazines				40.00				
Total Costs		1295.00		5115.00				

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

Remarks:

Date 10-1-55 Operator John Phillips & Jim McKinney, Jr.

Per John J. Phillips 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)

(For Government use only)

V. J. Lyznick
Mining Eng.
Bureau of Mines

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

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OCT 13 1955

OPERATOR'S

Monthly Progress Report

September, 1955

D'EA-3611

Idm-E 785

Work Accomplished:

We completed the work as called for in the contract, completing 37' of drift and cross-cut during September. The vein was gone at 63' in the drift, and at the suggestion of the field team we ran a cross-cut of 12'. No mica was found.

Daily Notes:

Sept. 1 - 9 : Drilled, shot and mucked as drift continued. Vein pinched slightly, no mica showing.

Sept. 12-16 : Continued with drift, drilling and shooting in hard material, vein material becoming smaller.

Sept. 19-23 : Drift continued to look less hopeful, and field team suggested a cross-cut at about 63'. Drilled and shot, then mucked, as we began crosscut.

Sept. 26-30 Completed 12' of crosscutting on either side of drift, with no promising results. No mica encountered. Work on contract completed on September 30.

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

September 30, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: DMEA-3611, Idm-E785 (mica) John Phillips & Jim McKinney, Jr.
Little Hawk Mine, Avery County, N. C.

Attached is the latest interim report on the subject project.

We approve the examiners' recommendations, and request permission to prepare an amendment authorizing addition of the words "pegmatite" in the first sentence under Stage II, and after the word "drift" in the fixed unit costs under Stage II.

The field examiners authorized this work verbally, before it was begun, in order to avoid a long delay, and this should be formally approved by the amendment.

Action
10-5-55
J.M.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RAL/sm
c :
Lynch, Shirley-Files

V. J. Lynch, Member
Bureau of Mines

INTERIM REPORT

DMEA-3611, Idm-5785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Hanson Creek, 3.8 airline miles N62°W of Flumtree, N. C.

Drifting has been underway on this contract, but due to the recent absence of pegmatite in the heading, no additional advance in the present direction is recommended. Sixty-three feet of level work was completed to the southwest and followed pegmatite for 57 feet; the remaining 6 feet was driven along the zone in country rock in an effort to pick up the body. Twelve feet of drift and/or crosscut remains to be driven under contract. The operator was advised to start a crosscut into the footwall and to drive test holes in both walls for exploration purposes. Progress on this contract has been satisfactory.

Mr. V. J. Lynch, Bureau Member of the Field Team, Region V, accompanied the Field Examiners on this visit to the mine.

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

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

September 20, 1955

OCT 13 1955

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

Subject: Docket No. DMRA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine
Avery County, North Carolina
Contract No. Idm-2785

Dear Mr. Laurence:

This is with reference to the Field Team memorandum of September 30, 1955, in which you state "We approve the examiners' recommendations, and request permission to prepare an amendment authorizing addition of the words 'pegmatite' in the first sentence under Stage II, and after the word 'drift' in the fixed unit costs under Stage II".

The contract states in the first sentence under Stage II, "Drive 75 feet of drift on the pegmatite from the winze", and under Fixed Unit Costs, Stage II, "Drive 75 feet of drift @ $95.00/ft." Since the word pegmatite is already in the sentence under the narrative Stage II, and the reason for adding the word pegmatite after the word drift under Fixed Unit Costs, Stage II, is not clear, we are unable to understand the proposed changes. Therefore, please clarify this matter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

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

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SEP 1 6 1955

INTERIM REPORT

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, North Carolina

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, North Carolina

Drifting continues to the west on this contract, and is now at 40 feet. Level work was stopped at a point 25 feet from the shaft, and a +30° incline has been driven for 15 feet. This inclined raise intercepted pegmatite, which has gradually thickened and is now about 3 feet thick in the present face. The body is composed of feldspar, quartz, and medium-sized blocks of good quality muscovite mica. The mica is flat and clear of stain, and ruling was the worst defect observed. The operator was advised to continue the drift from this point on a level. Progress on this contract is satisfactory.

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

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

SEP 6 1955
~~August~~ 6, 1955

Form 14F-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 18

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED SEP - 9 1955

Month of August 1955 Docket No. DMEA 3611 Contract No. Icn-E 785
Operator's Name John Phillips and Jim McKinney, Jr. Minerals Mica
Address c/o John Phillips, Spruce Pine, N. C.
Contract Amount, $ 5340.00 Government Participation: 75 % Amount, $ 4005.00

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						
33' Drifting 035.00 ft.	1330.00		1330.00			
Winze		2025.00	2025.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Hoisting Station		200.00	200.00			
Powder & Exploder Magazines		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	1330.00	2490.00	3820.00	1330.00	2490.00	3820.00

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

Date 9-1-55 *Payee John Phillips & Jim McKinney, Jr.

Per John Phillips 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:

$ 997.50

Signature Helen R. Muller
(Authorized Certifying Officer)

Date SEP 7 1955 Vou. No. 44
(See other side)

332.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdmE-785 in accordance with the terms of the contract.

Signature Henry N. Cairos Title Geologist-USGS Date Sept. 6, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawson Title EXECUTIVE OFFICER DMEA REGION V Date SEP 6 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 August 1955 Docket No. DMEA 3611 Contract No. Idn-E 785

Operator's Name John Phillips & Jim McKinney, Jr. Minerals Mica

Address c/o John Phillips, Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
38' Drifting @ 35.00	Ft.	1330.00	38	1330.00	38	35.00	75	35.00
Crosscutting								
Raising								
Shafts								
Winzes				2025.00	45	45.00	50	45.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1330.00		3355.00				Total Costs Authorized by Contract
Hoisting Station				200.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				150.00				
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Magazines				40.00				
Total Costs		1330.00		3820.00				

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

Remarks:

Date 9-1-55 Operator John Phillips & Jim McKinney, Jr.

Per John Phillips 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)

(For Government use only) Henry H. Cairns
Geologist, USGS
Sept. 6, 1955

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

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SEP - 1 1955

OPERATOR'S

MONTHLY PROGRESS REPORT

August, 1955

DMEA-3611

Idm-E 785

Work Accomplished:

We have completed 38' of drift during August, and have made good progress. At about 20' in the drift, the vein was pinching down to about 6" and the field team suggested that we gradually go upward with the drift. We have followed this suggestion, and the vein is now coming back in, and has a few small pieces of mica in it.

Daily Notes:

August 1 - 5: At suggestion of field team, we left the winze at the 45' level and began drifting North. Drilled, shot, and mucked. In slate and hard material.

August 8 -12: Drilled, shot and mucked. Material much the same, vein narrowing.

August 15 -19: Continued with drift, and began to go upward very gradually, at suggestion of field team. Drilled, shot and mucked.

August 22-26: Vein is beginning to come back in, and a few small pieces of mica show in the vein. Drilled, shot and mucked.

August 29-31: Reached 38' in the drift, with vein material looking better. Repeated drilling, shooting and mucking operations. Four men working full time.

RECEIVED
SEP - 7 1955

INTERIM REPORT

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, N. C.

Drifting continues on this contract and has advanced to 25 feet in a S80°W direction. A narrow pegmatite has been followed which is primarily feldspathic and contains occasional small blocks of mica. The present face shows about 12 inches of pegmatite near the roof area which is underlain by biotite gneiss to the floor. The operator was advised to begin inclining up from this face at an angle of +30° for at least a distance of 15 feet, in an effort to intercept a thicker portion of the mica-bearing pegmatite. Another visit will be made in the near future to ascertain if additional exploration is warranted. Progress on this contract is satisfactory.

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

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

August 23, 1955

INTERIM REPORT

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, N. C.

Winze sinking has been completed to a total depth of 42 feet, and drifting is now underway to the southwest, with a total advance of 6 feet. Pegmatite in the present heading is about 3 feet in thickness, and is composed of feldspar, quartz, partially altered biotite and scattered blocks of badly ruled but clear muscovite mica. Drifting will continue in the present direction until another visit can be made.

The operator was advised to provide safe ladder ways in the winze as soon as possible. Progress on this contract is satisfactory.

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

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

August 9, 1955

-104 (Rev.)
ril 195[illegible])

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

9

Month of July, 1955 Docket No. DMEA 3611 Contract No. Idm-E 735
Operator's Name John Phillips & Jim McKinney, Jr. Minerals Mica
Address c/o John Phillips, Spruce Pine, N. C.
Contract Amount, $ 5340.00 Government Participation: 75 % Amount, $ 4005.00

RECEIVED
AUG - 8 1955

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
20' Winze @ 45.00 ft.	900.00	1125.00	2025.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Hoisting Station		200.00	200.00			
Powder & Exploder Magazines		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	900.00	1590.00	2490.00	900.00	1,590.00	2,490.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-1-55 *Payee John Phillips & Jim McKinney, Jr.
Per John Phillips 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:

$ 675.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 4 1955 Vou. No.
(See other side)

225.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E785 in accordance with the terms of the contract.

Signature Kelton H. Teague Title Geologist, U.S.G.S. Date 8/3/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 3 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.

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(1 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 8 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA 3611 Contract No. Idn-E785
Operator's Name John Phillips & Jim McKinney, Jr. Minerals Mica
Address c/o John Phillips, Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
20' Winzes @ 45.00	Ft.	900.00	20	2025.00	45	45.00	50	45.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		900.00		2025.00				Total Costs Authorized by Contract
Hoisting Station				200.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				150.00				
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Magazines				40.00				
Total Costs		900.00		2490.00				

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

Remarks:

Date 8-1-55 Operator John Phillips & Jim McKinney, Jr.

Per John H. Phillips 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)

(For Government use only) Keyton H. Teague, Geologist

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
AUG - 8 1955

OPERATOR'S

Monthly Report of Progress

July,1955

DMEA-3611

Idm-E 735

Work Accomplished:

We have completed an additional 20' of winze, and still have some vein in the shaft. The vein is dipping slightly, and we are going to have to change the shaft to stay with the vein. At the 30' depth, we recovered about 50# of fair quality mica.

Daily Notes:

July 1 -	:	Drilled and shot, then mucked.
July 4 - 8	:	Continued down with winze; encountering a small amount of mica. Recovered about 50# of fair quality mica.
July 11-15	:	Drilled and shot, then mucked. Some vein in shaft, vein beginning to dip slightly.
July 18-22	:	Continued with winze, material remaining much the same. Drilled, shot and mucked.
July 25-29	:	Completed 20' during month, repeating same operations of drilling, shooting and mucking.

RECEIVED
AUG - 8 1955

RECEIVED
JUL 25 1955

INTERIM REPORT

DMEA-3611 Idm-E785 (mica) LITTLE HAWK MINE

OPERATOR: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

LOCATION: On the southeast side of Hawk Mountain, at the head of Henson Creek, 3.8 airline miles N62°W of Plumtree, N. C.

Winze sinking continues on this contract and is now at 23 feet. The winze bottom was not examined because it contained 2 feet of water, but pegmatite has been encountered and was visible from the opening. Only a few pieces of excellent quality mica has been produced to date, but recent contact with the operator discloses substantial production.

Progress has been hampered recently by installation of an electric powered hoist. A small air hoist had been used previously and was unsatisfactory.

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

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

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

July 13, 1955

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

Budget Bureau No. 42-R1036.5

RECEIVED
JUL 11 1955

ED ON VOUCHER & SCHEDULE
OF PAYMENTS K-

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1955 Docket No. DMEA 3611 Contract No. Idm-E 785
Operator's Name John Phillips & Jim McKinney, Jr. Minerals Mica
Address c/o John Phillips, Spruce Pine, N. C.
Contract Amount, $ 5340.00 Government Participation: 75 % Amount, $ 4005.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
20' Winze @ $45.00	900.00	225.00	1125.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Hoisting Station		200.00	200.00			
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	900.00	690.00	1590.00	900.00	690.00	1590.00

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

Date 7-1-55 *Payee John Phillips & Jim McKinney, Jr.

Per John Phillips 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:

$ 675.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 7-7-55 Vou. No.
(See other side)

2

225.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E785 in accordance with the terms of the contract.

Signature Kirtom H. Teague Title Geologist, U.S.G.S. Date 7/5/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lauren Title EXECUTIVE OFFICER DMEA REGION V Date JUL 6 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1955 Docket No. DMEA 3611 Contract No. Idm-E 785
Operator's Name John Phillips and Jim McKinney, Jr. Minerals Mica
Address c/o John Phillips, Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
20' Winzes @ 45.00	Ft.	900.00	20	1125.00	25	45.00	50	45.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		900.00		1125.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Hoisting Station				200.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				150.00				
New Buildings, Improvements, etc.				75.00				
				40.00				
TOTAL COSTS		900.00		1590.00				

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

REMARKS:

Date 7-1-55 Operator John Phillips & Jim McKinney, Jr.

Per John Phillips 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)

(For Government use only)

Kepton H. Teague
Geologist

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

June, 1955

DMEA-3611

Idm-E 785

Work Accomplished:

We have completed 20' of winze during the month, and have been using a sump pump to keep the water out. At the 22' depth, we contacted vein with a little scrap mica in it. We now have about three feet of vein in our shaft.

Daily Notes:

June 1 - 3 : Three men working full time. Pumped water, drilled, shot and mucked. Shaft in slate and hard material.

June 6 -10 : Continued down with shaft, still in slate. Repeated drilling, shooting and mucking operations. No vein encountered.

June 13-17 : Pumped water, drilled, shot and mucked. Shaft still in slate.

June 20-24 : Continued to make satisfactory progress, still in hard material. Pumped water, drilled, shot and mucked.

June 27-30: At 22' depth, contacted vein material which has a little scrap mica in it. Material looks more promising. Completed 25' of shaft in all.

RECEIVED
JUL - 5 1955

INTERIM REPORT

DMEA-3611, Idm-E785, (mica) LITTLE HAWK MINE

Operator: John Phillips and Jim KcKinney, Jr. Spruce Pine, N. C.

Location: 3.8 airline miles N. 62° W. of Plumtree, Mitchell County, N. C., on the southeast side of Hawk Mountain at the head of Henson Creek.

Winze sinking continues on this contract and now totals 19 feet. The present bottom is in hornblende gneiss whose foliation strikes N. 70° E. and dips 45° SE. Drill holes have encountered the pegmatite 3 feet below the present bottom.

The work completed to date is satisfactory.

Date of Exam: June 28, 1955

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

INTERIM REPORT

RECEIVED
JUN 23 1955

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

Operator: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

Location: 3.8 airline miles N. 62° W. of Plumtree, Mitchell County, N. C., on the southeast side of Hawk Mountain at the head of Henson Creek.

Winze sinking continues on this contract and now totals 14 feet. Material encountered to date is hornblende gneiss.

The Operator has installed a power generator.

Progress and the work completed to date are satisfactory.

Date of Examination: June 15, 1955

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

L. E. Shirley and J. F. O'Neill, Mining Engineers
U. S. Bureau of Mines

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID VOUCHER & SCHEDULE OF PAYMENTS RECEIVED
66
JUN - 9 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1955 Docket No. DMEA 3611 Contract No. 735
Operator's Name John Phillips & Jim McKinney, Jr. Minerals Mica
Address c/o John Phillips, Spruce Pine, N. C.
Contract Amount, $ 5340.00 Government Participation: 75 % Amount, $ 4005.00

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						
5' Mine @ 45.00 ft.	225.00	—	225.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	150.00	—	150.00			
(5) Initial Rehabilitation and Repairs	75.00	—	75.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Existing Station	200.00	—	200.00			
Powder & Exploder Magazines	40.00	—	40.00			
(8) Contingencies (specify):						
TOTALS	690.00	—	690.00	690.00		690.00

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

Date 6-7-55 *Payee John Phillips & Jim McKinney, Jr.

Per John Phillips 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:

$ 517.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 6-7-55 Vou. No.
(See other side)

172-50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdmE-785 in accordance with the terms of the contract.

Signature Henry H. Amos Title Geologist-USGS Date June 6, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date JUN 6 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

RECEIVED
JUN - 9 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1955 Docket No. DMEA 3611 Contract No. IMT- 735
Operator's Name John Phillips & Jim McKinney, Jr. Minerals Mica
Address c/o John Phillips, Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
5' Winzes @ 45.00	Ft.	225.00	5	225.00	5	45.00	50	45.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		225.00		225.00				Total Costs Authorized by Contract
Hoisting Station		200.00		200.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		150.00		150.00				
New Buildings, Improvements, etc.		75.00		75.00				
Powder & Exploder Magazines		40.00		40.00				
Total Costs		690.00		690.00				

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

Date 6-2-55 Operator John Phillips & Jim McKinney, Jr.

Per John Phillips 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)

Henry H. Amos
Geologist, USGS
June 6, 1955

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 Report of Progress

May, 1955

DMEA-3611

Idm-E785

Work Accomplished:

We have rehabilitated the old adit, completed hoisting station, tool house, powder and exploder magazines. We began to sink the winze and are down 5'. We are now in slate and hard material.

Daily Notes:

May 2 - 6: Began work cleaning out muck and widening old adit. Three men working full time.

May 9 -13: Continued rehabilitation work on adit, and prepared hoisting station according to contract. Timbered and widened adit, as necessary.

May 16-20: Constructed Powder and exploder magazines and toolhouse.

May 23-31: Completed all work necessary to begin sinking winze, and moved in necessary equipment. Began drilling and shooting in slate, and have lowered winze 5'.

RECEIVED
JUN - 9 1955

INTERIM REPORT

DMEA-3611, Idm-E785 (mica) LITTLE HAWK MINE

Operator: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

Location: 3.8 airline miles N. 62° W. of Plumtree, Mitchell County, N.C., on the southeast side of Hawk Mountain at the head of Henson Creek.

Rehabilitation of Adit No. 6, and establishment of a hoisting station has been completed. Winze sinking has begun and now totals 5 feet. Work is temporarily suspended while a power line is being installed.

Progress and the work completed to date is satisfactory.

Date of Examination: June 1, 1955

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

RECEIVED
JUN - 9 1955

INTERIM REPORT

DMEA-3575, Idm-E776 (mica) S. D. McKINNEY PROSPECT

Operator: John Phillips, Spruce Pine, North Carolina

Location: 200 feet north of South Toe River, and 0.8 miles N. 70° E. of Micaville, Yancey County, N. C.

Shaft sinking continues on this contract and now totals 49 feet. A second thin pegmatite about 12 inches thick containing some mica has been exposed. The layering and foliation of the enclosing biotite gneiss strikes about N. 25° E. and dips 65° S. E. Considerable water is being encountered.

Progress on the contract is satisfactory.

Date of Examination: June 3, 1955

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

Minerals Administration
RECEIVED

INTERIM REPORT
DMEA-3611, Idm-E785, LITTLE HAWK MINE

Operators: John Phillips and Jim McKinney, Jr., Spruce Pine, N. C.

Location: 3.8 airline miles N. 62° W. of Plumtree, Mitchell County, N. C. on the southeast side of Hawk Mountain at the head of Henson Creek.

Work under the contract at the subject mine began May 9, 1955. A toolhouse, powder magazine and exploder magazine have been constructed. Rehabilitation of Adit No. 6 is now underway and is about three-fourths completed. Some timbering and widening remains to be done. Instructions were given for establishing a hoisting station.

Work completed to date is satisfactory.

Date of Examination: May 18, 1955.

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

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APR 21 1955

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

Subject: Docket No. DMEA-3611 - Mine
John Phillips and Jim McKinney, Jr.
Little Rock Mine
Avery County, North Carolina

Dear Mr. Laurence:

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

If the contract meets with your approval insert the time for starting and completing the work in Article 3 of the contract and 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 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 E.L. Bennett of the Geological Survey, dated February 18, 1955, and April 4, 1955, and from W. F. Dietrich of the Bureau of Mines, dated February 24, 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

JHopkins:ad 4/18/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 12

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 5 1955

April 4, 1955

Re: DMEA-3611
Phillips & McKinney
(Little Hawk Prospect)
Mitchell Co., N. C.
$5,338 - Mica

Memorandum

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

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

Subject: Review of Field Team report

The Field Team has recommended that DMEA assistance be limited to the Little Hawk mine. It is their opinion that exploration of the mine is more advantageous and will permit subsequent work on the prospect which can be done at the operator's expense.

I concur with the Field Team's conclusions, and recommend a contract be limited to the Little Hawk mine.

E. L. Newcomb

ELNewcomb:hlm
G-4/4/55

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

600

MAR 2 1 1955

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

Subject: Docket No. DMEA-9611 - Mica
John Phillips and Jim McKinney, Jr.
Little Rock Mine and Little
Rock Prospect
Avery County, North Carolina

Dear Mr. Lawrence:

Reference is made to the Field Team's examination report dated February 2, 1955, on the Little Rock Mine in which it was stated that the Little Rock Prospect could not be examined because of snow but it would be examined at the first opportunity.

We are deferring action on this application until we receive the complete report. Kindly advise when we may expect it.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:
J. H. Hedges
Director, Bureau of Mines

Thor H. Kiilsgaard
Director, Geological Survey

JHopkins:ad 3/16/55
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.

February 24, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3611 (mica)

Applicant: Phillips & McKinney

Name and Location of Property: Little Hawk (Little Hawk Ridge) Mine
Mitchell County, North Carolina

Date of Field Team Report: February 11, 1955

Date Rec'd. by Br. of Ceram. & Fert. Mat.: February 17, 1955

Field Team Recommendation:

1. Approval of contract.

Comments:

1. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

2. Total estimated costs are in the amount of $5,338.

Recommendation:

I concur in the field team's recommendation for an exploration project in the amount of $5,338.

SIGNED

W. F. Dietrich

IN REPLY REFER TO:

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

February 18, 1955

Re: DMEA-3611
Phillips & McKinney
(Little Hawk Mine)
Mitchell Co., N. C.
$5,338 - Mica

Memorandum

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

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

Subject: Review of Field Examination report

The Field Team has proposed the following exploration project be approved:

1) 50-foot winze.
2) 75 feet of drifting.

The old workings, which consist of 6 adit levels, have produced substantial amounts of mica. The development of these adits has indicated that the pegmatite body rakes about 60° to the northeast. The average thickness of the pegmatite is about 6 feet and the length of the body appears to increase with depth. The deposit is unzoned, but mica is reported to be concentrated mainly in the hanging wall. The good quality and the large size of the individual mica books indicate that further exploration downdip is warranted.

The location of the property line requires exploration to be done by sinking from the no. 6 adit. If the line were farther east, a lower adit level would be a better approach to exploration. Under the circumstances, the Field Team's proposal is an acceptable method to explore below the no. 6 level.

I recommend the proposed project be approved.

E. L. Newcomb

Copy to: DMEA (3)

To: Files

From: James Hopkins

Subject: Evaluation of application and field examination report

Docket No DMEA-3611 Mica

Little Hawk or Little Hawk Ridge Mine

John Phillips and Tim McCraney

Mitchell County, North Carolina

DU 7-6333

Mica:

The mica is hard, flat, clear ruby-colored and of strategic quality. Some books are cracked and a few contain reeves. Many of the exposed mica books exceed 8 inches across. Most of the mica occurs in the hanging wall half of the pegmatite.

No reports or maps are available

Pegmatite:

It is emplaced conformably in hornblende gneiss. It trends N 55° E and dips 45°-60° SE. It appears to rake at about 60° to the Northeast.

No zoning is apparent. Minerals in order of abundance are plagioclase, quartz, perthite, muscovite and red garnet.

It is tabular sill-like - approximately 200 feet long and average thickness is 6 feet. Apparently it increases in length down dip. Lower Adit (5) exposes a length of over twice that of Upper Adit (1) through a length of 200 feet.

Old Workings:

Six adits have been driven into hillside. The lowest is at an elevation of 4275 and the highest at 4416 feet. All mineable pegmatite above 4275 has been mined. No. 5 Adit is 200 feet long to the end of pegmatite. No 6 Adit is 90 feet long in the hanging wall. At points 75 and 85 feet from portal short crosscuts have been driven to intersect the pegmatite. A stope of unknown size between Adits 5 and is filled with muck.

Apparently only adits 5 and 6 are accessible.

Rough sketch of map shows the following footage of drifts

No 6 —	90 feet
5 —	200 "
4 —	160 "
3 —	120 "
2 —	100 "
1 —	160 "
Short drift —	20
Total	850 feet

There is no information on stopes or mine.

Method of Exploration.

It is recommended by the Field Team that a 50-foot winze be sunk on the pegmatite in Adit No 6. This procedure is considered very sound and the most economical

Economics:

Mica in the value of $50,000.00 is reported to have been produced in the upper workings. No data on tonnage is given.

Value per foot of development appears to exceed $40.00

Relation of rehabilitation costs to total project is $150.00 to $5,338.00

Recommendations:

The proposed projects appears to be very sound and justifiable in view of the size of pegmatite in the lower levels and the mica recovered in upper workings. Deeper exploration is warranted and recommended.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

February 11, 1955

Memorandum

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

From: Field Team, DMEA - Region V - Knoxville, Tenn.

Subject: Field Team Report on DMEA-3611, Phillips & McKinney, Applicants

Transmitted are 4 copies of the subject report with six extra copies of the map attached. The Field Team concurs with the recommendations set forth in the subject report.

Wm. A. Beck, Acting

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

ZM

cc:
Lynch
Shirley
Files

Bureau of the Mines
Lands Mines Administration
Received
FEB 14 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

ON

DMEA-3611, LITTLE HAWK or LITTLE HAWK RIDGE MINE
(mica) Mitchell County, N. C.

By

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

February 2, 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
ON

Defense Minerals Administration
RECEIVED
FEB 14 1955

DMEA-3611, LITTLE HAWK or LITTLE HAWK RIDGE MINE (mica)

Applicant: John Phillips and Jim McKinney, Jr. c/o John Phillips, Spruce Pine, North Carolina

Although no reports or maps are available on the deposit, it has been extensively worked and undoubtly has been a large producer. Apparently all mineable pegmatite above the 4275-foot level has been removed. Any future production must come from a lower level. Size of pegmatite, mineral association and quality of mica suggests that this deposit offers good possibilities for the discovery of a worthwhile deposit of strategic mica.

The deposit was examined on February 2, 1955. Messrs. John Phillips, Jim McKinney, Jr., and Mr. Dillinger accompanied the examiners on the inspection which required two hours. At the time the mine was examined the ground was covered with about 8 inches of snow, thus no attempt was made to examine the Little Hawk prospect. This prospect will be examined at the first opportunity.

The Little Hawk Mine is on the southeast side of Hawk Mountain, at the head of Henson Creek, in Mitchell County near the Mitchell-Avery county line 3.8 airline miles N. 62° W. of Flumtree, North Carolina. The mine is at an elevation between 4275 and 4400 feet. Access is possible at most times by jeep.

Both applicants have had mica mining experience and are competent to conduct the proposed work. Area covered by their lease is adequate for the proposed work.

There are no surface facilities on the property. A jeep road, in good condition, extends to the mine. A toolhouse and magazines will be needed.

Six adits have been driven southwestward into the hillside. The lowest adit is at an elevation of about 4275 feet and the highest at 4416 feet. Information available indicates that all mineable pegmatite has been removed between the upper and lower levels. The adits are numbered from upper to lower, with adits Nos. 5 and 6 being accessible. Adit No. 5 is approximately 200 feet long and extends southwestward to the end of the pegmatite. Adit No. 6 is 90 feet in length and is in the hanging wall. At points 75 and 85 feet from the portal short crosscuts have been driven northward which intersected pegmatite. A stope of unknown size and shape between Adits 5 and 6 is filled with muck.

pegmatite at this deposit is a tabular sill-like body whose exposed length is approximately 200 feet and whose average thickness is 6 feet. It has been mined down dip for a distance of approximately 250 feet. Apparently the length of the pegmatite increases down dip, as adit No. 5 exposes a pegmatite length about twice that worked in adit 1.

The pegmatite is emplaced conformable in hornblende gneiss. Mica schist occurs along both contacts. This band of mica schist ranges in thickness from 1 to 3 inches. The pegmatite trends from N. 55° E to almost due east and dips 45-60° SE. It appears to rake at about 60° for the N.E. as evidenced by the southwest end of the pegmatite in adit 5, and by numerous minor rolls exposed in the stope above Adit 5.

Minerals observed in the pegmatite include, in order of abundance, plagioclase, quartz, perthite, muscovite, and scattered red garnet. No zoning is apparent, although more mica is exposed in the hanging wall half of the pegmatite. The pegmatite is coarse and many of the exposed mica books are larger than 8 inches in diameter.

The mica is hard, flat, clear, ruby-colored, and of strategic quality. Some of the books are somewhat cracked and a few contain reeves.

There is little information available as to the past history of this mine. It is reported to have been worked before World war II and during World War II is supposed to have produced about $50,000 worth of mica. The microfilm records of purchases of the Colonial Mica Corporation do not show the Little Hawk Mine, although there is no question about its having been operated and having been a large producer.

The examiners believe that the deposit merits exploration. There is good reason to believe that additional mica-bearing pegmatite occurs below Adit No. 6. To explore this down-dip extension of the pegmatite the following program of exploration is recommended:

1. Construct boolhouse and magazines.

2. Rehabilitate 75 feet of Adit No. 6. This will involve cleaning out accumulated muck at the portal and on the floor, widening at two places, timbering where necessary and installation of track.

3. Establish hoisting station for winze. This will involve enlarging a 5' x 5' adit to provide a room 10' x 10' x 8'.

4. Sink 50-foot 5' x 7' winze. The winze will be collared in the hanging wall and will intercept the pegmatite about 15 feet below the collar. After the pegmatite is intersected, the winze will be sunk in pegmatite. By beginning the winze in the hanging

wall, sufficient undisturbed pegmatite will be left in place to support the mask in the stope between Adits 5 and 6.

5. Drive 75 feet of drift on the pegmatite from the winze.

Estimated Costs:

Toolhouse	$75.00
Powder Magazine	25.00
Exploder "	13.00
Rehibilitate 75 feet of Adit No. 6.....	150.00
Establish hoisting station 10' x 10' x 8'	200.00

Sink 50-foot, 5' x 7' winze (30 shifts)

Labor:		
1 - miner @ $1.50/hr.	$360.00	
1 - hoistman @ $1.25/hr	300.00	
1 - laborer @ $1.00/hr.	240.00	
Equipment (rental)		
Compressor, drill & pump @ $240/Mo.	360.00	
Hoist @ $50/Mo.	75.00	
Supplies:		
Explosives	150.00	
Gasoline and oil	100.00	
Drill steel	100.00	
Timber, 2000 b.f. @ $65/M	130.00	
Small tools and pipe	175.00	
Miscellaneous	125.00	
Social Security and Insurance	135.00	$2,250.00

Drive 75 feet of drift on pegmatite (30 shifts)

Labor:	
1 - miner @ $1.50/hr.	360.00
1 - hoistman @ $1.25/hr.	300.00
2 - Laborers @ $1.00/hr.	480.00
Equipment(rental)	
Compressor, drill, pump, and jackleg @ $250/Mo.	375.00
Hoist @ $50/Mo.	75.00

Supplies

Explosives	$250.00	
Gasoline and oil	175.00	
Drill steel	125.00	
Small tools and pipe	175.00	
Miscellaneous	160.00	
Insurance and Social Security	150.00	$2,625.00
Estimated Total cost.....		$5,338.00

February 2, 1955

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

600

JAN 1 [illegible]

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3611 - Mica
John Phillips and Jim McKinney, Jr.
Little Hawk Mine & Little Hawk
Prospect
Avery County, North Carolina

Dear Mr. Phillips:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 19, 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 1/13/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Killegaard, 5322
Mr. Dietrich, 3061
Mr. Houk

600

JAN 17 1955

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

Subject: Docket No. DMEA-3611 - Miss John Phillips and Jim McKinney, Jr.
Little Hawk Mine &
Little Hawk Prospect
Avery County, North Carolina

Dear Mr. Lawrence:

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

Copies of memoranda from the Geological Survey, dated December 28, 1954, and from the Bureau of Mines, dated January 11, 1955, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 4

JHopkins:ad 1/13/55
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.

DEPARTMENT OF THE
Defense Minerals Admin.
RECEIVED
JAN 11 1955

January 11, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3611 (mica)

Applicant: John and Jim Phillips

Name and Location of Property: Little Hawk Mine and
Little Hawk Prospect
Avery County, North Carolina

Date Application Rec'd. by Br. of Ceram. & Fert. Mat.: Dec. 22, 1954

Comments:

1. From information presented, it is difficult to determine if an exploration project is justified on one site or on both.

2. Proposed exploration is in line with other DMEA projects.

3. If both sites warrant exploration, one should be worked and completed before second plan is begun.

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:

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

Defense Minerals Administration
RECEIVED
DEC 29 1954

December 28, 1954

Re: DMEA-3611
J. Phillips & J. McKinney, Jr.
(Little Hawk Mine & Prospect)
Avery Co., N. C.
$13,100 - Mica

Memorandum

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

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

Subject: Review of application

The applicant has proposed two projects for the Little Hawk property.

Little Hawk mine--
1) Drive 100 foot incline under old workings.
2) Crosscut 60 feet in pegmatite.

Little Hawk prospect--
1) Bulldoze 100 foot trench.
2) Sink 60 foot shaft.
3) Drift 100 feet in pegmatite

We do not have any available data on this property in our files.

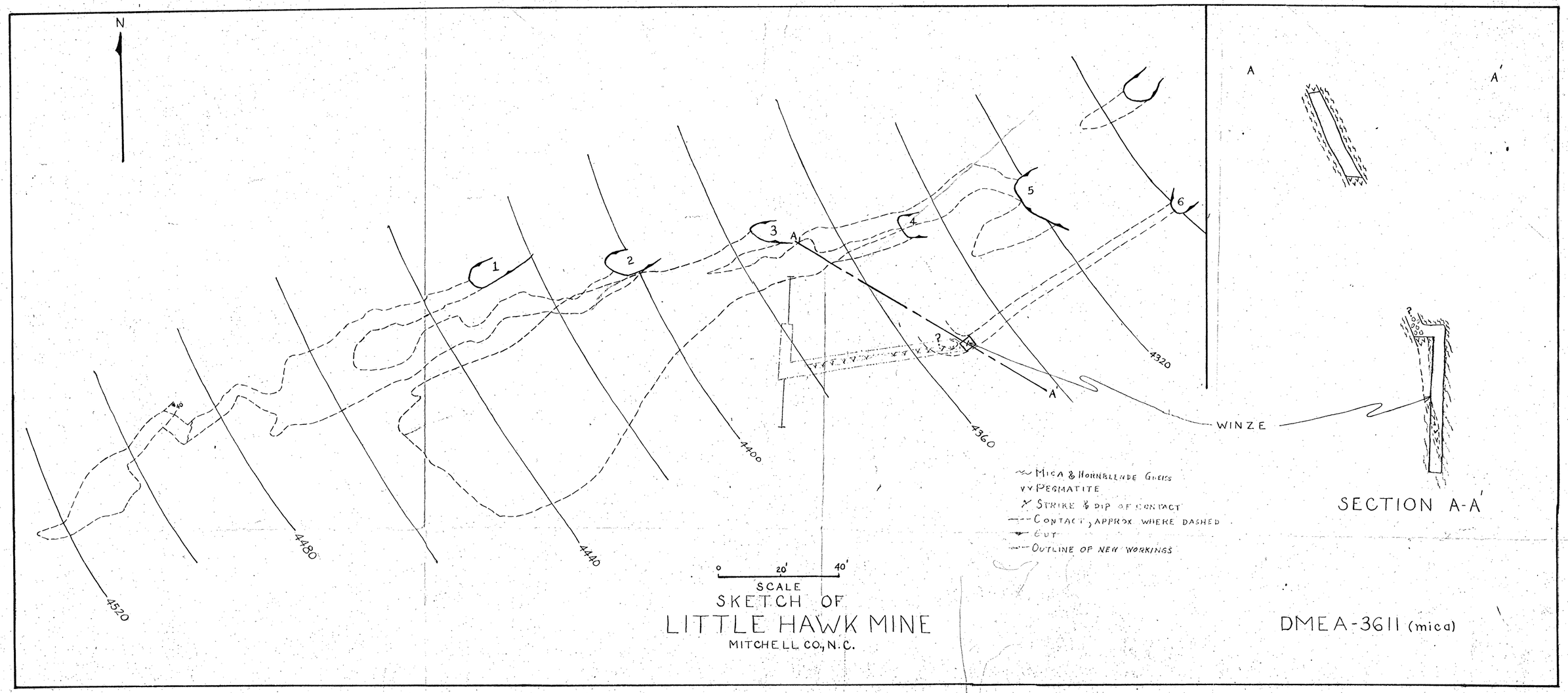
A staged project would be required for the Little Hawk prospect. The geologic merit of either of these projects cannot be determined from the application material.

I recommend the application be referred to the Field Team for their review and recommendations. An on-site examination probably will be required.

ELNewcomb:edf

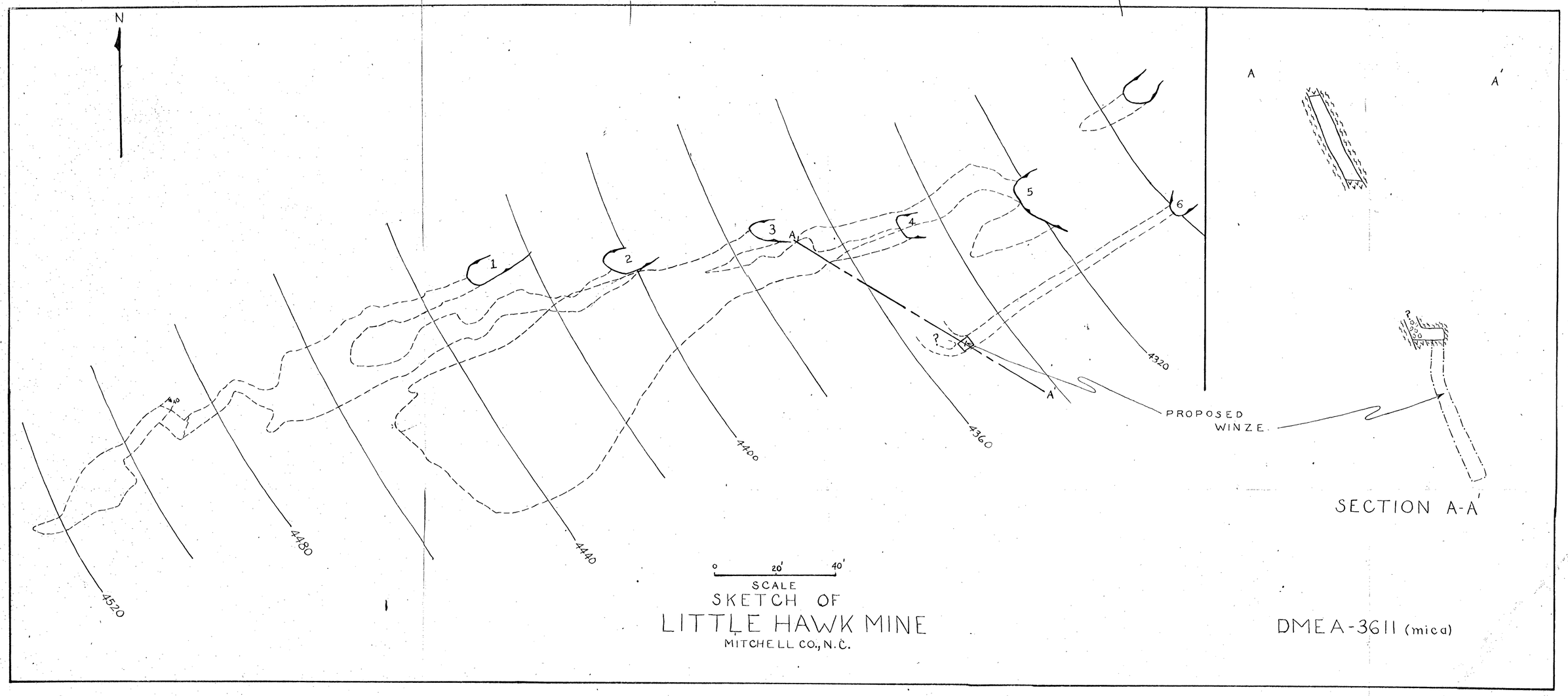
E. L. Newcomb

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



SKETCH OF
LITTLE HAWK MINE
MITCHELL CO, N.C.

DMEA-3611 (mica)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PROPOSED WINZE
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SKETCH OF
LITTLE HAWK MINE
MITCHELL CO., N.C.
DMEA-3611 (mica)