☑ Audited 8/25/55

☐ Certified

Name McKinney + Young

State No. Car.

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 8/19/55

Incl. Voucher for July 55

Commodity Mica.

☐ Actual Cost

☑ Agreed Unit Cost

Docket No. 3619

Idm-E No. 773

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting Amend. #1	61.5 Ft	1845.00	59	1770.00	1770.00
Raising					
Shafts Amend. #1	54 ~~95~~	2,430.00 ~~4,275.00~~	54	2,430.00	2,430.00
Winzes					
Drilling (Specify)					
Surface Excavation		200.00		200.00	200.00
Underground Excavation					
Roads and Trails		100.00		100.00	100.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		113.00		113.00	113.00
Other (Specify)					
Totals		4,688.00		4613.00	4,613.00

Prepared by Walter C. Carlson

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Howard McKinney and Ralph Young

Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-E773, Docket No. DMEA-3619, including Amendment No. 1, for the months of March 1955 to July 1955, inclusive, covering a project for the exploration of mica on property, known as the Woody Hill 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 for units of work actually performed.

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

Total cost as billed by Contractor		$4,613.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$4,613.00

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 four hundred fifty-nine and 75/100 Dollars

$3,459.75

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

E. D. Talbert

E. D. Talbert, Auditor

August 25, 1955

DIVISION COPY

EXPLORATION PROJECT CONTRACT
McKINNEY & YOUNG
DMEA-3619, Idm-E773

RECEIVED
JUN 22

AMENDMENT No. I

It is agreed this 31st day of May 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the partnership of Howard McKinney and Ralph Young, d/b/a McKinney & Young, Bakersville, North Carolina, that contract Idm-E-773 (Docket No. DMEA-3619) dated 15th March, 1955, is hereby amended as follows:

1. Under Exhibit "A", item 3, the first paragraph is amended to read: "Sink a 2-compartment shaft to a maximum depth of 54 feet. The shaft shall be timbered as necessary and shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber. From the shaft, drive not more than 61.5 feet of drifts and/or crosscuts not less than 5 feet by 7 feet in cross-section and timbered where necessary."

2. Under Fixed Unit Costs,
(a) Change "Sinking 95 feet of shaft @ $45/ft. $4,275.00",
to "Sinking 54 feet of shaft @ $45/ft. 2,430.00

3. Add "Driving not more than 61.5 feet of drifts and/or crosscuts @ $30/ft..... " 1,845.00

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total mount which the Government may be required to pay, nor the amount of any item designated as "Allowable maximum."

Justification: As the pegmatite dips at a lower angle than anticipated, and is also offset by minor faulting, it left the shaft, and the most feasible method of exploration is to get under this disturbed zone and then explore by level work. Because of the faulting, it was inpractical to attempt to incline the shaft and follow the pegmatite.

McKINNEY & YOUNG

By Howard McKinney
Howard McKinney, partner

By Ralph Young
Ralph Young, partner

THE UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer, DMEA Field Team
Region V.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1955

Division copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3019

Commodity Mica

Contract No. Idm-E - 773

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

It is agreed this 15th day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Howard McKinney and Ralph Young, partners, d/b/a McKinney and Young, whose mailing address is Dobersville, 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 16, page 25, official records of said County; and

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

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of nice. The work to be performed is described in Exhibit "A." The Operator on or before May 15, 1955 shall commence the work, and on or before 6 mos. from date of contract (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $4,688.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,516.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

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

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

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

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

Pritchard
Hoffland
Aero. Sci. Div.
Anderson
Zbak
Chamberlin
Selfridge

McKinney and Young
(Operator)

By Howard McKinney (Partner)

By Ralph L. Young (Partner)

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
MCKINNEY AND YOUNG
DOCKET NO. DMEA-3619

ANNEX I

The land referred to in Article 2 of the contract form is known as the Woody Hill Mine and was leased for mining purposes to Howard McKinney and Ralph Young for a period of five years, renewable, by E. C. Guy and F. A. Black by an instrument dated December 14, 1953. It is located on the north side of North Carolina Highway No. 26, 1.56 airline miles S9°E of Bakersville, Mitchell County, North Carolina, and is described in the lease as follows:

BEGINNING on a Black Gum on top of a ridge and runs South 33 degrees East 393 feet to a Chestnut in W. M. McKinney's line; thence South 48° east 271 feet with said McKinney's line to a poplar; thence South 378 feet to a stake, E. L. Johnson's (Farley Burleson's corner); thence South 42° West 475 feet with said E. L. Johnson's (Farley Burleson's) line to a stake in the State Highway; thence North 22° West with said road 200 feet to a stake in said road; thence North 65° West 450 feet to a stake in said road; thence North 15° West with the meanders of said State Highway 200 feet to a stake; thence North 35° East with the said road 350 feet to a stake in said road; thence North 5° East with said road 224 feet to a stake in said road; thence North 55½° East with C. E. Greene's line 282 feet to the BEGINNING corner. (Being the Black Gum corner between W. M. McKinney and C. E. Greene) Containing 13½ acres more or less.

EXPLORATION PROJECT CONTRACT
MCKINNEY AND YOUNG
DOCKET NO. DMEA-3619

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the map entitled "Sketch of Woody Hill Mine, Mitchell Co., N. C. DMEA-3619 (mica)," in two successive stages, as follows:

Stage I

By bulldozer method cut two trenches, each 100 feet by 15 feet by 6 feet, along the possible extensions of the pegmatite, one to be northeast and one southwest of the existing workings.

Stage II

Stage II shall be undertaken if approved in advance by the Government, based upon the results of Stage I, as follows:

1. Construct 200 yards of access road, by use of bulldozer.

2. Construct:

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

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

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

The toolhouse may be unfloored; shall be made from rough, 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 or doors shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

3. Sink on the pegmatite a 2-compartment shaft to the bottom of the pegmatite or to a maximum depth of 95 feet. The shaft shall be timbered as necessary and shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs

Bulldozing trenches - 20 hours @ $10/hr.	$ 200.00	
Constructing access road - Bulldozer, 10 hours @ $10/hr.	100.00	
Constructing: Toolhouse 1/	75.00	
Powder magazine 1/	85.00	
Exploder magazine 1/	13.00	
Sinking 95 feet of shaft @ $45/ft.	4,275.00	
Estimated Total Cost of Project		$4,688.00
Government Participation @ 75%		$3,516.00

1/ The completed work constitutes the unit.

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1955
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1955

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, described ~~as follows:~~ 1/ As described in a certain mineral lease executed by F. A. Black & E.C. Guy to Howard McKinney & Ralph Young under date of Dec. I4, I954 as recorded in Register of Deeds office for Mitchell County, North Carolina in Book # I6 Page 25

E.C.Guy Newland,N.C. F.A.Black ~~Black~~; Bakersville,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/ Howard McKinney & Ralph Young, Bakersville, North Carolina a partnership doing business under name of McKinney & Young Bakersville, N. C.

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 production 3/ 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 I6 page 25 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)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 21 195

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 ~~xxxxx~~ None The land referred to in this document is fully described below.

Dated this 30 day of December, 1954.

F. A. Black [Seal] Bakersville, N.C

O. C. Gray [Seal] Newland, N.C

[Seal]

Beginning on a Black Gum on top of ridge and runs South 33 degrees East 393 feet to a Chestnut in W. H. McKinney's line; thence South 48 East 271 feet with said McKinney's line to a C poplar; thence South 378 feet to a stake, E. L. Johnson's (Farley) Burleson's corner); thence South 42° West 475 feet with said E. L. Johnson's (Farley Burleson's) line to a stake in the State Highway; thence North 22° West with said road 200 feet to a stake in said road; thence North 65° West 450 feet to a stake in said road; thence North 15° West with the meanders of said State Highway 200 feet to a stake; thence North 35° East with the said road 350 feet to a stake in said road; thence North 5° East with said road 224 feet to a stake in said road; thence North 55½° East with C. B. Greene's line 282 feet to the Beginning corner (Being the Black Gum corner between W. H. McKinney and O. B. Greene). Containing 13½ acres more or less.

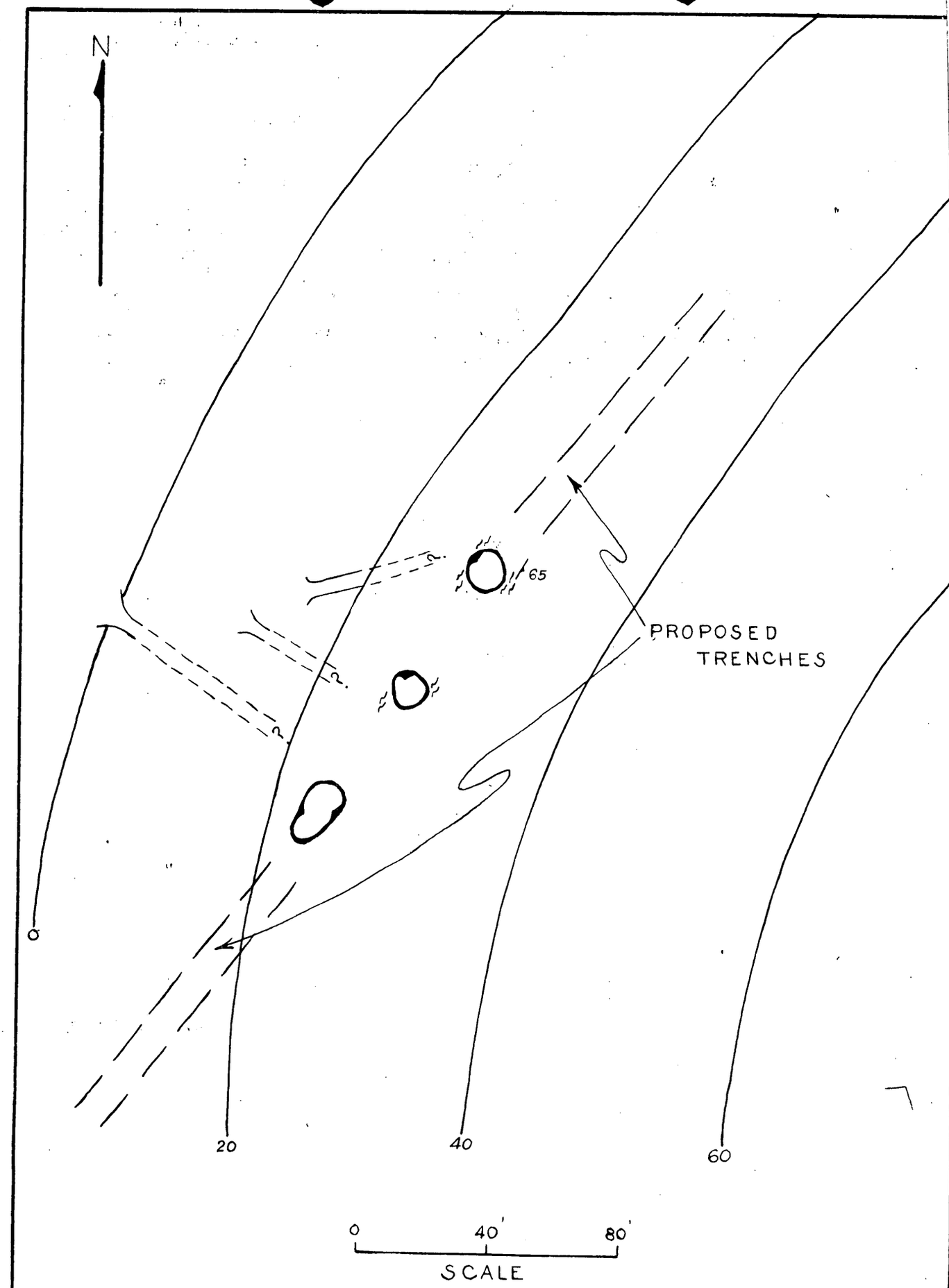
By: F. A. Black
F. A. Black

By: Howard McKinney
Howard McKinney

BY: E. C. Gray
[illegible]

By: Ralph Young
Ralph Young

Interior—Duplicating Section, Washington, D. C. 67039



SKETCH OF
WOODY HILL MINE
MITCHELL CO., N.C.

DMEA-3619 (mica)

Mr. Howard McKinney
P. O. Box 141
Bakersville, North Carolina

Re: Docket No. DMEA-3619-Mica
McKinney and Young
Sandy Hill Mine
Mitchell County, North Carolina
Contract No. 14s-5779

Dear Mr. McKinney:

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

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

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

Sincerely yours,

G. O. Mitchell

Administrator

WCAnderson:ms 3/28/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Killingsard, 5222
Mr. Dietrich, 3061
Mr. Hank
Mr. Anderson
Mr. Y. R. Fink
Mr. E. C. Gay } LAND OWNERS

(600)

Project Summary Report

March 28, 1956

By: Walter C. Anderson

1. Docket No. DMEA-3619-Mica
Contract No. Idm-E773
Woody Hill Mine
Mitchell County, North Carolina

Operators: Howard McKinney and Ralph Young
Bakersville, North Carolina
Application: Form MF-103(April, 1952) received December 27, 1954
Work proposed: Bulldoze to expose pegmatite and 100 feet of shaft.
Amount requested:
$3,900.75
Operators' property rights:
Mining lease for 5 years on the Guy and Black property, dated December 14, 1954.
Owners' Consent to Lien dated December 22, 1954.

2. Contract: Form MF-200A(June, 1954) dated March 15, 1955.
Work Authorized:

Bulldozing trenches - 20 hrs. @ $10.00/hr.	$ 200.00
Bulldozing access road - 10 hrs. @ $10.00/hr.	100.00
Constructing - Toolhouse, powder and exploder magazines	113.00
95 feet of shaft @ $45.00/ft.	4275.00
Estimated total cost of project	$4688.00
Government participation @ 75%	$3516.00

Amendments: No. 1, 5/31/55 - Changes shaft sinking from 95 feet to 54 feet and adds 61.5 feet of drifts and/or crosscuts at $30.00/ft.

Work completed:

Bulldozed road and shaft site	$ 300.00
Constructed toolhouse, powder and exploder magazines	113.00
54 feet of shaft @ $45.00/ft.	2430.00
59 feet of drifts @ $30.00/ft.	1770.00
Total accepted cost	$4613.00
Government participation	$3459.75

Work began on March 25, 1955 and ended July 29, 1955.
Field Team Final Report received on September 15, 1955.
Operators' Final Report received on September 15, 1955.
Production during project - 350 pounds of "mine-run" mica
Sales of mica subsequent to project - $68.00
Royalty received - $3.40
Remainder of mica has been stolen, so no further payments of royalty is expected.
No equipment purchased under the contract.

3. Audit: Report of Review issued August 25, 1955.
Accepted cost $4613.00
Government participation $3459.75

4. Certification of Discovery - none issued

5. Comments:
How conducted:
All of the work in which the Government participated was conducted in an efficient and satisfactory manner.
Operation: Good
Engineering: Reporting by the Operators was very inadequate and unsatisfactory.
Geological Premise:
The premise that a mica-bearing pegmatite would continue in depth did not materialize since a pegmatite 12 feet thick at the surface narrowed to 1/2 to 1½ feet at the 54-foot level.
Geological Criteria upon which work was based:
1. Pegmatite - exposures are poor. Very little country rock in dump suggests pegmatite in excess of 5 feet in thickness. Workings indicate pegmatite to be at least 115 feet long. No information on zonal characteristics. The pegmatite is a sill-like body, unweathered and probably conformable.
2. Mica - small, hard, clear, free-splitting and ruby colored.
3. Past Production - record not available.
Criteria developed during project:
1. Pegmatite - unzoned, conformable, 1/2 to 1½ feet thick and exposed along strike for a distance of 32 feet.
2. Sparse occurrence of excellent quality mica, ruby in color, flat and clear.
3. Mica reserves negligible
Future possibilities:
Additional exploratory work is not warranted. No promise for mica production.

Recommendations: The Nonmetallic Minerals Division concurs in the Field Team's recommendation not to certify the project as the exploration work failed to discover a deposit of strategic mica.
The Commodity Members of the Geological Survey and Bureau of Mines also concur.

Walter C. Anderson
Nonmetallic Minerals Division

WCAnderson:ms 3/28/56
Copy to: Mr. Houk
Mr. Anderson
Admr. R. File

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

January 5, 1956

RECEIVED
JAN 9 1956

Memorandum

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

From: Executive Officer, DMEA - Region V

Subject: Royalty payment on - DMEA-3619, Idm-E773 -Mica.
McKinney and Young - Woody Hill Mine, Mitchell County, N.C.

Transmitted is a bill of sale for mica from the subject mine, and also a letter from Mr. McKinney which is self explanatory.

It is understood that someone broke into the Operator's mica house and stole the mica which had been mined during the contract.

A check for royalty in the amount of $3.40 is enclosed.

Robert A. Laurence

RAL/sm
cc:
Lynch
Mittendorf
Shirley
Files

C
O
P
Y

Bakersville, N. C.
December 29, 1955

RECEIVED
JAN 9 1956

U. S. Dept. of the Interior
Defense Minerals Administration
Knoxville, Tenn.

Dear Sir:

The mica that you referred to in your letter was stolen out of our house at the mine. However, we did have a small amount of scrap mica that we found in the old dump, which we sold $68.00 worth to the Government Purchasing Agency in Spruce Pine, N. C. this mica was not enough to make a sale. They take 10 lbs. as a minum sale. We had to sell this mica with another party.

We are enclosing a check for $3.40 for the five percent you said we owed you.

If this is not correct, please notify at once.

Yours truly,

s/ Howard McKinney

Ralph Young.

copied:
by ZM.

cc:
Mittendorf
Lynch

Copy

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 451 A Acceptance No. 311 Date: 9-23-55

Seller: Mc Kinney & Young - (Dallas Young)

Mine: Woody Hill Mine DMEA No 3619, Dem E 773

Mitchell County, N.C

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No. 3 & larger					$70.00	
No. 4 and 5				.10	$40.00	7.60
No. 5½ and 6				2.96	$15.00	44.40
Stained No.3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00		.19	$ 8.00	1.52
No. 5½ and 6		$ 3.00		5.92	$ 5.00	29.60
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00			$ 6.00	
No. 5½ and 6		$ 2.00		.37	$ 3.00	1.11
LOT TOTALS		//////		9.63	//////	
TOTAL		/////			/////	84.23

Royalty check dated 12-29-55 - $3.40

Only $68.00 worth sold from above mine. Various mines were included to above sale to get large enough amount for sale to Government Buying Depot.

600

DEC 1 4 1955

Mr. Howard McKinney
McKinney and Young
Bakersville, North Carolina

Re: Docket No. DMEA-3619 - Mica
McKinney and Young
Wendy Hill Mine
Mitchell County, North Carolina
Contract No. Idm-5773

Dear Mr. McKinney:

Under Article 7 (b) (1) of the subject contract you are obligated to pay the Government a royalty on all minerals mined or produced from the land "...regardless of any certification of discovery or development, from the date of the contract until the lapse of time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first". According to your final report about 150 pounds of black ruby mica was recovered during the exploration project.

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

Sincerely yours,

[illegible]

Administrator

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

IN REPLY REFER TO:

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

RECEIVED
SEP 26 1955

September 23, 1955

Re: DMEA 3619, Idm-8773
Howard McKinney and Ralph Young
Wendy Hill Mine
Mitchell County, N. C.
$5,913.00 - 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.

As noted by the field examiners this prospect had little to recommend it before the Stage I work (bulldozing) was done and the results of the work are conformable.

I concur with the recommendation of the Field Team that a certificate of discovery is not justified and should not be issued.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-9/23/55

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

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

September 22, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3619 (mica)

Applicant: H. McKinney and R. Young

Name and Location of Property: Woody Hill Mine, Mitchell Co., N. C.

Contract Number: Idm-E 773

Date of Field Team Report: 9/9/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/19/55

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. The final report indicates considerable production during the exploration program but no royalty was collected as of September 9 and the program ended July 29. Efforts should be made to collect what is due the Government. The report should not be considered final until the marketable mica recovered during exploration has been sold and the royalty on its sale has been received by the Government.

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

3. Expenditures -

Total approved	$4,688.00
Total cost	4,613.00
Gov't share of the cost	3,459.75
Value of production during operation	? (produc was re

Recommendation: I concur with the field team's recommendation for "no certification of discovery."

Signed
W. F. Dietrich

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

September 22, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3619 (mica)

Applicant: H. McKinney and R. Young

Name and Location of Property: Woody Hill Mine, Mitchell Co., N. C.

Contract Number: Idm-E 773

Date of Field Team Report: 9/9/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/19/55

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. The final report indicates considerable production during the exploration program but no royalty was collected as of September 9 and the program ended July 29. Efforts should be made to collect what is due the Government. The report should not be considered final until the marketable mica recovered during exploration has been sold and the royalty on its sale has been received by the Government.

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

3. Expenditures -

Total approved	$4,688.00
Total cost	4,613.00
Gov't share of the cost	3,459.75
Value of production during operation	? (production was reported)

Recommendation: I concur with the field team's recommendation for "no certification of discovery."

Signed
W. F. Dietrich

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

September 13, 1955

RECEIVED
SEP 15 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3619, Idm-E773 (mica), Howard McKinney and Ralph Young, Woody Hill Mine, Mitchell County, N. C.

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

We do not recommend certification.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V -

V. J. Lynch, Member
Bureau of Mines

RAL/mm
cc:
Lynch
Shirley
File

SUMMARY OF ENTIRE PROJECT

DMEA-3619, Idm-E773 (mica)
Woody Hill Mine

1. Caused surfacing to be done by bulldozing at each end of old works as instructed.

2. Had road built to site of mine. Built exploder magazine, powder magazine, and tool house.

3. Sunk shaft to depth of 54 ft. This vein did not prove to be mica bearing.

4. Crosscut approximatly 27 ft. to another vein.

5. Continued work to approximatly 32 ft.. Found about 150 lbs. block ruby mica in this vein. The worked area appears to have been pushed about. Vein is very narrow at this point.

UNITED STATES
DEPARTMENT OF THE INTERIOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

September 13, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3619, Idm-E773 (mica), Howard McKinney and Ralph Young, Woody Hill Mine, Mitchell County, N. C.

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

We do not recommend certification.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
9-19-55
(date)

RECEIVED
SEP 16 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-3619, WOODY HILL MINE (Mica)
Mitchell County, North Carolina

By

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

and

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

September 9, 1955

Reviewed by
DMEA OPERATING COMMITTEE
9-19-55
(date)

FINAL REPORT

On

RECEIVED
SEP 15 1955

DMEA-3619, Idm-E 773, WOODY HILL MINE

Operators: Howard McKinney and Ralph Young, Bakersville, North Carolina

Location: On the north side of Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, North Carolina

Exploration of a pegmatite at this mine failed to discover a deposit of strategic mica. It is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

Work began under the contract on March 25, 1955 and ended July 29, 1955. Two trenches, each about 125' x 18' x 12', were bulldozed under Stage I of the contract (location shown on attached sketch map). A total of 20 machine hours were required to do this work. Mica-bearing pegmatite was exposed in the northeast one. An access road about 600 feet long and a toolhouse, powder magazine and exploder magazine were constructed. From the bottom of the northeast trench a 54-foot vertical shaft was sunk and timbered. A crosscut was then driven 27 feet in a S. 30° E. direction. A total of 32 feet of drifts were made from this crosscut; 20 feet in a S. 60° W. direction and 12 feet N. 60° E. Old works were encountered in the southwest drift.

A conformable pegmatite which is about 12 feet thick in the trench bottom but which thins to ½ - 1½ feet at the 54-foot level was exposed by the work completed. It strikes N. 60° E. and dips 50 - 70° to the southeast. The body consists of plagioclase, quartz and muscovite. No zoning is apparent. The enclosing country rock is mica schist.

About 350 pounds of "mine-run" mica were recovered from the contract work; 200 pounds of which was obtained from the northeast dozer cut and the remainder from the southwest drift. It is ruby-colored, flat and clear and is of excellent quality.

No significant reserves were revealed by the work done under the contract.

Expenditures:			
	(a)	Total approved	$4,688.00
	(b)	Total cost of project	4,613.00
	(c)	Government's share of cost	3,459.75
	(d)	Government's share unexpended	56.25
	(e)	Value of production during operation	?
	(f)	Royalty received to date	None

The work under the contract was conducted in an efficient and satisfactory manner.

No equipment was purchased under the contract.

September 9, 1955.

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey
and
Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

g

INTERIM REPORT

IMEA-3619, Idm-E773 (mica) WOODY HILL MINE

OPERATOR: McKinney and Young, c/o Howard McKinney, Box 141, Bakersville, N. C.

LOCATION: On the north side of N. C. Highway No. 26, 1.56 airline miles S9°E of Bakersville, Mitchell Co., N. C.

This contract, with the exception of 2.5 feet of drift, has been completed without making a worthwhile discovery of mica-bearing pegmatite from shaft and drift work completed. The Field Examiners are of the opinion that no additional work is justified on this extension of the body.

A brief resume of the work follows: An access road was completed to the mine, two bulldozer trenches were cut by bulldozer to the northeast and southwest along the possible extensions of the body requiring 20 hours machine time, a tool house and powder and cap magazines were constructe, a vertical shaft was sunk on exposed pegmatite in the southwest trench to a total depth of 54 feet, which bottomed in weathered mica schist, a crosscut was driven from the shaft bottom to the southeast for a distance of 27 feet, a drift was driven 360°W for a distance of 20 feet, and a short drift to the northeast following narrow pegmatite for a distance of 12 feet. Mica recovery from surface and drift work was scant, but mica recovered was of good quality.

This project was conducted satisfactorily and safely.

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

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

August 9, 1955

P. O. Box 217
August 16, 1955

Memorandum

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

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

Subject: Monthly reports and vouchers

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

Idm-E-773 McKinney and Young
DMEA Docket No. 3619
5th payment - month of July
Amount $652.50

Idm-E-815 Ed Huskins and Fred Gage
DMEA Docket No. 3731
1st payment - month of July
Starting Date: 7-1-55
Amount $956.52

Helen R. Miller

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

RECEIVED
AUG 19 1955

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
COMPTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1955 Docket No. DMEA 3619 Contract No. IDM 773
Operator's Name McKinney & Young Minerals Mica
Address Bakersville, N. C.
Contract Amount, $ 4688.00 Government Participation: 75% Amount, $ 3516.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road & Site		$300.00	$300.00			
Crosscutting						
Drifting	$870.00	$900.00	$1,770.00			
Shafting		$2,430.00	$2,430.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		$113.00	$113.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$870.00	$3,743.00	$4,613.00	870.00	3,743.00	4,613.00

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

Date Aug. 10, 1955 Payee McKinney & Young

Per Stanley McKinney 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)

AUG 18 1955

21250

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

$ 652.50

Signature Helen R. Meeks
(Authorized Certifying Officer)

Date AUG 16 1955 Vou. No.
(See other side)

(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. DMEA E773 in accordance with the terms of the contract.

Signature W. M. Beck Title Mining Engineer USBM Date 8-12-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 12 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 July 1955 Docket No. DMEA 3619 Contract No. IDM 773

Operator's Name McKinney & Young Minerals Mica

Address Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	$870.00	29	$1,770.00	59	$30.00		
Crosscutting								
Raising								
Shafts	Ft.	$ None	None	$2,430.00	54	$45.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$870.00	29 ~~XX~~	$4,200.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$870.00	29 ~~XX~~	$4,200.00				

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 August 10, '55 Operator McKinney & Young

Per Howard McKinney Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

RECEIVED
AUG 18 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

NARRATIVE FOR JULY, 1955

July 21-- Pulled water out of hole

" 22-- Mucked out.

" 25-- Pulled three holes. Drilled on heading 13 holes.

" 26-- Mucked out shot.

" 27-- Prepared timber and put it in.

" 28-- Mucked out.

" 29-- Continued heading to 59 feet.

Due to the absence of Ralph Young, partner,no work was done prior to July 21st. He was attending court.

File Resources
File Anderson

RECEIVED
AUG - 8 1955

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

OPERATOR: McKinney and Young, c/o Howard McKinney, Box 141, Bakersville, N. C.

LOCATION: On the north side of N. C. Highway No. 26, 1.56 airline miles S9°E of Bakersville, Mitchell Co., N. C.

Drifting continues to the southwest on this contract, and is now at 19 feet from the southeast crosscut referred to in an earlier report. 15 feet of drift remains to be driven under contract, and work will continue in the same general direction until another visit can be made. Old workings encountered at 10 feet, have been bypassed successfully. Mica recovery in the past two weeks has been scant.

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

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

July 26, 1955

RECEIVED
JUL 25 1955

INTERIM REPORT

DMEA-3619 Idm-E773 (mica) WOODY HILL MINE

OPERATOR: McKinney and Young, c/o Howard McKinney, Box 141, Bakersville, N. C.

LOCATION: On the north side of N. C. Highway No. 26, 1.56 airline miles 59° E. of Bakersville, Mitchell County, N. C.

Drifting continues on this contract and combined with crosscutting, now totals 37 feet. The crosscut was driven for a total distance of 27 feet from the shaft and intersected a narrow pegmatite at 22 feet. A 6-foot test hole in the face of the crosscut did not cut pegmatite. The operator dropped back to the narrow pegmatite, and a drift was driven 10 feet in pegmatite containing considerable good quality mica. At the 10-foot point, the bottom of an old shaft was intercepted, and the operator was advised to drop back and bypass this old work. The drift has been driven in a S60°W direction, and additional work will follow along the northwest wall.

The operator was advised to bulkhead the old workings as soon as practicable, and to exercise care in shooting until this area is bypassed.

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

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

July 13, 1955

MF-104 (Rev.)
(April 1952)

RECEIVED

JUL 11 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE
PAY THIS BILL

1

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1955 Docket No. DMEA 3619 Contract No. 103 773

Operator's Name McKinney & Young Minerals Mica

Address Box 141 Bakersville, N. C.

Contract Amount, $4,688.00 Government Participation: 75 % Amount, $3,510.00

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 Road & Site		$300.00	$300.00			
Crosscutting	$900.00	Done	$900.00			
Drifting						
Shafting	$180.00	$2,250.00	$2,430.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		$113.00	$113.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,080.00	$2663.00	$3,743.00	1080.00	2663.00	3743.00

I certify that the above bill is correct and just and that payment therefor has not been received. June 30, 1955 McKinney & Young

Date ..... *Payee .....

Per [signature] Title [signature]

*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:

$ 810.00

Signature Helen R. Mullis
(Authorized Certifying Officer)

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

4

270.00

(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. E773 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence 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.

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 3619 Contract No. DMI 773
Operator's Name McKinney & Young Minerals Mica
Address Box 141 Bakersville, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	$900.00	30	$900.00	30	$30.00		
Crosscutting								
Raising								
Shafts	Ft.	$160.00	4	$2,430.00	54	$45.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		$1,060.00	34	$3,330.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$1,060.00	34	$3,330.00				

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 June 30, 1955 Operator McKinney & Young

By [signature] 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: Contract was amended from exclusive sinking to include drifting.

(For Government use only)

Kefton 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

NARRATIVE FOR JUNE, 1955

June	1	Continued shafting.
"	2	Continued shafting.
"	3	Started heading.
"	6	Continued Heading.
"	7	Set stulls and timbers. Built landing platform
"	8	Continued Heading.
"	10	Continued heading
"	13	Continued heading.
"	14	Continued heading.
"	15	Continued heading.
"	16	Drilled round of holes and blasted.
"	17	Pulled water out of hole.
"	20	Pulled water out and cleaned out hole.
"	21	Sick. No Work.
"	22	Driled round of holes.
"	23	Cleaned out muck.
"	24	Sick. No Work.
"	27	Put in round of holes.
"	28	Cleaned out muck.
"	29	Put in 4 holes and mucked out.
"	30	Put in round of 8 holes.

RECEIVED
JUL - 8 1955

INTERIM REPORT

DMEA-3619, RIS-5773 (mica) MONT HOLL MINE

Operators: McKinney & Young, c/o Howard McKinney, Box 111, Mocksville, N. C.

Location: On the north side of N. C. Highway No. 26, 1.75 airline miles S. 9° E. of Mocksville, Mitchell County, N. C.

The crosscut to the southeast has been advanced 22 feet from the shaft bottom. A pegmatite having a maximum thickness of 1½ feet is exposed in the head of the crosscut. It contains abundant mica of excellent quality.

The Operator was advised to advance the crosscut one more round and drill a long hole to make certain this is the target pegmatite and then to drift southeast along the pegmatite.

The work completed to date is satisfactory.

Date of Inspection: June 27, 1955

E. M. Teague and D. H. Anderson, Geologists
U. S. Geological Survey

June 30, 1955

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3619 - Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. Idm-E773

The Nonmetallic Minerals Division concurs in Amendment No. 1 to the subject contract as written and executed in the field. It provides for substitution of 61.5 feet of drifts and/or crosscuts for 41 feet of shaft, the estimated cost of the project remaining the same.

The amendment is necessary since the pegmatite took a roll to the southwestward between the 26 and 43 foot levels. It will require some crosscutting to reach the pegmatite from the 54 foot level of the shaft.

/S/
Walter C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 6/30/55

Copy to: Admr. R. File
Mr. Houk

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

RECEIVED
JUN 27 1955

June 23, 1955

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Amendment No. 1 - DMEA-3619, Contract Idm-E773
McKinney and Young, Bakersville, North Carolina
Woody Hill Mine (mica), Mitchell County, North Carolina

Transmitted herewith are the original and two copies of the subject amendment. The usual distribution of the other copies has been made.

Robert A. Laurence

ng
Enclosures 3
cc - Lynch
Operating Committee
Shirley
Finance Office
Files

RECEIVED
JUN 23 1955

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney, Box 141, Bakersville, N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, N. C.

Crosscutting is now underway on this contract and has advanced 18½ feet in a S. 30° E. direction. The entire crosscut is in mica schist whose foliation strikes about N. 60° E. and dips 75° to the southeast.

The Operator was advised to advance the crosscut an additional 17 feet, and then wait until another examination by members of the Field Team can be made.

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 Engineer
U. S. Bureau of Mines

g

JUN 13 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-3619 - Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. Idm-8773

Dear Mr. Laurence:

Reference is made to your memorandum of May 27, 1955, requesting permission to amend the subject contract.

Please be advised that you are granted permission to amend the contract along the lines recommended in your memorandum.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:gad 6/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

-104 (Rev.)
1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 66

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1955 Docket No. DMEA 3619 Contract No. IDM 773

RECEIVED JUN - 9 1955

Operator's Name McKinney & Young Minerals Mica

Address Box 141, Bakersville, N. C.

Contract Amount, $ 4,688.00 Government Participation: 75 % Amount, $ 3,516.00

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 Road & Site		$300.00	$300.00			
Crosscutting						
Drifting						
Shafting	$ 1350.00	$900.00	$2250.00			
(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		$113.00	$113.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1350.00	$1313.00	$2663.00	1350.00	1313.00	2663.00

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

Date June 2, 1955 Payee McKinney & Young

Per [signature] 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:

$ 1012.50

Signature [signature]
(Authorized Certifying Officer)

Date 6-7-55 Vou. No.

(See other side)

33750

(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. Thn E-773 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

EXECUTIVE OFFICER

Signature Robert A. Lamering Title 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.

F-104A
(ll 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 3619 Contract No. IDM 773
Operator's Name McKinney & Young Minerals Mica
Address Box 141, Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	$1,350.00	30	$2250.00	50	$45.00	95	$45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	hr.			$ 200.00	20	$ 10.00	20	$ 10.00
Test Pits								
Roads and Trails	hr.			$ 100.00	10	$ 10.00	10	$ 10.00
TOTAL DISTRIBUTED COSTS		$1350.00	30	~~$2250.00~~ 2550.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc				$ 113.00				
TOTAL COSTS		$1350.00		~~$2250.00~~ 2663.00				

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 June 2, 1955 Operator McKinney & Young

Per Howard McKinney 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.

REMARKS:

Continued shaft to 50 ft.

(Instructions on reverse)

(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

NARRATIVE FOR MONTH OF MAY, XXXXXX

RECEIVED JUN - 9 1955

May 2 -- Prepared cribbing and cribbed on shaft.

" 3 -- Cribbed on shaft.

" 4 -- Made 4 feet on shaft.

" 5 -- Continued work on shaft.

" 6 -- Worked on shaft. Made ladder and nailed up. Boxed manhole.

" 9 -- Out of lumber. Could not work.

" 10 -- Put in cribbing. Shaft changed from pegmatite to slate.

" 11 -- Continued work on shaft.

" 12 -- Made 3 feet on shaft.

" 13 -- Rain-no work.

" 16 -- XXXXXXXXXXXXXXXX Put in timber in shaft.

" 17 -- Continued Sinking shaft.

" 18 -- Put in cribbing.

" 19 -- Worked on shaft. Shaft changed from slate to Hard rock.

" 20 -- Cleaned out shaft. Continued cribbing.

" 23 -- May 23 & 24 spent hunting for air compressor.

" 25 -- Moved air compressor to mine and set up.

" 26 -- Worked on shaft.

" 27 -- Continued work on shaft.

" 30 -- Continued shafting in hard rock.

" 31 -- Continued shafting.

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

RECEIVED
JUN 10 1955

June 8, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3619, Idm-B773 (mica) McKinney & Young, Bakersville, N. C. Woody Hill Mine, Mitchell County, N. C. Interim Report.

Enclosed are four copies of the latest interim report on the subject exploration contract.

We have prepared an Amendment to the contract, reducing the maximum depth of shaft to 54 feet, and converting the remaining unused footage to drift and/or crosscuts @ $30 per foot. The Amendment will be presented to the Operator for signature next Thursday, and the executed copies will be distributed as soon as they are received here.

Because of the change of dip and offsetting of the pegmatite by a series of minor faults, it was inpractical to incline the shaft to stay on the pegmatite. Laterals at the 54-foot level will provide the best picture of the reserves at this deposit.

V. J. Lynch, Member
Bureau of Mines

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

AL/am

RECEIVED
JUN 10 1955

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney, Box 141-Bakersville, N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, N. C.

A 54-foot vertical shaft has been sunk. The bottom is in weathered mica schist. The Operator was advised to turn off a cross-cut to the southeast from this level.

Work completed to date is satisfactory.

Date of Examination: June 2, 1955

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

Z

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

June 1, 1955

Memorandum

To: File

From: Walter C. Anderson, Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3619 - Mica
McKinney McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. Idm-E773

Amendment No. 1 to the subject contract provides for shaft sinking in the country rock and the substitution of 52.5 feet of drifts and/or crosscuts for 35 feet of shaft, the estimated cost of the project remaining the same. This amendment is proposed by the Field Team in its memorandum of May 27, 1955.

This office approves of the amendment since the pegmatite took a roll to the southwestward between the 26 and 43 foot levels, and the target has not been changed. Will require about 10 feet of crosscutting from the 60 foot level to reach the pegmatite. See attached sketch.

Walter C. Anderson, Mining Engineer

June 1, 1955

Memorandum

To: File

From: Walter C. Anderson, Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3619 - Mica
McKinney McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. Idm-E773

Amendment No. 1 to the subject contract provides for shaft sinking in the country rock and the substitution of 52.5 feet of drifts and/or crosscuts for 35 feet of shaft, the estimated cost of the project remaining the same. This admendment is proposed by the Field Team in its memorandum of May 27, 1955.

This office approves of the amendment since the pegmatite took a roll to the southwestward between the 26 and 43 foot levels, and the target has not been changed. Will require about 10 feet of crosscutting from the 60 foot level to reach the pegmatite. See attached sketch.

Walter C. Anderson, Mining Engineer

June 1, 1955

Memorandum

To: File

From: Walter C. Anderson, Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3619 - Mica
McKinney McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. Idm-E773

Amendment No. 1 to the subject contract provides for shaft sinking in the country rock and the substitution of 52.5 feet of drifts and/or crosscuts for 35 feet of shaft, the estimated cost of the project remaining the same. This admendment is proposed by the Field Team in its memorandum of May 27, 1955.

This office approves of the amendment since the pegmatite took a roll to the southwestward between the 26 and 43 foot levels, and the target has not been changed. Will require about 10 feet of crosscutting from the 60 foot level to reach the pegmatite. See attached sketch.

Walter C. Anderson, Mining Engineer

June 1, 1955

Memorandum

To: File

From: Walter C. Anderson, Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3619 - Mica
McKinney McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. Idm-5772

Amendment No. 1 to the subject contract provides for shaft sinking in the country rock and the substitution of 52.5 feet of drifts and/or crosscuts for 35 feet of shaft, the estimated cost of the project remaining the same. This amendment is proposed by the Field Team in its memorandum of May 27, 1955.

This office approves of the amendment since the pegmatite took a roll to the southwestward between the 26 and 43 foot levels, and the target has not been changed. Will require about 10 feet of crosscutting from the 60 foot level to reach the pegmatite. See attached sketch.

Walter C. Anderson, Mining Engineer

June 1, 1955

Memorandum

To: File

From: Walter C. Anderson, Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3619 - Mica
McKinney McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. Idm-577

Amendment No. 1 to the subject contract provides for shaft sinking in the country rock and the substitution of 52.5 feet of drifts and/or crosscuts for 35 feet of shaft, the estimated cost of the project remaining the same. This amendment is proposed by the Field Team in its memorandum of May 27, 1955.

This office approves of the amendment since the pegmatite took a roll to the southwestward between the 26 and 43 foot levels, and the target has not been changed. Will require about 10 feet of crosscutting from the 60 foot level to reach the pegmatite. See attached sketch.

Walter C. Anderson, Mining Engineer

Memorandum

June 1, 1955

To: File

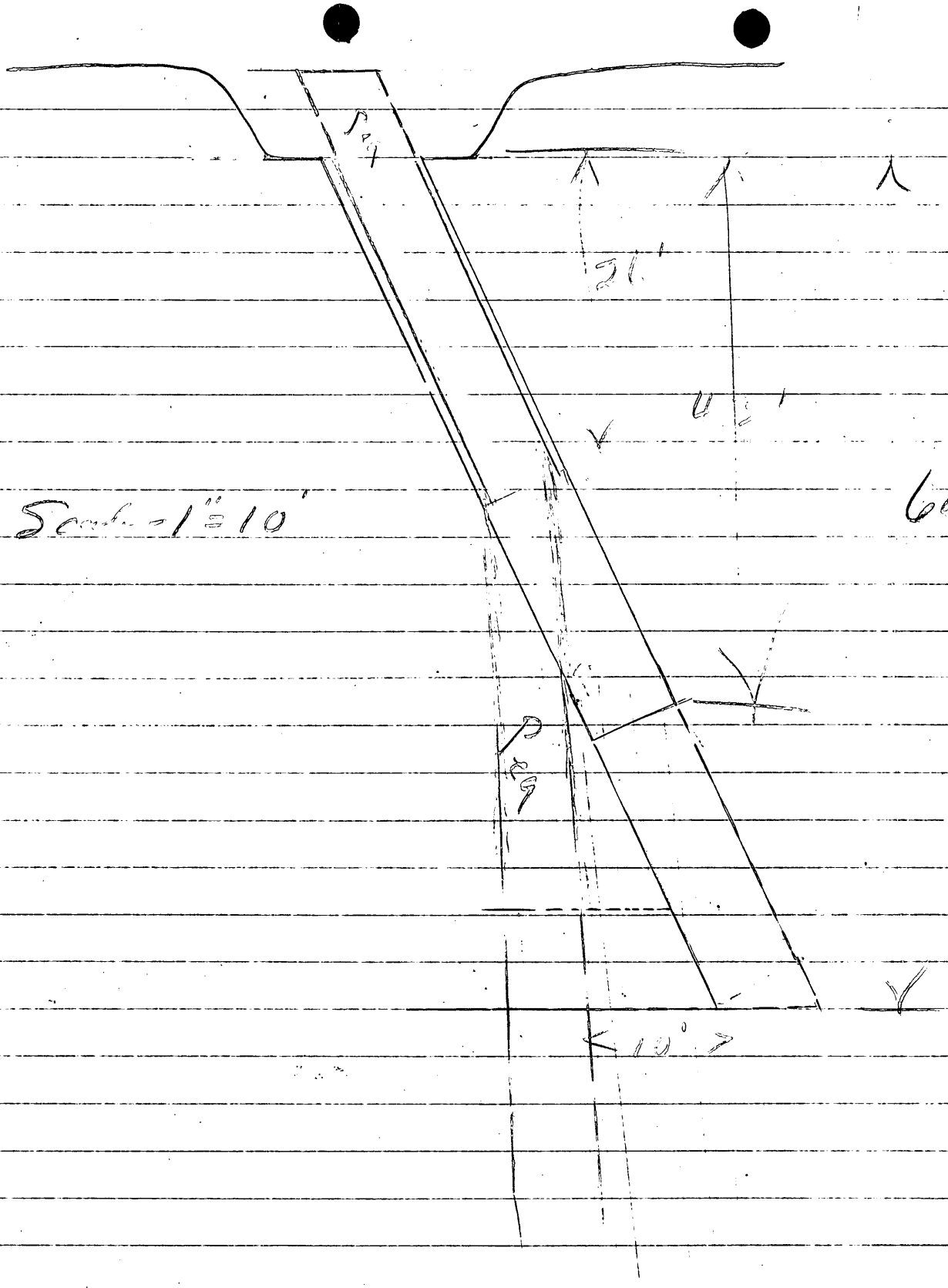
From: Nonmetallic Minerals Division, Washington

Subject: Amendment No. 1 - Docket No. DMEA-3619-Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. dsm-E 173.

Amendment No. 1 to the subject contract provides for shaft sinking in the county road and the substitution of 52.5 feet of drift and/or crosscuts for 35 feet of shaft, the estimated cost of the project remaining the same. This amendment is proposed by the field team in its memorandum of May 27, 1955.

This office approves of the amendment since the pegmatite looks as well to the southwestward between the 26 and 43 foot levels, and the target has not been changed. Will require about 10 feet of crosscutting from the 60 foot level to reach the pegmatite. See attached sketch.

95
54/41


Scale - 1" = 10'
21'
60'
10'

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

May 27, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3619, Idm-E773 (mica) McKinney & Young, Bakersville, N.C.
Woody Hill Mine, Mitchell County, N. C.

Enclosed are 4 copies of the latest interim report on the subject contract.

We are advising the Operator to continue sinking the shaft, although the pegmatite has left the shaft, because the poor condition of the ground at that depth made it undesirable to turn off a level at that point.

We are planning to amend this contract approximately as follows:

(1) delete "on the pegmatite" from the first sentence of item 3, exhibit "A"

(2) convert the unused shaft footage to crosscut and/or drift at $30 per foot. If, as e timated, the shaft will be carried to about 60-feet, this will leave $1575, sufficient for 52.5 feet of level work.

We think the target justifies these changes, and our field examiners will instruct the Operator accordingly when they next visit the project on Wednesday, June 1. If you do not approve of these changes, please advise us at the earliest possible date.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
DMEA Field Team
Bureau of Mines

RAL/xx
cc:
Lynch-Shirley-Files

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney-Box 141, Bakersville,,N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline mile S. 9° E. of Bakersville, Mitchell County, N. C.

Shaft sinking continues on this contract and now totals 43 feet. The shaft bottom is in weathered mica schist whose foliation strikes N. 35° E., and dips 85° S. E. Numerous faults of small displacement are present in the schist.

The Operator was advised to continue sinking the shaft until another visit by the field examiners can be made.

Progress to date is satisfactory.

Date of examination: May 18, 1955.

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

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney, Rx 141, Bakersville, N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline miles S 9° E. of Bakersville, Mitchell County, N. C.

Vertical shaft sinking continues on this contract and is now at 26 feet. The shaft is in good shape and has been cribbed to near bottom with 2" x 6" oak timbers. A separated manway containing both temparary and permanent ladders in one section has been installed. Suggestions were made concerning the ladderways and necessary railings extending around the surface opening. A toolhouse and magazines have been constructed.

Material encountered is barren pegmatite composed of feldspar and containing many quartz lenses, but little mica. The body appears to rake to the southwest and the southeast side of the shaft near the present level exhibits evidence of considerable movement.

Progress on this contract is satisfactory.

Inspected: May 5, 1955.

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

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

z

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS 62

RECEIVED MAY 17 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1955 Docket No. DMEA 3619 Contract No. IDM 773

Operator's Name McKinney & Young Minerals Mica

Address Bakersville, N. C.

Contract Amount, $ 4,688.00 Government Participation: 75% Amount, $ 3,516.00

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 Road	$100.00	$200.00	$300.00	100.00		100.00
Crosscutting Trenching					200.00	
Drifting						
Shafting	$900.00	Noone	$900.00	900.00		900.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	$113.00 (Tool house, powder mag. & exploder mag.)	None	$113.00	113.00		113.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,113.00	200.00	1313.00	1113.00		1313.00

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

Date May 1, 55 *Payee McKinney & Young

Per Edward McKinney 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:

$ 834.75

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 5-16-55 Vou. No.
(See other side)

V

278.25

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dm-E773 in accordance with the terms of the contract.

Signature Laurence C. Shirley Title Mining Engr. U.S.B.M. Date May 9, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence, Title EXECUTIVE OFFICER DMEA REGION V Date MAY 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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 17 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1955 Docket No. DMEA 3619 Contract No. IDM 773
Operator's Name McKinney & Young Minerals Mica
Address Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	1	$900.00	20 ft.	$900.00	20 ft.	$900.00	20 ft.	at $45.00 Per foot
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	1	$100.00	10 hrs	$100.00	10 hrs	$100.00	10 hrs	at $100.00 per
TOTAL DISTRIBUTED COSTS		$1,000.00						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.	3	$113.00						
TOTAL COSTS		$1,113.00		$1,113.00				

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 May 1, 1955 Operator McKinney & Young

Per Hansel McKinney Title Partner

REMARKS: Completed tool house powder magazine, Exploder magazine, and put shaft down 20 feet.

→ 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)

Laurence E. Shirley May 9, 1955
U.S.B.M.

INSTRUCTIONS

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

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

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

GPO 872894

DAILY NARRATIVE

Contract No. 1DM 223

Woody Hillman

McKinney & Young

April 7- Built exploder magazine and Bulldozing 3 hrs. on road.

" 8- Bulldozed 7 hrs. finishing road.

" 11- Rain No work.

" 12- Put in exploder magazine near mine; worked on powder magazine

" 13- Finished powder magazine.

" 14- Started shaft. Hired Lucian Grindstaff @ $1.00 per hour.

" 15- Continued work on shaft to 3 ft.

" 16- " " " " to 8 ft.

" 18- Moved hoist to mine and set up. Bought 1,000 bd.ft. 1" lumber.

" 19- Started building tool shed.

" 20- Finished work on tool shed.

" 21- Rain-no work

" 22- Made adjustments on hoist boom and mast poles.

" 25- Rain- no work.

" 26-Made 3 ft. on shaft.

" 27- Rain half day. Prepared timber half day.

" 28- Made 5 ft. on shaft.

" 29- Continued work on shaft; bought 2,000 bd.ft. cribbing lumber.

" 30- Continued work on shaft to depth of 20 ft.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 5 HINKLE POST OFFICE BLDG.
KNOXVILLE 2, TENN.

April 28, 1955

Defense Minerals Administration
RECEIVED
APR 28 1955

McKinney & Young
c/o Mr. Howard McKinney
Bakersville, North Carolina

Re: DMLA-3619, Idm-E773 (mica)
Woody Hill Mine

Dear Mr. McKinney:

This will confirm the verbal approval given to you by our Field Examiners on April 5, to proceed with Stage II of the exploration contract at the Woody Hill Mine.

Very truly yours,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RAL/xm
cc:
Opr. Com.-2
Shirley
Lynch
Files

Anderson

INTERIM REPORT

IMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney Box 141, Bakersville, N.C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline mile S. 9° E. of Bakersbille, Mitchell County, N. C.

Stage II of this contract has been started. A road has been bulldozed to the location and a toolhouse, powder magazine and exploder magazine constructed. Shaft sinking has progressed to a depth of 8 feet in pegmatite.

Progress on the contract is satisfactory.

Date of Examination - April 20, 1955.

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

and

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

Defense Minerals Administration
RECEIVED
APR 14 1955

Region V

P. O. Box 217
April 12, 1955

Memorandum

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

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

Subject: Monthly reports and vouchers

Under separate cover, we are transmitting two copies each of the following monthly reports and vouchers:

Idm-E-773
McKinney & Young
DMEA Docket No. 3619
1st payment - month of March
Amount $150.00

Idm-E-756
Ernest Crowder
DMEA Docket No. 3549
3rd payment - month of March
Amount $382.50

Idm-E-742
E. K. Sparkm
DMEA Docket No. 3477
2nd payment - months of February and March
Amount $1,320.00

Idm-E-726
Zeb Buchanan and W. R. Johnson
DMEA Docket No. 3422
6th payment - month of March
Amount $262.50

Idm-E-676
American Zinc Company of Tennessee
9th payment - month of March
DMEA Docket No. 2546
Amount $18,881.17

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

Helen R. Miller

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED APR 14 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Mar., 1955 Docket No. DMEA 3619 Contract No. IDMF773
Operator's Name McKinney & Young Minerals Mica
Address Bakersville, N.C.
Contract Amount, $4688.00 Government Participation: 75 % Amount, $3516.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing (20 hrs) Trenching	$200	none		$200		
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$200		$200	200.00		200.00

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

Date Apr., *Payee McKinney & Young

By Helen McKinney 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:

$ 150.00

Signature Helen R. Meeler
(Authorized Certifying Officer)

Date 4-12-55 Vou. No.
(See other side)

50.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E773 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date April 8, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date APR 11 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 14 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 195 5 Docket No. DMEA 3619 Contract No. Idm-f773
Operator's Name McKinney &Young Minerals Mica
Address Bakersville, n.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching with Bulldozer	HR.	$200.00	20hr.	$200.00	20	$~~300.00~~ 10.00	20hr	$10per Hr.
Tests								
Roads and Trails								
Total Distributed Costs		200.00		200.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$200.00		$200.00				

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 March Operator Mckinney &Young

Per Howard McKinney 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.

REMARKS:

(Instructions on reverse)

(For Government use only)

Lawrence E. Shirley - April 8, 1955
U.S.B.M

INSTRUCTIONS

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

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

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

RECEIVED
APR 11 1955
U.S. BUREAU OF MINES
DEF MIN ADM.
Knoxville, Tennessee

GPO 83-38475

C O P Y

Operators Monthly Report of Progress

for the Month of March, 1955

Work Accomplished

Bulldozing, cutting two trenches, each 100 feet, by 15 ft. by 6 ft. One northeast and one southwest.

Daily Notes.

March 25. 4 hr. bulldozing

March 26. 6 hr. Bulldozing

March 28. 10 hr. Bulldozing

March 29, 30, 31. No work

Wide vain of pegmatite uncovered baring Flint. Obtained about 100lbs of block mica.

Copied sic.

INTERIM REPORT

DMEA-3619, Idm-B773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney Box 141, Bakersville, N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, N. C.

Stage I of this contract, consisting of two bulldozer trenches along the possible extensions of the pegmatite hasbeen completed. Permission was given the Operator to undertake Stage II of the contract.

Trench No. 1, (125' x 18' x 12 to 20'), located southwest of existing old workings was completed without exposing workable pegmatite. Some barren, granitic material as lenses or pods and weathered country rock, a biotite gneiss, was encountered in this cut. Trench No. 2, (125' x 18' x 12') trends N. 40° E. and was begun about 30 feet northeast of existing old workings. About 200 pounds of medium to large-sized mica was recovered from this work; clay-staining was the worst defect observed. Pegmatite material was exposed at two locations in the cut, and the bodies were composed of kaolinized feldspar and quartz, varying in thickness from 2 to 6 feet. Most of the exposed mica had been removed from the area but was available to the Examiners for inspection. A shaft site was spotted and instructions were given for the beginning of Stage II.

Inspected: April 5, 1955.

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

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

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

March 22, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3619 (mica), McKinney & Young, Woody Hill Mine, Mitchell County, N. C.

Reference is made to your letter of March 15, transmitting the subject contract for signature by the Operator.

We are forwarding it to the Operator, but, as explained in previous correspondence, it appears to us that a combination of shaft-sinking and drifting is a more effective method of exploration than just shaft-sinking alone. If level work appears to be undesirable, the project can be stopped at any stage by termination and the unspent balance is released. We may recommend level work at this project after the shaft is well underway, if conditions seem favorable.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
DMEA Field Team
U. S. Bureau of Mines

RAL/xm
cc:
Lynch
Shirley
Files
Allsman

600

MAR 1 5 1955

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

Subject: Docket No. DMEA-3619 - Mica
Hallaway and Young
Woody Hill Mine
Mitchell County, North Carolina

Dear Mr. Lawrence:

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

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

Please note that the contract provides for a change in exploration work from that recommended by the field team. Instead of sinking the shaft to a depth of 60 feet and driving 80 feet of drift, for the present we prefer to confine the exploration to sinking a shaft to the bottom of the pegmatite or to a maximum of 95 feet in depth.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated February 18, 1955, and from the Bureau of Mines, dated February 24, 1955, are enclosed.

Sincerely yours,

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 10

George C. Selfridge

Chairman, Operating Committee

WCAnderson:md 3/9/55

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

No need to type this

Memorandum

To: File

From: Walter C. Anderson

Subject: Evaluation of application and field examination report – Docket No. DMEA-3619-Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina.

Mica – No record of production available. Only information is that based on material found in dump. The mica is small, hard, clear, flat, ruby-colored and free splitting.

Pegmatite – Exposures are poor. Very little country rock in dump suggests pegmatite is in excess of 5 feet in thickness. Workings shown on map indicate the pegmatite to be at least 115 feet long. No information on zonal characteristics. The pegmatite is a sill-like body, sinuous at best and probably conformable. It strikes N 45° E and dips 60-70° SE.

Old Workings – Not much information available concerning extent of old workings except of a hear-say nature. Map shows 3 openings, one of which is reported to be a shaft 135 feet deep. Extent of underground stopes and raises unknown, but probably limited. All openings are caved and inaccessible.

Method of exploring – The field team plan submitted is approximately the same as in the application. Will be carried out in 2 stages. In stage No I it is proposed to uncover by bulldozing the extensions of the northeast and southwest of present openings

If no pegmatite is found, no more work is to be considered. When pegmatite is found which gives good promise, a 60-foot shaft on the pegmatite is proposed and 80 feet of drift from the shaft. A contract must stipulate that it be terminated immediately after stage I if no promising pegmatite is found and work limited to pegmatite only.

Economics -

No information available to evaluate the economics of the project. Except for the initial bulldozing which will cost $200, work will be confined to promising pegmatite and there will be no rehabilitation costs.

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-3619 (mica)

Applicant: Young and McKinney

Name and Location of Property: Woody Hill 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 a contract.

Comments:

1. Mica in dump of good quality.

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

3. Total estimated costs are in the amount of $5,913.

Recommendation:

I concur in the field team's recommendation for a two stage exploration project in the amount of $5,913.

SIGNED

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 425 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Defense Minerals Administration
RECEIVED
FEB 21 1955

February 18, 1955

Memorandum

To: Operating Committee, DMEA - Washington 25, D. C.

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

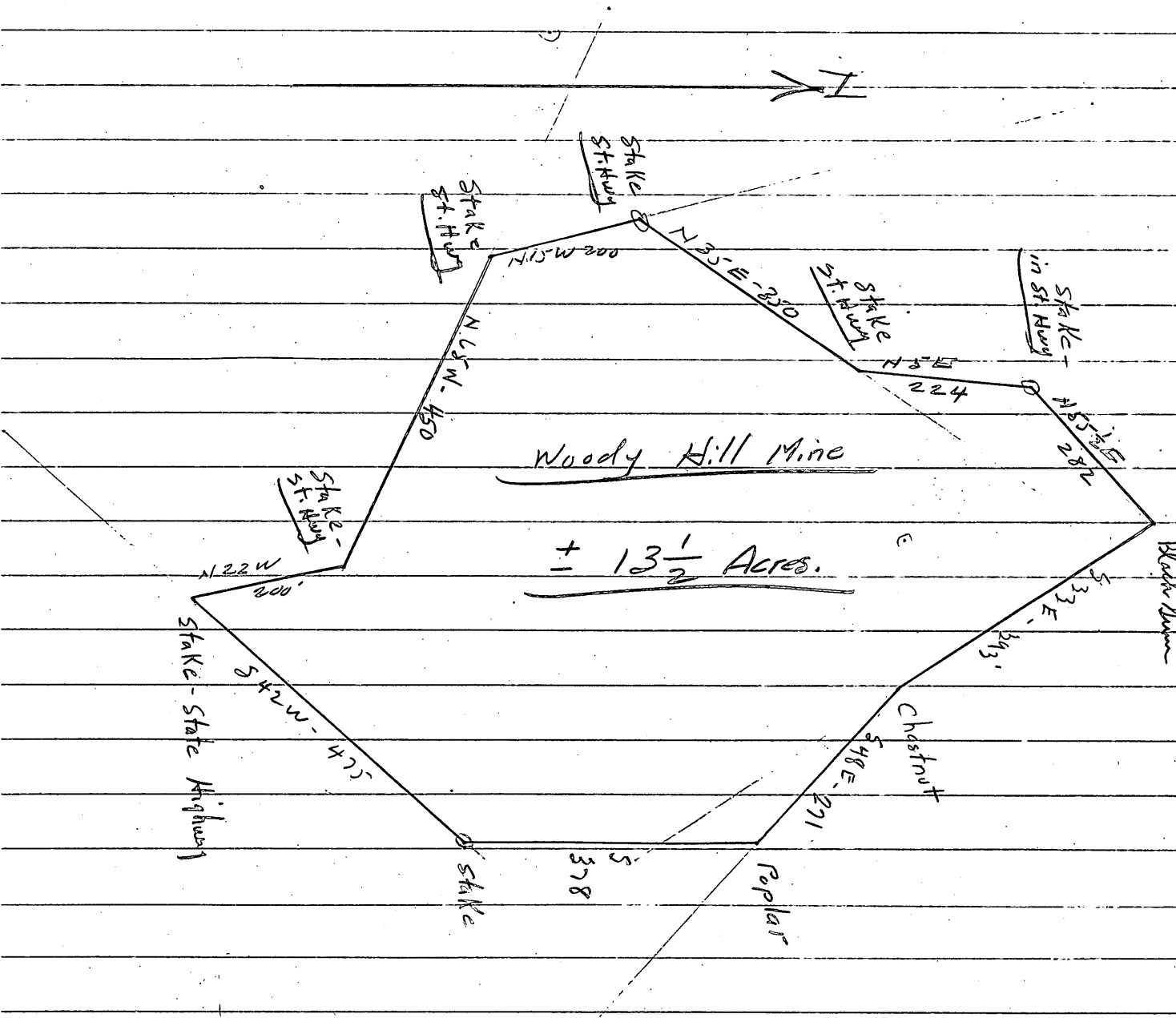
Subject: DMEA-3619, (mica) McKinney & Young, Woody Hill Mine, Mitchell County, N. C.

Transmitted is a copy their lease, and six copies of Owner's Consent to Lien for the subject docket with an adequate legal description typed on each and signed by the participants.

V. J. Lynch

WJL/sm
cc:
Allsman
Lynch
Shirley
Files

DMEA - 3619
Woody Hill Mine
Scale - 1" = 200'



IN REPLY REFER TO:

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

February 18, 1955

Re: DMEA-3619
McKinney & Young
(Woody Hill Mine)
Mitchell Co., N. C.
$5,913 - Mica

Memorandum

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

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

Subject: Review of Field Team examination report

The Field Team has recommended a two-stage project be approved.

There is very little evidence presented in the report that indicates successful exploration can be expected by underground work. However, as a two-stage project with the shaft sinking contingent upon favorable evidence from the trenching phase, a limited amount of surface trenching is justified.

The small sized mica material in the dumps is of strategic quality and the proposed dozing northeast and southwest of the old workings may disclose additional areas of mica-bearing pegmatite.

I recommend the two-stage project be approved with stipulation being made that contract be terminated after Stage I bulldozing if results are unfavorable.

E. L. Newcomb

Copy to: DMEA (3)

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

DEPARTMENT OF THE INTERIOR
Land & Mineral Conservation
FEB 14 1955

February 11, 1955

Memorandum

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

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

Subject: Field Team Report on DMEA-3619, Young & McKinney, Applicants (mica)

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

Wm. A. Beck, Acting Executive Officer
DMEA Field Team, Region V

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

ZM

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
REGION V

ON

DMEA-3619, WOOD BELL MINE (mica)
Mitchell County, N. C.

BY

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

February 3, 1955

DEFENSE MINERALS EXPLORATION

FEB 14 1955

FIELD EXAMINATION REPORT
On

DMEA-3619, WOODY HILL MINE (mica)

Applicants: McKinney and Young, c/o Howard McKinney, BX.141, Bakersville, N.C.

No pegmatite in place is exposed at this deposit. Dump material contains small mica of excellent quality. Very little country rock occurs in the dump, suggesting that the pegmatite is probably in excess of 5 feet in thickness. The examiners agree with the applicants that exploration appears justified. The program as proposed in the application, with minor changes, is recommended - in stages.

An attempt was made to examine the deposit on January 20, 1955. Heavy snow at that time concealed everything. The deposit was examined on February 3, 1955. Messrs. Howard McKinney and Ralph Young accompanied the examiners on the inspection which required two hours.

The Woody Hill Mine is on the north side of N. C. Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, North Carolina. It is on a ridge about 200 yards from the highway. There is no access road from the highway to the mine.

Both applicants appear to be competent to conduct the proposed work. Area covered by their lease is adequate.

There are no surface facilities on the property. A short access road, toolhouse, and magazines will be needed if Stage 2 is undertaken.

Most of the information regarding the extent of old workings is of a hear-say nature. One of the shafts is reported to be 135 feet deep, but the size of the dump from this shaft does not seem to be large enough to account for such a depth. The attached sketch shows the general relationship between the various openings. The extent of underground stopes and drifts are not known but are probably limited.

Exposures are poor in the general area of the mine. Both shafts were apparently sunk entirely in pegmatite. Biotite gneiss wall rock is exposed. Its foliation trends N. 45° E. and dips 60-70° SE. The pegmatite is probably conformable, being a sill-like body with a thickness up to 5 feet. Dump material consists of unweathered pegmatite. It is composed of plagioclase, blocky perthite, graphic intergrowth of perthite and quartz, small lenses and pods of quartz, muscovite, biotite, and red garnet, listed in order of abundance. No information is available regarding possible zonal characteristics of the pegmatite, although the mica

appears to be closely associated with the plagioclase.

All mica found in the dump is small. It is hard, clear, flat, ruby-colored and free splitting. The mica is of strategic quality.

We have no information on the history of this mine. Apparently it has been worked at various times over a considerable period.

The examiners believe that exploration assistance is justified. We do not think that an attempt should be made to re-open the old works or to sink a new shaft that would go deeper than the caved shaft. Instead, we recommend that an effort be made to uncover the extension of the pegmatite, both northeast and southwest of the present openings. If no pegmatite is found at either place, further work should not be considered. However, if pegmatite is exposed at either place, a 60-foot shaft should be sunk on the pegmatite at the most promising place. A total of 80 feet of drifts should be driven from the shaft.

Estimated Cost:

Stage I.

Cut two trenches 100' x 15' x 6' along the possible extension of the pegmatite. One to be northeast and one southwest of the existing workings.

Bulldozer, 20 hrs. @ $10/hr.	$ 200.00

Stage II

Construct 200 yards of access road

Bulldozer, 10 hrs. @ $10/hr.	100.00
Construct toolhouse	75.00
" powder magazine	25.00
" exploder "	13.00

Sink 60-foot 5' x 7', timbered shaft on pegmatite (40) shifts.

Labor:

1 - miner @ $1.50/hr.	$480.00
1 - hoistman @ $1.25/hr.	400.00
1 - Laborer @ $1.00/hr.	320.00

Equipment (rental)

Compressor and drill @ $22/Mo.	440.00
Hoist @ $50/Mo.	100.00

Supplies:

Explosives	$150.00	
Gasoline and oil	115.00	
Drill steel	100.00	
Timber, 4000 b.f. @ $65/M	260.00	
Small tools & pipe	175.00	
Miscellaneous	60.00	
Insurance & Social Security	100.00	$2,700.00

Drive 80 feet of drift (40 shifts)

Labor:

1 - miner @ $1.50/hr.	480.00
1 - hoistman @ $1.25/hr.	400.00
2 - laborers @ $1.00/hr.	640.00

Equipment (rental)

Compressor, pump, jackleg & drill @ $250/Mo.	500.00

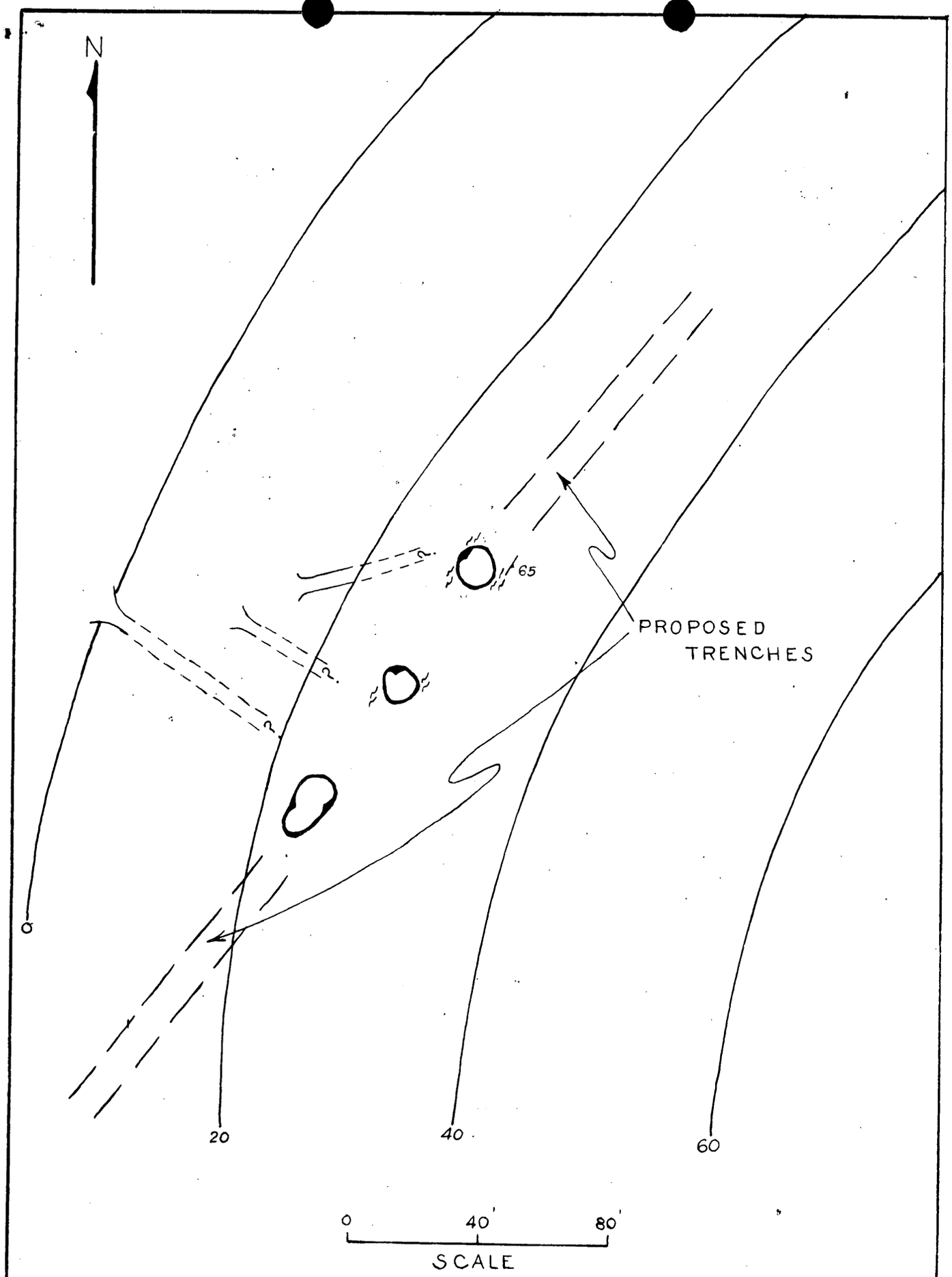
Supplies:

Explosives	250.00	
Gasoline and oil	150.00	
Drill steel	100.00	
Small tools and pipe	75.00	
Miscellaneous	80.00	
Insurance & Social Security	125.00	$2,800.00

Estimated total cost $5,913.00

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

February 3, 1955



SKETCH OF
WOODY HILL MINE
MITCHELL CO., N.C.

DMEA-3619 (mica)

JAN 2 8 1955

Mr. Howard McKinney
P. O. Box 141
Bakersville, North Carolina

Re: Docket No. DMEA-9619 - Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina

Dear Mr. McKinney:

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 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

Please be advised the lease and Owner's Consent to Lien attached to your application do not contain an adequate legal description of the property you wish to have explored. The processing of your application cannot be completed until such information is furnished, written on the lease and the Owner's Consent to Lien.

The Regional Office will contact you at an early date if an examination is to be made, at which time they will advise you concerning an adequate land description. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAndersen:ad 1/20/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Killegnard, 5222
Mr. Diejrich, 3061
Mr. Bonk

JAN 28 1955

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

Subject: Docket No. DMEA-3639 - Mica
McKinney and Young
Honey Hill Mine
Mitchell County, North Carolina

Dear Mr. Lawrence:

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

We are returning one copy of the lease and six copies of the Owner's Consent to Lien, as they do not contain an adequate legal description of the land involved in the application. If a contract is recommended, please have the applicants write in and sign on the backs of these documents the desired land description. This must be a legal description that gives the bearings and distances of the lines which enclose the property to be explored. The property must be referenced to a permanent and identifiable landmark, natural or artificial, as a center of a shaft, adit, building, benchmark, etc.

Copies of memoranda from the Geological Survey, dated January 5, 1955, and from the Bureau of Mines, dated January 26, 1955, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

E. L. Newcomb

Member, Geological Survey

Enclosures 11

WCAnderson:ad 1/27/55
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 INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1955

January 26, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3619 (mica)

Applicant: McKinney and Young

Name and Location of Property: Woody Hill Mine
Mitchell County, North Carolina

Date Application Rec'd. by Br. of Ceramic & Fertilizer Mtls.: 1/3/55

Comments:

1. This deposit appears to have possibilities for the development of strategic mica.

2. It is questionable if the construction of a new shaft is better than rehabilitation of the existing 135 foot shaft.

3. Applicant has listed proposed expenditures totaling $3,900.75.

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.

W. F. Dietrich

IN REPLY REFER TO:

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

DEPARTMENT
Defense Mine
R

JAN - 6 1955

January 5, 1955

Re: DMEA-3619
McKinney & Young
(Woody Hill Mine)
Mitchell Co., N. C.
$3,901 - Mica

Memorandum

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

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

Subject: Review of application

The operator has proposed a project involving removal of overburden from an area 30 feet wide and 150 feet long to expose a pegmatite along the trend of old workings. This work will be followed by sinking a shaft 100 feet at the most favorable location on the exposed pegmatite.

Considerable past production is reported by the applicant to have been mined during the Colonial Mica Corporation program of the war years.

We do not have any information in our files on the Woody Hill mine. However, pertinent data probably is available in the Survey files at Knoxville.

A staged project may be warranted on this property which would allow stripping work as Stage I and the underground work as Stage II. Although a shaft 100 feet deep may be warranted, some provision probably should be made for a limited amount of drifting. Unless the shaft were to follow a mica-bearing zone all the way down, it would not be good exploration practice to limit exploration to the sinking of a comparatively deep shaft.

I recommend this application be referred to the Field Team for their review and recommendations.

ELNewcomb:hlm
G-1/5/55

E. L. Newcomb

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

DEPARTMENT OF THE INTERIOR
Defense Minerals
RECEIVED
JAN 12 1955

January 10, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3619, McKinney, Black, Guy and Young. Woody Hill Mine. (mica) Mitchell County, N. C. MF-203

Transmitted are two copies of MF-203, to be attached to the subject application which was mailed your office on December 29, 1954.

Please note the mailing address has been changed to: Mr. Howard McKinney, P.O. Box 141, Bakersville, North Carolina.

Robert A. Lawrence

ZM.

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF [illegible]
Licence Mine[illegible]
R[illegible]

DEC 31 1954

December 29, 1954

Memorandum

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

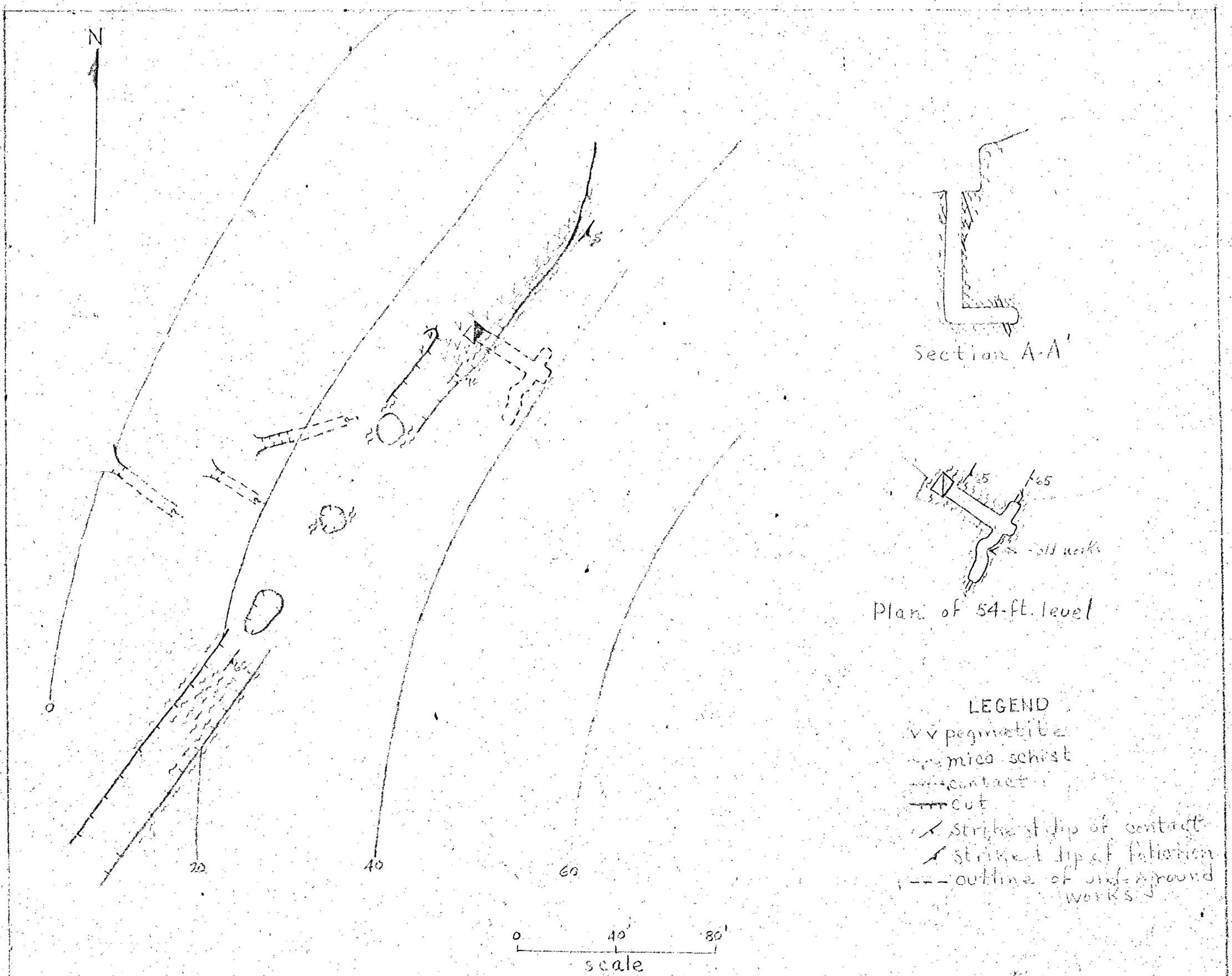
From: Executive Officer, DMEA, Region VII

Subject: McKinney and Young (mica), Moody Hill Mine

Enclosed herewith are four copies of the Owner's Consent to Lien to accompany the subject application. We are asking the applicant to supply the other two.

Robert A. Laurence

Enclosures 4
RAL/mg
cc - Division File-DMEA
Beck
Lynch
Files



SKETCH OF
WOODY HILL MINE
MITCHELL CO., N.C.

DMEA-3619(mica)
Aug. 9, 1955