UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 3731

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

✓ Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

✓ Closing letter
Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

✓ Owner's Consent to Lien.

Subordination Agreement.

✓ Leases and assignments of leases.

✓ Application and attachments.

Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

Right Side

✓ Project summary.

✓ Work completed analysis.

✓ All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report. (Tab)

✓ Operator's Final Report.

✓ Interim Reports.

✓ On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

✓
Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of

Ed Buskins and Fred Gage, partners
Route 3
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-E815, Docket No. DMEA-3731, dated June 13, 1955, covering a project for the exploration of mica on property known as the Randolph Mine located in Mitchell County, North Carolina, for the period July 1 to October 14, 1955, inclusive.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

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

Total cost as billed by the contractor		$5,060.37
Exceptions (see audit report for details)		
Prior to this audit	$ -0-	
During this audit	315.46	315.46
Total Accepted Cost		$4,744.91

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of three thousand five hundred fifty-eight and 68/100 Dollars,

$3,558.68

is valid and proper.

This certificate is issued on the provision 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.

C. E. Fisher
C. E. Fisher, Auditor

February 1, 1956

AUDIT REPORT

I. INTRODUCTION

On November 16, 1955, and January 25, 26, and 27, 1956, a final audit (covering operations for the period July 1 to October 14, 1955) was made of the records and transactions pertaining to Exploration Project Contract No. Idm-E815, Docket No. DMEA-3731, dated June 13, 1955, with

Ed Huskins and Fred Gage, partners
Route 3
Bakersville, North Carolina

covering a project for the exploration of mica on property known as Randolph Mine located in Mitchell County, North Carolina.

The original records under this contract were maintained by and were in the custody of Mrs. Mary P. Banner in the office of Mr. Samuel L. Phillips in Spruce Pine, North Carolina.

The records produced for audit were those of Randolph Mining Company, a partnership consisting of Samuel L. Phillips, John Phillips, Ed Huskins and Fred Gage. The activity of this partnership was limited to conducting the exploration provided by this contract.

Mr. William A. Beck, Mining Engineer, DMEA Field Team, Region V, Knoxville, Tennessee, accompanied the auditor and assisted in the audit. Mrs. Banner also rendered considerable assistance and Mr. Phillips was consulted as required. The cooperation of all concerned greatly facilitated the audit work.

II. GENERAL INFORMATION ON RECORDS

The accounting records consist of a cash receipts and disbursements register, cancelled checks, time books, Federal income and withholding tax returns, and copies of paid invoices. These records were made freely available for any necessary inspection by this auditor and were found to be well kept and they are considered to be thoroughly reliable.

The Operator's Monthly Report and Voucher Forms MF-104 were prepared by Mrs. Banner and were signed by Ed Huskins, one of the partners. The original MF-104's were found to be adequately supported by copies of paid invoices and payroll summaries, with exception of the costs pertaining to category (6) New Buildings, Improvements, etc.

III. SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date" column of the Form MF-104, Operator's Monthly Report and Voucher, for the month of October 1955.

The audit disclosed a considerable amount of improper distribution of charges to the "Items of Cost" shown on the Form MF-104. Therefore, the audit findings presented below are those resulting after correction of the cost distribution.

(1) Independent Contracts

This category of cost is not applicable to this contract.

(2) Labor and Supervision

The basic record for labor costs consisted of a time book maintained by Mr. Ed Huskins, one of the partners who devoted full time to the exploration project as a miner and working foreman. There were two other employees throughout the period and one employee who worked only one eight-hour shift. Wages were paid on a biweekly basis, Mrs. Banner transcribing the information from the time book to the cash receipts and disbursements register and issuing checks for the wages due.

Verification of all wages paid was made during the audit.

This contract does not provide for any costs of supervision or technical services but does specify maximum hourly rates of pay for labor as follows:

Miners	$1.50 per hour
Hoistmen	1.25 " "
Laborers	1.00 " "

Labor costs, determined by audit to be allowable, are shown in the following summary:

Class	Hourly Rate	Claimed Hours	Claimed Amount	Allowed Hours	Allowed Amount
Miners	$1.50	575.5	$ 854.20	538.0	$ 807.00
Hoistmen	1.25	386.0	472.85	386.0	482.50
Laborers	1.00	714.0	691.22	682.0	682.00
Total		1,675.5	$2,018.27	1,606.0	$1,971.50

The following audit adjustments were made in arriving at the findings shown in the above summary:

(a) An additional allowance of $41.48 for amounts of old age benefit and withholding taxes erroneously deducted from amounts of wages claimed for following employees:

Employee	OAB tax	Withholding tax
Ed Huskins	$ 9.05	$ -0-
Claude Huskins	.16	-0-
Lonas Huskins	12.85	-0-
Paul English	10.92	8.50
Totals	$32.98	$8.50

(b) A transfer of $56.00 to item (6) New Buildings, Improvements, etc., for 48 hours labor constructing toolhouse, powder magazine and exploder magazine; and

(c) A disallowance of $32.25 for 21.5 hours of labor by Ed Huskins at $1.50 per hour subsequent to October 14, 1955, date of completion of the exploration.

(3) Operating Materials and Supplies

The costs chargeable to this category were determined by a detailed audit of paid vendors' invoices and are summarized as follows:

Item	Claimed	Allowed
Timber	$ 226.00	$ 160.00
Explosives	681.98	696.03
Steel and Supplies	679.14	-0-
Drill steel	-0-	177.00
Gasoline and oil	-0-	258.24
Other	-0-	182.85
Totals	$1,587.12	$1,474.12

The following audit adjustments were made in arriving at the allowed costs shown above:

(a) A transfer of $89.20 to (6) New Buildings, Improvements, etc. covering materials and supplies used in the construction of toolhouse, powder magazine and exploder magazine, as follows:

Vendor	Item	Amount
Cecil Phillips	Lumber	$18.00
Sugar Dave Mining Co.	Do	48.00
Cecil Phillips	Various hardware	23.20
Total		$89.20

(b) A disallowance of $23.80 for cost of electrical parts supplied by Spruce Pine Electric Company in connection with installation of a power line.

Other allowed costs of materials and supplies included $81.30 for 100 feet of 8 inch jute Ventube, $74.12 for hand tools and $27.43 for various hardware items.

By letter dated February 7, 1956, the Executive Officer, DMEA Field Team, Region V, waived the Government's interest in any small tools and supplies remaining unexpended at the conclusion of the exploration project.

(4) Operating Equipment

(a) Rental

The accepted costs under this subcategory are as follows:

Item	Period	Rate per month	Amount
1 Compressor, drill and pump	4 months	$240.00	$ 960.00
1 Hoist	4 "	50.00	200.00
Totals	4 months	$290.00	$1,160.00

The above equipment was rented from Cecil Phillips. The number of each item rented, the monthly rental rates, and the total of the category are all within the maximums provided by the contract. The actual exploration work was accomplished in approximately 3½ months (July 1 to October 14, 1955); however, the charge of 4 months rental was actually incurred and is considered equitable.

(b) Purchase

(c) Depreciation

These subcategories of cost are not applicable to this contract.

(5) Initial Rehabilitation and Repairs

This category of cost is not applicable to this contract.

(6) New Buildings, Improvements, etc.

Under the provisions of the contract the estimated amount of $116.00 for the construction of a toolhouse, powder magazine and exploder magazine is a maximum allowable cost to which the Government may contribute. Both the Operator and the Field Team misinterpreted this provision of the contract as calling for Government participation on basis of a fixed unit cost for the three buildings. Consequently, the Operator claimed $116.00 under this category without substantiating the charges by documentation.

The audit determined that the following costs [illegible] construction of the toolhouse, powder magazine and exploder magazine had been claimed, in error, under categories (2), (3) and (7):

(2) Labor

Ed Huskins	16 hours @ $1.50	$24.00	
Lonas Huskins	16 hours @ $1.00	16.00	
Paul English	16 hours @ $1.00	16.00	$ 56.00

(3) Operating Materials and Supplies

As detailed under category (3)	89.20

(7) Payroll Taxes

Lonas Huskins	2% of $16.00	.32	
Paul English	2% of $16.00	.32	.64
			$145.84

The acceptable costs under this category are the maximum provided by the terms of the contract amounting to $116.00. The following audit adjustments were made in arriving at such acceptable costs:

(a) Disallowance of the $116.00 claimed without substantiation of the expenditures on Form MF-104 for July 1955; and

(b) Transfers amounting to $145.84 to this category from items (2), (3) and (7) and a disallowance in the amount of $29.84 for claimed costs in excess of the maximum amount allowable under the terms of the contract.

By letter dated February 7, 1956, the Executive Officer, DMEA Field Team, Region V, waived the Government's interest in such buildings.

(7) Miscellaneous

Payroll Taxes

The only costs incurred by the Operator under this item are for Federal old age benefit taxes based on 2 percent of gross payrolls, excluding wages of partners. The claimed and accepted costs are as follows:

Employee	Claimed	Transferred to item (6)	Disallowed	Acceptable Costs
Ed Huskins	$ 9.05	$	$9.05	$ -0-
Claude Huskins	.16			.16
Lonas Huskins	12.85	.32		12.53
Paul English	10.92	.32		10.60
Totals	$32.98	$.64	$9.05	$23.29

The disallowance of $9.05 represents amount set up on the payroll and included on Forms MF-104 for September and October, 1955, representing the Operator's portion of OAB tax applicable to wages of Ed Huskins. As Mr. Huskins is one of the partners in Randolph Mining Company, such tax is not an operating expense of the company and is not an allowable exploration cost under the contract.

Power Line

Costs were claimed by the Operator under this item as follows:

Payment to North Carolina Power Company for installation of power line to the project	$142.00
Payment to Mitchell County, North Carolina, for inspection of such installation	4.00
Total	$146.00

The exploration contract does not provide for the installation of the power line. Consequently, the amount of $146.00 has been disallowed. Cost of material used by Spruce Pine Electric Company in connecting the power line with a blower-type fan has also been disallowed under category (3) Operating Materials and Supplies.

IV. CONCLUSIONS

The audit disclosed that all costs charged to this project, with the exception of the net disallowances aggregating $315.46 as itemized in the preceding section of this report, are reasonable and proper under the terms of the contract.

This contract contained numerous items, the estimated costs of which are indicated as being maximums for contribution by the Government. Hourly wage rates and number of units, rental rates and total amount of rental of equipment claimed by the Operator were within such allowable maximums. Audit adjustment has been made in this report to bring the accepted costs for toolhouse, powder magazine and exploder magazine within the allowable maximum provided by the contract.

The items of cost as shown on the October 1955, Form MF-104, as adjusted by the audit; allowances and disallowances as a result of the audit; and amount of accepted costs are summarized below:

	Totals Oct. MF-104	Corrected Distribution	Allowances and (Disallowances) by Audit	Accepted Costs
(2) Labor and Supervision				
Labor	$2,018.27	$1,962.27	$ 9.23	$1,971.50
(3) Oper. Matl's. & Supp.				
Timber	226.00	160.00		160.00
Explosives	681.98	696.03		696.03
Steel and Supplies	679.14	-0-		-0-
Drill steel		177.00		177.00
Gasoline and oil		258.24		258.24
Ventube		81.30		81.30
Other		101.55		101.55
(4) Operating Equipment				
Rental	1,160.00	1,160.00		1,160.00
(6) New Bldgs.,Improve.etc.	116.00	261.84	(145.84)	116.00
(7) Miscellaneous				
Social Security	32.98	32.34	(9.05)	23.29
Power Line	146.00	169.80	(169.80)	-0-
Totals	$5,060.37	$5,060.37	$(315.46)	$4,744.91

At the conclusion of the audit the findings were discussed with Mr. Samuel L. Phillips who presented a check for $76.06 to cover refund of 75 percent of $101.41 determined at that time to be the net amount of disallowances applicable to the exploration project. Further review of the audit findings has disclosed that the net amount subject to disallowance should be $315.46 as outlined in this report.

C. E. Fisher

C. E. Fisher, Auditor

February 1, 1956

DOCKET COPY
Surname:
Hopkins
Chambers
Selfridge
Johnson

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

MAY 15 1956

Messrs. Ed Huskins and Fred Gage
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-3731-mica
Randolph Prospect
Ed Huskins and Fred Gage
Mitchell County, North Carolina
Contract No. Idm-3815

Gentlemen:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ms 5/14/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Adm. R. File
E. L. Briggs) land owners (Copies to Field Team
Eloise Briggs) for forwarding)

R.C.S.

Government's Copy

RECEIVED
JUN 24 1955

MF-200
(Revised June 1954)

Docket No. DMEA-3731

Commodity Mica

Contract No. Idm-E 815

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 13th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Ed Huskins and Fred Gage, partners,

whose mailing address is Route #3
Bakersville, North Carolina,
hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[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."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of Owners

(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 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of mica. The work to be performed is described in Exhibit "A." The Operator on or before AUG 1 1955 shall commence the work, and on or before December 31, 1955 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *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.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $5,616.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $4,212.00: *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 or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(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. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. 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. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved 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 detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and 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 related costs incurred.

(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 8. *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 7) 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 therof 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 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *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: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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.

(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: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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 10 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 11. *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 12. *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 13. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitterdorf

Administrator, Defense Minerals Exploration Administration

ED HUSKINS and FRED GAGE
(Operator) (partners)

By Ed Huskins
(partner)

By Fred C. Gage
(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—70617-1

RECEIVED
JUN 24 1955

EXPLORATION PROJECT CONTRACT
ED HUSKINS and FRED GAGE
DOCKET NO. DMEA-3731

ANNEX I

The land referred to in Article 2 of the Contract is described as follows:

Beginning on a Sarvis tree at the road near the entrance to the Randolph Mine and runs N. 78° E for 196' to a stake on top of hill; then N. 42° 30' East for 209' to a small oak tree, then N. 54° W for 294' to a 12" Oak beside the road, then up road S 61° 30' West for 365' to a stake near road; then S. 49° E for 300' to the beginning. Containing approximately 2.2 acres. This property in Mitchell County, N. C.

EXPLORATION PROJECT CONTRACT
ED HUSKINS AND FRED GAGE
DOCKET NO. DMEA-3731

RECEIVED
JUN 24 1955

EXHIBIT "A"

Description of the Work

The location of the exploration work is shown on the map entitled, "Sketch of Randolph Mine, Mitchell Co., N. C. DMEA-3731 (mica)," attached hereto and made a part hereof. The work consists of the following:

1. Construct:

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

A powder magazine, approximate dimensions 4 feet by 3 feet by $2\frac{1}{2}$ feet.

An exploder magazine, approximate dimensions 2 feet by $1\frac{1}{2}$ feet by 1 foot.

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

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

2. Sink a 60-foot, two compartment, inclined shaft on the pegmatite having maximum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

3. From a point 5 feet above the bottom of the shaft, drive 80 feet of drifts having maximum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All workings shall be timbered as necessary.

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

ESTIMATED COSTS OF THE PROJECT
(In addition to the maximums fixed in the contract form, an asterisk indicates maximum)

Category (1) Independent Contracts - None		
Category (2) Personal Services		
(a) Supervision - None		
(b) Technical Services - None		
(c) Labor (including working foreman)	$2,720.00	$2,720.00
Miners $1.50/hour*		
Hoistmen $1.25/hour*		
Laborers $1.00/hour*		
Category (3) Operating Material & Supplies		
Miscellaneous	$1,380.00	1,380.00
Category (4) Operating Equipment		
(a) Rental		
1 Compressor, Drill, and Pump @ $240.00/mo. for the three items.		
1 Jackleg @ $10.00/mo.		
1 Hoist @ $50.00/mo.	$1,160.00	1,160.00
(b) & (c) Purchases and Depreciation - None		
Category (5) Initial Rehabilitation & Repairs - None		
Category (6) New Buildings, Fixtures & Installations		
1 Toolhouse	$ 76.00	
1 Powder Magazine	26.00	
1 Exploder Magazine	14.00	116.00
Category (7) Miscellaneous - None except Social Security and liability insurance	$ 240.00	240.00
Estimated Total Cost of Project		$5,616.00
Government Participation @ 75%		$4,212.00

MF-203
Revised March 24, 1955

RECEIVED
APR 18 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/

BEGINNING on a Sarvis tree at the road near the entrance to the Randolph Mine and runs N.78 deg.-E. for 196' to a stake on top of hill; then N-42 deg, 30' East for 209' to a small oak tree; thence N.54 deg. W/294' to a 12" oak beside the road; then up road S.61 Deg. 30' W. for 365' to a stake near road then S.49 deg. E. for 300' to Beginning, containing 2.2 acres more or less

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

_____

_____

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

---

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 14th day of April, 1955.

E. L. Briggs [Seal]

Eloise Briggs [Seal]

_____ [Seal]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/

Beginning on a Hickory tree located 105' N.E. of a small opening known as the Gage Prospect and running 250' North; thence 500' East; thence 500' South; thence 500' West; thence 500' North; thence 250' East to a point of closing. This property lying in Mitchell County, N.C.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following;3/

_____

_____

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 14th day of April, 1955.

E. J. Briggs [Seal]

Eloise Briggs [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3731
Metal or Mineral Mica
Date Received 3-21-55
Estimated Cost $8,500
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Ed Huskins and Fred Gage
Bakersville, Rt. 3, N. C.
Partnership

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Legal description given on attached lease.

(*b*) State any mine name by which the property is known. Randolph Prospect

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Lease attached.

(*e*) If you own the land, describe any liens or encumbrances on it Not owner.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. None

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. See attached sheet.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Mica

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. See sheet.

(*c*) The work will start within 30 days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. Now on file with DMEA.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project: See sheet

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes. Will furnish required 25%.

(*b*) How do you propose to furnish your share of the costs?

[x] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated 3-17-55, 195...

Ed Huskins & Fred Gage
(Applicant)

By Ed Huskins
Partner

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.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MAR 21 1953

MF.-103 (Continuation Sheet)

? see F.T. Report

4. (a) No previous mining operations at this site.

(b) No past production. New Prospect.

(c) From the appearance of vein material it is believed that mica of strategic quality may be found by exploration work at this prospect.

(d) Project is accessible to roads, shipping, etc.

(e) Manpower, equipment and supplies are available. Power is about 1/2 mile away.

5. (b) We propose to sink a 5'x7' shaft to a depth of 100'; then drift 100' best way with vein.

6. Estimate of Costs:

Sink shaft 100' @ $50.00 ft.	$ 5,000.00
Drift 100' @ $35.00 ft.	3,500.00
Total estimated cost	$ 8,500.00

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 14th day of March, 1955, ~~1933~~

between E. L. Briggs and wife, Eloise Briggs

of Yancey County and State of North Carolina as party of the first part, and known as lessor s, and Edd Huskins and Fred Gage, both

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

Beginning on a Sarvis tree at the road near the entrance to the Randolph Mine and runs N. 78* E for 196' to a stake on top of hill; then N. 42* 30' East for 209' to a small oak tree, then N. 54* W for 294' to a 12" Oak beside the road, then up road S 61* 30' West for 365' to a stake near road; then S. 49* E for 300' to the beginning. Containing approximately 2.2 acres. This property in Mitchell County, N. C.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part___ of the first part, or his or their heirs or assigns, a rental royalty of 1/8

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor___ reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of_____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor___. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

Mary Angel
My Comm. Ex. 4/6/55

E. L. Briggs (Seal)

x Eloise Briggs (Seal)

x Edd Huskins (Seal)

(over) Fred Gage (Seal)

Added provisions:

It is further agreed by lessees that

1. All mica mined from said mine is to be weighed each time it is brought from the mine to the mica house and a record kept of all mica mined and the weights of same.

2. All mica to be stored and worked separate and apart from any other mica mined from any other mine.

3. Work is to begin when Federal loan is approved.

4. No transfer will be made without Lessors' consent in writing.

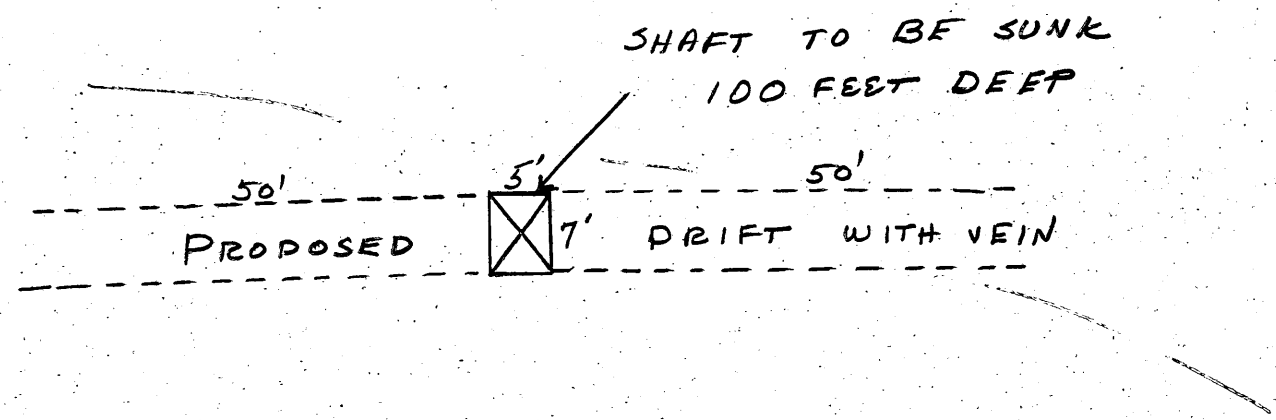
5. All royalties to be paid immediately after each and every sale.

6. The lessors have the right to visit the mine and mica house where mica is stored at any time they desire.

7. Mine will be left in a workable condition and clean of all muck.

RANDOLPH PROSPECT

Mitchell Co., N.C.



UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025, CE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
FEB - 1

January 30, 1956

Memorandum

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

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Overpayment - DMEA-3731, Idm-2815 (mica) Hunkins & Gage
Randolph Mine, Mitchell County, N. C.

Transmitted is a check in the amount of $76.06, overpayment on Monthly Report & Voucher Forms MF-104 and MF-104A, as determined by the final audit on the subject contract.

Robert A. Laurence

LM.
cc:
Lynch
Mittendorf
Shirley
Files

E-815

For Certificate of Deposit No. 41, dated November 17, 1955, giving royalty repayment of $7.81, see E-454.

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

RECEIVED
NOV 17 1955

November 15, 1955

Memorandum

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

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty payment - Idm-8815, DMEA-3[illegible] (mica)
Huskins & Gage, Randolph Mine, Mitchell County, N. C.

Transmitted is a bill-of-sale in the amount of $156.18 and two royalty checks, No. 66, in the amount of $7.71; and check No. 68, in the amount of ten-cents.

Robert A. Lawrence

RL.
cc:
Lynch
Mittendorf
Shirley
Sam Phillips
Files

Copy

RECEIVED
NOV 17 1955

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

Authorization No. 154 A Acceptance No. 470 Date: 11-2-55

Seller: John Phillips - Spruce Pine, N.C.

Mine: Randolph DMEA No.

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No. 3 & larger				.12	$70.00	8.40
No. 4 and 5				1.12	$40.00	44.80
No. 5½ and 6				6.03	$15.00	90.45
Stained No.3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00		.12	$ 8.00	.96
No. 5½ and 6		$ 3.00		1.91	$ 5.00	9.55
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00			$ 6.00	
No. 5½ and 6		$ 2.00			$ 3.00	
LOT TOTALS		//////		9.30	//////	
TOTAL		/////			/////	154.16

11-10-55
Sold to Herman Johnson —
202 lbs. scrap @ 1¢ per lb. 2.02

$156.18

Oak Ridge, Tennessee

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO. 14-23-070-81

For credit of 428 Br. Trsy. Regional Office, Oak Ridge, Tenn. 3/5/56
(Name, title, and disbursing [illegible]er identification symbol of accountable officer) (Date sent)

deposited with Hamilton National Bank, Knoxville, Tennessee
(Name and location of depositary)

$ 160.54

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E-815 Huskins & Gage (Refund of over-payment)	160.54

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

Defense Minerals Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Adm. Asst.
P. O. Box 217
Norris, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

[illegible]
(Authorized signature)

(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

Oak Ridge, Tennessee

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO. 14-25-070-70

For credit of 428 Br. Tray. Regional Office, Oak Ridge, Tenn. 2/1/56
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Hamilton National Bank, Knoxville, Tennessee
(Name and location of depositary)

$ 76.06

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X815X 14X4401	Idm-E-815 Huskins and Gage (Refund of Overpayment)	76.06

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

Defense Minerals Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Adm. Asst.
P. O. Box 217
Norris, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

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

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1) Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

16—59686b-1 GPO

Final Report

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1955 Docket No. DMEA 3731 Contract No. Idm-E815

Operator's Name Ed Huskins and Fred Gage Minerals Mica

Address Route 3, Bakersville, N. C.

Contract Amount, $ 5616.00 Government Participation: 75 % Amount, $ 4212.00

RECEIVED NOV 21 1955

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	472.60	1545.67	2018.27			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		226.00	226.00			
Explosives		681.98	681.98			
Pipe						
Track						
Steel & Supplies		679.14	679.14			
(4) Operating Equipment:						
Rental	290.00	870.00	1160.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		116.00	116.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes Social Sec.	9.65	23.33	32.98			
Liability Insurance						
Power		146.00	146.00			
(8) Contingencies (specify):						
TOTALS	772.25	4288.12	5060.37	772.25	4288.12	5060.37

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

Date 11-4-55 *Payee Ed Huskins & Fred Gage

Per Ed Huskins 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:

$ 579.19

Signature Helen R. Melin
(Authorized Certifying Officer)

Date NOV 14 1955 Vou. No. 105
(See other side)

4+7 C 10/20 193.06

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

Signature Keyton H. Teague Title Geologist, U.S.G.S. Date 11/8/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING Title EXECUTIVE OFFICER DMEA REGION V Date NOV 8 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV 21 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1955 Docket No. DMEA 3731 Contract No. Idm-E 815

Operator's Name Ed Huskins and Fred Gage Minerals Mica

Address Route 3, Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting		772.25	25	2337.92	80	29.22	80	
Crosscutting								
Raising								
Shafts				2606.45	60	43.44	80	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		772.25		4944.37				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				116.00				
TOTAL COSTS		772.25		5060.37				

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

Date 11-4-55 Operator Ed Huskins & Fred Gage

Per Ed Huskins Title Partner

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

(Instructions on reverse)

REMARKS:

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

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
NOV 21 1955

OPERATOR'S

Monthly Progress Report

October, 1955

DMEA-3731

Idm-E 815

Work Accomplished:

The eighty feet of drift called for in the contract were completed during October. In the last few feet we recovered some small mica, and a sale in the amount of $154.16 was made to the Government depot.

Daily Notes:

October 3 - 7: Drilled,,shot and mucked. Some small mica in vein. Recovered several pounds.

October 10-14: Continued with drift, completing 80' on Oct. 14. Recovered small amount of mica. Pumped water, drilled, shot and mucked.

After contract was complete, one employee sheeted and trimmed the mica which had been recovered, selling 9.30 lbs. for $154.16.

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 K- 27

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED OCT 13 1955

Month of September, 1955 Docket No. DMEA 3731 Contract No. Idm-E 815
Operator's Name Ed Huskins and Fred Gage Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 5616.00 Government Participation: 75 % Amount, $ 4212.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	588.00	957.67	1545.67			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		226.00	226.00			
Explosives	369.39	312.59	681.98			
Pipe						
Track						
Steel & Supplies	306.28	372.86	679.14			
(4) Operating Equipment:						
Rental	290.00	580.00	870.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		116.00	116.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Social Security	12.00	11.33	23.33			
Electric Power		146.00	146.00			
(8) Contingencies (specify):						
TOTALS	1565.67	2722.45	4288.12	1565.67	2722.45	4288.12

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

Date 10-4-55 *Payee Ed Huskins & Fred Gage

Per Ed Huskins 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:

$ 1174.25

Signature Helen R. Miller
(Authorized Certifying Officer)

Date OCT 11 Vou. No. 78
(See other side)

3

391.42

(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. E815 in accordance with the terms of the contract.

Signature D. Lynch Title Mining Eng Date 10/7/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date OCT 10 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 13 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1955 Docket No. DMEA 3731 Contract No. Idm-E 815
Operator's Name Ed Huskins and Fred Gage Minerals Mica
Address Route 3, Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting		1565.67	55	1565.67	55	28.46	80	
Crosscutting								
Raising								
Shafts				2606.45	60	43.44	60	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1565.67		4172.12				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				116.00				
TOTAL COSTS		1565.67		4288.12				

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

Date 10-5-55 Operator Ed Huskins & Fred Gage

Per Ed Huskins 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)

V. J. Lynch
Mining Eng.
Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
OCT 13 1955

OPERATOR'S

Monthly Report of Progress

September, 1955

DMEA-3731

Idm-E815

Work Accomplished:

We completed 55' of drift during September, making good progress with no outstanding problems. We now have about 4' of vein and during the last few days picked up a few small pieces of mica. Installed blower.

Daily Notes:

September 1 - 9 : Drilled, shot and mucked as we followed vein in the first few feet of the drift. Three men continued to work full time.

September 12-16 : Vein widening some. Pumped water, drilled, shot and mucked.

September 19-23 : We installed blower to overcome bad air. Continued in same direction with drift, beginning to see few small pieces of mica in vein.

September 26-30 : Repeated drilling, shooting and mucking operations and pumped water. Found several pieces of mica, and the vein is looking better.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 12 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 195 5 Docket No. DMEA 3731 Contract No. Idm-E815
Operator's Name Ed Huskins and Fred Gage Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 5616.00 Government Participation: 75% Amount, $ 4212.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	534.63	423.04	957.67	534.63	423.04	957.67
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	125.00	101.00	226.00	125.00	101.00	226.00
Explosives	182.88	126.86	312.59	182.88	126.86	309.74
Pipe						
Track						
Steel & Supplies	162.21	213.50	372.86	162.21	213.50	375.71
(4) Operating Equipment:						
Rental	290.00	290.00	580.00	290.00	290.00	580.00
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		116.00	116.00		116.00	116.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Social Security Tax	6.37	4.96	11.33	6.37	4.96	11.33
Electric Power to Mine	146.00		146.00	146.00		146.00
(8) Contingencies (specify):						
TOTALS	1447.09	1275.36	2722.45	1447.09	1275.36	2722.45

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9-6 *Payee Ed Huskins & Fred Gage
Per Ed Huskins 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:
$ 1085.32
Signature Peter R. Miller (Authorized Certifying Officer)
Date SEP 9 1955 Vou. No. 83
(See other side)

361.77

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

Signature Henry H. Lunos Title Geologist-USGS Date SEP 8 - 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VI Date SEP 8 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 12 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1955 Docket No. DMEA 3731 Contract No. Idm-E 815
Operator's Name Ed Huskins and Fred Gage Minerals Mica
Address Route 3, Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts		1447.09	25	2606.45	60	43.44	60	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1447.09		2606.45				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				116.00				
TOTAL COSTS		1447.09		2722.45				

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 9-6-55 Operator Ed Huskins & Fred Gage

Per Ed Huskins Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 12 1955

OPERATOR'S
MONTHLY REPORT OF PROGRESS

August, 1955

DMEA-3731

Idm-E815

Work Accomplished:

We have made satisfactory progress during the month, and completed the 60 feet of shaft. We are still in hard rock and have had to drill and shoot all the way. We are following a small vein, but have not picked up any mica.

Daily Notes:

August 1 - 5 : Drilled and shot, then mucked. Material is hard rock. Pumped water.

August 8-12 : Pumped water. Continued down following small vein. Drilled and shot, then mucked out waste.

August 15-19 : Vein still small, no mica showing. Rock and hard material forces drilling and shooting all the way. Pumped water.

August 22-26 : Drilled and shot. Vein looks much the same. Mucked. Pumped water.

August 29-31 : Reached 60' with shaft, prepared to start drift. Drilled, shot and mucked.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 13

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1955 Docket No. DMEA 3731 Contract No. Idm-E 815
Operator's Name Ed Huskins and Fred Gage Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 5616.00 Government Participation: 75 % Amount, $ 4212.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	423.04		423.04	423.04		423.04
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	101.00		101.00	101.00		101.00
Explosives	126.86		126.86	126.86		126.86
Pipe						
Track						
Steel and Supplies	220.09		220.09	213.50		213.50
(4) Operating Equipment:						
Rental	290.00		290.00	290.00		290.00
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	116.00		116.00	116.00		116.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance	30.87		30.87			
Social Security Tax	4.96		4.96	4.96		4.96
(8) Contingencies (specify):						
TOTALS	1312.82		1312.82	1,275.36		1,275.36

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

Date 8-10-55 *Payee Ed Huskins and Fred Gage

Per Ed Huskins 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.

RECEIVED AUG 18 1955

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:

$ 956.52

Signature Helen R. Melin
(Authorized Certifying Officer)

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

318.84 5 7/1

(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-E815 in accordance with the terms of the contract.

Signature Clemency H. Ximos Title Geologist-USGS Date Aug. 15, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING EXECUTIVE OFFICER Title DMEA REGION V Date AUG 15 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 3731 Contract No. Idm-E 815
Operator's Name Ed Huskins and Fred Gage Minerals Mica
Address Route 3, Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	1196.82	35	1196.82	35	34.19		5500.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
		1196.82						
TOTAL DISTRIBUTED COSTS		1196.82		1196.82				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		116.00		116.00				
TOTAL COSTS		1312.82		1312.82				

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 8-10-55 Operator Ed Huskins and Fred Gage

Per Ed Huskins 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) ~~Heat~~ Heaney H. Amos
Geologist, USGS

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Report of Progress

July, 1955

DE/-3721

Idn-F 315

Work Accomplished:

We have completed 35' of shaft during July. We started to incline with the vein at the 15' level, and are staying with the vein which is pitching about 30 degrees. We have gotten a few pieces of excellent quality mica. We put in a drill hole about 6' in the hanging wall and cut some mica. The vein is very small and contains some flint.

Daily Notes:

July 1 - : We bulldozed one day to push away overburden.

July 4 - 8 : We moved in equipment and set it up, began work on toolhouse and powder exploder magazines.

July 11-15 : Completed magazines and toolhouse, began with shaft. Near surface recovered a few pieces of good quality mica.

July 18-22 : Continued down with shaft. At 15' we began with the vein to incline, the vein pitching about [illegible]. Drilled, shot and mucked.

July 25-29: Drilled, shot and mucked. Material hard. Completed 35' of shaft.

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

August 15, 1955

Mr. Ed Huskins
Route #3
Bakersville, North Carolina

Re: DMEA-3731, Idm-E815 (mica)
Randolph Mine, Mitchell County, N. C.

Dear Mr. Huskins:

Your Operators Monthly Report and Voucher for July has been received in this office and is being sent to the Finance Office today for payment with the following deletions:

1. Under Category (3) Operating Materials and Supplies Sub-category (steel and supplies) it is necessary to disallow the following purchases from Cecil Phillips:

July 13 -	Hasp -	$ .40
	Hinges	.45
8 -	Lock	.85
	Roll roofing	3.95
	Lock	.69
	Total	$6.59

It is obvious that supplies of this type are not used in shaft sinking. We believe that they were supplies used in the construction of the toolhouse and magazines, category (6). These items were set up on a unit cost basis and no additional charges for material, supplies or labor are allowed.

2. The item of $30.87 for liability insurance under category (7) is being deleted because it was not documented. Please read the next to the last paragraph of the instruction on the reverse side of Form MF-104. This will give you an idea as to the type of documentation required.

Your totals under Steel and Supplies will now be $213.50, and your totals at the bottom of the page will be $1,275.36. We have corrected our copies, please correct your to conform with ours.

Very truly yours,

Victor J. Lynch, Acting
Executive Officer, DMEA-Region V.

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

May 11, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3731-mica
Contract No. Idm-E815
Randolph Prospect
Mitchell County, North Carolina

Operators: Ed Huskins and Fred Gage
Route #3
Bakersville, North Carolina
Operators' Property Rights:
Lessees of the mineral rights

2. Contract: dated June 13, 1955(long form)

a) Work Authorized:

Buildings	$ 116.00
(60') Shaft sinking and drifting (80')	5,500.00
Estimated Total Cost	$5,616.00

b) Amendments - none

c) Work Completed:

Buildings	$ 116.00
Shaft sinking 60 ft. @ $43.44	4,628.91
Drifting 80 ft. @ $29.22	
Total Cost	$4,744.91

Work began July 1 and was completed October 14, 1955.
Operators' Final Report November 7, 1955.
Field Team Final Report November 14, 1955.

3. Audit: Report of Review dated February 1, 1956

Total Cost as billed by Contractor	$5,060.37
Exceptions	315.46
Total Accepted Cost	$4,744.91
Government participation @ 75%	$3,558.68

4. Certification of Discovery:
None issued

5. Comments:

- A pegmatite conformable with mica-garnet-kyanite gneiss had been worked on a large scale intermittently from 1875 to World War II. From and during World War II, and until recently, about $4,000.00 worth of mica was produced and sold. There appears to be no record of previous production. Recent bulldozer work had exposed the pegmatite northeast from old workings, where the examiners recommended exploration work.
- An incline was sunk 60 feet on a mica-lean pegmatite, that was 12 feet thick but gradually thinned to 8 inches at the bottom. In the drift the pegmatite is 3' to 7' thick although only at one place was mica encountered.
- Muscovite appears to be more abundant in those portions of the pegmatite rich in quartz.
- Probably less than 300# was recovered. Value of this production was $154.16. Scrap in the amount of 202# was sold for 1¢ per lb.
- Total value was $156.18. Royalty of $7.81 was paid to the Government.
- All work was completed satisfactorily.
- There are no reserves.
- Production resulting from the project was very small and the Field Team concluded that no additional work is warranted. They recommended that no certification of discovery should be issued.
- The Nonmetallic Minerals Division concurs in the recommendation of the Field Team.
- The Commodity Divisions of the Geological Survey and Bureau of Mines also concur.

James Hopkins,
Nonmetallic Minerals Division

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

RECEIVED
APR 13 1956

April 11, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3731, Idm-E815 (mica) Ed Huskins and Fred Gage, Randolph Prospect, Mitchell County, N. C.

Reference is made to your letter of March 16 in which you requested comments on the project cost analysis by MR. C. E. Fisher, Auditor.

Mr. Fisher's memorandum and his cost analyses have been carefully studied and the following comments are offered:

There are two factors which are largely responsible for substantial differences in the project costs. These are - (1) efficiency of the Operator and his crew, (2) type of rock.

In the specific cases mentioned in the analyses, Contract Idm-E805, Coward Mine, the Operator had both factors against him; he was an inefficient Operator, he had difficulty maintaining a full crew, and the job was in fairly hard pegmatite. The result was a project that got completely out of line as regards costs, too much so to even be comparable to other contracts on mica exploration in the district.

So far as Contracts E-814 and 815 are concerned, both contractors were good Operators and had good crews. The difference in the costs of these contracts is largely due to the type of rock they were working in. The Conley Mine, contract E 814 in hard unweathered pegmatite, while the Randolph Mine, contract E 815 was in fairly soft altered pegmatite. As a result, at the Conley Mine the cost of labor, explosives, and drill steel were much higher than in the Randolph Mine.

Taking the elements individually the analyses shows the following:

Labor: Because of the harder rock, more man-hours were required to sink the Conley shaft 50 feet than to sink the Randolph shaft 60 feet. The cost per foot for labor in the Conley was there-

fore $5.46 more than in the Randolph with a corresponding increase in OAB taxes. Some operators carry liability insurance, others do not. In these cases, the operator at the Conley did carry this insurance, while the Randolph did not. This added $1.87 per foot to the Conley labor costs making the total labor cost of the Conley $7.57 a foot higher than the Randolph. We do not think there was enough difference in the efficiency of the Operators or their crews to make any difference in labor costs.

The same reasons hold true for the labor cost per foot in the drift of both mines. The cost of labor per foot of drifting in the Conley Mine was $5.56 greater than that in the Randolph.

Timber: The only timber used in the Conley Mine were the stulls and lagging of the manway and the ladders. Round timbers cut from the nearby woods were used in the Conley, the only cost being the labor. In the Randolph the shaft was completely lagged at a cost of $2.67 per foot. No timber was used in the drifts of either mine.

Explosives and Drill Steel: Both items are higher in the Conley, both for shaft sinking and drifting. The higher costs at the Conley Mine can be accounted for by the greater hardness of the rock.

Gasoline, Oil and other Supplies: Differences in those items are hard to account for but probably much of it is due to the condition of the equipment, and how and when the various purchases are charged to the job. In some cases material purchased for shaft sinking operations are not paid for immediately and are later paid for and charged to drift work.

No check was made of inventories at the end of the projects. This would, as stated, be very interesting, but without enlarging our staff, it is impossible to obtain this kind of data.

We believe that a firm cost figure of about $250.00 per month for Operating Equipment Rental, as suggested would be better than the present method of charging one rate for rental and another for use allowance. It would be equitable in most cases, though it might work a hardship on some smaller operators who own no equipment and must rent it from the larger equipment dealers.

Robert A. Laurence

Robert A. Laurence,
Executive Officer, DMEA
Region V

V. J. Lynch

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

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 9, 1956

~~WASHINGTON 25, D. C.~~
Knoxville, 2, Tenn.
April 6, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

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

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

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

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

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

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

DMEA-3877, Idm-E864, Jasper Smith Mine: Mine not operating. Operators made one sale of $17.06 lbs of sheet mica to the Government Depot for which they received $234.96. They also sold 447 lbs. of scrap to Tar Heel Mica Company for $6.70. Royalties in the amount of $12.08 has been paid.

DMEA-3731, Idm-E815, Randolph Mine: Mine not operating. Operators made one sale of 9.30 pounds of sheet mica to the Government Depot for $154.16. Also sold 202 lbs. of scrap to Herman Johnson for $2.02. Royalty on these sales in the amounts of $7.71 and 10¢ respectively has been made.

V. J. Lynch,

WAB/zm
cc;
Opr. Com.-2
Lynch
Beck
Files

copied by ms 4/11/56

DOCKET COPY
Surname:

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

Hopkins
Hook
Chambers
Selfridge
Wilbur

MAR 23 1956

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

Dear Mr. Lawrence

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

Docket No. DMEA-	Contract No. Idm-	Production during Project	Value of Production	Royalties Due	Royalties Paid	End of Certification Period (6 mos. from date Final Report)
3375	2776	1000 lbs.	$539.86	$26.98	$26.98	Feb. 8, 1956
3642	2706	few hundred pounds	?	?	None	Mar. 26, 1956
3728	2824	100 lbs.	$150.00	$ 7.50	$ 7.50	Mar. 26, 1956
3611	2785	about 800 lbs.	?	?	None	Apr. 4, 1956
3677	2844	approx. 750 lbs.	$241.66	$12.08	$12.08	Apr. 31, 1956
3731	2815	about 300 lbs.	$156.20	$ 7.81	$ 7.81	May 17, 1956

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

/s/ Robert W. Geehan (GCS)

Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)

Member, Geological Survey

Mr. Dietrich, 3061
Mr. Hook(6)
Mr. Hopkins
Adm. Sec. File

Hopkins 3/21/56
Copy to: Hook(6)
Operating Committee
Mr. Chambers
Mr. Kiilsgaard, 3222

R.C.L.

DOCKET COPY
Surname:

Hopkins
Chambers
Selfridge
Johnson
Motendorf

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

600

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region V
Knoxville, 2, Tennessee

MAR 16 1956

Re: Docket No. DMEA-3731-Mica
Ed Huskins and Fred Gage
Randolph Prospect
Mitchell County, North Carolina
Contract No. Idm-E815

Docket No. DMEA-3740-Mica
Roy Grindstaff, B. G. Thomas
and W. J. Boone
John Conley Mine
Mitchell County, North Carolina
Contract No. Idm-E814

Dear Mr. Laurence:

Please find herewith two copies of a memorandum from Mr. C. E. Fisher, Auditor, to Mr. Jay L. Chambers, Chief, Contract Administration and Audit Division, which sets forth a comprehensive and detailed analysis and discussion, from an auditing standpoint, of the costs incurred under the subject "actual cost" contracts.

This memorandum points out the substantial differences between the overall unit costs under these contracts, and also that some of these differences are more striking when the various elements entering into the overall costs are compared. Various factors are cited which may have contributed, in a large measure, to these differences, but it is highly probable that there are other masked factors that are better known to the examining engineer and geologist, who made periodic inspection visits while the work was in progress.

Please let us have your comments, with whatever explanations are available, for every element and factor that entered into the costs of these projects, including comments on type of work, timbering, efficiency of operator and final inventories of supplies.

In the matter of labor costs, which are slightly under 50% of the total costs, please note that the memorandum states, "the principal differences in the unit costs are explained by the very substantial variations in the hours of labor required for each foot of advance under the two contracts." These substantial variations should be readily explainable by those who were familiar with the personnel employed on each contract.

R.C.S.

In regard to explosives, we wish you to comment on the difference between the average cost per foot of this item, under these two contracts, and the average of estimated costs of ten "unit cost" contracts: E825, E832, E840, E844, E846, E848, E852, E855, E876 and E894. The average cost of explosives under these ten "unit cost" contracts is $3.02 per foot for drifting and $3.16 per foot for sinking, as compared to $6.71 per foot for drifting and $5.86 per foot for sinking under Contracts E814 and E815.

In the case of all long form contracts, inventories of the remaining small tools and supplies should be supplied this office. The inventories should be taken whether the Government's interest is to be waived or a salvage value assigned to them. It would have been enlightening to know the quantities of explosives and drill steel remaining at the end of these projects.

Please note the comments on Operating Equipment Rental. We wish to have your comments on using a firm cost figure for all "unit cost" contracts, instead of one figure for rental and another for use allowance. To be most equitable, it is thought that the firm cost figure should be about the average between the rental ($325.00 per month) and the use allowance plus repairs and maintenance ($175.00 per month) or about $250.00 per month depending upon the size and amount of equipment.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

/s/ Robert W. Geeham (JHB)

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey (JHB)

Enclosures: 2

JHopkins:ms 3/15/56

Copy to: Docket (DMEA-3731)
Operating Committee
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File

IN REPLY REFER TO:

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

RECEIVED
MAR 16 1956

March 15, 1956

Re: DMEA 3731, Idm-E815
Ed Huskins and Fred Gage
Randolph Mine
Mitchell Co., N. C.
$5,616.00 - Mica

Memorandum

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

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

Subject: Review of Final Field Team report.

The contract approved the expenditure of $5,616.00 on shaft sinking and drifting on the extension of a pegmatite on which considerable work had been done.

Work done consists of sinking 60 feet and drifting 80 feet at a cost of $5,060.00, of which the Government's cost is $3,795.26. Mica to the value of $156.20 was produced and $7.81 royalty was collected. The quality of the mica is good but it is in small books.

The work indicated that the pegmatite is lean in mica. The maximum thickness is 12 feet and it decreases to 8 inches at the shaft bottom.

The examiners and the Field Team conclude that further work is not warranted and recommend that no certificate should be issued.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

RECEIVED
MAR - 5 1956

March 2, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V - Knoxville, Tenn

Subject: Final Audit Report - IdmOE815, DMEA-3731, Huskins & Gage (mica) Randolph Mine, Mitchell County, N. C.

Transmitted is the original of the Audit Certificate on the subject contract, and the Operator's check in the amount of $160.54 refund due the Government as per final audit by C. E. Fisher.

Robert A. Laurence

ZM.
cc:
C. E. Fisher
Lynch
Shirley
Files

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

C O P Y

February 27, 1956

Memorandum

To: Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division

From: C. E. Fisher, Auditor

Subject: Analysis of costs under contracts for exploration for mica.

Cost audits have been made and audit reports issued pertaining to the following "actual cost" contracts covering exploration for mica in the State of North Carolina:

Idn	DMEA	Operator	Mine	Type of Audit
E805	3720	White, White and Harris	Coward	Interim
E814	3740	Grindstaff, Thomas and Boone	Conley	Final
E815	3731	Huskins and Gage	Randolph	Final

From the information developed during these audits, determination has been made of average unit costs per foot of shaft work accomplished and per foot of advance by drifting and/or crosscutting. Also hours of labor per foot of such work accomplished and average labor costs per hour, including OAB taxes and employer's liability insurance, have been determined for each contract as shown in the following tabulation:

	Shafts			Drifts	
	E805	E814	E815	E814	E815
Average Costs per foot					
Labor	$76.77	$20.82	$15.36	$16.97	$13.12
OAE taxes	1.04	.42	.18	.34	.16
Liability insurance	-0-	1.87	-0-	1.53	-0-
Total labor costs	$77.81	$23.11	$15.54	$18.84	$13.28
Material & Supplies:					
Timber	$ -0-	$ -0-	$ 2.67	$ -0-	$ -0-
Explosives	7.55	6.32	5.40	8.77	4.65
Drill steel	6.27	4.82	2.69	2.32	.19
Gasoline and oil	6.53	1.78	1.97	2.27	1.75
Other supplies	5.94	2.29	.97	.60	1.56
Total Mat. & Sup.	$26.29	$15.21	$13.70	$13.96	$ 8.15

	Shafts			Drifts	
	E805	E814	E815	E814	E815
Operating Equipment:					
Rental	$28.44	$ 2.40	$ 9.67	$ 1.09	$ 7.25
Depreciation	-0-	2.40	-0-	1.31	-0-
Total Oper. Equip.	$28.44	$ 4.80	$ 9.67	$ 2.40	$ 7.25
Totals	$132.54	$43.12	$38.91	$35.20	$28.68
Man/hours per foot of advance	62.67	20.82	12.76	16.03	10.50
Average costs per man/hour					
Labor	$ 1.24	$ 1.11	$ 1.22	$ 1.18	$ 1.26
Mat. & Sup.	.42	.73	1.07	.87	.78
Equipment	.45	.23	.76	.15	.69
Total	$ 2.11	$ 2.07	$ 3.05	$ 2.20	$ 2.73

Total accepted costs disclosed by the interim audit of contract Idm-E805 amounted to $4,407.51 with the Government's proportion on a 75 percent basis being $3,305.63. These amounts were within $532.49 and $399.37, respectively, of total costs and Government participation contemplated by the contract. The remaining work under the contract terms amounted to 8 feet of winze sinking and 80 feet of drifting. The remaining funds are obviously inadequate to complete the contract. The unit costs developed under this contract are so far out of line as to be of little or no value in any analysis to determine what may be fair and reasonable unit costs of shaft sinking and drifting in connection with mica exploration projects in North Carolina.

Contracts E814 and E815 have been completed and the costs appear to be somewhat in line with what may be considered fair and reasonable. It is noted that there are substantial differences between the over-all unit costs under these contracts and that some of the differences are more striking when the various elements entering into the over-all costs are compared. It is possible that these differences may be explained to a large extent by such factors as operating conditions, such as type of ground, or by the efficiency and skill of the operators. These matters are not deemed to be proper for discussion by the auditor and this report will deal with a consideration of the various elements included in costs from an auditing standpoint.

The total accepted costs under E814 were approximately 12.5 percent <u>in excess</u> of the amount provided by the contract and such excess has been disallowed in computing the Government's contribution to the cost. In contrast, the total accepted costs under E815 were approximately 15.5 percent <u>less</u> than the amount allowed as the estimated total cost of the project.

Discussion of the various elements included in the unit costs follows:

Labor

Both contracts provided for maximum wages as follows:

Miners	$1.50
Hoistmen	1.25
Laborers	1.00

The Operator under E814 paid its employees at the rate of $1.00 per hour, except when a hoistman was used in connection with the drifting operations, he was paid $1.25 per hour; whereas, the Operator under E815 paid its employees the maximum rates provided by the contract.

OAB taxes

These amount to 2 percent of wages paid. One of the partners under E815 worked on that project and the OAB tax was not applied as a cost of the project in connection with his wages.

Liability insurance

Both contracts provided that employer's liability insurance premiums would be an allowable cost of the project. Such insurance was not carried in connection with E815, but amounted to 9 percent of the wages paid under E814.

Total labor costs
Hours per foot of advance
Average labor costs per hour

The total labor costs per foot of shaft sinking or drifting was approximately 50 percent higher under E814 than under E815, although the average per hour cost under the latter contract was slightly higher than under E814. The principal differences in the unit costs are explained by the very substantial variations in the hours of labor required for each foot of advance under the two contracts. This is not a matter for accounting interpretation but interposes a question to be answered by the inspecting engineer who may be in possession of information indicating reasons for such discrepancies.

Timber

There were no costs for timber claimed in connection with E814 although the contract provides, "The inclined shaft, and the drifts and/or crosscuts shall be timbered as necessary." The reason for omission of charge for timber was not ascertained during the audit.

All lumber purchased under E815 was procured during the shaft sinking operations and was charged to that operation. It is possible that some portion of the timber cost under this contract was applicable to the drifting costs.

Explosives
Drill steel

The unit costs under E814 are substantially in excess of those under E815 for these items. It was noted that both operators purchased these supplies at about the same time and at similar prices. Thus the differences are due primarily to differences in quantities used for each foot of advance. The explanation of the difference in cost experience would appear to relate to such factors as type of rock in the two projects or the relative efficiency of the operators.

Gasoline and oil
Other supplies

No comments.

Operating equipment

Both contracts provided allowable maximum charges for use of operating equipment and the maximum allowable amount was claimed in each instance. The amount under E814 was $432.50 for sinking 50 feet of 2 - compartment inclined shaft and 80 feet of drifts and/or crosscuts. The allowance under E815 was $1.160.00 for sinking a 60 foot 2 - compartment shaft and 80 feet of drifts. Thus the allowance under E815 was $727.50 greater than the allowance under E814 whereas the additional work consisted only of 10 feet of 2 - compartment shaft. As a result, the claimed and accepted unit costs under E815 were more than twice those under E814.

Similar equipment was used in both projects. The difference in the allowed costs was due primarily to the contract provisions which made substantially higher allowances for use of equipment rented from other parties over the depreciation allowance for similar equipment owned by the Operator. All of the equipment used in connection with E815 was rented by the Operator, whereas, the Operator under E814 received a depreciation allowance for a compressor, drill and hoist owned by the Operator and rental allowance only in connection with a jackleg and pump.

It would seem that, in computing a fair unit cost, any allowance for use of equipment should be based on the type of equipment used and the period during which it is needed rather than upon who may happen to be the owner of the equipment. This is especially true with respect to these mica exploration projects where the items of required equipment are very well established and where the equipment is apt to be rented from a partner in the project or from a near relative.

In the case of E815 the equipment rental accounted for approximately 25 percent of the accepted costs, whereas, under E814 the charge for use of equipment was slightly less than 10 percent of the costs. Mr. Sam Phillips and Mr. John Phillips were partners with the Operators under E815. This partnership was known as Randolph Mining Company whose sole activity was the exploration under this contract. The equipment used in the exploration was rented from Cecil Phillips.

The jackleg and pump rented and used in E814 were owned by Mr. B. G. Thomas, one of the partners under that contract.

/s/ C. E. Fisher
C. E. Fisher, Auditor

CEFisher/wb
February 27, 1956

C
O
P
Y

Docket

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

FEB 23 1956

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3731 (Mim.)
Ed Hankins and Fred Gage
Randolph Mine
Mitchell County, North Carolina
Contract No. Idm-2815

Dear Mr. Phillips:

A further review of the cost claimed and settlement made under the subject contract has disclosed the fact that the installation of the power line and the services rendered by Mr. Ed Hankins in removing equipment from the property and trimming mine subsequent to October 14, 1955, were not contemplated by the contract and the costs thereof are not reimbursable under the terms of the contract.

Form MF-104, Application for Aid in an Exploration Project, indicated that power was about one-half mile away from the project. No request for a power line was included in the application, nor was any provision made for such a line in the contract as drawn. In fact, it was only after work had been in progress under the contract for a month or more that the power line was installed for the operation of a blower type fan to correct improper ventilation which was retarding progress at the mine.

The cost of trimming mine is an expense of preparing it for sale and is no part of the exploration cost provided by the contract. Also, none of the wages applicable to the period subsequent to the date (October 14, 1955) the exploration was completed are subject to Government participation.

In view of the foregoing, I must advise you that the settlement made on January 27, 1956, cannot be considered as final but that an additional amount of refund is due, computed as follows:

Item	Refund Due	Settlement 1-27-56
Labor:		
Wages of Ed Hankins - Subs. 10-14-55	$ 32.25	$ -0-
Allowance for OAB and withholding taxes deducted in error	(41.48)	(41.48)

Item		Refund Due	Settlement 1-27-56
Operating Material and Supplies:			
Spruce Pine Electric Co.			
Materials		23.80	-0-
Labor		-0-	(12.00)
New Buildings, Improvements, etc.			
Amount claimed	$116.00		
Add transfers:			
From Labor	56.00		
From Material	89.20		
From Social Security	.64		
Total costs	$261.84		
Allowable maximum	(116.00)	145.84	145.84
Social Security:			
Improperly claimed on wages of Ed Huskins, Partner		9.05	9.05
Electric Power			
Connection charge		142.00	-0-
Inspection charge		4.00	-0-
		$315.46	$101.47
Government participation - 75%		$236.60	$ 76.06
Less: Settlement 1-27-56		76.06	
Additional refund due		$160.54	

I am sorry that this matter was not properly adjusted when I was in Spruce Pine and trust that it will not cause too much inconvenience in winding up the settlement of matters pertaining to the exploration.

Your remittance in the amount of $160.54 should be made to Mr. R. A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville, Tennessee.

Sincerely yours,

Clarence E. Fisher
Auditor

CEFisher/wb
February 20, 1956

Copy to: Docket
Admr. Reading File
Mr. Laurence, (2)
Mr. Houk
Mr. Chambers

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

DEC 29 1955

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3731 (Mica)
Ed Hopkins and Fred Gage
Randolph Mine
Mitchell County, North Carolina
Contract No. Idm-E815

Dear Mr. Phillips:

Your letter dated December 16, 1955, to Mr. Robert A. Laurence, regarding audit of the accounts pertaining to the Randolph Mine has been referred to me.

It is my wish to make a further review of the records pertaining to this exploration project before issuing the audit report. This would hardly justify the expense of a special trip from Washington and I hope to fit it in with other audit matters in your vicinity on my next trip, probably during January 1956.

I am sorry that a reaudit of the accounts has been found to be necessary and that I failed to advise you sooner in the matter.

Sincerely yours,

Clarence E. Fisher
Auditor

CEFisher/wb
December 29, 1955

Copy to: Docket
Admr. Reading File
Mr. Laurence, Reg. V
Mr. Chambers
Mr. Fisher

R.S.G.

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

RECEIVED
DEC 27 1955

December 22, 1955

Memorandum

To: Mr. C. E. Fisher, Auditor, DMEA Contract Administration and Audit Division - Washington, D. C.

From: Executive Officer, DMEA Field Team, Region V

Subject: Audit of contract No. Idm-E815, Docket No. DMEA-3731
Ed Huskins and Fred Gage
Randolph Mine (Mica), Mitchell County, North Carolina

Enclosed is a copy of a letter received from Sam L. Phillips in regard to the subject audit. Mr. Beck tells me that you stated you may do this audit over on a later visit to Knoxville. Have you any plans at present to make this audit in the near future?

Robert A. Laurence

Robert A. Laurence

Enclosure

C O P Y
mg 12/22/55

RECEIVED
DEC 27 1955

Spruce Pine, N.C.
December 16, 1955

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

Dear Mr. Laurence:

We would like to close out our books on the Randolph Mine, and have not had any word from the auditor regarding the amount due the government for the duplicated labor on the toolhouse & magazines.

Would you remind Mr. Fisher to give us a word on this as soon as possible?

Thanks in advance.

Very truly yours,

/s/ Sam L. Phillips

Sam L. Phillips

B/b

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

RECEIVED
DEC - 1 1955

November 30, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3731 (mica)

Applicant: E. Huskins and F. Gage.

Name and Location of Property: Randolph Mine, Mitchell County, N. C.

Contract Number: Idm-E 815

Date of Field Team Report: 11/14/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/22/55

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. Although the mica was of excellent quality it was too small to be strategic.

2. The pegmatite thins with depth, from 12 feet at the surface to 8 inches at the bottom of the shaft.

3. Less than 300 pounds of mica was recovered during exploration.

4. Expenditures -

Total approved	$5,616.00
Total cost	5,060.00
Gov't. share of the cost	3,795.26
Value of production during operation	154.16 ?

Recommendation: I concur with the recommendation of the field team.

W. F. Dietrich

W. F. Dietrich

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

RECEIVED
NOV 17 1955

November 15, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: Final Reports, DMEA-3731, Idm-E815 (mica) Ed Huskins and Fred Gage, Bakersville, N. C. Randolph Mine, Mitchell Co.

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

We do not recommend certification of this project.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

RECEIVED
NOV 17 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

DMEA FIELD TEAM, REGION V

On

DMEA-3731, Idm-E815, RANDOLPH MINE (mica)
Mitchell County, N. C.

Final F.T. Report

By

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE
11/23/55
(date)

November 14, 1955

FINAL REPORT

RECEIVED
NOV 17 1955

On
DMEA-3731, Idm-E815, RANDOLPH MINE
(mica)

Operators: Ed Huskins and Fred Gage, Bakersville, N. C. Route #3

Location: 2.1 airline miles S. 6° W. of Bakersville, Mitchell County, N. C.

Pegmatite explored by this project did not contain mica of strategic quality. Production resulting from the project was very small and additional work is not warranted, nor should a certification of discovery be issued.

This project began July 1 and was completed October 14, 1955. Work completed under contract consisted of shaft sinking and drifting. A shaft was sunk vertically for a depth of 10 feet from an existing open cut, and was inclined from that point to the bottom, a total depth of 60 feet. Drifts were driven from the shaft bottom, totalling 80 feet, which followed the pegmatite. Turnoff was to the southwest, and 22 feet were driven S 65° W; 15 feet were driven N. 65°; and 43 feet were driven S. 75° W. The body was primarily feldspathic, and contained zones of quartz and scattered blocks of mica. Scant production of mica resulted from exploration conducted, and most of that came from shaft sinking. In addition to exploration and necessary timbering, a toolhouse, powder and cap magazines were built.

The incline was sunk on a mica-lean pegmatite that has a maximum thickness of 12 feet. It gradually thins with depth - at the 33-foot point is 5 feet thick, 51-foot point 2 feet thick, and in the bottom 8 cines thick. In the drift to the southwest pegmatite was encountered in the level and appears to extend from a point about 20 feet southwest of the incline to an undertermined distance further southwest. In the level the pegmatite is from 3 to 7 feet thick, although at only one place was mica encountered. In general the body trends N. 65° E, and dips 65 - 70° SE. It is conformable to the mica gneiss wall rock.

From all indications the body is lens-like in shape and rakes 45-60° southwest. Either this is the condition or the pemgatite encountered in the drift is a different body. The first view is favored by the writers.

The body is lean in mica. In general the pegmatite is medium coarse in texture, unzoned, and contains perthite, plagioclase, quartz, muscovite, biotite and garnet, listed in order of abundance. Muscovite appears to be more abundant in those portions of the pegmatite rich in quartz. Probably less than 300 pounds of mica was recovered during the project; all of it small in size, although of excellent quality.

Expenditures:

(a)	Total approved	$5,616.00
(b)	Total Cost of Project	5,060.00
(c)	Government's share of cost	3,795.26
(d)	Government's share unexpended	416.74
(e)	Value of production during opr.	154.16
(f)	Royalty received to date.....	7.81

All work under contract was completed satisfactorily. The Operator should be commended for the efficient and safe manner in which he conducted all phases of the project.

November 14, 1955

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

and

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

RECEIVED
NOV 17 1955

Spruce Pine, North Carolina
November 7, 1955

RECEIVED
NOV 8 - 1955
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Mr. Robert A. Laurence, Executive Officer
D. M. E. A., Region V
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA 3731, Idm-E815
Randolph Mine, Mitchell Co., N.C.

Dear Mr. Laurence:

Work began on the above contract on July 1, 1955, and was completed on October 14, 1955. We bulldozed away overburden, moved in and set up equipment, and constructed tool house and powder and exploder magazines. We sank a shaft a total of 60', beginning to incline with the vein at 15'. The shaft was in hard material with a small vein most of the way. No mica was encountered in the shaft.

At the direction of the field team, we drifted a distance of 80', the vein widening as we went along. At about 55' in the drift, we began to pick up a few small pieces of mica. In the last 25' of the drift we recovered a few pounds of fair quality mica, from which we made a sale in the amount of $154.16 to the government depot. This sale represented the entire amount recovered from operation.

We completed the contract on October 14, and since we did not believe it profitable to continue, work was stopped on this date.

We wish to express our thanks to the field team for their assistance on this operation. If further details are necessary, please contact us.

Very truly yours,

Ed Huskins

Ed Huskins (B)

B/b

Send for cor. memo

INTERIM REPORT

RECEIVED
OCT 27 1955

DMEA-3731, Idm-E815 (mica) RANDOLPH MINE

OPERATOR: Ed Huskins and Fred Gage, Route #3, Bakersville, N. C.

LOCATION: 2.1 airline miles, S6°W of Bakersville, Mitchell Co., N. C.

This contract has been completed without making a worthwhile discovery of strategic mica. The explored pegmatite is essentially barren of mica, and certification of this contract will not be recommended.

Work completed under contract consisted of shaft sinking and drifting. A shaft was sunk vertically for a depth of 10 feet, in an existing open cut, and was inclined from that point to the bottom, a total depth of 60 feet. Drifts were driven from the shaft bottom, totaling 80 feet, which followed the pegmatite. Turnoff was to the southwest, and 22 feet was driven S65°W; 15 feet was driven N65°W; and 43 feet was driven S75°W. The body was primarily feldspathic, and contained zones of quartz and scattered blocks of mica. Scant production of mica resulted from exploration conducted, and most of that came from shaft sinking. In addition to exploration and necessary timbering, a tool house, powder magazine, and cap magazine was built.

All work under contract was completed very satisfactorily. This operator should be commended for the efficient and safe manner in which he conducted all phases of the project.

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

K. H. Teague
K. H. Teague, S. C. Bergman, and A. R. Taylor
Geologists, U. S. Geological Survey

October 19, 1955

RECEIVED
OCT 17 1955

INTERIM REPORT

DMEA-3731, Idm-E815 (mica) RANDOLPH MINE

OPERATOR: Ed Huskins and Fred Gage, Route #3, Bakersville, N. C.

LOCATION: 2.1 airline miles S6°W of Bakersville, Mitchell Co., N. C.

Drifting continues on this contract and is now at 71 feet. Twenty-two feet have been driven S65°W, 15 feet have been driven N65°W, and 34 feet have been driven S75°W. Material encountered is pegmatite composed of feldspar, zones of quartz, and scattered small quartz, and muscovite mica. The operator was advised to continue the drift to the southwest. The present face shows pegmatite in the center with biotite gneiss in the northwest lower corner and along the southeast side. Only a small amount of mica has been produced from recent work. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague

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

October 5, 1955

INTERIM REPORT

DMEA-3731, Idm-E815 (mica) RANDOLPH MINE

OPERATOR: Ed Huskins and Fred Gage, Route #3, Bakersville, N. C.

LOCATION: 2.1 airline miles S6°W of Bakersville, Mitchell Co., N. C.

Drifting continues on this contract and now totals 37 feet; 22 feet have been driven S65°W, and the remaining 12 feet have been driven N65°W. The present face shows pegmatite on both walls and partially in the face, separated by 3 to 4 feet of biotite gneiss, which covers the roof area at this point. The body is striking N70°E and is composed primarily of varying amounts of soda and potash feldspar, zones of quartz containing scattered small garnet, and small blocks of muscovite mica. Instructions were given for continuing the drift.

Permanent ladders have been installed in the inclined section of the shaft. Progress on this contract is satisfactory.

Messrs. V. J. Lynch and R. A. Laurence accompanied the Field Examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague

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

September 21, 1955

C

RECEIVED
SEP 1 0 1955

INTERIM REPORT

DMEA-3731, Idm-E815 (mica) RANDOLPH MINE

OPERATOR: Ed Huskins and Fred Gage, Route #3, Bakersville, North Carolina

LOCATION: 2.1 airline miles S6°W of Bakersville, Mitchell County, North Carolina

Incline shaft sinking has been completed to a total depth of 60 feet. Turnoff has been made in a S65°W direction from shaft bottom and a drift driven for 10 feet. The drift has followed pegmatite stringer material separated by biotite gneiss layers in a zone about 8 inches thick that is striking NE and dips 65°SE. No mica was observed in the drift.

Ventilation of the working area has been improved by the installation of an electric powered air blower. The operator was advised to repair existing ladders and to complete the partitioned manway to the bottom as soon as practicable. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague

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

September 7, 1955

RECEIVED
SEP - 2 1955

INTERIM REPORT

DMEA-3731, Idm-E815 (mica) RANDOLPH MINE

OPERATOR: Ed Huskins and Fred Gage, Route #3, Bakersville, N. C.

LOCATION: 2.1 airline miles S6°W of Bakersville, Mitchell Co., N. C.

Incline shaft sinking continues on this contract and is now at 51 feet. Recent sinking has been hampered by improper ventilation of the working area and heavy rains during the past two weeks. No extreme changes in material encountered was noted. Sinking will continue to a total depth of 60 feet before turning off on a drift level.

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

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

August 24, 1955

INTERIM REPORT

DMEA-3731, Idm-E815 (mica) RANDOLPH MINE

OPERATOR: Ed Huskins and Fred Gage, Route #3, Bakersville, N. C.

LOCATION: 2.1 airline miles S6°W of Bakersville, Mitchell Co., N. C.

Incline shaft sinking continues on this contract and coupled with the vertical portion is now at 33 feet. The pegmatite has become very irregular in degree of dip and is flattening. No change in pegmatite material encountered was noted, and the body is about 5 feet in thickness at the present depth. Scant mica recovery, mostly in small sizes continues. The operator was advised to drill test holes in the hanging wall and bottom to determine direction of future work.

Improper ventilation has retarded recent progress at this mine. This is being corrected by supplying electric power to the mine, and installation of a blower-type fan at the surface.

L. E. Shirley

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

K. H. Teague D. H. Amos

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

August 10, 1955

RECEIVED
AUG 22 1955

RECEIVED
AUG - 8 1955

INTERIM REPORT

DMEA-3731, Idm-E815 (mica) RANDOLPH MINE

OPERATOR: Ed Huskins and Fred Gage, Route #3, Bakersville, N. C.

LOCATION: 2.1 airline miles S6°W of Bakersville, Mitchell Co., N. C.

Incline shaft sinking continues from the vertical shaft section already completed, and now totals 25 feet. The work is following a pegmatite body whose footwall contact dips about 70°; the hanging wall contact is not visible, and thickness of the body is not known as yet. Pegmatitic material encountered is quartzitic and contains feldspar, scattered small garnet, and an occasional block of muscovite mica. A 6 ft. testhole placed in the hanging wall at a depth of 22 feet from the beginning point shows similar pegmatite. Timbering of the hanging wall will continue until fresh rock is encountered.

Progress on this contract has been good. All timbering to date is in excellent shape. Suggestions were made concerning added safety features in the partitioned manway.

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

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

July 26, 1955

RECEIVED
JUL 25 1955

INTERIM REPORT

DMEA-3731 Idm-E815 (mica) RANDOLPH MINE

OPERATOR: Ed Huskins and Fred Gage, Route #3, Bakersville, N. C.

LOCATION: 2.1 airline miles S6°W of Bakersville, Mitchell Co., N. C.

Shaft sinking is underway on this contract and is now at 13 feet. The first 10 feet of shaft is vertical, and remainder will be inclined with the dip of the pegmatite, which is now about 60°. Some mica has been produced, but amount was not disclosed.

A conventional hoisting frame consisting of straight leg and boom pole is in use; a toolhouse has been constructed, and necessary drilling equipment is on the job. The shaft has been cribbed to near bottom.

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

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

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

July 13, 1955

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

RECEIVED
JUN 24 1955

June 22, 1955

Memorandum

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

From: Executive Officer, DMEA, Region V, Knoxville, Tennessee

Subject: Contract Idm-E815, DMEA-3731, Ed Huskins and Fred Gage
Randolph Mine (mica), Mitchell County, North Carolina

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

Robert A. Laurence

Robert A. Laurence

Attachments 3

Docket Copy
Surname:
Hopkins
Houk
Talbert
Selfridge
H.E. Jones

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

600

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

JUN 13 1955

Subject: Docket No. DMEA-3731 - Mica
Ed Huskins and Fred Gage
Randolph Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

If the contract meets with your approval present it to the Operators for their approval and signature. 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 bring to the attention of the Operators that this is an actual cost contract and they must keep copies of their payrolls and vouchers of purchases and get receipts for all cash payments not made by check. The original of the monthly Forms MF-104 must be supported by appropriate documentary evidence of the costs claimed.

This contract automatically makes maximums of the totals shown in Categories IV and VI but not the individual items in Category VI. Other maximums are shown by an asterisk.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from N. E. Nelson of the Geological Survey, dated May 12, 1955, and from W. F. Dietrich of the Bureau of Mines, dated May 17, 1955, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures 10

JHopkins:gad 6/9/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 17 1955

May 17, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3731 (mica)

Applicant: E. Huskins and F. Gage

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

Date of Field Team Report: 4-29-55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 5-6-55

Field Team Recommendation:

1. Approval of contract.

Comments:

1. Mica was found to be of good quality.

2. Recent bulldozer work has uncovered pegmatite which appears favorable for exploration.

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

Recommendation:

I concur in the field team recommendation for a project in the amount of $5,613.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAY 13 1955

May 12, 1955

Re: DMEA-3731
Ed Huskins & Fred Gage
Randolph Mine
Mitchell Co., N. C.
$5,613.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report

The application MF 103, 4(a) and (b) says this is a new prospect and no previous operations had been carried on on the site. The Field Team report shows relatively extensive workings immediately to the southwest of the recently uncovered vein extension with possible unsurveyed and drowned deep-workings (100±) in line with the proposed southwest drift.

I concur with the reduced exploration contract recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

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

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

April 29, 1955

Memorandum

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

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

Subject: Field examination report, DMEA-3731 (mica)
Ed Huskins and Fred Gage, Bakersville, N. C.
Randolph Mine, Mitchell County, North Carolina

Enclosed are four copies of the subject examination report, and six extra copies of the map.

We are in agreement with the examiners' conclusions, and recommend approval of a contract as outlined in the report.

Robert A. Laurence
Robert A. Laurence
Executive Officer
DMEA Field Team, Region V

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

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
5-6-55
(date)

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM EXAMINATION REPORT
REGION V

ON

DMEA-3731, RANDOLPH MINE (mica)
Mitchell County, N. C.

BY

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

Dewey H. Amos, Geologist
U. S. G. S.

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

April 20, 1955

Reviewed by
DMEA OPERATING COMMITTEE
5-6-55
(Date)

Sites - Exam Rpt.

FIELD EXAMINATION REPORT
ON
DMEA-3731 (mica) RANDOLPH MINE,

Applicants: Ed Huskins and Fred Gage, Route #3, Bakersville, North Carolina

Mica from this deposit is of excellent quality. Deep and rather extensive old openings occur over the southwestern one-half of the property, but little work has been done beyond this point. Exploration assistance is recommended, to be conducted beyond the northeast end of the old works.

This deposit was examined on April 20, 1955. Messrs. Ed Huskins and Fred Gage accompanied the examiners on the inspection which required one hour.

The Randolph (Randall, Randolf) Mine is in the valley of a small tributary to Mine Branch, 2.1 airline miles S. 6° W. of Bakersville, Mitchell County, N. C. It is about 600 feet northeast of the George Howell Mine. A good all weather access road extends to the mine.

Both applicants appear to be competent to conduct the proposed work.

The applicants' lease contains 2.2 acres. The beginning point and the relationship of the leased area to the existing workings and proposed work are shown on the attached sketch. The area is adequate for the proposed work.

The old workings include about ten shafts along a line that trends N. 50° E. near the top of a low ridge. Several adits were driven southeastward to the shafts from points lower on the northwest slope. During the early operations four shafts were sunk to depths of 20 to 100 feet and from them the deposit was largely stoped out for a strike distance of about 75 feet and to a depth of nearly 50 feet

During world War II the opening adjacent to the southwest property line was made. Additional work has been done in this opening in recent years. Recently the applicants did considerable stripping (to a depth of 30-35 feet) in the central part of the area. The pegmatite body is 3 to 6 feet thick, and is an aggregate of plagioclase, quartz, and mica, with minor garnet. The mica, which is abundant, is ruby colored and of excellent quality. The average size of the books, however, is relatively small.

Apparently this deposit is similar to the nearby George Howell Mine. The pegmatite appears to pinch and swell along the strike and probably down dip. It appears that the southwest opening adjacent to the property

line is in a different pod from the openings made in the early mining. Surface indications suggest that the pod or shoot worked during early mining either extends further to the northeast than old openings indicate, or that a third shoot occurs. Anyway there appears to be unmined mica-bearing pegmatite northeast of the deep workings.

The pegmatite is a sill-like body that is emplaced conformably in mica-garnet-kyanite gneiss. It trends N. 45° E. at the southwest end and gradually curves to about N. 70° E at the northeast end. The dip averages about 60-70° SE.

The mine was opened by Peter Grindstaff and Dave Glenn about 1875, and was last worked on a large scale by Messrs. Blalock and Gudger in 1900. Other operators include O. M. Dink, Winfield Buchanan, and J. K. Irby. The deposit was operated on a small scale for mica by Roy Grindstaff and Fred Grindstaff in 1944.

During World War II, the Colonial Mica Corporation's records indicate that $2,105.39 worth of mica was sold from this deposit. Of that sold about 86% was of stained or better quality. Recently the applicants have sold about $2000 worth of mica to the Spruce Pine Depot. No information is available as to the amount of the earlier production.

The recent bulldozer work has exposed pegmatite which extends northeast from the extensive old workings. The examiners are of the opinion that this portion of the deposit is probably free of old workings and that the pegmatite warrants exploration. The examiners recommend the following exploration program to be conducted on the northeast end of the exposed pegmatite:

Construct toolhouse, powder magazine and exploder magazine.
Sink 60-foot incline on pegmatite and drive 80 feet of level on pegmatite.

Estimated Cost:

Toolhouse	$ ~~75.00~~ 76.00	
Powder magazine	25.00 26.00	
Exploder magazine	13.00 14.00	$ ~~113.00~~ 116.00

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

Labor:

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

Equipment (rental):

Compressor and drill @ $220/Mo.	$440.00	
Pump (1 Mo.) @ $20/Mo.	20.00	
Hoist @ $50/Mo.	100.00	

Supplies:

Explosives	200.00	
Timber, 2000 b.f. @ $60/M	120.00	
Gasoline and oil	150.00	
Small tools	150.00	
Drill steel	100.00	
Miscellaneous	100.00	820
Insurance and Social Security	120.00	
		$ 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, drill and jackleg @ $250/mo.	500.00	
Hoist @ $50/Mo.	100.00	

Supplies:

Explosives	250.00	
Gasoline and oil	160.00	
Drill steel	50.00	
Small tools	50.00	560
Miscellaneous	50.00	
Insurance and Social Security	120.00	
		$ 2,800.00

Estimated Total Cost..... $ ~~5,613.00~~ 5616.00

April 20, 1955.

K. H. Teague and D. H. Amos, Geologists
U. S. G. S.

V. J. Lynch, Mining Engineer
U. S. B. M.

z

Docket Copy
Surname:

Houk
Kiilsgaard
Hopkins
Selstedge
Fitzsimmons

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

APR 11 1955

Messrs. Ed Huskins and Fred Gage
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3731 - Mica
Ed Huskins and Fred Gage
Randolph Prospect
Mitchell County, North Carolina

Gentlemen:

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

The Owner's Consent to Lien forms submitted with your application are being returned because the signed original is incomplete. We are enclosing seven copies of the new form Owner's Consent to Lien, revised March 24, 1955, to be executed and returned to this office. Kindly inform the Owners that each copy should be signed.

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

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures 14

JHopkins:gad 4/8/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.S.

FILE COPY
Surname:
Hopkins
Houk

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

Messrs. Ed Huskins and Fred Gage
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3731 - Mica
Ed Huskins and Fred Gage
Randolph Prospect
Mitchell County, North Carolina

Gentlemen:

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

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

Sincerely yours,

Administrator

JHopkins:ad 4/5/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

FILE COPY
Surname: Hopkins Houk Selfridge Johnson

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

APR 11 1955

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

Subject: Docket No. DMEA-3731 - Mica
Ed Huskins and Fred Gage
Randolph Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda by E. L. Newcomb of the Geological Survey, dated March 24, 1955, and W. F. Dietrich of the Bureau of Mines, dated April 4, 1955, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures 4

JHopkins:ad 4/5/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.L.

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

Defense Minerals Administration
RECEIVED
APR - 5 1955

April 4, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3731 (mica)

Applicant: Ed Huskins and Fred Gage

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

Date Application Rec'd. by Br. of Ceramic & Fert. Mtls.: 3/22/55

Comments:

1. From the limited information presented it is difficult to determine if an exploration program is justified or if the proposed plan would be the best method of explorating this property.

2. Although it would be desirable for the applicant to furnish more complete information, it appears that a visit by an examiner would furnish more useful data.

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

W. F. Dietrich

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
MAR 25 1955

March 24, 1955

Re: DMEA-3731
Huskins & Gage
(Randolph Prospect)
Mitchell Co., N. C.
$8,500 - Mica

Memorandum

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

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

Subject: Review of application

The applicant proposes to sink a 100 foot shaft and drift 100 feet.

The property is a new prospect and it is stated that "no previous mining operations (have existed) at this site."

It is reasonable to assume that surface trenching is necessary before the proposed shaft is justified.

We do not have any information on the Randolph prospect in our files.

I recommend this application be referred to the Field Team for their review and recommendations. A field examination could be scheduled at their convenience.

E. L. Newcomb

E. L. Newcomb

March 22, 1955
Subject: DMEA 3731
Re: Exploration Assistance
Randolph Prospect

Messrs. Ed Huskins and
Fred Gage
Route 3
Bakersville, North Carolina

Gentlemen:

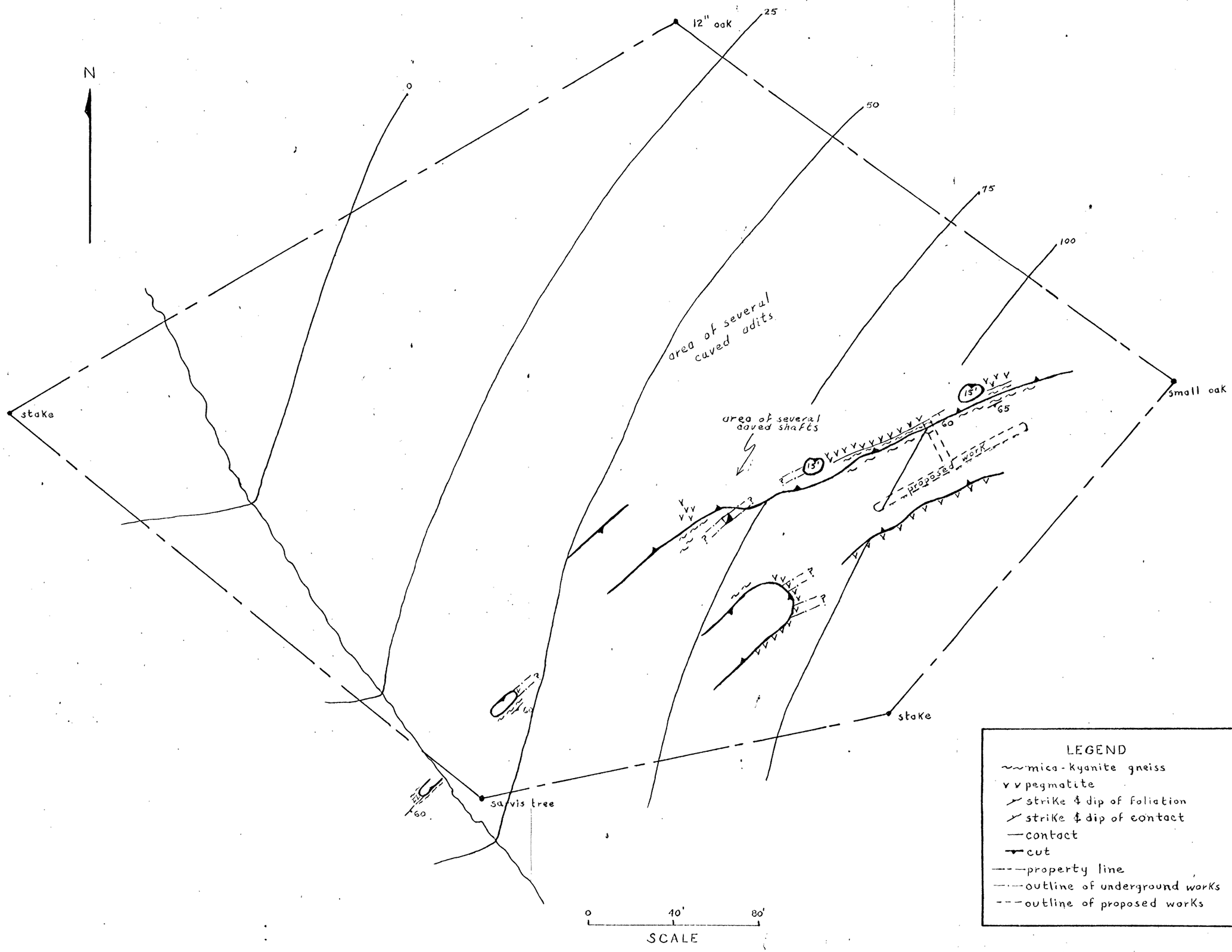
The receipt of your application dated March 17, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3731 and referred to the Nonmetallic Minerals Division.

Kindly identify all future correspondence relating to your application by this docket number.

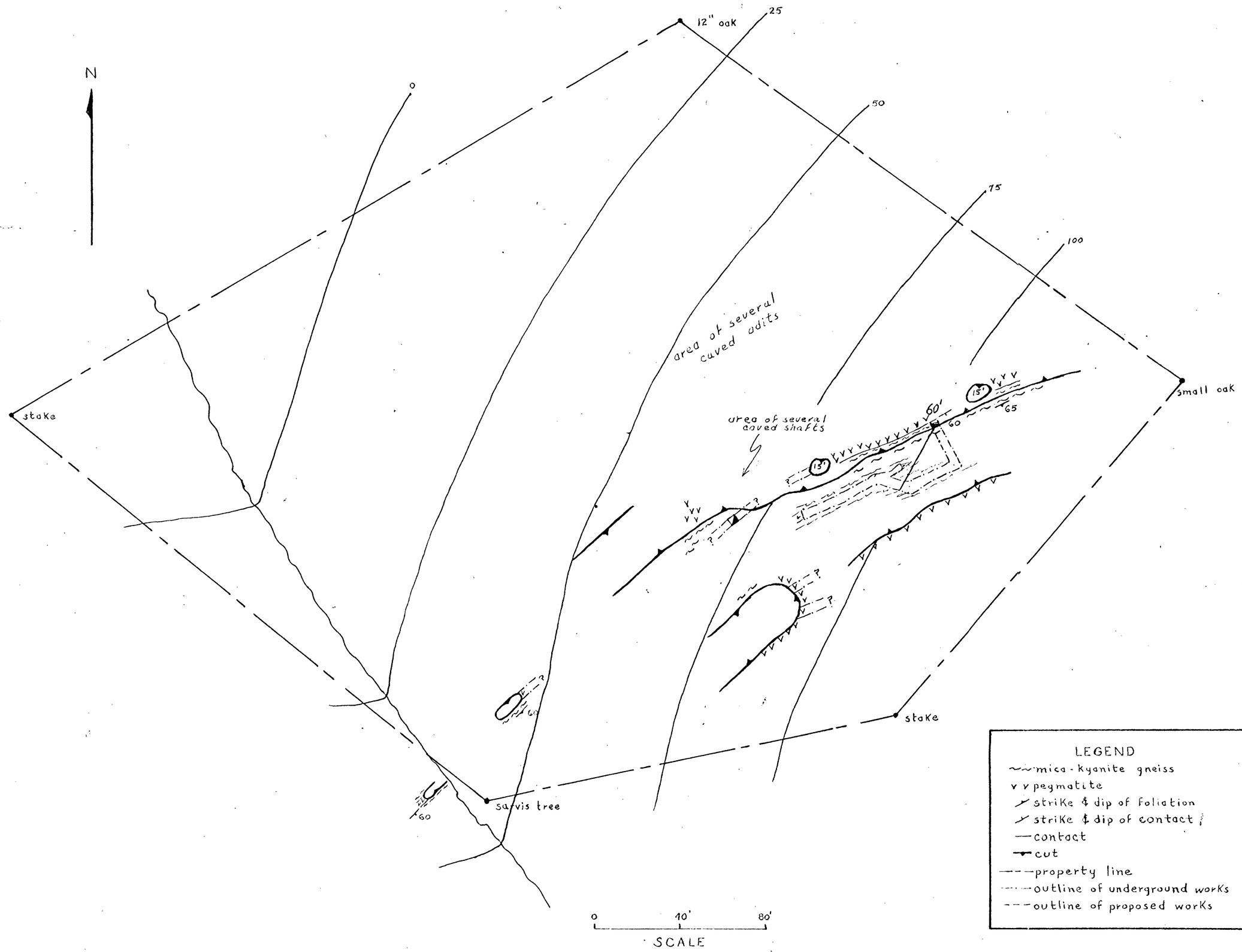
Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division



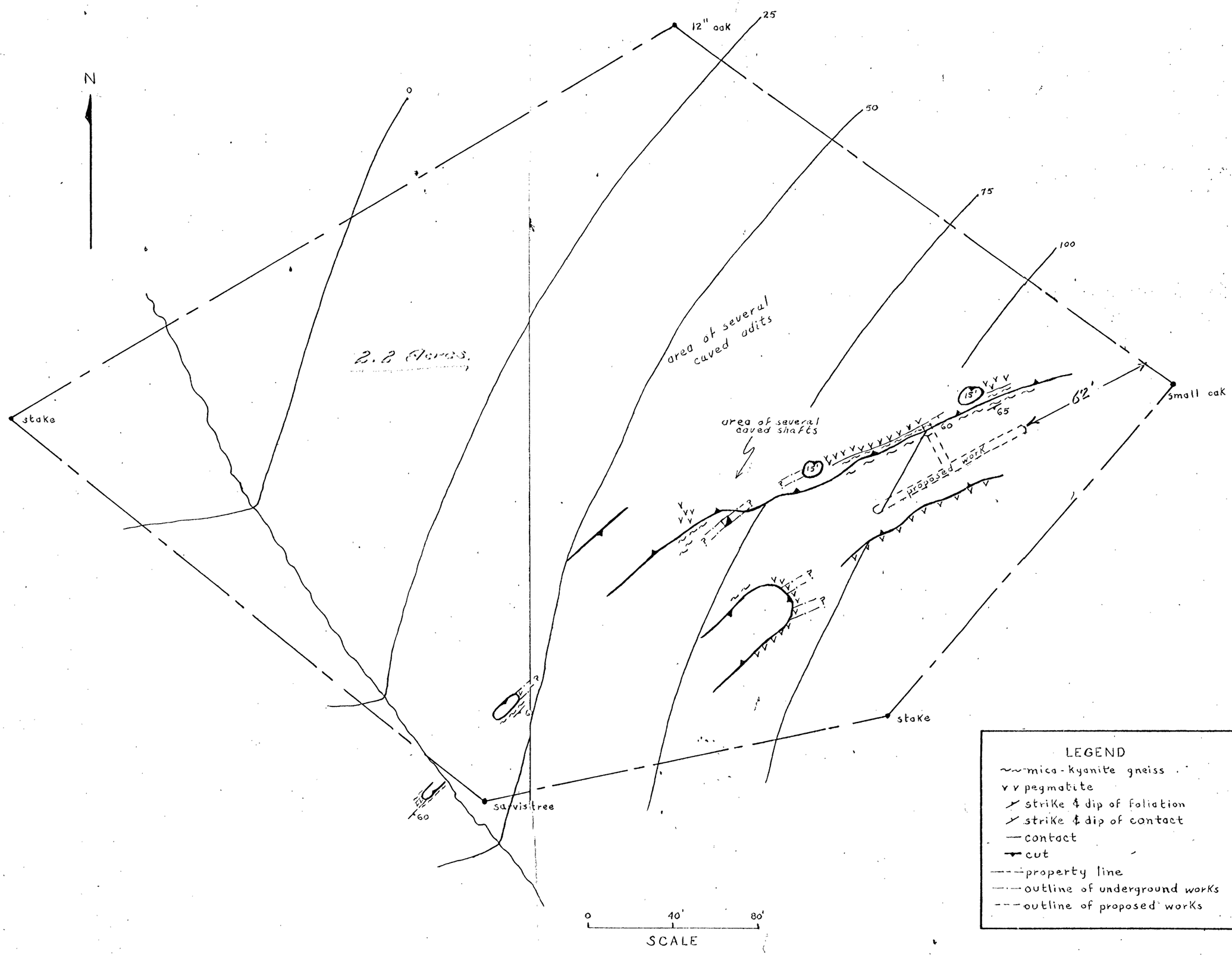
SKETCH OF
RANDOLPH MINE
MITCHELL CO., N.C.

DMEA-3731 (mica)
April 20, 1955



SKETCH OF
RANDOLPH MINE
MITCHELL CO., N.C.

DMEA-3731 (mica)
Nov. 9, 1955



SKETCH OF
RANDOLPH MINE
MITCHELL CO., N.C.

DMEA-3731 (mica)
April 20, 1955