DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

J. R. Bean and John Phillips

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E832, Docket No. DMEA-3793, including Amendments Nos. 1, 2 and 3, for the months of July 1955, to June 1956, inclusive, covering a project for the exploration of mica on property, known as the Willie Shanty Prospect located in Yancey County, North Carolina.

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

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

all of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed.

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

Total cost as billed by Contractor		$3,437.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$3,437.00

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

$2,577.75

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

E. D. Talbert

E. D. Talbert, Auditor

August 30, 1956

Division copy

Indexed 7/6/56
Checked
"Appd. Sol. Off."

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JUL 25 1956

Hopkins
Doub
Chambers
Selfridge

TERMINATION AGREEMENT

It is agreed this 13th day of July, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and J. R. Beam and John Phillips, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-2832 (Docket No. DMEA-3793), dated June 30, 1953, hereinafter called the "Contract," that:

1. Effective June 30, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in the Contract with respect to certification of discovery or development, percentage royalty and lien for its payment, records, audit, and recovery of any overpayment, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C D Mitchenory
Administrator, Defense Minerals
Exploration Administration

J. R. Beam
J. R. Beam

John Phillips
John Phillips

Division Copy

EXPLORATION PROJECT CONTRACT
DMEA-3793, Idm-E832
AMENDMENT No. 3

Contract Idm-E832, DMEA-3793, between the United States of American, acting through the Department of the Interior, Defense Minerals Exploration Administration, and J. R. Beam and John Phillips, partners, of Spruce Pine, North Carolina, dated June 30, 1955, is further amended as follows:

1. Article 3 is amended to read...."the Operator shall on or before September 1, 1956 complete the work," instead of May 1, 1956 as written in Amendment No. 2.

Dated: April 27, 1956

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the agreed unit cost of any item of work.

J. R. BEAM AND JOHN PHILLIPS

By J. R. Beam
(Partner)

By John Phillips
(Partner)

THE UNITED STATES OF AMERICA

By W. Lynch
Acting Executive Officer, DMEA
Field Team, Region V

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FEB 15 1956

EXPLORATION PROJECT CONTRACT

AMENDMENT NO. II

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

Contract Idm-E832, DMEA-3793, between the United States of America, acting through the Department of the Interior Defense Minerals Exploration Administration and J. R. Beam and John Phillips, partners of Spruce Pine, North Carolina, dated June 30, 1955 is further amended as follows:

1. Article 3 is amended to read...." the Operator shall on or before May 1, 1956 complete the work," instead of January 31, 1956 as first written.

Dated: January 30, 1956

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the agreed unit cost of any item of work.

J. R. BEAM AND JOHN PHILLIPS

By J. R. Beam
Partner

By John Phillips
Partner

THE UNITED STATES OF AMERICA

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

Division copy

AMENDMENT NO. 1
To
EXPLORATION PROJECT CONTRACT Idm-E832, DOCKET NO. DMEA-3793
Between
UNITED STATES OF AMERICA AND J. R. BEAM AND JOHN PHILLIPS, PARTNERS

It is agreed between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and J. R. Beam and John Phillips, partners, that Contract Idm-E832 (Docket No. DMEA-3793) dated June 30, 1955 is amended as of September 7, 1955 as follows:

1. In Exhibit "A" under "Description of the Work":

(a) Under Stage I, delete "75-foot incline" and add "91-foot incline."

(b) Under Stage II, Item 2, delete "Sink 40 feet of new incline from the bottom of the existing 75-foot incline," and add "Sink 36 4/5 feet of incline from the bottom of the existing 91-foot incline."

2. In Exhibit "A" under "Fixed Unit Costs":

(a) Under Stage I, change "75 feet" to read "91 feet," and change "$750.00" to read "$910.00."

(b) Under Stage II, second item, change "40 feet" to read "36 4/5 feet" and change "$2000.00" to read "$1840.00."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the agreed unit cost of any item of work.

Executed in sextuplicate this 1st day of November, 1955.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Administrator, Defense Minerals Exploration Administration

Inderty 10/27/55
Lawyer 10/28/55
"Appd. Sol. Off."

J. R. BEAM AND JOHN PHILLIPS

By J. R. Beam
(Partner)

By John Phillips
(Partner)

Divisi[illegible] Copy

MF-200A
(Revised June 1954)

Docket No. DMEA [illegible]

Commodity [illegible]

Contract No. Idm-E 832

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

It is agreed this 30th day of June, 195 5, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] J. E. [illegible] and John [illegible], partners,

whose mailing address is Spruce Pine
North Carolina,
hereinafter called the "Operator," as follows:

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JUL 1 1 1955

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

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 Yancey, 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] un recorded in Book [illegible], page [illegible], official records of said County; and

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

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

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

16—70618-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of [illegible] The work to be performed is described in Exhibit "A." The Operator on or before Aug. 15, 1955 shall commence the work, and on or before January 31, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

J. R. BEAM & JOHN PHILLIPS
(Operator) (partners)

By J. R. Beam
(partner)

By John Phillips
(partner)

THE UNITED STATES OF AMERICA

By C. O. Mitchenor
Administrator, Defense Minerals
Exploration Administration

Griffin
Supervisory Soil Off.
Hopkins
Hook
Chamberlin
District

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]

Selfridge

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

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JUL 11 1955

EXPLORATION PROJECT CONTRACT
J. R. BEAM and JOHN PHILLIPS
DOCKET NO. DMEA-3793

ANNEX I

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

BEGINNING at the center of the shaft of what is known as the Willie Shanty Prospect, located approximately 175 feet Northwest of a large Hickory Tree, and running thence North 250 feet; thence West 250 feet; thence South 500 feet; thence East 500 feet; thence North 500 feet; thence West 250 feet to a point of closing. Said parcel of land being known as the Willie Shanty Mine.

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JUL 11 1955

EXPLORATION PROJECT CONTRACT
J. R. BEAM and JOHN PHILLIPS
DOCKET NO. DMEA-3793

EXHIBIT "A"

Description of the Work

The location of the exploration work is shown in part on the map entitled, "Sketch of Willie Shanty Mine, Yancey Co. N. C. DMEA-3793 June 3, 1955," attached hereto and made a part hereof. The work shall be performed in two successive stages as follows:

STAGE I

Clean out, timber where necessary, and install ladders in the existing 75-foot incline.

STAGE II

The Operator shall perform so much of the work set forth under Stage II as is approved in advance by the Government.

1. Construct:
   (a) A toolhouse, minimum dimensions 8 feet by 10 feet by 7 feet.
   (b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.
   (c) An exploder magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse may be unfloored; shall have protective roof covering; and shall be equipped with lock and key.

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

2. Sink 40 feet of new incline from the bottom of the existing 75-foot incline, having minimum cross sectional

dimensions of 5 feet by 7 feet in the clear of timber.

3. At a point 5 feet above the bottom of the new incline, drive 80 feet of drifts on the pegmatite having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary.

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

FIXED UNIT COSTS
(The unit costs include all costs whatsoever necessary to complete the work.)

STAGE I

91	Shaft Rehabilitation 75 feet @ $10.00/ft.	$ (750.00)	910.00

STAGE II

	Construct Toolhouse 1/	75.00	
	Powder Magazine 1/	25.00	
	Exploder Magazine 1/	14.00	
36 4/5	Sink 40 feet of incline shaft @ $50.00/ft.	(2,000.00)	1840.00
	Drive 80 feet of drifts @ $37.00/ft.	2,960.00	
	Estimated total cost of Stage II	$5,074.00	
	Estimated Total Cost of Project		$5,824.00
	Government Participation @ 75%		$4,368.00

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1/ The completed work constitutes the unit.

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 Kenny, State of North Carolina, described as follows:1/ BEGINNING at the center of the chute of what is known as the Willie Shanty Prospect, located approximately 375 feet Northeast of a large hickory tree, and running thence North 250'; thence West 200'; thence South 500'; thence East 500'; thence North 500'; thence West 250' to a point of closing. Said parcel of land being known as the Willie Shanty Mine.

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/

None

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JUL 11 1955

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 1st. day of April, 1955.

Witness:

Mrs. J. G. Higgins Her Mark [Seal]

NU-Wray, Inc. [Seal]

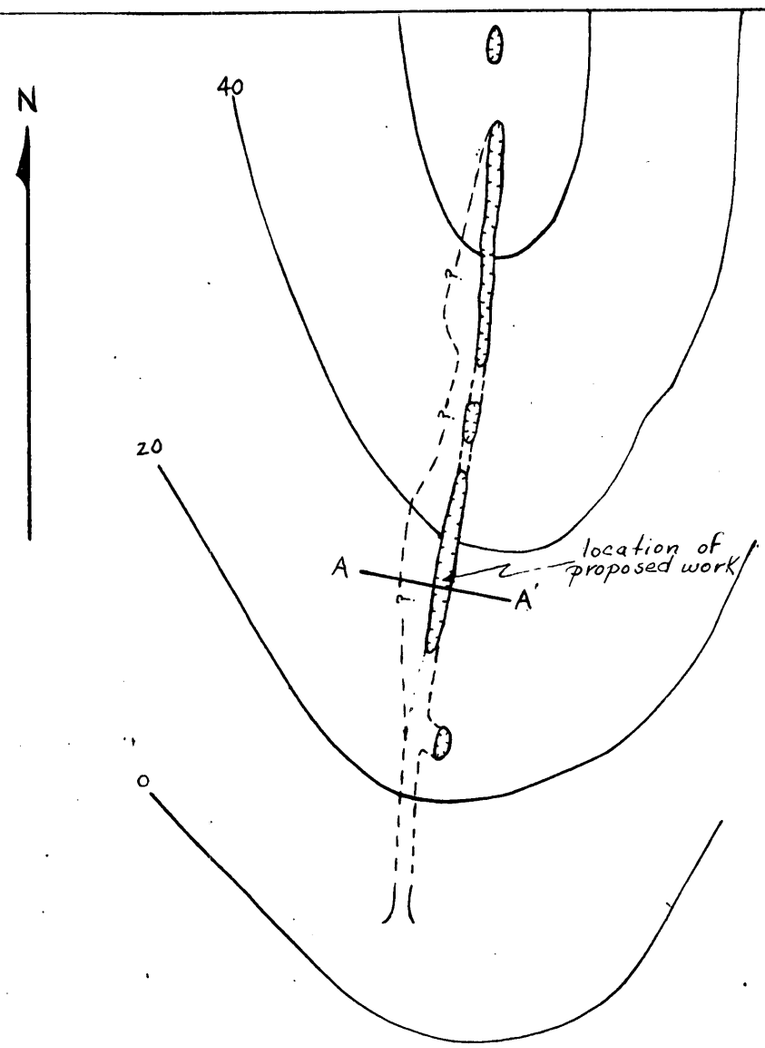
By Mrs Julia D Wray [Seal]

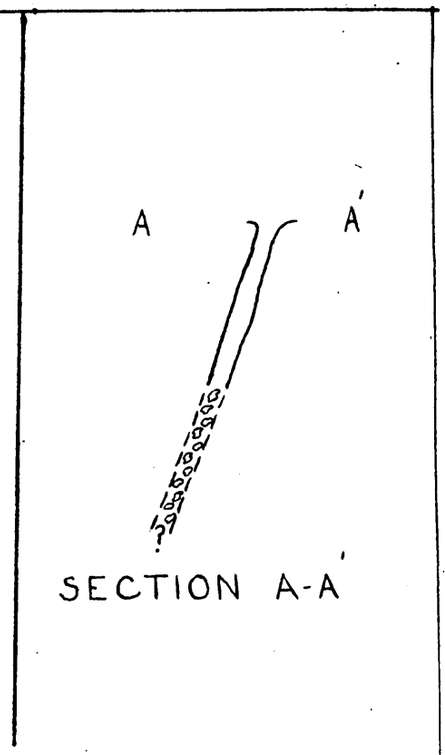
President

I, Rush T. Wray certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Mrs. Julia Wray who signed this agreement was then President (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.

Rush T. Wray

[~~Corporate Seal~~]





SKETCH OF WILLIE SHANTY MINE

YANCEY CO., N.C.

DMEA-3793

June 3, 1955

EXTRA-COPY

600

April 19, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Docket No. DMEA-3793 - mica
J. R. Beam and John Phillips - Contract No. Idm-E832
Willie Shanty Prospect, Yancey County, North Carolina

We have forwarded the two letters to the signers of the Consent to Lien under the subject contract as requested in your letter of April 17.

The only copies of letters to Mrs. D. A. Higgins and Mrs. Julia Wray enclosed with your letter were the two Field Team copies, so we are unable to return the others to you as requested. We used Burnsville, North Carolina, as the address for each of letters.

Robert A. Laurence

RAL/mg
cc
Operating Committee (2)
Lynch
Files

EXTRA COPY
D M E A
RECEIVED APR 22 1957

DATE	INITIALS	CODE

April 19, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Docket No. DMEA-3793 - mica
J. R. Beam and John Phillips - Contract No. Idm-E832
Willie Shanty Prospect, Yancey County, North Carolina

We have forwarded the two letters to the signers of the Consent to Lien under the subject contract as requested in your letter of April 17.

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Robert A. Laurence

RAL/mg
cc
Operating Committee (2)
Lynch
Files

APR 17 1957

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

Re: Docket No. DMA-3793-mica
J. H. Bean and John Phillips
Willie Shanty Prospect
Yancey County, North Carolina
Contract No. Idm-3632

Dear Mr. Laurence:

Enclosed are two letters to be forwarded to the signers of the Consent to Lien under the subject contract.

Kindly complete the addresses and forward, retaining your copies and returning our copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee
WCAnderson:ms 4/4/57
Copy to: Docket
Admr. R. File
Code 600
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Operating Committee

Approved:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures: 2

600

Mrs. D. A. Higgins

Re: Docket No. DMSA-3793-mica
J. R. Beam and John Phillips
Willie Shanty Prospect
Yancey County, North Carolina
Contract No. Idm-8832

Dear Mrs. Higgins:

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

This correspondence relates to the Consent to Lien signed by you on April 1, 1955.

Sincerely yours,

[illegible]

Administrator

Enclosure

WCAnderson:ms 4/16/57
Copy to: Docket
Admr. R. File
Code 600
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V

Messrs. J. R. Bean and
John Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-3793-mica
J. R. Bean and John Phillips
Willie Shanty Prospect
Yancey County, North Carolina
Contract No. Idm-5832

Gentlemen:

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

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

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

Sincerely yours,

[illegible]

Administrator

WCAnderson:ms 3/27/57
Copy to: Docket
Admr. R. File
Code 400
Mr. Chambers
Mr. Killagaard, 5222
Mr. Dietrich, 3061
Field Team, Region V

Mrs. D. A. Higgins
NS-Wray, Inc.
(Mrs. Julia Wray, Pres.)
landowners

Project Summary Report

March 26, 1957

By: Walter C. Anderson

1. Docket No. DMSA-3793-mica
Contract No. Idm-E832
Willie Shanty Prospect
Yancey County, North Carolina

Application: Form MF-103 (April, 1952) received April 28, 1955

Work proposed by applicant

Rehabilitate 40 feet shaft @ $12/ft.	$ 480.00
70 feet of shaft @ $50/ft.	3,500.00
60 feet of drifts @ $35/ft.	2,100.00
Amount requested	$6,080.00

Operators: J. R. Beam and John Phillips
Spruce Pine, North Carolina

Operators' Property Rights:
Five year mining lease on the Higgins property comprising 5 7 acres, dated April 1, 1955.
Consent to Lien of Owner - dated April 1, 1955

2. Contract: Form MF-200A (June, 1954) dated June 30, 1955

Work authorized:

Stage I	
75 feet of shaft rehabilitation @ $10/ft.	$ 750.00
Stage II	
Construction - toolhouse, powder and exploder magazines	114.00
40 feet of inclined shaft @ $50/ft.	2,000.00
80 feet of drifts @ $37/ft.	2,960.00
Estimated total cost of project	$5,824.00
Government participation @ 75%	$4,368.00

Amendments:

No. 1 - 11/1/55	Shaft rehabilitation was changed to 91 feet and shaft sinking to 36 4/5 feet.
No. 2 - 1/30/56	Completion date was extended 3 months
No. 3 - 4/27/56	Completion date was again extended 4 months or to September 1, 1956

Work completed:

91 feet of shaft rehabilitation	$ 910.00
Construction - buildings	114.00
12 feet of inclined shaft	600.00
49 feet of drifts	1,813.00
Total accepted cost	$3,437.00
Government participation	$2,577.75

Work commenced on July 25, 1955 and was terminated by mutual agreement on July 13, 1956.

Field Team Final Report received September 4, 1956.

Operators' Final Report dated June 29, 1956.

No equipment purchased under contract.

Value of production during project $315.00

Amount of royalty paid $19.05, which accounts for all the production during project.

No reserves of strategic mica. Last mica sold contained too much heavy stained mica.

3. Audit:

Report of Review issued August 30, 1956

Accepted cost	$3,437.00
Government participation	$2,577.75

4. Certification of Discovery - none issued.

5. Comments:

How conducted:

All of the work in which the Government participated was acceptable.

Operation:
Satisfactory, but hampered by difficult access and severe weather conditions.

Engineering:
Reporting above average.

Geological premise:
That a strategic mica-bearing pegmatite would occur below the depth previously mined was not realized, since the little mica found was unacceptable for the National stockpile.

Geological criteria upon which work was based:
1. Pegmatite - conformably enclosed by kyanitic mica gneiss, pinching and swelling down-dip, consisting chiefly of quartz and plagioclase, subordinate mica, and minor kyanite and garnet.
2. Mica - reddish brown and in general of good quality.
3. Past Production

Criteria developed during project:
1. Pegmatite - swelling and pinching 1 inch to 1½ feet, contained in a 3 to 5 foot thick biotite schist zone; composed chiefly of sodic plagioclase, disseminated quartz, relatively abundant muscovite and minor garnet.
2. Mica - reddish brown, flat and in thin books 3 to 8 inches across, fine mineral intergrowth or staining.

Future possibilities:
Because of the heavy-stained character of the mica, this mine has no future as a strategic mica producer.

Recommendation:

In view of the above, the Field Team recommends that no certification be made. The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and Geological Survey concur.

WCAnderson:ms 3/27/57
Copy to: Docket
Admr. R. File
Code 600
Mr. Anderson

Walter C. Anderson

IN REPLY REFER TO:

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

RECEIVED
OCT 22 1956

October 19, 1956

Re: DMEA 3793, Idm-E832
J. R. Beam and John Phillips
Willie Shanty Prospect
Yancey Co., N. C.
$5,824.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final Report.

The contract approved the expenditure of $5,824.00 on the further exploration of a 3- to 5-foot schist zone by deepening a 91-foot shaft and drifting. The schist zone contains 1/8- to 1/2-inch stringers of pegmatite and a more or less centrally located swelling and pinching 1- to 12-inch pegmatite. Mica is in the pegmatite and disseminated in the intervening schist.

The shaft was cleaned of water and debris and deepened 12 feet. A drift 49 feet long was driven. The examiners estimate 1000 pounds of low grade, non-strategic mica was recovered.

Because of the unfavorable results the project was terminated, $3,437.00 having been expended.

The examiners and the Field Team recommend that no certification be made.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-10/19/56

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

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

RECEIVED
SEP 21 1956

September 20, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3793 (mica)

Applicant: J. R. Beam and J. Phillips

Name and Location of Property: Willis Shanty Prospect, Yancey County, N. C.

Contract Number: Idm-E 832

Date of Field Team Report: 8/31/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/6/56

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. All mica recovered during exploration project was heavy stained and rejected by Spruce Pine depot.

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

3. Expenditures -

Total approved	$ 5,824.00
Total cost	3,437.00
Gov't. share of the cost	2,571.75
Value of production during operation	315.00 (Est.)

Recommendation:

I concur with the field team's recommendation for no certification.

Signed
W. F. Dietrich

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

RECEIVED
SEP 19 1956

September 17, 1956

Memorandum

To: Finance Office - Region V -

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty Payments on the DMEA contracts

Transmitted are royalty payments and bills of sale on the following:

Idm-E938, DMEA-4080, Jarrett & Grindstaff-McBee Prospect
Sales -$76.43, Royalty check $3.82

Idm-E832, DMEA-3793, Beam & Phillips, Willie Shanty Prospect.
Sales-$84.72, royalty check No. 112, $4.24

Robert A. Laurence

EN
cc:
Mittendorf
Lynch
Files
Shirley

RECEIVED
SEP 19 1956

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT

MICA PURCHASING DEPOT, SPRUCE PINE, N. C. B

DATE PURCHASED: 7-2-56

ACCEPTANCE NO.: [illegible]-6(a) Maximum $600

CERTIFICATE AUTHORIZATION NO. [illegible]

LOT NO.: SP [illegible]-6(a)

VOUCHER NO.:

	TOTAL WGT (LBS)	LBS. - G. S.	LBS. - STAINED	LBS.-HY. STAINED	TOTAL VALUE
PROCESSED FOR PAYMENT	77.61	20.48	34.27	32.86	551.00
PROCESSED - NO PAYMENT					
THINS					
BLACK - DOTS, SPOTS, STAIN					
UNDERSIZED					
PROCESS - GAIN / LOSS					
TOTAL LBS. PURCHASED	1270.00				

FOR USE OF CERTIFYING OFFICER

LESS: INITIAL PAYMENT - VOUCHER NO. SCH. NO. 296.28 [illegible]

BALANCE DUE GOVERNMENT [ ] SELLER [X] [illegible] 84.72

SELLER'S NAME AND ADDRESS

Billy Shanty Mining Company
Box 35
Spruce Pine, N. C.

NAME OF MINE AND LOCATION

Billy Shanty

APPROVED

DEPOT SUPERINTENDENT DATE [illegible]

Form R4-T36, May 1956

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

RECEIVED
SEP - 4 1956

August 31, 1956

Memorandum

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

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

Subject: Field Team Final Report, DMEA-3793, Idm-E832 (Mica)
J. R. Beam and John Phillips, Spruce Pine, N. C.
Willie Shanty Prospect, Yancey County, North Carolina

Enclosed are the original and three copies of the subject final report.

Certification is not recommended.

Robert A. Laurence
Executive Officer

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

RAL/mg
Enclosures 4
cc
Oper. Comm (3)
Lynch
Shirley
File

Reviewed by
AEC CLASSIFICATION OFFICER
9-7-56
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
SEP - 4 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT
Yancey County, North Carolina

By

S. C. Bergman, Geologist
U. S. Geological Survey

and

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

August 31, 1956

DMEA
9-7-56
(date)

EXPLORATION PROJECT

FIELD TEAM FINAL REPORT, REGION V

RECEIVED
SEP - 4 1956

On

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

Operators: Mr. J. R. Beam and Mr. John Phillips, Spruce Pine, N. C.

Location:

The prospect is located on the southeast slope, near the crest, of Joe Young Ridge a southwest extension of Bowlens Pyramid at an elevation of approximately 3960 feet. It is 1.06 airline miles S. 30° E. of the Bowlens Creek Church and 3.15 airline mailes S. 28° E. of the bench mark in Burnsville, Yancey County, North Carolina (Burnsville, N. C. quadrangle, TVA Ed. 1939, 1:24,000).

Introduction:

Work commeneed on July 25, 1955, and consisted of rehabilitation of the existing inclined shaft. An amendment was granted to extend the rehabilitation from 75 to 91 feet and reduce the additional contract incline from 40 feet to 36 4/5 feet. From the bottom of the rehabilitated shaft, 12 feet of new incline was sunk before the project was recessed because of bad weather and difficult access. About 400 pounds of block muscovite was recovered from the 12 feet of new shaft. The project was amended to extend the completion date from January 31, 1956 to May 1, 1956. Work was not resumed until May 17, 1956, so that another amendment was prepared to extend the completion date to September 1, 1956. From the 91-foot level of the incline a drift was driven 29 feet N. 3° W. and 20 feet S. 7° W. on a 3 to 5-foot schist zone carrying thin parallel 1/8 - 1/2 inch thick stringers of pegmatite and a more or less centrally located

swelling and pinching 1 to 12 inch pegmatite. Mica is in the pegmatite and disseminated in the intervening schist. Work continued until a communication was received from the Government Mica Depot in Spruce Pine, N. C. saying that the mica had been examined and found to contain too much heavy-stained muscovite to be accepted at the depot. The project was terminated by mutual agreement on this basis as of July 13, 1956. No reserves of strategic muscivite were outlined and no certification as a discovery is recommended. The Operators reported a recovery of 200 pounds of block mica from the drift area. The examiners have seen more than this amount and estimate the drift recovery at closer to 600 pounds or a total recovery of approximately 1000 pounds of block muscovite, most of which would go as punch and scrap. The estimated value of this material is about $315.00.

Access is gained from an old adit driven to the north into the hillside intersecting the old stoped shaft opening about 57 feet below the shaft collar. A tool house, powder magazine and exploder magazine were built under the contract. The government retains no lien or interest on any of the equipment, supplies, or buildings.

Geology:

Previous mining has extended over a horizontal distance of 225 feet and an indicated depth of about 80 feet locally. All mining has been conducted in a 3 to 5 foot thick biotite schist zone which contains numerous thin parallel feldspathic stringers 1/8 to 1/2 inch thick and a single swelling and pinching pegmatite 1 inch to 1½ foot thick more or less centrally located in the zone. Attitude of the zone is N. 7° E. to N. 3° W. dipping west 58 - 64°. The pegmatite is composed chiefly of sodic plagioclase,

disseminated quartz, relatively abundant muscovite and minor garnet. Muscovite is reddish-brown in color, flat and in relatively thin books 3 to 8 inches across. Fine mineral intergrowth or staining is very common. The mica is contained in the main pegmatite and aligned along the feldspathic stringers in the schist over most of the width of the zone. The schist zone is conformably enclosed in a kyanite-biotite gneiss.

Conclusions:

Under the contract 91 feet of old inclined shaft was unwatered and cleaned of muck. Twelve feet of new shaft was sunk and 49 feet of roughly north-south trending drift driven. About 1000 pounds of mine run block muscovite was recovered from the contract work, which was examined and declared unacceptable to the Government buying depot at Spruce Pine. The project was terminated because of the heavy-stained character of the mica. No interest is retained by the government on buildings or equipment. The project was satisfactorily operated, but was hampered by difficult access and severe weather conditions at the elevation of the prospect. No certification is recommended.

Expenditures:

(a)	Total approved	$5,824.00	
(b)	Total cost of project	3,437.00	
(c)	Government's share of cost	2,577.75	
(d)	Government's share unexpended	1,780.25	
(e)	Value of Production (Estimated)	315.00	
(f)	Royalties paid to date	14.81	(7/16/56)

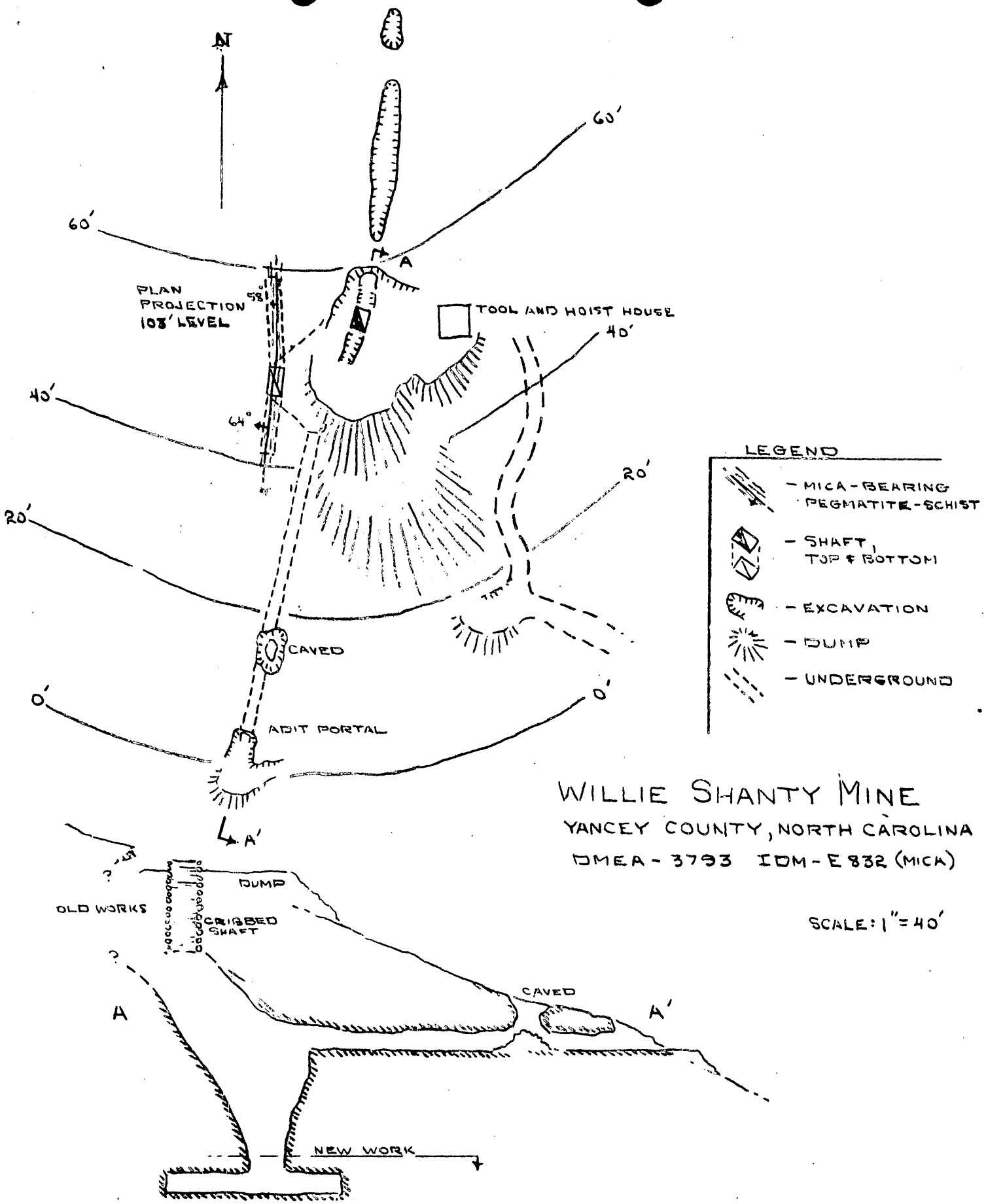
August 31, 1956

S. C. Bergman, Geologist
U. S. Geological Survey

20
3 8 1.60

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

g


N
60'
60'
A
PLAN
PROJECTION
108' LEVEL
58°
TOOL AND HOIST HOUSE
40'
40'
64°
20'
20'
CAVED
0'
0'
ADIT PORTAL
A'
LEGEND
- MICA-BEARING PEGMATITE-SCHIST
- SHAFT, TOP & BOTTOM
- EXCAVATION
- DUMP
- UNDERGROUND
WILLIE SHANTY MINE
YANCEY COUNTY, NORTH CAROLINA
DMEA - 3793 IDM - E 832 (MICA)
SCALE: 1" = 40'
?
DUMP
OLD WORKS
CRIBBED SHAFT
?
CAVED
A
A'
NEW WORK

8/86

July 23, 1956

RECEIVED
JUL 25 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: T ermination Agreement - Idm-E832, DMPA-3793 (mica)
Beam and Phillips, Spruce Pine, N.C.

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

Robert A. Laurence
Executive Officer, DMEA
Region V

Wm. A. Beck, acting for
V. J. Lynch, Member
Bureau of Mines

ZM.
cc:
Lynch
Shirley
Files

P. O. Box 217
July 18, 1956

Memorandum

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

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

Subject: Monthly reports and vouchers

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

Idm-F-832
J. R. Beam and John Phillips
Docket No. DMEA-3793
4th and final payment - month of June
Termination Date: 6-21-56
Amount $804.75

Idm-E-869
Carolina Tungsten Mining Company
Docket No. DMEA-3742
4th payment - month of June
Amount $1462.50

Idm-E-902
Stevenson Mine
Docket No. DMEA-3908
5th payment - month of June
Amount $875.20

Idm-E-952
Carolina Mining Company
Docket No. DMEA-4205
1st payment - month of June
Starting Date: 6-4-56
Amount $75.00

Idm-E-954
Carolina Mining Company
Docket No. DMEA-4224
1st payment - month of June
Starting Date: 6-4-56
Amount $920.25

Copies to R. A. Lawrence
V. J. Lynch
Norris files
Day files
Attachments

Helen R. Miller

Final Voucher

F[redacted]ev.)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

JUL 20 1956

Month of June, 195 6 Docket No. DMEA 3793 Contract No. Idm-E 032

Operator's Name J. R. Bean and John Phillips Minerals Mica

Address Spruce Pine, N. C.

Contract Amount, $ 5824.00 Government Participation: 75% Amount, $ 4363.00

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						
29' Drifting @ 37.00 ft.	1073.00	740.00	1813.00			
Shaft		600.00	600.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		910.00	910.00			
(6) New Bldgs., Improvements, etc.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder Magazine		25.00	25.00			
Exploder Magazine		14.00	14.00			
(8) Contingencies (specify):						
TOTALS	1073.00	2364.00	3437.00	1073.00	2364.00	3437.00

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

Date 6-21-56 *Payee J.R.Bean and John Phillips

Per [signature] Title Partner

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

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

(Instructions on reverse)

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

$ 804.75

Signature [signature]
(Authorized Certifying Officer)

Date JUL 18 1956 Vou. No. 11

(See other side)

268.25

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E832 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist, USGS Date 7/5/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title ACTING EXECUTIVE OFFICER DMEA REGION V Date JUL 16 1956

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.

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 20 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA 3793 Contract No. Idm-E 632
Operator's Name J. R. Bean and John Phillips Minerals Mica
Address Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
29' Drifting @ 37.00	Ft.	1073.00	29	1813.00	49	37.00	80	37.00
Crosscutting								
Raising								
Shafts				600.00	12	50.00	36.8	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1073.00		2413.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				910.00				
New Buildings, Improvements, etc.				75.00				
Powder and Exploder Mags.				39.00				
Total Costs		1073.00		3437.00				

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

Date 6-21-56 Operator J. R. Bean & John Phillips

Per [signature] Title Partner

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

Remarks:

(Instructions on reverse)

(For Government use only)

S. C. Bergman - Geologist, USGS
7/3/56

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
JUL 20 1956

OPERATOR'S

Monthly Progress Report

June, 1956

DMEA-3793

Idm-# 832

Work Accomplished:

We drove a drift 29 feet during June, with vein narrowing all the way. We recovered about 200# of poor quality mica which the govt. depot inspected and informed us was not strategic quality. By mutual agreement, the contract was cancelled before completion after the field team visited the mine on June 20.

Daily Notes:

June 1 - 8: Pumped water, drilled, shot and mucked. Vein narrowing slightly as the drift advanced.

June 11-15: Continued with drift, vein still narrowing. Recovered about 200# of inferior quality mica. Drilled, shot and mucked.

June 18-20: Vein narrowed to 18", showing no mica. Field team visited mine, and by mutual agreement contract was terminated before completion.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 5H1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUL 30 1956

July 18, 1956

Memorandum

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

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

Subject: Royalty Payments.

Transmitted are the following:

Idm-8832, DMEA-3793, Bill-of-sales $296.28; royalty check $14.81

Idm-8886, DMEA-3945, Bill-of-sale $3,223.60; royalty check $161.18

Robert A. Laurence

RA.
cc:
Lynch
Wittenberg
Shirley
Files

copy

RECEIVED
JUL 30 1956

GENERAL SERVICES ADMINISTRATION WARRANTY, ACCEPTANCE AND INVOICE MICA PURCHASING DEPOT, SPRUCE PINE, N. C.		DATE PURCHASED 7-2-56 ACCEPTANCE No. AR-4. Mapi. $600 \ Lon
CERTIFICATE AUTHORIZATION No. 309 B	LOT No.	VOUCHER No.
RUBY X NON-RUBY	TOTAL LBS. PURHCASED	VALUE - INITIAL PAYMENT
PRELIMINARY PAYMENT	1270.00	296.28
GENERAL SERVICES ADMINISTRATION		
By:	NAME OF MINE: Willie Shanty — Yancey	COUNTY - STATE N.C.
	DMEA No. 3793	Idm-E 832
	Seller: Willie Shanty Mining Co.	
	Address: Spruce Pine, N.C.	
	Title:	

INTERIM REPORT

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

Operators: J. R. Beam and John Phillips, Spruce Pine, N. C.

Location: 3.12 airline miles S 28° E of Burnsville, Yancey County, N.C.

Drift with the pegmatite totals 49 feet. The pegmatite will average less than 1-foot throughout the drift. The mica recovered to date is of good size and color, but contains considerable mineral stain (black dots). The Spruce Pine Depot turned the mica down. The Operator requested termination of the contract, the Field Examiners concur.

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

Inspected: July 10, 1956

z

600

JUL 1 6 1956

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

Re: Docket No. DMEA-3793-mica
J. R. Bean and John Phillips
Willis Shanty Prospect
Yancey County, North Carolina
Contract No. Idm-5832

Dear Mr. Lawrence:

Reference is made to your memorandum of June 28, 1956, requesting permission to terminate the subject contract.

We have prepared and enclose the original and five copies of a Termination Agreement which have been signed by the Administrator for the Government with effective date as shown. If it meets with your approval, please present it to the operators for approval and signatures.

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

Enclosures: 6

JHopkins:ms 7/10/56
Copy to: Docket
Operating Committee
Mr. Killagnard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

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

July 5, 1956

Memorandum

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

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

Subject: Operator's Final Report, DMEA-3793, Idm-E832 (Mica)
J. R. Beam and J. R. Phillips
Willie Shanty Mine, Yancey County, North Carolina

Enclosed are four copies of the Operator's final report on the subject exploration project.

The Operator's statement that work was stopped "upon termination of the contract on June 20, 1956" is slightly incorrect. We have requested permission to terminate, but as yet, no termination agreement has been executed.

Robert A. Laurence
Executive Officer

V. J. Lynch, Member
Bureau of Mines

RAL/mg
Enclosures 4
cc
Operating Committee (3)
Lynch
Shirley
files

RECEIVED
JUL 9 - 1956

Spruce Pine, N.C.
June 29, 1956

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

Re: DMEA-3793, Idm-E 832 (Mica)
Willie Shanty Mine, Yancey Co., N.C.
Final Report

Dear Mr. Laurence:

We began work on the above project on July 25, 1955, and stopped work upon termination of the contract on June 20, 1956.

We completed rehabilitation work on 91 feet of old shaft, timbering and installing ladders, then sank a shaft an additional 12'. We recovered about 400# of mica in the shaft. Due to weather conditions work was stopped in December and again resumed in May.

We drove 49 feet of drift; 10' in one direction and running out of vein, then 39' the opposite direction. We recovered about 200# of inferior quality mica in the drift, and the vein narrowed throughout the drift. By mutual agreement, the contract was terminated at this point on June 20, 1956.

We wish to thank the field team for their assistance on the Willie Shanty Project. If further details are necessary, please contact us.

Very truly yours,

WILLIE SHANTY MINING COMPANY

John Phillips

John Phillips

P/b

RECEIVED
JUL 9 - 1956

June 28, 1956

RECEIVED
JUL 2 - 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3793, Idm-E832 (mica) J. R. Beam and John Phillips, Spruce Pine, N. C. Willie Shanty Prospect, Yancey County, N.C.

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

The Operator has requested permission to terminate the contract, because none of the mica recovered from the work has been acceptable as strategic mica at the Government Depot in Spruce Pine. Three copies of a letter from the Superintendent of the Depot are enclosed.

It appears unlikely that further work would result in discovery of strategic mica, as the black staining is a mineral stain and is not local. Therefore, we request permission to terminate the contract, effective June 30, 1956.

Certification will not be recommended.

RAL/am
cc:
L nch
Shirley
Files

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RECEIVED
JUL 2 - 1956

INTERIM REPORT

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

Operator: J. R. Beam and John Phillips, Spruce Pine, North Carolina

Location: 3.12 airline miles S 28° E of Burnsville, Yancey County, N. C.

The Operator has drifted 26 feet since the last inspection. The pegmatite remains about the same, less than 1 foot in width. The mica observed is of good size and color with considerable black stain. Drift footage todate totals 48 feet. The contract calls for 80 feet of drift.

The Operator has requested termination of this contract because the mica produced was rejected by General Services Administration Depot at Spruce Pine, North Carolina.

Inspected: June 19, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

DMEA-3793

C
O
P
Y

GENERAL SERVICES ADMINISTRATION

RECEIVED
JUL 2 - 1956

Spruce Pine, N. C.

June 20, 1956

Willie Shanty Mining Co.

Spruce Pine, N. C.

Gentlemen:

Mr. Ed Burleson our Head Buyer examined a lot of Hand-Cobbed Mica from the Willie Shanty Mine today at the request of Mr. Sam Phillips.

He found that the mica which he examined would not be acceptable on our present mica buying program because he found no good stained mica in the lot and most of the mica contains Black Spots, Black Dots, and Black Stains.

Yours very truly,

s/ J. P. McKinney
Depot Superintendent

C
O
P
Y

Copied by ZM (sic)
Opr. Com.-3
Lynch
Files

INTERIM REPORT

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

Operator: J. R. Beam and John Phillips, Spruce Pine, North Carolina

Location: 3.12 airline miles S 28° E of Burnsville, Yancey County, N.C.

Drifting on the pegmatite each way from the bottom of the shaft got underway on May 24. Drift progress todate totals 20 feet. Width of pegmatite is less than one foot. However, muscovite crystals larger than vein width were observed imbedded in the schist wall. Mica recovered from drifting is around 200 pounds of mine-run. Drifting along the narrow pegmatite will continue.

Progress is satisfactory.

Inspected: June 6, 1956.

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey.

June 12, 1956

Mr. Sam L. Phillips calling Mr. L. G. Houk from Spruce Pine, N. C.

Re: Docket No. DMEA-3793 - Mica
J. R. Beam and John Phillips
Willie Shanty Prospect
Yancey County, North Carolina
Contract No. Idm-E832

Mr. Phillips: ..... Do you remember the Willie Shanty Prospect (DMEA-3793)? We closed down during the winter. That mica is no good and the vein has run out. We are going to ask for a termination.

Mr. Houk: Ok. If the field team agree. We will make a mutual termination agreement.

Mr. Phillips: I will continue to work until they get here. I might just call them.

Mr. Houk: They will understand, why don't you call them or suspend operations until they get back next week.

Mr. Phillips: I will do that.

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Signed _____

Interior—Duplicating Section, Washington, D. C.

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 May, 1956 Docket No. DMEA 3793 Contract No. Idm-E 832
Operator's Name J. R. Beam and John Phillips Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ 5824.00 Government Participation: 75 % Amount, $ 4368.00

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						
20' Drifting @ $37.00 ft.	740.00		740.00			
Shaft		600.00	600.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		910.00	910.00			
(6) New Bldgs., Improvements, etc.	75.00		75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder Magazine	25.00		25.00			
Exploder Magazine	14.00		14.00			
(8) Contingencies (specify):						
TOTALS	854.00	1510.00	2364.00	854.00	1510.00	2364.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 6-4-56 *Payee J. R. Beam and John Phillips
Per J. R. Beam 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:
$ 640.50
Signature Helen R. Miller
(Authorized Certifying Officer)
Date JUN 7 1956 Vou. No. 2226
(See other side)

3

213.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E832 in accordance with the terms of the contract.

Signature N. J. Lynch Title Mining Eng Date 6-6-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A Laurence Title EXECUTIVE OFFICER DMEA REGION V Date JUN 7 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUN 11 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3793 Contract No. Idm-E 832

Operator's Name J. R. Beam and John Phillips Minerals Mica

Address Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
20' Drifting @ 37.00	Ft.	740.00	20	740.00	20	37.00	80	37.00
Crosscutting								
Raising								
Shafts				600.00	12	50.00	36-4/5	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		740.00		1340.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				910.00				
New Buildings, Improvements, etc.		75.00		75.00				
Powder & Exploder Magazines		39.00		39.00				
Total Costs		854.00		2364.00				

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

Date 6-4-56 Operator J. R. Beam and John Phillips

Per J. R. Beam 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)

V. J. Lynch
Bureau of Mines
6-6-56

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

May, 1956

DMEA-3793

Idm-E 832

Work Accomplished:

We began work again at the Willie Shanty Mine on May 17, and spent about 5 days pumping out the water. We cleaned out waste in bottom, and drove a distance of 20' in a drift, 10' each direction from the shaft. A few bags of mica, recovered in scattered pieces throughout the drift, were recovered.

Daily Notes:

May 17 and 18: Installed pump, worked at pumping out water.

May 21 - 25: Finished pumping out water first three days of week, put in skids and cleaned out bottom.

May 28 - 31: Began drift as directed by field team, in about 4" of vein. Drilled, shot and mucked. Recovered some mica, but vein narrowed out at 10". Then drifted 10' in opposite direction, also recovering some mica. At 10' we still have small amount of vein showing.

RECEIVED
JUN - 5 1956

INTERIM REPORT

DMEA-3793, Idm-2832 (mica) WILLIE SHANTY PROSPECT

Operator: J. R. Beam and John Phillips, Spruce Pine, North Carolina

Location: 3.12 airline miles S 28° E of Burnsville, Yancey County, N. C.

The project has been recessed since December 1, because of impossible road conditions due to inclement weather.

The Operator has dewatered the shaft and is preparing to drift in each direction from the 100-foot point in the incline shaft.

Inspected: May 23, 1956

A. L. Payton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

600

May 4, 195

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 3 - Docket No. DMEA-3793-mica
J. R. Beam and John Philli
Willie Shanty Prospect
Yancey County, North Caroli
Contract No. Idm-5832

The Nonmetallic Minerals Division concurs in Amen
No. 3 to the subject contract as written and executed in the
This Amendment extends the completion date from May 1, 1956 as
written in Amendment No. 2 to September 1, 1956.

Amendment No. 3 is necessary because progress has been
slowed by bad weather conditions.

/s/
James Hopkins
Nonmetallic Minerals Division

JHopkins:ms 5/4/56
Copy to: Mr. Houk
Mr. Hopkins
Admr. R. File

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

May 1, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Amendment No. 3, DMEA-3793, Idm-E832, J. R. Beam and John Phillips, Spruce Pine, N. C.

Transmitted are three signed copies of the subject amendment.

The usual distribution of the other copies has been made.

V. J. Lynch

JM.

cc:
Lynch
Finance Office
Shirley
Files

RECEIVED
MAY 8 - 1956

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

April 26, 1

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: DMEA-3793, Idm-E832 (Mica)
J. R. Beam and John Phillips
Willie Shanty Mine, Yancey County, North Carolina

No progress has been made since Amendment 2 was signed in January. This is understandable, as access conditions were poor, and there have been heavy snows in the area as late as mid-April.

Our field examiners will contact the Operators this week to attempt to get the project going again. Meanwhile, we are preparing an amendment providing an additional four months time for completion.

Robert A. Laurence

RAL/mg
cc
Operating Committee (2)
Lynch
Shirley
files

RECEIVED
APR 30 1956

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

April 26, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: DMEA-3793, Idm-E832 (Mica)
J. R. Beam and John Phillips
Willie Shanty Mine, Yancey County, North Carolina

No progress has been made since Amendment 2 was signed in January. This is understandable, as access conditions were poor, and there have been heavy snows in the area as late as mid-April.

Our field examiners will contact the Operators this week to attempt to get the project going again. Meanwhile, we are preparing an amendment providing an additional four months time for completion.

Robert A. Laurence

RAL/mg
cc
Operating Committee (2)
Lynch
Shirley
files

RECEIVED
APR 30 1956

Hopkins

600

February 16, 1956

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 2 - Docket No. DMEA-3793-Mica
J. R. Beam and John Phillips
Willie Shanty Prospect
Yancey County, North Carolina
Contract No. Idm-E832

The Nonmetallic Minerals Division concurs in Amendment No. 2 to the subject contract as written and executed in the field. This Amendment extends the completion date from January 31, 1956 to May 1, 1956.

Amendment No. 2 is necessary because progress has been slow on the project, which was caused by bad weather conditions and difficult access.

James Hopkins
Nonmetallic Minerals Division

JHopkins:ms 2/16/56
Copy to: Admr. R. File
Mr. Houk
Mr. Hopkins

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

RECEIVED
FEB 15 1956

February 13, 1956

Memorandum:

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA- Region V

Subject: Amendment No. 2 - Idm-5832, DMEA-3793, Beam & Phillips, Spruce Pine, North Carolina (mica).

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

Robert A. Laurence

RM,
eet

Helen Miller
Lynch
Shirley
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON, D.C.
ROOM POST OFFICE BLDG.
KNOXVILLE 2, TENN.
February 8, 1956

RECEIVED
FEB 10 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3793, Idm-2832 (mica) J. R. Beam and John Phillips, Spruce Pine, N. C. Willie Shanty Mine, Yancey County, NC.

We are sending the Operator an amendment extending the completion date until May 1, 1956.

Progress on this contract has been slow; during the past few weeks no work has been done because of bad weather conditions and difficult access. The Operator did not request a formal recess, and resumption is planned for an early date, depending upon the weather. Therefore, we have written the usual time extension, rather than requesting a formal recess agreement.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Membership Officer
Bureau of Mines

RAL/mm
cc:
Lynch
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1015 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

February 8, 1956

RECEIVED
FEB 10 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3793, Idm-2832 (mica) J. R. Beam and John Phillips, Spruce Pine, N. C. Willie Shanty Mine, Yancey County, NC.

We are sending the Operator an amendment extending the completion date until May 1, 1956.

Progress on this contract has been slow; during the past few weeks no work has been done because of bad weather conditions and difficult access. The Operator did not request a formal recess, and resumption is planned for an early date, depending upon the weather. Therefore, we have written the usual time extension, rather than requesting a formal recess agreement.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/mm
cc:
Lynch
Files

INTERIM REPORT

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PR

OPERATOR: J. R. Beam and John Phillips, Spruce Pine, N. C.

LOCATION: 0.71 miles S82°E of Old Bowlens Creek Postoffice, a
airline miles S28°E of Burnsville, Yancey County, N.

Inclined shaft sinking continues from the rehabilitated 9
incline portion, and new works total 14 feet. The pegmatite at this point is from 4 inches to 12 inches thick, contains narrow biotite gneiss stringers and small muscovite mica. Sinking will continue until another visit can be made. Progress on this contract has been slow because of equipment failure.

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

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

December 1, 1955

RECEIVED

Hopkins

INTERIM REPORT

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

OPERATOR: J. R. Beam and John Phillips, Spruce Pine, N. C.

LOCATION: 0.71 miles S82°E of Old Bowlens Creek Postoffice, and 3.12 airline miles S28°E of Burnsville, Yancey County, N. C.

Inclined shaft sinking progresses slowly on this contract and is now at 11 feet. This places the present bottom at 102 feet from the beginning rehabilitation point and includes 91 feet of incline rehabilitation. No change was noted in material encountered. A thin pegmatite, extremely rich in medium to large size crystals of mica, continues to be followed. The operator was advised to continue sinking until another visit can be made.

A heavy double-drum gasoline-powered hoist has been moved in to replace a lighter hoist which has been in use since the contract began. This change in equipment is partially responsible for the slow progress made recently.

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

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

November 16, 1955

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 1 9 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September & October 195 5 Docket No. DMEA 3793 Contract No. 1dme-5 832
Operator's Name J. R. Beam and John Phillips Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ 5324.00 Government Participation: 75 % Amount, $ 4363.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
12' Shaft @ $50.00	600.00		600.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
16' @ 10.00						
(5) Initial Rehabilitation and Repairs	160.00	750.00	910.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	760.00	750.00	1510.00	760.00	750.00	1510.00

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

Date 11-4-55 *Payee J. R. Beam and John Phillips

Per J. R. Beam 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:

$ 570.00

Signature Helen R. Mullin
(Authorized Certifying Officer)

Date NOV 8 1955 Vou. No. 36
(See other side)

190.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 832 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist USGS Date Nov. 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. J. Lynch Title ..... Date .....

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 MR-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV 1 9 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. & Oct. 195 5 Docket No. DMEA 3793 Contract No. Idm-5832

Operator's Name J. R. Beam and John Phillips Minerals Mica

Address Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
12' Shafts 0 50.00	Ft.	600.00	12	600.00	12	50.00	36.8	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		600.00		600.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		160.00		910.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		760.00		1510.00				

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

REMARKS:

Date 11-4-55 Operator J. R. Beam and John Phillips

Per J. R. Beam Title Partner

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

(Instructions on reverse)

(For Government use only)

Alfred R. Taylor
Geologist

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Progress Report

September and October, 1955

DMEA-3793

Idm-E 832

Work Accomplished:

16 feet of rehabilitation work has been completed, and 12 feet of shaft since last report. We have had hoist trouble and other delays in our operations.

Daily Notes:

September 1 - 9:	Three men worked cleaning out muck and timbering. Pumped water.
September 12 -16:	Lost two days due to hoist breakdown. Continued cleaning out and rehabilitation work in old shaft.
September 19- 23:	Had hoist repaired. Continued rehabilitation work.
September 26- 30:	Completed rehabilitation and timbering. Now at 91' depth. Prepared to lower shaft below this level.
October 3 - 7 :	Drilled and shot into slate and hard material. Mucked. Pumped water. Some mica recovered.
October 9 - 14 :	Pumped water. Shaft still in slate and mica vein. Continued to recover some mica each day.
October 17 - 21 :	Hoist broke down and spent one day having repairs made. Drilled, shot and mucked.
October 24 - 31 :	Shaft reached 12' depth beyond old level. Drilled, shot and mucked. Recovered several bags of mica first of week, then vein narrowed sharply.

About 400# of mica recovered, all fair quality.

600

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

Subject: Docket No. DMEA-3793 - Miss J. R. Beam and John Phillips
Willie Shanty Mine
Yancey County, North Carolina
Contract No. Ilm-3852

Dear Mr. Laurence:

Reference is made to the Field Team memorandum of October 13, 1955, concerning the proposed amendment to the subject contract.

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

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

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

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

W. P. Williams
Member, Geological Survey

Enclosures: 8

JHopkins:gad 10/25/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

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

Government's Copy

AMENDMENT NO. 1
To
EXPLORATION PROJECT CONTRACT Idm-E832, DOCKET NO. DMEA-3793
Between
UNITED STATES OF AMERICA AND J. R. BEAM AND JOHN PHILLIPS, PARTNERS

It is agreed between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and J. R. Beam and John Phillips, partners, that Contract Idm-E832 (Docket No. DMEA-3793) dated May 24, 1954 is amended as of _____ _____ as follows: June 30, 1955

1. In Exhibit "A" under "Description of the Work."

(a) Under Stage I, delete "75-foot incline" and ~~substitute~~ add "91-foot incline."

(b) Under Stage II, Item 2, delete "Sink 40 feet of new incline from the bottom of the existing 75-foot incline," and add ~~substitute~~, "Sink 36 4/5 feet of new incline from the bottom of the existing 91-foot incline."

2. In Exhibit "A" under "Fixed Unit Costs"

(a) Under Stage I, change "75 feet" to read "91 feet," and change "$750.00" to read "$910.00."

(b) Under Stage II, second item, change "40 feet" to read "36 4/5 feet" and change "$2000.00" to read "$1840.00."

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

Executed in sextuplicate this _____ day of _____, 195_.

THE UNITED STATES OF AMERICA

J. R. BEAM AND JOHN PHILLIPS By _____
Executive Officer, DMEA
Field Team, Region V

By _____
(Partner)

By _____
(Partner)

Division Copy

AMENDMENT NO. 1
To
EXPLORATION PROJECT CONTRACT Idm-E832, DOCKET NO. DMEA-3793
Between
UNITED STATES OF AMERICA AND J. R. BEAM AND JOHN PHILLIPS, PARTNERS

It is agreed between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and J. R. Beam and John Phillips, partners, that Contract Idm-E832 (Docket No. DMEA-3793) dated May 24, 1954 is amended as of _____ ____ as follows:

1. In Exhibit "A" under "Description of the Work."

(a) Under Stage I delete "75-foot incline" and substitute "91-foot incline."

(b) Under Stage I Item 2 delete "Sink 40 feet of new incline from the bottom of the existing 75-foot incline," and substitute, "Sink 36 4/5 feet of new incline from the bottom of the existing 91-foot incline."

2. In Exhibit "A" under "Fixed Unit Costs"

(a) Under Stage I, change "75 feet" to read "91 feet," and change "$750.00" to read "$910.00."

(b) Under Stage II, second item change "40 feet" to read "36 4/5 feet" and change "$2000.00" to read "$1840.00."

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

Executed in sextuplicate this ____ day of _____, 195_.

THE UNITED STATES OF AMERICA

J. R. BEAM AND JOHN PHILLIPS By _____
Executive Officer, DMEA
Field Team, Region V

By _____
(Partner)

By _____
(Partner)

Indirtz
Dwyer
"Appd. Sol. Off."
Hopkins
Chambers

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

OCT 25 1955

Memorandum

To: The Administrator, DMEA
Attention: Acting Chief, Non-Metallic Minerals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Amendment No. 1 to Contract Ldm-[illegible] (Docket No. DMEA-[illegible] with J. R. Deem and John Phillips) 3793

Pursuant to your request, a proposed Amendment No. 1 to this contract is attached.

Robert P. Dwyer

Robert P. Dwyer

Attachment

PIndritz/fvh 10-21-55

Copies to:
Docket
Sol. Docket (2)
[illegible] F. L. Krouse (2)
R. P. Dwyer
P. Indritz
Chron.

INTERIM REPORT

RECEIVED
OCT 28 1955

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

OPERATOR: J. R. Beam and John Phillips, Spruce Pine, N. C.

LOCATION: 0.71 miles S82°E of Old Bowlens Creek Postoffice and 3.12 airline miles S26°E of Burnsville, Yancey County, N. C.

Inclined shaft sinking continues on this contract, and 6 feet of work in new ground has been completed. The work is following the inclination of a narrow pegmatite about 18 inches thick, which contains large blocks of muscovite mica and stringers of biotite gneiss. The operator was instructed to continue sinking until another visit can be made. The operator was advised to anchor temporary ladders securely and to remove loose material from the adit level and along the footwall. Progress on this contract is satisfactory.

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

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

October 19, 1955

Hopkins

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

RECEIVED
OCT 1 7 1955

October 13, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: DMEA-3793, Idm-E832 (mica) J. R. Beam & John Phillips, Spruce Pine, N. C. Willie Shanty Prospect, Yancey Co.N.C

The latest interim report (4 copies enclosed herewith) states that the shaft rehabilitation has been completed at 91 feet.

Therefore, we request preparation of an amendment authorizing a total of 91 feet of shaft rehabilitation at $10 per foot, and reducing the total amount of new shaft-sinking accordingly.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

RAL/zm
cc: Lynch
Shirley
Files

RECEIVED
OCT 20 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

INTERIM REPORT

RECEIVED
OCT 1 - 1955

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

OPERATOR: J. R. Beam and John Phillips, Spruce Pine, N. C.

LOCATION: 0.71 miles S82°E of Old Bowlens Creek Postoffice, and 3.12 airline miles S28°E of Burnsville, Yancey County, N. C.

The rehabilitation of an existing incline has been completed to a total depth of 91 feet. In addition to this work, 2 feet of sinking has been accomplished in new ground which places the total depth at 93 feet from the surface. New work has been in pegmatite containing large blocks of mica, observed in place. Sinking will continue until another visit can be made.

The original contract provided for 75 feet of shaft rehabilitation. It was necessary to rehabilitate a total of 91 feet or 16 feet more than the contract provision. The Field Examiners recommend that an amendment be prepared for the additional 16 feet of shaft rehabilitation at $10.00 per foot, and that the amendment be presented to the operator for his signature.

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

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

October 5, 1955

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

September 30, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3793, Idm-E832 (mica) J. R. Beam and Frank Phillips
Willie Shanty Prospect, Yancey County, N. C.

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

As there is still uncertainty as to just how much old shaft footage remains to be rehabilitated, we recommend delaying the proposed amendment until the rehabilitation is complete, and then preparing an amendment to provide for the actual footage rehabilitated. Total shaft depth will not exceed 115 feet, as provided in the contract, unless it appears advisable as rehabilitation proceeds; in that case it can also be provided in the amendment.

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

V. J. Lynch, Member
Bureau of Mines

RAL/sm
cc:
Lynch
Bank
Shirley
Files

INTERIM REPORT

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

OPERATOR: J. R. Beam and John Phillips, Spruce Pine, N. C.

LOCATION: 0.71 miles S82°E of Old Bowlens Creek Postoffice, and 3.12 airline miles S28°E of Burnsville, Yancey Co., N. C.

Rehabilitation of an existing incline shaft continues and is nearing completion on this contract. Present depth reached is 78 feet, and the operator estimates at least an additional 10 feet of muck exists in the bottom. It would be advisable for the contract to be amended to take care of this additional rehabilitation, before sinking in new ground gets underway. The examiners recommend that an amendment authorizing 25 feet of additional rehabilitation be prepared in conformance with costs recommended for the original work.

Material encountered in recent work consists of loose muck - a few large blocks of mica is found from time to time in this material. Several suggestions were made for making the operation safer. 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, Mining Engineer
U. S. Bureau of Mines

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

September 21, 1955

INTERIM REPORT

DMEA-3793, Idm-E832 (mica) WILLIE SHANTY PROSPECT

OPERATOR: J. R. Beam and John Phillips, Spruce Pine, North Carolina

LOCATION: 0.71 mile S82°E of Old Bowlens Creek Postoffice, and 3.12 miles S28°E of Burnsville, Yancey County, North Carolina

Rehabilitation of an existing incline shaft continues on this contract, and is nearing completion. Sixty-eight feet of work has been finished to date, and the operator estimates about 4 feet of muck remains in the bottom. As soon as rehabilitation is complete, incline sinking on the pegmatite will begin. Necessary timbering has been partially completed. Bucket skids, as an aid to hoisting, have been installed. An original adit has been opened up and is now used as a manway. The foreman was instructed to scale the roof area of the adit thoroughly because of the weathered condition of the rock. The hoist operator was advised to change the position of cable clamps on the hoisting rope, which had been placed in the wrong position. Progress on this contract is satisfactory.

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

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

September 7, 1955

P. O. Box 217
September 12, 1955

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Bureau of Mines, Washington 25, D. C.

From: Administrative Assistant, Electrotechnical Experiment Station, Bureau of Mines, Region V, Morris, Tennessee

Subject: Monthly report and vouchers

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

Idm-X-832 J. R. Beam and John Phillips
DMEA Docket No. 3793
1st payment - months of July and August
Started: 7/25/55
Amount $562.50

Helen R. Miller

Attachments 2
/hm
copies to Lynch
Laurence
Morris files
Day files

04 (Rev.)
(952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

20

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
SEP 14 1955

Month of July & August, 1955 Docket No. DMEA 3793 Contract No. Icm-E632
Operator's Name J. R. Bean and John Phillips Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ 5324.00 Government Participation: 75 % Amount, $ 4363.00

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						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	750.00	—	750.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	750.00	—	750.00	750.00		750.00

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

Date 9-6-55 *Payee J. R. Bean and John Phillips

Per John Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 562.50

Signature Wilson R. Miller
(Authorized Certifying Officer)

Date SEP 12 1955 Vou. No. 56

(See other side)

187.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdmE832 in accordance with the terms of the contract.

Signature Harvey H. Lemos Title Geologist-USGS Date SEP 8 - 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 14 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July & Aug. 195 5 Docket No. DMEA 3793 Contract No. Kdm-5332
Operator's Name J. R. Boen and John Phillips Minerals Mica
Address Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		750.00		750.00				
New Buildings, Improvements, etc.								
Total Costs		750.00		750.00				

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

Date 9-6-55 Operator J. R. Boen and John Phillips

Per John Phillips Title Partner

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

(Instructions on reverse)

Remarks:

(For Government use only)

Geology H. Amos
Geologist, USGS

SEP 8 - 1955

INSTRUCTIONS

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

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

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

GPO 872894

To: Files June 21, 1955

From: James Hopkins

Subject: Evaluation of applications and field examination report
Docket No. DMEA 3~~184~~93 - Mica
J R Bean and John Philips
Willis Shanty Prospect
Yancey County, North Carolina

Mica:

All minable pegmatite removed for a distance of 225 along the strike and 80' down the dip. Strategic mica occurs in old stopes. Size of stopes suggest "considerable" production but no records are available. Mica is reddish brown. Some is ruled. Books are most abundant in thinnest part of deposit.

Pegmatite:

Enclosed by kyanite and mica gneiss. Pinches and swells so markedly that it is termed a "pennant vein". It is less than 5 feet in thickness and consists of quartz and plagioclase with subordinate quantities of mica, kyanite and garnet. It is conformable with enclosing rock.

Old Workings:

Steeply inclined stopes 225 feet in length and 80 feet deep. Three shafts and a

tunnel constitute the previous old works. All are partially accessible

Method of Exploring:

The applicant proposes to clean out an old incline stope or shaft, sink an additional 40 feet and drift 80 feet on the pegmatite. The Field Concurs in this proposal All work will be in pegmatite.

The work is set up for a single stage by the Field Team. This is not concurred in by the writer, who believes that another look be taken of the bottom of the workings after rehabilitation before sinking is approved.

Economics:

As there is no record of production comments on economics can not be made.

Remarks:

The proposed exploration work is a sound approach, but the evidence suggesting a successful project is very little and not too convincing. The Field Teams recommendations should be followed.

RECEIVED
SEP 14 1955

OPERATOR'S

Monthly Report of Progress
July
August, 1955

DMEA-3793

Idm-E 832

Work Began: July 25,1955

Work Accomplished:

We have completed rehabilitation of existing 75' incline, timbering and installing ladders. We moved equipment in and are preparing to begin Stage II.

Daily Notes:

July 25-29: Began cleaning out old incline, and pumping out water. Three men worked full time.

Aug. 1-5 : Continued working in old incline, cleaning out muck and water. Timbered and began putting in loft.

Aug. 8-12 : Pumped water, cleaned out waste. Timbered.

Aug. 15-19 : Pumped water. Continued to remove muck as we went down. Worked on loft and cribbing. Worked on ladders.

Aug. 22-26 : Continued with rehabilitation of incline. Repeated the same operations, getting into more water as we got deeper.

Aug. 29-31 : Completed the 75' rehabilitation, timbered and installed ladders as called for in contract. Prepared to begin stage II.

RECEIVED
SEP - 7 1955

INTERIM REPORT

DMEA-3793, Idm E 832(mica) WILLIE SHANTY PROSPECT

OPERATOR: J. R. Beam and John Phillips, Spruce Pine, N.C.

LOCATION: 0.71 miles S82°E of Old Bowlens Creek Postoffice, and 3.12 airline miles S28°E of Burnsville, Yancey County, N. C.

Shaft rehabilitation is progressing on this contract and is now at 66 feet, which includes 13 feet of cribbing with round timbers from the surface. Considerable muck has been removed from the old incline, and removal of additional muck will continue until the bottom is reached. Incline skids will be installed to facilitate the hoisting of muck. A separate entrance for workers will be via and old adit, as soon as this level is reached and the adit is rehabilitated. Progress on this contract is satisfactory.

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

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

August 23, 1955

Mr. Krouse
Mr Hopkins

INTERIM REPORT

DMEA-3793, Idm-E 832(mica) WILLIE SHANTY PROSPECT

OPERATOR: J. R. Beam and John Phillips, Spruce Pine, N. C.

LOCATION: 0.71 miles S82°E at Old Bowlens Creek postoffice and 3.12 airline miles S28°E of Burnsville, Yancey County, North Carolina

Access road construction, at the operators' own expense, has been completed on this project. Shaft rehabilitation is now underway, but very little has been accomplished. Much of the time has been expended in cutting round timbers on the property for cribbing and moving equipment to the mine site. A conventional hoisting frame has been constructed and a gasoline-powered hoist will be used for moving muck during shaft rehabilitation. Another examination will be made in the near future.

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

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

August 10, 1955

RECEIVED
AUG 2 1955

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

JUL 19 1955

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

Subject: Docket No. DMEA-3793 - Mica
J. R. Pease and John Phillips
Phillis Shanty Mine
Yancey County, North Carolina
Contract No. Idm-2832

Docket No. DMEA-3801 - Mica
Dave Wise, et al.
Toney Mine
Cleveland County, North Carolina
Contract No. Idm-2830

Dear Mr. Laurence:

This will acknowledge receipt of your memorandum, dated July 11, 1955, commenting on the subject contracts and recommending changes in future contracts to explore pegmatites for mica that would simplify the administration problem.

We wish to thank you for your comments on this question and also assure you of our future cooperation.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey

FLKnouse:pk 7/15/55
Copy to: Admr. R. File
Docket 3801
Docket 3793
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrichy 3061
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

July 11, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Size of Sumps in Exploratory Shafts

We note that some of the recent contracts for mica exploration specify that a drift is to be driven at a started distance above the bottom of the shaft. For examples see DMEA-3793, Idm-E832, and DMEA-3801, Idm-E836.

We suggest the use of a more general wording as, "From a point at or near the bottom of the shaft, drive a drift." It is impossible to tell in advance just how deep a sump is required; in some cases only a foot or two is adequate but in others five to seven feet may be needed. Thus, it may become necessary to prepare amendments to make these minor adjustments, whereas the more general wording suggested above, plus the usual statement that "the location, inclination, and direction of all workings shall be subject to the Government's approval" provides adequate control of the position of the drifts. We consider it inadvisable to be so specific in the contract about the location and direction of exploratory workings.

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

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

RAL/zm
cc:
Lynch
Shirley
Files
Allsman

JUL 1 9 1955

600

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

Subject: Docket No. DMEA-3793 - Miss J. R. Bean and John Phillips
Willis County Mine
Yancey County, North Carolina
Contract No. Idm-[illegible]832

Docket No. DMEA-3801 - Miss Dave Wise, et al.
Yancy Mine
Cleveland County, North Carolina
Contract No. Idm-[illegible]836

Dear Mr. Laurence:

This will acknowledge receipt of your memorandum, dated July 1[illegible], 1955, commenting on the subject contracts and recommending changes in future contracts to explore pegmatites for mica that would simplify the administration problem.

We wish to thank you for your comments on this question and also assure you of our future cooperation.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

/s/ Robert W. Gechan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

FLKnouse:pk 7/15/55
Copy to: Admr. R. File
Docket 3801
Docket 3793
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

JUN 2 9 1955 600

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

Subject: Docket No. DMEA-3793 - Mica
J. R. Beam and John Phillips
Willie Shanty Prospect
Yancey 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. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of a memorandum from R. D. Trace of the Geological Survey, dated June 17, 1955, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

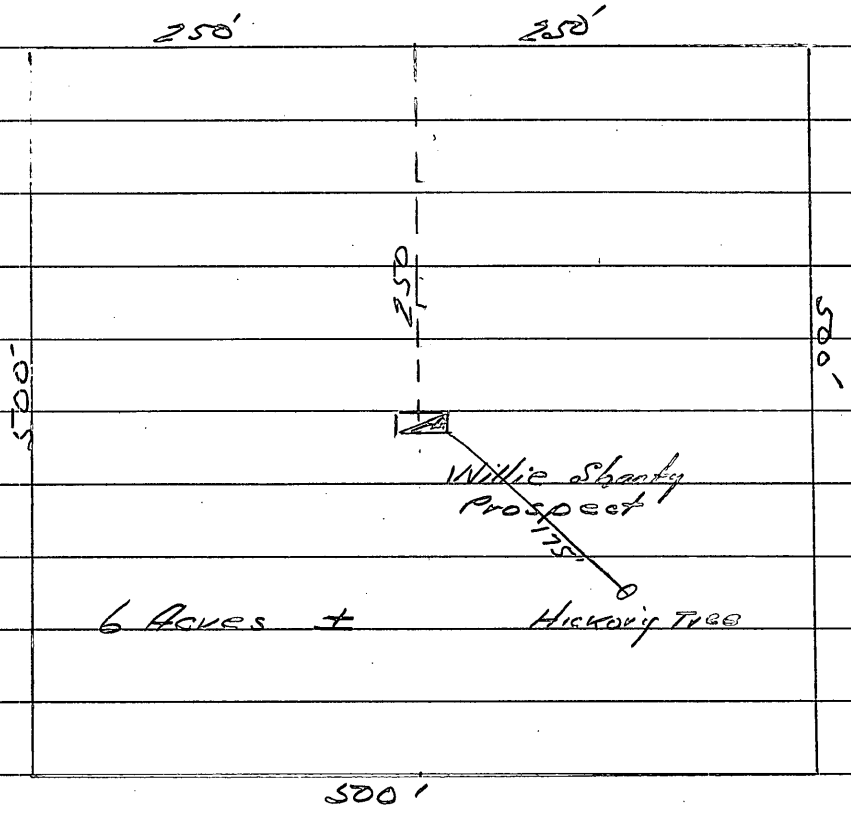
Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

JHopkins:pk 6/27/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 8


250'
250'
250
500'
500'
Willie Shanty
Prospect
35
6 Acres ±
Hickory Tree
500'

IN REPLY REFER TO:

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

RECEIVED
JUN 20 1955

June 17, 1955

Re: DMEA-3793
J. R. Beam
Willie Shantz Mine
Yancey Co., N. C.
$5,823 - Mica

Memorandum

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

From: R. D. Trace, U. S. Geological Survey

Subject: Review of Field Team report

The Field Team recommends that the subject application be approved. They propose that a part (shaft size) of an inclined stope be cleaned out, a shaft sunk an additional 40 feet, and 80 feet of drifting. I concur with the recommendation.

The mine has a good production record of strategic mica and there is no evidence that the bottom has been reached.

R. D. Trace

RDTrace:hlm
G-6/17/55

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

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

June 13, 1955

RECEIVED
JUN 15 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination report - DMEA-3793 (mica) J. R. Beam, and John Phillips, Spruce Pine, N. C. Willis Shanty Mine, Yancey County, N. C.

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

We are in agreement with the examiners' findings, and therefore recommend approval of a contract as outlined in the report, for work on a unit-cost basis. Cleaning out and deepening the existing inclined shaft appear to be the best method of exploring this pegmatite.

This mine has been variously known as Willis Shanty, Willie Shanty and Willie's Shanty. As "Willis Shanty" is used in Geological Survey Reports, we have followe that usuage in the text of this report, but have used "Willie Shanty" on the sketch map to conform with usage in the legal description in the lease.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

RAL/sm
cc:
Lynch
Shirley
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY REGION V

On

DMEA-3793, WILLIS SHANTY MINE
(mica)
Yancey County, North Carolina

BY

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

June 3, 1955

RECEIVED
JUN 15 1955

FIELD EXAMINATION REPORT
On

DMEA-3793 (mica) WILLIS SHANTY MINE

Applicants: J. R. Beam, R#2, Spruce Pine, N. C., John Phillips, Spruce Pine, North Carolina

All mineable pegmatite has been removed above a caved drift on the south end for a distance of about 225 feet to the north. At the north end the inclined stope is reported to be 80 feet deep. Mica of strategic grade occurs and judging from the extent of the stopes, it has been a rather substantial producer. Apparently additional mica-bearing pegmatite occurs below the depth previously mined. Exploration assistance is recommended.

This deposit was examined on June 3, 1955. Messrs. J. R. Beam and John Phillips accompanied the examiners on the inspection which required three hours.

The Willis Shanty Mine is on the east side and near the top of Joe Young Ridge, 0.71 miles S. 82° E. of old Bowlens Creek Post Office and 3.12 airline miles S. 28° E. of Burnsville, North Carolina. A rough, steep jeep road extends for the last 1.5 miles to the mine.

Both applicants are competent to conduct the proposed work. They are at present operating successfully a mine nearby (Little Ray). The applicants hold the property by lease, the area under lease contains slightly in excess of 5 acres which is sufficient for the proposed program of exploration.

The workings include discontinuous narrow, steeply sloping inclined stopes that trend N. 15° E. and are 225 feet long, three shafts, a tunnel at the south end of the mine area. One of the shafts is said to be 80 feet deep. The pegmatite body, which is less than 5 feet in maximum thickness, has been mined out for a strike distance of 225 feet and a maximum slope distance of 80 feet.

The deposit strikes N. 15° E. and dips 70° WNW. It is conformably enclosed by kyanitic mica gneiss, and pinches and swells so markedly along the strike and down the dip that it has been termed a "peanut vein" by the local miners. It consists cheifly of quartz and plagioclase, with subordinate mica and minor kyanite and garnet. The mica is reddish brown in color and in general of good quality. Some is ruled. The books are reported to be most abundant in the thinnest parts of the deposit.

All of the stopes appear to plunge to the south at 60-70°, which suggests that the thicker portions of the pegmatite as well as the mica concentrations rake at a steep angle to the south.

The best approach to exploration on this deposit is to clean out the muck from the central inclined stope and deepen it an additional 40 feet. After the incline is completed, 80 feet of drift are recommended.

Estimated Cost:

Toolhouse		$75.00
Powder Magazine		25.00
Exploder Magazine		~~13.00~~ 14.00
Clean out, timber where necessary, and install ladders in an existing 75-foot incline (30-40 feet of muck in bottom) @ $10/foot	$750.00	$750.00
30 shifts 1½ mos		
Sink 40 feet of new incline from bottom of existing 75-foot incline (30 shifts) (If a headframe is required the Operator agrees to install it at his own expense).		
Labor:		
1 - Miner @ $1.50/hr.	360.00	
1 - Hoistman @ $1.25/hr.	300.00	
1 - Laborer @ $1.00/hr.	240.00	
30 shifts 1½ mos		
Equipment (rental)	50	
Compressor, drill, and pump @ $240/Mo.	360.00	
Hoist @ $50/Mo.	75.00	
Supplies:	435.	
Explosives	160.00	
Drill steel	80.00	
Timber, 1 M b.f. @ $65/M	65.00	
Gasoline and oil	75.00	
Small tools & pipe	85.00	
Miscellaneous	75.00	50
Insurance and Social Security	125.00	$2,000.00
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	
40 shifts 2 mos	1520.	

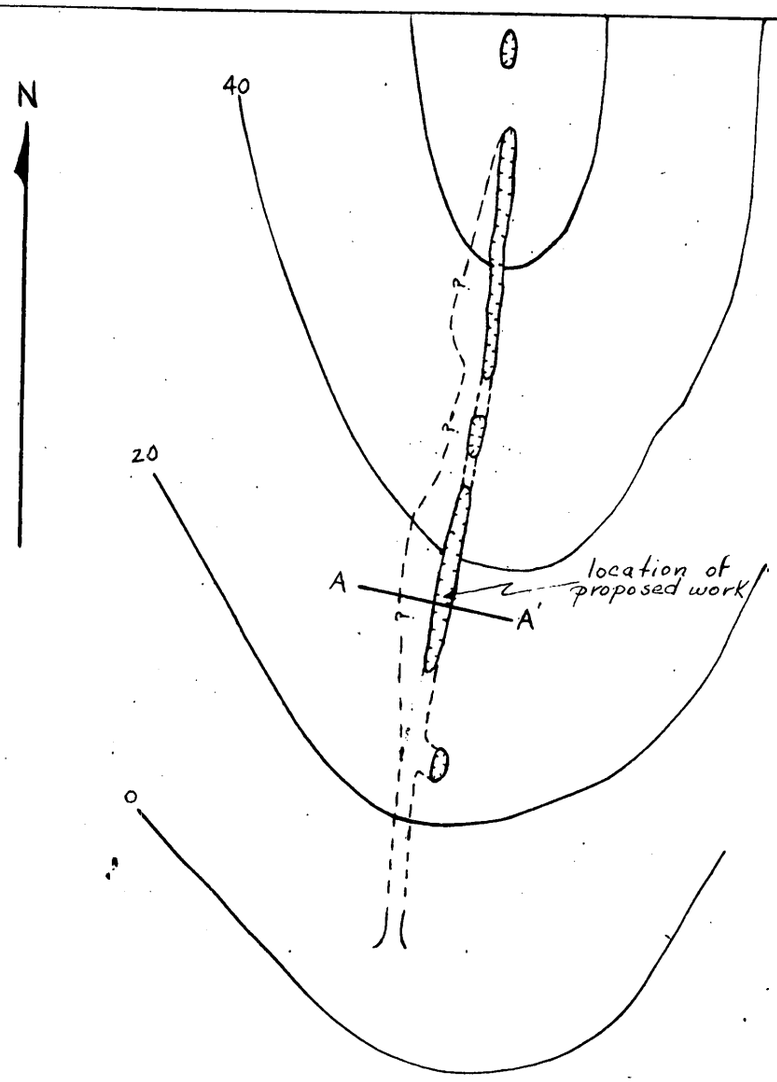
Total - 5 months

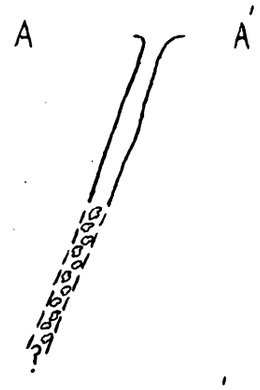
Equipment (rental)

Compressor, drill, pump and jackleg @ $250/Mo.	$500.00	
Hoist @ $50/Mo.	100.00	
Supplies:		
Explosives	240.00	
Drill steel	100.00	
Gasoline and oil	150.00	
Small tools and pipe	100.00	37.00
Miscellaneous	100.00	
Insurance and Social Security	150.00	$2,960.00
Estimated total cost.....		$5,821.00
		58 29.00
Rev. Port.		4368.00

Examined: June 3, 1955

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





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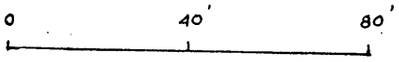

scale

SKETCH OF WILLIE SHANTY MINE

YANCEY CO., N.C.

DME A-3793

June 3, 1955

600

MAY 13 1955

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3793 - Mica
J. R. Beam and John Phillips
Willie Shanty Prospect
Yancey County, North Carolina

Dear Mr. Phillips:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. 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,

E. O. Mittendorf

Administrator

JHopkins:gad 5/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk
Field Team, Region V

MAY 1 3 1955 600

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

Subject: Docket No. DMEA-3793 - Miss J. E. Bean and John Phillips
Willis Shanty Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda from E. L. Newcomb of the Geological Survey, dated May 2, 1955, and from W. F. Dietrich of the Bureau of Mines, dated May 9, 1955, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

M. E. Volin for J. W. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 4

JHopkins:gad 5/10/55
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.

Defense Minerals Administration
RECEIVED
MAY 10 1955

May 9, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3793 (mica)

Applicant: J. R. Beam and J. Phillips

Name and Location of Property: Willie Shanty Prospect
Yancey County, North Carolina

Date Application Rec'd. by Br.of Ceramic & Fertilizer Materials: 4-28-55

Comments:

1. Existing workings consist of a 40-foot shaft and tunnel (length unknown).

2. Applicant states that high quality sheet mica was obtained during past operations.

3. It is difficult to determine from the data presented if the proposed project of shaft rehabilitation or an alternate plan is the best approach.

4. It appears a field examination is necessary to determine the feasibility of a project.

Recommendation:

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

Signed

W. F. Dietrich

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 3 - 1955

May 2, 1955

Re: DMEA-3793
J. R. Beam &
J. Phillips
(Willie Shanty
Prospect)
Yancey Co., N. C.
$6,080 - Mica

Memorandum

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

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

Subject: Review of application

The applicant has proposed to rehabilitate a 40 foot shaft, deepen the shaft 70 feet and drift 60 feet.

There is very little information in the application by which to appraise this proposal. It is reported the project is near a tunnel which produced during W.W. II under the Colonial Mica Corp.

If little is known of the underground workings, it may be more reasonable to sink a new shaft where best surface evidence is available or trenching should be done to expose an extension of previously mined pegmatite.

I recommend this application be referred to the Field Team for their review and a field examination.

E. L. Newcomb

ELNewcomb:hlm
G-5/2/55

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