☐ Audited

☐ Certified

Name W. S. Flynt.

State N. C.

[redacted]K ANALYSIS SHEET - DMEA PROJEC[redacted]

Analysis as of November
Incl. Voucher for Septy Oct

Commodity Mica

☐ Actual Cost

☑ Agreed Unit Costs

Docket No. 3877

Idm-E No. 864

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	60	2040.00			
Raising					
Shafts	50	2150.00	10	430.00	430.00
Winzes					
Drilling (Specify)					
Surface Excavation		300.00		300.00	300.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		114.00			
Other (Specify)					
Totals		2604		730.00	730.00

Prepared by [signature]

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

C. E. Beams, H. C. Keller and W. S. Flynt

Crossmore, North Carolina

pertaining to Exploration Project Contract No. Idm-E864, Docket No. DMEA-3877, for the months of September and October 1955, covering a project for the exploration of mica on property, known as the Jasper Smith Prospect, located in Mitchell County, North Carolina.

My review included an examination of the Monthly Report (Form 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		$730.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$730.00

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 Five hundred forty-seven and 50/100 Dollars

$547.50

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. Tulbert

E. D. Tulbert, Auditor

November 22, 1955

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

RECEIVED
NOV 7 1955

November 4, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Termination Agreement, Idm-E864, DMEA-3877 (mica)
Boone, Keller and Flynt, Ptnrs. North Carolina

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

Robert A. Laurence

ZM.
cc
Lynch
Finance Office
Shirley
Files

DIVISION COPY

RECEIVED
NOV - 7 1955

EXPLORATION PROJECT CONTRACT
TERMINATION AGREEMENT
DMEA-3877 (mica)

It is agreed this 26th day of October 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and C. E. Boone, Hayden Keller, and W. S. Flynt, a partnership, hereinafter called the "Operators," parties of that certain Exploration Project Contract Idm-8564, Docket No. DMEA-3877, dated August 30, 1955, hereinafter called the "Contract," that:

1. Effective October 7, 1955, 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. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, shall be for the sole account of the Operator without contribution by the Government.

4. 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.

5. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

6. 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.

C. E. Boone

W. S. Flynt

Hayden C. Keller

THE UNITED STATES OF AMERICA

By Robert A. Laurence

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

Division copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3877

Commodity Mica

Contract No. Idm-E 864

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

It is agreed this AUG 30 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] C. E. Lesne, Hayden C. Keller, and W. S. Flynt, a partnership, whose mailing address is c/o W. S. Flynt, Spruce Pine, North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of mica. The work to be performed is described in Exhibit "A." The Operator on or before NOV 1 1955 shall commence the work, and on or before December 31, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work, except as otherwise provided in Exhibit "A."

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $4,604.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,453.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

BOONE, KELLER, AND FLYNT
(Operator)

By C. E. Boone (Partner)

By W. T. Flynn (Partner)

By Hayden C. Keller (Partner)

THE UNITED STATES OF AMERICA

By O. Meitzendorf
Administrator, Defense Minerals Exploration Administration

Britin
Hoffland
(Appd. Soi. Sil.)
Hopkins
F. I. Kinney
Gilbert

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]

Gabfridge

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

EXPLORATION PROJECT CONTRACT
BOONE, KELLER, AND FLYNT
DOCKET NO. DMEA-3877

ANNEX I

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

Beginning at center of open cut known as Jasper Smith prospect located 130' SW from a spring and running North 250'; thence East 250'; thence South 500'; thence West 500'; thence North 500'; thence East 250' to beginning.

The Jasper Smith prospect is located one mile N. 70° W. of Spruce Pine, North Carolina.

EXPLORATION PROJECT CONTRACT
BOOKE, KELLER, AND FLYNT
DOCKET NO. DMEA-3877

EXHIBIT "A"

Description of the Work

The location of a part of the work is shown on the map entitled "Sketch of Jasper Smith Prop., Mitchell Co., N. C. DMEA-3877 (mica), July 12, 1955," attached hereto and made a part hereof.

The work shall be performed in two successive stages, as indicated below, each prior stage to be completed before the succeeding stage is begun. The Operator shall perform Stage I, and shall perform so much of Stage II as the Government may at any time approve in writing.

Stage I

With a model D-6 caterpillar tractor-dozer, or equivalent tractor unit, excavate a trench not less than 100 feet long by 30 feet wide by 15 feet deep, to expose the pegmatite.

Stage II

1. Construct:

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

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

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

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

The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood lumber; and shall be braced at the corners. No

metal shall be exposed; and the lids or doors shall be securely locked with the equivalent of a 5-tumbler jar-proof lock.

2. Sink a 50-foot, 2-compartment shaft on the pegmatite having cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timbers.

3. Drive 60 feet of drifts on the pegmatite from the shaft. The drifts shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timbers.

All work shall be timbered as necessary.

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

Fixed Unit Costs

Stage I

Bulldozing 30 hours @ $10.00/hr.	$ 300.00	$ 300.00

Stage II

Construct:

Toolhouse 1/	75.00	
Powder Magazine 1/	25.00	
Exploder Magazine 1/	14.00	
Sink 50 feet of shaft @ $43.00/ft.	2,150.00	
Drive 60 feet of drifts @ $34.00/ft.	2,040.00	$4,304.00
Estimated Total Cost of Project		$4,604.00
Government Participation @ 75%		$3,453.00

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_____

RECEIVED
JUN 29 1955

CONSENT TO LIEN

To the United States of America:

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

Beginning at center of open cut known as Jasper Smith prospect located 130' SW from a spring and running North 250'; thence East 250'; thence South 600'; thence West 600'; thence North 600'; thence East 200' to beginning. This property lying approximately 8 miles West of Spruce Pine in Mitchell County.

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

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 March 16, 1953, and recorded in book 116 page 620 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 4 day of June, 1956.

Edward A Boone [Seal] Spruce Pine NC

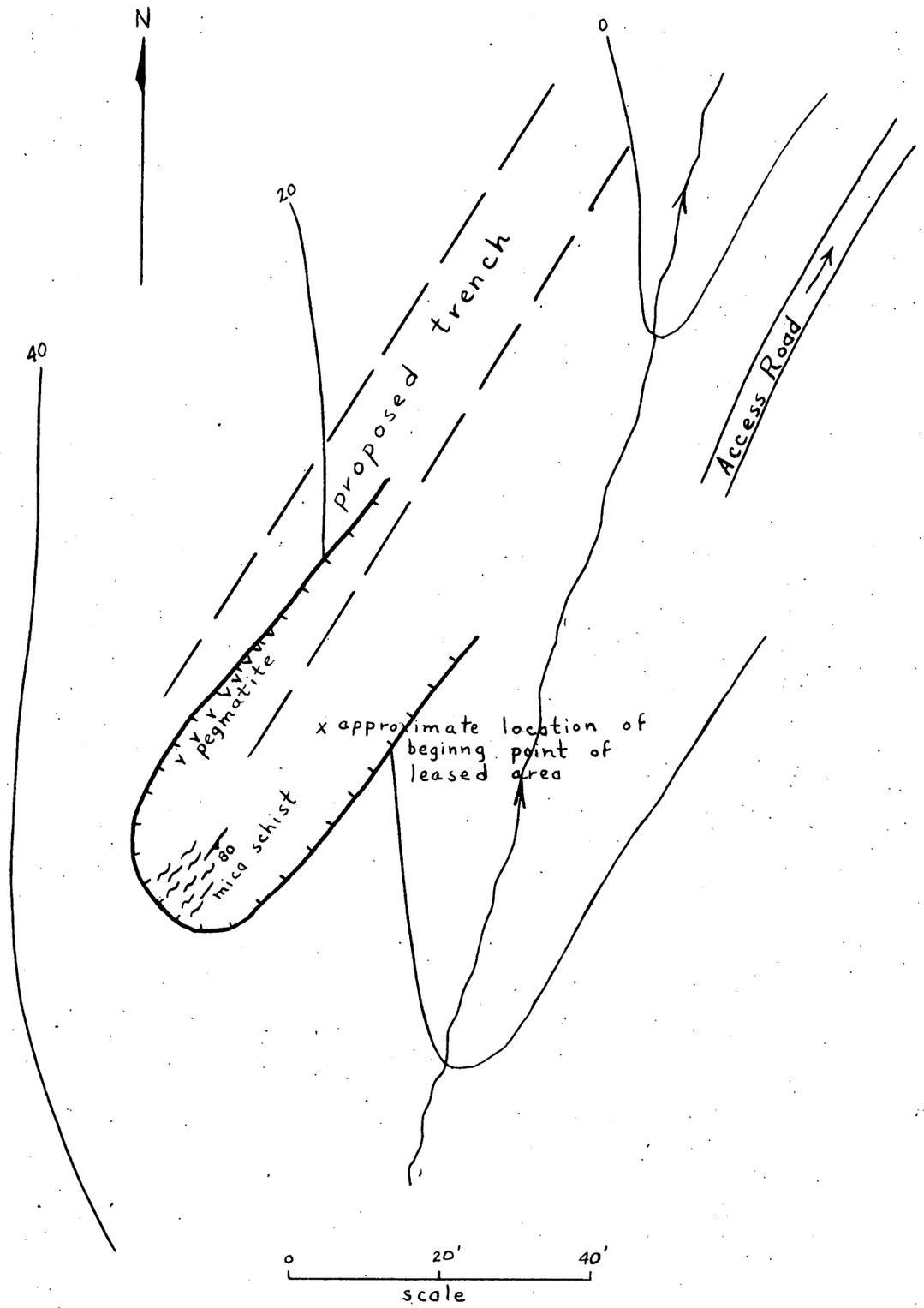
_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]



SKETCH OF
JASPER SMITH PROS.
MITCHELL CO., N.C.

DMEA-3877 (mica)

July 12, 1955

RECEIVED
JUL 27 1955

600

MAY 1 ? 1956

Messrs. G. K. Boone, Hughes C. Keller
and W. S. Flynk
c/o Mr. W. S. Flynk
Greensboro, North Carolina

Re: Contract No. [illegible]-[illegible]
G. K. Boone, Hughes C. Keller,
and W. S. Flynk
Jasper Smith Prospect
Mitchell County, North Carolina
Contract No. [illegible]

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 MRA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

Initials: 5/24/56
Copy to: Contract
Mr. Chambers
Field Team, Region V
Mr. Hillegeard, [illegible]
Mr. Kletzsch, [illegible]
Mr. Kent
Mr. Hopkins
Adm. R. File
Edward Boone (land owner)

May 14, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3877-mica
Contract No. Idm-2564
Jasper Smith Prospect
Mitchell County, North Carolina

Operators: C. E. Boone, Hayden C. Keller and W. S. Flynt (a partnership)

Operators' Property Rights:
Lessees of the mineral rights

2. Contract: dated August 30, 1955

a) Work Authorized:

Excavate strike trench 30 hrs. @ $10.00/hr.	$ 300.00
New Buildings	114.00
Shaft sinking 50 feet @ $43.00/ft.	2,150.00
Drifting 60 feet @ $34.00/ft.	2,040.00
Estimated Total Cost	$ 4,604.00

b) Amendments:
None

c) Work Completed:

Trench excavation	$ 300.00
Shaft sinking 10 feet @ $43.00/ft.	430.00
Total Cost	$ 730.00

Work began September 20, 1955.
Work terminated effective October 7, 1955.
Field Team Final Report dated October 27, 1955.
Operators Final Report waived - Interim Report accepted.

3. Audit: Report of Review dated November 22, 1955

Total Cost as billed by Contractor	$730.00
Exceptions	-0-
Total Accepted Cost	$730.00
Government participation @ 75%	$547.50

4. Certification of Discovery - none issued

5. Comments:

A virtually unexplored pegmatite had been exposed in a small cut. The entire thickness could not be seen but it was in excess of 5 feet. Strategic mica although small in size had been recovered. Fifty pounds of mine-run mica sold for $1.00/pound.

A project involving bulldozing to more thoroughly expose the pegmatite to be followed by a shaft was initiated.

Project work exposed a thoroughly weathered pegmatite 8 feet thick but the mica-bearing portion is only 2' to 3' thick and 25 feet long.

The only mica recovered came from that part that contains smoky colored quartz and plagioclase. It was very flat, clear, hard, free-splitting, and green in color.

Approximately 750# were recovered.

Sales were: 447# scrap for $6.70
1796# sheet for $234.96
Total $241.66

Royalties paid the Government was $12.08

The project did not disclose any reserves.

Insufficient mica was recovered to justify additional work, therefore the work was discontinued and the contract terminated.

The Field Team recommends that no certification of discovery be issued.

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

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

James Hopkins
Nonmetallic Minerals Division

JHopkins:ms 5/14/56
Copy to: Mr. Houk
Mr. Hopkins
Admr. R. File

400

MAY 1 6 1956

Mr. Edward Bunce

Spruce Pine, North Carolina

Re: Docket No. [illegible]
E. E. Bunce, Zephyr C. Keller,
and N. J. Flynt
Jasper Smith Prospect
Mitchell County, North Carolina
Contract No. [illegible]

Dear Mr. Bunce:

Reference is made to the Owner's Consent to Lien, dated June 24, 1955, which you executed in connection with the subject contract for a Defense Minerals Exploration Administration project on your property in Mitchell County, North Carolina.

Transmitted herewith for your information is a copy of our self-explanatory letter of this date to the Operator under this contract.

Sincerely yours,

T. G. Mittendorf

Administrator

Enclosure: 5/14/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Hillegeist, [illegible]
Mr. Dietrich, [illegible]
Mr. Hook
Mr. Hopkins
Admr. R. File

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Knoxville, 2, Tenn.
April 6, 1956

RECEIVED
APR 9, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

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

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

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

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

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

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

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

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

V. J. Lynch,

WAB/mm
cc:
Opr. Com.-2
Lynch
Beck
Files

copied by ms 4/11/56

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

MAR 23 1956

Dear Mr. Lawrence:

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

Docket No. DMEA-	Contract No. Lim-	Production during Project	Value of Production	Royalties Due	Royalties Paid	End of Certification Period (6 mos. from date Final Report)
3575	E776	1000 lbs.	$539.86	$26.98	$26.98	Feb. 8, 1956
3668	E806	few hundred pounds.	?	?	None	Mar. 26, 1956
3728	E824	100 lbs.	$150.00	$ 7.50	$ 7.50	Mar. 26, 1956
3611	E785	about 800 lbs.	?	?	None	Apr. 4, 1956
3677	E864	approx. 750 lbs.	$241.66	$12.08	$12.08	Apr. 31, 1956
3731	E815	about 900 lbs.	$156.20	$ 7.81	$ 7.81	May 17, 1956

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

JHopkins:mm 3/20/56
Copy to: Dockets(6)
Operating Committee
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061

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

IN REPLY REFER TO:

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

RECEIVED
MAR - 9 1956

March 7, 1956

Re: DMEA 3877, Bm-E864
C. E. Boone
Jasper Smith prospect
Mitchell Co., N. C.
$4,604.00 - Mica

Memorandum

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

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

Subject: Review of Final Field Team report.

Contract E864 approved the expenditure of $4,604.00 on bulldozing, shaft sinking and drifting. Work was stopped after bulldozing and 10 feet of shaft indicated that the pegmatite carries little mica; $730.00 was expended. Mine-run book mica in the amount of 750 pounds was recovered.

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

N. E. Nelson

N. E. Nelson

NENelson:iml
G-3/7/56

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

Mapleine

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

November 14, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3877 (mica)

Applicant: C. Boone, H. Keller and W. Flynt

Name and Location of Property: Jasper Smith Prospect, Mitchell Co., N. C.

Contract Number: Idm-E 864

Date of Field Team Report: 10/27/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/9/55

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. Little mica was found during early stages of exploration and project was terminated by mutual consent.

2. Reserves of strategic mica are estimated to be negligible.

3. Value of production during project and royalty due should be determined.

4. Expenditures -

Total approved	$4,604.00
Total cost	730.00
Gov't. share of the cost	547.50
Value of production during operation	Unknown

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

RECEIVED
NOV 14 1955

Signed
W. F. Dietrich

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

RECEIVED
NOV - 7 1955

November 4, 1955

Memorandum

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

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty payment on - DMEA-3877, Idm-E864 (mica)
Boobe, Keller and Flynt, Jasper Smith Pros. N.C.

Transmitted are bills-of-sale in the amount of $241.66, and a royalty check for 5% of the sales in the amount of $12.08, to be credited to the subject contract.

Robert A. Laurence

ZM.
cc:
Lynch
Mittendorf
Shirley
Files

Allsman

Copy

RECEIVED
NOV - 7 1955

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

Authorization No. 1695A Acceptance No. 353 Date: 10-21-55

Seller: C. E. Boone

Mine: Jasper Smith DMEA No. 3877, Idm E864

~~DMEA~~ - Mitchell County, N. C.

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No. 3 & larger					$70.00	
No. 4 and 5				1.42	$40.00	56.80
No. 5½ and 6				10.45	$15.00	156.75
Stained No. 3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00		.27	$ ~~8.00~~ 6.40	1.73
No. 5½ and 6		$ 3.00		4.92	$ ~~5.00~~ 4.00	19.68
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00			$ 6.00	
No. 5½ and 6		$ 2.00			$ 3.00	
LOT TOTALS		//////			//////	
TOTAL		/////		17.06	/////	234.96

Oct. 24 - Sold to Tar Heel Mica Co. 447 lbs. scrap --- 6.70

Total → $241.66

A check for 5% = $12.08.

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

RECEIVED
NOV - 2 1955

October 31, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: Final Report, DMEA-3877, Idm-E864 (mica) C. E. Boone, Hayden Keller & J. S. Flynt. Jasper Smith Prospect, Mitchell County, N. C.

Enclosed are four copies of the subject report. We agree that certification should not be issued.

Forms for termination by mutual consent were sent to the Operator for signatures on October 26. They will be distributed as soon as we receive them from the Operator.

As all the work on this contract was reported on one monthly report, we are accepting the narrative report which accompanied that voucher in lieu of the Operator's final geologic report.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

RAL/sm
cc:
Lynch
Shirley
Files

11-7-55

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
NOV - 8 1955

FINAL REPORT

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT BY FIELD TEAM, REGION V

On

DMEA-3877, Idm-E864 (mica) JASPER SMITH PROSPECT
Mitchell County, North Carolina

By

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

and

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

October 27, 1955

11-7-55

FINAL REPORT

RECEIVED

NOV - 2 1955

DMEA-3877 (mica) JASPER SMITH PROSPECT
Idm-E864.

Operators: C. E. Boone, Spruce Pine, N. C., Hayden Keller and W. S. Flynt, Crossnore, N. C.

Location: On the south side of North Toe River, one mile N. 70° W. of Spruce Pine, Mitchell County, N. C.

Exploration consisted of trenching by bulldozer and sinking 10-feet of vertical shaft. Insufficient mica was found to justify additional work, therefore the work was discontinued as of October 6, 1955. No certification of discovery is recommended.

This project began September 20, 1955 and was suspended, effective October 6, 1955. Work accomplished consisted of cutting an U-shaped trench; one arm of the U trends N. 30° E and the other N. 65° E. Each arm is 150 feet long, 15 feet wide, and averages 10 feet in depth. Also, a short trench from the southeast trench extends N. 10° W. for 40 feet. This trench is 10 feet wide and 6 feet deep. A 10-foot, 5' x 7' timbered shaft was sunk from the trench.

The trench and shaft expose a pegmatite that is thoroughly weathered, trends N. 50° E, dips near vertical, and is in weathered mica schist. The pegmatite is up to 8 feet in thickness, but the mica-bearing portion is only 2 - 3 feet thick and 25 feet long. The thicker portion is feldspathic, containing mostly potash feldspar. The only mica recovered came from that part of the pegmatite that contains gray to smoky colored quartz and plagioclase. A thin pegmatite was cut in the northeast 40-foot trench, but the contained mica is badly mineral stained.

Mica recovered from the southwest end of the cut is very flat, clear, hard, free splitting, and green in color. Medium size books are farily abundant, but the size of prepared mica is considerably reduced by numerous cracks. Approximately 750 pounds of mine-run book mica was recovered from the trenching; none was recovered from the shaft. Additional work is not justified.

Expenditures:

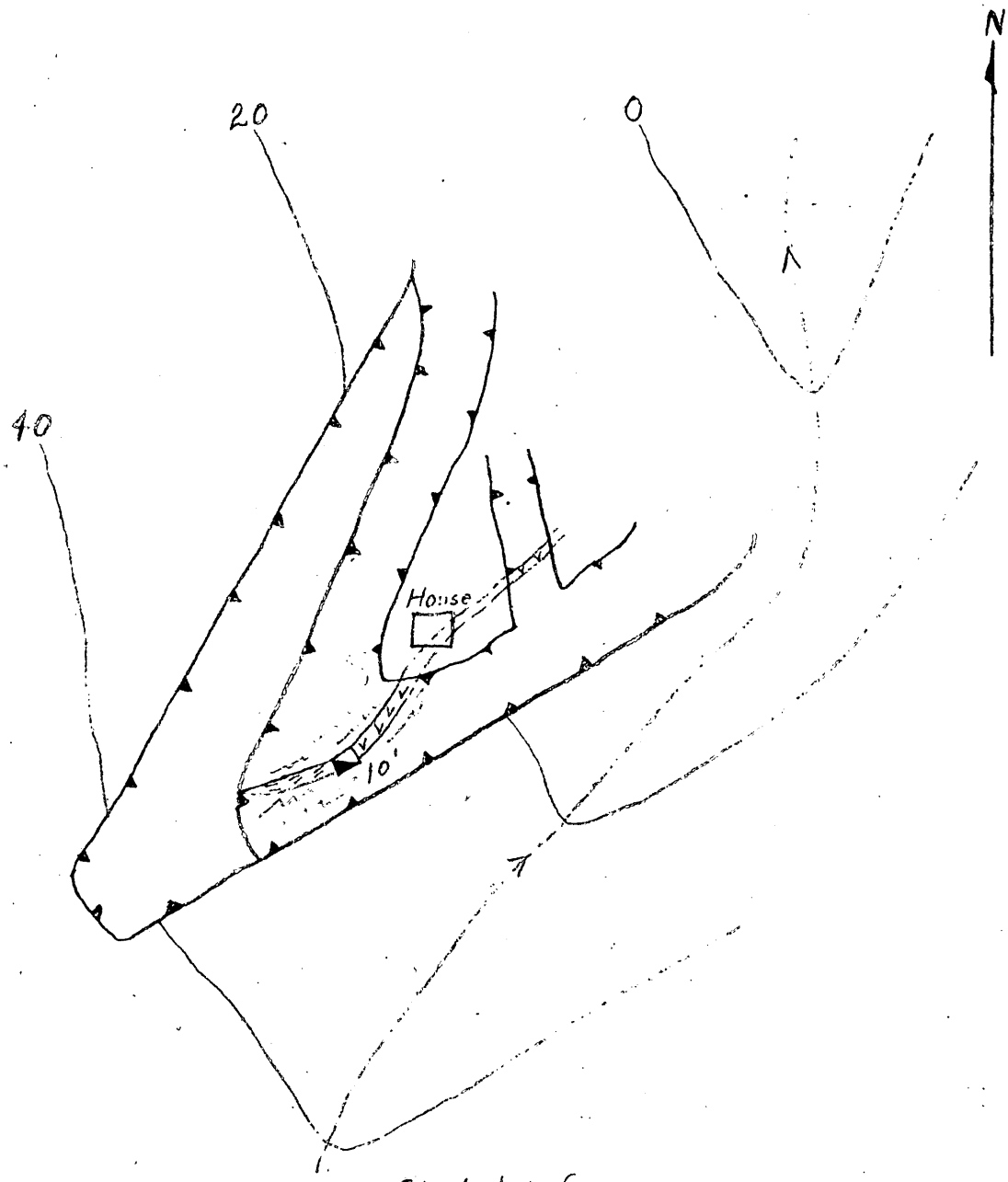
(a)	Total approved	$4604.00
(b)	Total Cost of Project	730.00
(c)	Government's share of cost	547.50
(d)	Government's share unexpended	2905.50
(e)	Value of production	unknown

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

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

October 27, 1955

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



Sketch of
Jasper Smith Prospect
Mitchell Co., N.C.

0 40' 80'
Scale

DMEA-3877 (Mica)
10-28-55

RECEIVED
NOV - 2 1955

MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 27

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED OCT 13 1955

Month of Sept. & Oct., 1955 Docket No. DMEA -3077 Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address Sapper Smith Prospect, Greenacre, N. C.
Contract Amount, $ [illegible] Government Participation: [illegible] % Amount, $ 3453.00

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						
30hrs Bulldozing 10.00	300.00		300.00			
Crosscutting						
Drifting						
10hrs. [illegible] 43.00	430.00		430.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	730.00		730.00	730.00		730.00

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

Date 10/31/1955 *Payee [illegible]

Per [illegible] Title [illegible]

*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:

$ 547.50

Signature Helen R. Melli
(Authorized Certifying Officer)

Date [illegible] Vou. No. 81
(See other side)

182.50

(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. E-86 9 in accordance with the terms of the contract.

Signature Kelton H. Teague Title Geologist, U.S.G.S. Date 10/10/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

EXECUTIVE OFFICER

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 13 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 1955 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

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

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 [illegible] Operator [illegible]

Per [illegible] Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Kepton H. Teague, Geologist

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED

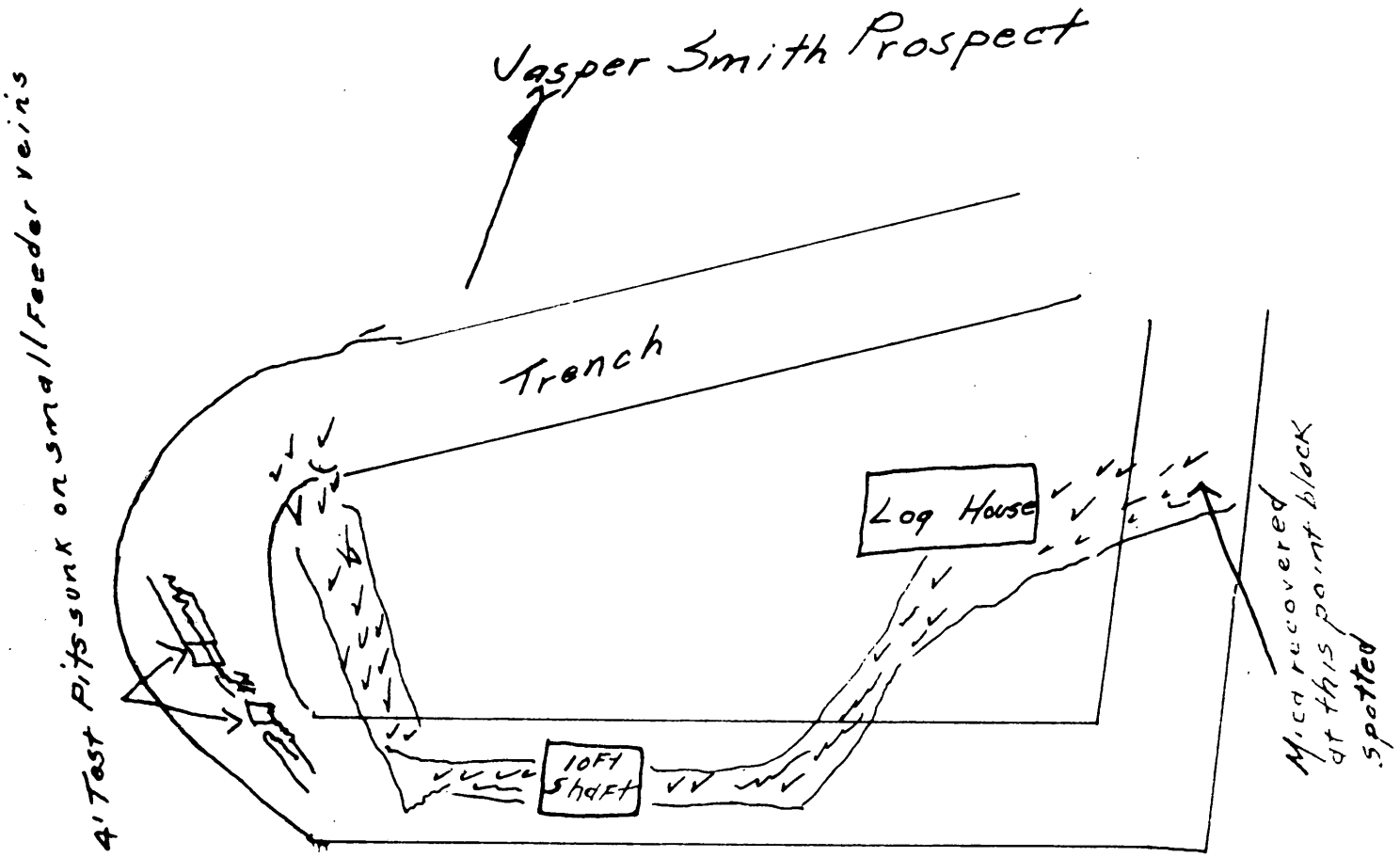
OCT 13 1955

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]


Jasper Smith Prospect
Trench
Log House
10 Ft Shaft
4' Test Pits sunk on small/feeder veins
Mica recovered at this point. black spotted

RECEIVED
OCT 13 1955

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

OCT 2 4 1955

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

Subject: Docket No. DMEA-3877 - Miss C. E. Boone, H. C. Keller and W. S. Flynt
Jasper Smith Prospect
Mitchell County, North Carolina
Contract No. Idm-E864

Dear Mr. Laurence:

Reference is made to your memorandum dated October 11, 1955, requesting permission to terminate the subject contract by mutual consent.

Approval is granted to terminate the subject contract effective October 6, 1955, in accordance with the provisions of DMEA Circular No. 33, June 30, 1954, employing the form "No. 6 - Termination Agreement (all Contract forms MF-200, MF-200A)".

Please do not omit any of the appropriate provisions of this form.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. [illegible]
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

JHopkins:ad 11/17/55
Copy to: Admr R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

P.S. Item 3 was omitted from the Termination Agreement form prepared for Contract No. Idm-E836 (Docket No. DMEA-3801).

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

RECEIVED
OCT 13 1955

October 11, 1955

Mr. W. S. Flynt

Crossnor, North Carolina

Re: DMEA-3877, Idm-E86h (mica)
C. E. Boone, Hayden Keller
and W. S. Flynt.
Jasper Smith Prospect

Dear Mr. Flynt:

This will confirm the verbal approval given by Mr. Teague and Mr. Shirley to sink 10 feet of shaft under Stage II of the Contract.

We are requesting permission to terminate the contract, effective October 6, 1955, and will send you the termination agreement forms when they are received.

Your voucher has been received and approved for payment.

Very truly yours,

V. J. Lynch, Acting
Executive Officer, DMEA
Field Team, Region V

HAL/sm
Cpr. Com-3
Lynch
Shirley
Finance office
Files

Mr Knowles
Mr Hopkins

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

RECEIVED
OCT 13 1955

October 11, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: DMEA-3877, Idm-E864 (mica) C. F. Boone, Hayden Keller, and W. S. Flynt, Jasper Smith Prospect, Mitchell County, N. C.

Enclosed is the latest interim report on the subject contract.

We request permission to terminate by mutual agreement, effective October 6, 1955. Certification will not be recommended.

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

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

RAL/am
cc:
Lynch
Shirley
Files

RECEIVED
OCT 13 1955

INTERIM REPORT

DMEA-3877, Ida-8964 (mica) JASPER SMITH PROSPECT

OPERATOR: C. E. Boone, Spruce Pine, N. C.; Hayden Keller, Cressmore, N. C.; and W. S. Flynnt, Cressmore, N. C.

LOCATION: On the south side of North Toe River, one mile N70°W of Spruce Pine, Mitchell Co., N. C.

Work has been stopped by the Field Examiners at this prospect due to the poor showing of the pegmatite and the absence of strategic mica. No additional work is recommended, and the examiners recommend, and the operator is in agreement, that the project be terminated.

Exploration completed consisted of trenching by bulldozer to properly expose the pegmatite and sinking 10 feet of vertical shaft, as a test pit, on the body. Trenching consisted of making a bulldozer cut trending N65°E, which exposed a large feldspathic pegmatite for a distance of 30 feet along the strike. Another smaller trench was made at the north end of this cut trending N10°W, 40 feet long, 10 feet wide, and 6 feet deep. A narrow pegmatite was exposed in the bottom of the cut containing a few pieces of badly stained mica. No additional work is recommended on this limited body.

The operator was advised to sink a test pit not to exceed 15 feet on the main body to ascertain whether additional work was justified. Due to the weathered condition of the pegmatite, the pit or shaft was cribbed solid to the bottom. A very small amount of mica was recovered, and most of the work was conducted in feldspathic material containing little quartz or mica. The operator was advised to discontinue work.

The Field Examiners recommend that this contract be terminated by mutual consent of both parties, and that the necessary forms be prepared for the operators.

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.

600

September 30, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: DMEA-3877, Idm-E864 (mica) C. E. Boone, Hayden Keller, and W. S. Flynt. Jasper Smith Pros. Mitchell County, N. C.

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

We understand that the contract (dated Sept. 12, 1955) was signed before work began on September 20. However, the executed contract has not yet been returned to us. Mr. Teague and Mr. Shirley will visit the project next week and will ask the Operator to return the contract promptly.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

RAL/xm
cc:
Lynch
Shirley
Files

INTERIM REPORT

DMEA-3877, Idm-E864 (mica) JASPER SMITH PROSPECT

OPERATOR: C. E. Boone, Spruce Pine, N. C.; Hayden Keller, Crossmore, N. C.; and W. S. Flynnt, Crossnore, N. C.

LOCATION: On the south side of North Toe River, one mile N70°W of Spruce Pine, Mitchell Co., N. C.

The starting date on this contract is September 20, 1955. Stage I, consisting of trenching by bulldozer, is nearing completion. Work completed consists of cutting a trench 100 feet long, 30 feet maximum width, and 10 to 15 feet deep, that trends northwest. Pegmatite is exposed for a distance of about 30 feet in the cut and consists of feldspathic zones barren of mica, which flank a narrow quartz - feldspar - mica body 2 to 3 feet in thickness. The mica is concentrated adjacent to the quartz where found and is of good quality, and approximately 750 pounds of block was obtained from the bulldozer work. A shaft site for sinking was spotted, and work will begin in the near future.

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

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

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

September 20 and 21, 1955

600

AUG 3 0 1955

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

Subject: Docket No. DMEA-3877 - Miss G. E. Boone, H. G. Keller and W. S. Flynt
Jasper Smith Prospect
Mitchell County, North Carolina

Dear Mr. Lawrence:

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

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

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from Mr. N. E. Nelson of the Geological Survey, dated August 2, 1955, and from Mr. P. F. Dietrich of the Bureau of Mines, dated August 8, 1955, are enclosed.

Please note in Paragraph 2 of "Exhibit A" under the "Description of the Work" that written approval must be given for Stage II work. Sufficient copies of this approval should be prepared for attachment to each copy of the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes

Member, Bureau of Mines

/s/ N. E. Nelson

Member, Geological Survey

Enclosures 10

JHopkins:pk 8/24/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, X 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

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

RECEIVED
AUG - 9 1955

August 8, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3877 (mica)

Applicant: Boone, Keller, Flint

Name and Location of Property: Jasper Smith Property
Mitchell County, North Carolina

Date of Field Team Report: July 22, 1955

Date Rec'd. by Br. of Ceram. and Fert. Mtls.: August 1, 1955

Field Team Recommendation: Recommend two-stage exploration program at a cost of $4,603

Comments:

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

Recommendation:

I concur with the two-stage exploration program proposed by the field team.

SIGNED

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
AUG - 3 1955

August 2, 1955

Re: DMEA 3077
C. E. Boone, etc.
Jasper Smith Prospect
Mitchell Co., N. C.
$4,603.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Report.

The staged program designed by the examiners appears to fit this prospect. A painstaking appraisal of the exposure after stripping should be made before the sinking is begun.

I concur with the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

NENelson:iml

G-8/2/55

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

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

July 25, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report, DMEA-3877 (mica) C. E. Boone, Hayden Keller, and W. S. Flynt, Jasper Smith Property, Mitchell County, N. C.

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

Thebeginning point in the legal description of the land, as given in the lease is indicated on the sketch. The lease boundaries are well beyond the limits of the sketch.

What can be seen in the available exposures is encouraging, and we therefore recommend approval of a two-stage, unit-cost contract as outlined in the report.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

RAL/zm
cc:
Lynch
Shirley

Files

RECEIVED
JUL 27 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

By

Field Team, Region V

On

DMEA-3877 (mica) JASPER SMITH PROSPECT
Mitchell County, N. C.

By

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

and

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

July 22, 1955

FIELD EXAMINATION REPORT
On

DMEA-3877, (mica) JASPER SMITH PROSPECT

Applicants: C. E. Boone, Spruce Pine, N. C. Hayden Keller, Crossnore, North Carolina and W. S. Flynt, Crossnore, N. C.

Little work has been done at this place. Some mica-bearing pegmatite is exposed and the mica is of good quality. Additional work is warranted, to be conducted in stages.

This prospect was examined on July 12, 1955. Messrs. C. E. Boone and W. S. Flynt accompanied the examiners on the inspection which required two hours.

The Jasper Smith Prospect is on the south side of North Toe River, one mile N. 70° W. of Spruce Pine, Mitchell County, North Carolina. Access is good at all times.

All of the applicants have had mica mining experience and are competent to conduct the proposed work. Area under lease is adequate.

Pegmatite is exposed in a small cut made during recent prospecting by bulldozing. That portion of the pegmatite showing contains soda feldspar, quartz, and much mica. It is coarse in texture, weathered, conformable to the mica schist wall rock, trends about N. 30° E and dips about 80° SE. The entire thickness of the pegmatite is not exposed. Much of it is covered by old river terrace which is as much as five feet thick.

The mica is hard, flat, clear, non-ruby in color, and free splitting. Most of that observed in the pegmatite is in small sizes, although it is abundant. About 50 pounds of mine-run mica was obtained during the recent bulldozing. This mica was worth about $1.00 per pound in the book.

As the pegmatite is poorly exposed, a firm appraisal of it cannot be made. Therefore, the examiners recommend that exploration assistance be granted in two stages. Stage I should consist of stripping the pegmatite for about 100 feet along its strike. This will envolve sloping the northwest bank of the trench as a rather steep hill occurs immediately northwest of the pegmatite exposure. The trench will be approximately 100' x 30' x 15'. If results from Stage I are favorable, Stage II should consist of the following:

Construct toolhouse
Construct two magazines
Sink 50 foot shaft
Drive 60 feet of drift.

Estimated Costs:

Stage I.

Cut trench 100' x 30' x 15'

Bulldozer (D-6 or equiv) 30 hours @ $10.00/hr.		$300.00

Stage II

Toolhouse	75.00	
Powder Magazine	25.00	
Exploder Magazine	1400 ~~12.00~~	~~113.00~~

Sink 50-foot, 2 compartment, 5' x 7' shaft
(25 shifts)

Labor:	1 - Miner @ $1.50/hr.	300.00	
	1 - Hoistman @ $1.25/hr.	250.00	
	2 - Laborers @ $1.00/hr.	400.00	
Equipment (rental)			
	Compressor and pump @ $220/Mo.	275.00	
	Drill (1 Mo @ $20/Mo.)	20.00	
	Hoist @ $50/Mo.	62.50	
Supplies:			
	Explosives	50.00	
	Drill steel	30.00	
	Timber, 5 M @ $65/M	325.00	
	Small tools and pipe	100.00	
	Gasoline and oil	75.00	
	Miscellaneous	109.50	
	Compensation Ins.	95.00	
	Unemployment Ins. & Soc. Sec.	38.00	
	Sales tax	20.00	2,150.00

Drive 60 feet of drift (25 shifts)

Labor: -

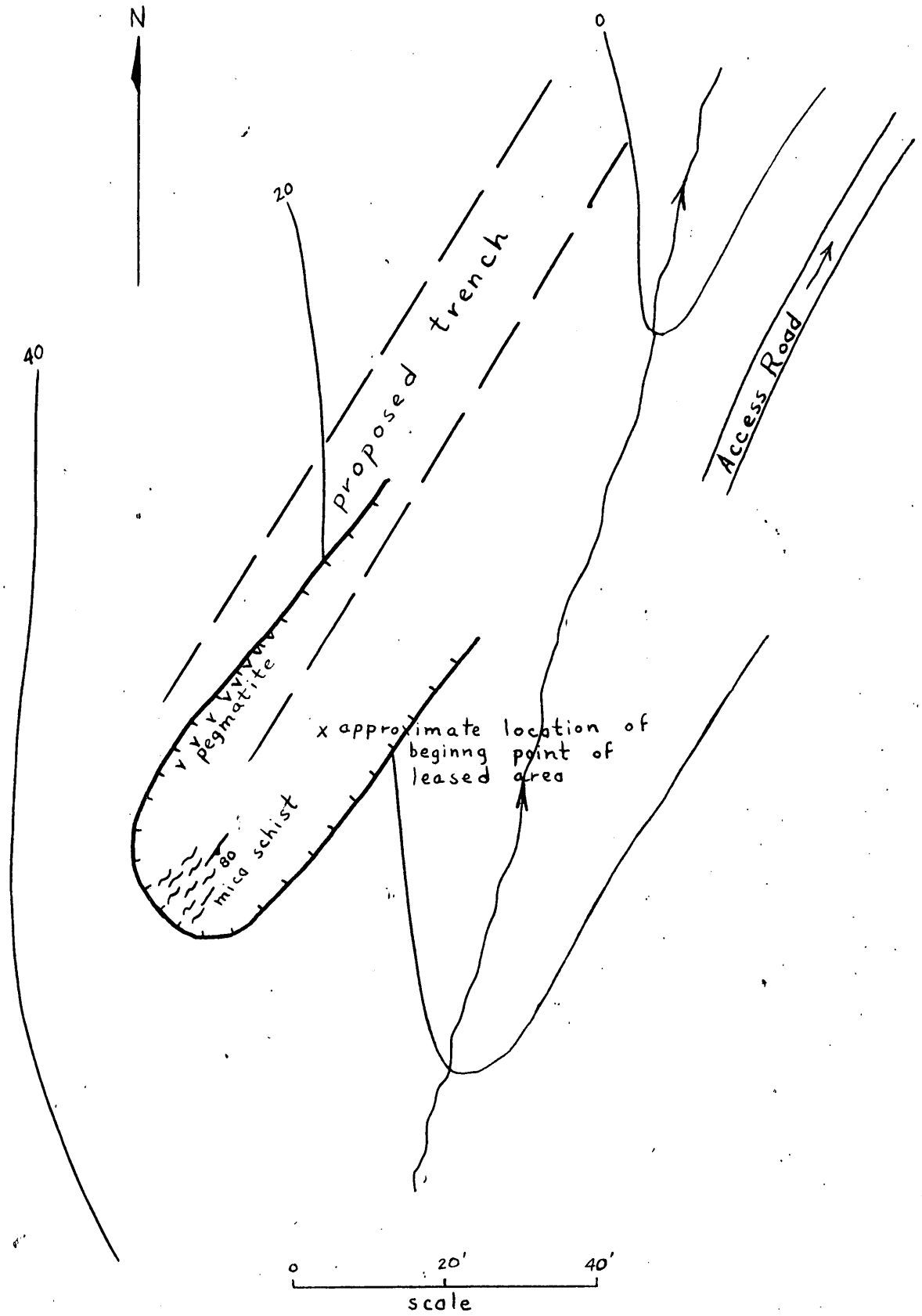
Labor:

1 - Miner @ $1.50/hr.	$300.00	
1 - Hoistman @ $1.25/hr.	250.00	
2 - Laborers @ $1.00/hr.	400.00	
Compressor, drill, pump and jackleg @ $250/Mo.	312.50	
Hoist @ $50/Mo.	62.50	
Supplies:		
Explosives	125.00	
Drill steel	50.00	
Timber, 2M @ $65/M	130.00	
Gasoline and oil and electricity	100.00	
Small tools and pipe	75.00	
Miscellaneous	84.00	
Compensation Insurance	95.00	
Unemployment Ins. and Social Sec.	38.00	
Sales Tax	18.00	$2,040.00
Estimated Cost of Stage II	~~$4,303.00~~	$4,304.00
Estimated Total cost of Stages I and II	$4,603.00	$4,604.00
	Gov.	3453.00

July 22, 1955

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

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



SKETCH OF
JASPER SMITH PROS.
MITCHELL CO., N.C.

DMEA-3877 (mica)

July 12, 1955

Memorandum: July 28, 1955

To: File

From: James Hopkins

Subject: Evaluation of application and Field Team's report

Docket No DMEA 5877

Jasper Smith Prospect

C.F. Boone, Stanley Keller and W. S. Hyatt

Mitchell County, North Carolina

Mica:

The mica is hard, flat, clear, non-ruby in color and free splitting. Most is in small sizes but abundant

Pegmatite:

It contains soda feldspar, quartz and much mica. It is coarse in texture, weathered, conformable to the mica schist wall rock, trends N30°E and dips 80° SE. Entire thickness is not exposed

Workings and Method of exploring:

The pegmatite was exposed in a small cut during recent prospecting by bulldozer.

Stage I should consist of stripping the pegmatite along its strike. The trench should be 100' x 30' x 15'. If results of stage I are favorable, Stage II should be performed, consisting of sinking a 50-foot shaft and drifting 60 feet on the pegmatite

Economics:

About 50 pounds of minerum mica was obtained during the recent bulldozing. This mica was worth $1.00 per pound in the box.

4 Eureka:

Results obtained by a small amount of bulldozing indicate that additional work is warranted.

I concur in the first two conclusions of a contract.