DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Shaffer Mining Company, Inc.
c/o George Meghitt
Elk Park, North Carolina

pertaining to Exploration Project Contract No. Idm-E876, Docket No. DM 3904, for the months of October, 1955 to March, 1956, inclusive, covering a project for the exploration of mica on property, known as the Shaffer Mine located in Ashe 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		$6,470.00
Exceptions:		
By DMEA Finance Officer	$45.00	
Herewith	-0-	45.00
Total Accepted Cost		$6,425.00

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 Four thousand eight hundred eighteen and 75/100 Dollars

$4,818.75

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

June 1, 1956

Division copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 324

Commodity Mica

Contract No. Idm-E 876

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

It is agreed this SEP 1 5 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] Shaffer Mining Company, Inc., a North Carolina corporation,

whose mailing address is c/o George Nesbitt
Elk Park, 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 Ashe, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

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

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

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

[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 Nov. 15, 1955 shall commence the work, and on or before [illegible] (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

SHAFFER MINING COMPANY, INC.
(Operator)

By Geo. W. Nesbitt
Elk Park, N.C.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals Exploration Administration

Contin
"Appd. Sol. Off."
Anderson
F. Thomas
Talbot

I, George W. Nesbitt, certify that I am the Legal secretary of the corporation named as Operator herein; that George W. Nesbitt who signed this contract on behalf of the Operator, was then Secretary-Treas. 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.

Schaffer Mining Co., Inc.
Geo. W. Nesbitt
Selfridge

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
SHAFFER MINING COMPANY, INC.
DOCKET NO. DMSA-3904

ANNEX I

The land referred to in Article 2 of the contract form is known as the Shaffer Mine, is located one mile southeast of Beaver Creek and about 2.5 miles south of West Jefferson, Ashe County, North Carolina, and is described as follows:

> Beginning on a locust in C. F. Goodman's line and running with his line southwestward 105-1/2 poles to a locust in Earl Goodman's line; thence in and with Earl Goodman's line Northwestward 58-1/2 poles to a Hickory; thence Northward with D. H. Campbell's line 23-1/2 poles to a sugar tree; thence eastward with Albert Houck's line 71 poles to a chestnut stump on a ridge; thence eastward a straight line 82 poles to the beginning, containing 25-1/2 acres, more or less.

EXPLORATION PROJECT CONTRACT
SHAFFER MINING COMPANY, INC.
DOCKET NO. DMEA-3904

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the map entitled " Sketch of Shaffer Mine, Ashe Co., N.C. . . . July 27, 1955," attached hereto and made a part hereof, as follows:

1. Sink a 2-compartment shaft to a depth of 80 feet. The shaft shall be sunk in pegmatite wherever possible. If the pegmatite does not outcrop at the surface location of the shaft, sink in country rock until the pegmatite is encountered, and then follow the pegmatite.

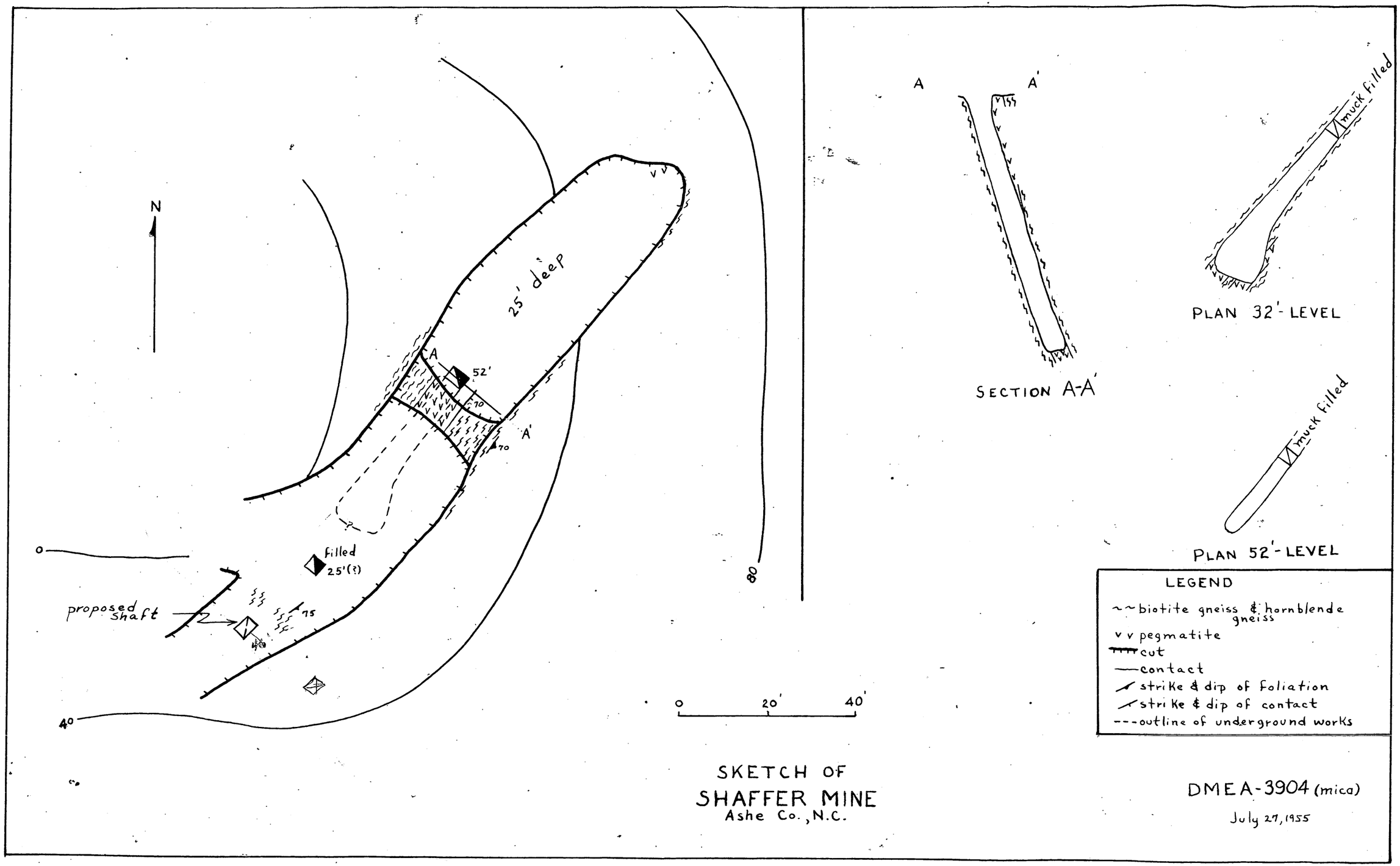
2. Explore the pegmatite by driving such drifts and/or crosscuts as are approved in advance by the Government, but not to exceed a total of 100 feet.

The shaft, and the drifts and/or crosscuts, shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs

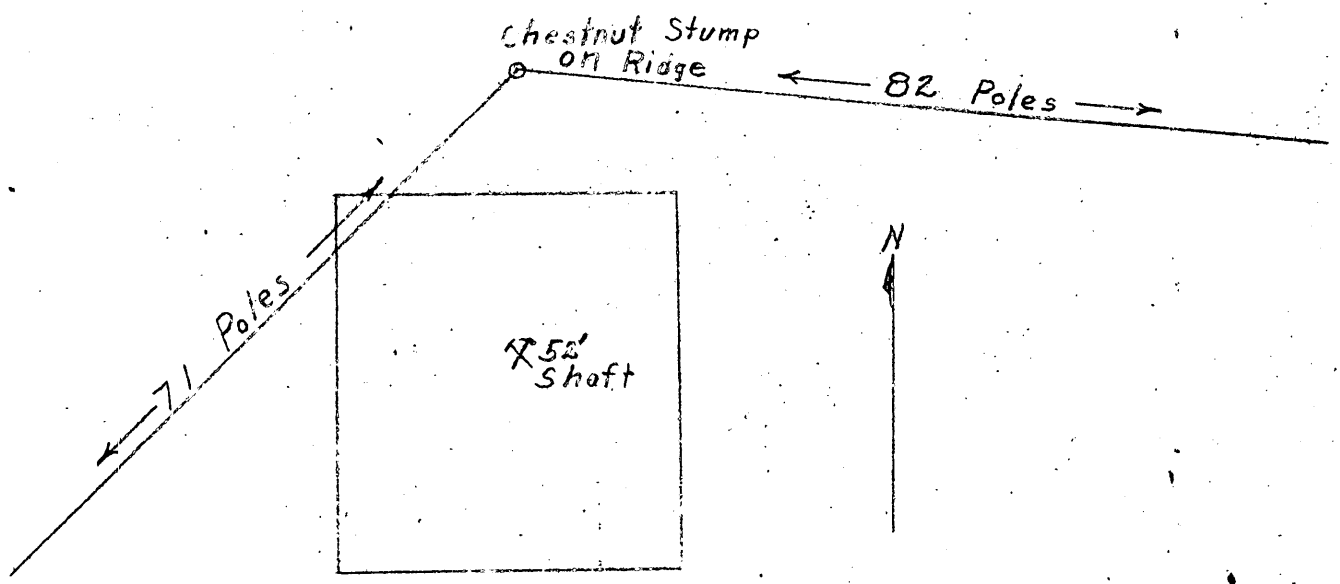
Sinking 80 feet of shaft @ $45.00/ft.	$3,600.00	
Driving 100 feet of drifts and/or crosscuts @ $35.00/ft.	3,500.00	
Estimated Total Cost of Project		$7,100.00
Government Participation @ 75%		$5,325.00



SKETCH OF
SHAFFER MINE
Ashe Co., N.C.

DMEA-3904 (mica)

July 27, 1955



Relation of Shaffer Mine
to the Property Line

0 200' 400'

Scale

DMEA-3904 (mica)

600

NOV 29 1956

Shaffer Mining Company, Inc.
C/O Mr. George Nesbitt
Elk Park, North Carolina

Re: Docket No. DMEA-3904-Mica
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe County, North Carolina
Contract No. Idm-8376

Gentlemen:

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

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

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

Sincerely yours,

G. O. Mitchell

Administrator

WCAnderson:gad 11/23/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Mouk

November 23, 1956

Project Summary Report

By: Walter C. Anderson, Nonmetallic Minerals Division

1. Docket No. DMEA-3904-Mica
Contract No. Idm-E876
Shaffer Mine
Ashe County, North Carolina

Application: Form MF-103 (April 1952) received July 18,1955
Work proposed by applicant:

One "tunnel" - 100 feet @ $40/ft.	$4,000.00
One "tunnel" - 50 feet @ $40/ft.	2,000.00
Total requested	$6,000.00

Operators: Lewie Aldridge, John Ellis and George Nesbitt
d/b/a Shaffer Mining Company, Inc.
C/O George Nesbitt
Elk Park, North Carolina

Operator's property rights: Owner.

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

80 feet of shaft @ $45/ft.	$3,600.00
100 feet of drifts and/or crosscuts @ $35/ft.	3,500.00
Estimated total cost of project	$7,100.00
Government participation @ 75%	$5,325.00

Amendments - none

Work completed:

65 feet of shaft @ $45/ft.	$2,925.00
100 feet of drifts and/or crosscuts @ $35/ft.	3,500.00
Total accepted cost	$6,425.00
Government participation	$4,818.75

The project began October 10, 1956, and was completed on March 7, 1956.
Field Team final report received July 25, 1956.
Operator's final report received March 29, 1956
No equipment was purchased under the contract.

3. Production: There was 400 pounds of block mica (Operator's estimate), produced during the project. Inquiry of October 24, 1956, by this office resulted in a letter by the Operator to the Field Team appraising this mica as being only scrap worth approximately $20.00 for which he remitted a royalty check in the amount of $1.00.

4. Audit - Report of Review issued June 1, 1956.

Accepted cost	$6,425.00
Government participation	$4,818.75

5. Certification of discovery - none issued.

6. Comments:

How conducted: All work in which the Government participated was acceptable and conducted in an efficient manner.
Operation: Good.
Engineering: Reporting by the Operator was satisfactory.
Geological premise: It was known that mica is prevalent at this deposit, although 50 percent of it is badly stained. It was thought that the southwest end of the deposit, where the exploration work was centered would contain a better quality of mica than at the northeast end, but this was proven not to be the case.
Geological criteria upon which work was based:

1. Pegmatite - 10 feet thick at surface to 2 to 3 feet thick at 52 foot level, poorly zoned, conformable to mica-gneiss wall rock, and composed of plagioclase, perthite, quartz, garnet, beryl, and uraninite.
2. Mica - hard, flat, free splitting, non-ruby in color, 50 percent of which is badly stained.
3. Past production.

Criteria developed during project:

1. Poorly zoned pegmatite, conformable to biotite gneiss wall rock, having a maximum thickness of 16.5 feet. It pinched out on the 60 foot level to the southwest and northeast of the shaft.
2. Mica - Non-strategic, non-ruby, some green in color, all severely ruled and bent and most small in size.

Future possibilities - none.

Recommendations: The Nonmetallic Minerals Division and the commodity members of the Geological Survey and the Bureau of Mines concur in the Field Team's recommendation not to certify.

WCAnderson:gad 11/26/56
Copy to: Admr. R. File
Mr. Houk

Walter C. Anderson
Nonmetallic Minerals Division

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

RECEIVED NOV 5 1956 D.M.E.A.

November 2, 1956

Memorandum

To: Finance Officer - Region V - DMEA

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty Payment - Idm-E876, DMEA-3904 (mica)
Shaffer Mining Co. Shaffer Mine, Ashe County, N.C.

Transmitted is a copy of a letter from Mr. Geo. W. Nesbitt, Secretary of the Schaffer Mining Co., and a check for one-dollar ($1.00) for scrap mica mined from the subject mine.

Robert A. Laurence

ZM.
cc
Lynch
Mittendorf
Files

Shirley

C
O
P
Y

RECEIVED
NOV 5 1956
D.M.E.A.

Elk Park, N. C.

Oct. 30, 1956

Mr. Robert A. Lawrence
Executive Officer, DMEA Field Team

Knoxville 2, Tennessee

Dear Mr. Lawrence:

The 400 pounds of mica that we have is only scrap. The value of this mica would be approximately $20.00.

Enclosed you will find a check for $1.00. Thanks for your kindness.

Sincerely Yours,

s/ Geo. W. Nesbitt

Schaffer Mining Co., Inc. (Sec)

Copies by ZM
(SIC).
cc
Lynch
Finance
Mittendorf
Files

Shaffer Mining Company, Inc.
C/O Mr. George Nesbitt
Elk Park, North Carolina

Re: Docket No. DMEA-3904-Mica
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe County, North Carolina
Contract No. Idm-E876

Gentlemen:

Reference is made to your Operator's Final Report of March 22, 1956, on the exploration work under the subject contract.

In this report you advise that you recovered about 400 pounds of block mica during the project and that when this is processed and sold you will forward a royalty check and sales receipts. To date, we have not heard from you regarding this matter. Under Article 7 (h) of the subject contract you are obligated to pay the Government a royalty on all minerals mined or produced from the land "...regardless of any certification of discovery or development, from the date of the contract until the lapse of time within which the Government may make such certification, or until the net amount contributed by the Government without interest is fully paid, whichever occurs first".

If you have made any sales of mica or other minerals produced during the project or during the six-month period after March 22, 1956, please forward a royalty check in the amount of 5% of sales receipts accompanied by sales slips to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee. Otherwise, please report to this office your estimate of the value of mica you have on hand that was produced during the aforesaid period. Regardless of whether the mica is of strategic, scrap, or any other grade, an accounting must be made to the Government.

Upon your compliance with the foregoing request we will write you a closing letter which will remove the Government's lien on any future production.

WCAnderson:gad 10/22/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Killsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Sincerely yours,

D. C. Mitchenmant

Administrator

IN REPLY REFER TO:

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

RECEIVED
JUL 30 1956

July 27, 1956

Re: DMEA 3904
Shaffer Mining Co.,
Shaffer Mine
Ashe Co., N. C.
Approved $7,100.00
Expended 6,425.00
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 operator did work on a 16-foot, maximum thickness, pegmatite in which considerable work had been done without encouraging results.

No reserves of strategic mica were revealed by the recent work, and the examiners and Field Team recommend that no certificate of discovery be imposed.

I concur with that recommendation.

N. E. Nelson

NENelson:btr
G 7/27/56

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

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

RECEIVED
JUL 30 1956

July 30, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-3904 (mica)

Applicant: Shaffer Mining Co., Elk Park, N. C.

Name and Location of Property: Shaffer Mine, Ashe County, N. C.

Contract Number: Idm-E 876

Date of Field Team Report: 7/23/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 7/26/56

Field Team Recommendation: That no certification of discovery be issued.

Comments:

1. No strategic quality mica was discovered under the contract.

2. The pegmatite was explored from end to end and across the maximum width at the 60-foot level.

3. Only 150 pounds of small size, severely ruled, nonruby mica was recovered from the work done.

Recommendation:

I concur with the field team's recommendation that no certification of discovery be issued.

Signed

W. F. Dietrich

July 23, 1956

RECEIVED
JUL 25 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Field Team Report - Idm-E876, DMEA-3904 (mica)
Shaffer Mining Co., Shaffer Mine, Ashe County, N.C.

Transmitted are four copies of the subject report with copies of the map attached.

The Field Team concurs with the Field Examiners that this project should not be certified.

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

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

ZM.

cc:
Lynch
Shirley
Files

Reviewed by
DMEA DEPARTMENT COMMITTEE
7/27/56

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JUL 25 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-3904, Idm-E876, SHAFFER MINE
(mica)

By

S. C. Bergman and Dewey Amos, Geologists
U. S. Geological Survey

and

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

Reviewed by
DMEA OPERATING COMMITTEE
7/27/56
(date)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 25 1956

FINAL REPORT
On
DMEA-3904, Idm-E876, SHAFFER MINE (mica)

Operator: Shaffer Mining Co., Elk Park, North Carolina

Location: One mile southwest of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N.C.

Exploration conducted at this mine revealed only a small amount of mica, mostly of non-strategic quality. It is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

Work began on this contract October 10, 1955, and ended March 7, 1956. A two-compartment vertical shaft 5' x 7' on cross-section was sunk in country rock to a depth of 65 feet. Timber was installed in the upper portion. From the 60-foot level of the shaft a total of 100 feet of laterals were driven. A 25.5-foot crosscut made in a S 30° E direction intersected the footwall of the pegmatite at a point 9 feet from the shaft and encountered the hanging wall at the head of the lateral. From the latter point a 26-foot drift was driven in pegmatite in a S 60° W. direction along the hanging wall. At a point in the crosscut 9 feet from the shaft a drift was turned off in the footwall portion of the body and was driven 48.5 feet in a N 55° E direction. The Operator conducted limited exploration of the pegmatite at his own expense from the 30-foot level of the shaft.

A conformable pegmatite having an observed maximum thickness of 16.5 feet was encountered in the laterals and is present in former workings. Its attitude is locally variable, striking N 40 to 60° E and dipping 65 to 85° to the southwest. The body pinches to the southwest at the shaft crosscut on the

60 foot level. It pinches to the northeast on the 60 foot level 48.5 feet northeast of the shaft crosscut and on the surface at the old shaft. There is no pegmatite on the surface at the collar of the new shaft. This indicates that the structure is lenticular in nature plunging roughly 45° southwest. T he body has been explored from end to end and across the maximum width at the 60 foot level with no strategic muscovite being discovered. No further exploration of any sort is indicated. A poor zonal arrangement of minerals is present, consisting of a thick central portion of relatively coarse-grained perthite and quartz flanked by a thin medium-grained zone of plagioclase, quartz, muscovite and garnet. Mica is more abundant and of larger size along the footwall. The country rock adjacent to the pegmatite is biotite gneiss which is highly garnetiferous where in contact with pegmatite.

About 150 pounds of mine-run mica were recovered from work done under the contract. It was non-ruby (rum) in color; minor amounts were green-colored. All was severly ruled and bent and most was small in size. None was of strategic quality.

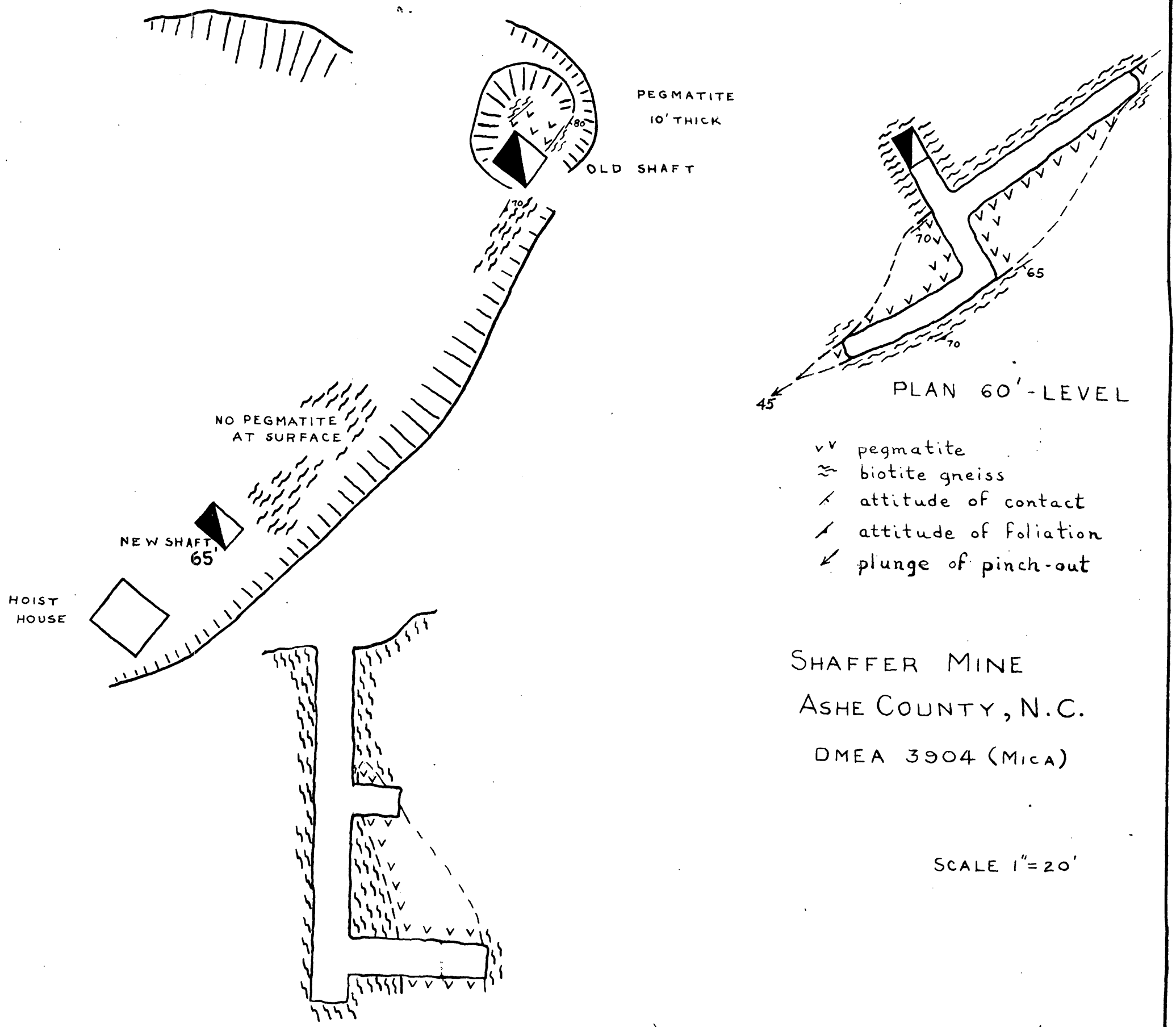
Expenditures:	Total approved	$7,100.00
	Total cost of project	6,425.00
	Government's share of cost	4,818.75
	Government's share unexpended	506.25
	Value of production during opr.	?
	Royalty received to date	None

No reserves of strategic mica were revealed by the work done under the contract.

Work completed under the contract was done in an efficient and satisfactory manner. No facilities were constructed or equipment purchased.

S. C. Bergman, Geologist
Dewey Amos, Geologist
Geological Survey

A. L. Peyton, Mining Engineer
Bureau of Mines


PEGMATITE
10' THICK
80
OLD SHAFT
70
NO PEGMATITE
AT SURFACE
NEW SHAFT
65'
HOIST
HOUSE
70
65
70
45
PLAN 60'-LEVEL
pegmatite
biotite gneiss
attitude of contact
attitude of foliation
plunge of pinch-out
SHAFFER MINE
ASHE COUNTY, N.C.
DMEA 3904 (MICA)
SCALE 1"=20'

7/56

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

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

JUN 1 1956

Re: Docket No. DMEA-3904, Mica
Shaffer Mining Co., Inc.
Shaffer Mine
Ashe County, North Carolina
Contract No. IAm-2876

Dear Mr. Lawrence:

Your memorandum of May 29, 1956, specifically confirming 65 feet of shaft sinking, together with previously submitted Field Team reports, has enabled this Division to issue a Report of Review in lieu of a final audit of the referenced project. The original and two copies of the Report of Review are enclosed.

If you concur with the facts stated therein, the original and one copy should be forwarded to the certifying officer and one copy should be retained in your files. If, for any reason, the Report of Review does not have your concurrence please return all copies to this Division.

In the penultimate line of your May 29 letter the amounts actually paid are stated as $2,127.90 and $4,816.75. It appears, however, that the correct amounts are $2,193.75 and $4,838.75, respectively.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/vb 6/1/56

Copy to: Docket
Admr. Reading File
Helen R. Miller
Mr. Chambers
Mr. Houk

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

MAY 25 1956

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

Re: Docket No. DMEA-3904 (Mica)
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe County, North Carolina
Contract No. Ida-2874

Dear Mr. Lawrence:

In reviewing the records pertaining to the referenced project preparatory to the issuance of a Report of Review, in lieu of final audit, a question has arisen as to the actual depth of the shaft sunk under the contract.

On the December, 1955, MF-104 the Operator claimed "Totals to Date" of $2,970.00 for 66 feet of shaft at $45.00 per foot, but the Field Team indicated "Approved Totals to Date" of $2,925.00 with an explanation, as stated on a copy of a letter dated January 10, 1956, addressed to the Operator, that "The footage to date is 65 feet and the total cost of shaft is $2,925.00." On all subsequent forms MF-104, however, both the Operator's claimed totals and the Field Team's approved totals are in agreement with the shaft costs being indicated as $2,970.00.

An interim report of inspection on January 4, 1956, prepared by Messrs. Shirley, Burgess and Taylor, states that the shaft was sunk to 65 feet with turnoff at 60 feet. Subsequent reports of inspections do not state the depth of the shaft but confirm that the turnoff was at the 60 foot level. However, the Operator's final report under date of March 22, 1956, states that the shaft was sunk 66 feet with the turnoff at 65 feet.

Your confirmation of the shaft work actually performed would be appreciated.

Sincerely yours,

(Signed) J. L. Chambers
Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
May 25, 1956

Copy to: Docket
Admr. Reading File
Helen Miller
Mr. Monk
Mr. Chambers
Mr. Talbert

P. O. Box 217
May 2, 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-E-876 — Shaffer Mining Company
Docket No. DMFA-3904
6th and final payment - month of March
Completion Date: 3-8-56
Amount $367.50

Idm-E-918 — The Ferguson Mine Company
c/o Harry Moses
Docket No. DMFA-4002
3rd payment - month of April
Amount $599.25

Helen R. Miller

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

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 March 1956 Docket No. DMEA 3904 Contract No. Ion-B 976
Operator's Name Shaffer Mining Company, Inc. Minerals Mica
Address c/o George Nesbitt, Elk Park, N. C.
Contract Amount, $ Government Participation: % Amount, $

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 Foot	490.00	3010.00	3500.00			
Shaft (Foot)		2970.00	2970.00			
(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	490.00	5980.00	6470.00	490.00	5980.00	6470.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-22-56 *Payee Shaffer Mining Co. Inc.
Per Geo. W. Nesbitt Title Secretary

*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)

RECEIVED MAY 3 - 1956

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

$ 367.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date MAY 2 1956 Vou. No.
(See other side)

132.50

(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. E876 in accordance with the terms of the contract.

Signature S. C. Bingham Title Geologist USGS Date 4/30/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date APR 30 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1956 Docket No. DMEA 3904 Contract No. 10m-R 876
Operator's Name Shaffer Mining Co. Inc. Minerals Mica
Address c/o George Nesbitt, Elk Park, 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	Foot	490.00	14	3500.00	100	3500.00	100	35.00
Crosscutting								
Raising								
Shafts Foot	Foot			2970.00	66	2970.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		490.00		6470.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		490.00		6470.00				

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 5-22-56 Operator Shaffer Mining Co. Inc.
Per Geo. W. Nesbitt Title Secretary

Remarks: This is the final report on the above contract. We have ask for an extension of footage but it is still pending.

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)

S. C. Bergman - Geologist USGS
4/30/56

RECEIVED
MAY 3 - 1956

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 MONTHLY REPORT OF PROGRESS

SHAFTER MINING COMPANY, INC.
ELK PARK, N. C.

DNMA 5504 MCA
CONTRACT NO. Ido-1 876

WORK ACCOMPLISHED MONTH OF MARCH WORK COMPLETED ON CONTRACT

MARCH 1-- Drilled, shot and mucked.

" 2- Mucked, drilled and shot

" 5- Pumped water, and mucked.

" 6- Drilled, mucked, shot.

" 7- Mucked, drilled and shot.

Completed the 18 foot outstanding on contract.

Letter giving summary of total work done on contract is herewith attached.

INTERIM REPORT

DMEA-3904, Idm-E876, Mica- SHAFFER MINE

Operator: Shaffer Mining Co., c/o George Nesbett, Elk Park, N. C.

Location: One mile southwest of Beaver Creek and 2.5 miles S of West Jefferson, Ashe County, N. C.

The Operator has completed his contract on drifting with a total of 100 feet, most of which was on pegmatite. No strategic mica was recovered. After completing the contract the Operator did considerable drifting near the 30-foot level connecting with the old works. This to failed to produce any strategic mica. Certification will not be recommended.

April 24, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

RECEIVED
MAY 3 - 1956

Shaffer Mining Company, Inc.
c/o George Hoskitt
Elk Park, North Carolina

Re: Contract No. DMEA-5904-Min
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe County, North Carolina
Contract No. Idm-2896

Gentlemen:

Reference is made to your company's Final Report of March 22, 1956, in which mention is made of the exploration work specifically requested by Mr. Lewis Aldridge in his letter of March 6, 1956.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, based on the results of the completed work, indicates to us that further Government participation to explore the Shaffer Mine is not warranted. We regret to advise you, under these circumstances, that your request for additional aid is denied.

We wish to thank you for your interest in the Defense Minerals Exploration Administration program and for bringing the proposed extension of your project to our attention.

Sincerely yours,

C. O. Mitteldorf

Administrator

WGAnderson:mm 4/18/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Hillegaard, 5922
Mr. Dietrich, 3061
Mr. Hook
Mr. Anderson
Admr. R. File

600

April 18, 1956

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Denial of the request for an amendment increasing exploration assistance to the extent of 100 feet of additional drifting.
Docket No. DMEA-3904-Mica
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe County, North Carolina
Contract No. Idm-E876

The denial of the request is recommended by this Division based on the following information:

Contract: Dated September 15, 1955, no amendments. Completion date, April 9, 1956. Total work allotted by contract, shaft sinking - 80 feet, drifting and crosscutting - 100 feet.

Work completed:

Shaft sinking - 66 feet	$2,970.00
Drifting and crosscutting - 86 feet	3,010.00
Total cost, subject to audit	$5,980.00
Government participation @ 75%	$4,485.00

Mica production:
About 400 pounds of black mica was recovered during the operation. Operator reports that when this is processed and sold he will remit the royalty check.

Comments:
The Field Team reports that what little mica was observed in the pegmatite during the operation of the project was small, stained, and ruled. While it is quite possible that some additional mica might be opened up by the additional drifting, all indications are that the possible royalties to the Government would not cover the cost. The Nonmetallic Minerals Division, therefore, recommends that the Operator's request for additional aid be denied.

WCAnderson:ms 4/18/56
Copy to: Mr. Houk
Mr. Anderson
Admr. R. File

Walter C. Anderson
Nonmetallic Minerals Division

RECEIVED
APR 18 1956

INTERIM REPORT

DMEA-3904, Idm-E876 (mica) SHAFFER MINE

Operator: Shaffer Mining Company, c/o George Nesbitt, Elk Park, N. C.

Location: One mile southwest of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N. C.

The Field Examiners visited the Shaffer Mine April 10. Access to the underground workings were impossible because the ladderway had been taken out. The Operator and crew were not present. The Operator was contacted later and plans were made for the Field Examiners to inspect the mine on April 24. The Operator has reported the contract complete.

Inspected: April 10, 1956.

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

RECEIVED
APR 9 - 1956

INTERIM REPORT

DMEA-3904, Idm-E876 (mica) SHAFFER MINE

Operator: Shaffer Mining Co. Inc., c/o Geo. Nesbitt, Elk Park, N. C.

Location: One mile northeast of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N. C.

The field examiners visited the Shaffer Mine March 27, 1956 but were unable to inspect the drift due to excessive water.

March 27, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman and A. R. Tayler, Geologists
Geological Survey

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

RECEIVED
MAR 29 1956

March 27, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports of Operator - DMEA-390h, Idm-E876-Mica.
Shaffer Mine, Ashe County, N. C.

Transmitted is the original and three copies of the subject report.

The Field Teams final report is in process.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

ZM.
cc:
Lynch
Shirley
Files
Opr. Gen.-2

Operator's Final Report

RECEIVED
MAR 2 9 1956

Elk Park, N. C.
March 22, 1956

U.S. Department of the Interior
DMEA, Region V
Mr. Robert A. Laurence, Executive Officer
Room 13, Post Office Building
Knoxville, Tenn.

Dear Sir:

We have completed the work called for in out contract Idm-E 876, DMEA 3904.

We pulled the shaft for 66 feet and pulled all the way in slate. At 65 feet, we turned in on a drift and hit the vein at 8 feet and pulled it in vein for 25 feet. We recovered som block mica in this. After 25 feet we hit slate again.

We, then started a new drift on vein rock and pulled it 53 feet and recovered around 200 pounds of block mica in the 40 feet.

In the over-all operation we recovered aroung 400 pounds of block mica.

When this is processed and sold we will send you our check and copy of the sales ticket.

We have asked for an extension of this contract but to date this covers our work on this project.

Yours truly

Shaffer Mining Company, Inc.

Geo W. Nesbitt

George Nesbitt, Secretary

8
25
53
66

RECEIVED
MAR 2 7 1956
Geologic Division
Knoxville, Tenn.

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

RECEIVED
MAR 28 1956

March 20, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-390h, Idm-E876-Mica. Shaffer Mining Co. Shaffer Mine, Ashe County, North Carolina

The field examiners are of the opinion that the deposit has been thoroughly explored and that nothing will be gained by additional drifting. What little mica was observed in the pegmatite during the operation of the project was small, stained, and ruled.

The Field Team concurs with the field examiners and does not recommend additional drifting.

V. J. Lynch, Acting
Executive Officer, Region V

S. C. Bergman, Geologist
Geological Survey

VJL/sm
cc:
Lynch
Shirley
Files

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

RECEIVED
MAR 22 1956

March 20, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3904, Idm-E376-Mica. Shaffer Mining Co. Shaffer Mine, Ashe County, North Carolina

The field examiners are of the opinion that the deposit has been thoroughly explored and that nothing will be gained by additional drifting. What little mica was observed in the pegmatite during the operation of the project was small, stained, and ruled.

The Field Team concurs with the field examiners and does not recommend additional drifting.

V. J. Lynch, Acting
Executive Officer, Region V

S. C. Bergman, Geologist
Geological Survey

VJL/um
cc:
Lynch
Shirley
Files

INTERIM REPORT

DMRA-3904, Idm-E876 (mica) SHAFFER MINE

Operator: Shaffer Mining Co., c/o George Nesbitt, Elk Park, N. C.

Location: One mile southeast of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N. C.

The Field Examiners visited the project March 13, but were unable to make an inspection because of a bulkhead midway in the shaft. Another attempt will be made to inspect the operation on the next visit to that area.

Inspect: March 13, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 225 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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MAR 19 1956

March 14, 1956

Mr. George W. Nesbitt
Cranberry High School
Elk Park, North Carolina

Re: Contract No. Idm-E876 - Mica
Docket No. DMEA-3904
Shaffer Mine, Ashe County, N. C.

Dear Mr. Nesbitt:

When the Field Engineers visited the Shaffer Mine on March 13, they found a bulk head in the shaft at about the 50-foot level and were unable to get to the lower workings to make a final measurement of work done under the contract.

Please be advised that payment of the final voucher cannot be made until a final measurement has been made by our Engineers and until your final report is received.

The Field Engineers will visit the mine again in about two weeks.

Very truly yours,

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

VJL/mm
cc:
Opr. Com.
Lynch
Shirley
Files

600

MAR 16 1956

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

Re: Docket No. DMEA-3904-Mine
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe County, North Carolina
Contract No. Idm-K876

Dear Mr. Laurence:

Reference is made to your copy of a letter, dated March 6, 1956, that we received from the subject Operator, requesting an amendment to provide for 100 feet of additional drifting.

Before we take action on this matter, we would appreciate having your comments.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:ms 3/13/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

RECEIVED

MAR 12,1956

C
O
P
Y

Spruce Pine, N. C.
March 6, 1956

Mr. L. G. Houk
Chief Non-Metallic Division
U. S. Dept. of The Interior
DMEA
Washington, D. C.

Re: DMEA-3904, Idm-E876 Mica
Shaffer Mining Co. Inc.
Shaffer Mine, Ashe County, N. C.

Dear Sir:

We are applying for an amendment on the above captioned loan. We would like to pull it another 100 feet and would like to have an increase of $3500.00 for this. 100 feet of tunnell@ 35.00 per foot.

We have pulled 66 feet in a shaft and 86 feet on a drift. In the shaft we pulled past the vein and then started on the drift. We have now pulled into another vein which is leading into the main deposit.

So far, we have recovered about 100 pounds of block mica and the pegmatite that we are now in looks so favorable that we are sure we are justified in requesting an increase as stated.

We would like to go up in the shaft now open and turn south-ease on the mica vein now showing, and pull it another 100 feet. The pegmatite in the lower vein and in the upper vein indicates that the main mica deposit would be reached within 100 feet or less.

Your truly

Shaffer Mining Company, Inc.

/s/ Lewie Aldridge,

Lewie Aldridge, President

cc; Mr. Robert A. Laurence
DMEA
Knoxville, Tenn.

copied by ms 3/12/56

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 Feb. 1956 Docket No. DMEA 398 Contract No. [illegible]
Operator's Name Shaffer Mining Company, Inc. Minerals [illegible]
Address c/o Cooper Woodies, Elk Park, N. C.
Contract Amount, $ 7,100.00 Government Participation: 75% Amount, $ 5,325.00

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 Adit (Foot)	1750.00	1260.00	3010.00			
		2970.00	2970.00			
(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	1750.00	4230.00	5980.00	1750.00	4230.00	5980.00

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

Date 3-3-56 *Payee Shaffer Mining Co. Inc.

Per Geo. W. Rishell Title Secretary

*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:

$ 1312.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date MAR 7 1956 Vou. No. [illegible]

(See other side)

437.50

(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 876 in accordance with the terms of the contract.

Signature U. J. Legnek Title Mining Eng. Date 3-6-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAR - 9 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Feb. 195 6 Docket No. DMEA 3904 Contract No. 1[illegible]-3 876
Operator's Name Sheffer Mining Company, Inc.
Address c/o [illegible], Park Ave., N. Y.
Minerals [illegible]

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	Feet	1750.00	50	3010.00	86	3010.	100	35.00
Crosscutting								
Raising								
Shafts	Feet			2970.00	66	2970.	80	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
		1750.00						
TOTAL DISTRIBUTED COSTS		1750.00		5980.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1750.00		5980.00				

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

Date March 3, '56 Operator Sheffer Mining Co.
Per Geo. W. Reshitt Title Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

V. J. Lynch
Bureau of Mines
3-6-56.

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

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MAR - 9 1956

OPERATORS DAILY REPORT OF PROGRESS

GRATTAN DRILLING CO. INC.
ELK PARK, N. C.

DATA 3904 AEC
CONTRACT NO. AC-B 876

WORK ACCOMPLISHED MONTH OF FEBRUARY 1956 WORK CONTEMPLATED

HOLE. 1- Worked on Compressor, pumped water and mucked.

" 2- Drilled, shot and mucked.

" 3- Drilled, shot and mucked.

" 6- Pumped water, drilled and shot.

" 7- Mucked, drilled and shot.

" 8- Mucked, drilled and shot.

" 9- Mucked, drilled and shot.

" 10- Mucked, drilled and shot.

" 13- Pumped water and mucked.

" 14- Drilled, shot and mucked.

" 15- Drilled, shot and mucked.

" 16- Mucked out, drilled and shot.

" 17- Mucked, drilled and shot.

" 20- Pumped water, mucked and drilled.

" 21- Worked on Compressor, Gas line frozen, worked on gas line and on carburetor. Shot and mucked.

" 22- Drilled, shot and mucked.

" 23- Mucked and drilled and shot.

" 24- Mucked, drilled and shot.

" 27- Pumped water and mucked.

" 28- Drilled, shot and mucked.

" 29- Mucked.

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MAR 1 1956

INTERIM REPORT

DMEA-3904, Idm-E876, SHAFFER MINE (mica)

Operator: Shaffer Mining Co., c/o George Nesbitt, Elk Park, N. C.

Location: One mile southeast of Beaver Creek and 2.5 miles south of W. Jefferson, Ashe County, N. C.

Progress for the past two weeks totals 22 feet of drift on a bearing of N 40° E. The heading is in pegmatite except for a small inclusion of gneiss. Approximately 150 pounds of mica was recovered from the 22 feet. Most of the mica is badly ruled or bent. The footage remaining in the contract for drifts and crosscuts will be used in drifting northeast along the footwall. Todate the Operator has used 81 feet of a 100 foot contract on drifting and crosscutting.

Inspected: Feb. 28, 1956

V. J. Lynch and A. L. Peyton,
Mining Engineers, Bureau of Mines

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

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

RECEIVED
MAR - 2 1956

February 29, 1956

Mr. George W. Mesbitt
Cranberry High School
Elk Park, N. C.

Re: DMEA-3904, Idm-E876 - Mica
Shaffer Mining Company
Shaffer Mine, Ashe County, N. C.

Dear Mr. Mesbitt:

I have your letter of February 28, requesting amendment of your contract to provide for another 100 feet of drifting. This office does not have the authority to increase the amount of money available on a contract; therefore your request will have to be referred to our Washington office.

However, on reviewing the reports of progress on this contract, it appears to me that the deposit will be pretty well explored when the approved work of the contract is completed. Your letter does not contain adequate information on which to base a recommendation. If you want to apply for an amendment to the contract, please send me full details on (1) the amount of work proposed (2) the estimated costs and time required for the additional work, (3) a summary of work to date with evaluation of the results, including your estimate of reserves discovered by that work and data on production, percentage of strategic mica recovered and sales, and (4) the geologic evidence which indicates that further work is justified.

Upon receipt of this information, we will forward your request to our Washington office. In the meantime, I will discuss your proposal with Mr. Peyton and Mr. Bergman when they return to Knoxville this week, as they are scheduled to inspect the progress of the Shaffer contract yesterday.

Very truly yours,

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

RAL/mm.
cc:
Opr. Com.2
Lynch
Shirley
Files

RECEIVED
FEB 27 1956

INTERIM REPORT

DMEA-3904 (A), Idm-E876, SHAFFER MINE
(mica)

Operator: Shaffer Mining Company, c/o Geo. Nesbitt, Elk Park, N. C.

Location: One miles southeast of Beaver Creek and 2.5 miles South of West Jefferson, Ashe County, North Carolina

Progress for the past two weeks totals 26 feet of drift to the southwest. There has been no mica recovery from the drifting to the southwest.

The Operator was instructed to drop back to the footwall contact in the crosscut and drift with the pegmatite to the northeast.

Inspected: February 16, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

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

C
O
P
Y

P. O. Box 217
February 20, 1956

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

Dear Mr. Chambers:

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

Idm-E-863	A. Ward Docket No. DMEA-3856 5th payment - month of January Amount $603.75
Idm-E-876	Shaffer Mining Company, Inc. Docket No. DMEA-3904 4th payment - month of January Amount $735.00

Very truly yours,

Helen R. Miller
Administrative Assistant

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

copied by ms 2/24/56

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

Budget Bureau No. 42-R1036.5

RECEIVED
FEB 16 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1956 Docket No. DMEA 3904 Contract No. Idm-E 876
Operator's Name Shaffer Mining Company, Inc. Minerals Mica
Address c/o George Nesbitt, Elk Park, N. C.
Contract Amount, $ 7,100.00 Government Participation: 75 % Amount, $ 5,325.00

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 Feet	980.00	280.00	1260.00			
Shaft (Feet)		2970.00	2970.00			
(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	980.00	3250.00	4230.00	980.00	3250.00	4230.00

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

Date 2-4-56 *Payee Shaffer Mining Company

Per Geo. W. Nesbitt Title Secretary

*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:

$ 735.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date FEB 20 1956 Vou. No.

(See other side)

245.00

(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. E876 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist USGS Date 2/10/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date FEB 13 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".

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
FEB 16 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Jan. 1956 Docket No. DMEA 3924 Contract No. [illegible]
Operator's Name [illegible] Mining Company, Inc. Minerals Lead
Address c/o [illegible], [illegible], U. S.

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	foot	900.00	25	1260.00	36	1260.	100	35.00
Crosscutting								
Raising								
Shafts	foot			2970.00	66	2970.	00	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		900.00		4230.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		900.00		4230.00				

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 2-1-56 Operator [illegible] Mining Co., Inc.
Per Geo. W. Reshitt Title Secretary

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)

S. C. Bergman - Geologist USGS 2/10/56

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
FEB 16 1956

OPERATORS MONTHLY REPORT OF PROGRESS

SHAFFER MINING CO. INC.
ELK PARK, B. C.

DMEA
CONTRACT NO. MICA Idr-E 876

WORK ACCOMPLISHED MONTH OF JANUARY 1956 WORK CONTINUED

Jan. 4- Drilled 21 holes, blasted, timbered , pumped water and mucked.

" 5- Pumped water, drilled and mucked.

" 6- Pumped water, drilled, blasted and mucked.

" 10- Pumped water 8 hours.

" 11- Compressor broke down, moved it to Garage.

" 12- Went to Weatherspoon Mine and got another Compressor and set it down.

" 13- Pumped water and mucked out mine clean.

" 16- Pumped water, drilled and blasted. Mucked.

" 18- Drilled, blasted and mucked.

" 19- Drilled, Blasted and mucked.

" 20- Drilled, Blasted and mucked.

" 23- Pumped water, mucked.

" 24- Pumped water 3 hours and pump broke down, Mucked and pulled out pump for repairs.

" 25- Drilled, Blasted and mucked.

" 26- Set down pump, pumped water and mucked.

" 27- Mucked out, drilled Blasted and mucked.

" 30- Pumped water, drilled and Blasted, visited by Field Man-DMEA.

" 31- Mucked, Drilled and Blasted.

RECEIVED
FEB 13 1956

INTERIM REPORT

DMEA-390h, Idm-E876 (mica) SHAFFER MINE

Operator: Shaffer Mining Company., c/o George Nesbitt, Elk Park, N. C.

Location: One mile southeast of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, North Carolina

Crosscutting from the shaft at the 60 foot level was carried through the pegmatite, a total of 25 1/2 feet, to the hanging wall contact. A 5 1/2 foot test hole was driven into the wall to make sure that all pegmatite had been cut. This is an advance of 9 1/2 feet of crosscut in the past two weeks. A total thickness of 16 1/2 feet of pegmatite was cut. The footwall of the pegmatite had an attitude of N 50° E 70 to 90° SE, while the hanging wall contact trended N 60° E 65° SE. Eight feet of drift was driven, in the same period, along the hanging wall contact in a southwesterly direction. Very little mica was observed in the drift. Almost all mica seen has been at or near the footwall contact in a strong garnetiferous zone. The mica seen in place is badly ruled and mineral stained. A strong 2 - 12 inch inclusion of country rock occurs 3 feet from the hanging wall contact and parallel to it.

The Operator was advised to continue drifting along the hanging wall contact until the next visit. Progress has been good in the past month on this contract.

Inspected: January 31, 1956

S. C. Bergman, Geologist
Geological Survey

A. R. Taylor, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

RECEIVED
JAN 27 1956

INTERIM REPORT

DMEA-3904, Idm-E876 (mica) SHAFFER MINE

OPERATOR: Shaffer Mining Co., c/o George Nesbitt, Elk Park, N. C.

LOCATION: One mile southeast of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N. C.

Crosscutting continues on this contract from the 60-foot shaft level and now totals 16 feet; the first 9 feet have been driven in biotite gneiss, and the last 7 feet in pegmatite. The footwall contact strikes N50°E and dips 70 to 90°SE; the hanging wall contact has not been intercepted. The body is conformable to the biotite gneiss country rock which strikes N60°E and dips 66° SE. The Operator reports no mica recovery from pegmatite to date, but several medium-sized blocks were observed in the roof and sides of the crosscut. Some of the mica was severely ruled and stained badly. No one was present at the mine at the time of this visit, but the Operator was contacted and instructions were given for continuing the crosscut to the hanging wall and then drifting to the southwest following that contact. Progress on this contract has been good in view of recent inclement weather.

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

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

January 17, 1956

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 13 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Dec., 1956 Docket No. DMEA 3904 Contract No. Idm-E 876
Operator's Name Shaffer Mining Co. Inc. Minerals Mica
Address c/o George Nesbitt, Elk Park, N. C.
Contract Amount, $ 7,100.00 Government Participation: 75 % Amount, $ 5,325.00

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	280.00		280.00	280.00		280.00
Shaft	900.00	2070.00	2970.00	855.00	2070.00	2925.00
(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	1180.00	2070.00	3250.00	1135.00	2070.00	3205.00

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

Date Jan. 5, 55 *Payee Shaffer Mining Co. Inc.

Per Geo. W. Nesbitt Title Secretary

*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:

$ 851.25

Signature Helen R. Melvin
(Authorized Certifying Officer)

Date JAN 11 1956 Vou. No. 50

(See other side)

283.75

(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-876 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist USGS Date 1/10/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lazarek ACTING Title EXECUTIVE OFFICER DMEA REGION V Date JAN 10 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 13 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec. 1956 Docket No. DMEA 3904 Contract No. Idm-E 876
Operator's Name Shaffer Mining Company, Inc. Minerals Mica
Address c/o George Nesbitt, Elk Park, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract	
							Units	Unit Costs
Drifting	Feet	280.00	8	280.00	8	280.	100	3500.00
Crosscutting								
Raising								
Shafts	Feet	900.00	20	2970.00	66	2970.	80	3600.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1180.00		3250.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1180.00		3250.00				

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 Jan. 5, 55 Operator Shaffer Mining Co. Inc.
Per Geo. W. Nesbitt Title Secretary

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)

Footage for shaft sinking for December reduced 1 foot, to 19 feet, to conform to engineers measurement.

V. F. Lynch

SCB- Geol. USGS

INSTRUCTIONS

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

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

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

GPO 872894

op OPERATORS MONTHLY REPORT OF PROGRESS

RECEIVED
JAN 13 1956

SHAFFER MINING CO. INC.
ELK PARK, N. C.

DMMA 3904 MICA
CONTRACT NO. Idaho 876

Work Accomplished MONTH OF DECEMBER WORK CONTINUED

Dec. 8- Hoist frozen up. worked on it 3 hours, mucked, drilled blasted.

" 9- Drilled 4 hours, blasted and mucked. used 45 sticks powder.

" 10- Drilled 12 holes, blasted, mucked.

" 13- Pumped water and mucked. Pumped water in old shaft.

" 14- Hauled in lumber and mucked. Timbered 5 hours.

" 15- Timbered 6 hours, drilled, blasted and mucked.

" 16- Mucked.

" 19- Pumped Water 2 hours, Drilled, Blasted and mucked.

" 20- Drilled, blasted 12 holes, used 48 sticks powder, mucked.

" 21- Drilled, Blasted 12 holes, used 48 sticks powder, mucked.

" 22- " " " " " " " " "

" 23- " " " " " " " " "

" 26- Pumped water 3 hours, mucked.

" 27- Drilled, Blasted 12 holes, used 48 Sticks Powder, mucked.

" 28- Timbered 4 hours, Drilled, blasted and mucked.

" 29- Mucked, Drilled and blasted 6 holes.

" 30- Drilled, blasted and mucked.

Shut down the first week in December due to bad weather conditions causing everything to freeze up.

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

January 10, 1956

RECEIVED
JAN 13 1956

Mr. G. W. Hesbett, Sec. Treas.
Shaffer Mining Company
Elk Park, North Carolina

Re: DMEA-390h, Idn-2876 (mica)
Shaffer Mine, Ashe County, N. C.

Dear Mr. Hesbett:

According to the examining engineers measurement the total depth of the shaft at the Shaffer Mine is 65 feet, which includes an advance of 19 feet for the month of December.

Your MF-104 and MF-104A forms for December indicate 20 feet of shaft sinking for the month. It has therefore been necessary to correct the December voucher to conform to the engineers measurement. Please change your records to conform to our records which are as follows:

19 feet of shaft work for the month at a cost of $855.00. The total footage to date is 65 feet and the total cost of shaft is $2,985.00

Very truly yours,

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

VJL/mm
cc:
Lynch
Opr. Comp.-3
Shirley
Files

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

RECEIVED
JAN 13 1956

January 11, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team - Region V - Knoxville

Subject: Exploration Progress - Shaffer Mine, DMEA-3904, Idm-2876 (mica) Ashe County, North Carolina

In reply to your letter of December 27, 1955, we are enclosing a map and section showing the situation at the Shaffer Mine, as of our last inspection, January 4, 1956.

The shaft was sunk on the projection of pegmatite exposed in the old working, and did not encounter pegmatite at depth. Percussion drill test holes, found and followed pegmatite down to 44 feet, at which point it could not be reached with the drill steel on hand. It was decided to turn off at 60 feet so as not to waste any more drift footage than necessary in crosscutting over to the pegmatite. After 8 feet of crosscut, 4 drill holes intersected pegmatite at 1 1/2 feet and stayed in it for 4 feet. The hanging wall of the pegmatite was not intersected at any point.

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

SCB/mm
cc:
Lynch
Shirley
Files

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

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

RECEIVED
JAN 13 1956

January 11, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team - Region V - Knoxville

Subject: Exploration Progress - Shaffer Mine, DMEA-3904, Idm-8876 (mica) Ashe County, North Carolina

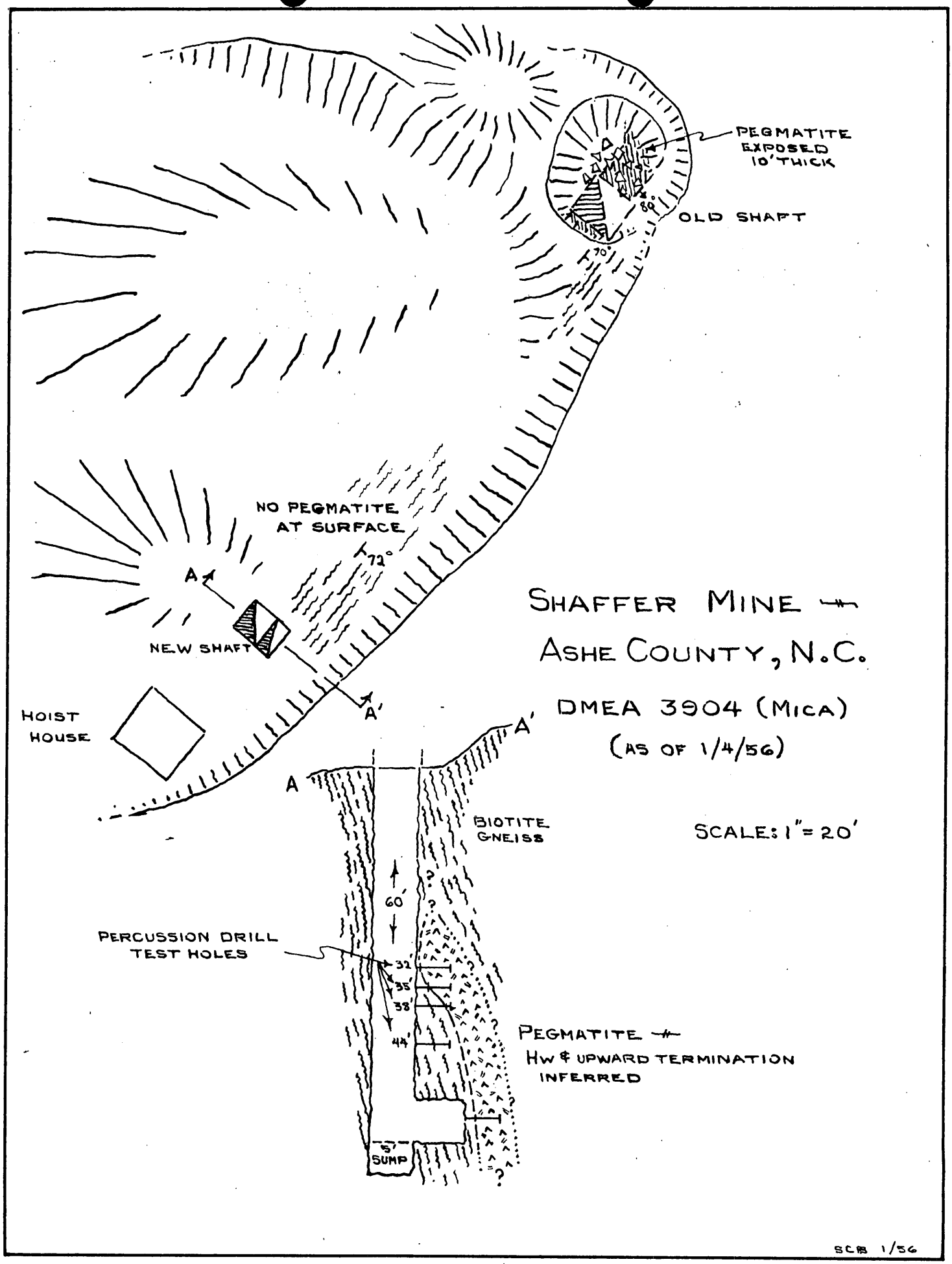
In reply to your letter of December 27, 1955, we are enclosing a map and section showing the situation at the Shaffer Mine, as of our last inspection, January 4, 1956.

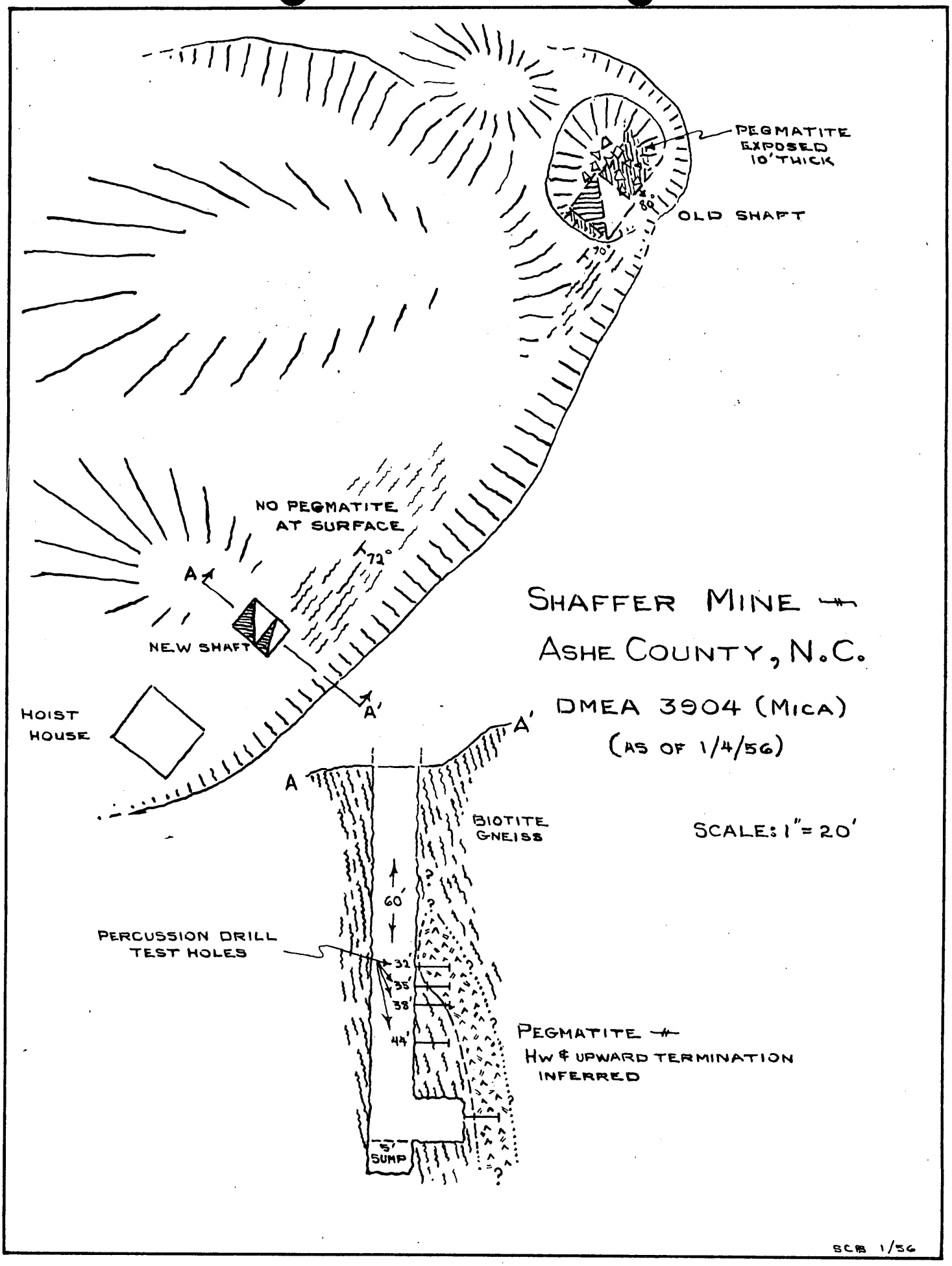
The shaft was sunk on the projection of pegmatite exposed in the old working, and did not encounter pegmatite at depth. Percussion drill test holes, found and followed pegmatite down to 44 feet, at which point it could not be reached with the drill steel on hand. It was decided to turn off at 60 feet so as not to waste any more drift footage than necessary in crosscutting over to the pegmatite. After 8 feet of crosscut, 4 drill holes intersected pegmatite at 1 1/2 feet and stayed in it for 4 feet. The hanging wall of the pegmatite was not intersected at any point.

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

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

SCB/sm
cc:
Lynch
Shibley
Files


PEGMATITE EXPOSED 10' THICK
OLD SHAFT
80°
70°
NO PEGMATITE AT SURFACE
72°
A
A'
NEW SHAFT
HOIST HOUSE
SHAFFER MINE
ASHE COUNTY, N.C.
DMEA 3904 (MICA)
(AS OF 1/4/56)
SCALE: 1" = 20'
BIOTITE GNEISS
60'
PERCUSSION DRILL TEST HOLES
32'
35'
38'
44'
PEGMATITE
HW & UPWARD TERMINATION INFERRED
5' SUMP
SCB 1/56


PEGMATITE EXPOSED 10' THICK
OLD SHAFT
80°
70°
NO PEGMATITE AT SURFACE
72°
A
A'
NEW SHAFT
HOIST HOUSE
SHAFFER MINE
ASHE COUNTY, N.C.
DMEA 3904 (MICA)
(AS OF 1/4/56)
SCALE: 1" = 20'
BIOTITE GNEISS
60'
PERCUSSION DRILL TEST HOLES
32'
35'
38'
44'
PEGMATITE
HW & UPWARD TERMINATION INFERRED
5' SUMP
SCB 1/56

A

RECEIVED JAN 13 1956

INTERIM REPORT

DMEA-3904, Idm-E876 (mica) SHAFFER MINE

Shaffer Mining Co., c/o George Nesbitt, Elk Park, N. C.

One mile southeast of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N. C.

Shaft sinking has been completed to a total depth of 65 feet, turnoff has been made to the southeast from the 60-foot level, and 8 feet of crosscut has been completed. Drill holes in the face have intercepted pegmatite at 1.5 feet, which places the present position of the pegmatite 9.5 feet from the shaft. The country rock, a biotite gneiss, strikes N55°E and dips 72°SE in the present face. Drill holes made from this point cut 4 feet of pegmatite, but the features of the body could not be detected from the drilling. Another visit will be made to the mine in the near future. Instructions were given for sorescutting the pegmatite before starting any drift work to determine its thickness and character.

Recent progress on this contract has been satisfactory.

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

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

January 4, 1956

Anderson

INTERIM REPORT

DMEA-3904, Idm-E876 (mica) SHAFFER MINE

OPERATOR: Shaffer Mining Co., c/o George Nesbitt, Elk Park, N. C.

LOCATION: One mile southeast of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N. C.

Vertical shaft sinking continues on this contract and is now at 53 feet. No change was noted in material encountered which is a biotite gneiss containing small pods of pegmatitic material. The target has not been picked up from the southeast side of the shaft at this depth because the operator could not procure drill steel longer than 6 feet. Instructions were given for sinking to a depth of 60 feet before turning off a crosscut from this level. A necessary 5 foot sump will be provided as soon as turnoff is complete.

The operator was advised to continue cribbing and extend a separated partition, ladders and landings to near bottom at an early date. Recent progress on this contract has been satisfactory, but has been hampered somewhat by considerable water in the shaft and severe winter weather.

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

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

December 13, 1955

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

40

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Nov., 1955 Docket No. DMEA 5904 Contract No. 30-3 076
Operator's Name Shaffer Mining Co., Inc. Minerals Mica
Address c/o George Nesbitt, Mt. Airy, N. C.
Contract Amount, $ 7,100.00 Government Participation: 75% Amount, $ 5,325.00

RECEIVED DEC 16 1955

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						
Shaft	1080.00	990.00	2070.00			
(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	1080.00	990.00	2070.00	1080.00	990.00	2070.00

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

Date 12-2-55 *Payee Shaffer Mining Co., Inc.

Per Geo. W. Nesbitt Title Secretary

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

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

(Instructions on reverse)

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

$ 810.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date DEC 13 1955 Vou. No. 30

(See other side)

270.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 1Ma E876 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engr USBM Date DEC 12 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamme Title EXECUTIVE OFFICER DMEA REGION V Date DEC 12 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
DEC 16 1955

Month of Nov. 1955 Docket No. DMEA 3904 Contract No. [illegible]
Operator's Name Shaffer Mining Co. Inc. Minerals Mica
Address c/o George Nesbitt, Elk Park, 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	foot	1030.00	24	2070.00	46	2070.	00	3600.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1030.00		2070.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1030.00		2070.00				

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 12-2-55 Operator Shaffer Mining Co. Inc.
Per Geo. W. Nesbitt Title Secretary

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)

W. A. Beck, Mining Engr
USBM.

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

GEOLOGICAL SURVEY [illegible] [illegible]

[illegible] [illegible] CO. [illegible]
[illegible], C. C.

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

RECEIVED
DEC 16 1955

[illegible] [illegible] [illegible]

NOV. 1- [illegible] drilled water on a [illegible], C. C.

" 2- Cleaned, put in holder, drilled.

" 3- Drilled, bleached, washed.

" 4- Drilled, bleached, washed.

" 7- Washed, timbered.

" 8- Timbered.

" 9- Drilled, bleached, washed.

" 10- Cleaned out a slide caused by mud seam.

" 11- Drilled 12 holes, bleached and washed.

" 14- Timbered

" 15- Timbered, washed. Visited by Field Team.

" 16- Drilled, washed, shot.

" 17- Washed, drilled and bleached.

" 21- Washed, drilled, shot and pumped water.

" 22- Drilled, bleached, washed.

" 23- Drilled, bleached, washed.

" 24- Drilled, bleached, washed.

" 28 - Pumped water, drilled, and washed.

" 29- Washed, drilled and bleached. Visited by Field team.

" 30- Washed, drilled and bleached.

DEC 27 1955

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

Subject: Docket No. DMEA-3924 - Mica
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe County, North Carolina
Contract No. 14m-5876

Dear Mr. Lawrence:

Reference is made to the Field Team Interim Report of November 29, 1955, on exploration progress at the subject mine.

We note that the vertical shaft has been sunk to a depth of 46 feet and the data furnished indicate that it is in the footwall of the pegmatite. It was our understanding that if the pegmatite did not outcrop that the shaft would be spotted on the hanging wall and sunk to intersect the pegmatite and then follow it. We note that the pegmatite has been encountered in test holes drilled from the southeast side of the shaft.

It would be appreciated if we could have a map showing the location of the shaft and a cross sectional sketch at right angles to the strike of the pegmatite showing as a result of the test drilling the relationship of the pegmatite to the shaft.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WGAnderson:LGHouk:gad 12/20/55
Copy to: Admr. R. Fila
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

INTERIM REPORT

DMEA-3904, Idm-E876 (mica) SHAFFER MINE

RECEIVED DEC 15 1955

OPERATOR: Shaffer Mining Co., c/o George Nesbitt, Elk Park, N. C.

LOCATION: One mile southeast of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N. C.

Vertical shaft sinking continues on this contract and is now at 46 feet. Material encountered is biotite gneiss containing scattered pods of lenses of pegmatitic material. At this depth the country rock strikes N50°E and dips 65° - 70° SE. The pegmatite target has been encountered in various length test holes drilled at 3 to 5 feet intervals on the southeast side of the shaft. The operator was advised to continue these test holes, obtaining longer steel if necessary, until the shaft bottom is reached. Another visit will be made to the mine in the near future.

The operator was also advised to continue cribbing the shaft as long as weathered seams in the gneiss occur. Progress on this contract has been good.

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

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

November 29, 1955

600

DEC 1 5 1955

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

Re: Monthly Operator's Report, MF-104

Dear Mr. Lawrence:

Reference is made to the narrative portion of the Monthly Operator's Reports, MF-104, which generally do not contain sufficient information.

Special reference is made to Dockets Nos. DMEA-3265, and DMEA-3904. The narrative portions of the Operator's Reports for October, 1955, in both cases are good illustrations of inadequate reporting.

Whenever it is necessary, please explain to the Operators that they should follow as closely as possible the instructions in Section (e) of the Operator's Monthly Report. We would like to have a narrative statement that is a genuine description of the progress made, results accomplished, unusual difficulties encountered, total feet of advance during the month, and the amount of mine recovered. The Operator should report all sales made in the month, all sheet mica sold to the Government Mica Buying Depot, or punch, circle, scrap, feldspar, or any other mineral recovered or sold. He should be instructed that the royalty becomes due when the sale is made. Under difficulties encountered, the Operator may mention the type of rock, difficulty in drilling, and any breakage of equipment that results in delay.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey

WCAnderson:gad 12/9/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

Anderson

INTERIM REPORT

DMEA-3904, Idm-E876 (mica) SHAFFER MINE

OPERATOR: Shaffer Mining Co., c/o George Nesbitt, Elk Park, N. C.

LOCATION: One mile southeast of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N. C.

Vertical shaft sinking continues on this contract and is now at 34 feet. Rock encountered has been biotite gneiss, which is highly weathered at intervals, containing pods of pegmatitic material. Cribbing of the shaft was in progress during this visit, and all timber work to date is satisfactory. The operator was advised to continue sinking vertically until another examination can be made. Progress on this contract has been good.

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

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

November 15, 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 NOV 21 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 1955 Docket No. DMEA 3904 Contract No. Idm-E 876

Operator's Name Shaffer Mining Company, Inc. Minerals Mica

Address c/o George Nesbitt, Elk Park, N. C.

Contract Amount, $ 7,100.00 Government Participation: 75 % Amount, $ 5,325.00

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						
Shaft	990.00		990.00			
(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	990.00		990.00	990.00		990.00

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

Date Nov. 4 *Payee Shaffer Mining Co. Inc.

Per Geo. W. Nesbitt Title Sec. Treas

*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:

$ 742.50

Signature Helen R. Medlin
(Authorized Certifying Officer)

Date Vou. No.

(See other side)

247.50

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

Signature Alfred R. Taylor Title Geologist, USGS Date Nov. 10, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV 21 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 55 Docket No. 3904 Contract No. Idm-# 876

Operator's Name Shaffer Mining Company, Inc. Minerals Mica

Address c/o George Nesbitt, Elk Park, 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	Feet	$990.00	22'	990.00	22'	990.	80'	~~3600.00~~
Shafts	↓							45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
		$990.00		990.00				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		990.00		990.00				
TOTAL COSTS								

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 Nov. 4, 1955 Operator Shaffer Mining Co. Inc.

Per Geo. W. Nesbitt Title Sec. Tres.

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)

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

OPERATORS MONTHLY REPORT OF PROGRESS

RECEIVED
NOV 21 1955

CHARTER MINING COMPANY, INC.
c/o GRANT DRURY, SEE PARK, D.C.

DELA-2000
Mn-I 076

WORK ACCOMPLISHED MONTH OF OCTOBER WORK BEGUN OCT. 10, 1955

OCTOBER 1955

10- Moved in Air-Compressor, tools, supplies and boom pole.

11- Moved Hoist off Iron Top Mountain, set it up at mine.

12 Built Tool House

13- Set up Boom Pole and laid pipe line.

14- Hauled in timber to build hoist house four hours, got drill, Powder Box and Exploder box. Cleaned off surface to start shaft.

17- Drilled two hours, mucked four hours worked on hoist house.

18- Drilled four hours, shot, used 145 sticks powder, 10 sticks fuse, 5 exploders, mucked.

19- Drilled four hours, laid water line 2 hours, shot and mucked.

20- Drilled four hours, shot 12 holes used 50 sticks powder mucked.

21 Drilled 12 holes four hours, ex shot, used 50 sticks powder, mucked.

24- Mucked, straightened up ground 8 hours. Hauled in timbers.

25- Timbered on shaft.

26- Finished timbers.

27- Drilled 12 holes, shot and mucked.

28- Drilled and mucked.

31- Mucked 8 hours, drilled and shot.

INTERIM REPORT

DMEA-3904, Idm-E876 (mica) SHAFFER MINE

OPERATOR: Shaffer Mining Co., c/o George Nesbitt, Elk Park, N. C.

LOCATION: One mile southeast of Beaver Creek and 2.5 miles south of West Jefferson, Ashe County, N. C.

Work began on this contract October 10, 1955. Vertical shaft sinking is in progress and is now at 19 feet. The shaft has been sunk entirely in country rock, a biotite gneiss, and pegmatite has not been encountered to date. The shaft has been cribbed to near bottom with 2-inch x 6-inch sawed oak timbers and contains a temporary ladder to the bottom. A separated manway with permanent ladders will be installed as soon as practicable.

Equipment on the property consists of a gasoline-powered hoist, conventional hoisting rig, a 210 c.f.m. air compressor and necessary hand tools. Progress on this contract has been good.

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

November 1, 1955

RECEIVED

Memorandum

To: File

From: Walter C. Anderson

Subject: Evaluation of application and field examination report
Docket No. DMRA-3964-Mica
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe County, North Carolina

A contract is recommended

Mica: Abundant, 50% containing stains, is non-ruby in color, large size, hard, flat and free splitting.

Pegmatite: Poorly zoned, conformable to mica gneiss wall rock, 10 feet thick at the surface to 2 to 3 feet thick at the 32 foot level, exposed along strike for a distance of 120 feet, is tabular in shape, pitching steeply to the SE and raking at a moderate angle to the SW.

Old Workings: Open cut 140 feet long by 25 feet deep, 52 foot incline from the bottom of cut and an 25 foot filled shaft. Early history not known, but during World War II production amounted to $2,522.22.

Method of Exploring: Applicants propose to drive two "tunnels" (their term), one 100 feet long and one 50 feet long, while the field team recommends an 80 foot shaft and 100 feet of drift. The field team says nothing about confining the work to pegmatite, but we are stipulating in the contract that the work be confined to pegmatite as much as possible. Because of the rake of the body to the SW the top part of the shaft probably would be in mica gneiss. Drifting will be ~~done~~ drive in pegmatite well under the old workings.

Economics and costs - Except for the top part of the shaft the work will be in pegmatite. Overall, country rock and pegmatite fractions will be about the same amount of each. Shaft sinking will cost $45 per foot and drifting $35 per foot, which is in line with similar projects in the area.

Recommendation: The Nonmetallic Minerals Division believes that the deposit has sufficient merit to warrant exploration and therefore along with the commodity specialist of the Bureau of Mines and the Geological Survey concurs in the Field Team's recommendation for a unit cost contract as outlined in the report.

SEP 1 6 1955 600

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

Subject: Docket No. DMEA-3904 - Mica
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe 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.

Before presenting the contract to the Operator for execution, as instructed in our letter of August 8, 1955, please indicate on the sketch attached to each copy of the contract a tie-in between the proposed work and the property lines.

If the contract meets with your approval present it to the Operator for approval and signature. Please explain to the Operator 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 Operator and can not 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 16, 1955, and from Mr. W. F. Dietrich of the Bureau of Mines, dated August 22, 1955, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

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

/s/ N. E. Nelson
Member, Geological Survey

Enclosures 10

WCAnderson:gad 9/15/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

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

August 22, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3904 (mica)

Applicant: Shaffer Mining Co., Inc.

Name and Location of Property: Shaffer Mine, Ashe County, N. C.

Date of Field Team Report: 7/27/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/15/55

Field Team Recommendation: Recommend a unit cost exploration program at a cost of $7,100.00.

Comments:

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

2. The proposed program of exploration will determine value of ground in mine that previously has been reported as a producer of mica.

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

Signed

W. F. Dietrich

RECEIVED
AUG 22 1955

IN REPLY REFER TO:

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

August 16, 1955

Re: DMEA 3904
Shaffer Mining Co.
Shaffer Mine
Ashe Co., N. C.
$7,100 - Mica

Memorandum

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

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

Subject: Review of Field Team Report.

Unless the unrecorded production of this pegmatite greatly exceeded the known production the sampling is not encouraging. The yield of the pegmatite excavated, if the total production was recorded, probably did not exceed $3.00 per ton. May better material be found in the new shaft and drift.

I concur with the acceptance recommendation of the Field Team.

H. E. Nelson

H. E. Nelson

HENelson:iml
G-8/16/55

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

RECEIVED
AUG 17 1955

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

August 10, 1955

RECEIVED
AUG 12 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3904, (mica) Shaffer Mining Co., Elk Park, N. C.
Shaffer Mine, Ashe County, N. C.

Reference: Your field referral letter, Aug. 8, 1955

On August 8, we sent you the field examiners' report on the subject application, with nine copies of a sketch (scale 1" to 20') of the proposed work. On this scale, the property boundaries are 125 feet north of the edge of the sketch, 100 feet west of it, and more than 150 feet northeast of it along the regional strike. For that reason, property lines are not shown on the sketch.

However, the field examiners are satisfied that the area of the property is adequate for the proposed work and that the boundaries are far enough from the workings. If the applicant submits the requested data, we will forward it to you.

Robert A. Laurance
EXECUTIVE OFFICER
DMEA REGION V

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

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 8.10.55

REFERRED TO:

1. 600
2. Mr Simonds
3. Mr Anderson
4.

FOR:

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

REMARKS: Do we have info which locates existing working in relation to property boundaries? RER 8-10-55

Have written for these area

Check (X) before the items needing attention.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

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

RECEIVED
AUG 10 1955

August 8, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report, DMEA-3904 (mica) Shaffer Mining Co. Elk Park, N. C. Shaffer Mine, Ashe County, N. C.

Enclosed are four copies of the subject examination report and nine extra copies of the sketch. The examination was made without a referral, to avoid duplication of travel.

We agree with the recommendation for approval of a unit-cost contract as outlined in the report.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

Wm. A. Peck, for V. J. Lynch
U. S. Bureau of Mines

RAL/zm
cc:
Lynch
Shirley
Files

RECEIVED
AUG 10 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION BY FIELD TEAM

REGION V

On

DMEA-3904, SHAFFER MINE (mica)
Ashe 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 27, 1955

FIELD EXAMINATION REPORT
On
DMEA-3904, SHAFFER MINE (mica)

Applicants: Shaffer Mining Company, c/o George Nesbitt, Elk Park, N. C.

Mica is abundant at this deposit, although some of it is severly ruled and an estimated 50 percent contains more or less mineral stains in the form of small brown and black spots. It appears that the mica from the southwestern portion of the pegmatite contains less mineral stain than from the northeast end. Work is recommended, to be conducted on the southwest part of the pegmatite.

This deposit was examined July 27, 1955. Messrs. Lewis Aldridge and John Ellis accompanied the examiners on the inspection which required six hours.

The Shaffer (Goodman) Mine is a mile southeast of Beaver Creek and about 2.5 miles south of West Jefferson, Ashe County, N. C. Access is good at all times.

All of the applicants have had mica mining experience. Mr. Aldridge and Mr. Ellis are at present engaged in mining. All are competent to conduct the proposed project.

The applicants own the property, area of which is about 25.5 acres. The nearest property line is about 250 feet northeast of the 52-foot shaft.

Early history of mining at this place is not known. Apparently it was worked prior to 1890. From about 1896 to 1943 the Ashe Mining Co. began operation and worked intermittently until early 1944. Production during World War II was $2,522.22. Since that time a limited amount of work has been done by two different operators, with the applicants being the last operator.

Workings consist of an open cut about 140 feet long with a depth of 25 feet. A 52-foot inclined shaft has been sunk from the floor of the cut. The applicants cleaned out this shaft and drove the heading to the southwest from the 52-foot level. Work on the 32-foot lewel was done during World War II. Rock conditions on this level are very bad, having resulted in two fatal accidents during World War II. This stope probably extends further to the southwest than is shown on the attached map as the 65-foot filled shaft is reported to have cut the head of the stope. Additional muck-filled stopes extend northeast from the 52-foot shaft, but they are inaccessible.

This pegmatite trends N. 45 - 50° E and dips 70 - 75° SE. It is about 10 feet thick at the surface, whereas reports are that it is only 2 - 3 feet in the short heading dirven southwest from the 52-foot shaft. On the 32-foot level the pegmatite southwest of the shaft is split by a two-foot band of wall rock. The pegmatite is conformable to the mica gneiss wall rock which is adjacent to it. Farther away hornblende gneiss occurs. The pegmatite is composed of plagioclase, pink perthite, quartz, muscovite, garnet, beryl, and uraninite (?), listed in order of abundance. It is relatively coarse grained.

Zoning is poorly developed. The core is composed of perthite and quartz, with mica in association with plagioclase in the wall zone. Mica is abundant and occurs in moderately large sizes; however, most of it is more or less ruled. The mica is hard, flat, free splitting, and non-ruby in color. About half of the mica contains brown and black spots; however, the quality of the clear material is excellent.

During World War II, 430.17 pounds of mica were sold to the Colonial Mica Corporation for $2,522.22 Approximately 65 per cent of this material was "stained or better". No information is available regarding earlier production.

This body appears to be a tabular deposit which dips at a high angle to the southeast and rakes at a moderate angle to the southwest. It is exposed along its strike for about 120 feet in the open cut and underground openings. Qualtiy of the mica obtained from the 25-foot shaft appears to be better than that obtained elsewhere, suggesting that if additional work is undertaken it should be in this part of the deposit.

The examiners believe that the deposit has possibilities for the discovery of a worthwhile mica deposit. We recommend that an 80-foot shaft be sunk at the approximate position shown on the attached map. This will allow all level work from the shaft to be well under previous works. A total of 100 feet of drifts are recommended. Necessary storage facilities are on the property.

Estimated Cost:

Sink 80-foot, 2-compartment 5' x 7' shaft, timbered where necessary (50 shifts)

Labor:	
1 - Miner @ $1.50/hr	$600.00
1 - Hoistman @ $1.25/hr.	500.00
1 - Laborer @ $1.00/hr.	400.00
Equipment (rental)	
Compressor and drill @ $220/ Mo.	550.00
Pump (1 month @ $20/Mo.)	20.00
Hoist @ $50/Mo.	125.00

Supplies:

Explosives	$250.00	
Drill steel	100.00	
Gasoline and oil	110.00	
Timber @ $65/M	325.00	
Miscellaneous	200.00	
Compensation insurance	150.00	
Unemployment insurance & Soc. Sec.	60.00	
Sales Tax	30.00	$3,600.00

Drive 100 feet of drifts (50 shifts).

Labor:

1 - Miner @ $1.50/hr.	600.00	
1 - Hoistman @ $1.25/hr.	500.00	
1 - Laborer @ $1.00/hr.	400.00	

Equipment(rental)

Compressor, pump, drill and jackleg @ $250/Mo.	625.00	
Hoist @ $50/Mo.	125.00	

Supplies:

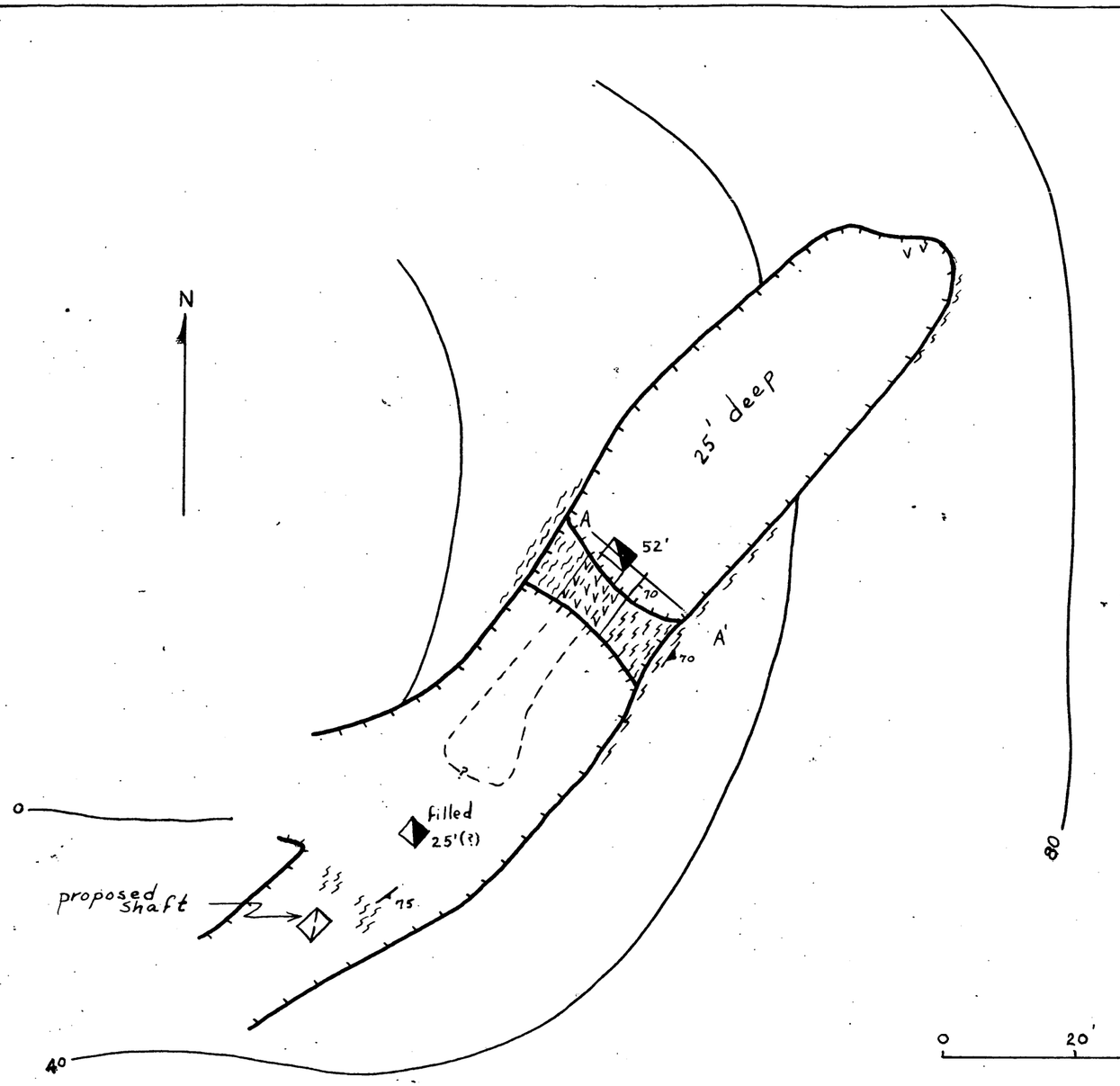
Explosives	350.00	
Drill steel	150.00	
Gasoline and oil	175.00	
Small tools and pipe	125.00	
Miscellaneous	210.00	
Compensation Insurance	150.00	
Unemployment insurance	60.00	
Sales tax	30.00	$3,500.00

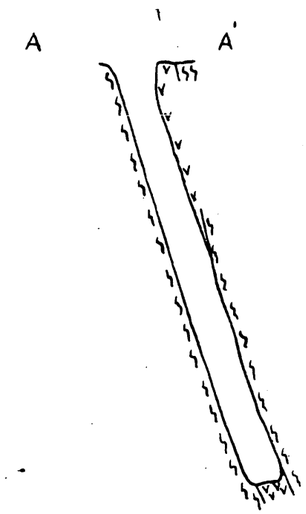
Estimated Total Cost..... $7,100.00

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

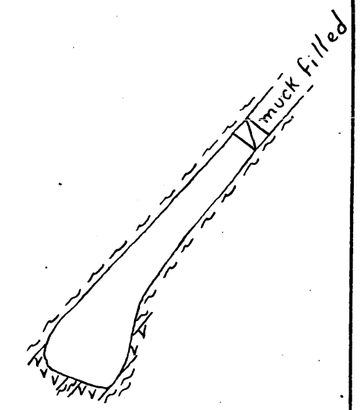
L. J. Shirley, Mining Engineer
U. S. B. M.

August 5, 1955

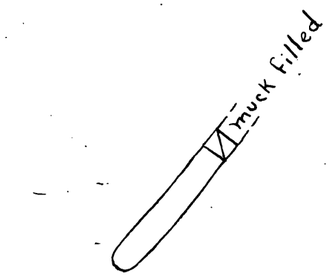




SECTION A-A'



PLAN 32'-LEVEL



PLAN 52'-LEVEL

LEGEND

- ~~ biotite gneiss & hornblende gneiss
- v v pegmatite
- cut
- contact
- strike & dip of foliation
- strike & dip of contact
- --- outline of underground works

0 20' 40'

SKETCH OF
SHAFFER MINE
Ashe Co., N.C.

DMEA-3904 (mica)

July 27, 1955

600

AUG - 8 1955

Shaffer Mining Company, Inc.
C/o George Nesbitt
Elk Park, North Carolina

Re: Docket No. DMEA-3904 - Mica
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe County, North Carolina

Gentlemen:

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

To continue with the processing of your application, we require a more complete description of the property. Please furnish a legal description that gives the boundary bearings and distances of the 25½ acre plot of land which you propose to explore. When plotted, these bearings and distances must result in a closure. It is also necessary that you submit to the Executive Officer, Region V, whose address is given above, a property map or sketch drawn to scale which shows the relationship of pegmatite exposures and proposed exploration work to the property boundaries.

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

Sincerely yours,

C. G. Mittendorf

Administrator

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

AUG - 8 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-3904 - Mica
Shaffer Mining Company, Inc.
Shaffer Mine
Ashe 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 N. E. Nelson of the Geological Survey, dated July 27, 1955, and from W. F. Dietrich of the Bureau of Mines, dated August 1, 1955, are enclosed for your information.

If your office recommends an exploration program approved by the applicant, please furnish the necessary information to draft a contract. In this connection, nine copies of a map showing the pegmatite exposures and proposed work in relation to the property lines will be required.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

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

/s/ N. E. Nelson
Member, Geological Survey

Enclosures 4

WCAnderson:pk 8/5/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

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

RECEIVED
AUG - 1 1955

August 1, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA- 3904 (mica)

Applicant: Shaffer Mining Co., Inc.

Name and Location of Property: Shaffer Mine
Ashe County, North Carolina

Date Application Rec'd by Br. of Ceramic & Fertilizer Materials: July 26, 1955

Comments:

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

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.

RECEIVED
JUL 29 1955

July 27, 1955

Re: DMEA 3904
Shaffer Mining Co., Inc.
Shaffer Mine
Ashe Co., North Carolina
$6,000 - Mica

Memorandum

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

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

Subject: Review of application

The property must be seen in order to evaluate the estimate of the applicant that there is an abundance of ore and that it contains a high grade ruby mica. An inspection by the Field Team is therefore recommended.

N. E. Nelson

N. E. Nelson

NENelson:iml

G-7/27/55

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