600

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Howard Smith

Ingalls, North Carolina

pertaining to Exploration Project Contract No. Idm-2872, Docket No. DMEA-3930, for the months of November 1955 to January 1956, inclusive, covering a project for the exploration of mica on property, known as Howard Smith Prospect located in Avery 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 reasons:

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		$4,164.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$4,164.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Three thousand one hundred twenty-three and no/100 Dollars

"$3,123.00"

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.

C. E. Fisher

C. E. Fisher, Auditor

February 23, 1956

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

RECEIVED
OCT 13 1955

October 11, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: Signed Contract - Idm-E872, DMEA-3930, Howard Smith. (mica) Ingalls, N. C. Howard Smith Prospect.

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

V. J. Lynch,

ZM.
cc:
Lynch
Shirley
Files

Division copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3930

Commodity Mica

Contract No. Idm-E 872

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

It is agreed this SEP 15 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] .....

HOWARD SMITH

, whose mailing address is Ingalls

North Carolina

, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Co-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: .....

Consent to lien of co-owner

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of [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, [illegible]

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 75 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.

Howard Smith

HOWARD SMITH

(Operator)

THE UNITED STATES OF AMERICA

By C O Mitteudorf

Administrator, Defense Minerals Exploration Administration

Approved
Appd. Sol. Off.
Approved
F Kennedy
Talbert

BY

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

.....

[CORPORATE SEAL]

Selfridge

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

EXPLORATION PROJECT CONTRACT
HOWARD SMITH
DOCKET NO. DMA-3930

ANNEX I

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

In Tee River Township, adjoining the lands of Sam Ingram and others, and BEGINNING on a locust standing in Samuel Ingram's line and his corner and runs north 48 poles to a locust, an old corner; thence north 41 degrees east 47 poles to a stake, an old corner; thence south 12 degrees east 56 poles to a hickory; thence south 40 degrees east 101 poles to a maple; thence south 38 poles to a stake; thence south 65 degrees west 16 poles to a black gum, Howell's corner; thence with Howell's line north 55 degrees west 46 poles to a small chestnut oak; thence west 43 poles to a stake in Samuel Ingram's line; thence north 34 degrees west 55 poles to a chestnut; thence west with Samuel Ingram's line to the BEGINNING, containing 40 acres, more or less.

EXPLORATION PROJECT CONTRACT
HOWARD SMITH
DOCKET NO. DMEA - 3930

EXHIBIT "A"

Description of the Work

The location of the exploration work is shown in part on the map entitled, "Sketch of Howard Smith Prospect, Avery Co., N.C., DMEA-3930 (mica)" attached hereto and made a part hereof.

The work is divided into three stages, as indicated below. The Operator shall perform Stage I, and shall perform as much of Stages II and III as the Government approves in writing.

All workings shall be timbered as necessary; and the location, inclination, direction, and extent of all work are subject to the approval of the Government.

Stage I

Prospect No. 1.

With a D-4 or equivalent bulldozer, extend the existing trench to the southwest. The new cut shall be about 80 feet long by 15 feet wide by 6 feet deep.

Prospect No. 2.

With a D-4 or equivalent bulldozer, clean out and extend the existing trench to the southwest. The new cut shall be about 100 feet long by 15 feet wide by 6 feet deep.

Stage II

1. With a D-4 or equivalent bulldozer, construct 300 linear feet of access road.

2. Construct:

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

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

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

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

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

Stage III

Prospect No. 1.

(a) At a point approved by the Government, sink a 40-foot incline shaft on the pegmatite. The shaft shall have two compartments and shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

(b) From the shaft, drive 60 feet of drifts on the pegmatite. The drifts shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

Prospect No. 2.

(a) At a point approved by the Government, sink a 40-foot incline shaft on the pegmatite. The shaft shall have two compartments and shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

(b) From the shaft, drive 60 feet of drifts on the pegmatite. The drifts shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

Fixed Unit Costs

Stage I

Prospect No. 1.

Bulldozing 5 hours @ $10.00 per hour	$50.00

Prospect No. 2.

Bulldozing 7 hours @ $10.00 per hour	70.00
Estimated total cost Stage I	$120.00

Stage II

Bulldozing 3 hours @ $10.00 per hour	$30.00
Construct:	
Toolhouse 1/	75.00
Powder magazine 1/	25.00
Exploder magazine 1/	14.00
Estimated total cost Stage II	$144.00

Stage III

Prospect No. 1.

Shaft sinking 40 feet @ $45.00 per foot	$1800.00
Drifting 60 feet @ $35.00 per foot	2100.00

Prospect No. 2.

Shaft sinking 40 feet @ $45.00 per foot	1800.00
Drifting 60 feet @ $35.00 per foot	2100.00
Estimated total cost Stage III	$7800.00
Estimated total cost of project	8064.00
Government participation @ 75%	6048.00

1/ The completed work constitutes the unit

MF-203
Revised March 24, 1955

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

RECEIVED
AUG - 1 1955

CONSENT TO LIEN

To the United States of America:

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

_____

_____

_____

_____,

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

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

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

_____

_____

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

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

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

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

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

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 27th day of July, 1955.

Howard Smith [Seal]

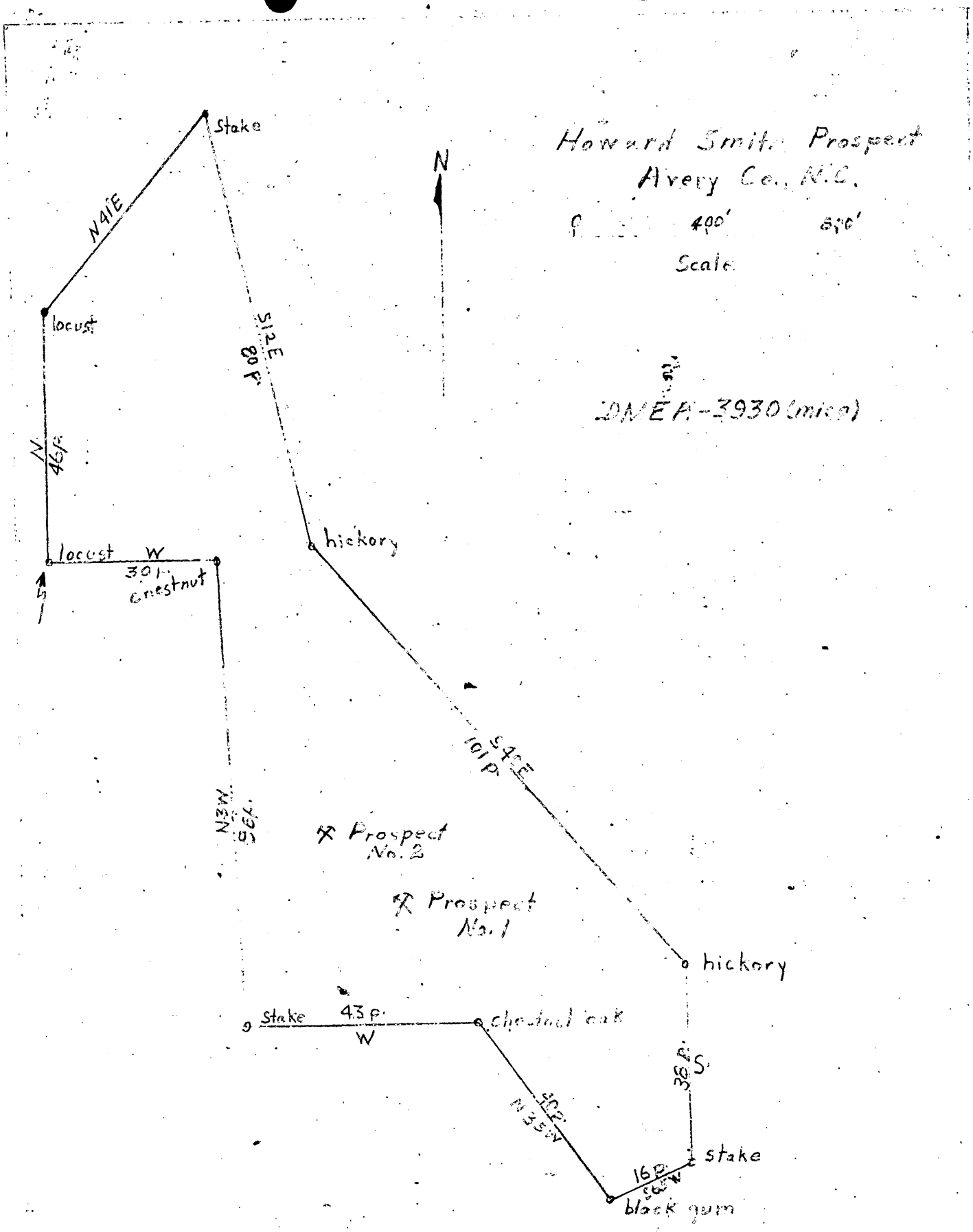
Eileen L. Smith [Seal]

_____ [Seal]

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

_____

[Corporate Seal]


Howard Smith Prospect
Avery Co., N.C.
0 400' 800'
Scale
N
DNEA-3930 (mica)
Stake
N41E
locust
S12E
80 P.
N
46 P.
locust
W
30 P.
chestnut
hickory
S4°E
101 P.
N3W
56 P.
Prospect No. 2
Prospect No. 1
hickory
Stake
43 P.
W
chestnut oak
40 P.
N35W
36 P.
S.
stake
16 P.
W
black gum

600

SEP 20 1956

Mr. Howard Smith

Tagalla, North Carolina

Re: Docket No. DMEA-9930-nice
Howard Smith
Howard Smith Prospect
Avery County, North Carolina
Contract No. Ide-8372

Dear Mr. Smith:

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. Mittendorf

Administrator

JHopkins:ms 9/18/56
Copy to: Docket
Field Team, Region V
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File
Eileen L. Smith (co-owner of land)

600

SEP 20 1956

Mrs. Eileen L. Smith

Ingalls, North Carolina

Re: Docket No. DMA-9990-mlm
Howard Smith
Howard Smith Prospect
Avery County, North Carolina
Contract No. IGm-8872

Dear Mrs. Smith:

Reference is made to the Owner's Consent to Lien which you executed on July 27, 1955, in connection with the DMA contract for an exploration project on your property located in Avery County, North Carolina.

For your information, there is enclosed a copy of our letter of this date to Mr. Howard Smith advising that the Government retains no claim or lien against the property described in the contract or on any future production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

JHopkins:ms 9/19/56

Copy to: Docket
Field Team, Region V
Mr. Killingsard, 5222
Mr. Dietrich, 3061
R. Hook
Admr. R. File

September 19, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3930-mica
   Howard Smith
   Howard Smith Prospect
   Avery County, North Carolina
   Contract No. Idm-2872

   Operator: Howard Smith
   Ingalls, North Carolina
   Operator's Property Rights:
   Owner

2. Contract: dated September 15, 1955

   (a) Work Authorized:

   Stage I - Prospect I

Bulldozing 5 hrs. @ $10.00/hr.	$ 50.00
Prospect II	
Bulldozing 7 hrs. @ $10.00/hr.	70.00
Stage II - Prospects I and II	
Bulldozing 3 hrs. @ 10.00/hr.	30.00
Construction of Buildings	114.00
Stage III - Prospect I	
Shaft Sinking 40 ft. @ $45.00/ft.	1,800.00
Drifting 60 ft. @ $35.00/ft.	2,100.00
Prospect II	
Shaft Sinking 40 ft. @ $45.00/ft.	1,800.00
Drifting 60 ft. @ $35.00/ft.	2,100.00
Total Estimated Cost of Project	$8,064.00

   (b) Amendments - none

   (c) Work Completed:

Bulldozing Prospects I and II and Access Road	$ 150.00
Shaft Sinking 40 ft. @ $45.00/ft. (Prospect II)	1,800.00
Drifting 60 ft. @ $35.00/ft. (Prospect II)	2,100.00
Building Construction	114.00
Total Cost of Project	$4,164.00

Work began November 12, 1955 and was completed January 31, 1956.
Final Field Team Report dated February 24, 1956.
Final Operator's Report dated February 2, 1956.

3. Audit: Report of Review dated February 23, 1956

Total Cost as billed by the Operator	$4,164.00
Exceptions	none
Total Accepted Cost	$4,164.00
Government participation	$3,123.00

4. Certification of Discovery - none issued

5. Comments:

Two pegmatitics have recently been discovered on this property and have been uncovered by bulldozer trenching. Both showed premise of yielding mica of strategic grade.

Geologic Premise on which work was based:

Pegmatite No. 1 is 6" to 2 feet thick and is conformable to enclosing mica schist. It contains mica that is green-colored, flat, and relatively clear. About 75# were obtained by bulldozing. No zoning is apparent.

Pegmatite No. 2 is located 150 feet from No. 1. It is 3' to 10' thick; is semi-weathered and lies conformable to country rock. It is similar in composition to No. 1 and muscovite is more abundant.

Geologic criteria developed during the project:

Except at the portal and end of N 30° E drift, the incline and drifts were driven in fine-grained, unzoned, feldspathic pegmatite lense with very little quartz or strategic muscovite. Percentage of muscovite to pegmatite in the incline is almost nil. In the drift it is about 1 in 20.

Muscovite is green, small (2" wide), some unstained and flat.

Country rock is highly weathered mica gneiss.

Of the total pegmatite the "mine-run" block recovery is about .03%.

The Field Team estimated production during the project at 250# valued at $150.00. However, in a memorandum dated June 13, 1956 in response to an inquiry from this office, they report no sales and consequently no royalties are due the Government.

There are no reserves.

Future Possibilities:

No further work is warranted.

Recommendations:

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

The Nonmetallic Minerals Division and the Commodity Members of the Geological Survey and Bureau of Mines concur in this recommendation.

James Hopkins

JHopkins:ms 9/19/56
Copy to: Mr. Houk
Admr. R. File

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
ROOM 13 POST OFFICE BUILDING
KNOXVILLE, 2, TENNESSEE
June 13, 1956

Memorandum

To: Operating Committee, DMEA -Washington

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

Subject: Production from Completed Uncertified Projects

Reference is made to your letter of May 23, requesting information on production and royalties due from several uncertified project:

Following is all the information we have been able to obtain from a check of the Spruce Pine Depot records and from the Operators:

Docket No.	Date of Sale	Lbs.	Value
DMEA-3726	11/15/55	29.81	$243.06
DMEA-3801	none		
DMEA-3815			
DMEA-3926			
DMEA-3930			

In most of these cases the small amount of mica recovered during the project was not good enough to make a sale. It appears that royalty is due only on DMEA-3726, Idm-E813, from which $12.15 is due.

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

V. J. Lynch, Member
Bureau of Mines

copied by ms 6/15/56

RECEIVED
June 15, 1956

MAY 21 1956

Mr. Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region V
Room 23, Post Office Building
Knoxville, 2, Tennessee

Dear Mr. Lawrence:

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

Docket No. DMEA	Contract No. DMA	Production during Project	Value of Production	Royalties Due	Royalties Paid	End of Certification (6 mos. from date Final Report)
3926	[illegible]	1100 lbs.	Unknown	?	None	April 27, 1956
3801	[illegible]	100 lbs.	Unknown	?	None	March 27, 1956
3815	[illegible]	40 lbs.	Unknown	?	None	April 30, 1956
3926	[illegible]	200 lbs.	$112.00	$5.60	None	Aug. 14, 1956
3990	[illegible]	250 lbs.	$175.00 (about)	$8.75	None	June 30, 1956

In order to close out these contracts it will be appreciated if you will take whatever action you deem necessary for collection of the unpaid royalties.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey

JHughes:ms 5/17/56
Copy to: Docket(5)
Operating Committee
Mr. Shumaker
Mr. Kiilsgaard, 3922
Mr. Dietrich, 3641
Mr. Hauk(5)
Admr. R. File

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

RECEIVED
MAR 14 1956

March 14, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3930 (mica)

Applicant: Howard Smith

Name and Location of Property: Howard Smith Prospect, Avery Co., N. C.

Contract Number: Idm-E 872

Date of Field Team Report: 2/24/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/5/56

Field Team Recommendation: Recommend that no certification of discovery be made.

Comments:

1. About 250 pounds of small, green, "mine-run block" mica was recovered during exploration.
2. Sufficient work has been done to indicate the pegmatite is not suitable for producing large quantities of strategic mica.
3. Expenditures -

Total approved	$8,064.00
Total cost	4,164.00
Gov't. share of the cost	3,123.00
Value of production during operation	175.00 (est.)

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

Signed

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAR - 6 1956

March 6, 1956

Re: DMEA 3930 Idm-2872
Howard Smith
Howard Smith prospect 1A2
Avery County, N. C.
$8,063.00 - Mica

Memorandum

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

From: N. E. Nelson, Geological Survey

Subject: Review of Final Field Team report.

The expenditure of $8,063.00 in a 3-stage program was approved for work on 2 pegmatites.

The bulldozing work on prospect No. 1 showed it to be barren of mica but No. 2 appeared to be worth further work. A 17° incline shaft was sunk 40 feet and 60 feet of drift driven from it at a total cost of $4,164.00 of which the Government's share was $3,123.00.

Mica to the value of $175.00 (est.) was recovered. All work was in a low-quartz feldspathic pegmatite.

In view of the unfavorable results of the work and the unlikely appearance of the pegmatite the issuance of a certification is not recommended by the examiners and the Field Team. I concur with that recommendation.

N. E. Nelson

N. E. Nelson

NENelson:jeh
3/6/56
cc: Director's reading 4212
Branch reading 4212
DMEA (3)
Docket file
W.F.Dietrich 3061

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

RECEIVED
FEB 29 1956

February 28, 1956

Memorandum

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

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

Subject: Field Team Final Report, DMEA-3930, Idm-E872 (Mica)
Howard Smith, Ingalls, North Carolina
Howard Smith Prospect, Avery County, North Carolina

Enclosed are four copies of the subject report.

We agree with the recommendation that it should not be certified.

A small amount of royalty (about $8.75) is due. There is usually a considerable delay before the Operator sells and is paid for his mica when only a small amount is recovered, but we expect to receive this royalty when the Operator receives his payment.

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

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

RAL/mg
Enclosures 4
cc - Operating Committee (2)
Mr. V. J. Lynch
Mr. L. E. Shirley
Files

Reviewed by
DMEA OPERATING COMMITTEE
3-5-56
(date)

RECEIVED
FEB 29 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM # REGION V

On

DMEA-3930, Idm-E872, HOWARD SMITH PROSPECT
Avery County, North Carolina (mica)

By

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

and

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

February 24, 1956

Reviewed by
DMEA OPERATING COMMITTEE
3-5-56
(date)

FINAL REPORT

On

RECEIVED
FEB 2 0 1956

DMEA-3930, Idm-E872, HOWARD SMITH PROSPECT
(mica)

Operator: Howard Smith, Ingalls, North Carolina

Summary

Approximately 250 pounds of small, green, "mine-run block" mica was recovered from the bulldozing at the incline portal and in the N 30° E and N 30° W drifts. Mica is very sparse in a relatively barren pegmatite. No reserves are indicated or inferred, and no further exploratory work is warranted. The Field Examiners do not recommend certification.

Introduction

Location:

The Howard Smith Prospect is about 1.15 airline miles S. 43° W of Pyatte, Avery County, North Carolina on the eastern slope of Buck Hill Mountain at about 3200 feet elevation.

Final Inspection:

A final inspection was made January 31, 1956. The Operator was not present, as he had completed work under the contract and apparently does not intend to do any further work. He completed the work as outlined in the contract in a satisfactory manner.

Mine Workings:

Work began November 12, 1955, and ended by January 31, 1956.

The mine, on January 31, 1956 consisted of a bulldozed cut (80' x 15' x 6') at Prospect No.1 (ended work at No.1 with bulldozing), a bulldozed cut (100' x 15' x 6') at Prospect No. 2, an inclined shaft 40 feet long on a -17° incline, in a N 50° W direction, and 60 feet of drifts. A 13 ft drift was

extended in pegmatite N 50° W from the bottom of the incline. From the 40-foot point in the incline a drift extends 17 ft N 30° E where it intersects the contact of the pegmatite and soft weathered mica gneiss. The drift then turns and follows the footwall contact for 8 ft in a N 30° W direction. Opposite the N 30° E drift at the 40 ft point in the incline, a drift extends 25 ft in a S 85° W (general direction) from the incline. The drifts total 64 ft (4 ft at Operator's expense), and the incline shaft totals 40 ft. The shaft was timbered near the portal. All work was in pegmatite.

Approximately 300 ft of access road was constructed by bulldozing during Stage II. Surface facilities include a powder and exploder magazines and a toolhouse. All were constructed under the contract.

Prospect No.2 at which the incline was driven, is about 150 ft up-slope from Prospect No.1.

Geology

Pegmatite:

Except at the portal and end of the N 30° E drift, the incline and drifts were driven in a fine-grained, unzoned, feldspathic pegmatite lense, with very little quartz or strategic muscovite. The rest was in medium grained pegmatite. It is soft, and composed mainly of kaolinized plagioclase with some lineated bands of sercite and biotite, small lineated masses of buff to pink perthite, and small intermixed quartz and muscovite. The percentage of muscovite to pegmatite in the incline was almost nil; however, in the N 30° E drift at the contact zone, muscovite comprised about 5% of the pegmatite. The muscovite did not persist along that zone in the N 30° W direction. Very little muscovite was recovered from the S 85° W drift. An estimate may be given as to relative percentage of "run-of-mine" book mica to the entire 3,640

cubic feet of pegmatite removed.

The percentage would be .03%; with a recovery from that work in the shaft and drifts of 140 lbs.

Country Rock:

Country rock consists of a highly weathered mica gneiss. It has weathered to a red-brown micaceous soil.

Muscovite:

Muscovite is green, small (2" wide) some unstained, and flat. About 250 lbs. of "mine-run-block" were recovered from the cut at the portal and near the K- feldspar, coarse-grained wall zone in the N 30° E drift. The Operator states that he recovered only 140 lbs of small green "mine-run-block" from the N 30° E drift and N 30° W drift. Of the total pegmatite recoved the "mine-run-block" recovery factor is about .03%.

Reserves

Reserves are negligible. Mica is not abundant enough to sustain an economic operation.

Conclusions and Recommendations

No equipment was purchased by the Government. Muscovite mica of strategic grade is lacking in quantity. About 250 lbs of "mine-run-block" mica produced does not indicate that a discovery has been made. No further exploratory work is warranted. The Field Examiners recommend that the mine not be certified.

Expenditures

(a)	Total approved	$8,064.00
(b)	Cost of project	4,164.00
(c)	Government's share of cost	3,123.00
(d)	" " unexpended	2,925.00
(e)	Value of production (esti.)	175.00
(f)	Royalty paid	None

February 24, 1956

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

and

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

RECEIVED
FEB 16 1956

INTERIM REPORT

DMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

Operator: Howard Smith, Ingalls, N. C.

Location: 1.5 airline miles S. 43° W of Pyatte, Avery County, N. C.

This contract has been completed in a satisfactory manner, as of the Field Examiners last inspection, January 31, 1956.

Two parallel NE - SW trending bulldozer trenches were made as part of Stage I (Prospects 1 and 2). Stages II and III were completed on Prospect No. 2, which lay 150 feet up-slope from Prospect No. 1. Stage II consisted of bulldozing approximately 1000 feet of entry road, constructing a tool house, powder and exploder magazines.

Stage III was completed at Prospect No. 2 trench and consisted of 40 feet of incline and 64 feet of drift (4 ft at Operator's expense). The incline was driven in the upslope wall of No. 2 trench, in the NE termination of a 10-feet thick soft weathered pegmatite lense. It was driven on a - 17° incline in a N 50° W direction for a distance of 40 feet entirely in pegmatite. Thirteen feet of drift were driven in the same direction. At 40 feet, on the incline, a drift was driven N 30° E for a distance of 17 feet, or until it intersected the foot and hanging wall contacts (soft weathered mica gneiss). The footwall contact was followed for 9 feet in a N 30° W direction. Twenty-five feet of drift was then driven in a S 85° W direction from the incline, opposite the N 30° E drift.

Except at the portal and end of the N 30° E drift, all incline and drift were driven in a fine grain feldspathic pegmatite, with very little

quartz or strategic muscovite. Certification of this project will not be recommended.

The pegmatite is principally soft, kaolinized, plagioclase feldspar, with considerable fine lineated bands of sericite and biotite, small lineated masses of buff to pink orthoclase and perthite, and some small disseminated quartz. An occasional small thin books of flat unstained green muscovite would be found associated with small disseminated quartz masses. The inter-pegmatite foliation (sericite, biotite) is more or less parallel to the longitudional axis of the pegmatite and was followed roughly by the incline and drifts. There is a 2 to 4 foot coarse grained pegmatite zone lying along the contacts in the N 30° E heading and along the N 30° W drift. The persistant sericite, biotite lineation is abruptly truncated at the edge of the coarse grained wall zone. Quartz and strategic muscovite are much more abundant in this zone, which pinched out abruptly in the N 30° W heading. Approximately 250 pounds of small mine-run block mica were recovered from the bulldozing at Prospect No. 2, in the incline portal (contact zone), and in the N 30° E and N 30° W drifts (contact zone).

<u>January 31, 1956 - Inspected.</u>

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

and

L. E. Shirley, Mining Engineer

P. O. Box 217
February 8, 1956

Memorandum

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

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

Subject: Monthly reports and vouchers

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

Idm-E-872
Howard Smith
Docket No. DMEA-3930
3rd and final- month of January
Completion Date Prospect 2 of Stage III- 1/31/56
Amount $787.50

Idm-E-881
Branch Mining Company
Docket No. DMEA-3986
4th payment - month of January
Amount $607.50

Idm-E-882
J. R. Beam and John Phillips
Docket No. DMEA-3924
2nd payment - month of January
Amount $1200.00

Idm-E-900
Sam G. Smith
Docket No. DMEA-3942
1st payment - month of January
Starting Date: 1-4-56
Amount $1188.00

Idm-E-912
Howard Boone
Docket No. DMEA-4021
1st payment - month of January
Starting Date: 1-30-56
Amount $93.75

Helen R. Miller

Attachments
/hhm
Copies to R. A. Lawrence
V. J. Lynch
Morris files
Dam 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

RECEIVED
FEB 13 1956

Month of January, 1956 Docket No. DMEA 3930 Contract No. Idm-R 872
Operator's Name HOWARD SMITH Minerals MICA
Address INGALLS, N.C.
Contract Amount, $ 8,064.00 Government Participation: 75 % Amount, $ 6,048.00

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 15 Hrs.		150.00	150.00			
Crosscutting						
Drifting (30')	1050.00	1050.00	2100.00			
Incline Shaft		1800.00	1800.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track Tool House		75.00	75.00			
Powder Magazine		25.00	25.00			
Explsd. Magazine		14.00	14.00			
(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	1050.00	3114.00	4164.00	1050.00	3114.00	4164.00

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

Date 2-2-56 *Payee Howard Smith

Per Howard Smith Title Operator

*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:

$ 787.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date FEB 8 1956 Vou. No.

(See other side)

262.50

(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. E872 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist USGS Date 2/6/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date FEB 7 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 6 195 Docket No. DMEA 3930 Contract No. Idm-E 872

Operator's Name HOWARD SMITH Minerals Mica

Address HIGGINS, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1050.00	30	2100.00	60	35.00	60	35.00
Crosscutting								
Raising Incline	Ft.			1800.00	40	45.00	40	45.00
Shafts Bulldozing	Hr.			150.00	15	10.00	15	10.00
Winzes								
Drilling: Core								
Churn								
Tool House	Each			75.00	1	75.00	1	75.00
Stripping Powder Magz.	Each			25.00	1	25.00	1	25.00
Trenching Explod. Magz.	Each			14.00	1	14.00	1	14.00
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1050.00		4164.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1050.00		4164.00				

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 2-2-56 Operator Howard Smith

Per Howard Smith Title Operator

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)

J. C. Berryman
Geologist USGS
2/6/56

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

RECEIVED
FEB 13 1956

OPERATORS MONTHLY REPORT OF PROGRESS

RICHARD SMITH
INGALLS, N.C.

DMRA 3930 MICA
CONTRACT NO. IC-R 872

Work Accomplished Month of January 1956 Work Finished.

Jan. 16- Mucked and cleaned up mine, drilled.

" 17- Visited by field Men.

" 18- Drilled, shot and Mucked.

" 19- Drilled, Shot, mucked, a little flint in heading.

" 20- Drilled, shot and mucked.

" 23- Mucked out, Drilled and shot, vein harder in heading.

" 24- Drilled, shot and mucked.

" 25- Drilled, shot and mucked.

" 26- Drilled, shot and mucked.

" 27- Drilled, shot and mucked.

" 31- Finished up Stage II, II, and prospect # 2 of Stage III.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 425 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON

RECEIVED
FEB 13 1956

February 6, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Operator's Final Reports

Enclosed herewith are four copies each of the Operator's final reports on the following projects:

DMEA-3822, Idm-E849, B lack Bull Mine

DMEA-3930, Idm-E872, Howard Smith

While neither of these meets the standards of a geologic and engineering report, we are accepting them as the best obtainable under the circumstances.

Robert A. Laurence

RAL/sm
cc:
Lynch
Files

C O P Y

RECEIVED

FEB 13 1956

HOWARD SMITH

INGALLS, N. C.

February 2, 1956

Mr. Robert A. Laurence
U. S. Department of the Interior
Executive Officer, DMEA Field Team
Room 13, Post Office Building
Knoxville 2, Tennessee

Dear Sir:

Enclosed you will find the final report on Howard Smith, Contract No. Idm-E872 on Stages I, II and Prospect #2 stage III.

Began operations on 12th day of November, 1955. Started drilling on incline in hard vein and rock. Pulled 40 feet with vien spreading. Turned north from above incline shaft and drilled and pulled 35 feet with vein harder in the bottom and heading.

Recovered around 140 pounds of small mica, then turned south and pulled 30 feet. The last drilling was harder as it was in small flint.

I have on hand about 140 pounds of mica which I will work out and sell. When this mica is sold to the U. S. Depot in Spruce Pine, N. C. I will mail your check and invoices of sale.

Very truly

Howard Smith

Copied by sm.
2/7/56
cc:
Finance Office-3
Lynch
Peyton-4
Files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
PAYMENTS K- 80

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
JAN 20 1956

Month of Dec., 1955 Docket No. DMEA 3950 Contract No. Ida-2 872
Operator's Name Howard Smith Minerals Mica
Address Ingalls, N. C.
Contract Amount, $ 3064.00 Government Participation: 75 % Amount, $ 6013.00

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 15 Hrs.		150.00	150.00			
Crosscutting						
Drifting (30')	1050.00		1050.00			
Incline Short (5')	225.00	1375.00	1600.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Truck Tool House		75.00	75.00			
Powder Magazine		25.00	25.00			
Exploder Magazine		14.00	14.00			
(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	1275.00	1839.00	3114.00	1275.00	1839.00	3114.00

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

Date 1-18-56 *Payee Howard Smith

Per Howard Smith Title Operator

*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:

$ 956.25

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JAN 18 1956 Vou. No. [illegible]

(See other side)

318.75

(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. E872 in accordance with the terms of the contract.

Signature N. J. Lynch Title Mining Eng. Date 1-17-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date JAN 17 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

RECEIVED
JAN 20 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec. 195 5 Docket No. DMEA 3930 Contract No. Idm-# 872
Operator's Name Howard Smith Minerals Mica
Address Ingalls

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	1050.00	30	1050.00	30	35.00	60	35.00
Crosscutting								
Raising								
Shafts Incline(5')	Ft.	225.00	5	1800.00	40	45.00	40	45.00
Winzes Bulldozing	Hr.			150.00	15	10.00	15	10.00
Drilling: Core								
Churn								
Auger								
Stripping Tool House	Each			75.00	1	75.00	1	75.00
Trenching Powder Mag.	Each			25.00	1	25.00	1	25.00
Test Pits Exploder Mag	Each			14.00	1	14.00	1	14.00
Roads and Trails								
Total Distributed Costs		1275.00		3114.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1275.00		3114.00				

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 1-13-55 Operator Howard Smith

Per Howard Smith Title Operator

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)

W. J. Lynch 1-17-56
U.S. Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
JAN 20 1956

OPERATORS MONTHLY REPORT OF PROGRESS

HOWARD SMITH
INGALLS, INC. N. C.

DMEA 3930 MICA
CONTRACT Idm-H 872

Work accomplished Month of December 1955 Work Continued

Dec. 5- Shot down, mucked out, shot down second round.

" 6- Mucked out heading, lowered down an incline, drilled, laid track vein looking better, a little mica showing, shot one round.

" 7- Drilled, shot and mucked out, laid track, vein showing little mica in right side of heading. worked on hoist motor.

" 8- Drilled, shot, mucked out. vein rock comming in bottom got about 8 pounds of mica.

" 9- Drilled, shot, mucked. vein Rock getting harder in bottom of headin

" 12- Drilled, shot, mucked. Vein looking better, got some little block mica.

" 13- Visited by Field mon, Drilled, shot one round, mucked out, turned right handed in cut.

" 19- Drilled, Shot, Mucked out. vein getting harder, flint came in.

" 20- Drilled, shot down, mucked out and hit bottom slate, flint came in heading, recovered about 140 pounds block mica.

14

RECEIVED
JAN 27 1956

INTERIM REPORT

DMEA-3930, Idm-5872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, N. C.

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

Drifting continues on this contract and now totals 39 feet; 13 feet N50°W, 17 feet N30°E, and 9 feet N30°W. The last 9 feet of drift has been controlled by intersection of wall rock, and a turn was made in the drift in order to follow ribs of quartz associated with good quality mica. The Operator was advised to discontinue the drift to the northwest because of the appearance of wall rock on the northeast side of the drift and also in the present face. Pegmatite material encountered is primarily feldspathic with occasional quartz and small green muscovite mica. Instructions were given for starting a new drift to the southwest that will explore an extension of the pegmatite in that direction. No recent mica recovery was reported. Progress on this contract is satisfactory.

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

INTERIM REPORT

IMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, N. C.

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

Drifting continues on this contract and is now at 30 feet. The last 17 feet has been driven N30°E in pegmatite which is primarily feldspathic containing some small scattered quartz. The present face shows a quartz rib 4 to 6 inches thick near the roof area and a quartz-mica zone near the floor. The Operator stated that an estimated 150 pounds of "mine-run" block mica was recovered from the two above described areas and that no mica was recovered where quartz was absent. Country rock or an inclusion has been encountered in the lower right corner of the present face. The Operator was advised to continue the drift with a slight change in direction. Progress on this contract is 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

Hopkins

INTERIM REPORT

DMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, N. C.

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

Inclined shaft sinking has been completed to a total depth of 40 feet on a -20° slope. Drifting is underway and has been advanced 13 feet in a N50°W direction. All work to date has been accomplished in pegmatite composed primarily of feldspar containing scattered small sizes of green muscovite mica. Small quartz is usually associated with the mica, but both quartz and mica occurrence has been sporadic, and more frequent in the footwall area. The operator was advised to discontinue the drift to the northwest and start drifts to the northeast and southwest from the incline. Negligible production has resulted from last sinking. 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

December 13, 1955

Hopkins

DEC 15 1955

INTERIM REPORT

DMEA-3899, Idm-5889 (mica) J. W. BOONE PROSPECT

OPERATOR: Paul Hoskins and Claude Hoskins, Route #3, Bakersville, N. C.

LOCATION: 2.8 airline miles S2°W of Bakersville, Mitchell Co., N. C.

Inclined shaft sinking is nearing completion on this contract and is now at a depth of 36 feet with some loose muck in the bottom. The pegmatite at this depth is about 3 feet thick and is conformable with the biotite gneiss wall rock which strikes N50°E and dips 57°SE. The body is composed of feldspar, considerable small quartz, and small muscovite mica. The operator was advised to continue the shaft to the total depth, including a sump, and turn-off a level to the northeast. Progress on this contract is satisfactory.

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

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

November 30, 1955

(Rev.)
(1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
ENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Nov., 1955 Docket No. DMEA 3930 RECEIVED Contract No. Idm-3 872
Operator's Name Howard Smith Minerals Mica
Address Ingalls, N. C.
Contract Amount, $8064.00 Government Participation: 75 % Amount, $6048.00

DEC 12 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 3 Units	190.00		190.00			
Crosscutting						
Drifting						
Shaft	1579.00		1579.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Tool House	75.00		75.00			
Powder Magazine	25.00		25.00			
Exploder Magazine	15.00		15.00			
(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	1839.00		1839.00	1839.00		1839.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 12-2-55 *Payee Howard Smith

Per Howard Smith Title Operator

*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:

$1379.25

Signature Helen R. Miller
(Authorized Certifying Officer)

Date DEC 8 1955 Vou. No. 21

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm 5872 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.G.M. Date Dec. 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date DEC 7 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

-104A
(52)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
DEC 12 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 1955 Docket No. DMEA 3930 Contract No. 10-[illegible]872
Operator's Name Howard Smith Minerals Mica
Address Ingalls, 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 Prosp. # 2 (a)	Foot	1575.00	35	1575.00	35	1575.	40	1800.00
Winzes								
Drilling: Core Tool Exp.	1	75.00	1	75.00	1	75.	1	75.00
Powder Magazine	1	25.00	1	25.00	1	25.	1	25.00
Blasting Magazine	1	14.00	1	14.00	1	14.	1	14.00
Stripping # 1-Bulldoz.								
Trenching Road	1	30.00	1	30.00	1	30.	1	30.00
Test Pits # 1-Bulldoz.								
Roads Mountain, 1	1	50.00	1	50.00	1	50.	1	50.00
Stg. # 1-Bulldoz.	1	70.00	1	70.00	1	70.	1	70.00
Prospect # 2								
TOTAL DISTRIBUTED COSTS		1839.00		1839.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1839.00		1839.00				

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 Howard Smith

Per Howard Smith Title Operator

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)

Lawrence E. Shirley
U.S.B.M Mining Engr.
Dec. 7, 1955

INSTRUCTIONS

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

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

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

GPO 872894

GR[redacted]NCO [redacted]OVINCIAL [redacted] OF [redacted]

RECEIVED
DEC 12 1955

ROYAL SMITH PROSPECT
MORELL, B. C.

PROJ. 1040 FILE
CONTRACT 16-2-072

WORK ACCOMPLISHED DURING NOVEMBER 1955 WORK TO BE DONE DEC. 12, 1955

Secured Bulldozer, Bought Material for houses.

Had 3 units of Bulldozing done, built tool house, Powder Magazine and Exploder Magazine finishing Stope No. 2 on 21 by November 8th, 1955.

Nov. 8- Moved in Air Compressor, set it up at Prospect # 2. Hired 3 workmen.

" 9- Laid pipe lines and trucking. Drilled Shot holes, going down on untimbered footwall.

" 10- Cucked out, drilled, shot. Also showing in sides & top.

" 11- Drilled, shot, cucked. Got 2 rounds. Recovered some Black ore.

" 12- Cleaned out muck, laid track, found some ore in muck.

" 13- Raining- unable to work.

" 15- Drilled one round, shot, cucked and set timber. Vein in heading.

" 16- Cucked, set timbers overhead.

" 17- Drilled, shot, extended tracking, Vein showing in sides & top. Ore.

" 18- ~~xxx~~ Drilled & shot. Cucked out.

" 21- Laid track, set down hoist, worked on cross.

" 22- Cucked out. 1 workman only.

" 23- Drilled, shot one round, cucked ahead up some ore in bottom.

" 24- Drilled, shot, cucked out ore showing in right side.

" 26- Laid tracking, cucked out, drilled.

" 27- Drilled, shot, cucked out, laid track. A little ore in heading.

" 29- Set timbers. Visited by Field Men.

" 30- Set timbers. Drilled.

INTERIM REPORT

DMEA-1930, Idm-2872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, North Carolina

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

Prospect No. 2 - Inclined shaft sinking is underway on this contract and is now at 11.5 feet. The incline work is being conducted in a N60°W direction and is following the footwall contact of the body which dips about 45°. The hanging wall contact exposed at the portal is dipping about 26°. About 80 pounds of excellent quality clear, green muscovite mica has been recovered from the pegmatite which is composed of feldspar primarily, with scattered small quartz and occasional blocks of mica on the footwall. The operator was advised to continue sinking, following the footwall, until another visit can be made. Suggestions were made concerning necessary timber work at the portal and in the incline.

Powder and cap magazines and a tool house have been built during the past two weeks. It was suggested that all underground workers wear safety hats. 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

D[illegible]sion Copy

October 27, 1955

RECEIVED
OCT 31 1955

Mr. Howard Smith

Ingalls, North Carolina

Re: DMEA-3930, Idm-2872 (mica)
Howard Smith Prospect
Avery County, N. C.

Dear Mr. Smith:

This letter will constitute approval to do all the work outlined under Stage II of the contract, and to begin work authorized under Stage III only at Prospect No. 2, as indicated by Mr. Teague and Mr. Shirley last week. Work outlined under Stage III at Prospect No.1 , is not authorized.

Very truly yours,

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

RAL/sm
cc:
Washington-3
Finance Office-1
Lynch
Shirley
Files
Opr. Com.1

RECEIVED
OCT 1955

INTERIM REPORT

DMEA-3930, Idm-8872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, North Carolina

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

The starting date on this contract is October 10, 1955. Stage I of the contract consisting of bulldozing has been completed. Additional exploration appears warranted at Prospect No. 2, but no additional work is recommended at Prospect No. 1.

Prospect No. 1 - An existing open cut trending N40°E was extended to the southwest by bulldozer cut. The trench is 65 feet long, 16 feet wide, and 4 feet deep. Workable pegmatite was not exposed, but a small lense or pod was uncovered on the extreme southwest end of the trench. No additional work appears warranted at this location.

Prospect No. 2 - An existing open cut trending N40°E was extended to the southwest by bulldozer cut. The completed trench is 100 feet long, 16 feet wide, and averages 6 feet deep. On the uphill side the depth is 8 to 10 feet. Excavation on the northeast end of the existing cut more fully exposed a pegmatite about 4 feet thick, essentially feldspathic and barren of mica. On the southwest end of the new trench a pegmatite about 7 feet thick composed of feldspar, scattered quartz, and medium sized blocks of green muscovite mica was exposed. The examiners are of the opinion that this body warrants additional exploration in the form of Stage II, and instructions were given for sinking an incline which would follow the dip of the body.

Another visit will be made to this prospect in the near future.

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

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

October 18, 1955

600

SEP 15 1955

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

Subject: Docket No. DMEA-3930 - Mica
Howard Smith
Howard Smith Prospect
Avery County, North Carolina

Dear Mr. Laurence:

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

Please show a tie-in on each copy of the property map with the boundary before presenting the contract to the Operator for his signature.

If the contract meets with your approval present it to the Operator for his approval and signature. Please explain to the Operator that the contract, when executed, is a firm commitment under the terms of which he is 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 cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from Mr. W. E. Nelson of the Geological Survey, dated August 29, 1955, and from Mr. W. F. Dietrich of the Bureau of Mines, dated August 30, 1955, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

/s/ W. E. Nelson

Member, Geological Survey

Enclosures 10

JHopkins:gad 9/14/55

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

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

RECEIVED
AUG 31 1955

August 30, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3930 (mica)

Applicant: Howard Smith

Name and Location of Property: Howard Smith Prospect, Avery Co., N. C.

Date of Field Team Report: 8/9/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/30/55

Field Team Recommendation: Recommend a staged exploration program on a unit cost basis.

Comments:

1. Stage II and III should be included as one stage, since initiation of Stage III is not contingent upon any results obtained in Stage II.

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

3. The costs as submitted by the field team are in line with other DMEA projects.

4. Total estimated costs are in the amount of $8,063.00

Recommendation: I concur with the field team's recommendation for a unit cost, staged exploration program.

SIGNED

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
AUG 30 1955

August 29, 1955

Re: DMEA 3930
Howard Smith
Howard Smith Prospect
Avery Co., N. C.
$8,063.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

The work program proposed calls for further trenching on two pegmatites to be followed by underground work. The estimated cost of all work, if done, to be $8,063.00. Further uncovering of the thin pegmatite is probably justified and the 3- to 10-foot body definitely so. A careful appraisal should be made before Stages II and III are embarked upon.

I concur with the acceptance recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-8/29/55
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

Memorandum: 8-26-55

To: Files

From: James Hopkins

Subject: Evaluation of Application and Field Team report

Docket No DMEA-3930 Mica
Howard Smith, Ingalls, N.C.
Howard Smith Prospect
Avery County, North Carolina

Mica:

Pros No 1.

Mica is green-colored, flat and relatively clear. The chief defects are reeves and veining

Pros No 2.

Muscovite is much more abundant on the southwest end of the body where the body is thinner.

It is similar to that found in Pros No 1 but "A" structure is much more common.

Pegmatite:

No 1

This pegmatite - 6" to 24" - conformable to enclosing mica schist - Pegmatite consists of plagioclase, quartz, perthite and muscovite. No zoning is apparent. Faulting parallel to strike and dip of the foliation is common in the wall rock adjacent to the pegmatite

No 2.

A pegmatite 3 to 10 feet thick essentially conformable to country rock has been exposed by bulldozing.

It is similar in composition to No 1

Workings

Bulldozing only has exposed the pegmatites in these two prospects.

About 75# of "mine-run" mica has recovered from No 1 Prospect.

Proposed Program

It is proposed to bulldoze both pegmatites cutting the following trenches.

No 1 80' x 15' x 6

No 2 100' x 15' x 6 and 300' access road

If pegmatites are promising a 40-ft shaft on each with 60 feet of drifts is recommended

Recommendation:

The above proposal is good sound conservative exploration work.

I concur in the field Team's recommendation.

[signature]

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

August 22, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: Field Examination Report - DMEA-3930, Howard Smith, Ingalls, North Carolina (Mica)

Enclosed are four copies of the subject report, with nine extra copies of the map attached.

The Field Team is in agreement with the Field Examiners' recommendation for a contract to be issued on a unit-cost basis in stages.

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

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

RECEIVED
AUG 24 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION V

ON

DMEA-3930 (mica) HOWARD SMITH PROSPECT
Avery County, North Carolina

By

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

and

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

RECEIVED
AUG 24 1955

August 9, 1955

FIELD EXAMINATION REPORT
On
DMEA-3930 (mica) HOWARD SMITH PROS.

Applicant: Howard Smith, Ingalls, North Carolina

Two pegmatites have recently been discovered on this property and have been uncovered by bulldozer trenching. Both show promise of yeilding mica of strategic grade. It is recommended that exploration assistance be granted. Work should be staged on both bodies.

The Howard Smith Prospect is on a spur west of the west branch of Fork Creek and is 1.15 airline miles S. 43° W. of Pyatte, Avery County, North Carolina. Access is available by a vehicle to within about 300 feet of the prospect.

The property was examined August 9, 1955. Messrs. Howard Smith and Sam Smith accompanied the examiners on the inspection which required about two hours.

The applicant and his wife own the property (40 acres). The nearest property line is about 400 feet south of the southeastern prospect. No surface facilities are present on the property.

Prospect No. 1. A thin pegmatite that is conformable to enclosing mica schist has been exposed by a dozer cut at this prospect. It strikes about N. 15° E. and dips approximately 30° NW. The body is about 6 inches thick at its northeasternmost exposure but thickens to about two feet to the southwest. Both pegmatite and country rock are semi-weathered. The pegmatite consists of plagioclase, quartz, pertnite and muscovite, in order of abundance.. No zoning is apparent. Faulting whose attitude is parallel to both the strike and dips of the foliation of the mica-schist is common in the wall rock adjacent to the pegmatite.

The mica is green-colored, flat and relatively clear. The chief defects are reeves and ruling.

The applicant report that he obtained about 75 pounds of "mine-run" mica from the bulldozing. Any exploration work done on this body should be confined to the southwest where the pegmatite is thicker.

Prospect No. 2. The prospect is located about 150 feet northwest of Prospect No. 1. A pegmatite 3-10 feet thick has been exposed by bulldozing. It strikes about N. 35° E. and has a variable dip that averages about 30° to the northwest. The body is essentially conformable to the enclosing country rock. Both are semi-weathered. The pegmatite is similar in composition to the one exposed at Prospect No. 1. Muscovite is much more abundant on the southwest end of the body where the pegmatite is thinner. It is similar to that found in the other prospect but "A" structure is much more common.

It is recommended that exploration assistance be granted on this property at both prospects. The work at both should be staged.

Estimated Costs:

Prospect No. 1

Stage I - Extend existing trench to southwest. Size of new cut about 80' x 15' x 6' deep.

5 hours, w/D-4 or equiv. bulldozer @ $10/hr $50.00

Prospect No. 2

Stage I - Clean out existing cut and extend it to the southwest. Size of new cut about 100' x 15' x 6' deep.

7 hours, w/D-4 or equiv. bulldozer @ $10/hr. 70.00

Stage II. If the pegmatite looks promising at either Prospect No. 1 or Prospect No. 2 or at both after completion of the trenching construct an access road, toolhouse and two magazines:

Access road (300 linear feet) 3 hours with D-4 bulldozer @ $10/hr.		$ 30.00
Toolhouse	75.00	
Powder magazine	25.00	
Exploder "	14.00 ~~13.00~~	$ ~~143.00~~ 144.00

PROSPECT No. 1

Stage III Sink 40-foot incline 5' x 7' in cross-section on pegmatite (30 shifts)

Labor:	
1 - Miner @ $1.50/hr.	360.00
1 - Hoistman @ $1.25/hr.	300.00
1 - Laborer @ $1.00/hr.	240.00
Equipment (rental)	
Compressor and drill @ $220/Mo.	330.00
Hoist @ $50/Mo.	75.00
Supplies:	
Explosives	50.00
Timber 4000 b. f. @ $60/M	240.00
Gasoline and oil	25.00
Drill steel	25.00

Supplies contd.

Small tools	75.00	
Miscellaneous	25.00	
Insurance	37.00	
Social Security	18.00	$1,800.00

Drive 60 feet of drifts 5' x 7' in cross-section from incline (30 shifts).

Labor:		
1 - Miner @ $1.50/hr.	360.00	
1 - Hoistman @ $1.25/hr.	300.00	
2 - Laborers @ $1.00/hr,	480.00	1,140.00
Equipment (rental)		
Compressor, pump, drill and jacklog @ $250/Mo.	375.00	
Hoist @ $50/Mo.	75.00	
Supplies:		
Drill steel	80.00	
Explosives	150.00	
Gasoline and oil	100.00	
Small tools & Pipe	75.00	
Miscellaneous	30.00	
Insurance	52.00	
Social Security	23.00	$2,100.00

PROSPECT NO. 2

Stage III	Sink 40-foot incline 5' x 7' in cross-section on pegmatite (30 shifts)	$1,800.00
	Drive 60 feet of drifts 5' x 7' in cross-section from the incline (30 shifts)	2,100.00

Total estimated Costs:
Stage I, II, and III . Grand Total..... ~~$8,063.00~~
$8064.00
P 6848.00

Geo.

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

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

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

Subject: Docket No. DMEA-3990 - Miss Howard Smith
Howard Smith Prospect
Avery County, North Carolina

Dear Mr. Lawrence:

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

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 proposed work and mineralized exposures in relation to the property lines will be required.

Copies of memoranda from Mr. E. E. Nelson of the Geological Survey, dated August 4, 1955, and from Mr. W. F. Dietrich of the Bureau of Mines, dated August 9, 1955, are enclosed for your information.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

O. M. Bishop
Member, Bureau of Mines

WW
Member, Geological Survey

Enclosures 4

JHopkins:pk 8/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

600

AUG 1 1 1955

Mr. Howard Smith

Angelia, North Carolina

Re: Docket No. [illegible] - Mica
Howard Smith
Howard Smith Prospect
[illegible] County, North Carolina

Dear Mr. Smith:

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

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. O. Mittendorf

Administrator

JHopkins:pl 8/9/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Killingsed, 5222
Mr. Dietrich, 3061
Mr. Hook
Mr. Hopkins

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

RECEIVED
AUG - 9 1955

August 9, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3930 (mica)

Applicant: Howard Smith

Name and Location of Property:

Date Application Rec'd. by Br. of Ceram. and Fert. Mtls.: August 2, 1955

Comments:

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

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

Recommendation:

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

SIGNED

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
AUG - 5 1955

August 4, 1955

Re: DMEA 3930
Howard Smith
Howard Smith Prospect
Avery County, N. C.
$4,620.00 - Mica

Memorandum

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

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

Subject: Review of Application.

A staged program for this raw prospect should be considered. Stage I would consist of stripping with the bulldozer, Stage II, sinking a few feet or opencutting the pegmatite to obtain fresh faces, and Stage III finally drifting if the results of the Stages I and II work are favorable.

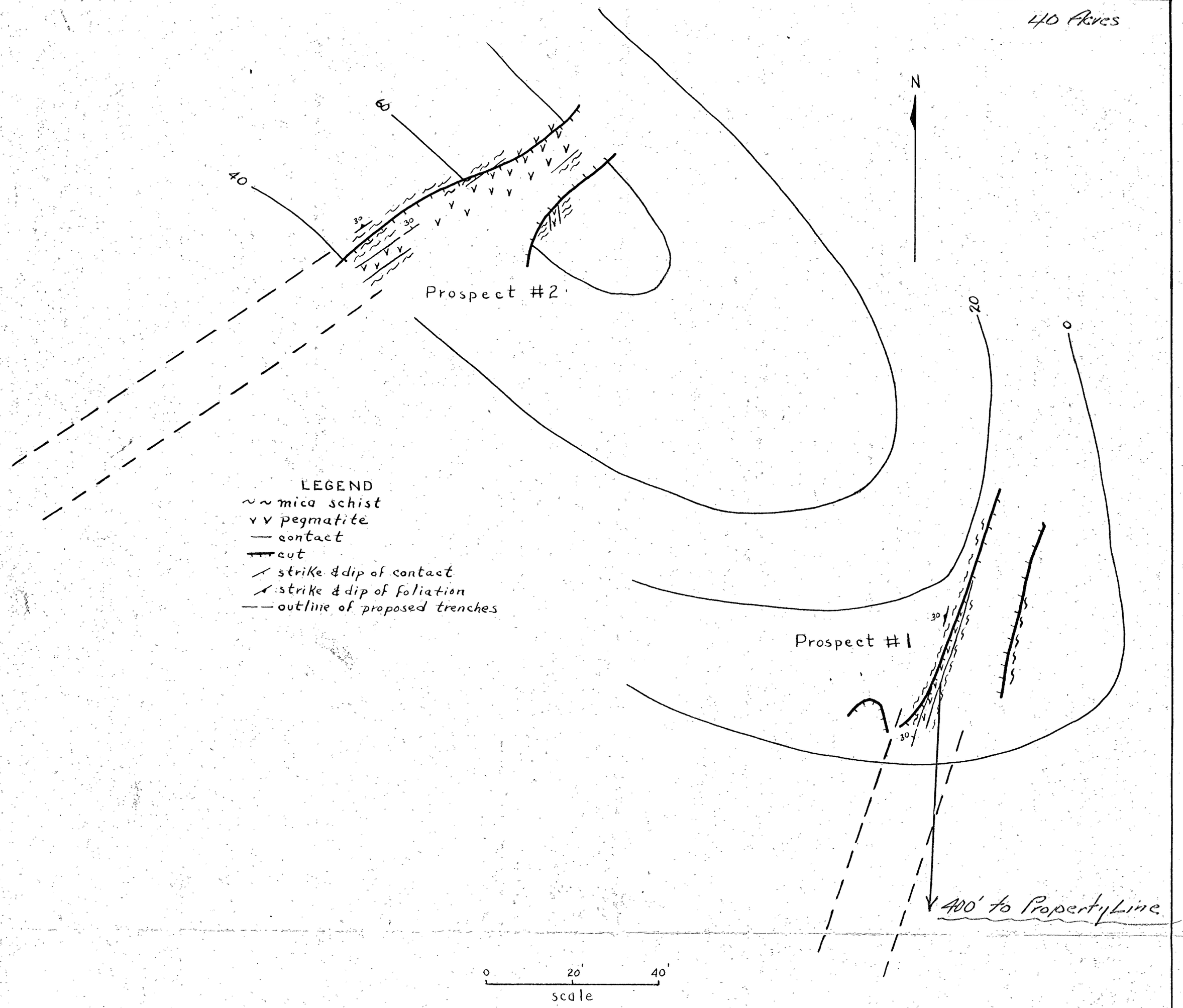
The costs set up for 100 feet of shaft and 50 feet of drifting are not quite in line with those of other jobs in the area.

Referral to the Field Team is recommended.

N. E. Nelson

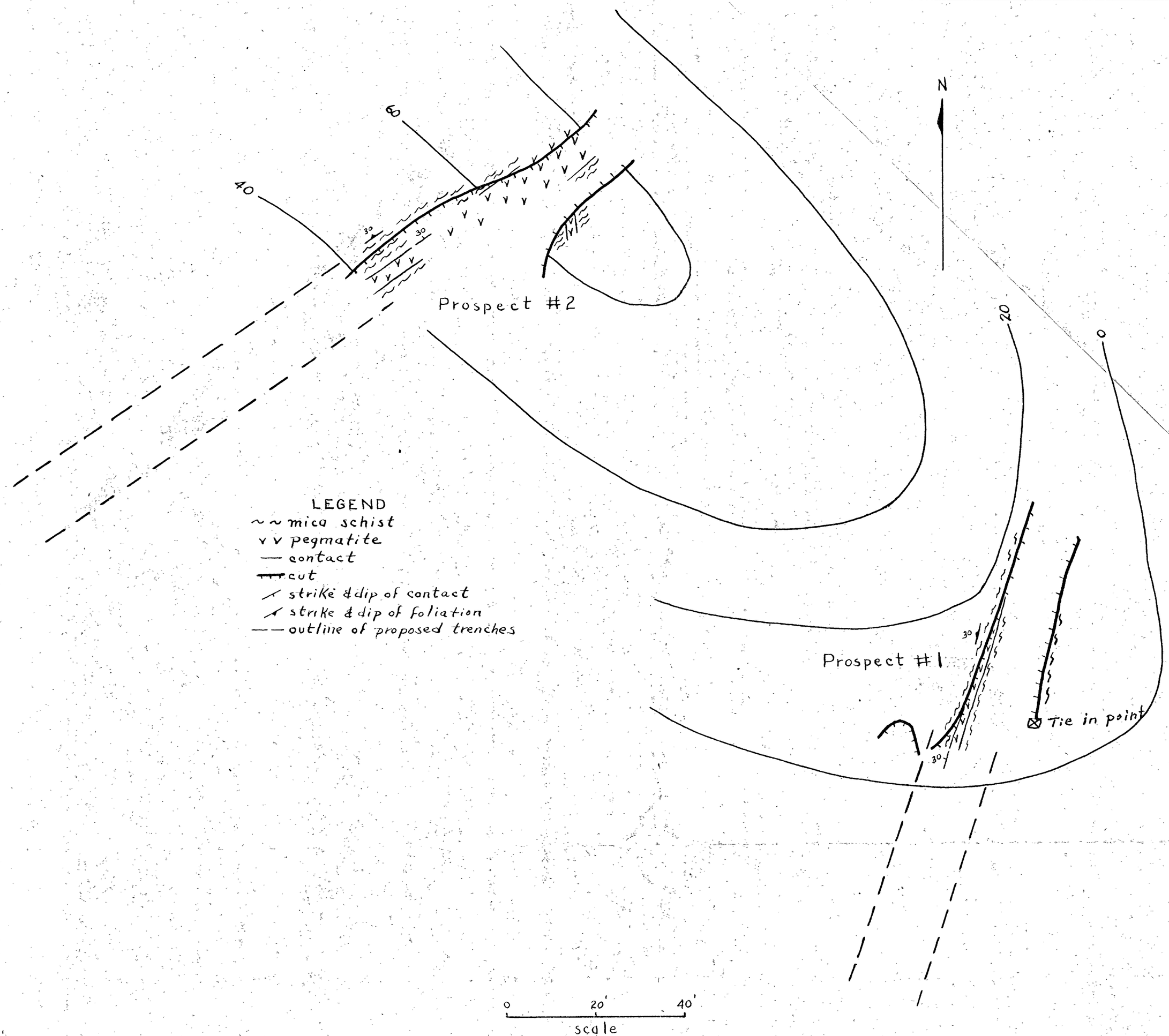
N. E. Nelson

NENelson:iml
G-8/4/55
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061



SKETCH OF
HOWARD SMITH PROSPECT
AVERY CO., N.C.

DMEA-3930 (mica)



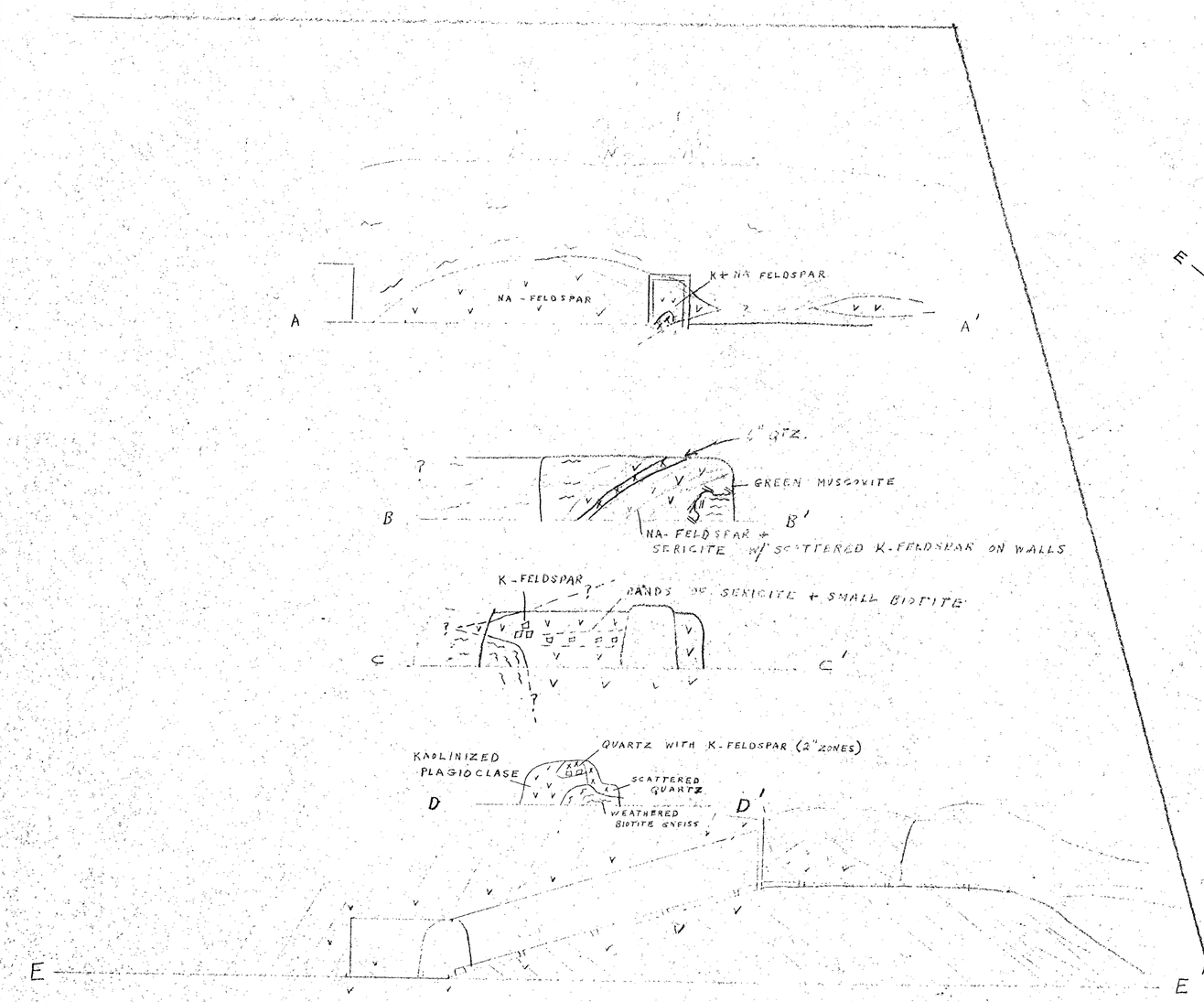
SKETCH OF
HOWARD SMITH PROSPECT
AVERY CO., N.C.

DMEA-3930 (mica)

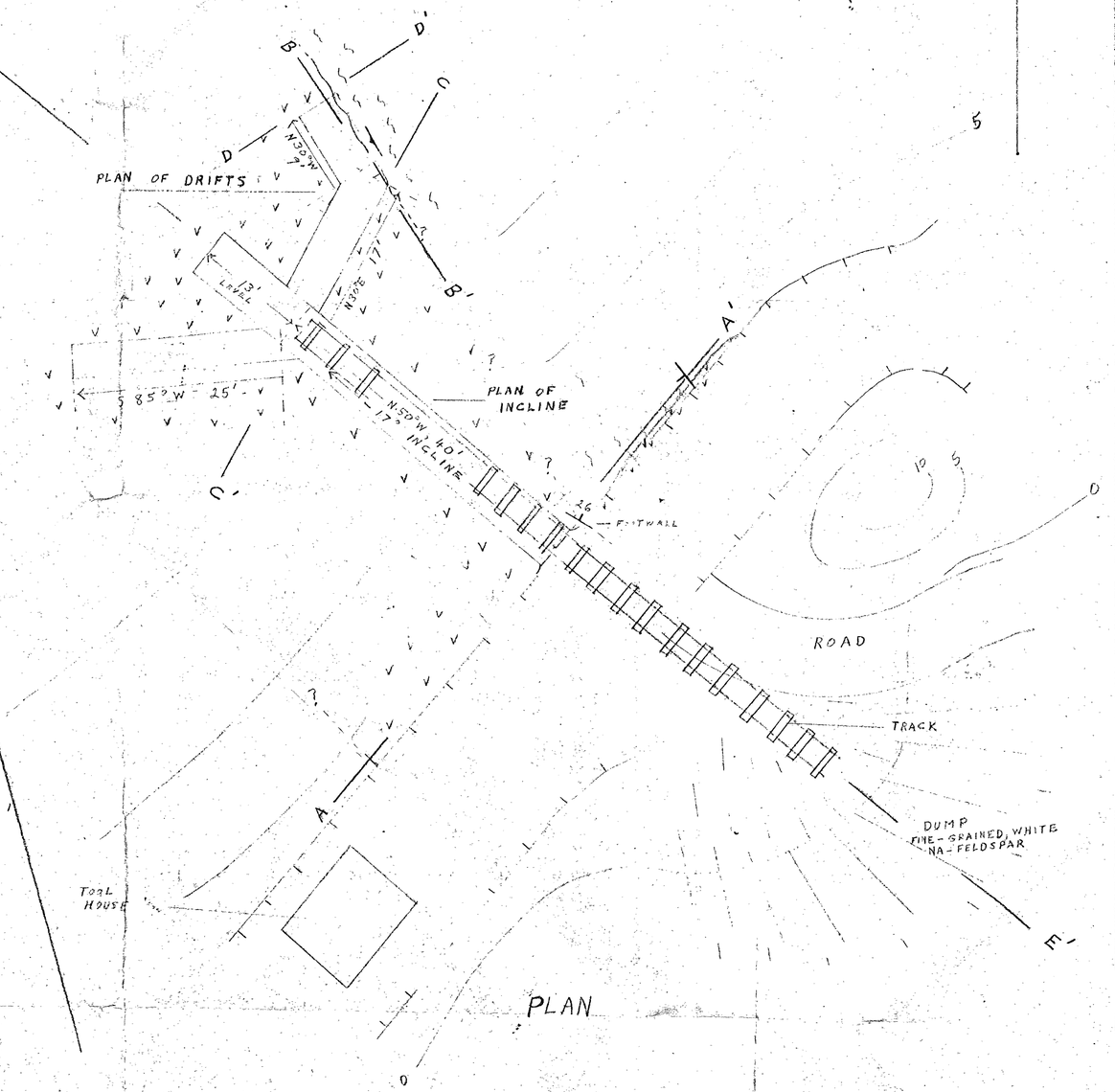
SKETCH OF THE HOWARD SMITH PROSPECT (2) AVERY COUNTY, N.C.

DMEA - 3930 (MICA)
FEB. 20, 1956

VVV PEGMATITE
BIOTITE GNEISS
CUT
PLAN OF UNDERGROUND WORKS
STRIKE + DIP OF PEGMATITE
STRIKE + DIP OF FOLIATION



SECTIONS OF PLAN VIEWS



PLAN

FEB. 20, 1956
TAYLOR