DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO. 900 DMEA NO. 3942

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [x] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [x] Royalty Audits
- [x] Certification of Discovery 9-20-56
- [x] Closing Letter
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [x] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab) 8/21/56
- [x] Operator's Final Report (Tab) 7/16/56
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [x] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. _____: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty material

17963

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-8900, Docket DMEA-5942 (mica), dated December 1, 1955, with

Sam G. Smith
Ingalls, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Doe Hill Mine and the Sam Smith Property located in Avery County, North Carolina, during the period February 21, 1958, through September 15, 1960.

A certification of discovery or development was issued on September 20, 1956, and, in accordance with Article 7 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 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. A Report of Review dated August 29, 1956, indicated accepted costs under the exploration contract amounting to $5,776.00 with the Government's contribution on a 75 percent basis being $4,332.00.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established the total sales subject to the Government's royalty for the period to be $540.84. Royalty payable to the Government at the rate specified in the contract is $27.04.

A prior Report of Royalty Review found the sales subject to the Government's royalty through February 20, 1958, to be $4,708.55, which added to the sales for this subsequent period make a total of $5,249.39. The royalty account as of February 20, 1958, was:

Total Royalty Payable	$235.43
Total Royalty Paid	235.43
Balance of Royalty Due	$ -0-

As of September 15, 1960, the royalty account of this project was found to be:

Total Royalty Payable	$262.47
Total Royalty Paid	262.47
Balance of Royalty Due	$ -0-

February 12, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This exploration project contract provides that the Operator, who was the owner of the land thereunder at the time the contract was executed, shall pay the Government's percentage royalty on all mineral production, either as principal if the producer or as surety if not the producer. The contract also grants to the Government a lien on the land and any production therefrom.

Exploration work under the contract was completed on July 11, 1956, and the Operator ceased mining operations during the latter part of 1956. A total of 15 shipments during this period to the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, aggregated 395.24 lbs. of sheet mica and brought $4,708.55 in proceeds. These sales, variously in the names of Howard Smith, Hall Smith, and Sam G. Smith, were covered by a prior Report of Royalty Review prepared after a check of the Depot's records. No sales of punch or scrap were reported by the Operator.

The property remained inactive from 1956 until October 1958, when the Terry Mining Company (subsequently known as Silicon Mining Company), Johnson City, Tennessee, rehabilitated the adit and began mining. One sale of 40.43 lbs. of sheet mica to the Depot during November 1958 brought $540.84 in proceeds. Inspections of the property by OME field representatives on January 29 and November 3, 1959, disclosed no further production.

The Operator was continually delinquent in payment of royalty due the Government and consistently failed to provide copies of settlement sheets. The $27.04 in royalty payable on the November 1958 sale during the period of this review is an example. Payment was received during September 1960.

This project is included on a Region IV listing of inactive projects which "were checked at the Government Purchasing Depot, Spruce Pine, N. C., or by contacting the Operator or by inquiring in or around the vicinity" during the period of June 13, through 15, 1960. The files indicate that the Agricultural Lime Co., Greeneville, Tennessee, obtained a lease on the property from the Operator sometime during 1960.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that all sales of strategic mica have been reported and proper royalty thereon paid;

(2) Except for the last quarter of 1958, the property was inactive during the period covered by this review; and

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the records of the Executive Officer, DMEA Field Team, Region V, Knoxville, Tennessee, pertaining to Contract Idm-E900, Docket No. DMEA 3942 (Mica), dated December 1, 1955, with

Sam G. Smith
Ingalls, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sale of mica from property referred to as Doe Hill Mine, located in Avery County, North Carolina, during the period December 1, 1955, to February 20, 1958.

A certification of discovery or development was issued on September 20, 1956, and, in accordance with the contract, royalty is payable on the net proceeds realized from production as a result of such discovery or development during a period of 10 years from the date of the contract or until the amount of the Government's contribution to exploration costs has been repaid, without interest, whichever occurs first. A report of review in lieu of final audit dated August 29, 1956, indicated accepted costs under the exploration contract amounting to $5,776.00 with the Government's contribution, on a 75 percent basis, being $4,332.00. The scope of this royalty review and the reasons therefor are stated on Schedule "A" attached.

My review established the total sales of mica to be $4,708.55. Royalty due the Government at the 5 percent rate specified in the contract is $235.43. The royalty paid and balance due are as follows:

Total Royalty Due	$235.43
Total Royalty Paid	235.43
Balance of Royalty Due $	-0-

Apr 12, 1960 paid $27.04 Final

March 17, 1958

C. E. Fisher, Auditor

Schedule "A"

Contract Idm-8900, Docket No. DMEA-3942 (Mica)

Report of Royalty Review

This review was limited to the listing of sales of sheet mica to the Mica Purchase Depot, Spruce Pine, North Carolina, shown by the records of the DMEA Region V office in connection with production from Doe Hill Mine on which royalty was received by the regional office. This list, which is filed with my audit work papers, was also checked with the purchase records of the Depot. There were 15 sales of sheet mica, aggregating 395.24 pounds, for which the Depot paid $4,708.55. The royalty due DMEA on basis of 5 percent amounting to $235.43 has been paid.

The mine has not been operated for approximately one year. When Mr. Smith was interviewed on February 20, 1958, he indicated that the mine may be operated this summer and that when the accumulated scrap is disposed of, the Government's royalty will be paid on the proceeds.

An on-site royalty audit was not made at this time because the administrative cost to the Government would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Check Sheet of Examining Engineer

Operator's Name Sam G. Smith

Address Ingalls, North Carolina

Doe Hill Mine

Exploration Contract No. Idm-E900 Docket No. DMEA-3942

	Check One Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		x
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		x
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?	x	
(b) If so, are adequate records maintained on such material to protect the Government's interest?	x	
4. Do you consider the assay controls in effect are adequate?	x	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	x	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	x	
7. Does the Operator buy from or sell to other Operators?		x

8. Comment on any item 2 (b) to 6 if answer is No.

3.(a) Operator stockpiles mica scrap until a sufficient amount is obtained to make a sale.

Date 2-20-58 Wm. A. Beck, Mining Engineer

82448

DOCKET COPY
Surname:

Hopkins
Houk
Porter
"Appd. Sol. Off."
Talbot
Fredrick
Lamb
Kilsgaard
Selfridge
Fleming

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

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: Sam G. Smith

Ingalls, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-E900, dated December 1, 1955, Docket No. DMEA-3942, hereinafter called the "contract", between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

> An adit crosscut-drift exposed strategic mica in two parallel zoned pegmatites enclosed in mica gneiss and schist. The work furnished sufficient data to calculate indicated and inferred mica reserves.

THE UNITED STATES OF AMERICA

By O. M. Mitchell
Administrator, Defense Minerals Exploration Administration

Dated SEP 20 1956

Admr. R. File
Certification File

Field Team, Region V
Finance Office
Mr. Kilsgaard, 5222
Mr. Frank Lamb, 3649
Mr. Houk
Mr. Hopkins

JHopkins:ms 9/11/56
Copy to: Docket
Operating Committee
Mr. Johnson
Mr. Chambers
Mr. Fredell, EPS, GSA

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
		120
		220

MAY 19 1966

Memorandum

To: FILES

From: Chief, Office of Minerals Exploration

Subject: DMEA-3942 (Mica)
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina
Contract Idm-E900

The acceptable cost under the subject contract was $5,776,00, of which the Government's contribution was $4,332.00. The contract was executed December 1, 1955, a certification of discovery was issued September 20, 1956, and the period for repayment of the Government's contribution by a royalty on production expired December 1, 1965.

Royalty on production through September 15, 1960, amounted to $262.47, leaving $4,069.53 as the balance remaining unpaid of the Government's contribution. Reports received indicate that no production has been made from the property described in the contract since September 15, 1960, through December 14, 1964.

The Operator did not return the last letter (MME Form 63) for reporting on production delivered to him on April 1, 1966.

Since termination of the Government's mica buying program on June 30, 1962, the market price for domestic block mica has not been sufficiently high to permit profitable mining operations to be conducted. Consequently, it is very unlikely that any production was made from the Doe Hill Mine since December 14, 1964, the date of the last report. Therefore, it is recommended that this account be closed.

Frank E. Johnson

Frank E. Johnson

cc: Director's reading file
Division file
Economic Geology file
OME reading file
Budget & Finance - Room 5408
Region IV
120
FEJohnson/bih 5/19/66

23263

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sam O. Smith

Ingalls, North Carolina

pertaining to Exploration Project Contract No. Idm-2900, Docket No. DMEA-3942, including Amendment No. 1, for the months of January 1956, to June 1956, inclusive, covering a project for the exploration of strategic mica on property, known as the Doe Hill Mine 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 reason:

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

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

Total cost as billed by Contractor		$5,776.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,776.00

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

$4,332.00

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.

E. D. Talbert

E. D. Talbert, Auditor

August 29, 1956

Docket copy

3

RECEIVED
APR 1 1956

EXPLORATION PROJECT CONTRACT
SAM G. SMITH
DOCKET NO. DMEA-3942

AMENDMENT NO. 1

It is agreed this 13th day of April, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Sam G. Smith, that Contract No. Idm-E900 (Docket No. DMEA-3942) dated December 1, 1955, is amended as follows:

1. In "Exhibit A", on page 1, add the following paragraph immediately following the paragraph which is numbered 3:

"4. Drive 75 feet of drifts and/or crosseuts, having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber".

2. In "Exhibit A", on page 1, delete the sentence which reads as follows:

"The adit drift shall be timbered as necessary",

and add the following language in lieu thereof:

"The adit drift, and all other drifts and/or crosseuts, shall be timbered as necessary".

3. In "Exhibit A", under Fixed Unit Costs, delete the following language:

"Estimated Total Cost of Project	$3,376.00
Government Participation @ 75%	$2,532.00"

and add the following language in lieu thereof:

"4. Drifting and/or crosscutting 75 ft @ $32.00/ft.	$2,400.00
Estimated Total Cost of Project	$5,776.00
Government Participation @ 75%	$4,332.00"

4. In Article 3 of the Contract, delete "March 31, 1956" and in lieu thereof substitute "July 31, 1956".

5. In Article 5 of the Contract delete the figures, "$3,376.00" and "$2,532.00", and substitute the figures, "$5,776.00" and "$4,332.00", respectively.

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

THE UNITED STATES OF AMERICA

By C. Mittendorf

Administrator, Defense Minerals Exploration Administration

Sam G. Smith

Sam G. Smith

Indrich 4/3/56
Dwyer
"Appl. Sol. Off."
Hopkins
Hood
Chamberlin
Selfridge
Johnson

Docket copy

RECEIVED
DEC 14 1955

MF-200A
(Revised June 1954)

Docket No. DMEA - 3942

Commodity Mica

Contract No. Idm-E 900

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

DEC 1 1955

It is agreed this ..... 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] .....

Sam G. Smith

.....,

whose mailing address is Tagella

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 2 maps

.....

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] Owner of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ....., [7] ....recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: .....

None

.....

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

.....

.....

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

(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 ..... strategic sites ..... The work to be performed is described in Exhibit "A." The Operator on or before ..... JAN 26 1956 ..... shall commence the work, and on or before ..... March 31, 1956 ..... (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $ 3,376.00 ..... The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $ 2,532.00 .....: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

Sam G. Smith

SAM G. SMITH
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

By O. Meredith

Administrator, Defense Minerals
Exploration Administration

Chambers

Potter
Dwyer
Appd. Gen. Offs.
Hopkins
Stark
Selfridge
F. P. Moore

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

.....

[CORPORATE SEAL]

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

RECEIVED
DEC 14 1955

EXPLORATION PROJECT CONTRACT
SAM G. SMITH
DOCKET NO. [illegible]-3942

ANNEX I

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

> BEGINNING at a small birch and running East 300 feet to a stake; thence South 50 East 600 feet to a stake; thence North 88° West 580 feet to a stake; thence North 500 feet to a stake; thence 100 feet due East to the beginning, containing 3.5 acres more or less. All of said property belonging to Sam G. Smith. The Doe Hill prospect is on the South side of Threemile Creek, 1.66 airline miles N 67° E of Ingalls, Avery County, North Carolina.

The land is shown on the attached sketch map entitled "Plot For Lease Doe Hill Mine ..."

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DEC 14 1955

EXPLORATION PROJECT CONTRACT
SAM G. SMITH
DOCKET NO. DMEA-3942

EXHIBIT "A"

The location of the work is shown in part on the attached map entitled, "Sketch of Doe Hill Mine, Avery Co., N. C., 9/6/55, DMEA-3942 (mica)." The work consists of the following:

1. With a D-6 or equivalent bulldozer, excavate a trench approximately 50 feet by 12 feet by 12 feet down dip of pegmatite.

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 exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

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

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

3. At a site approved by the Government, drive 100 feet of adit drift on the pegmatite, having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

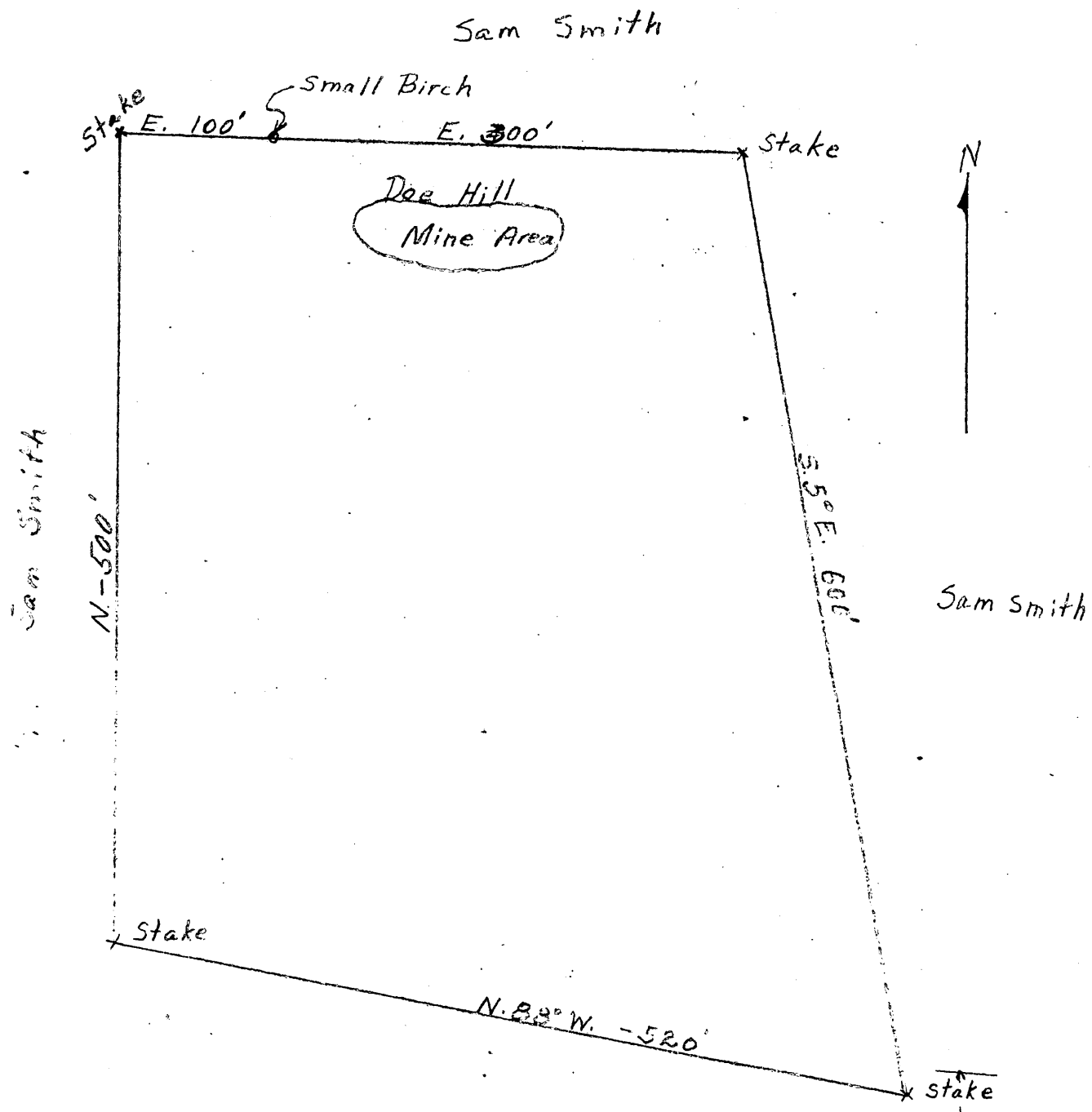
The adit drift shall be timbered as necessary.

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

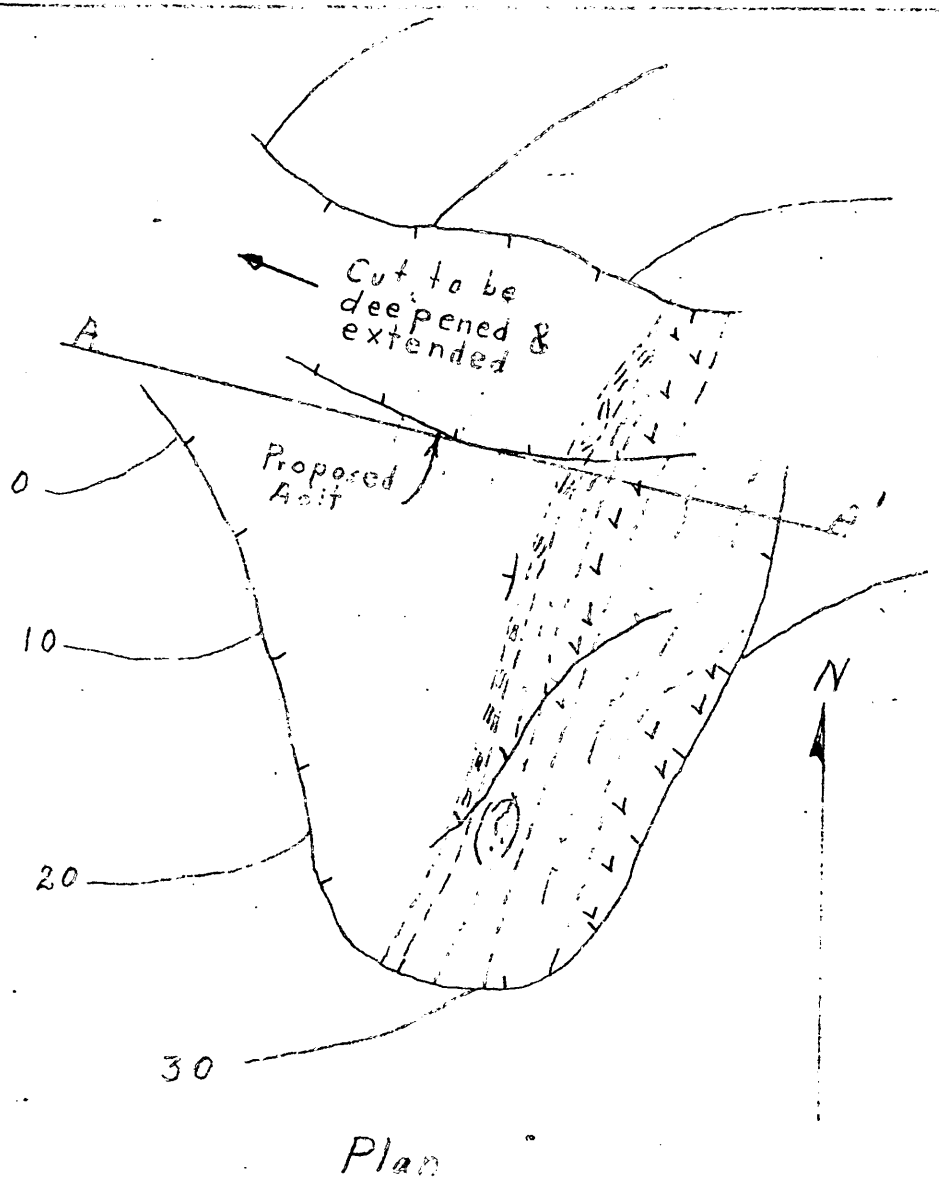
Fixed Unit Costs

1.	Excavate 270 cu. yds of trench @ $0.22 1/3/cu. yd. (This cost includes cost of moving bulldozer on and off the property) (Rounded to)	$ 60.00
2.	Construct:	
	Toolhouse 1/	76.00
	Powder Magazine 1/	26.00
	Exploder Magazine 1/	14.00
3.	Drive 100 feet of Adit drift @ $32.00/ft.	3,200.00
	Estimated Total Cost of Project	$3,376.00
	Government Participation @ 75%	$2,532.00

1/ The completed work constitutes the unit.



PLOT FOR LEASE
DOE HILL MINE
SAM SMITH PROPERTY
INGALLS, AVERY COUNTY N.C.
1 in. = 100" 5 5/10 Acres



Legend

- Mica pegmatite
- Non-mica pegmatite
- Mica schist
- Cut
- Contact

Sketch of
Doe Hill Mine
Avery Co., N.C.
9/6/55

0 40' 80'
Scale

DMEA-3342(mica)

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

RECEIVED
AUG - 8 1955

August 5, 1955

Memorandum

To: Operating Committee - DMEA - Washington

From: Executive Officer, DMEA- Region V - Knoxville

Subject: Application from Sam G. Smith, Ingalls, N. C.
Doe Hill Mine, Avery County, N. C. (mica)

Enclosed are three copies of the subject application received here today. We are keeping the fourth copy for our files. Also enclosed are 6 copies of the MF-203, submitted with the application, although the land is apparently owned by the applicant and his wife.

Robert A. Laurence
Robert A. Laurence

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 8 1955

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

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

Not to be filled in by applicant

Docket No. 3942
Metal or Mineral Mica
Date Received 8-8-55
Estimated Cost $5,730.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Sam G. Smith, Ingalls, N. C.

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

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

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

RECEIVED
AUG 5 - 1955
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEGINNING on a marked birch and runs N 80 E 100 ft. to a locust, thence S 28 E 500 ft. to a stake; thence S 76 W 180 ft. to a stake; thence N 20 W 500 ft. to the BEGINNING.

(*b*) State any mine name by which the property is known. Doe Hill Mine.

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

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

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

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

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

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

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. 8 Mi. from Spruce Pine on NC 194 near Ingalls, Avery Co., NC

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

16—66551-1

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

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

(*c*) The work will start within 10 days and be completed within 3 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. 20 years

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated August 3rd, 1955

(Applicant)

By

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

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

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5(b)
Propose to do approximately 250 feet of shafting or tunnelling back on vein.

6. COST ESTIMATES:

Compressor rent @ $200 per mo. for 3 mos.	$600.00
Drill & Hose rental @ $50 mo. for 3 mos.	150.00
Track Car	100.00
Tool House	200.00
Tracking	300.00
Piping	150.00
Shooting Batteries	50.00
Explosives	250.00
Gas & Oils	225.00
Picks & Shovels	25.00
Bull Dozing Work	500.00
SUPPLIES & CONTINGENCIES	300.00
LABOR: 6 laborers-3 on each shift for two daily shifts 8 hrs. per day-5 days per week for 12 weeks @$1 hr making a total cost for 12 weeks of	2880.00
TOTAL COSTS	$5730.00

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

September 6, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3942-Mica
Doe Hill Mine
Avery County, North Carolina
Contract No. Idm-E900

Application: Dated August 3, 1955
Operator: Sam G. Smith
Ingalls, North Carolina
Operator's property rights: Owner

2. Contract dated December 1, 1955

Work authorized:

1. Trench Excavation	
270 cu. yds. @ 22-1/3¢/cu.yd.	$ 60.00
2. New Buildings:	
Toolhouse	
Exploder magazine	116.00
Powder magazine	
3. Drifting 100 feet @ 32.00/ft.	3,200.00
Estimated Total Cost	$3,376.00

Amendments: No. 1, dated April 13, 1956, authorized an additional

75 feet of drifting and/or crosscutting @ $32.00/foot	$2,400.00
Total estimated cost of Project	$5,776.00

Work completed:

1. Trench excavation	
270 cu. yds. @ 22½¢/cu.yd.	$60.00
2. New Buildings	
Toolhouse, Exploder and Powder Magazines	116.00
3. 175 feet of drifts and/or crosscuts @ $32.00	5,600.00
Total cost of Project	$5,776.00

Work under contract began December 18, 1955.
Work was completed July 10, 1956
About 8,800 pounds of mine-run block mica was produced from lateral work under the contract

Value of production:	Unknown
Initial payment by Spruce Pine Depot	$595.47
Royalty paid to date	$ 29.79

3. Audit: Report of Review dated August 29, 1956

Total cost as billed by Operator	$5,776.00
Exceptions	None
Total Accepted Cost	$5,776.00
Government participation @ 75%	$4,332.00

4. Certification of discovery or development issued September 10, 1956

Ore Reserves: See Map

Indicated Reserves:

Pegmatite No. 1

Cross section 56'x40'x15' =	33,600 cu.ft.
Less Drift 32x7x6'	1,344 cu.ft.
Indicated volume	32,256 cu.ft.
32,256 x 5.58#/cu.ft.	179,988.48 # Mine Run
6% x 179,988.48	10,799 # Processed Mica

Pegmatite No. 2

Cross section 88'x40'x12'	45,760 cu.ft.
Less Drift 31'x7'x6'	1,302 cu.ft.
Indicated Volume of Pegmatite	44,458 cu.ft.
44,458 x 0.614#/cu.ft.	27,297.20# "Mine Run" Block
12% x 27,297.20	3,275.6# Processed Mica

Inferred Reserves:

Pegmatite No. 1

Block on either side of indicated reserves

Below adit level:
30'x18'x40' = 43,200 cu.ft. @ 5.58#/cu.ft. = 241,056# "Mine Run" Block @ 6% = 14,463# Processed Mica

Pegmatite No. 2

Block below adit level

30'x13'x80' = 31,200 cu.ft.
31,200 cu.ft. @ .614#/cu.ft. = 19,156 #"Mine Run" Block
12% x 19,156# = 2,298 # Processed Mica

Recapitulation: (Fractions omitted)

Indicated:	Mine Run		Processed
Pegmatite No. 1	179,988#	=	10,799#
Pegmatite No. 2	27,297#	=	3,275
Total	207,285#		14,074#

Inferred:			
Pegmatite No. 1	241,056#	=	25,262#
Pegmatite No. 2	19,156	=	5,574
	260,212#		30,836

Total estimated value at present G.S.A. prices $673,765.00

5. Comments:

The work was conducted in a satisfactory manner.
There were no particular difficult engineering problems involved.
Geological premise upon which work was based:

1. Recent bulldozing exposed two parallel concordant pegmatites 14 feet apart in mica gneiss and schist for strike lengths of 45' and 30', respectively. The exposures are 45' and 60' above flat valley floor.

2. Both structures were composed of predominantly plagioclase feldspar, disseminated quartz and strategic mica.

3. The pegmatites were 12 feet and at least 10 feet thick, respectively.

It was premised that these would continue in depth and contain concentrations of strategic mica. This premise was found to be correct.

Geological criteria developed during the project:

1. Pegmatites were well-zoned.
2. Mica-rich zones aligned along several thin mica schist inclusions one to two inches thick were cut.
3. These inclusions were assymetrically drag-folded indicating relative movement in the hanging wall. Examiners believe this phenomena indicates some sort of replacement.
4. Mica concentrations occur where an abrupt change in strike was found.
5. Muscovite in Pegmatite No. 1 makes up an average of 3.3% by weight of pegmatite. In No. 2 it is but 0.37% by weight and is a substantially better grade.

Future possibilities:

The strength of the pegmatites on the adit level suggest continuity to a considerable depth. Strike continuity has not been explored and offers possibilities of additional reserves.

Recommendation:

Since a very significant and worthwhile discovery has been made no further exploration work is warranted until present reserves are nearing exhaustion.

The Field Team recommends that a certification of discovery or development by the Government be issued.

The Nonmetallic Minerals Division concur in this recommendation.

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

James Hopkins
Nonmetallic Minerals Division

DMEA Form 18
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ANALYSIS OF SEMIANNUAL REPORT OF CERTIFIED PROJECT

Prepare in duplicate. File original in Official Docket. Send copy

To: Statistics Branch (Code 210)

From: Division of Nonmetallic Minerals

Report Period 10/10/57 - 2/8/58

DMEA No.	Operator	Contract No.
3942	Sam G. Smith	Idm-E900

ORE ESTIMATES

	Tons	Analysis	
DMEA	234 tons	@ $600	$140,400
Operator to date			
Total	234		
Production to date	7.8		$4,708.55
Ore in ground	226.2		

INVESTMENT

Type	Size		Feet	Cost
Shafts				
Winzes				
Drifts and Crosscuts				
Raises				
Drilling	Type			
Rehabilitation	Description			

FACILITIES

Mine Plant		
Mill		
Roads		

REMARKS

Prepared by Lawrence G. Houk Date

31398

	$4,332		$5,776	$4,332	
ANALYSIS	MR				
ORE	DMEA	OPERATOR	TOTAL	PRODUCTION	AVAILABLE
	234 tons				
MINERAL Mica	468,000 lbs.		468,000	15,600	452,400

-500

220

DMEA 3942

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Sam G. Smith

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DMEA

3942

DATE DELIVERED

SEP 13 1963

ADDRESS WHERE DELIVERED *(only if requested in item #1)*

C55—16—71548-4 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

NEWLAND
SEP 13
3-PM
1963
N. C.

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
598091	MINERALS EXPLORTION
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
	DEPT. INTERIOR
INSURED NO.	CITY, ZONE AND STATE
	WASHINGTON 25, D.C.

POD Form 3811 Jan. 1958

C55—16—71548·4

3942

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☒ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Sam G Smith

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED	SHOW WHERE DELIVERED *(only if requested)*
APR 1 1966	Rt. 3, Box 235, Newland, N.C. 28657

C55—16—71548-5—F GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO. 500914	NAME OF SENDER Office of Minerals Exploration, U.S.Geological Survey
CERTIFIED NO.	STREET AND NO. OR P. O. BOX Dept. of the Interior
INSURED NO.	CITY, STATE, AND ZIP CODE Washington, D. C., 20242

POD Form 3811 Sep. 1963

C[illegible] 748-[illegible]-F

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

December 10, 1964

Re: DMEA-3942 (Mica)
Sam G. Smith
Doe Hill Mine
Avery County, N. C.
Contract Idm-E900

Mr. Sam G. Smith
Route 3
Newland, North Carolina

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 15 1964

DATE	INITIALS	CODE
12/15	GCS	200
1-4		100
1/4	RJ	~~110~~
12/16	MM	120 M
		120

MME Form 63
Revised 3-62

DMEA-3942
Idm-E900

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 1963 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since September 1963 , has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
	None	

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons	None	
Concentrates		Tons		
Other		Tons	None	

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
	None	

Submitted by:

Name S G Smith Title same

Address Homeland Butte, Mt Date December 14 1964

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

September 11, 1963

Re: DMEA-3942 (Mica)
Sam G. Smith
Doe Hill Mine
Avery County, N. C.
Contract Idm-E900

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Sam G. Smith

Ingalls, North Carolina

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVE SEP 27 1963

DATE	INITIALS	CODE
9/27		800
		100
9/27		110
9/30	Murphy	500
		220

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since June 15, 1960, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since June 15, 1960, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons	None	
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
None	None	

Submitted by:

Name S G Smith Title Same

Address Newland, Route 3 Date 9-24-63

4511

Murphy

220

OMM Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	[illegible]	800
		500
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OMM Auditor

Subject: Check of Spruce Pine Mica Purchase Depot Records, June 18 - 22, 1962

During the period of June 18 to 22, 1962, I examined the purchase records of the G.S.A. Mica Purchase Depot at Spruce Pine, North Carolina, for the purpose of ascertaining any unreported production under DMEA exploration project contracts. My examination did not disclose any unreported production subject to royalty under the following contracts:

Contract No.	Docket No.	Operator	Mine Names
E- 684	3244	Alex Teague	Old Denson (Denison)
687	3256	Glenn C. Rathburn	Fox, Busby Creek
692	3260	Sam L. Phillips	W. A. McKinney, McKinney No. 1
694	3199	W. B. Chriswn	R. D. (W. H.) Westall
712	3410	Rock Mining Company	Rock
737	3469	A. Ward	Elmore
757	3559	C. R. Phillips, et al.	Sugar Dave, Ralph
762	3577	Keller Mining Co.	Royster
805	3720	Alvin White, et al.	Coward
830	3265	Mines and Mining, Inc.	Farlow Gap
835	3813	T. B. Vance	Shuffle Vance, Red, Charlie Burleson
840	3799	J. R. Beam	Bennett, Mica Field
865	3860	Ed Boone	Goog Rock
882	3924	J. R. Beam & John Phillips	Little Ray, Pat
891	3543	Buchanan Minerals, Inc.	Buchanan, Dream
900	3942	Sam G. Smith	Doe Hill, Sam Smith
962	4147	Sam L. Phillips	Old Buchanan
1005	4239	John Phillips	Roby (Robby)
1008	4332	John Phillips	John (John's) Brown
1037	4268	Murphy Mining Co.	Murphy, Murphy Rock
1042	4449	Clifton D. Buchanan	Boone, Phillips
1089	4554	Sam L. Phillips	Black Mountain

cc: Docket
Director's Reading File
CA & A Division
Region IV Files (2)

CEFisher/mm
6-26-62

63683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/13	GCS	120
		270

FEB 13 1962

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, OME

Subject: DMEA-3942 (Mica)
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina
Contract Idm-X900

Enclosed for your files is the original of a Report of Royalty Review on the subject contract.

George C. Selfridge

Enclosure

GCSelfridge/hb (2/13/62)
cc to: Docket DMEA-3942
Director's Reading File
CA&A Division
G.C.Selfridge
R.A.Laurence, Reg. IV, w/cy of Report of Royalty Review dtd 2/12/62 & orig. cy of memo dtd 2/12/62 to Chief, Div. of Field Operations from CA&A Div.
V.J.Lynch, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

FEB 12 1962

Memorandum

To: Chief, Division of Field Operations

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-3962 (Mica)
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina
Contract Idm-E900

Enclosed are the original and two copies of a Report of Royalty Review covering the subject Region IV contract. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary; and

(b) Two copies to Region IV files.

This report is for OME record purposes only; therefore, no copy has been provided for the Operator.

As evidence of your concurrence, a copy of your memorandum transmitting the original of the report to the Department's Fiscal Section should be furnished this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 2-12-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 15 1960

DATE	INITIALS	CODE
9-15	gad	VVO
9/15	[illegible]	800
9/16	[illegible]	500
		225

REGION IV

SEP 15 1960

Memorandum

To: Fiscal Section
Division of Administrative Services
Office of the Secretary

From: Acting Field Officer, Region IV

Subject: Royalty payment, DMBA-3942 (Mica)
Sam G. Smith, Ingalls, North Carolina
Doe Hill Mine
Avery County, North Carolina
Contract Idm-E900
Appropriation 14X4401

Attached for deposit to the subject account is Postal Money Order 6-13,063,920 in the amount of $27.04, payable to the United States Department of the Interior, from Sam G. Smith, ~~Route No. 1, Newland~~, Ingalls, North Carolina.

Lawrence G. Houk

Lawrence G. Houk
Acting Field Officer
Region IV

Attachment

LGHouk/gad/fw-9/14/60

cc: OME Washington office (2)
Reg. IV (2)
Chron.-Mr. Houk

C
O
P
Y

Ingalls, N. C.
September 12, 1960

Dear Sirs:

Enclosed you will find Money Order for $27.04 due the Government for royalty from Doe Hill Mine No. I.

I haven't any settlement sheet on this sale of mica due to the fact Torry Mining Company sold this mica. I will check with the Spruce Pine Depot and forward sales sheet if it is compulsory for you to have one.

Thanking you.

Yours truly,

s/ SAM G. SMITH

Ingalls, N C
September, 13 1960

Dear Sirs:
Enclosed you will find money order for $27.04 Due the Government for royalty. From Doe Hill Mine No 1
I haven't any settlement sheet on this sale of mica. Due to the fact Jerry Mining Company. Sold this mica I will Check with the Spruce Pine Depot. And forward sales sheet if it is Comparary for you to have one.
Thanking You.

Yours truly
Sam G Smith

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 14 1960

DATE	INITIALS	CODE
9-14	gad	VVO
9/14	Hook	1V4
		800
		500

Houk

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 14 1960

DATE	INITIALS	CODE
		800
		500

September 8, 1960

Memorandum

To: Mr. Lawrence G. Houk, Acting Field Officer
Region IV, OME

From: Robert A. Laurence, USGS, Knoxville, Tennessee

Subject: DMEA-3942, Contract Idm-2900 (Mica)
Sam G. Smith, Ingalls, North Carolina
Doe Hill mine, Avery County, North Carolina

During the past week, two geologists representing two different clients, have called to inquire whether any information on the DMEA work at the Doe Hill mine could be released to them, as their clients are considering leasing and operating the mine. Incidentally, each of these geologists is apparently unaware of the other's interest in the Doe Hill property.

I told both of them that none of the DMEA information, reports, etc. was available to them, but that Sam Smith could give them any information he might have, including the contract map.

Now, after reading Mr. Johnson's letter of September 1 to William E. Riley, in regard to the Cattail mine (DMEA-1876), it appears that I advised these people incorrectly. Is this a new policy, that DMEA docket information can be released to any individual upon presentation of a written authorization from the Operator? Should I advise these geologists to obtain such authorization and then send it to you? Can the Operator himself obtain the information for his own use?

Robert A. Laurence

RAL/mg
cc - Director's reading file
Mr. V. J. Lynch
Knoxville Office file

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 2 1960

DATE	INITIALS	
REGISTERED MAIL		
9-V	gad	VVO
	BEF	800
	GEO	800
		7-1-5

REGION IV

SEP 2 1960

Mr. Sam G. Smith

Ingalls, North Carolina

Re: DMEA-3942 (Mica)
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina
Contract Idm-E900

Dear Mr. Smith:

Reference is made to the unpaid royalty of $27.04 due the Government since November 1958 on the sale of 40.43 pounds of mica, valued at $540.84. On November 3, 1959, you stated to Mr. Victor Lynch that you would pay this royalty. Please send us your check or money order for the $27.04 due, together with the settlement sheet on this sale. Your check should be made to "Office of Minerals Exploration," the successor to the DMEA. If there has been later production from the contract area, please send your check for any additional royalties due.

If payment is not received within 30 days from the date of this letter, the matter will be referred to the Washington office for appropriate action and collection.

Sincerely yours,

Lawrence G. Houk
Acting Field Officer
Region IV

LGHouk/gad/fw-9/2/60
cc: Washington office (2)
Reg. IV (2)
Chron.-Mr. Houk

Houk 144

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

AUG 31 1960
O.M.E.

August 29, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 1 1960

DATE	IN	
9-1	gad	VNO
9-2	BBB	800
	all	100
		225

Memorandum

To: Lawrence G. Houk, Acting Field Officer, Region IV

From: Robert A. Laurence

Subject: DMEA-3942, Contract No. Idm-E900 (Mica)
Sam G. Smith, Ingalls, North Carolina
Doe Hill mine, Avery County, North Carolina

I have just been advised that R. W. Roberts of Agricultural Lime Co., Greeneville, Tennessee, has obtained a lease from Sam G. Smith on the Doe Hill property.

According to our records, royalty of $235.43 has been paid and an additional $27.02 is due and unpaid, leaving $4,069.55 balance due from additional production, if any, before December 1, 1965.

Recent letters to Sam G. Smith have been unanswered. This new information comes from the lessee, not from Smith.

Robert A. Laurence

Robert A. Laurence

Operator

OFFICIAL FILE COPY
O. M. E.
NOV 28 1959
INITIALS CODE

DMEA SEMI-ANNUAL REPORT ON CERTIFIED [redacted]

Projects Inactive since last [redacted] inspection

Reporting Period: January 1, 1959 to July 1, [redacted]

DMEA No.	Idm-e	Operator	
alt [redacted]	547	Duncan Mining Co. (Connelly Mine)	[redacted]
alt [redacted]	548	Taylor, Grange & Carson (Gold Camp)	[redacted]
alt [redacted]	665	Sparks & Parsley (Hector Mine)	[redacted]
alt 3260	692	John Phillips, et al (McKinney Mine)	Nov. 4, 1959
alt 3262	675	J. R. Beam & H. Boone (Ingram Mine)	Nov. 5, [redacted]
alt 3823	835	T. B. Vance (Shuffle Vance Mine)	Nov. 5, [redacted]
alt 3860	865	Ed Boone (Goog Rock Mine)	Nov. 10, 1959
alt [redacted]	900	Sam Smith (Doe Hill Mine)	Nov. [redacted]
alt [redacted]	1005	John Phillips (Roby Mine)	[redacted] 1959
alt [redacted]	1006	John Phillips (John Prospect)	[redacted] 1959
alt [redacted]	1042	Clifton D. Buchanan (Boone Prospect)	Nov. 5, 1959

During an inspection of this property on November 12, it was definitely established that all production by the present lessee, Mr. Fred Young, is not coming from any part of the Contract area.

There has been no production from this property since the last inspection. The Operator was again requested to pay up the royalties due on past production. He agreed to [illegible] but to-date he has not complied.

V. J. Lynch, Mining Engineer
Bureau of Mines

2 34 T of mine run

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 18 1959

DATE	INITIALS	CODE
2-18	C	220
		110
2/18		800
2/20		600

SEMI-ANNUAL REPORT

DMEA EXPLORATION REPORT OF CERTIFIED PROJECT

Reporting Period: July 1, 1958 to January 1, 1959.

Date Examined: January 29, 1959

Operator: Sam G. Smith. present Operator- Silcon Mining Company, Johnson City, Tennessee

Name of Mine: Doe Hill Mine. County: Avery. State: No.Carolina.

Docket No: DMEA-2942. Contract: Idm-E900. Commodity: Mica .

Date of Contract: December 1, 1955. Date Certified: Sept. 20, 1956.

Expiration date of royalty payments: December 1, 1965.

Total Amount of Contract: $5,776.00. Total Expended: $5,776.00.

Amount of Gov't participation at 75.--- $4,332.00.

Royalty Paid this Period: None. Previously Paid: $235.43.

Total royalty paid to date: $235.43.

Percent Gov't participation repaid: 5.43%.

Royalty due on production to date: $27.04.

Royalty Remarks: The mine has been in operation intermittently since October 1958. One sale of 40.43 pounds of mica was made prior to the first of the year. Mr. Sam Smith told the writer he would see that the Government royalty was paid.

Estimate of DMEA Reserves (Field Team Final Report)

Indicated - 207,285 lbs. "mine-run" block mica
Inferred - 260,212 lbs. " " " "

Production DMEA ore this period: Sheet mica-40.43 lbs., valued at $540.84.

P

Production DMEA ore (previous): Sheet mica-395.24 lbs., valued at $4,708.55

Production DMEA ore (todate): Sheet mica-435,67 lbs., valued at $5,249.39.

Remarks: No record of any sales of scrap or punch mica were available.

In October of 1958 the Terry Mining Company under the management of Dayton Burleson rehabilitated the adit and began mining. One sale of 40.43 pounds of sheet mica was made on November 19, 1958.

On January 1, 1959 the Terry Mining Company was reorganized and is now known by the name of Silicon Mining Company. The Company is now being managed by Nick Raschella, Luther R. Ault of Johnson City, Tennessee, is president.

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines-OME

z

February 13, 1959.

ORIGINAL FILE COPY
DMEA
RECEIVED MAR 3 1958

DATE	INITIALS	CODE
3-3	C	220
3	Corr	100
3/6		110
3/4	Eng	800
		600

DMEA EXPLORATION PROJECT

Semi-Annual Report of Certified Project

DMEA-3942, Idm-E900 (mica) DOE HILL MINE No.1
Avery County, N. C.

Reporting Period: July 1, 1957 to January 1, 1958

Operator: Sam G. Smith, Ingalls, North Carolina

The writer accompanied by C. E. Fisher, DMEA Auditor, called on the subject operator February 20, 1958. The mine has not been in operation but Mr. Smith said they might work the mine this summer. He stated no scrap or punch mica had been sold to date.

February 20, 1958

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines (DMEA)

z

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/18	Fisher	800
3/18	C	220
3/18	gab	600

MAR 18 1958

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

Re: Docket No. DMEA-3942 (Mica)
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina
Contract No. Idm-E900

Dear Mr. Laurence:

I am enclosing the original and two copies of Mr. Fisher's report of royalty review dated March 17, 1958, pertaining to the subject contract.

If you concur with the findings, the original should be forwarded to the Regional Finance Officer, a copy should be retained in your files, and a copy should be sent to the Operator.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

CEFisher/ama
March 18, 1958

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

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957

DATE		CODE
10/14	C	220
		600

October 11, 1957

Memorandum

To: Finance Officer - DMEA (Region V)

From: Acting Executive Officer, DMEA - Region V

Subject: Royalty Payment -Certified Contract - Idm-E900-mica DMEA-3942, Doe Hill Mine No. 1, Avery County, N.C.

Attached is a check in the amount of $66.51 representing royalty due from sales made in November and December 1956. No settlement sheets were received.

V. J. Lynch

ZM.
cc
Lynch
Mittendorf
Files

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

October 4, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 8 1957

DATE	IN	CODE
10/7	C	220
10/7	6.E.J.	800
		225

Mr. Sam G. Smith

Ingalls, North Carolina

Re: DMEA-3942, Idm-E900-mica
Doe Hill Mine No.1
Avery County, North Carolina

Dear Mr. Smith:

On May 8, 1957, I wrote to you explaining that a payment of $66.51 was due the Government as royalty on production from the Doe Hill Mine. No reply has been received, to date.

Please send me your check or money order for that amount. If there has been any additional production, since the sales listed in my May 8 letter, royalty payment of five percent of the value should also be made promptly.

Please give this your immediate attention.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/zm
cc
Opr. Com-2
Lynch
Files

EXPLORATION PROJECT CONTRACT

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

DMEA-3942, Idm-E900(mica) DOE HILL MINE No.1
Avery County, N. C.

Reporting Period: 1-1-57 to 7-1-57.

Operator: Sam G. Smith, Ingalls, North Carolina

This property was visited October 10, 1957. Mr. Sam G. Smith, operator and owner, said no work had been done during this interim. His son is returning from Colorado and Mr. Smith stated he thought he would operate the mine.

All back royalty has been paid.

Wm. A. Beck, Mining Engineer
Bureau of Mines

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 30 1957

DATE	INITIALS	CODE
10/30	gb	220

z

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 10 1957

DATE	INITIALS	CODE
5/10		220
5/13	EEP	800
		225

May 8, 1957

Mr. Sam G. Smith

Ingalls, North Carolina

Re: DMEA-3942, Idm-E900-Mica
Doe Hill Mine No.1
Avery County, North Carolina
Sam G. Smith, Applicant

Dear Mr. Smith:

A check of the sales of mica to the Government Mica Buying Depot from the subject mine discloses that 395.24 pounds of sheet mica, for which $4,708.55 was paid, has been sold. Royalty in the amount of $168.92 has been paid on $3,378.32 of this amount. On the balance of $1,330.23 royalty in the amount of $66.51 is still due.

Below is listed the sales on which royalty payments are still due:

Sales by Howard Smith-

Date	Lot No.	Final Payment
9-11-56	260	$74.19
1-10-57	715	28.14
		$102.33

Sales by Hall Smith,

Date	Lot	Pounds	Preli. Pay't	Final Pay't	Total
11-2-56	477	49.06	333.98	208.77	$542.75
11-13-56	505	34.50	251.65	-17.58	234.07
11-26-56	554	27.57	195.91	87.58	283.49
12-18-56	646	15.62	131.30	36.29	167.59
	Totals	126.75			$1,227.90

May we also point out that in processing 395.24 pounds of sheet mica there musthave been quite an amount of punch and scrap mica. If this has been sold the Government is entitled to 5 percent of the money received for it.

Please give this matter your immediate attention. Make check payable to the Defense Minerals Exploration Administration and mail it together with copies of settlement sheets on each sale to Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

WAB/xm

cc
Opr. Com-2
Lynch
Files

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting Period: 7-1-56 to 4-23-57. Date of Examination: 4-23-57

Operator: Sam G. Smith, Ingalls, N.C.

Mine Name: Doe Hill Mine County: Avery County. State: North Carolina

Docket No. DMEA-3942 . Contract No. Idm-E900

Date of Contract: December 1, 1955

Date of Certification: September 20, 1956

Expiration Date of Royalty Payments: December 1, 1965

Total Amount of Contract: $5,776.00

Total Expenditures under Contract; $5,776.00

Amount of Government Participation at 75% - $4,332.00

Royalty Payments this Peiod: $168.92

Previous Royalty Payments : None

Total Royalty Payments to Date: $168.92

Percent Government Participation Repaid: 3.90%

Royalty Due on Production to Date: $66.51

OFFICIAL FILE COPY
D M E A
RECEIVED MAY 13 1957

DATE		CODE
5/13	DWS	
14	Corn	220
		100

Royalty Remarks: Mr. Smith has not paid royalty on mica sold in November and December 1956 from the Doe Hill Mine by Hall Smith and the final settlement on two lots sold by Howard Smith. He will be written and request made for this royalty.

Original Estimate of DMEA Reserves (Field Team Final Report)

Indicated- 207,285 lbs. "mine-run" block mica

Inferred - 260,212 lbs. " " " "

Production DMEA ore to date

Sheet Mica , 395.24 lbs. valued at $4,708.55

Remarks: The mine was not in operation on April 23, 1957 when visited by the writer. Mr. Smith was contacted near his home and stated the mine has not operated since before Christmas. He said they might reopen it in the summer.

May 8, 1957.

Wm. A. Beck, Mining Engineer
Bureau of Mines

z

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

February 11, 1957

RECEIVED D.M.E.A.

Memorandum

To: Finance Officer, Region V - (DMEA)

From: Acting Executive Officer, DMEA - Region V

Subject: Royalty Payment - Idm-E9CO, DMEA-3942-Mica
Doe Hille Mine - Sam G. Smith, Operator

Attached is a check dated February 7, 1957 in the amount of $139.13 for $2,782.58 worth of mica sold from the subject mine. The Operator did not send the sale vouchers, however, we are writing him today to male the copies at once.

V. J. Lynch

z.

Mittendorf
Lynch
Shirley
Files

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

DOCKET COPY
Surname:

Hopkins
Houk
Martin
Johnson
Talbot
Doe Run
Lamb
Kilsgaard
Selfridge
Johnson

Mr. Sam G. Smith

SEP 20 1956

Ingalls, North Carolina

Re: Docket No. DMEA-3942-mica
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina
Contract No. Idm-E900

Dear Mr. Smith:

Transmitted herewith is a certification of discovery or development under Contract No. Idm-E900 on the Doe Hill Mine, Avery County, North Carolina.

By the terms of the Exploration Project Contract and of the certification, all production from the date of the Exploration Project Contract, December 1, 1955, is subject to the Government's percentage royalty as set forth in the contract until the sum of $4,332.00 is paid or until December 1, 1965, whichever occurs first.

You should continue to make royalty payments to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville, 2, Tennessee, as you have in the past and checks should be drawn payable to the Defense Minerals Exploration Administration.

Also, royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Laurence of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Laurence at six-month intervals that no production has been made.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

JHopkins:ms 9/12/56
Copy to: Docket
Operating Committee
Mr. Johnson
Mr. Chambers
Field Team, Region V
Mr. Kilsgaard, 5222
Mr. Frank Lamb, 3649
Mr. Houk
Mr. Hopkins
Admr. R. File
Certification File

DOCKET COPY
SURNAME:

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

Hopkins
Houk
Talbot
Dietrich
Lamb
Kilsgaard
Selbridge
Fehrenbach

Mr. Clarence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
7th and D Streets, S. W.
Washington, 25, D. C.

SEP 20 1956

Re: Docket No. DMEA-3942-mica
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina
Contract No. Idm-E900

Dear Mr. Fredell:

I am enclosing one copy of a certification of discovery or development relating to the subject contract.

The exploration contract was signed on December 1, 1955, with the Government participating to the extent of 75 percent of $5,776.00 or $4,332.00. The project was started on December 18, 1955, and completed on July 10, 1956, after the expenditure of $5,776.00, which is the total net accepted cost according to the Audit Review. The Government paid 75 percent of the total accepted cost or $4,332.00.

The work performed on this project consisted of driving 175 feet of a combination crosscut-drift adit to explore two parallel conformable pegmatites.

About 8,800 pounds of "mine-run" block mica was produced during the operation. The project work furnished sufficient data to calculate the following types and quantities of strategic mica reserves:

Indicated - 207,285 pounds "mine-run" block mica
Inferred - 260,212 pounds "mine-run" block mica

The DMEA concurs in the Field Team's evaluation of the work performed and has, therefore, certified that a discovery or development has resulted from the work under the contract.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

JHopkins:ms 9/12/56
Copy to: Docket
Operating Committee
Mr. Johnson
Mr. Chambers
Field Team, Region V
Mr. Kilsgaard, 5222
Mr. Frank Lamb, 3649
Mr. Houk
Mr. Hopkins
Admr. R. File
Certification File

IN REPLY REFER TO:

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

RECEIVED
SEP - 4 1956

August 31, 1956

Re: DMEA 3942
Sam G. Smith
Doe Hill Mine
Avery Co., N. C.
$5,776.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final report

The applicant requested modest assistance on a project designed to explore two essentially parallel pegmatites, separated by about 13-14 feet of mica gneiss and schist.

The work done consists of bulldozing and a combination crosscut-drift adit, in the driving of which no less than 8,800 pounds of strategic block mica was recovered.

The examiners estimate the reserves of mica at:

Indicated:	Pegmatite No. 1	10,799 lbs -	$161,985.00
	Pegmatite No. 2	3,275.6 lbs-	49,134.00
		14,074.6 " -	$211,119.00
Inferred:	Pegmatite No. 1	25,262 lbs -	378,930.00
	Pegmatite No. 2	5,574.4 "	83,616.00
		30,836 "	$462,546.00

Total Reserves: 44,911.0 lbs processed mica - $673,765.00

The mica, as now known, occurs where the flatly dipping pegmatites and the enclosing schist abruptly change strike from nearly east-west to roughly S.15° E to north-south.

The examiners and the Field Team, rightly pleased with the outcome of the project, recommend that a certification of discovery be issued. I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

August 29, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

RECEIVED
AUG 30 1956

Subject: DMEA-3942 (mica)

Applicant: S. G. Smith

Name and Location of Property: Doe Hill Mine, Avery County, N. C.

Contract Number: Idm-E 900

Date of Field Team Report: 8/21/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/28/56

Field Team Recommendation: Recommend certification of discovery.

Comments:

1. Two large mica bearing pegmatites were crosscut.
2. Reserves are estimated at:
   Indicated - 14,074 pounds
   Inferred - 30,836 pounds
3. Expenditures -

Total approved	$5,776.00
Total cost	5,776.00
Gov't. share of the cost	4,332.00
Value of production during operation	unknown

Recommendation:

I concur with the field team's recommendation for certification of discovery.

W. F. Dietrich

W. F. Dietrich

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

August 22, 1956

Memorandum

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

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

Subject: Field Team Final Report, DMEA-3942, Idm-E900 (Mica)
Sam G. Smith, Ingalls, North Carolina
Doe Hill Mine, Avery County, North Carolina

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

This contract was notably successful, and indicated substantial reserves. It is unfortunate that this Operator is not likely to pursue sound development practice and therefore may fail to get the most out of these reserves.

Please note that the dollar values assigned these reserves are based on an estimated value approximately equivalent to the average value of mica purchased by the Spruce Pine depot. We do not, as yet, have sufficient data to establish the probable value of the mica from this mine.

Certification is recommended.

Robert A. Laurence
Robert A. Laurence
Executive Officer

Reviewed by
DMEA OPERATING COMMITTEE
8-29-56
(date)

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

Enclosures

FINAL
FIELD
Report

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-3942, Idm-E900(mica) DOE HILL MINE
Avery County, N. C.

By

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

L. E. Shirley and A. L. Peyton, Mining Engineers
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
8-29-56
(date)

August 21, 1956

DMEA Project Contract
FINAL REPORT
On
DMEA-3942, Idm-E900 (mica) DOE HILL MINE
Avery County, N. C.

Operator: Sam G. Smith, Ingalls, North Carolina

Location: The mine is situated about 1000 feet south of State Highway 194 adjacent to Three Mile Creek. It is on the northern extremity of Pink Ridge, an arm of Doe Hill Mountain, at an elevation of approximately 3000 feet, and 1.48 airline miles N 67° E from the intersection of Highways 19E and 194 at Ingalls, Avery County, N.C. (Linnville Falls, N.C. Quad. TVA Ed. 1934, 1/24,000).

Summary:

Contract work commemced December 18, 1955, and was completed on or about April 1, 1956. An amendment was granted to crosscut to a second pegmatite which was completed about July 10, 1956. The work consisted of bulldozing a trench below the outcropping pegmatites to establish an adit portal. One-hundred feet of adit was driven southeast and south. The adit was extended 75 feet south and southwest under the amendment. Two large mica-bearing pegmatites were crosscut by the contract adit and substantial reserves of strategic muscovite outlined. Certification of this project is recommended.

Introduction:

The only previous exploration at this prospect was a shallow, recently bulldozed 100 x 60 foot area on the gentle open foot of Pink Ridge. The two south-to-southeast dipping concordant pegmatites exposed are 45 to 60 feet vertically above the flat valley floor. An adit portal was prepared down slope about 25-feet above the valley floor. This consisted of bulldozing a S 50° E trench 55 ft long 12 feet wide and 12 ft deep. This was a total of 293 cubic yards of material removed, 23 yards in excess of that allowed under the contract. The bulldozing was done December 18 and 19, 1955. Work on the adit ~~xxxxxxxxxx~~ commenced January 5, 1956. It was driven 47 feet S 50° E, and 20 feet S 21° E., 26 feet south, and 7 feet S 15° W. The footwall of the first pegmatite was cut at 67 feet and the hangingwall ~~xxxxx~~ at about 100 feet. About 7500 lbs of strategic block muscovite was recovered in this interval. An additional 500 lbs of mica was recovered from further drifting to the south under the amendment. An amendment for 75 feet of additional adit was granted to try and cut the downdip projection of the second outcropping pegmatite and the heading continued 18 ft S 3° E, 6 ft S 42° W, 16 ft S 35° W, 30.5 ft S 64° W to the hanging wall of the second pegmatite.

The remaining 4.5 feet was driven southeast along the intercepted hanging wall. At the start of the amendment a decided change in strike of the hanging wall contact from N 50° E to almost due south was encountered. Although the plane of the pegmatite had rotated more than 90° from its attitude on the outcrop, the examiners banked on the continued concordance of the structures and directed that the drift be turned to the southwest to crosscut the intervening mica gneiss and schist. The footwall of the second pegmatite was intercepted at ~~the~~ 140 feet and the hanging wall at 170 feet. About 800 lbs of rather good quality block muscovite was recovered from this interval. The interval from the portal to the first pegmatite was almost solidly top lagged since it was driven in shallow dipping, soft incompetent mica gneiss and schist. Several subsequent intervals had to be timbered for similar reasons. Under the contract, a toolhouse, powder and exploder magazines were built. No other facilities or equipment was bought by the Government.

The work was conducted in a satisfactory manner except that the Operator had to be constantly reminded to refrain from stoping in the drift while crosscutting the pegmatites. This tended to endanger the project by potential caving of the back and walls. Although substantial reserves of mica were discovered, it is doubtful that they will be efficiently developed. The Operator seems to have little conception of proper mine development.

Geology: Two large southeast-dipping pegmatites were cut by recent bulldozing. The lower pegmatite (pegmatite No.1) is exposed intermittently along strike for a distance of about 45-feet. It is about 12 feet thick, strikes N 70° to 85° E and dips 45 to 50° southeast. The upper pegmatite is exposed in the upper edge of the cut and is exposed for a strike length distance of about 30 feet on the footwall contact. No hanging wall is exposed, but it is at least 10 feet thick. It strikes N 75 to 90° E and dips about 40° southeast. Both structures are concordant and are separated by about 17 feet of weathered brown migmatitic mica gneiss and schist. In the adit, pegmatite number 1 has an attitude of N 88° W, 35° SW on the footwall contact and N 3 to 48° W, 30 to 35° SW. Pegmatite is at least 18 feet thick normal to the contacts. Pegmatite No.2 has an attitude of N 29° W, 28° SW on the footwall contact and N 46° W 26° SW on the hanging wall. The structures are still concordant and separated by about 14 feet of mica gneiss and schist.

Both structures are composed of predominantly plagioclase feldspar with considerable disseminated quartz, strategic muscovite,

and occasional coarse biotite or biotite-muscovite intergrowths. During drifting in pegmatite No.1, ~~much~~ mica-rich zones aligned along several thin mica schist inclusions 1 to 2 inches thick were cut (see map). These inclusions had an attitude of N 37° W 30° SW and were assymetrically dragfolded, indicating relative movement in the hanging wall to the northwest. A two-foot muscovite rich zone exists on the footwall side of each inclusion in which muscovite makes up about 30 to 40% by volume of the zone. A thinner zone of coarsely intergrown muscovite and biotite exists on the hanging wall side of the inclusions. The Examiners have little idea of the continuity or origin of these zones. Possibly they may be some sort of replacement phenomena. The muscovite is much more abundant in pegmatite No.1 than No.2, but the quality and size of muscovite in No.2 is substantially better. From recovery during the contract, muscovite makes up an average 3.3% by weight of pegmatite No.1 with an average value of 20.08/ton of pegmatite. Pegmatite No.2 is about 0.37% muscovite by weight with an average value of $13.26/ton of pegmatte.

Reserves:

Indicated reserves were estimated by calculating the area of each pegmatite from the floor of the contract adit to the outcrop and estimating a strike distance of 20 feet on either side of the adit centerline. Inferred reserves were estimated by allowing an equivalent block 20 feet further along strike on either side of the indicated block-plus a block 30 feet down the dip of each structure and 40 feet along strike on each side of the drift centerline. Rotation of the hanging wall of the first pegmatite was compensated for by rotating the calculated section parallel to the drift cutting pegmatite No.2 and projecting the known pegmatite 19'NW into this section.

Indicated Reserves:

Pegmatite No.1 -	Cross-section 56' x 15' (av.thk)=	840 sq.ft.
	x 40' width	=33,600 cu ft
	peg. in drift 32' x7' x 6'	= 1,344 cu. ft.
	Indicated volume of peg	= 32,256 cu. ft
7500 lbs mica recovered from 1344 cu ft		= 5.58 lbs/cu ft

Recovery from the block,esti. 6% = 10,799 lbs processed mica
Value of processed mica, esti @ $15/lb = $161,985.00

179.816 Mica Rich Block

Indicated Reserves:

Pegmatite No.2. Cross-section 88' x 13' (av.thk) = 1144 sq.ft
x 40' width =45,760 cu ft
peg. in drift 31' x 7' x 6' = 1,302 " "
Indicated volume of peg. =44,458 " "

800 lbs mica recovered from 1302 cu ft = 0.614 lbs/cu ft
44,458 x 0.614 = 27,297.2 lbs block mica (indicated)
Recovery from the block, esti. 12% = 3,275.6 lbs. processed mica
Value of processed mica, esti. @ $15/lb = $49,134.00

Inferred Reserves:

Pegmatite No.1 - block on either side of indicated reserve figures.
10,799 lbs processed mica valued @ $161,985.00
block below level of adit 30' x 18' x 40' (along strike)
43,200 cu ft x 5.58 (lbs. block/cu ft peg)
= 241,056 lbs inferred block mica x 6% (est.value/lb)
= $216,945.00 value of block below adit level
Total
25,262 lbs processed mica valued at $378,930.00

Inferred Reserves:

Pegmatite No.2 - block on either side of indicated reserve block same as indicated reserve figures
3,275.6 lbs processed mica valued @ $49,134.00
block below level of adit 30 x 13 x 80' (along strike)
31,200 cu ft x 0.614 (lbs block / av. ft peg)
= 19,156.8 lbs inferred block mica x 12% (esti.recovery)
= 2,298.8 lbs. processed mica x $15 (esti. value/lb)
= $34,482.00 value of block below level
Total
5,574.4 lbs processed mica valued at $83,616.00

Recapitulation: Reserves

Indicated:	Pegmatite No.1	10,799 lbs -	$161,985.00
	Pegmatite No.2	3,275.6 " -	49,134.00
		14,074.6 " -	$211,119.00
Inferred:	Pegmatite No.1	25,262 lbs -	378,930.00
	Pegmatite No.2	5,574.4 "	83,616.00
		30,836.1bs	$462,546.00

Total Reserves: 44,911.0 lbs processed mica - $673,765.00

Expenditures:

Total cost approved	$5,776.00
Total cost of project	5,776.00
Government's share of cost	4,332.00
Government's share unexpended	0.00
Value of production during opr.	unknown *
Royalty paid to date	29.79

* final settlement on sales to Spruce Pine Depot not received to date.

August 21, 1956

S. C. Bergman, Geologist
Geological Survey

A. L. Peyton, Mining Engineer
Bureau of Mines

L. E. Shirley, Mining Engineer
Bureau of Mines

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

RECEIVED
JUL 20 1956

July 18, 1956

Memorandum

To: Operating Committee, DMEA- Washington

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

Subject: Operator's Final Report; Idm-E900, DMEA-3942, Sam G. Smith. Doe Hill Mine No.1. Avery County, N. C.

Transmitted is the original and three copies of the Operator's final engineering and geological report on the subject contract.

Robert A. Laurence

Robert A. Laurence

Operations Final Report

Ingalls, N. C.

July 16, 1956

RECEIVED
JUL 20 1956

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

Dear Sir:

This is my final summary of work accomplished and finished contract No. Idm-E 900, Docket no. DMEA 3942, Doe Hill Mine No. 1.

I began operation on the fifth day of January, 1956 and started drilling through a vein of chist and some slate. Pulled 65 feet through this and contacted a hard vein. Pulled this vein around 35 feet with vein spreading and producing some block mica. This vein came in on the North side of the mine and runs north and south. At this point I completed first contract of 100 feet.

Started working on my own operation, pulled right handed, droping toward the south end of mine on a 45 degree incline with vein spreading and pitching deeper. I got around 600 pounds of uncobbed mica.

Then received an admendment of 75 feet from you and began operation back on a level with the first workings and pulled 24 feet through vein but getting very little mica. I then pulled straight ahead through hard vein spreading and dipping up against the back slate of mine. Now turning down side of slate in hard vein and getting some block mica.

I have three sales of mica in the mica depot at Spruce Pine waiting to be processed and I will send in your 5% and the sales slip as soon as if receive my check for these sales.

Please accept this letter as my final report for the above numbered contract and admendment.

Thank you very much.

Yours truly

Sam G Smith

Sam G. Smith.

RECEIVED
JUL 18 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

INTERIM REPORT

DMEA-3942, Idm-E900 (mica) DOE HILL No.1

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N 67° E of Ingalls, Avery County, N. C.

Crosscutting the second pegmatite is complete. Drifting with the pegmatite along the hanging wall to the East totals 13 feet. Muscovite recovered from the second pegmatite is above the average in quality. The large block mentioned in the last report produced 8 1/2 lbs. at $40.00, and 2 1/2 pounds at $70.00.

Certification will be recommended.

Inspected: July 10, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

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P. O. Box 217
July 20, 1956

Memorandum

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

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

Subject: Monthly reports and vouchers

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

Idm-E-900 Sam G. Smith
Docket No. DMEA-3942
6th payment - month of June
Amount $720.00

Helen H. Miller

Attachments
/hhm
Copies to R. A. Laurence
V. J. Lunsh
Morris files
Day files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-5

OPERATOR'S MONTHLY REPORT AND VOUCHER

Amendment No. 1

Month of June, 1956 Docket No. DMEA 3942 Contract No. Idm-1 900
Operator's Name Sam G. Smith Minerals Mica
Address Ingalls, N. C.
Contract Amount, $ 5776.00 Government Participation: 75% Amount, $ 4332.00

RECEIVED JUL 23 1956

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	960.00	1440.00	2400.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	960.00	1440.00	2400.00	960.00	1440.00	2400.00

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

Date July 16, 1956 Payee Sam G Smith

Per Sam G. 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:

$ 720.00

Signature Helen R Meller
(Authorized Certifying Officer)

Date JUL 20 1956 Vou. No. 15
(See other side)

2400.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-900 in accordance with the terms of the contract.

Signature [illegible] Title Mining Eng. Date JUL 18 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawson Title EXECUTIVE OFFICER DMEA REGION V Date JUL 18 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 23 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Amendment No. 1

Month of June 1956 Docket No. DMEA 3942 Contract No. Idm-E 900
Operator's Name Sam G. 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	Unit Costs
Drifting	Foot	960.00	30	2400.00	75	32.00	75	2400.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		960.00		2400.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		960.00		2400.00				

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 July 16, 1956 Operator Sam G Smith

Per Sam G. 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.

REMARKS: Final Report.

(Instructions on reverse)

(For Government use only)

V. J. Lynch
Mining Eng.
Bureau of Mines.

INSTRUCTIONS

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

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

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

GPO 872894

SAM G. SMITH
INGALLS, N.C.

RECEIVED
JUL. 23 1956
DMEA 3942 MICA
Contract No. Id-E 900

WORK ACCOMPLISHED MONTH OF JUNE 1956 FINAL PROGRESS REPORT

May 28, Laid track, worked on compressor & mucked.

" 29, Drilled, shot and mucked.

" 30 Drilled, shot one round, laid track and mucked. Some mica showing in bottom.

" 31 Mucked out, drilled, shot. Vein harder, recovered son block mica.

June 1 Drilled, shot, vein spreading. some mica in top.

" 2 Mucked out, laid track.

" 4 Drilled, shot two rounds, vein spreading.

" 5 Mucked out, drilled and shot.

" 6 Laid track, drilled and shot. Visited by field men.

" 7 Mucked out. Drilled and shot one round. vein spreading & harder.

" 8 Mucked out. Drilled and shot. Some block mica.

" 11 Drilled, shot and mucked

" 12 Drilled, shot and mucked.

" 14 Drilled, shot and mucked.

" 15 Mucked out clean, laid track

" 18 Drilled, shot and mucked.

" 19 Drilled and shot.

" 2020 Mucked.

" 21 Drilled and shot. Mucked.

" 22 Mucked, drilled and shot. Laid track.

" 25 Drilled, shot one round, mucked.

" 26 Worked on hoisting engine.

" 27 Drilled, shot and mucked.
28 Drilled and shot one round, mica in right side and bottom.

" 29 Drilled, shot and mucked. Vein spreading, mica in heading.

July 2 Mucked out, vein harder. Mica in top. Got 4 bags mica.

Progress report continued.

RECEIVED
JUL 2 2 1955

July 3 Drilled, Shot, vein spreadin, mica in right side, got some block mica

" 5 Mucked out, laid track.

" 6 Drilled and shot, vein dipping in right side of heading.

" 9 Mucked out, drilled and shot. Got around 500 lbs. block mica.

" 10 Mucked out. Got about 100 lbs. mica, visited by field man.

" 11 Shot and mucked, vein spreading, got about 200 lbs. Mica.

INTERIM REPORT

DMEA-3942, Idm-E900 (mica), DOE HILL MINE

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N 67° E of Ingalls, Avery County, N. C.

Drift footage todate totals 164 feet with 11 feet to go on this contract. T he last 30 feet of drift is in pegmatite. Mica recovery from this pegmatite approximates 600 pounds of mine-run muscovite. One block from this production weighed 75 or 80 pounds. The mica observed is above average in quality. The Operator was instructed to continue drifting through the pegmatite.

Progress is satisfactory.

Inspected: June 19, 1956

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

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JUN 23 1956

RECEIVED
JUN 18 1956

INTERIM REPORT

DMEA-3942, Iom-E900, (mica) DOE HILL MINE

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N. 67° E. of Ingalls, Avery County, N. C.

The Operator has cut 59 feet of drift on the amendment to this contract. Drift footage totals 159 feet todate. The last 15 feet of drift is in pegmatite, the second target pegmatite. From this pegmatite 200 pounds of mica have been recovered. The mica observed is of fair quality. The Operator was instructed to continue drifting across the pegmatite to the wall and use the remaining footage if any drifting with the pegmatite.

Progress is satisfactory.

Inspected: June 6, 1956

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

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

F[illegible] 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

Amendment No. 1

Month of May 6 195[illegible] Docket No. DMEA 3942 Contract No. Idm-E 900
Operator's Name Sam G. Smith Minerals Mica
Address Ingalls, N. C.
Contract Amount, $ 5,776.00 Government Participation: 75% Amount, $ 4,332.00

RECEIVED MAY 31 1956

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	672.00	768.00	1440.00			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	672.00	768.00	1440.00	672.00	768.00	1440.00

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

Date May 26, 1956 *Payee Sam G. Smith

Per Sam G. 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:

$ 504.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date MAY 29 1956 Vou. No.
(See other side)

168.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 900 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist, USGS Date 5/28/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamm Title EXECUTIVE OFFICER DMEA REGION V Date MAY 28 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 31 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3942 Contract No. Amendment No. 1 DMA-E 900
Operator's Name Sam G. 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	Unit Costs
Drifting	Feet	672.00	21	1440.00	45	32.00	75	2400.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		672.00		1440.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		672.00		1440.00				

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

Date 5-26-56 Operator Sam G Smith

Per Sam G. 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)

S.C. Bergman - Geologist USGS
5/29/56

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

[illegible] COUNTY [illegible] OF [illegible]
OF ALBERTA NO. 1

RECEIVED
MAY 31 1956

[illegible] O. [illegible]
[illegible], B.C.

[illegible] 3062 [illegible]
CONTRACT NO. 11-2-900

Work Accomplished | Month of May 1956 | Work Continued

May 1 Laid track. Drilled and shot.

" 2 Lashed out. Laid tracking and worked on drill.

" 3 Drilled, shot and mucked.

" 4 Mucked out, drilled, vein spreading

" 7 Drilled, shot, mucked. Got some small rice.

" 8 Drilled, shot and mucked. Vein spreading in heading. Visited by Field Men.

" 9 Drilled, shot and mucked.

" 10 Worked on drill and compressor, laid track.

" 11 Drilled, shot and mucked.

" 14 Mucked, laid track.

" 15 Drilled, shot and mucked.

" 16 Mucked, set timbers

" 17 Drilled, shot and mucked.

" 18 Mucked and straightened up tunnel

" 21 Drilled, shot and mucked

" 22 Mucked ~~[illegible]~~ Visited by the Field Men.

" 23 Drilled and shot. Vein covering whole heading. Small rice in vein and muck.

JUN - 3 1956

INTERIM REPORT

DMEA-3942, Idn-E900 (mica) DOE HILL MINE

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N 67° E. of Ingalls, Avery County, N. C.

Total drift todate is 140 feet. The present face discloses pegmatite in the top, possibly the target pegmatite. The Operator was instructed to continue cutting across the pegmatite to the wall then drift as far as footage will permit.

Progress is satisfactory.

Inspected: May 22, 1956

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

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RECEIVED
MAY 1 8 1956

INTERIM REPORT

DMEA-3942, Idm-2900 (mica), DOE HILL MINE

Operator: Sam G. Smith, Ingalls, N. C.

Location: 1.66 airline miles N. 67° E. of Ingalls, Avery County, N. C.

Progress for the past two weeks is 24 feet making a total of 124 feet. The back of the drift is in schist at the face with the lower half in pegmatite. It is expected the drift will be totally in schist crosscutting the foliation within the next couple of rounds.

Progress is satisfactory.

Inspected: May 8, 1956

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

A. R. Taylor for

S. C. Bergman, Geologist
Geological Survey

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

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER OF PAYMENTS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED MAY 16 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April 6 San G. Smith 3042 Docket No. DMEA Contract No. 1 Ice 900
Operator's Name Ingalls, H. C. Minerals
Address 5,776.00 75 4,332.00
Contract Amount, $ Government Participation: % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	768.00		768.00			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
	768.00		768.00			
TOTALS				768.00		768.00

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

Date May 5, 1956 *Payee San G. Smith Operator

Per Title

*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:

$ 576.00

Signature Helen R. Miller (Authorized Certifying Officer)

Date MAY 15 1956 Vou. No.

(See other side)

192.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-900 in accordance with the terms of the contract.

Signature C. L. Peyton Title Mining Engineer Date MAY 11 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lyons Title ACTING EXECUTIVE OFFICER DMEA REGION V Date MAY 11 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
MAY 16 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Amendment No. 1

Month of April 1956 Docket No. DMEA 3042 Contract No. [illegible]
Operator's Name Ben G. Smith Minerals [illegible]
Address Ingalls, N. M.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	763.00	24	763.00	24	32.00	75	2400.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		763.00		763.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		763.00		763.00				

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

Date 5-3-56 Operator Ben G. Smith

Per Ben G. Smith Title Operator

REMARKS: This is on the Amendment No. 1.

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)

A. L. Peyton
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

[illegible] [illegible] [illegible]
[illegible] [illegible] NO. 1.

RECEIVED
MAY 16 1956

[illegible]
[illegible]

[illegible]
[illegible]

[illegible] [illegible] [illegible] [illegible] NO. 1.

(min 39) Returned the signal contract on the [illegible] to contract. Visited by the [illegible] [illegible] [illegible] [illegible] on level.

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INTERIM REPORT

DMEA-3942, Idm-E900, Mica- DOE HILL MINE

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N 67° E of Ingalls, Avery County, N.C.

The Operator has started drifting on the amendment to this contract which calls for 75 feet of drift and/or crosscut. At the time of this inspection the new drift measured 4 feet. The top third of the face was in schist, the lower two thirds being in pegmatite. The Operator was instructed to drift at right angle to the foliation.

Progress is satisfactory.

Inspected: April 24, 1956.

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

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RECEIVED
MAY 3 - 1956

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

RECEIVED
APR 23 1956

April 24, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Operator's final report, DMEA-3942, Idm-E900 (mica)
Sam G. Smith, Ingalls, N. C. Doe Hill No. 1 Mine

Enclosed are four copies of the subject report, submitted by the Operator on completion of the originally scheduled work.

As the contract has been extended by Amendment No. 1, the Field Team final report will not be prepared until completion of the new work authorized by the amendment.

Robert A. Laurence

Robert A. Laurence

RECEIVED
APR 26 1956

Ingalls, N. C.
April 18, 1956

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

Dear Sir:

This is my final summary of work accomplished and finished contract No. Idm-E 900, Docket No. DMEA 3942, on Doe Hill No. 1 Mine.

I began operations on the fifth day of January and started drilling in soft slate and chist. After pulling a tunnel 5 x 7 for 79 feet I hit hard vein rock around the first of March. I began to get mica when I hit hard vein and I have averaged around 5 sack loads of mica a day, some of it was a very good grade mica. The vein is spreading and dropping on an incline still in hard rock, rich with mica in the heading.

I am enclosing my check for $29.79 to cover the 5% due on the attached copy of sales to the mica depot. I still have some block mica and scraps on hand. I will mail you a check to cover this when it is processed and sold.

Please accept this letter as my final report for the above numbered contract.

Thank you very much.

Yours truly,

S. G. Smith

S. G. Smith

APR 2 1956
U. S. DEPARTMENT OF INTERIOR
DEF. MIN. ADM.
Knoxville, Tennessee

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

RECEIVED
APR 23 1956

April 24, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Amendment No. 1, DMEA-3942, Idm-E900 (mica)
Sam G. Smith, Applicant. Doe Hill Mine, Avery County, N.C.

Transmitted are three signed copies of the subject Amendment on the subject contract.

The usual distribution of the other copies have been made by this office.

Robert A. Laurence

Robert A. Laurence

RECEIVED
APR 23 1956

April 20, 1956

Memorandum

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

From: Acting Executive Officer, Region V - Knoxville

Subject: Royalty payment - DMEA-3942, Idm-E900, Sam. G. Smith, Doe Hill Mine (mica) Avery County, Ingalls, N. C.

Transmitted are bills-of-sale in the amount of $595.74, and a check for 5% royalty on the sales in the amount of $29.79 to be credited to the subject contract.

V. J. Lynch

ZM.

cc:
Lynch
Mittendorf
Shirley
Files

Copy

RECEIVED
APR 23 1956

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

Authorization No. 1772 A Acceptance No. 805 Date: 3-14-56

Seller: Howard Smith (S. H. Smith) Ingalls, N.C.

Mine: Dae Hill No. 1 DMEA No. 3942, IdM E-900

Avery County, N. C.

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No. 3 & larger					$70.00	
No. 4 and 5				1.71	$40.00	68.40
No. 5½ and 6				7.99	$15.00	119.85
Stained No. 3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00		.54	$ 8.00	3.46
No. 5½ and 6		$ 3.00		3.76	$ 5.00	15.04
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00			$ 6.00	
No. 5½ and 6		$ 2.00			$ 3.00	
LOT TOTALS		//////		14.00	//////	
TOTAL		/////			/////	206.75

29.77

Copy

RECEIVED
APR 23 1956

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

Authorization No. 1772 A Acceptance No. 867 Date: 3-30-56

Seller: Sam G. Smith - Ingalls, N. C

Mine: Doe Hill #1 DMEA No. 3942 - Idm E 900

Avery County, N.C.

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No. 3 & larger				.09	$70.00	6.30
No. 4 and 5				3.41	$40.00	136.40
No. 5½ and 6				11.37	$15.00	170.55
Stained No. 3 and larger		$12.00		.44	$18.00	6.34
No. 4 and 5		$ 5.00		3.15	$ 8.00	20.16
No. 5½ and 6		$ 3.00		12.31	$ 5.00	49.24
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00			$ 6.00	
No. 5½ and 6		$ 2.00			$ 3.00	
LOT TOTALS		//////		30.77	//////	
TOTAL		/////			/////	388.99

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

DOCKET COPY
Surname:

Hopkins
Houk
Chambers
Selfridge
F. Johnson
Mathews

APR 16 1956

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

Re: Docket No. DMEA-3942-Mica
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina
Contract No. Idm-8900

Dear Mr. Laurence:

Reference is made to the Field Team Memorandum of April 6, 1956, requesting an amendment to the subject contract authorizing the extension of the present adit an additional 75 feet.

We have prepared and enclose herewith the original and five copies of an amendment authorizing 75 feet of drifts and/or crosscuts which have been signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team. If it meets with your approval, please present it to the Operator for approval and signature.

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Approved:

J. W. Pennington (HB)
Member, Bureau of Mines

N. E. Nelson (HB)
Member, Geological Survey

Enclosures: 8

JHopkins:ms 4/10/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File

INTERIM REPORT

DMEA-3942, Idn-1900 (mica) DOE HILL MINE

Operator: Sam G. Smith, Ingalls, N. C.

Location: 1.66 airline miles N 67° E of Ingalls, Avery County, N. C.

The Operator has completed the contract of 100 feet on drifting. The heading is still in pegmatite with a sizeable quantity of muscovite showing.

Progress is satisfactory.

April 10, 1956
Inspected)

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

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

RECEIVED
APR 9 - 1956

April 6, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3942, Idm-E900, Sam G. Smith, Applicant - Ingalls, N. C.
Doe Hill Mine, Avery County, N. C. (mica)

Reference is made to your letter of March 30, in regard to a request for an amendment to the subject contract.

Attached is a letter from the Operator of the contract requesting authorization to extend the present adit an additional 80 feet.

When the Field Examination of this property was made, two parallel pegmatites had been exposed by stripping. It was believed that the pegmatites had a north-south strike and dipped about 25 degrees to the west. An adit driven on the upper pegmatite for a distance of 100 feet was recommended and a contract was made on that basis.

After driving the adit in a southeast direction for 45 feet without intersecting the pegmatite, the direction was changed to due south and the pegmatite was cut within 20 feet. The adit was still in pegmatite at 100 feet. About 7500 pounds of block mica of strategic grade was recovered from the last 30 feet of the adit.

This pegmatite apparently is the lower pegmatite (see enclosed map), and it is believed that by extending the adit an additional 75 feet the upper pegmatite will be intersected.

If the upper pegmatite is as rich in mica as the lower one has proven to be, the potential mica reserves on the property would be materially increased.

The Field Team concurs with the Field Examiners in recommending an amendment to the contract authorizing the extension of the present adit an additional 75 feet at a cost of $2400, or $32.00 per foot.

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

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

Docket no. DMEA 3942
Contract no. IDM-E 900

RECEIVED
APR 9 - 1956

Ingalls, North Carolina
March 28, 1956.

Defense Minerals Exploration Administration
U. S. Department of the Interior
Post Office Building
Knoxville, Tennessee

Gentlemen:

We the undersigned Sam G. Smith and Bessie Smith would like to request that we be authorized to do 80 feet additional tunnelling at Doe Hill Mine #1 to uncover and find more and new pegmatite. There is now a loan on this mine and we are making this request for additional funds to proceed with the additional 80 feet. The 100 feet that we were authorized to do under the terms of our contract has now been completed.

Very truly yours,

Sam G Smith

Bessie Smith

RECEIVED
MAR 30 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Mr. Hopkins calling Mr. Laurence in Knoxville, Tenn.

Re: Docket No. DMEA-3942 - Mica
Doe Hill Mine
Avery County, North Carolina
Contract No. Idm-E900
Sam G. Smith

Mr. Hopkins: The Doe Hill Mine and the amendment.

Mr. Laurence: We are getting the information on the Doe Hill for additional money. I can see why the confusion was there. DMEA-3942. The story was the dips turned out to be in the opposite direction. We are getting you a record report on it.

Mr. Hopkins: I looked up the Doe Hill _ are you making a request for an amendment.

Mr. Laurence: Yes. I talked with Mr. Houk and he said he will go along.

Mr. Hopkins : As soon as you send in the justification we will send it out to you.

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

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

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

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

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

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

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

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

Additional Remarks: _____

_____

_____

_____

_____

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

Signed _____

Interior—Duplicating Section, Washington, D. C.

P. O. Box 217
April 23, 1956

Memorandum

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

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

Subject: Monthly reports and vouchers

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

Idm-E-900 Sam O. Smith
Docket No. DMEA-3942
3rd and final payment - month of March
Completion Date: 3-27-56
Amount $672.00

Helen R. Miller

Attachments
/hbm
Copies to R. A. Lawrence
V. J. Lynch
Morris files
Day files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
APR 25 1956

Month of March, 1956 Docket No. DMEA 3942 Contract No. Idm-E 900
Operator's Name SAM G. SMITH Minerals MICA
Address INCALLS, N. C.
Contract Amount, $3,376.00 Government Participation: 75 % Amount, $2,532.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Hours		60.00	60.00			
Crosscutting						
Drifting Feet	896.00	2304.00	3200.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track Tool House		76.00	76.00			
Powder Magazine		26.00	26.00			
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	896.00	2480.00	3376.00	896.00	2480.00	3376.00

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

Date 4-3-56 *Payee Sam G Smith

Per Sam G. 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:

$ 672.00

Signature Helen R. Mullen
(Authorized Certifying Officer)

Date APR 23 1956 Vou. No.
(See other side)

224.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature S. C. Bergman Title Geologist, USGS Date APR 20 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date APR 20 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 25 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1956 Docket No. DMEA 3942 Contract No. Idm-E 900
Operator's Name SAM G. SMITH Minerals MICA
Address ENGLISH, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Foot	896.00	28'	3200.00	100'	32.00	100	32.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping Bulldozing	Hr.			60.00	1	60.00	1	60.00
Trenching Tool House	1			76.00	1	76.00	1	76.00
Test Pits Powder Mag.	1			26.00	1	26.00	1	26.00
Roads and Exploder Mag.	1			14.00	1	14.00	1	14.00
Total Distributed Costs		896.00		3376.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		896.00		3376.00				

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 4-3-56 Operator Sam G. Smith

Per Sam G. 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: This finished the 100 foot called for in the contract.

(For Government use only)

S. C. Bergman, Geologist, USGS
4/20/56

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

OPERATORS MONTHLY REPORT OF PROGRESS

RECEIVED
APR 25 1956

SAM G. SMITH
INGALLS, N.C.

DMEA 3942 MICA
CONTRACT NO. Idm-E 900

WORK ACCOMPLISHED MONTH OF MARCH 1956 PROJECT FINISHED

MARCH 1 - Mucked and laid track
" 2 - Drilled, shot, recovered some mica. Vein rich with mica.
" 5 - Mucked, mine in sides and heading all vein.
" 6 - Mucked and laid track, drilled, shot, got some mica.
" 7 - Drilled, mucked, plenty of vein, mine looking better.
" 8 - Mucked, mine still looking good, got some mica.
" 9 - Drilled, shot got some mica, vein still looks rich.
" 12 - Mucked out, got some mica.
" 13 - Drilled, shot and laid track.
" 14 - Shot and mucked
" 15 - Mucked, plenty of vein, drilled, shot and got some mica.
" 16 - Drilled and shot.
" 19 - Mucked out mine.
" 20 - Drilled and shot one round, still in hard vein, got 6 bags mica.
" 21 - Mucked out, lain tract down on incline.
" 22 - Drilled one round, shot in hard vein in heading. got 5 bags of Block mica.
" 23 - Drilled, shot, mine going down on incline, mucked and laid more track. Got 4 sacks of mica.
" 26 - Mucked and set timbers.
" 27 - Worked on compressor, visited by field team and they advised that we had completed the 100 foot called for under the contract.

DOCKET COPY
Surname: Houk Selfridge J. Johnson Mittendorf

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

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

MAR 30 1956

Re: Docket No. DMEA-3942-Mica
Sam G. Smith
Roe Hill Mine
Avery County, North Carolina
Contract No. Idm-8900

Dear Mr. Lawrence:

Reference is made to your telephone conversation of March 28, 1956, with Mr. Houk on additional funds for exploring at the subject mine.

The procedure outlined in Part 2 of Memorandum No. 17, from the Operating Committee to all Field Teams, dated February 20, 1953, should be followed when requesting any amendment not within your delegated authority. Part 2 of Memorandum No. 17 is quoted below:

"(2) In order that the drafting of amendments may be expedited to avoid delay or lapse of the work, an engineer, when inspecting an exploration project (under contract) and noting that it is obvious to both the Operator and to him that changes should be made in the work specified in the contract to obtain better results and/or lower costs, should immediately secure and submit to the Executive Officer the following:

a. A letter from the Operator requesting an amendment to the contract for the proposed changes.

b. The required data for the preparation of the amendment, i.e., maps or sketches showing the proposed work, including geology, cost details in lieu of the ones allowed in the contract. A narrative should accompany these data justifying the proposed changes.

e. A memorandum by the engineer recommending the amendment is to be submitted. This memorandum should recommend the date the amendment is to be in effect."

The justification should include a summary of all work completed to date with sketches.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

/s/ Robert W. Geehan (JHB)
Member, Bureau of Mines

N. E. Nelson (JHB)
Member, Geological Survey

LGHouk:ms 3/29/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

DOCKET COPY
Surname:

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

March 28, 1956

Memorandum

To: Mr. Robert Dwyer, Associate Solicitor

From: L. G. Houk, Chief
Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3942-Mica
Doe Hill Mine
Avery County, North Carolina
Contract No. Idm-E900
Sam G. Smith

Please prepare the following amendment to the subject contract effective December 1, 1955, authorizing an additional 75 feet of drifting and/or crosscutting:

Exploration Project Contract
Sam G. Smith
Docket No. DMEA-3942

It is agreed the _____ day of March, 1956 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Sam G. Smith, that Contract No. Idm-E900(Docket No. DMEA-3942) dated December 1, 1955 is amended as of the date of the Contract(December 1, 1955) as follows:

1. In "Exhibit A" under "Description of the Work", add paragraph "4. Drive 75 feet of drifts and/or crosscuts, having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber".
2. In"Exhibit A" under "Fixed Unit Costs" add item, "4. Drive 75 feet of drifts and/or cross-cuts @ $32.00/ft. - $2,400.00".
3. Under "Fixed Unit Costs" delete the figures "$3,376.00 and $2,532.00" and add the figures "$5,776.00 and $4,332.00" for "Estimated Total Cost of Project", and "Government participation @ 75%" respectively.
4. In the Contract form No. 200A, Article 3, delete the figures, "$3,376.00 and $2,532.00" and add the figures, "$5,776.00 and $4,332.00" respectively.

5. The location, direction and amount of all work shall be subject to approval of the Government.

This amendment shall be construed to increase the estimated total cost of the project from $3,376.00 to $5,776.00, the aggregate total which the Government may be required to contribute from $2,532.00 to $4,332.00 but does not increase the fixed unit cost of any item of work.

James Hopkins
Nonmetallic Minerals Division

JHopkins:ms 3/29/56
Copy to: Docket
Mr. Houk
Mr. Hopkins
Admr. R. File

RECEIVED
APR 9 -

INTERIM REPORT

DMEA-3942, Idm-E900(mica) DOE HILL MINE

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N 67° E of Ingalls, Avery County, N. C.

Drifting to date totals 99 feet with 1 foot to go on the contract. The heading is in pegmatite and has been for the past 33 feet. Muscovite is plentiful, recovery runs about 500 pounds per shift. The quality and quantity of mica observed indicates a good producer. The Operator was instructed to extend the heading.

Progress is satisfactory.

Inspected: March 27, 1956

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman

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

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ACTION ON INTER 3942

Date 3-23

Referred to:

1. ~~Mr. Hibbard~~
2. ~~Mr. Johnson~~
3. ~~Mr. Strahorn~~
4. ~~Docket Control Mails and Files~~
5. ~~Norm Walker~~ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Requests we prepare
2. Amendment
3.
4.

and take appropriate action.

- - - - - -

Action taken by Division:

Action is being deferred pending completion of work on the contract file.

ROBERT E. ADAMS

Initials

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

March 21, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Interim Report, DMEA-3942, Idm-E900, Doe Hill Mine (mica) N.C.

Transmitted are four copies of the subject interim report dated March 13, 1956.

The Field Team concurs with the recommendation of the Field Examiners and the Operator that an amendment be prepared to provide an additional 75 feet of drifting and/or crosscutting. If you approve, please prepare the amendment.

V. J. Lynch

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

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

z

RECEIVED
MAR 23 1956

INTERIM REPORT

DMEA-3942, Idm-E900 (mica) DOE HILL MINE

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N 67° E of Ingalls, Avery County, N. C.

The Operator cut 15 feet in the past two weeks making a total of 87 feet in the adit, and leaving 13 feet to go on the contract. The heading is still in pegmatite with a 2-foot mica zone cutting diagonally across the face. From approximately 15 feet of drift 2000 pounds of mine run mica was recovered.

The Operator was instructed to use the remaining footage to extend the adit or crosscut straight ahead in order to reach the hanging wall contact.

The Field Team recommends that the contract be amended giving the Operator additional footage needed to cut the projection of a second outcropping pegmatite to the southeast and do some strike length exploration. This would require an additional 75 feet of drift and or crosscut.

Inspected: March 13, 1956.

RECEIVED
MAR 23 1956

A. L. Peyton

A.L. Peyton, Mining Engineer
Bureau of Mines

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

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Feb., 1956 Docket No. DMEA 3942 Contract No. Idm-E 900
Operator's Name SAM G. SMITH Minerals MICA
Address INGALLS N. C.
Contract Amount, $ 3,376.00 Government Participation: 75 % Amount, $ 2,532.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Hours		60.00	60.00			
Crosscutting						
Drifting Feet	896.00	1408.00	2304.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track Tool House		76.00	76.00			
Powder Magazine		26.00	26.00			
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	896.00	1584.00	2480.00	896.00	1584.00	2480.00

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

Date 3-3-56 *Payee Sam G. Smith

Per Sam G. 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:

$ 672.00

Signature Peter R. Miller
(Authorized Certifying Officer)

Date MAR 7 1956 Vou. No.

(See other side)

224.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-900 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng. Date 3-6-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title EXECUTIVE OFFICER DMEA REGION V Date MAR 6 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Feb. 6 195 Docket No. DMEA 3942 Contract No. Idm-E 900

Operator's Name SAM G. 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	FEET	896.00	28'	2304.00	72	32.00	100	32.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Bulldozing	Hr.			60.00	1	60.00	1	60.00
Stripping Tool House	1			76.00	1	76.00	1	76.00
Trenching Powder Magz.	1			26.00	1	26.00	1	26.00
Test Pits Explor. Magz.	1			14.00	1	14.00	1	14.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		896.00		2480.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		896.00		2480.00				

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 3-3-56 Operator Sam G Smith

Per Sam G. 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)

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

INSTRUCTIONS

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

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

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

GPO 872894

OPERATORS MONTHLY REPORT OF PROGRESS

SAM G. SMITH
INGALLS, N. C.

DMEA 3942 MKCA
CONTRACT NO. Idm-E 900

WORK ACCOMPLISHED MONTH OF FEBRUARY 1956 WORK CONTINUED

FEB. 1- Drilled and shot 12 holes. Mucked.

" 2- Set timber, mucked.

" 3- Set timbers and mucked.

" 7- Cut Timbers for mine, mucked.

" 8- Laid more track, worked on compressor.

" 9- Finished track, set timbers and mucked.

" 10- Drilled, shot and mucked.

" 13- Mucked.

" 14- Mucked. ~~Visited~~ Visited by the Field Men.

" 16- Timbered and mucked.

" 20- Mucked.

" 24- Mucked.

" 27- Drilled, shot and mucked

" 28- Drilled, shot and mucked. Vein got harder in heading. Recovered some block mica. Visited by Field Team.

" 29- Mucked out. Heading in hard vein.

RECEIVED
MAR 12 1956

INTERIM REPORT

DMEA-3942, Idm-E900, DOE HILL MINE (mica)

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N. 67° E. of Ingalls, Avery County, N. C.

The heading has been extended 14 feet in the past two weeks making a total of 72 feet in the adit. The adit entered pegmatite at 66-feet. An estimated 150 pounds of muscovite, recovered so far indicates a good producer of fair quality mica. An inspection of the heading discloses several books of mica up to 6 inches in diameter. The Operator was instructed to continue through the pegmatite then drift along the contact.

Progress is satisfactory.

Inspected: February 29, 1956

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

ART by SCB
A. R. Taylor, Geologist
U. S. Geological Survey

z

INTERIM REPORT

DMEA-3942, Idr-3900 (mica) DOE HILL MINE

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N. 67° E. of Ingalls, Avery County, N. C.

The adit has been advanced 14 feet in the past two weeks for a total of 58 feet in a S 30° E direction. The heading is still beneath the target pegmatite outcrop. The Field Team suggested that the adit be continued in the same general direction for a distance of 15 feet. In the event this additional footage fails to expose pegmatite the Operator will drill the greatest depth possible in the back heading in order to locate the pegmatite. Progress on this contract is satisfactory.

Inspected: February 14, 1956.

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

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

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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 [illegible], 1956 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $ [illegible] Government Participation: [illegible] % Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing	[illegible]		[illegible]			
Crosscutting						
Drifting	[illegible]		[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track	[illegible]		[illegible]			
[illegible]	[illegible]		[illegible]			
[illegible]	[illegible]		[illegible]			
(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	[illegible]		[illegible]	1584.00		1584.00

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

Date [illegible] *Payee Sam G. Smith

Per [illegible] Title [illegible]

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

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

(Instructions on reverse)

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

$ 1188.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date FEB 8 1956 Vou. No.

(See other side)

396.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E900 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamen 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

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED FEB 13 1956

Month of January 1956 Docket No. DMEA 3942 Contract No. Idm-E 900
Operator's Name SAM G. 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	Feet	1408.00	44'	1408.00	44	32.00	100	32.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping Bulldozing	Hr	60.00	1	60.00	1	60.00	1	60.00
~~Trenching~~ Tool House	1	76.00	1	76.00	1	76.00	1	76.00
~~Test Pits~~ Powder Mag.	1	26.00	1	26.00	1	26.00	1	26.00
~~Roads and Trails~~ Exp. Mag	1	14.00	1	14.00	1	14.00	1	14.00
Total Distributed Costs		1584.00		1584.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
Total Costs		1584.00		1584.00				

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 Sam G Smith

Per Sam G. Smith Title

REMARKS:

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

(Instructions on reverse)

(For Government use only)

S. C. Bergman
Geologist USGS
2/6/56

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

OMI[illegible]OR MONTHLY REPORT OF PROG[illegible]S

RECEIVED
FEB 13 1956

SAM G. SMITH
INGALLS, N. C.

DMEA 5942 MICA
CONTRACT NO. 556 Idaho 908

Work Accomplished Month of January 1956 Work Started

Had Bulldozing done, hauled in lumber for houses, machinery and supplies.

Jan. 5- Set down and leveled Compressor, laid track and hooked up pipe.

" 6- Drilled and shot six holes, mucked and finished laying track.

" 13- Drilled, shot and mucked. Using 2 workmen.

" 14- Drilled, shot and mucked.

" 16- Laid more track, Timbered mine. Drilled. Vein harder in heading.

" 17- Drilled, shot, mucked. Hired another workman tho cut timber for mine

" 18- Cut mine timber, worked on Compressor and timbered mine.

" 19- Had extra man, Timbered Mine, Drilled, shot and mucked.

" 23- Drilled, shot and mucked.

" 25- Timbered mine, drilled.

" 26- Mucked out mine, flint in heading. Drilled

" 27- Drilled, shot and mucked. Flint in right side.

" 28- Mucked all day. Three men.

" 30- Mucked and set timber.

" 31- Visited by Field Team. Mucked, set timber. Vein go ting harder.

RECEIVED
FEB 13 1956

INTERIM REPORT

DMEA-3942, Idm-E900(mica) Doe Hill Mine

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.66 airline miles N 67° E of Ingalls, Avery County, N. C.

The adit has been advanced 26 feet in the past two weeks for a total of 44 feet in a S 50° E direction. Timbering of the back has been carried almost to the heading which is still in a soft weathered mica gneiss and schist. A thin, discontinuous conformable series of pegmatite lenses has been closely followed to date. These lenses are usually not more than 10 feet long and from 0 - 12 inches thick. Their attitude is S 50° E 30° SW. The heading is roughly beneath the target pegmatite outcrop, which trends roughly N 85° W 60° SW. It was recommended that the Operator begin to turn his drift to the right slowly, to bring his drift direction more nearly normal to the strike of the outcropping pegmatite. This is in anticipation of intersecting the down dip projection of outcropping pegmatite in the shortest possible distance. Progress on this contract has been satisfactory and in accordance with recommendations and regulations.

Inspected: January 31, 1956

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

A. R. Taylor, Geologist
Geological Survey

z

INTERIM REPORT

RECEIVED
JAN 27 1956

DMEA-3942, Idm-E900 (mica) DOE HILL MINE

OPERATOR: Sam G. Smith, Ingalls, North Carolina

LOCATION: 1.66 airline miles N67°E of Ingalls, Avery Co., N.-C.

The driving of this adit is underway and has advanced 18 feet in the past two work weeks. The adit is being driven to the southwest and has followed a near horizontal pegmatite 6 to 8 inches thick, which is well exposed in the present face. The body is overlain by a 2 inch lense of glassy quartz, and small sizes of green muscovite mica and feldspar complete the mineral assemblage. The Operator was advised to continue driving the drift with a slight alteration in direction.

Necessary timber work at the portal has been completed. Timbering of the adit is progressing with the advance and consists of setting stulls on about 6-foot centers from the portal with solid top lagging. The Operator was advised to continue timbering until hard rock is encountered. Muck is being handled by mine car, and track has been lain for a distance of about 50 feet. Progress on this contract is satisfactory.

L. E. Shirley

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

S. C. Bergman

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

January 17, 1956

INTERIM REPORT

DMEA-3942, Idm-E900 (mica) DOE HILL MINE

RECEIVED
JAN 13 1956

OPERATOR: Sam G. Smith, Ingalls, N. C.

LOCATION: 1.66 airline miles N67°E of Ingalls, Avery Co., N. C.

The starting date on this contract is December 18, 1955. Preliminary excavation by bulldozing to better expose the pegmatite down dip has been completed. Total machine time required, according to the Operator, was 11.5 hours and extra time at the Operator's own expense was used in access road construction and some additional stripping on the surface to better expose the pegmatite outcrop. Under contract, a trench was excavated trending N50°E, 55 feet x 12 feet x 12 feet (max. depth), which better exposed the lower pegmatite and faced-up the proposed adit portal. The portal site was spotted, and driving of the adit will begin within the coming week. Progress on this contract is satisfactory.

L. E. Shirley

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

S. C. Bergman

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

January 4, 1956

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

RECEIVED
DEC 14 1955

December 12, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Signed contract - Idm-E900, DMEA-3942, Sam G. Smith, Ingalls, N. C. Doe Hill Mine, Avery County, N. C.

Transmitted are three signed copies of the subject contract.

The usual distribution of the other copies has been made.

Robert A. Laurence
Robert A. Laurence

DOCKET FILE
Surname: Hopkins Houk Selfridge Chambers

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

DEC - 1 1955

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

Subject: Docket No. DMEA-3942 - Mica
Sam G. Smith
Dee Hill Mine
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. Two extra copies of "Exhibit A" are enclosed for the use of the Field Team.

If the contract meets with your approval present it to the Operator for approval and signature. Please explain to the Operator that the contract, when executed, is a firm commitment under the terms of which 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 dated September 20 and September 23, 1955, by N. E. Nelson, USGS, and W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

/s/ Robert W. Geehan (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures 12

JHopkins:ad 11/29/55
Copies to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

Docket Copy
Surname:
Hopkins
F L Lawrence
J F Johnson

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

OCT 14 1955

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

Subject: Docket No. DMEA-3942 - Mica
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina

Dear Mr. Laurence:

Please find enclosed two copies of a sketch of the Doe Hill Mine property showing the increased size which we requested the applicant to furnish in our letter dated August 16, 1955.

It is noted that the mine area is located in the extreme northwest corner of the property. We have compared this location with the map prepared by the field examiners which accompanied their report dated September 6. The pegmatite is shown as having a north-south strike and is reported to dip 25 degrees to the west. If this is true, the low angle dip will probably carry the down dip extension beyond the west boundary of the property, and the strike would carry it beyond the north boundary.

Since the applicant is the owner of the land surrounding the Doe Hill Mine, we suggest that you again contact him and discuss the feasibility of moving the boundaries of the 5.5 acre tract so that the mine area may be more nearly in the center of the tract.

If you are able to accomplish this please request the applicant to furnish a legal description by metes and bounds and referenced to a permanent landmark.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (S/B)

Approved:

/s/ Robert W. Geehan (S/B)
Member, Bureau of Mines

Thor H. Kiilsgaard (S/B)
Member, Geological Survey

Enclosures 2

JHopkins:gad 10/13/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

RCS

LAW OFFICES OF
WARREN H. PRITCHARD
SPRUCE PINE, NORTH CAROLINA
TELEPHONE POPLAR 5-4156

Nc-3942

October 6, 1955

RECEIVED
OCT 7 - 1955

Mr. F.L. Knouse, Acting Chief
Department of the Interior
Defense Minerals Exploration Adm.
Washington 25, D.C.

Dear Mr. Knouse,

Enclosed please find four copies of sketch requested in your letter dated August 16, 1955 regarding the Doe Hill Mine.

Sincerely yours,

Warren H. Pritchard

Warren H. Pritchard

WHP/je

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

RECEIVED
OCT 7 - 1955

AUG 1 6 1955

Mr. Sam G. Smith

Ingalls, North Carolina

Re: Docket No. DMEA-3942 - Mica
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina

Dear Mr. Smith:

Reference is made to your application for exploration assistance, dated August 3, 1955, on the Doe Hill Mine.

It is noted that the subject property comprises a plot of ground containing approximately 1.6 acres. This acreage appears to be inadequate for the proposed exploration project. The smallest area acceptable to this Agency would be the area that would be benefited by an exploration program. It is suggested that you obtain additional land to increase your holdings to a minimum of five acres for the proposed project. A consent to lien is not required on land that you own.

Under Items 5(b) and 6 you state that you wish to do about 250 feet of shafting or tunneling and some bulldozer work. Please furnish four copies of a sketch drawn to scale showing the location of the proposed work in relation to the pegmatite or mica exposure and the property boundaries. Also supply a full description of the proposed work. The location of the proposed work should not be less than 150 feet from a boundary line.

Upon receipt of the requested information we will continue processing your application.

Sincerely yours,

F. L. Knouse

Frederick L. Knouse, Acting Chief
Nonmetallic Minerals Division

Docket Copy
Surname:
FLKnouse
Mattendorf

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

600

SEP 28 1955

Mr. Sam G. Smith

Ingalls, North Carolina

Re: Docket No. DMEA-3942 - Mica
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina

Dear Mr. Smith:

Reference is made to our letter of August 16, 1955, in which we requested certain additional information before we could continue processing your application for exploration assistance.

Please reply to each of the questions raised in our letter and supply the requested documents and maps. We will resume processing your application when you have furnished the requested information.

Sincerely yours,

Frederick L. Knouse, Acting Chief
Nonmetallic Minerals Division

FLKnouse:gad 9/27/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Knouse

R.C.S.

~~Mr Hammond~~
Mr Hopkins

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

September 23, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3942 (mica)

Applicant: Sam G. Smith

Name and Location of Property: Doe Hill Mine, Avery Co., N. C.

Date of Field Team Report: 9/6/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/19/55

Field Team Recommendation: Recommend a unit cost exploration program at a cost of $3,374.00.

Comments:

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

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

Recommendation: I concur with the recommendation of the field team for a unit cost exploration program.

W F Dietrich

W. F. Dietrich

IN REPLY REFER TO:

Mr Hopkins

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

September 20, 1955

Re: DMEA 3942
Sam G. Smith
Doe Hill Mine
Avery Co., N. C.
$3,374.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Report.

The examiners and Field Team recommend stripping and drifting on the pegmatite, the cost to be:--

Stripping, 6 hours	$ 60.00
Drifting, 100 feet	3,200.00
Toolhouse, etc.	114.00
Total	$3,374.00

I concur with the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

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

RECEIVED
SEP 1 3 1955

September 14, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: Field Examination Report, DMEA-3942 (mica) Sam G. Smith, Ingalls, N. C. Doe Hill Mine, Avery County, N.C.

Enclosed are four copies of the subject examination report, and nine extra copies of the map. The deposit was examined without referral to avoid duplication of travel.

We are in agreement with the Examiners' conclusions, and recommend approval of a unit-cost contract as outlined in the report.

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

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

Forwarded by
DMEA [illegible]
9-19-55
(date)

RECEIVED
SEP 16 1955

DMEA Report

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION V

On

DMEA-3942, DOE HILL MINE (mica)
Avery County, North Carolina

By

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

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

Reviewed by
DMEA OPERATING COMMITTEE
9-19-55
(date)

September 6, 1955

FIELD EXAMINATION REPORT
On
DMEA-3942, DOE HILL MINE (mica)

RECEIVED
SEP 16 1955

Applicant: Sam G. Smith, Ingalls, North Carolina

A 3-foot mica-bearing pegmatite has been exposed by some recent stripping. The mica is of strategic grade and appears to be relatively abundant. Sufficient pegmatite is exposed to warrant exploration assistance.

The deposit was examined on September 6, 1955. Mr. Sam G. Smith accompanied the examiners on the inspection which required 1.5 hours.

The Doe Hill Prospect is on the south side of Threemile Creek, 1.66 airline miles N. 67° E. of Ingalls, Avery County, North Carolina. The stripped area is about 1000 feet south of N. C. Highway No. 194. Access is good at all times.

The applicant has had mica mining experience and is competent to conduct the proposed work.

Area under consideration is owned by the applicant, as well as the surrounding area. The specified area is less than two acres in size; however, it appears to be adequate for the proposed project. If additional acreage is desired, it may be readily obtained.

There are no surface facilities at the deposit. Workings consist of a 125-foot diameter circular cut along the hillside which ranges up to 12 feet in depth.

The stripping has exposed two parallel pegmatites that are essentially conformable to the mica schist wall rock. A third fine-grained pegmatite is partially exposed along the eastern side of the cut; however, it contains mica of only scrap size.

Only the uppermost or thinner pegmatite offers any possibility for producing mica of strategic size and quality. This pegmatite is about three feet thick, trends about N-S and dips 25° W. It has been exposed along the strike for about 20 feet and down the dip 15 feet. The pegmatite is only slightly weathered, although the enclosing mica schist is rather thoroughly weathered. It is coarse textured and contains perthite, plagioclase, quartz, muscovite, biotite and scattered red garnet, listed in order of abundance. No conspicious zoning is present, although mica appears to occur more abundantly and in larger sizes in the more quartzose portions of the pegmatite.

The mica is hard, flat, clear, and green colored. Most of the books are 5 inches or less in diameter. Some books are rather badly cracked. During the stripping, approximately $100 worth of mica was recovered. All of this was classified as stained or better.

This deposit has not been tested, except for the limited stripping. It appears to warrant additional work. The following program of exploration is recommended: Extend stripped area to west so as to expose the mica-bearing pegmatite further down the dip and to provide natural drainage for the pit. Construct a toolhouse and two magazines, and drive 100-foot adit on the pegmatite.

Estimated Cost:

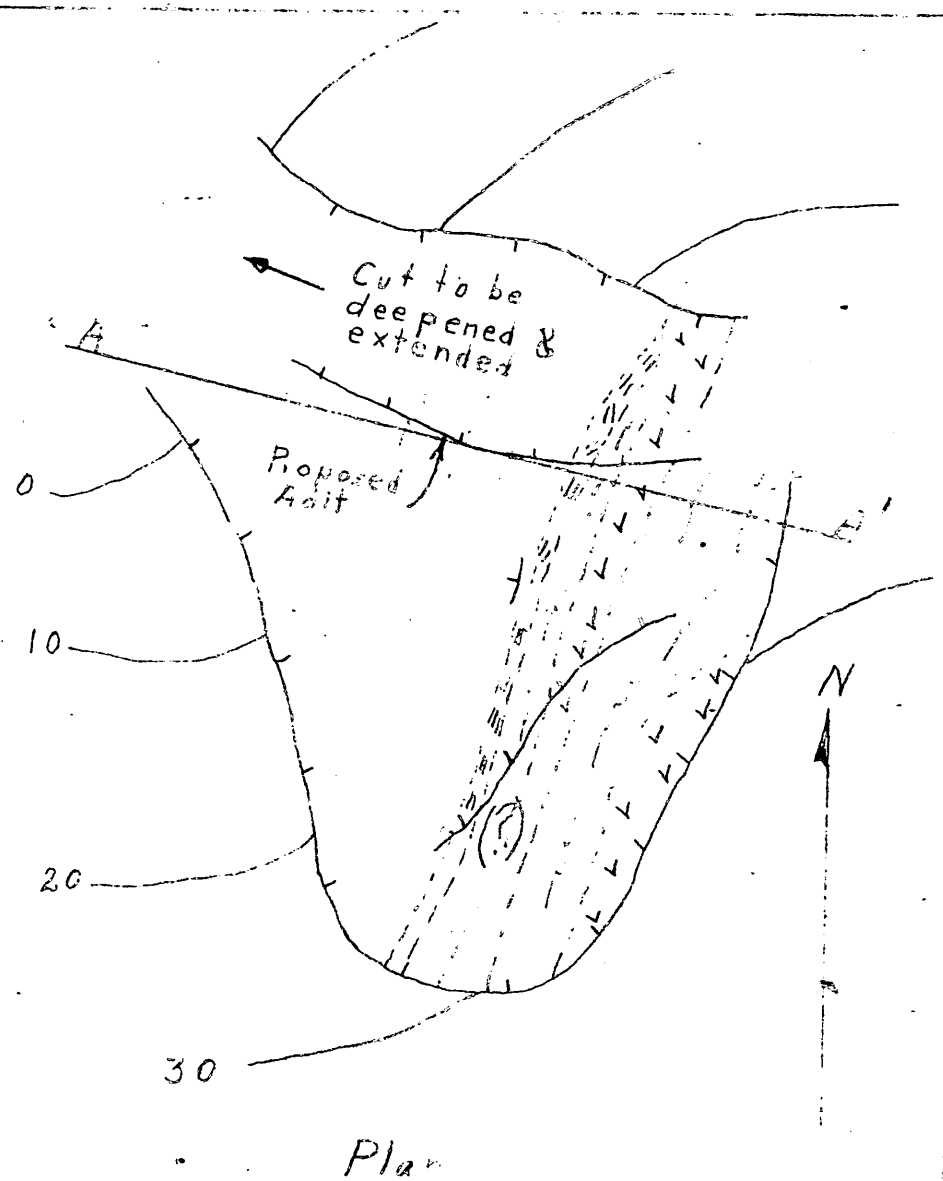
Extend trench to west down dip of pegmatite, trench 50' x 12' x 12'

Bulldozer, 6 hrs. @ $10/hr.	$60.00	
Toolhouse	76.00	
Powder Magazine	25.00	
Exploder Magazine	13.00	$174.00
Drive 100 feet of adit (50 shifts)		
Labor:		
1 - Miner @ $1.50/hr.	600.00	
2 Laborers @ $1.00/hr.	800.00	
Equipment (rental)		
Compressor, drill, jackleg @ $230/Mo.	575.00	
Supplies:		
Drill steel	100.00	
Gasoline and oil	150.00	
Explosives	275.00	
Timber, 3 M, @ $65/M	195.00	
Small tools and pipe	150.00	
Miscellaneous	134.00	
Liability Insurance	140.00	
Unenployment Ins. and Social Security	56.00	
Sales tax	25.00	$3,200.00
Estimated Total Cost of Project.....		$3,374.00

Examined:
September 6, 1955.

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

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



Legend

- Mica pegmatite
- Non-mica pegmatite
- Mica schist
- Cut
- Contact

Sketch of
Doe Hill Mine
Avery Co., N.C.
9/6/55

0 40' 80'
Scale

DMEA-3042(mica)

IN REPLY REFER TO:

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

August 19, 1955

Re: DMEA 3942
Sam G. Smith
Doc Hill Mine
Avery Co., N. C.
$5,730 - Mica

Memorandum

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

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

Subject: Review of Application.

This is clearly a case for the Field Team. No information concerning the pegmatite is given in the application, not even the usual applicant's optimistic opinion of the prospect.

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

RECEIVED
AUG 1 9 1955

Docket Copy
Surname:

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

Mr. Sam G. Smith

AUG 16 1955

Ingalls, North Carolina

Re: Docket No. DMEA-3942 - Mica
Sam G. Smith
Doe Hill Mine
Avery County, North Carolina

Dear Mr. Smith:

Reference is made to your application for exploration assistance, dated August 3, 1955, on the Doe Hill Mine.

It is noted that the subject property comprises a plot of ground containing approximately 1.6 acres. This acreage appears to be inadequate for the proposed exploration project. The smallest area acceptable to this Agency would be the area that would be benefited by an exploration program. It is suggested that you obtain additional land to increase your holdings to a minimum of five acres for the proposed project. A consent to lien is not required on land that you own.

Under Items 5(b) and 6 you state that you wish to do about 250 feet of shafting or tunneling and some bulldozer work. Please furnish four copies of a sketch drawn to scale showing the location of the proposed work in relation to the pegmatite or mica exposure and the property boundaries. Also supply a full description of the proposed work. The location of the proposed work should not be less than 150 feet from a boundary line.

Upon receipt of the requested information we will continue processing your application.

Sincerely yours,

SIGNED

Frederick S. Kheuse, Acting Chief
Nonmetallic Minerals Division

JHopkins:gad 8/16/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

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

August 12, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3942 (mica)

Applicant: Sam G. Smith

Name and Location of Property: Doe Hill Mine, Avery County, North Carolina

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/9/55

Comments:

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

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

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

RECEIVED
AUG 16 1955

August 8, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region V.

DMEA-3942 Sam G. Smith

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

August 8, 1955
Subject: DMEA-3942
Re: Exploration Assistance
Doe Hill Mine

Mr. Sam G. Smith
Ingalls, North Carolina

Dear Mr. Smith:

The receipt of your application dated August 3, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3942 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

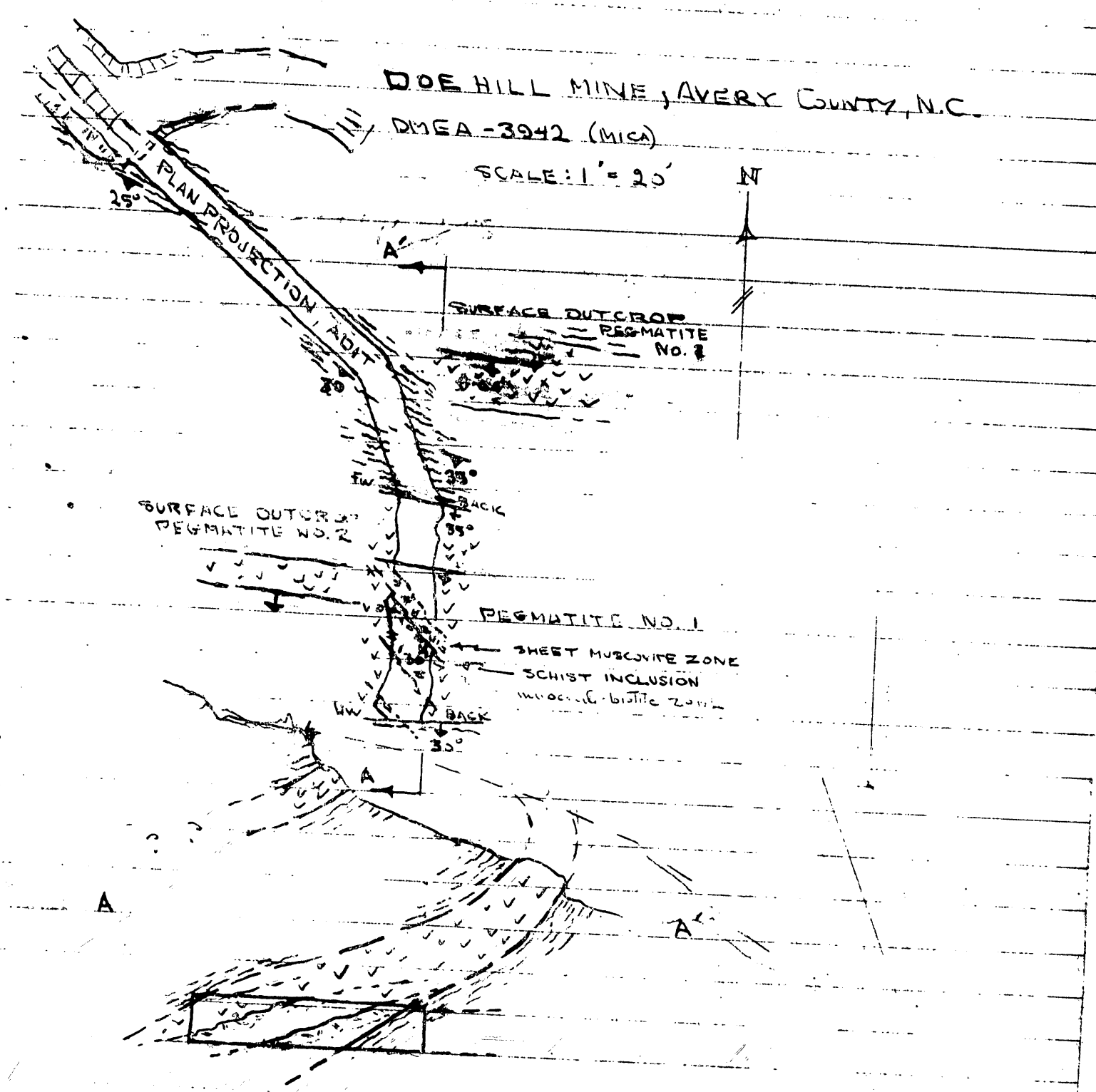
00932

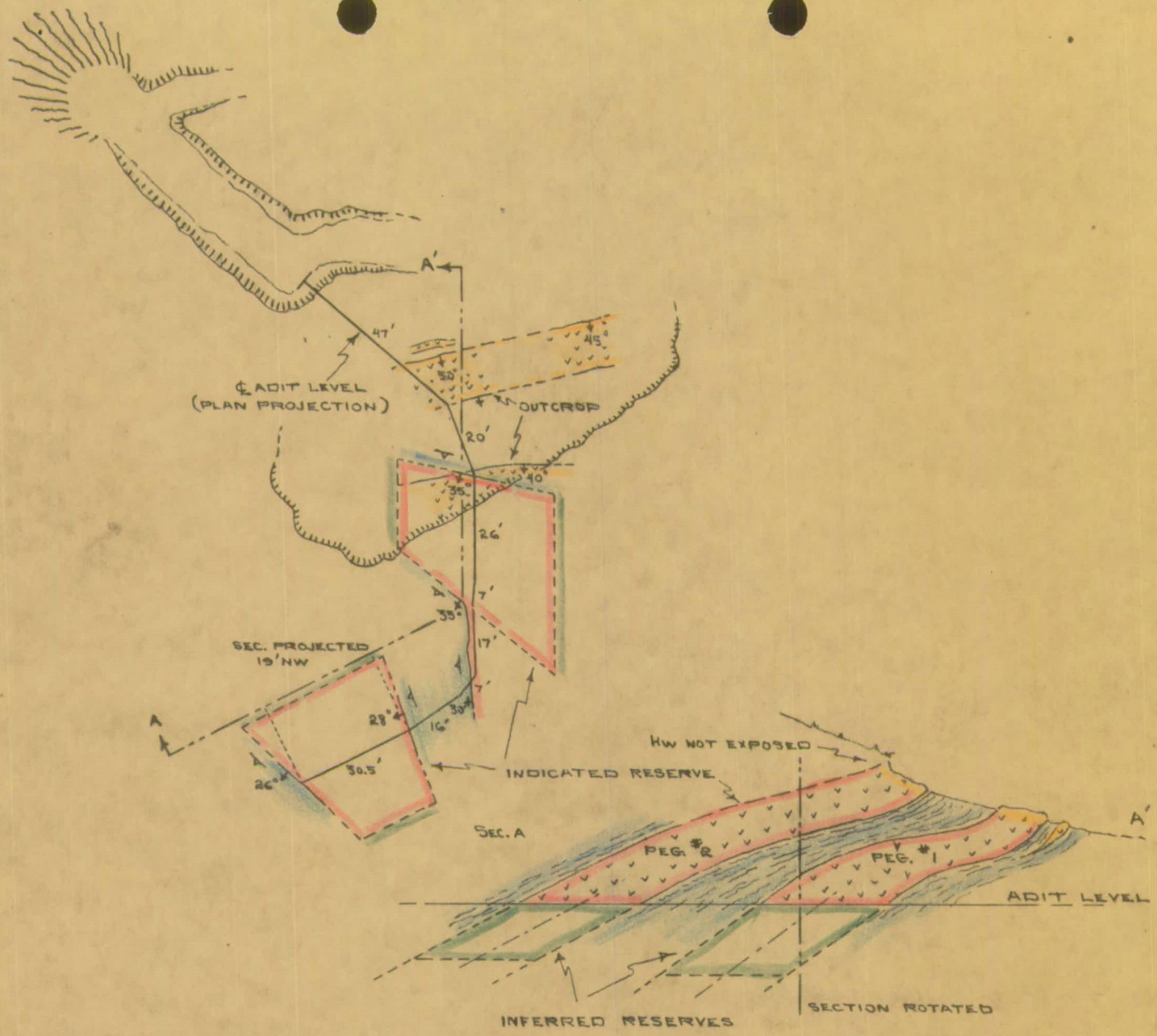
RECEIVED
APR 9 - 1956

DOE HILL MINE, AVERY COUNTY, N.C.

DMEA-3942 (MICA)

SCALE: 1" = 20'





LEGEND

- PEGMATITE (INDICATED RESERVE)
- PEGMATITE (INFERRED RESERVE)
- MICA GNEISS AND SCHIST
- RESERVE AREA
- SECTION LINE
- EXCAVATION
- DUMP

DOE HILL MINE

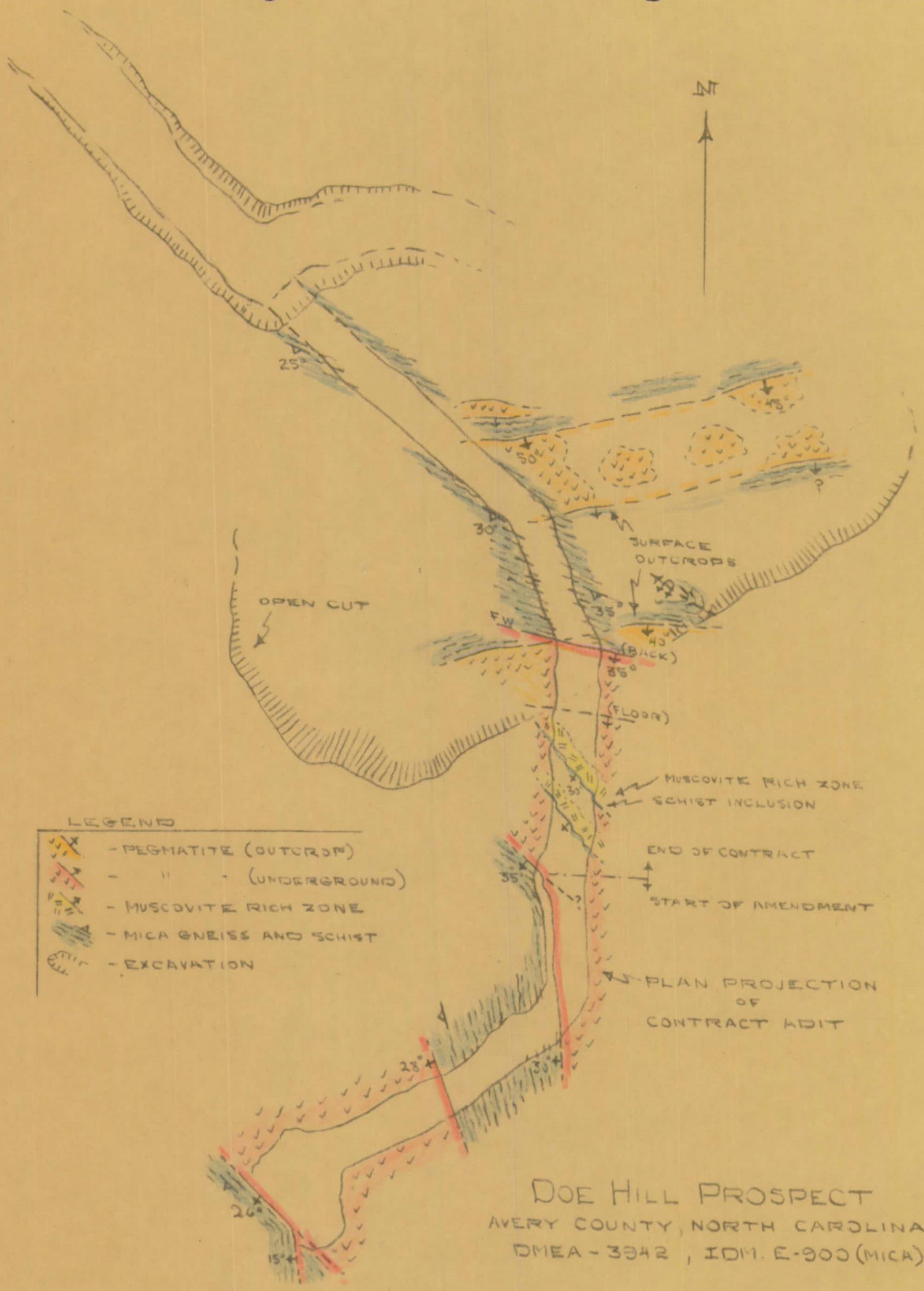
AVERY COUNTY, NORTH CAROLINA

DMEA-3942 IDM. E-900

(MICA)

SCALE: 1" = 40'

RECEIVED
AUG 24 ...



DOE HILL PROSPECT

AVERY COUNTY, NORTH CAROLINA

DMEA - 3942 , IDM. E-900 (MICA)

SCALE: 1" = 20'

8/56

RECEIVED
AUG 0 4 1955