UNITED STATES EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

John Jarrett, Clarence Grindstaff and Fred Grindstaff
Route 3
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-1938, DMTA No. 4080, including Amendment No. 1, for the months of May 1956, to January 1957, inclusive, covering a project for the exploration of mica on property, known as the McGee Prospect located in Mitchell County, North Carolina.

My review included an examination of the Monthly Reports (Forms MT-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 correspondence, and a determination of the reasonableness and propriety of the costs.

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

(a) a major portion ($6,656.00) of the costs incurred was covered by a Report of Review issued by this auditor on September 13, 1956; and
(b) 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		$10,662.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$10,662.00

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 Seven thousand nine hundred ninety-six and 50/100 Dollars

$7,996.50

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

E. D. Talbert

E. D. Talbert, Auditor

February 13, 1957

DEFENSE ~~MINERALS~~ EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

John Jarrett, Clarence Grindstaff, & Fred Grindstaff
Route 3
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idn-2938, Docket No. DMEA-4080, for the months of May 1956, to August 1956, inclusive, covering a project for the exploration of mica on property, known as the McBee Prospect located in Mitchell County, North Carolina.

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

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

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

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

Total cost as billed by Contractor		$6,656.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$6,656.00

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 nine hundred ninety-two and no/100 Dollars

$4,992.00

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

September 13, 1956

Division C

Original
Hale
Chambers
Selfridge

EXPLORATION PROJECT CONTRACT
JOHN JARRETT, CLARENCE GRINDSTAFF, AND FRED GRINDSTAFF
DOCKET NO. DMEA-4080

Amendment No. 1

It is agreed this 3d day of October, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and John Jarrett, Clarence Grindstaff, and Fred Grindstaff, partners, that Contract No. Idm-2938 (Docket No. DMEA-4080), dated April 4, 1956, is amended as follows:

1. In Exhibit "A": (a) Under "Description of the Work," on page 1, add the following paragraph:

> 5. Explore a parallel pegmatite, situated about 25 feet to the northeast (of item 4) by enlarging an existing 16-foot inclined shaft, from 4 feet by 5 feet, to 5 feet by 7 feet, by deepening the enlarged inclined shaft for a distance not to exceed 44 feet, and by driving not more than 50 feet of drifts and/or crosscuts from or near the bottom of the inclined shaft.

(b) Under "Fixed Unit Costs," add the following items:

Enlarging 16 feet of inclined shaft @ $20.00/ft.	$ 320.00
Sinking 44 feet of inclined shaft @ $44.00/ft.	1,936.00
Driving 50 feet of drifts and/or crosscuts @ $35.00/ft.	1,750.00

(c) In Exhibit "A" under "Fixed Unit Costs": The "Estimated Total Cost of Project" is changed from "$6,656.00" to "$10,662.00," and the "Government Participation @ 75%" is changed from "$4,992.00" to "$7,996.50."

2. In Article 3 of the Contract, the time for completion of the work is extended from November 15, 1956, to May 15, 1957.

3. In Article 5 of the Contract, the figures "$10,662.00" and "$7,996.50" are substituted for "$6,656.00" and "$4,992.00," respectively.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. F. Mathews

Administrator, Defense Minerals
Exploration Administration

John Jarrett

John Jarrett, Partner

Clarence Grindstaff

Clarence Grindstaff, Partner

Fred Grindstaff

Fred Grindstaff, Partner

"Appd. Sol. Off."

Division copy

RECEIVED
MAY 7 - 1956

MF-200A
(Revised June 1954)

Docket No. DMEA - 4086

Commodity Mica

Contract No. Idm-E 938

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

It is agreed this APR 4 1956 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] John Jarrett, Clarence Grindstaff, and Fred Grindstaff, Partners, whose mailing address is Route 3, Bakersville, North Carolina, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and map entitled "Mica Prospect, Mitchell County, N.C., DMEA-4086 (Mica)."

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] — 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: Royalty interest as set forth in the lease.

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

[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 ....[redacted].... The work to be performed is described in Exhibit "A." The Operator on or before ....MAY 15 1958.... shall commence the work, and on or before ....[redacted]...... (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 $[redacted]..... The Government will contribute [redacted]... percent of the fixed unit costs as work is performed, in a total sum not in excess of $[redacted]....: *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.

John Jarrett

John Jarrett, Partner

Clarence Grindstaff

Clarence Grindstaff, Partner

Fred Grindstaff

Fred Grindstaff, Partner

THE UNITED STATES OF AMERICA

By C. Mitchell

Administrator, Defense Minerals Exploration Administration

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
MAY 7 - 1956

EXPLORATION PROJECT CONTRACT
JOHN JARRETT, CLARENCE GRINDSTAFF, and FRED GRINDSTAFF
DOCKET NO. [illegible]

ANNEX I

The land referred to in Article 2 of the contract is situated on the northwest slope of Burns Mountain in Snow Creek Township, Mitchell County, North Carolina, 3.2 airline miles S. 3° W. of Bakersville, North Carolina, and is particularly described as follows, to wit:

> Beginning on an iron stake located in the center of what is known as the Mahan Prospect, which is located 375 feet southwest of another iron stake and running north 250 feet; thence 156 feet west; thence south 250 feet; thence west 300 feet; thence north 300 feet; thence east 250 feet to the closing mark at the end of the first line hereinabove named. The tract is located approximately two and one-half miles northeast of C. R. Phillips' store.

Division copy

RECEIVED
MAY 7 - 1956

EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-4080
GUARANTY OF ROYALTY

WHEREAS, negotiations are now pending between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and John Jarrett, Clarence Grindstaff, and Fred Grindstaff for an Exploration Project Contract relating to certain land in the State of North Carolina, County of Mitchell, Township of Snow Creek, described as follows:

> BEGINNING on an iron stake located in the center of what is known as the McBee prospect, which is located 275 feet southwest of another iron stake and running north 250 feet; thence 250 feet east; thence south 500 feet; thence west 500 feet; thence north 500 feet; thence east 250 feet to the closing mark at the end of the first line hereinabove named; which is located approximately two and one-half miles northeast of C. R. Phillips' store.

NOW THEREFORE, in consideration of the waiver by the Government of the requirement of Consent to Lien referred to in said contract, and in lieu thereof, the undersigned hereby guarantees the payment to the United States of America of any royalties that may fall due under the provisions of said contract or any amendment or assignment thereof, notice of any such amendment or assignment being hereby waived. If the records of any sales or other disposition of the production upon which any such royalties may accrue, whether the production is by the Operator or by others, are not made available to the Government for the computation of said royalties, the undersigned agrees that the amounts thereof may be determined according to the best estimates that can reasonably be made; and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or his successor, or by the representative of either authorized for that purpose, shall be final and binding upon the undersigned.

Dated 2-16, 1956

Sam Phillips
Sam Phillips

RECEIVED
MAY 7 - 1956

EXPLORATION PROJECT CONTRACT
JOHN JARRETT, CLARENCE GRINSTEAD, and FRED GRINSTEAD
DOCKET NO. DMEA-4088

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map entitled "Hales Prospect, Mitchell County, N. C. DMEA-4088 (Mica)," as follows:

1. With a D-6 bulldozer or equivalent unit, construct 2,000 (linear) feet of access road.

2. Construct:

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

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

(c) An exploder storage magazine, minimum dimensions 3 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 bermed 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 shall be securely locked with the equivalent of a 5-tumbler jerproof lock.

3. Sink a 2-compartment incline a distance not to exceed 60 feet.

4. Explore the pegmatite by driving from the bottom or near the bottom of the incline not more than 300 feet of drifts and/or crosscuts.

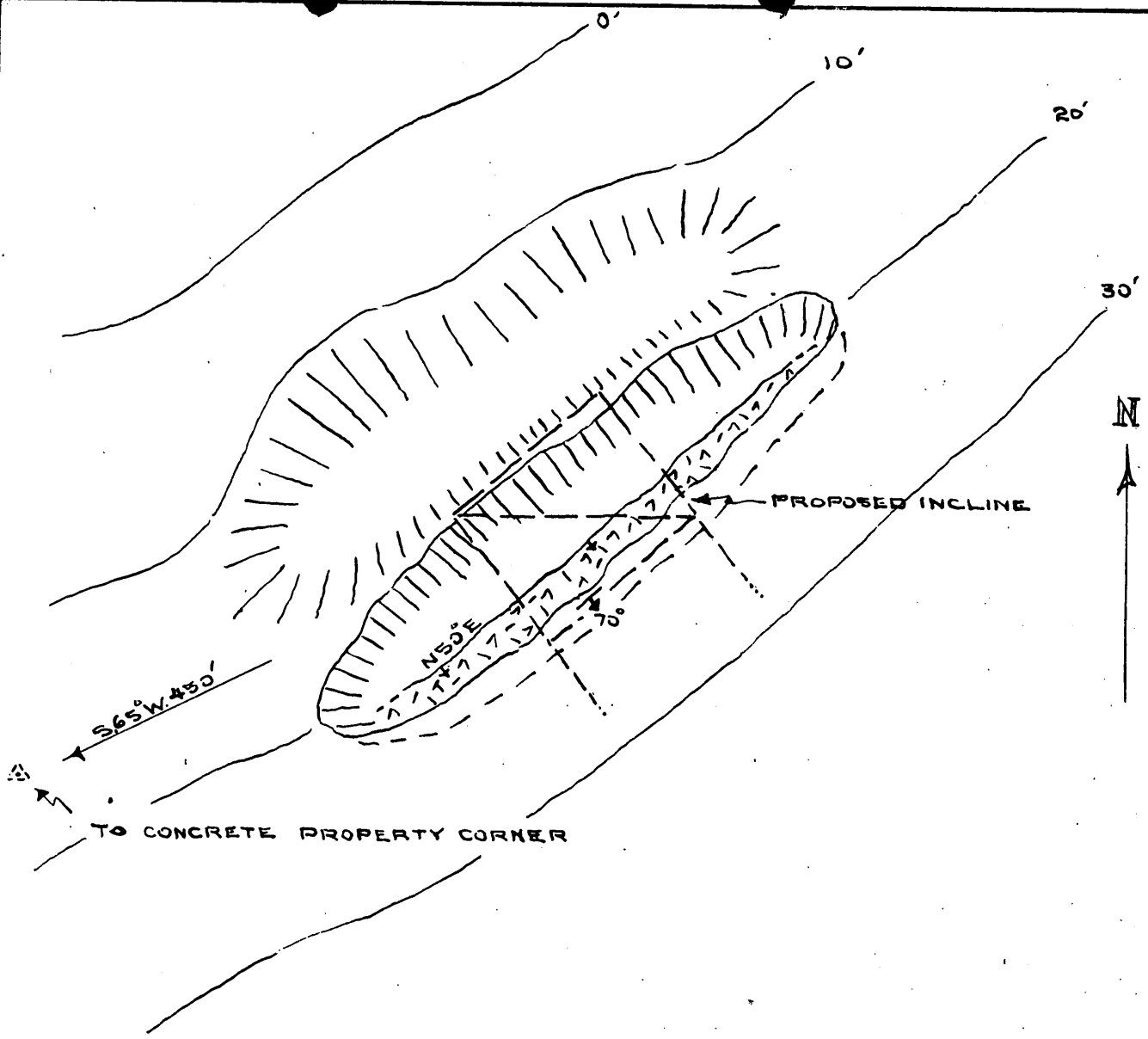
The incline and the drifts and/or crosscuts shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber. All work shall be performed on the pegmatite or in as close proximity thereto as possible.

The location, extent, direction, and inclination of all work shall be approved by the Government.

Fixed Unit Costs

Bulldozing 2,000 linear feet of access road @ $0.20/ft.	$ 400.00	
Constructing:		
Toolhouse 1/	75.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	15.00	
Sinking 60 feet of incline @ $44.00/ft.	2,640.00	
Driving 100 feet of drifts and/or crosscuts @ $35.00/ft.	3,500.00	
Estimated Total Cost of Project		$6,656.00
Government Participation @ 75%		$4,992.00

1/ The completed work constitutes the unit.



McBee Prospect

Mitchell County, N.C.

DMEA-4080 (Mica)

SCALE: 1" = 6'

1/56 SCB

Messrs. John Jarrett, Clarence Grindstaff
and Fred Grindstaff
Route 3
Bakersville, North Carolina

Re: Docket No. DMA-1030-Ida
John Jarrett, et al.
Mines Prospect
Mitchell County, North Carolina
Contract No. Ida-2931

Gentlemen:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

wCAnderson:rsi 9/26/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Sam L. Phillips
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

600

OCT 7 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMA-4040-Mica
John Jarrett, et al.
Mabes Prospect
Mitchell County, North Carolina
Contract No. Idm-2933

Dear Mr. Phillips:

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

This correspondence relates to the Guarantee of Royalty signed by you on February 16, 1956.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:rsi 9/26/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Killegaard, 5222
Mr. Dietrich, 3061
Mr. Houk

September 25, 1957

Project Summary Report

By: Walter C. Anderson, Division of Nonmetallic Minerals

1. Docket No. DMEA-4080-Mica
Contract No. Idm-E938
McBee Prospect
Mitchell County, North Carolina

Application: Form MF-103 (April 1952) received November 30, 1955.

Work Proposed by Applicant:

15 hours bulldozing @ $10.00/hr.	$150.00
60 feet of shaft @ $50.00/ft.	3,000.00
100 feet of drift @ $45.00/ft.	3,500.00
Total requested	$6,650.00

Operators: John Jarrett, Clarence and Fred Grindstaff.
Route 3, Bakersville, North Carolina

Operator's Property Rights: Five year mining lease on the McBee Property consisting of 5 acres, more or less, dated November 8, 1955. In lieu of OCL, personal guarantee by Mr. Sam L. Phillips.

2. Contract: Form MF-200-A (June 1954), dated April 4, 1956.

Work Authorized:

Bulldozing 2000 ft. of access road @ $0.20/ft.	$400.00
Toolhouse, powder and exploder magazine	116.00
60 feet of incline @ $44.00/ft.	2,640.00
100 feet of drifts and/or crosscuts @ $35.00/ft.	3,500.00
Estimated total cost of project	$6,656.00
Government participation @ 75%	$4,992.00

Amendments - No. 1, dated 10/3/56, provided for the following addition work on a parallel pegmatite:

Enlarge 16 feet of existing shaft @ $20.00/ft.	$320.00
44 feet of inclined shaft @ $44.00/ft.	1,936.00
50 feet of drifts and/or crosscuts @ $35.00/ft.	1,750.00
Estimated total cost of amendment	$4,006.00

Work Completed: All of the work authorized in the original contract and amendment No. 1. Work started on the original contract May 14, 1956 and was completed on August 28, 1956. Work of the amendment started in late October, 1956, and was completed by January 31, 1957. Field Team Final Report received September 6, 1957. Operator's Final Report received February 4, 1957. No equipment purchased under contract. Royalty received in amount of $19.95 which accounts for all the mica produced during operation and up to August 4, 1957.

3. Audit: Report of Review issued February 13, 1957.

Accepted cost	$10,662.00
Government participation	$7,996.50

4. Certification of Discovery - None issued.

5. Comments:

How Conducted: All of the work in which the Government participated was acceptable.

Operation:- Good

Engineering: Reporting by the Operator was acceptable.

Geologic Premise: The premise that favorable structures or mineralogical zones would be maintained in depth and extent was not realized by the exploration work.

Geologic Criteria upon which work was based:

1. Pegmatite: 4 to 5 feet thick, exposed for 25 feet along strike; consisting of plagioclase, perthitic microcline, considerable disseminated quartz and occasional large quartz mass. Bounded by a hard, conformable biotite gneiss.
2. Mica: Unstained ruby, disseminated in small flat hard books.
3. Past Production:- None reported.

Geologic Criteria developed during project:

1. Pegmatite: Two concordant tabular pegmatites, separated by 22 to 30 feet of country rock, which is an unweathered fine-grained well banded biotite and interlayered biotite-hornblende gneiss. Footwall pegmatite 3 to 4 feet thick, hangingwall pegmatite 2 to 3 feet thick. Both are poorly zoned, consisting of perthite, perthite quartz, and discontinuous zones of medium to medium-fine grained plagioclase with minor interstitial quartz muscovite, and biotite.
2. Mica: Disseminated crystals up to 6 inches across intergrown with crystals of biotite, reddish-brown, flat and free splitting, books slightly bent and ruled, concentrations not exceeding 0.62 pounds per cu. ft. of pegmatite.

Future Possibilities: The low value of the pegmatites and the generally poor mineralogical environment outlined, indicates that this project has no future for mica production.

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

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi 9/25/57
Copy to: Admr. R. File
Mr. Houk

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

October 2, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4080 (mica)

Applicants: John Jarrett, Clarence Grindstaff, and Fred Grindstaff

Name and Location of Property: McBee Prospect, Mitchell County, N. C.

Contract Number: Idm-E 938

Date of Field Team Final Report: 9/4/57

Field Team Recommendation: Recommend that no certification be issued

Comments:

1. Contract work consisting of 60 feet of inclined shaft and 100 feet of drifting was satisfactorily completed on one of two parallel pegmatites 25 feet apart. Initial exploratory work on 2d pegmatite resulted in an amendment to contract for 48 feet of shaft and 48 feet of drift on 2d pegmatite.

2. A total of 2,200 pounds of block muscovite valued at $1,155.82 was recovered from the two operations during contract period.

3. The low value of the mica recovered and geological factors show that this deposit is unlikely to produce any sizable quantities of strategic mica.

4. Expenditures -

Total approved	$10,662.00
Total cost	10,662.00
Gov't. share of the cost	7,996.50
Value of production during operation	1,155.82
Royalty paid to date	19.95

Recommendation:

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

Signed

W. F. Dietrich

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

EXTRA COPY
D M E A
RECEIVED SEP 6 1957

DATE	INITIALS	CODE

September 4, 1957

Memorandum

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

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

Subject: Final Report - Docket No. DMEA-4080, Contract Idm-E938
John Jarrett, Clarence Grindstaff and Fred Grindstaff
Route 3, Bakersville, North Carolina
McBee Prospect, Mitchell County, North Carolina

Enclosed are the original and two copies of the final report on the above contract.

No favorable mineralogical or structural zones were outlined, so that certification as a discovery cannot be recommended.

Robert A. Laurence
Executive Officer

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

mg
Enclosures 3
cc - Operating Committee (2)
Mr. V. J. Lynch
Mr. L. E. Shirley
File

DMEA OPERATING COMMITTEE

(date)

EXTRA COPY
DMEA
RECEIVED SEP 4 1957

DATE	INITIALS	REMARKS

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

DMEA-4080, Idm-5938, MCBEE PROSPECT
(mica)
Mitchell County, No. Carolina.

S. C. Bergman, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

RECEIVED BY
DMEA OFFICE OF MINES
(CODE)

SEP 4 1957

DMEA
EXPLORATION PROJECT

FINAL REPORT

DMEA-4080, Idm-E938, McBEE PROSPECT
(mica)

Operator: John Jarrett, Clarence Grindstaff and Fred Grindstaff, Route # 3, Bakersville, North Carolina

SUMMARY

Contract work consisting of 60 ft of inclined shaft and 100 ft strike-length drift was satisfactorily completed on a 3 to 10 - foot thick tabular-shaped pegmatite. No favorable mineralogical or structural zones were outlined, so that certification as a discovery cannot be recommended. A 16-ft deep pit was dug during the contract period on a 2 1/2 to 3 ft thick parallel pegmatite about 25 ft upslope from the subject structure. It was also intercepted by a test hole in the hangingwall of the contract incline. An amendment to the original contract was granted to explore this nearby structure. The existing pit was deepened 48 ft and 48 ft of drift was driven along the pegmatite. Again, no favorable structures or mineralogical zones were outlined and no certification is recommended. A total of 2200 lbs of block muscovite was reported as having been recovered from the two operations during the contract period.

INTRODUCTION

Location

The prospects are high on the steep wooded northwest slope of Burns Mountain approximately 3700 ft S39°W of the R. B. Phillips Mine and 3.2 airline miles S3°W of Bakersville, Mitchell County, North Carolina (Micaville, N. C. Quadrangle, USGS-TVA Ed.1934, 1:24,000).

Work Completed

All elements of the original contract were satisfactorily completed. This involved bulldozing 2000 linear ft of access road, constructing a toolhouse, and powder and exploder magazines; sinking 60 ft of inclined shaft and driving 101 ft of strikelength drift,-

one foot at the Operator's expense. Contract work started May 14, 1956, and was completed August 28, 1956. The inclined shaft was driven in a S40°E direction, with the first 30 ft inclined -60° and the lower 30 ft inclined -38°. From the shaft bottom, 41 ft of drift was driven N55°E and 60 ft S55°W. An amendment was granted as of October 3, 1956 to explore a thin parallel pegmatite, situated about 25 ft stratigraphically in the hangingwall of the contract structure. Work on the amended contract started late in October, and consisted of the rehabilitation of the 16 ft of existing incline, deepening it 48 ft (4 ft at the Operator's expense), and driving 28 ft of drift N 60°E and 25 ft S45°W from the shaft bottom. Work on the contract amendment was completed by January 31, 1957. As far as is known, no subsequent work has been done in the workings by the Operator or others.

Contract Production

Only a few hundred pounds of block muscovite was ever seen at any one inspection by the Examiners, but whether it was recent or cumulative production could not be determined. Very little muscovite was ever seen in place in the headings. The Operator reports a total recovery of about 1100 lbs of block from the original shaft and drift work, more or less disseminated throughout the pegmatite. This is an indicated recovery of 0.16 lbs of muscovite per cubic foot of pegmatite removed, with a value of about $.80 per cubic yard of $.37 per short ton of pegmatite in place. The amended contract work produced a reported 600 lbs of block from the original 16 ft of shaft and 500 lbs from the

subsequent work. The recovery of block muscovite from this work is 0.31 lbs per cubic foot of pegmatite, with an indicated value of about $1.56 per cubic yard or $.71 per short ton of pegmatite in place.

GSA Depot records indicated a block sale of 4900 lbs valued at $915.55 (2/21/57), and a sale of trimmed muscovite, valued at $240.27 (8/16/56). This is a total of $1155.22 worth of mica that is believed to have been produced during the contract period. No operations are known to have taken place prior or subsequent to that period. Contrasting the recorded sale information against the total volume of pegmatite removed, indicates an overall recovery from the two pegmatites of 0.62 lbs of handcobbed block per cubic foot of pegmatite with an indicated value of $3.13 per cubic yard or $1.44 per short ton of pegmatite in place.

GEOLOGY

Two concordant tabular pegmatites with good strike and dip continuity, were outlined by the contract work. They are enclosed in a fine-grained well-banded, biotite and interlayered biotite-hornblende gneiss which is almost completely unweathered. The two structures are stratigraphically separated by 22 to 30 ft of country rock. Slight undulations of the hangingwall plunge more or less in the dip direction and do not appear to be well enough developed to isolate any facorable mineralogical zoning.

The footwall pegmatite is 3 to 4 feet thick and has an attitude of N50°E70°SE at the surface. Downdip, the structure thickens to 6 to 10 ft at the contract level and has an attitude of N55°E35-45°SE.

Midway in the incline, the pegmatite breaks up into a series of thin, closely spaced en echelon lenses for a distance of 15 ft before resuming its tabular habit downdip. The hanging wall pegmatite varies from 2 to 3 ft in thickness and strikes approximately N50 to 57°E and dips from 67°SE at the surface to 45°SE at the drift level.

Both structures are poorly and variously zoned aggregates of medium coarse perthite, perthite-quartz with minor graphic textures, and discontinuous zones of medium to medium-fine-grained plagioclase with minor interstitial quartz muscovite, and biotite. The plagioclase zones are usually thin (one ft or less) and occur as singular units laying adjacent to one contact or the other or as bilaterial wall zones with a perthite or perthite-quartz core. A thin discontinuous quartz core was followed in part of the southwest drift along the hangingwall pegmatite. A thin discontinuous fine grained selvage, not more than an inch thick, of plagioclase and elongate quartz oriented normal to the contact is found adjacent to the contacts.

Muscovite occurs as minor randomly disseminated crystals up to 6 inches across commonly coarsely intergrown with crystals of biotite. The muscovite is a dark reddish-brown (ruby) color and is generally flat and free splitting, although fine biotite staining is not uncommon and some of the books are slightly bent and ruled.

CONCLUSIONS AND RECOMMENDATIONS

The contract work outlined two tabular pegmatites with strong strike and dip continuity. They are poorly zoned and mineralogically

unfavorable due to the high proportion of perthite and the low quartz-muscovite content of the plagioclase zones. Muscovite is randomly disseminated and is present in concentrations not exceeding 0.62 lbs per cubic foot of pegmatite in place (approx. 0.4% by weight). From GSA Depot sales records, a total of $1155.22 worth of muscovite has been sold from the contract area, with an indicated unit value of $3.13 per cubic yard or $1.44 per short ton of pegmatite in place. No structures or mineralogic zones localizing muscovite concentrations were outlined by the contract work. The low indicated value of the pegmatites we well as the generally poor mineralogic environment outlined is the basis for the Examiners recommending non-certification of the contract work as a discovery.

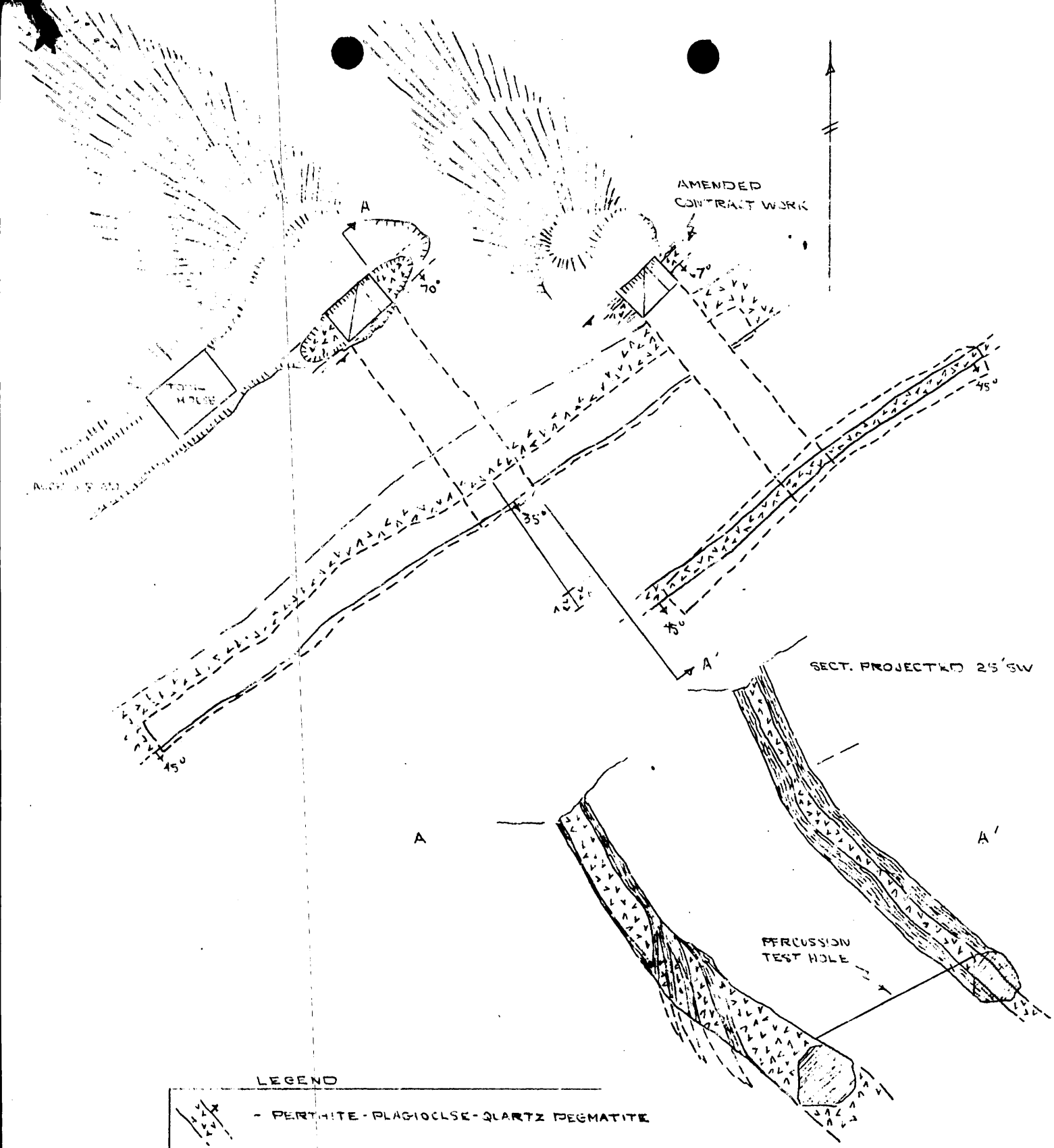
EXPENDITURES

(a)	Total approved	$10,662.00
(b)	Total cost of project	10,662.00
(c)	Government's share of cost	7,996.50
(d)	Government's share unexpended	None
(e)	Value of production	1,155.82
(f)	Royalty paid to date	19.95

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

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

z



LEGEND

- PERTHITE - PLAGIOCLSE - QUARTZ PEGMATITE
- FINE BANDED BIOTITE GNEISS
- UNAPPROVED CONTRACT WORK
- EXCAVATION
- DUMPS

PLAN AND SECTION PROJECTION

McBEE PROSPECT

MITCHELL COUNTY, NORTH CAROLINA

DMEA-4080, Idm - E 938'

(MICA)

SCALE: 1" = 20'

EXTRA COPY
D M E A
RECEIVED SEP 6 1957

DATE	INITIALS	CODE

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

Re: Docket No. DMEA-4030-Mica
John Jarrett, et al.
McBee Prospect
Mitchell County, North Carolina
Contract No. Ida-8933

Dear Mr. Laurence:

Reference is made to your memorandum of September 4, 1957, enclosing the Field Team Final Report on the subject contract.

We note that from the GSA Depot sales records, a total of $1,155.82 worth of mica has been sold from the contract area. The royalty on this amounts to $57.79, of which $19.95 has been paid, leaving $37.84 in royalty still due the Government. If you agree that this amount is due, it will be appreciated if you will remind the Operators of their indebtedness to the Government and request them to make settlement.

The writing of a closing letter and closing out of the docket will be held in abeyance pending the payment of all royalty due the Government.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:gad 9/12/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

September 10, 1957
Re: DMEA 4080, Idm-M938
John Jarrett, et al
McBee Prospect
Mitchell County, North Carolina
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 original contract, awarded in May 1956, sanctioned the expenditure of $7,110.00 on the exploration of the wider of two parallel pegmatites, located about 25 feet apart. The operator claimed 1100 pounds of mine run mica worth about $200.00 was recovered in the 60 feet of shaft and 101 feet of drifting.

An amendment authorized the expenditure of a further $3,552 on the exploration of the parallel pegmatite, which near surface possessed favorable characteristics. In a 16-foot shaft, abundant mica was seen in the center of the pegmatite and a 30° upper drill hole from the bottom of the original 60-foot shaft showed the parallel hanging wall pegmatite continued to that level.

The 16-foot shaft was deepened 44 feet and 53 feet of drifting was done.

Mica valued at $1,155.82 was recovered in the course of work under contract and amendment, and $19.95 in royalty was remitted. The operators appear to have done no work since the contract work was completed.

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

I concur with that recommendation.

N. E. Nelson 9/12 Houk 600

N. E. Nelson

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

NENelson:pbb
G: 9/10/57

July 30, 1957

Memorandum

To the File

From: L. G. Houk, Director, Division of Nonmetallic Minerals

Subject: Substance of telephone conversation of July 30, 1957, with Mr. R. A. Laurence

Docket No. DMEA-4080-Mica
John Jarrett, et al
McBee Prospect
Mitchell County, N. C.
Contract Idm-E938

Mr. Laurence advised that the McBee will not be certified and that they will get the final field team report in as soon as possible.

DEFENSE MINERALS ADMINISTRATION

97022

PRODUCTION EXPANSION DIVISION

EXPLORATION LOANS

Name of Company and Address: _____

Name of Mine and Location _____

Docket No. D.M.A. _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Amount of Total Project: _____

Government participation, percent and amount _____

Number of subprojects in total application _____

Type of Exploration	Feet	Cost per foot	Total cost
Preparatory & Rehabilitation			
Equipment			
Shaft sinking & winzes			
Drifts and crosscuts			
Raises			
Diamond or churn drilling			
Other			

Comments on Contract _____

_____

_____

_____

Date sent to Applicant for signature _____

Date returned to P.E.D. _____

Date sent to Legal _____

Date signed by Administrator _____

Additional remarks: _____

_____

_____

Interior—Duplicating Section, Washington, D. C.

Signed _____

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 12 1957

DATE	INITIALS	CODE
6/12	C	220
		600

June 10,1957

Memorandum

To: Finance Officer - DMEA -

From: Executive Officer. DMEA - Region V

Subject: Royalty Payment - Idm-E938, DMEA-4080-Mica
Jarrett & Grindstaff. Bakersville, N.C.
McBee Prospect, Mitchell County, N.C.

Transmitted is a statement of a sale of mica and a check for royalty in the amount of $7.94 to be credited to the subject contract.

Robert A. Laurence

ZM
cc
Mittendorf
Lynch
Files

6-3-57

Mica sold from Arthur Mining Company - (McBee Prospect)

OFFICIAL FILE COPY
DMEA
RECEIVED 1957
DATE | INITIALS

To Phillips Mica Company
Spruce Pine, N.C.

850 lbs. @ 18.68 per lb. $158.78

1/8 Royalty($19.85)paid to J.C. McBee, Sr.

5% paid to DMEA #4080($7.94)

I certify that this is a true and correct statement.

Signed: Samuel L. Phillips

Samuel L. Phillips

RECEIVED
JUN 5 - 1957

INTERIM REPORT

DMEA-4080, Idm-2938 (mica) [illegible] PROSPECT

Operator: John Jarrett, Route 3, Bakersville, North Carolina

Location: 3.2 airline miles S. 3° W. of Bakersville, Mitchell County, N. C.

All work under the amended contract on a parallel pegmatite has been satisfactorily completed as of January 31, 1957. A final inspection and measurement was made on February 5, 1957. Work completed under the amended contract consists of rehabilitating and enlarging the existing 16 feet of inclined shaft, sinking 44 feet of additional inclined shaft on pegmatite, and drifting from the bottom of the shaft on pegmatite, 28 feet N. 60° E., and 25 feet S. 45° W.

The subject pegmatite is a concordant tabular 2 to 3-foot thick body of excellent structural continuity. It has an attitude of N. 57° E., dipping 67° SE at the surface to 45° SE in the drift. The generally good mineralogy indicated near the surface was replaced downdip by a rather poor environment in which the feldspar was almost 100% microcline-perthite. Very little muscovite was present in the lower shaft or drifts. The Operator reports a recovery of about 500 pounds of mine-run block muscovite from the amended contract.

The field examiners will not recommend certification of this contract because of the low recovery of muscovite and generally poor mineralogic environment outlined by the work.

S. C. Bergman, Geologist, USGS
E. L. Boudette, Geologist, USGS
Wm. A. Beck, Mining Engineer, USBM

Region V

P. O. Box 217
February 8, 1957

Memorandum

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

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

Subject: Monthly reports and vouchers

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

Idm-E938
Jarrett, Grindstaff & Grindstaff
Docket No. DMEA-4080
8th and final payment - month of January
Completion Date: 1/31/57
Amount $787.50

Idm-E1005
John Phillips
Docket No. DMEA-4239
5th and final payment - month of January
Completion Date: 1/31/57
Amount $607.20

Idm-E1007
John Phillips
Docket No. DMEA-4351
5th payment - month of January
Amount $1142.70

Idm-E1008
John Phillips
Docket No. DMEA-4332
3rd payment - month of January
Amount $1012.50

Idm-E1026
John Phillips
Docket No. DMEA-4439
1st payment - month of January
Starting Date: 12/14/56
Amount $1051.88

Idm-E1045

James McKinney, Jr.
Docket No. DMEA-4486
1st payment - month of January
Starting Date: 1/1/57
Amount $1,049.62

Idm-E1046

Aldridge, Brown & Flynt
Docket No. DMEA-4448
1st payment - month of January
Starting Date: 1/14/57
Amount $834.75

Helen R. Miller

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

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

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 45

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

Month of January, 1957 Docket No. DMEA 4030 Contract No. Km-E 938
Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica
Address Rt. #3, Bakersville, N.C.
Contract Amount, $ 10,662.00 Government Participation: ____% Amount, $ 7,996.50

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		400.00	400.00			
~~Crosscutting~~ Shaft		2640.00	2640.00			
30' Drifting @ $35.00	1050.00	4200.00	5250.00			
Incline Shaft		1936.00	1936.00			
(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		320.00	320.00			
(6) New Bldgs., Improvements, etc.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Tags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	1050.00	9612.00	10662.00	1050.00	9612.00	10662.00

RECEIVED FEB 11 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 2-1-57 Payee John Jarrett, Clarence & Fred Grindstaff
Per John Jarrett Title Partners

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 787.50
Signature Helen R. Miller (Authorized Certifying Officer)
Date FEB 8 1957 Vou. No. 122
(See other side)

262.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-5938 in accordance with the terms of the contract.

Signature Laurence C. Shirley Title MINING ENGINEER U. S. BUREAU OF MINES Date Feb. 6, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lemmon Title EXECUTIVE OFFICER DMEA REGION V Date FEB 7 1957

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 MT-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED FEB 11 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Jan. 1957 Docket No. DMEA 4030 Contract No. Idaho 930
Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica
Address Route #3, Bakersville, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1050.00	30	5250.00	150	35.00	150	35.00
~~Crosscutting~~ Incline	Ft.			1936.00	44	44.00	44	44.00
Raising								
Shafts	Ft.			2640.00	60	44.00	60	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.			400.00	40	10.00	40	10.00
TOTAL DISTRIBUTED COSTS		1050.00	30	10226.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				320.00				
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Pacs.				40.00				
TOTAL COSTS		1050.00		10662.00				

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

Date 2-1-57 Operator John Jarrett, Clarence and Fred Grindstaff

Per John Jarrett Title Partners

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

(Instructions on reverse)

REMARKS:

(For Government use only)

L. E. Shirley
MINING ENGINEER
U. S. BUREAU OF MINES
Feb. 6, 1957

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
FEB 11 1957
D.M.E.A.

Operator's

Monthly Progress Report

January, 1957

DMEA - 4080

Idm-E 938

McBee Prospect

Work Accomplished:

In this month we completed the drift, making a total of 50' of drift, and this completed our contract. We recovered approximately 500# of mica.

Daily Notes:

2 - 11 : Shot, drilled and mucked out waste daily.

14 - 18 : Very little work was done this week, because of the bad weather.

21 - 25 : Continued work on drift, finding very little mica.

28 - 31 : We completed 50' of drift, making a total of all the work called for in the contract and the amendment. We recovered approximately 500# of mica.

RECEIVED
FEB 4 1957
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

only, covering memo recd opers. final

		CODE
2.8	C	220
2/11	Howl	600

Spruce Pine, North Carolina
January 31, 1957

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

Re: DMEA-4080, Idm-E 938 (Mica)
McBee Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

We began work on the amendment to the contract in October, 1956 and we completed all the work on January 31, 1957.

In October we enlarged an existing 16' inclined shaft from 4' X 5' to 5' X 7'. We enlarged the inclined shaft a distance of 4'. In November we completed 36' of shaft. In December we completed 4' of shaft which completed the inclined shaft, a total of 44' of shaft. We began work on the drift and completed 20', the vein was 2½ to 3" wide. In January we completed 30' of drift making a total of 50' of drift, and completing all the work called for.

From all the work we recovered approximately 500 pounds of mica.

We wish to thank the field team for their assistance on the McBee Prospect.

Very truly yours,

John Jarrett

John Jarrett

P/j

RECEIVED
JAN 22 1957
D.M.E.A.

A

INTERIM REPORT

DMEA-4080, Idm-1936 (mica) McBEE PROSPECT

Operator: John Jarrett, Route 3, Bakersville, North Carolina
Location: 3.2 airline miles S3°W of Bakersville, Mitchell County, North Carolina

Amendment No. 1 Shaft sinking has been completed on this contract, turnoff on drift levels has been made to the northeast and southwest and headings are being driven N50°E and S40°W in pegmatite about two feet in thickness, composed of large feldspar crystals, scattered quartz with accessory garnet and off-color mica up to 3 by 4 inches. The mica occurrence is sparse and contains some iron stain. To the northeast a drift has been driven in pegmatite up to 2.5 feet thick in material essentially the same as was found in the southwest drift but containing more mica in slightly larger sizes and of better quality. Approximately 100 pounds of mine-run book has been recovered from the total drift work to date. The body strikes N50° E and dips 45°SE with slight variations at different points in both drifts. The operator was advised to continue both drifts with emphasis to the northeast. Progress on this contract has been good.

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

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

January 8, 1957

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-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Dec., 1956 Docket No. DMEA 4080 Contract No. Idm-E 938
Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica
Address Route #3, Bakersville, N.C.
Contract Amount, $ 10,662.00 Government Participation: 75% Amount, $ 7,996.50

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		400.00	400.00			
~~Connections~~ Shaft		2640.00	2640.00			
20' Drifting @ $35.00	700.00	3500.00	4200.00			
4' Incline Shaft @ $44.00	176.00	1760.00	1936.00			
(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		320.00	320.00			
(6) New Bldgs., Improvements, etc.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	876.00	8736.00	9612.00	876.00	8736.00	9612.00

RECEIVED JAN 7 1957 D.M.E.A.

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

Date 12-31-56 *Payee John Jarrett, Clarence & Fred Grindstaff

Per John Jarrett Title Partners

*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:

$ 657.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JAN 4 1957 Vou. No. 100
(See other side)

219.00

(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-938 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist Date 1-2-1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date JAN 2 1957

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

RECEIVED JAN 7 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1956 Docket No. DMEA 4080 Contract No. Idm-E 938

Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica

Address Route #3, Rakersville, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
20' Drifting @ $35.00	Ft.	700.00	20	4200.00	120	35.00	120	35.00
4' ~~Crosscutting~~ Incline	Ft.	176.00	4	1936.00	44	44.00	44	44.00
Raising								
Shafts	Ft			2640.00	60	44.00	60	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.			400.00	40	10.00	40	10/00
TOTAL DISTRIBUTED COSTS		876.00		9176.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				320.00				
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		876.00		9612.00				

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

Date 12-31-56 Operator John Jarrett, Clarence & Fred Grindstaff

Per John Jarrett Title Partners

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Alfred R. Taylor
Geologist, USGS

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
JAN 7 1957
DMEA

OPERATOR'S

Monthly Progress Report

DMEA-#4080, Idm-E 938

McBee Prospect

Work Accomplished:

In this month we completed our Incline shaft work, making a total of 44' of shaft. We begin work on the drift and to date we have completed 20' of drift. The vein is 2½ to 3 " wide, but we are finding very little mica.

Daily Notes:

3 - 7 :	Shot, Drilled and Mucked out waste daily.
10 - 14 :	Completed our shaft work, making a total of 44' of shaft.
17 - 21 :	Begin work on drift, completed 20' to date.
24 - 31 :	The vein is 2½ to 3" wide, but we are finding very little mica.

INTERIM REPORT

DMEA-4080, Idm-E938 (mica) McBEE PROSPECT

Operator: John Jarrett, Route 3, Bakersville, North Carolina
Location: 3.2 airline miles S3°W of Bakersville, Mitchell County, North Carolina

Amendment No. 1 - Shaft sinking has been completed to a total depth of 48 feet on this contract. The extra 4 feet was sunk at the operators own expense. This places the present bottom at a point 64 feet from the surface and is inclusive of 16 feet of enlarged shaft included under the contract.

Material encountered has been pegmatite and biotite gneiss. The hanging wall contact of the body strikes N45°E and dips 42°SE. The body is 2.5 feet thick and is composed of a quartz core surrounded by zones containing large feldspar crystals, scattered quartz, "burr" zones" and small to medium-sized blocks of mica. About 600 pounds of block has been recovered from all work completed to date. Instructions were given for turning off drift levels from the shaft bottom and headings will be driven simultaneously. Progress on this amendment has been good.

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

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

December 11, 1956

A

INTERIM REPORT

DMEA-4080, Idm-E938 (mica) McBEE PROSPECT

Operator: John Jarrett, Route 3, Bakersville, North Carolina
Location: 5.2 airline miles S3°W of Bakersville, Mitchell County, North Carolina

Amendment No. 1 - Inclined shaft sinking continues on this contract and new work now totals 34 feet, plus an estimated 3 feet of muck in the bottom. The mine was not being worked at the time of this visit because of snow and ice, and access to the shaft bottom could not be gained because ~~of~~ only the top ladder section had been installed. Another visit will be made to the mine in the near future.

Mr. R. A. Laurence, DMEA Executive Officer, Region V, accompanied the Field Examiners on this visit to the mine.

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

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

November 27, 1956

Region V

P. O. Box 217
December 6, 1956

Memorandum

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

From: Administrative Assistant, Electrotechnical Experiment Station, Norris, Tennessee

Subject: Monthly reports and vouchers

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

Idm-F938 — Jarrett, Grindstaff & Grindstaff
Docket No. DMEA-4080
6th payment - month of November
Amount $1188.00

Idm-E947 — Harold B. King, Sr.
Docket No. DMEA-4181
6th payment - month of November
Amount $693.00

Idm-F1005 — John Phillips
Docket No. DMEA-4239
3rd payment - month of November
Amount $1324.80

Idm-E1007 — John Phillips
Docket No. DMEA-4351
3rd payment - month of November
Amount $810.60

Idm-F1014 — Ed Huskins and Fred Gage
Docket No. DMEA-4237
2nd payment - month of November
Amount $790.50

RECEIVED DEC 7 1956 D. OFFICE

Idm-E1018 McCurry, Phillips & Phillips
Docket No. DESA-4313
1st payment - month of November
Starting Date: 11/6/56
Amount $424.50

Helen R. Miller

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

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

A

Month of November, 1956 Docket No. DMEA 4080 Contract No. Idm-E 938
Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica
Address Route #3, Bakersville, N.C.
Contract Amount, $ 10,662.00 Government Participation: 75 % Amount, $ 7,996.50

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		400.00	400.00			
~~Crosscutting~~ Shaft		2640.00	2640.00			
Drifting		3500.00	3500.00			
36' Incline @ $44.00	1584.00	176.00	1760.00			
(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		320.00	320.00			
(6) New Bldgs., Improvements, etc.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	1584.00	7152.00	8736.00	1584.00	7152.00	8736.00

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

Date 12-3-56 *Payee John Jarrett, Clarence & Fred Grindstaff

Per John Jarrett Title Partners

*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. Miles
(Authorized Certifying Officer)

Date DEC 6 1956 Vou. No. 85
(See other side)

6

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. E-938 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title GEOLOGIST, U. S. G. S. Date DEC 5 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lepreck Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date DEC 4 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 Nov. 1956 Docket No. DMEA 4080 Contract No. Idm-E-938

Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica

Address Route #3, Bakersville, 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	Ft.			3500.00	100	35.00	100	35.00
36' Crosscutting Incline	Ft.	1584.00	36'	1760.00	40	44.00	44	44.00
Raising								
Shafts	Ft.		144 144 288	2640.00	60	44.00	60	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.			400.00	40	10.00	40	10.00
TOTAL DISTRIBUTED COSTS				8300.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				320.00				
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		1584.00		8736.00				

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

Date 12-3-56 Operator John Jarrett, Clarence & Fred Grindstaff

Per John Jarrett Title Partners

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

(Instructions on reverse)

REMARKS:

(For Government use only)

44 40 1760

Alfred R. Taylor
GEOLOGIST, U. S. G. S.

DEC 5 1956

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Progress Report

DMEA-#4080, Idm-E 938

McBee Prospect

Work Accomplished:

In this month we completed 36' of shaft, making a total of 56' of shaft to date. Three men are working full time. We are finding very little mica, approximately 100# has been recovered to date .

Daily Notes:

1 - 9	Drilled, shot and mucked out wated daily.
12 - 16	There is a 3' vein, but we are finding very little mica.
19-23	We are in new work and have completed 30' of shaft.
26 - 30	There are three men working full time. This week we completed 36' of shaft, making a total of 16' of rehabilitation work and 36' of new works.

A

INTERIM REPORT

DMEA-4080, Idm-E938 (mica) McBEE PROSPECT

Operator: John Jarrett, Route 3, Bakersville, North Carolina
Location: 3.2 airline miles S3°W of Bakersville, Mitchell County, North Carolina

Amendment No. 1 - Work as outlined under this amendment is progressing satisfactorily. Enlargement of an existing 16 foot shaft has been completed and shaft sinking is underway with 21 feet of new work completed.

Shaft sinking has followed pegmatite varying from 2 to 3 feet in thickness, and composed of disseminated quartz, feldspar and scattered medium sized books of clear green muscovite mica. Approximately 40 pounds of book has been produced from work completed.

The mine foreman stated that collaring of the shaft and manway installation will begin in the near future. Progress on this contract is satisfactory.

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

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

November 13, 1956

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-

OPERATOR'S MONTHLY REPORT AND VOUCHER

A

Month of October, 1956 Docket No. DMEA 4080 Contract No. Idm-E 938

Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica

Address Route 3, Bakersville, North Carolina

Contract Amount, $ 10,662.00 Government Participation: 75% Amount, $ 7,996.50

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					400.00	400.00
Crosscutting						
Drifting					3500.00	3500.00
4' Incline @ $44.00	176.00		176.00	176	2640.00	2816.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
Inlarged 16' Incline Shaft @ $20.00						
(5) Initial Rehabilitation and Repairs	320.00		320.00	320.00		320.00
(6) New Bldgs., Improvements, etc.					76.00	76.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mrg.					40.00	40.00
(8) Contingencies (specify):						
TOTALS	496.00		496.00	496.00	6656.00	7152.00

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

Date 11-5-56 *Payee John Jarrett, Clarence, & Fred Grindstaff

Per John Jarrett Title Partners

*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:

$ 372.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date NOV 14 1956 Vou. No. 57
(See other side)

5

1240.00

(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-938 in accordance with the terms of the contract.

Signature V. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date NOV 8 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date NOV 8 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 NOV 16 1956 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1956 Docket No. DMEA 4080 Contract No. Idm-E 938

Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica

Address Route #3, Bakersville, 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
4' Incline Drifting @ $44.00	Ft.	176.00	4	176.00	4	44.00	44	44.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
		176.00		176.00				
Total Distributed Costs							Total Costs Authorized by Contract	
Operating Equipment Purchased								
Incl. Rehabilitation and Repairs		320.00		320.00				
New Buildings, Improvements @ $20.00								
Total Costs		496.00		496.00				

Enlarged 16' Incline Shaft

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 11-5-56 Operator John Jarrett, Clarence & Fred Grindstaff

Per John Jarrett Title Partners

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

(Instructions on reverse)

Remarks:

(For Government use only)

V. J. LYNCH
MEMBER, BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
NOV 16 1956
DMEA

OPERATOR'S

Monthly Progress Report

DMEA-#4080, Idm-E 938

McBee Prospect

Work Accomplished:

In this month we enlarged an existing 16 foot inclined shaft from 4' X 5' to 5' X 7'. We enlarged the inclined shaft a distance of 4' to date. There is a vein of approximately 2' wide, between two slates which look very good.

Daily Notes:

1 - 5 : Drilled, shot and mucked out waste daily. There is no water.

8 - 12 : We begin enlarging shaft. There is a vein of approximately 2' wide between slates which look very good.

15 - 19: We completed enlarging 16' of incline shaft.

22 - 31: Begin sinking incline shaft, we have reached 4' depth to date.

A

INTERIM REPORT

DMEA-4080, Idm-E938 (mica) McBEE PROSPECT

Operator: John Jarrett, Route 3, Bakersville, North Carolina
Location: 3.2 airline miles s3EW of Bakersville, Mitchell County, North Carolina

Work outlined under Amendment No. 1 of this contract authorizing enlargement of an existing 16 foot shaft, 44 feet of additional shaft and 50 feet of drift from the shaft bottom is underway. Enlargement of the shaft has been completed and shaft sinking will begin immediately. No mica was recovered from work completed to date. Timber needs were discussed with the mine foreman and a separated manway with ladders will be installed as soon as practicable.

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

A. R. Taylor, Geologist
U. S. Geological Survey

October 30, 1956

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

RECEIVED
OCT 17 1956

October 15, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Amendment No. 1 - Idm-E938, DMEA-4080 (mica)
Jarrett & Grindstaff, Bakersville, N. C.

Transmitted are three signed copies of the subject amendment signed by the Operators of the subject contract.

The usual disposition of the other copies has been made by this office.

Robert A. Laurence

slynch
Finance
Shirley
Files

OCT - 4 1956

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

Re: Docket No. DMEA-4080-mica
John Jarrett, et al.
Mahoe Prospect
Mitchell County, North Carolina
Contract No. Idm-8938

Dear Mr. Laurence:

Reference is made to your memorandum of September 5, 1956, concerning an amendment to the subject contract.

In accordance with your memorandum, we have prepared and transmit herewith the original and five copies of Amendment No. 1, which have been signed by the Administrator for the Government. Please note that we have reduced the amount of drifting from 80 feet to 50 feet. If the amendment meets with your approval, present it to the operators for approval and signatures. If any part of this amendment does not have either your approval or that of the operators, and cannot be amended within your delegated authority, then the original and all copies are to be returned to this office.

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

Copies of memoranda dated August 17 and 20, 1956, by Mr. E. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

Approved:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

George C. Selfridge
Chairman, Operating Committee

WCAnderson:ms 10/1/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 9061
Mr. Houk
Admr. R. File

Enclosures: 12

PS: There are enclosed two extra copies of the amendment for the use of the Field Team.

September 25, 1956

Mr. Sam L. Phillips calling from Spruce Pine, North Carolina

Re: Docket No. DMEA-4080-Mica
John Jarrett, et al.
McBee Prospect
Mitchell County, North Carolina
Contract No. Idm-E938

Mr. Phillips: I would like to inquire about DMEA-4080.

Mr. Anderson: DMEA-4080 is the one where an amendment was requested. We are not all agreed here in the Washington office about that amendment. We will have to effect an agreement here before we come to a decision. There are two methods: One, drive a 40 foot crosscut. The other to sink on the parallel pegmatite to a depth of 60 feet, then drift. We are in disagreement as to whether one or the other would be best. What condition are you fellows in down there?

Mr. Phillips: It is a hard place to get to and we have our equipment standing by there. There is one thing, I have a piece of mica that came out of there on the second pegmatite. If there is ever a piece of mica any better I have never seen it. It is hard, flat, and ruby colored with very little stain. I believe we should do some additional work.

Mr. Anderson: Would it be satisfactory to you to sink a shaft down on the pegmatite? We would rather sink on the pegmatite.

Mr. Phillips: That is what Knoxville tells me all the time. We are 100% in agreement.

Mr. Anderson: Ok. I have your slant on this and I am better prepared to resolve this case.

Mr. Phillips: I would not be interested if it wasn't worthwhile.

Mr. Anderson: How large is the piece of mica?

Mr. Phillips: About 5½" long by 3" across - it is not large mica but it is like steel. It is a dandy.

Mr. Anderson: How much mica is in the pegmatite, how many pounds per cu.ft. Is it sparse?

Mr. Phillips: Reasonable amount of mica. We see hundreds of them without that much mica. Out of that particular 16' hole there was around $200 sold. That was sold to the Government.

Mr. Anderson: There was more mica than that.

Mr. Phillips: That is what we got out. We let a man dig in that hole while we went in another place.

Mr. Anderson: We are still working on this case and we will come up with an answer within a few days.

Mr. Phillips: I am going to work that thing even if the Government doesn't help me.

DEFENSE MINERALS ADMINISTRATION

97021

PRODUCTION EXPANSION DIVISION

LOAN APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

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

Metals or Minerals involved _____

Amount of loan and interest rate _____

Type of Loan (R.F.C. or Guaranteed Bank Loan) _____

Term of Loan _____

Purpose of Loan — Mine Equipment _____

Mill or Reduction Plant _____

Operating Funds _____

Other _____

Repayment and Rate _____

Comments on Contract: _____

_____

_____

_____

_____

Date sent to Legal Division: _____

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

Date Certification sent to R.F.C. by D.P.A. _____

Date Signed into Contract by R.F.C. _____

Additional Remarks: _____

_____

_____

_____

_____

Interior—Duplicating Section, Washington, D. C.

Signed _____

IN REPLY REFER TO:

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

September 21, 1956

Memorandum

To: W. C. Anderson

From: N. E. Nelson

Subject: Docket No. DMEA 4080

The whole 4080 file has been reviewed and I cannot find a good reason for denying the request for an amendment. I think you will have to fall back on "guilt by association" and the two dikes are related-spatially.

We have assisted on work on pegmatites less favorably endowed with mica. It is very seldom, almost never in my experience, that all of a pegmatite is mica-bearing, so I see little reason for expecting two pegmatites to be exactly alike because they are separated by only 23 feet of rock.

Probably you can reduce the mica recovered in the 16-foot shaft to dollars and cents at 20-30 cents per pound and show that the mica did not pay for the work and find your justification. I know of no geological reason.

Sorry! Sorry!

N. E. Nelson

N. E. Nelson

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

RECEIVED
SEP 19 1956

September 17, 1956

Memorandum

To: Finance Office - Region V -

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty Payments on the DMEA contracts

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

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

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

Robert A. Laurence

ZK
cc:
Mittendorf
Lynch
Files
Shirley

RECEIVED
SEP 19 1956

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT

MICA PURCHASING DEPOT, SPRUCE PINE, N. C.

DATE PURCHASED: 8-10-56

ACCEPTANCE NO.: AR6-209(a)

VOUCHER NO.:

CERTIFICATE AUTHORIZATION NO. EPS-4-12SEA

LOT NO. SP AR-209(a)

	TOTAL WGT (LBS)	LBS. - G. S.	LBS. - STAINED	LBS.-HY. STAINED	TOTAL VALUE
PROCESSED FOR PAYMENT	24.60	7.04	10.08	7.53	240.27
PROCESSED - NO PAYMENT	•				
THINS					
BLACK - DOTS SPOTS STAIN					
UNDERSIZED					
PROCESS - DARK LOSS	.02				
TOTAL LBS. PURCHASED	24.62				

FOR USE OF CERTIFYING OFFICER

LESS: INITIAL PAYMENT - VOUCHER NO. SCH. NO. 165.84

BALANCE DUE COVERNMENT [ ] SELLER [X] 76.43

SELLER'S NAME AND ADDRESS

Arthur Mining Company
Box 55
Spruce Pine, N. C.

NAME OF MINE AND LOCATION

McBee

APPROVED

DEPOT SUPERINTENDENT 8-31-56 DATE

Form R4-T36, May 1956

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: L. H. Hosty, Chief, Nonmetallic Minerals Division

Subject: Amendment for 100 feet of additional drifting and/or crosscut.
Project No. DMEA-4080-Mica
John Jarrett, et al
McBee Prospect
Mitchell County, North Carolina
Contract No. Idm. E938

Recommendation: The Nonmetallic Minerals Division concurs in the field Service recommendation for an amendment to the subject contract to provide for an additional 100 feet of drifting and/or crosscut to follow a parallel pegmatite at $39.00 per foot (Same unit rate as the contract).

Progress to August 7, 1956 - 60 feet of shaft and 69½ feet of drifting in a 5 foot thick pegmatite (No. 1). A small amount of mica is being recovered in the drifting. Contract provides for 60 feet of shaft and 100 feet of drifting.

Geological criteria upon which recommendation is based:

1. Reference - Cross-sections and map in file.
2. Pegmatite - Newly discovered pegmatite (No. 2) parallel to No. 1 pegmatite (being explored) and situated about 25 feet uphill and southeast, as measured by a drill hole, driven at operators expense on the 60-foot level

of No. 1 pegmatite. No. 2 pegmatite is about 4 feet thick, poorly zoned, most of mica occurring between the quartz core and hanging wall. At 16-foot incline from the surface on No. 2 pegmatite produced 2¼ pounds "mine-run" mica per cubic foot of pegmatite. The country rock is biotite gneiss.

3. Mica: Average quality.

Comments:

1. By Nonmetallic Minerals Division —
This No. 2 pegmatite looks promising and presents the unusual situation of being explored by crosscutting and drifting at the 70-foot level, minus the expense of sinking a shaft of that depth. Since we are down to that level in the No. 1 pegmatite, and we believe the No. 2 pegmatite merits exploration, it would be good economics to drive a 40 foot crosscut and 60 feet of drifts at $35/foot, or total of $3500.

2. By the Geological Survey commodity member —
Abundant mica in the center of the 4-foot pegmatite intersected by the drill hole. Concurs in the Field Services recommendation.

3. By the Bureau of Mines commodity member —

(a) The No. 2 pegmatite contained strategic mica for 16 feet in depth.

(b) Proposed amendment will enable exploration of No. 2 pegmatite 70 feet below surface for only $35.00.

(c) Concurs in Field Examiner's recommendation.

? (1) [illegible] the Dogie [illegible]
? (2) [illegible]
(3) [illegible]

May 200# recovered so low
June 100# " @ 58-60' level
July 13. Rig - 1# [illegible] recovered
July 200#

Period

F.T. examination report Mica [illegible] is of very good quality.

May 23 - 1 R 250' of a very [illegible] recovered in 19'
June 20 - 1 R Peg [illegible] and original dry Mica [illegible] in good [illegible]
July [illegible] - 1 R 300# below [illegible] to be [illegible]
[illegible] 60# recovered [illegible] on page [illegible]
July [illegible] - 1 R [illegible] recovered
[illegible] 1 R [illegible] 23' Mt. [illegible] 58' [illegible] Mica [illegible] 5# to [illegible] Mica [illegible]
Aug 2 E.T. recovered 125' [illegible] 33 [illegible] on [illegible] 1.5 [illegible] 3'-3-6' level [illegible]
Aug 3 1 R [illegible] long [illegible] 100' [illegible] [illegible]

RECEIVED
SEP 13 1956

INTERIM REPORT

DMEA-4080, Idm-E938(mica) McBEE PROSPECT

Operator: John Jarrett, R#3, Bakersville, North Carolina

Location: 3.2 airline miles, S 3° W of Bakersville, Mitchell County, North Carolina

This contract has been completed satisfactorily, but without discovering significant reserves of muscovite. Further exploration on this pegmatite is not warranted. However, exploration on a parallel pegmatite that has been described in a memorandum to the Field Team Region V from the Field Examiners, dated August 2, 1956, is warranted.

Work began May 1, 1956 and was completed August 28, 1956. The Operator estimates that he recovered about 1100 pounds of ruby mine-run block muscovite, about $200 worth, but no sales have been made. Very little of this was seen by the examiners. Common defects such as biotite inclusions and biotite (1" wide) intergrown with muscovite, were noted.

Under the terms of the contract a 2000-ft access road, a toolhouse, and powder and exploder magazines were built. A 60-foot shaft, inclined -60°, with a separated manway was sunk on pegmatite and 101 feet (1 ft at Operator's expense) of drift, 5' x 7' cross-section was driven from the shaft bottom. From the shaft bottom a drift was driven 41 feet N 55° E and 60 feet S 55° W.

In the southwest heading the 5 foot thick pegmatite is composed essentially of 60% blocky perthite(crystals 6" long),

graphic granite, and 3 crystals (2" x 6") of biotite. The remaining 40% is disseminated quartz and sodic-plagioclase with small scrap-sized muscovite and some sericite. Generally in the shaft and drift the country rock is very hard and unweathered, but in the southwest end of the drift it is extremely weathered.

Certification will not be recommended in the final report.

Inspected: September 4, 1956

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

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-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1956 Docket No. DMEA 4080 RECEIVED Contract No. Idm-E 938
Operator's Name John Jarrett, Clarence & Fred Grindstaff SEP 12 1956 Minerals Mica
Address c/o John Jarrett, Rt. #3, Bakersville, N.C.
Contract Amount, $ 6656.00 Government Participation: 75 % Amount, $ 4992.00

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		400.00	400.00			
Crosscutting						
45' Drifting @ 35.00	1575.00	1925.00	3500.00			
Shaft		2640.00	2640.00			
(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.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	1575.00	5081.00	6656.00	1,575.00	5,081.00	6,656.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-28-56 *Payee John Jarrett, Clarence & Fred Grindstaff
Per John Jarrett Title Partners

*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:
$ 1,181.25
Signature Helen R. Miller
(Authorized Certifying Officer)
Date SEP 10 1956 Vou. No. 35
(See other side)

393.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 14-E938 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist, USGS Date 8/30/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date SEP 6 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 12 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1956 Docket No. DMEA 4080 Contract No. Idm-E 938
Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica
Address c/o John Jarrett, Rt. 3, Bakersville, 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
45' Drifting @ $35.00	Ft.	1575.00	45	3500.00	45	35.00	100	35.00
Crosscutting								
Raising								
Shafts	Ft.			2640.00	60	44.00	60	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				400.00	20.00	.20	20.00	.20
TOTAL DISTRIBUTED COSTS		1575.00		6540.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		1575.00		6656.00				

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

REMARKS:

Date 8-28-56 Operator John Jarrett, Fred & Clarence Grindstaff

Per John Jarrett Title Partners

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
8/30/56

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 1 2 195

Operator's

Monthly Progress Report

July, 1956

DMEA - 4080

Idm-E 938

McBee Prospect

Work Accomplished:

We completed 100' of drift, total footage on east end 40' and on west end 60'. Drift all in vein. Not any notable change in material sence last report.. We have an amendment pending asking for an additional 100' of crosscut and/or drift in order that we may crosscut to the new vein which is approximately 30' away.

Daily Notes:

August 1 - 3: Not any notable change in material. Mucked, drilled and shot.

August 6-10: Mucked, drilled and shot daily, drift all in vein.

August 13 - 17: Completed 45' of drift in this month, recovered a small amount of mica.

August 20 - 29: Completed total drift of 100', which completes our contract. Total footage on East end 40' and on West end 60'.

A

September 5, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4080, Idm-E938 (mica) John Jarrett, et al. McBee Prospect, Mitchell County, N. C.

Reference is made to your letter of August 28 and Mr. Laurence's telephone conversation with Mr. Houk on Friday August 31, concerning the Operator's request for an amendment to explore the upper pegmatite.

To answer briefly the questions in your letter of August 28:

Mica books vary up to 6 inches in diameter.
Certification probably cannot be supported on the results to date.
The mica is probably worth $600 per ton.
It is evidently worth preparing, as the Operator has taken it down from the mountain for that purpose.
The drill hole in the hanging wall indicated a width of 4 feet, as indicated on the scale drawing submitted with our memo of August 10.
We do not know whether a quartz core was encountered. Cuttings washed into the drift and were destroyed before our examiners revisited the mine.
T here was no apparent increase in muscovite content related to the small change in dip of the main pegmatite.
These were discussed more fully in the telephone conversation with Mr. Houk.

Our field examiners have talked with the Operators, and report that they would accept an amendment providing for sinking an inclined shaft on the pegmatite. Therefore, we recommend approval of an amendment providing for deepening the 16-foot shaft to a total depth of 60 feet (44 feet of new shaft) and drifting a maximum of 80 feet. As the existing shaft is only 4 x 5 ft., in cross-section, it should be enlarged to 5 x 7 feet. Existing tool house and magazines can be used for the new work.

Estimated costs of the work, based on the work under the original contract are:

Enlarge 16 ft. of 4 x 5 shaft to 5 x 7 @ $25/ft.....	$400.00
Sink 44 ft of 5 x 7 inclined shaft @ $44/ft.....	$1,936.00
Drive 80 ft of drift and/or crosscut @ $35/foot.....	2,800.00
Total.....	$5,136.00

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

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

RAL/zm
cc:
Lynch
Shirley
Files

RECEIVED
SEP - 7 1956

September 5, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4080, Idm-E938 (mica) John Jarrett, et al. McBee Prospect, Mitchell County, N. C.

Reference is made to your letter of August 28 and Mr. Laurence's telephone conversation with Mr. Houk on Friday August 31, concerning the Operator's request for an amendment to explore the upper pegmatite.

To answer briefly the questions in your letter of August 28:

Mica books vary up to 6 inches in diameter.
Certification probably cannot be supported on the results to date.
The mica is probably worth $600 per ton.
It is evidently worth preparing, as the Operator has taken it down from the mountain for that purpose.
The drill hole in the hanging wall indicated a width of 4 feet, as indicated on the scale drawing submitted with our memo of August 10.
We do not know whether a quartz core was encountered. Cuttings washed into the drift and were destroyed before our examiners revisited the mine.
T here was no apparent increase in muscovite content related to the small change in dip of the main pegmatite.
These were discussed more fully in the telephone conversation with Mr. Houk.

Our field examiners have talked with the Operators, and report that they would accept an amendment providing for sinking an inclined shaft on the pegmatite. Therefore, we recommend approval of an amendment providing for deepening the 16-foot shaft to a total depth of 60 feet (44 feet of new shaft) and drifting a maximum of 80 feet. As the existing shaft is only 4 x 5 ft., in cross-section, it should be enlarged to 5 x 7 feet. Existing tool house and magazines can be used for the new work.

Estimated costs of the work, based on the work under the original contract are:

Enlarge 16 ft. of 4 x 5 shaft to 5 x 7 @ $25/ft.....	$400.00
Sink 44 ft of 5 x 7 inclined shaft @ $44/ft.....	$1,936.00
Drive 80 ft of drift and/or crosscut @ $35/foot.....	2,800.00
Total.....	$5,136.00

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

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

FAL/sm
cc:
Lynch
Shirley
Files

RECEIVED
SEP - 3 1956

August 30, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: DMEA-4080, Idm-E938 (Mica)
John Jarrett, Clarence Grindstaff and Fred Grindstaff
McBee Prospect, Mitchell County, North Carolina

Reference is made to your letter of August 28; also, my phone call to Mr. Houk today, in which the several questions in that letter were answered.

We will contact the Operator next week, to ascertain whether he is willing to consider deepening the 16-ft incline on the upper pegmatite instead of crosscutting, and will advise you accordingly.

The Operator has completed the work under the contract. It does not appear likely that certification can be recommended on the basis of this work.

Robert A. Laurence

RAL/mg
cc
Oper. Comm. (2)
Lynch
Shirley
File

RECEIVED
SEP - 3 1956

August 30, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: DMEA-4080, Idm-E938 (Mica)
John Jarrett, Clarence Grindstaff and Fred Grindstaff
McBee Prospect, Mitchell County, North Carolina

Reference is made to your letter of August 28; also, my phone call to Mr. Houk today, in which the several questions in that letter were answered.

We will contact the Operator next week, to ascertain whether he is willing to consider deepening the 16-ft incline on the upper pegmatite instead of crosscutting, and will advise you accordingly.

The Operator has completed the work under the contract. It does not appear likely that certification can be recommended on the basis of this work.

Robert A. Laurence

RAL/mg
cc
Oper. Comm. (2)
Lynch
Shirley
File

RECEIVED
SEP 3 1956

August 30, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Operator's Final Report, DMEA-4080, Idm-E938 (mica)
John Jarrett, et al.
McBee Prospect, Mitchell County, North Carolina

Enclosed are four copies of the Operator's final report.

Robert A. Laurence

RAL/mg
Enclosures 4

cc
Oper. Comm. (2)
Lynch
Shirley
File

Spruce Pine, Nc
August 28, 1956

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

Re: DMEA-4080, Idm-E 938 (Mica)
McBee Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

We began work May 1, 1956 and completed contract on August 28

In May we completed the road access, lowered the shaft a tota
30 feet, and completed construction of tool house and magazine
In June we completed the shaft work called for in the contrac
advancing an additional 30', vein gradually widened to about 1
wide. In July and August we completed our 100' drift that con
called for. Total footage on east end 40' and on West end 60'

From the entire contract work, we recovered approximately $200
worth of mica. We have an amendment to the contract which is
pending for an additional 100' of crosscut and/or drift in ord
that we may cross-cut to the new vein.

We wish to thank the field team for their assistance.

Very truly yours,

John Jarrett

John Jarrett

P/J

August 30, 1956

Mr. Robert A. Laurence calling Mr. L. G. Houk

(Mr. Houk explained to Mr. Laurence that his secretary was on the line.)

Re: DMEA-4080-Mica
John Jarrett, Clarence Grindstaff,
and Fred Grindstaff
McBee Prospect
Mitchell County, North Carolina
Contract No. Idm-E938

Mr. Houk: On the McBee Prospect (DMEA-4080). You have mica in the 16-foot pit. Wouldnt it be better to sink on that than to speculate that the mica goes down an additional 45 feet?

Mr. Laurence: I think the Operator will crosscut.

Mr. Houk: That has been our principal all the time. If we give them 40 ft. of crosscut that will cost them $1,800. If they are down 16 ft. at $45 would be $3,824. If we give them 45 feet at $45 that would put them down and how far would they have to drift on the pegmatite to get under the mica shoot?

Mr. Laurence: We don't have much information on that - 40 or 50 ft.

Mr. Houk: 40 feet of drifting and 40 feet of crosscutting - 80 ft. at $35.00 would be $2,800. My suggestion is $2,800 against $2000. You never make a mistake staying with the ore. If you would like to recommend 45 to 50 would they be inclined to go along?

Mr. Laurence: We don't have anything there except down the dip. No structural indication of a control by any rolls other than straight down dip.

Mr. Houk: In this pegmatite we explored plenty of mica in the first 16 feet - then nothing.

Mr. Laurence: No indication that there is or there isn't. We can put it up to them next week and if they want to go along to sink we can put in a recommendation.

Mr. Houk: I would rather sink than to spend $2,800 and nothing there. Getting back into the McBee (4080) what about a bulldozing program?

Mr. Laurence: No bulldozing up there the rock is too close to the surface.

Mr. Houk: Any top soil in there?

Mr. Laurence: No. A little showing of pegmatite 40 to 50 feet away. We will find out from them what they want to do. I think by that time they will have the crosscut on the way.

DEFENSE MINERALS ADMINISTRATION

97021

PRODUCTION EXPANSION DIVISION

LOAN APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

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

Metals or Minerals involved _____

Amount of loan and interest rate _____

Type of Loan (R.F.C. or Guaranteed Bank Loan) _____

Term of Loan _____

Purpose of Loan — Mine Equipment _____

Mill or Reduction Plant _____

Operating Funds _____

Other _____

Repayment and Rate _____

Comments on Contract: _____

_____

_____

_____

_____

Date sent to Legal Division: _____

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

Date Certification sent to R.F.C. by D.P.A. _____

Date Signed into Contract by R.F.C. _____

Additional Remarks: _____

_____

_____

_____

_____

Interior—Duplicating Section, Washington, D. C.

Signed _____

AUG 28 1956

600

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

Re: Docket No. DMEA-4080-mica
John Jarrett, et al.
Mabes Prospect
Mitchell County, North Carolina
Contract No. Idm-6938

Dear Mr. Lawrence:

Reference is made to your recommendation for an amendment to crosscut to and drift on the hanging wall pegmatite.

A study of the Operator's Monthly Reports indicates that 500 pounds of mica has been recovered from the work completed to July 31, 1956, yet the operators state in their request for the amendment that little or no mica was recovered from the project work. One of the favorable considerations for preparing a contract for this prospect was the statement in the Field Team's Examination Report that the mica was of very good quality. The July 25, 1956, Field Team Interim Report states considerable mica (medium-sized blocks with well developed crystal faces) was noted in the southeast face. It would be helpful to this office if their statements were more specific. Your comments as to more definite size and quality of the mica and a crystal count would be appreciated. Please define "medium-sized" as used by you. Can a certification of discovery or development be supported?

Reference is made to your memorandum of August 10, 1956, to the Operating Committee that the 600 pounds of mica from the 16 foot incline is of average quality. Cannot a more definite evaluation be placed on this mica? What is the operators' evaluation? Is it worth $600 per ton? Is it worth cutting? Did the drill hole into the hanging wall indicate the pegmatite in this wall to be four feet in width? We would appreciate a comment on the character of the feldspar from the cuttings and whether or not a quartz core was encountered. Was the change in dip of the main pegmatite accompanied with an increase in muscovite content?

We are reluctant to go along with your recommendation because the failure of the work on the main pegmatite to achieve favorable results and the lack of evidence that the hanging wall poorly zoned pegmatite contains a structural target that justifies exploration. However, when you have supplied the additional information requested above, we will be in a position to re-evaluate the recommendation for additional funds.

Approved:

FRANK D. LAMB

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Admr. R. File

LGHook/WJohnson 8/27/56
Copy to: Docket
Operating Committee
Mr. Killegaard, 5222
Mr. Dietrich, 3061
Mr. Hook

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

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

Re: Docket No. DMEA-4080-mica
John Jarrett, et al.
McBee Prospect
Mitchell County, North Carolina
Contract No. Idm-E938

Dear Mr. Laurence:

Reference is made to your recommendation for an amendment to crosscut to and drift on the hanging wall pegmatite.

A study of the Operator's Monthly Reports indicates that 500 pounds of mica has been recovered from the work completed to July 31, 1956, yet the operators state in their request for the amendment, that little or no mica was recovered from the project work. One of the favorable considerations for preparing a contract for this prospect was the staement in the Field Team's Examination Report that the mica was of very good quality. The July 25, 1956, Field Team Interim Report states considerable mica (medium-sized blocks with well developed crystal faces) was noted in the southwest face. It would be helpful to this office if your statements were more specific. Your comments as to more definite size and quality of the mica and a crystal count would be appreciated. Please define "medium-sized" as used by you. Can a certification of discovery or development be supported?

Reference is made to your memorandum of August 10, 1956, to the Operating Committee that the 600 pounds of mica from the 16 foot incline is of average quality. Cannot a more definite evaluation be placed on this mica? What is the operators' evaluation? Is it worth $600 per ton? Is it worth cutting? Did the drill hole into the hanging wall indicate the pegmatite in this wall to be four feet in width? We would appreciate a comment on the character of the feldspar from the cuttings and whether or not a quartz core was encountered. Was the change in dip of the main pegmatite accompanied with an increase in muscovite content?

We are reluctant to go along with your recommendation because the failure of the work on the main pegmatite to achieve favorable results and the lack of evidence that the hanging wall poorly zoned pegmatite contains a structural target that justifies exploration. However, when you have supplied the additional information requested above, we will be in a position to re-evaluate the recommendation for additional funds.

Approved:

Sincerely yours,

Member, Bureau of Mines

Chairman, Operating Committee

Member, Geological Survey

INTERIM REPORT

DMEA-4080, Idm-E938 (mica) McREE PROSPECT

Operator: John Jarrett, Route 3, Bakersville, North Carolina

Location: 3.2 airline miles 53° W. of Bakersville, Mitchell County, N. C.

Drifting continues and now totals 93 feet with 7 feet remaining on the contract. The drift extends from the shaft bottom 52 feet S. 60° W. and 41 feet N. 60° E. Drifting will continue to the southwest.

A small amount of muscovite is being recovered, mica recovered is of fair to good quality and up to 6 inches in width. About 100 lb. of "mine-run-block" muscovite was observed in the tool house.

Progress is satisfactory.

Inspected: August 21, 1956

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

g

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 24, 1956

Memorandum

To: Finance Officer - Region V - Norris

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

Subject: Royalty Payment - Idm-E938, DMEA-4080 (mica) John Jarrett, R#3 Bakersville, N.C. McBee Prospect.

Transmitted is a bill-of-sale in the amount of $163.84, and a royalty check for 5% of the sale in the amount of $8.19 to be credited to the subject contract.

Robert A. Laurence

ZM.
cc
Mittendorf
Lynch
Files
Shirley

copy

GENERAL SERVICES ADMINISTRATION WARRANTY, ACCEPTANCE AND INVOICE MICA PURCHASING DEPOT, SPRUCE PINE, N. C.		DATE PURCHASED 8-16-56 ACCEPTANCE No.
CERTIFICATE AUTHORIZATION No.	LOT No.	VOUCHER No. AR-4
RUBY X NON-RUBY	TOTAL LBS. PURHCASED	VALUE - INITIAL PAYMENT
PRELIMINARY PAYMENT	24.62	163.84
GENERAL SERVICES ADMINISTRATION		
By:	NAME OF MINE: McBee COUNTY Mitchell - STATE N. C	
	DMEA No. 4080 Idm-E 938	
	Seller: Arthur Mining Co	
	Address: North Carolina	
	Title: Partner (John Jarrett, Operator RF#3 Bakersville, N. C)	

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

August 20, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4080 (mica)

Applicant: John Jarrett, C. & F. Grindstaff

Name and Location of Property: Hulse Prospect, Mitchell County, N. C.

Contract Number: Mm-2 938

Date of Field Team Report: 8/10/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/17/56

Field Team Recommendation: Recommend amendment to contract for 100 feet of drift or crosscut.

Comments:

1. The No. 2 pegmatite, 23 feet in the hanging wall of the pegmatite being explored under this contract, contained strategic mica for 16 feet in depth.

2. This proposed amendment will enable exploration of the No. 2 pegmatite about 70 feet beneath the surface for only $3500.00.

Recommendation:

I concur with the field team's recommendation for amendment to the contract for 100 feet of drift or crosscut.

W. F. Dietrich

RECEIVED
AUG 21 1956

IN REPLY REFER TO:

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

RECEIVED
AUG 17 1956

August 17, 1956

Re: [illegible] 4080, Idm-5938
John Jarrett, et al
McBee Prospect
Mitchell Co., N. C.
$7,110.00 - Mica

Memorandum

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

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

Subject: Review of application for an amendment.

The contract approved the expenditure of $7,110.00 for exploration work on the wider and northwesterly of two parallel pegmatites, about 25 feet apart. The approved work consisted of 60 feet of inclined shaft and 100 feet of drifting in addition to the usual bulldozing and magazines.

Interim progress reports reported a mica recovery, "poor in quantity" and quality in course of sinking and in a 25-foot drift at the shaft bottom.

From the bottom of the shaft a drill hole was drilled into the hanging wall and at 23 feet intersected the parallel pegmatite. The examiners and the Field Team now recommend an amendment approving the driving of a crosscut to the hanging wall pegmatite and about 60 feet of drift on it. The drill hole indicated there is abundant mica in the center of the 4-foot pegmatite intersected in the drill hole.

I concur with the recommendation of the Field Team that an amendment approving the driving of 100 feet of crosscut and drift be allowed.

N. S. Nelson

N. S. Nelson

NSNelson:btr
G 8/17/56

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

RECEIVED
AUG 13 1956

INTERIM REPORT

DMEA-Idm-E938 (mica) McBEE PROSPECT

Operator: John Jarrett, Route 3, Bakersville, N. C.

Location: 3.2 airline miles S 3°W of Bakersville, Mitchell county, North Carolina

Drifting continues on this contract and now totals 69 1/2 feet; 32 1/2 feet has been driven in a N 57° E direction and 37 feet S 64° W. The pegmatite is about 5 feet thick and is being pulled from wall to wall. A small amount of mica is being recovered from the drift work.

Progress on this contract is satisfactory.

Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, accompanied the Field Examiners on this visit to the project.

Inspected: August 7, 1956

S. C. Bergman and D.H.Amos, Geologists
Geological Survey

z

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

RECEIVED
AUG 13 1956

August 10, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4080, Contract Idm-E938 (Mica)
John Jarrett, et al.
McBee Prospect, Mitchell County, North Carolina
Request for amendment

Reference is made to our memo of August 3.

The attached sketch shows results of a drill hole (at Operator's expense) into the hanging wall.

We recommend approval of an amendment for 100 feet of drift and/or crosscut at $35.00 per foot (same unit cost as the contract).

The Newly-discovered parallel pegmatite is poorly zoned, with most of the mica between the quartz core and the hanging wall. The 16-foot incline produced about 2¼ lb. of mine-run block mica per cubic foot of pegmatite. The mica is of average quality; as it has not yet been prepared for sale we have no figures on percentage recovery or values.

If this pegmatite were discovered in a new locality, we would almost certainly recommend sinking an incline and drifting. In the present situation, we can explore it at about 75 feet depth for only the cost of 100-feet of level work. To us, this seems well worth while.

Robert A. Laurence
Executive Officer

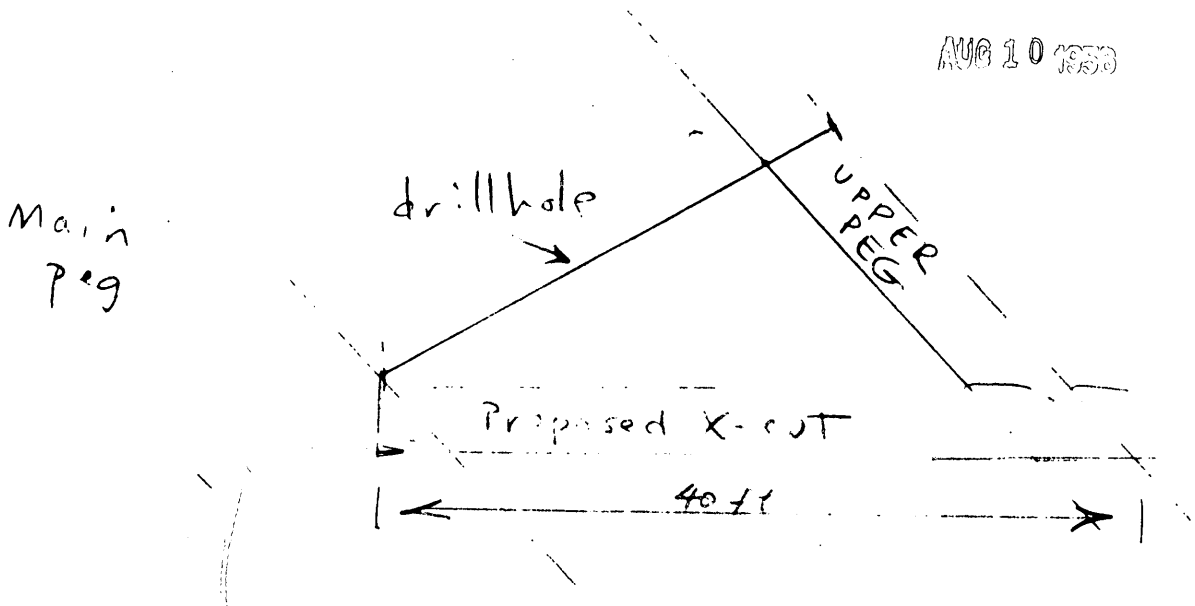
V. J. Lynch
Member, Bureau of Mines

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

McBee

DMEA 4080

AUG 10 1950



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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED AUG - 8 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1956 Docket No. DMEA 4030 Contract No. Idm-E938

Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica

Address % John Jarrett, Rt.3, Kalorawlle, N.C.

Contract Amount, $ 6656.00 Government Participation: 75 % Amount, $ 4992.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing		400.00	400.00			
Crosscutting						
55' Drifting	1925.00		1925.00			
Shaft		2640.00	2640.00			
(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.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder, Hags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	1925.00	3156.00	5081.00	1925.00	3156.00	5081.00

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

Date 6-1-56 *Payee John Jarrett, Clarence & Fred Grindstaff

Per John Jarrett Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing company or corporate name, as well as the capacity in which he signs, must appear. For example: "John 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 ment or representation to any department or agency of the United States as to any matter within its

(Instructions on reverse)

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

$ 1443.75

Signature Helen R. Meller
(Authorized Certifying Officer)

Date AUG 7 1956 Vou. No. 90

(See other side)

481.35

(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-938 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist USGS Date 8/3/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lemmer Title EXECUTIVE OFFICER DMEA REGION V Date AUG 6 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 8 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1956 Docket No. DMEA 4080 Contract No. Idm-E938

Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica

Address % John Jarrett, Rt. 3, Bakersville, 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
55' Drifting @ 35.00	Ft.	1925.00	~~48~~ 55	1925.00	~~48~~ 55	35.00	100	35.00
Crosscutting								
Raising								
Shafts	Ft.			2640.00	60	44.00	30	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				400.00	2000	.20	2000	.20
TOTAL DISTRIBUTED COSTS		1925.00		4965.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		1925.00		5081.00				

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 8-1 Operator John Jarrett, Clarence & ~~Fred Grindstaff~~

Per John Jarrett Title Partner

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

(Instructions on reverse)

REMARKS:

(For Government use only)

S.C. Bergman - Geologist, USGS
8/3/56

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
AUG - 8 1956

Operator's

Monthly Progress Report

July, 1956

DMEA*4080

Idm-E 938

McBee Prospect

Work Accomplished:

We completed 55' of drift, about 25' in an east direction balance west. Recovered about 200# of mica in last portion of drift.

Daily Notes:

July 1 - 6 :	Vein narrowed some, still does not change much. Mucked, Drilled and Shot.
July 9 - 13 :	Drift driven in vein, narrowing on west end.
July 16 - 20 :	No water showing, 55' has been driven in vein, Mucked. Drilled and Shot.
July 23 - 31 :	About 200# of mica has been recovered. Mucked. Drilled and Shot daily. Three men working full time.

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

August 3, 1956

RECEIVED
AUG - 6 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4080, Idm-2938 (mica) John Jarrett, Clarence Grindstaff, Fred Grindstaff. McBee Prospect, Mitchell County, N.C. Request for Amendment

Reference is made to our memorandum of July 17, transmitting the Operator's request for an amendment.

Enclosed are four copies of a memorandum from the Field Examiners, Mr. Shirley and Mr. Taylor, recommending approval of the amendment.

We have asked the Operator to test the probable presence of the upper pegmatite at drift level with a hole from the bottom of the inclined shaft. If this shows the presence of a strong pegmatite at that depth, we will recommend approval of the amendment for 125 feet of additional drift and/or crosscut at $35 per foot (total $4375). Results of the hole will be available about the middle of the week, and we will report them to you immediately after we receive the information.

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

V. J. Lynch, Member,
Bureau of Mines

RAL/mm
ccs
Lynch
Shirley
Files
Opr. Com-3

Aug. 2, 1956

RECEIVED
AUG - 6 1956

Memorandum

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

From: A. R. Tayler, Geologist and L. E. Shirley, Mining Engineer

Subject: Request for Amendment on Idm-8938, DMEA-4080 (mica)
McBee Prospect, Mitchell County, N.C.
Request for Amendment

It is recommended that the contract be amended to provide 125 feet of additional crosscut and/or drift at the same unit-cost.

1... T he proposed work will be on pegmatite No.2, which is uphill from and parallel tp pegmatite No.1 (the one being explored under contract)/ Pegmatite No.2 is 23 feet in horizontal distance southeast of No. 1. The new, No.2 shaft is 20-feet higher than the No. 1 shaft and displaced 25 feet along strike to the east.

2. Pegmatite No.2 is conformable to the enclosing gneiss, and is from 1.5 feet to 3 feet thick. It is 1.5 ft thick at the surface, but thickens to 3 ft between the 8-ft level and the 16-ft level in No.2 shaft.

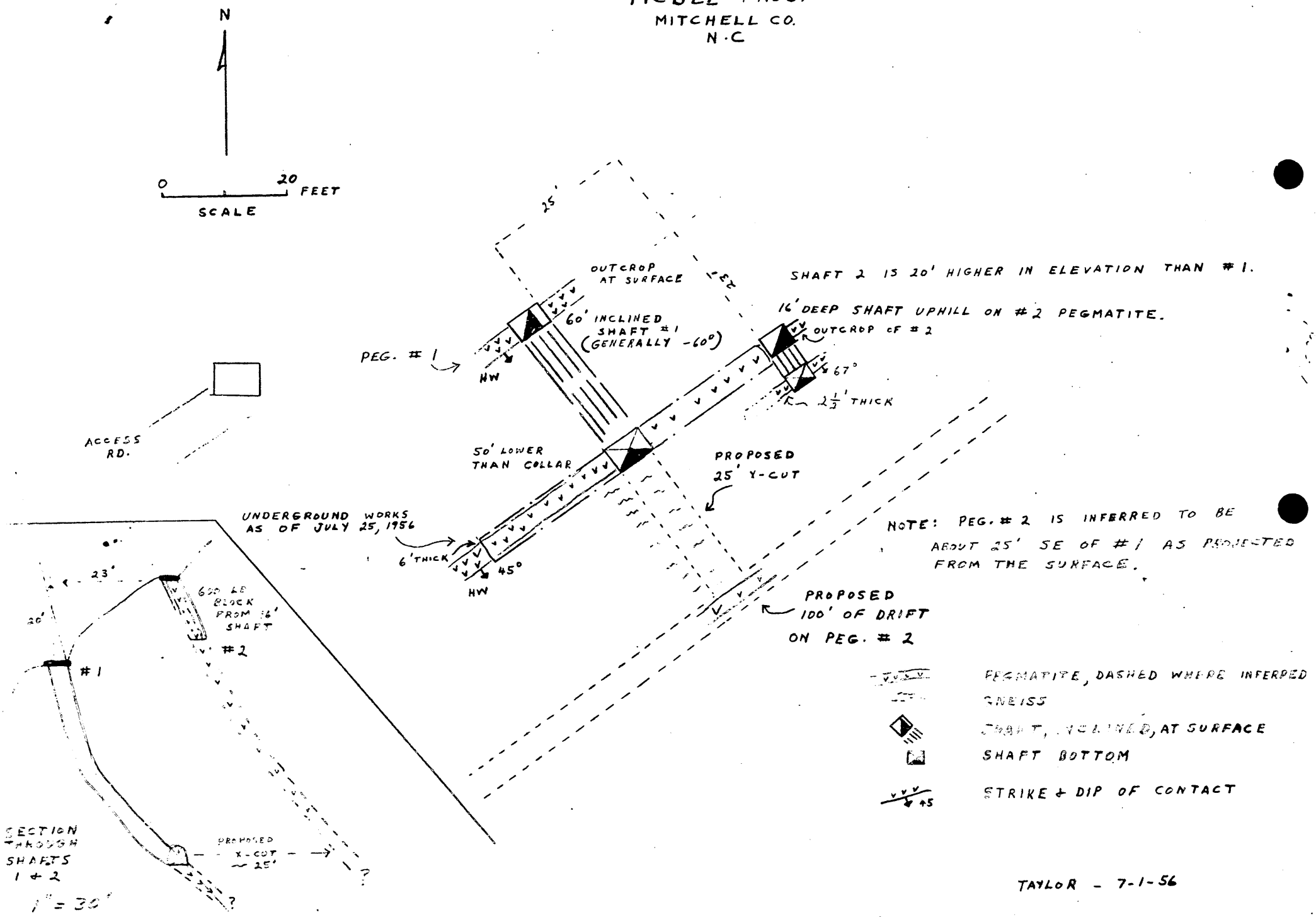
It is composed of medium-grained potash feldspar, quartz, and abundant muscovite in the center, with plagioclase mixed with quartz along the contacts.

ART/sm
Opr Com.-3
Shirley
Files
Lynch

DMEA - 4080, IDM-E 938 (MICA)

McBEE PROS.

MITCHELL CO.
N.C



TAYLOR - 7-1-56

July 17, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4080, Idm-E938 (mica) John Jarrett, et al. Spruce Pine, N. C, McBee Prospect, Mitchell County, N. C.

Enclosed are four copies of a request from the Operator for an amendment to the subject contract, for crosscutting to reach another pegmatite, and drifting on it.

On July 11, the Operator had completed 25 feet of the 100-feet of drifting and/or crosscutting authorized by the contract. The pegmatite, which was 2 1/2 feet thick at the outcrop, is about 10 feet thick in the drift. About 200 lbs. of mica has been recovered so far. The Field Examiners consider that the possibilities of this pegmatite are good enough to justify continuation of this drift.

The Field Examiners report that the newly-discovered pegmatite is about 2 feet thick at the top of the 18-foot shaft, but they have not seen the bottom of this shaft, or any of the mica that was recovered from it.

Therefore, we will withhold any recommendation on this proposed work until after the next visit by the field examiners.

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

V. J. Lynch, Member
Bureau of Mines

RAL/zm
cc:
Lynch
Shirley
Files

July 17, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4080, Idm-E938 (mica) John Jarrett, et al. Spruce Pine, N. C.
McBee Prospect, Mitchell County, N. C.

Enclosed are four copies of a request from the Operator for an amendment to the subject contract, for crosscutting to reach another pegmatite, and drifting on it.

On July 11, the Operator had completed 25 feet of the 100-feet of drifting and/or crosscutting authorized by the contract. The pegmatite, which was 2 1/2 feet thick at the outcrop, is about 10 feet thick in the drift. About 200 lbs. of mica has been recovered so far. The Field Examiners consider that the possibilities of this pegmatite are good enough to justify continuation of this drift.

The Field Examiners report that the newly-discovered pegmatite is about 2 feet thick at the top of the 18-foot shaft, but they have not seen the bottom of this shaft, or any of the mica that was recovered from it.

Therefore, we will withhold any recommendation on this proposed work until after the next visit by the field examiners.

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

V. J. Lynch, Member
Bureau of Mines

RAL/um
cc:
Lynch
Shirley
Files

July 17, 1956

Mr. John Jarrett

Spruce Pine, N. C.

Re: DMEA-4080, Idm-E938 (mica)
McBee Prospect
Mitchell County, N. C.

Dear Mr. Jarrett:

Your request for an amendment to do an additional 100 feet of crosscutting and/or drifting to explore a nearby parallel pegmatite has been forwarded to our Washington office for their consideration. However, before we can submit our report, it will be necessary for our Field Examiners to inspect the 18-foot shaft which you have sunk on this new pegmatite, which they will do on their next visit to the McBee Prospect.

Very truly yours,

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

RAL/sm
cc:
Opr. Com-2
Lynch
Files

Spruce Pine, North Carolina
July 13, 1956

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

Re: DMEA-4080, McBee Prospect (Mica)

Dear Mr. Laurence:

The above contract called for 60' of shaft and 100' of drift. The shaft work and a considerable amount of the drift has been completed, and even though we have a very strong pegmatite in the drift, little or no mica has been recovered.

We have uncovered another vein approximately 30' S.E., running parallel with the vein we are now working and we have done some exploratory work on this vein by sinking a small shaft approximately 18' deep. We recovered approximately 600# of mica in this work. We would like to have you consider this letter as a request for an amendment to our contract. We request that the contract be amended for an additional 100' of crosscut and/or drift in order that we may crosscut to the new vein which is approximately 30 feet away.

We believe that it would be to the advantage of the government and to the operator to do this further exploration work, since the contract so far has not proven too successful and the chances are good for success as outlined.

We would appreciate your immediate attention to this request, in order that we might continue work while we are set up and have equipment at the project. Your cooperation and assistance in the past are appreciated also.

Very truly yours,

John Jarrett

John Jarrett

P/b

RECEIVED
JUL 16 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Spruce Pine, North Carolina
July 13, 1956

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

Re: DMEA-4080, McBee Prospect (Mica)

Dear Mr. Laurence:

The above contract called for 60' of shaft and 100' of drift. The shaft work and a considerable amount of the drift has been completed, and even though we have a very strong pegmatite in the drift, little or no mica has been recovered.

We have uncovered another vein approximately 30' S.E., running parallel with the vein we are now working and we have done some exploratory work on this vein by sinking a small shaft approximately 18' deep. We recovered approximately 600# of mica in this work. We would like to have you consider this letter as a request for an amendment to our contract. We request that the contract be amended for an additional 100' of crosscut and/or drift in order that we may crosscut to the new vein which is approximately 30 feet away.

We believe that it would be to the advantage of the government and to the operator to do this further exploration work, since the contract so far has not proven too successful and the chances are good for success as outlined.

We would appreciate your immediate attention to this request, in order that we might continue work while we are set up and have equipment at the project. Your cooperation and assistance in the past are appreciated also.

Very truly yours,

John Jarrett

John Jarrett

P/b

RECEIVED
JUL 16 1956

Spruce Pine, North Carolina
July 13, 1956

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

Re: DMEA-4080, McBee Prospect (Mica)

Dear Mr. Laurence:

The above contract called for 60' of shaft and 100' of drift. The shaft work and a considerable amount of the drift has been completed, and even though we have a very strong pegmatite in the drift, little or no mica has been recovered.

We have uncovered another vein approximately 30' S.E., running parallel with the vein we are now working and we have done some exploratory work on this vein by sinking a small shaft approximately 18' deep. We recovered approximately 600# of mica in this work. We would like to have you consider this letter as a request for an amendment to our contract. We request that the contract be amended for an additional 100' of crosscut and/or drift in order that we may crosscut to the new vein which is approximately 30 feet away.

We believe that it would be to the advantage of the government and to the operator to do this further exploration work, since the contract so far has not proven too successful and the chances are good for success as outlined.

We would appreciate your immediate attention to this request, in order that we might continue work while we are set up and have equipment at the project. Your cooperation and assistance in the past are appreciated also.

Very truly yours,

John Jarrett

John Jarrett

P/b

RECEIVED
JUL 16 1956

RECEIVED
AUG - 1 1950

INTERIM REPORT

DMEA-4080, Idm-E938 (Mica) McBEE PROSPECT

Operator: John Jarrett, Route No. 3, Bakersville, North Carolina

Location: 3.2 airline miles S3°W of Bakersville, Mitchell County, North Carolina

Drifting continues from the bottom of the inclined shaft on this contract and now totals 48 feet; 23 feet has been driven N55°E and 25 feet has been driven S55°W. The pegmatite is about 5 feet thick in the southwest face and has been pulled wall to wall. Considerable mica was noted in this face as medium-sized blocks with well developed crystal faces. The pegmatite appears to be thicker in the northeast drift, but in the present face the footwall is not exposed because the body appears to be turning more to the north. The operator was advised to concentrate the drift work to the southwest in an effort to produce strategic mica from a more favorable mica area.

The incline timber work is in good condition. The operator was advised to scale the drift areas thoroughly before mucking begins.

Information concerning a parallel pegmatite was gathered during this visit and a memorandum outlining recommendations will be made separately.

Progress on this contract is satisfactory.

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

A. R. Taylor, Geologist
U. S. Geological Survey

July 25, 1956

INTERIM REPORT

DMEA-4080, Idm-E938 (mica) McBEE PROSPECT

Operator: John Jarrett, R#3, Bakersville, N. C.

Location: 3.2 airline miles S 3° W of Bakersville, Mitchell County, N.C.

The Operator has completed the incline shaft and drifted with the pegmatite 25 feet. Mica recovery todate is about 500 pounds of mine-run. The mica appears to be below the average in quality.

Progress is satisfactory.

Inspected: July 11, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

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 VOUCHERS

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1956 Docket No. DMEA 4080 Contract No. Idm-E 938
Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica
Address c/o John Jarrett, Rt. 3, Bakersville, N. C.
Contract Amount, $ 6656.00 Government Participation: 75% Amount, $ 4992.00

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		400.00	400.00			
Crosscutting						
Drifting						
30' Shaft @ 44.00 ft.	1320.00	1320.00	2640.00			
(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.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	1320.00	1836.00	3156.00	1320.00	1836.00	3156.00

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

Date 7-1-56 *Payee John Jarrett, Clarence & Fred Grindstaff

Per John Jarrett Title Partner

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

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

(Instructions on reverse)

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

$ 990.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUL 6 1956 Vou. No.
(See other side)

RECEIVED JUL 9 - 1956

330.00

(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. E938 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER ~~DMEA REGION V~~ Date ~~JUN 23 1956~~ JUL 5 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 June 1956 Docket No. DMEA 4080 Contract No. Idm-E 938

Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica

Address c/o John Jarrett, Rt. 3, Bakersville, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
30' Shafts @ 44.00 ft.	Ft.	1320.00	30	2640.00	60	44.00	60	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				400.00	2000	.20	2000	.20
Total Distributed Costs		1320.00		3040.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Magazines				40.00				
Total Costs		1320.00		3156.00				

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 7-1 Operator John Jarrett, Clarence & Fred Grindstaff

Per John Jarrett Title Partner

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

Remarks:

(Instructions on reverse)

(For Government use only)

S. C. Bergman - Geologist USGS 7/5/56

INSTRUCTIONS

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

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

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

GPO 872894

Operator's

Monthly Progress Report

June , 1956

DMEA-4080

Idm-E 938

Work Accomplished:

We completed the shaft work called for in the contract this month, advancing an additional 30'. Vein gradually widened and is now about 12' wide. Recovered about 100# small mica, all in bottom at 58-60 foot depth. Satisfactory progress made.

Daily Notes:

June 1 - 8 : Vein widening, still extremely hard material. Drilled, shot and mucked out waste.

June 11-15 : Mucked. Drilled and shot. Vein still becoming wider, and showing quartz, spar and some mica flecks.

June 18-22: : Continued down with shaft, making good progress for hard material. Drilled and shot daily, mucked out waste. No water in shaft. Vein showing more soda spar.

June 25-29 : Reached 60' level with shaft, and recovered about 100# small mica in last few feet. Drilled, shot and mucked daily. Three men working full time.

INTERIM REPORT

DMEA-4080, Idm-E938 (mica) McBee PROSPECT

Operator: John Jarrett, Route #3, Bakersville, North Carolina

Location: 3.2 airline miles S 3° W. of Bakersville, Mitchell County, N. C.

The Operator has extended the incline to 53 feet. Since last visit the pegmatite has resumed the original dip after flattening out for a few feet. So far the mica recovery has been very poor in quantity.

The Operator was instructed to continue sinking.

Progress is satisfactory.

Inspected: June 20, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

INTERIM REPORT

DMEA-4080, Idm-E938 (mica) McBEE PROSPECT

Operator: John Jarrett, Route # 3, Bakersville, North Carolina

Location: 3.2 airline miles S 3° W of Bakersville, Mitchell County, N. C.

T he incline is at 36 feet leaving 24 feet to go. The present heading shows considerable schist inclusions with much less mica content. The pegmatite appears to be flattening out a bit. The Operator was instructed to continue sinking on pegmatite.

Progress is satisfactory.

Inspected: June 5, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1956 Docket No. DMEA 4080 Contract No. Idm-E 938
Operator's Name John Jarrett, Clarence & Fred Grindstaff Minerals Mica
Address c/o John Jarrett, Rt. 3, Bakersville, N. C.
Contract Amount, $ 6656.00 Government Participation: 75% Amount, $ 4992.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
2000' Bulldozing road access @ .20 ft.	400.00		400.00			
Crosscutting						
Drifting						
30' Incline Shaft @ 44.	1320.00		1320.00			
(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.	76.00		76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Magazines	40.00		40.00			
(8) Contingencies (specify):						
TOTALS	1836.00		1836.00	1836.00		1836.00

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

Date 6-1-56 *Payee John Jarrett

Per John Jarrett Title Partner

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

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

(Instructions on reverse)

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

$ 1377.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUN 7 1956 Vou. No.
(See other side)

459.00

(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. E938 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng Date 6/6/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUN 1 1 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 4080 Contract No. Idm-E 938

Operator's Name John Jarrett, et al. Minerals Mica

Address c/o John Jarrett, Rt. 3, Bakersville, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
30' Shafts @ 44.00	Ft.	1320.00	30	1320.00	30	44.00	60	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
2000' Roads and Trails @ .20	Ft.	400.00	2000	400.00	2000	.20	2000	.20
Total Distributed Costs		1720.00		1720.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		76.00		76.00				
Powder & Exploder Magazines		40.00		40.00				
Total Costs		1836.00		1836.00				

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

Date 6-1-56 Operator John Jarrett, et al.

Per John Jarrett Title Partner

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

Remarks:

(Instructions on reverse)

(For Government use only)

V. J. Lynch
Mining Eng.
6/6/56

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Progress Report

May, 1956

DMEA-4080

Idm-E 938

Work Began: May 1, 1

Work Accomplished:

We have completed the road access, lowered the shaft a t of 30 feet, and have completed construction of tool house and magazines. Good progress has been made with no difficulties.

Daily Notes:

May 1 - 4: Bulldozed a 2000' road access to prospect. Dozer wor long hours four days.

May 7 -11: Constructed toolhouse and magazines. Began with shaf work, on about 4' of vein. Began with 5' x 10' shaft

May 14-18: Continued down with shaft in vein and hard material. Drilled, shot and mucked. Vein gradually widening. A 10' depth, vein about 6' wide. Few pieces of mica recovered.

May 21-25: Vein mixed with slate and narrowing some. Drilled, shot and mucked daily. Continued to recover small amount of mica as we went down.

May 28-31: Shaft work progressed well. Reached 30' depth at end of month. Vein had narrowed to 2½ to 3 feet wide, and showed no mica. Recovered about 200# mica so far.

INTERIM REPORT

RECEIVED
JUN - 5 1956

DMEA-4080, Idm-E938, MOBEE PROSPECT
(mica)

Operator: John Jarrett, Route #3, Bakersville, North Carolina

Location: 3.2 airline miles S 3° W of Bakersville, Mitchell County, N.C.

This project started May 14 and the Operator has completed 19 feet of a 60-foot incline shaft. The pegmatite strikes N 50° E and dips 60° SE. T he shaft discloses a pegmatite width of 4 to 6 feet. About 250 pounds of mine-run mica was recovered in the 19 feet.

Building and magazine construction is complete. The Operator was instructed to continue sinking.

Progress is satisfactory.

May 23, 1956-Inspected.

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 205 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
MAY 7 - 1956

May 3, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - Idm-E938, DMEA-4080, John Jarrett, et al Bakersville, N. C. (mica) McBee Prospect.

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

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

V. J. Lynch, Member
Bureau of Mines

TM.
Finance Office
Lynch
Shirley
Files

400

APR 4 1956

Mr. Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region V
Room 19, Post Office Building
Knoxville, 2, Tennessee

Re: Docket No. DMEA-4090-Miss
John Jarrett, Clarence Grindstaff
and Fred Grindstaff
Nelms Prospect
Mitchell County, North Carolina

Dear Mr. Lawrence:

Enclosed are the original and five copies of a proposed contract which have been signed by the Administrator for the Government with effective date as shown. Attachments to the contract are Annex I, Community of Equality, Exhibit "A"(2 pages) and map of the Nelms Prospect. Two extra copies of Annex I, Exhibit "A", and the map are enclosed for the use of the Field Team.

You may note that we have reduced the Field Team's estimate of costs. In the case of shaft sinking the unit cost was lowered $1.00 by revising the equipment cost in accordance with our letter of March 16, 1956(DMEA-5740). We are using the unit cost $35.00 for drifting, which is the cost proposed by the applicant.

If the proposed contract meets with your approval, present it to the Applicants for execution. Please explain to the Applicants that the contract is a firm commitment to complete the work outlined at the agreed cost. Copies of the executed contract are to be distributed in the usual manner.

If any part of this proposed contract does not have either your approval or that of the Applicants and cannot be executed within your delegated authority, then the original and all copies of the contract and the two extra copies of Annex I, Exhibit "A" and the map are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated January 16 and 26, 1956 by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Approved:

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

N. E. Nelson
Member, Geological Survey

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures: 12

Mr. Hunt
Mr. Anderson
Admr. R. File

Kimberwamm 3/29/56
Copy to: Docket
Operating Committee
Mr. Killingsard, 5322
Mr. Dietrich, 3061

The location, extent, direction, and inclination of all work shall be approved ~~and may be altered at any time~~ by the Government.

Fixed Unit Costs

Bulldozing 2,000 linear feet of access road @ $0.20/ft.	$ 400.00	
Constructing:		
Toolhouse 1/	76.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	15.00	
Sinking 60 feet of incline @ $44.00/ft.	2,640.00	
Driving 100 feet of drifts and/or cross-cuts @ $35.00/ft.	3,500.00	
Estimated Total Cost of Project		$6,656.00
Government Participation @ 75%		$4,992.00

1/ The completed work constitutes the unit.

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

March 22, 1956

RECEIVED
MAR 26 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: DMEA-4080, John Jarrett, Clarence and Fred Grindstaff, Mitchell County, N. C. McBee Prospect (mica)

Enclosed are the original and three copies of an Agreement of Lease between John C. McBee, et al and John Jarrett, et al., which gives the Lessee the right to build an access road on the McBee Property.

According to the lease the prospect is wholly within the McBee lands and the public road enters the McBee property so that an access road can be constructed which will not enter on lands owned by anyone other than the McBees. It would be difficult for us to make a map showing this as we do not have a land description of the McBee property or the location of the public road.

V. J. Lynch

VJL/m
cc:
Lynch
Files
Opr. Com.-2

MAR 26 1956

NORTH CAROLINA,

MITCHELL COUNTY.

THIS AGREEMENT OF LEASE, Made and entered into this 13th day of March, 1956, by and between John C. McBee, widower, Helen McBee, single; John C. McBee, Jr., and wife, Mary S. McBee, all of the County of Mitchell and State of North Carolina, and Paul T. McBee and wife, Ivy S. McBee, of the County of McDowell, State of North Carolina, sometimes hereinafter referred to as Lessors, and John Jarrett, Fred Grindstaff and Clarence Grindstaff, all of the County of Mitchell and State of North Carolina, sometimes hereinafter referred to as Lessees;

WITNESSETH:

That whereas on the 8th day of November, 1955, Lessors herein leased unto the Lessees herein a certain mica prospect known as the McBee Prospect lying wholly within the lands of Lessors in Snow Creek Township, Mitchell County, North Carolina, as described in the lease above referred to and whereas in said lease no right-of-way for road to said mica prospect was included;

NOW THEREFORE, for and in consideration of the sum of ONE DOLLAR paid by Lessees to Lessors, the receipt of which is hereby acknowledged, Lessors for themselves and their heirs and assigns hereby lease unto Lessees and their heirs and assigns a right-of-way for a road leading from the public road which enters the premises belonging to Lessors above referred to, to the mica prospect described in the lease hereinabove referred to, together with the right to construct said road and locate it over the other premises of Lessors at such location as they may desire and upon such grade

as they may deem convenient and to have the use of said road so long as the lease above referred to or any extension thereof shall be in force and for the convenience of Lessees, Lessors hereby empower and authorize Lessees to use necessary stone and to make such excavations as they may deem necessary in the construction of said road and to cut and remove from the right of way of said road, any trees or timber which might obstruct or hinder the construction of said road, it being understood that such timber shall be cut near the ground and cut into convenient lengths for saw timber and rolled off the right of way of said road.

IN WITNESS WHEREOF, Lessors have hereunto set their hands and affixed their seals on the day and year first above written.

(Sgd) John C. McBee (SEAL)

(Sgd) Helen McBee (SEAL)

(Sgd) John C. McBee, Jr., (SEAL)

(Sgd) Mary S. McBee (SEAL)

(Sgd) Paul T. McBee (SEAL)

(Sgd) Ivy S. McBee (SEAL)

NORTH CAROLINA,

MITCHELL COUNTY.

I, Nell Bradshaw, Notary Public in and for the County and State aforesaid, do hereby certify that John C. McBee, widower; Helen McBee, single; John C. McBee, Jr., and his wife, Mary S. McBee, personally appeared before me and acknowledged the due execution by them of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this 13th day of March, 1956.

(Sgd) Nell Bradshaw
Notary Public

My commission expires
10-29-57.

(Notarial Seal impressed)

NORTH CAROLINA,

McDOWELL COUNTY.

I, Margaret L. Wall, Notary Public in and for the County and State aforesaid, do hereby certify that Paul T. McBee and his wife, Ivy S. McBee, personally appeared before me and acknowledged the due execution by them of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this 17 day of March, 1956.

(Sgd) Margaret L. Wall
Notary Public

My commission expires:

3-19-57

(Notarial Seal to be impressed here)

Memorandum 3-15-56

To: File

From: Walter C. Anderson, Nonmetallic Minerals Division

Subject: Evaluation of application and field examination report.
Docket No. DMEC-4080-mica
John Jarrett, Clarence Strickland and Fred Strickland.
M & Bee Prospect
Mitchell County, North Carolina

A contract is recommended

Mica: Very good quality, unstained ruby, disseminated in small flat hard books.

Pegmatite: Conformable 4 to 5 foot white pegmatite bounded by biotite gneiss. Mixture of plagioclase and perthitic microcline with considerable disseminated quartz. Exposed for a length of 25 feet.

Old workings: Trench 18 feet long by 8 feet deep, cutting pegmatite from wall to wall.

Method of exploring: The work proposed by the applicant is the same as recommended by the Field Team. The applicants' estimated cost is $6,650.00, while that of the Field Team is $7,110.00. The work consists of building an access road, 60 feet of incline and 100 feet of drifts.

Economics and Costs: The Field Team cost of $45 per foot for shaft sinking has been reduced to $44 by revising the cost for equipment rental. The cost we are using is the average of the rental and use allowance plus repairs and maintenance, as follows:

Compressor -	$160/mo	$320.00
Drill -	$20/mo	40.00
Pump -	$15/mo	30.00
Hoist -	$40/mo	80.00
Total equipment cost for incline		$470.00

The Field Team estimates a cost of $38.85 per foot for drifting. Under labor they carry 4 men. As we see it, only 3 men are needed. By applying the system of equipment cost, as in the case of sinking incline, the cost would be reduced $1.75/ft. By eliminating one laborer the cost would be reduced an additional $4.00, or a total of $5.75, which would bring the cost of drifting to $33.10 per foot. The applicants propose to drift for $35.00 per foot, which is the cost we are using.

Recommendation: The Nonmetallic Minerals Division recommends a contract for the subject applicants at $44.00 per foot for incline sinking and $35.00 per foot for drifting. The commodity members of the Bureau of Mines and the Geological Survey recommend that the applicants be awarded a contract.

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

RECEIVED
MAR - 5 1956

March 1, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4080 (mica) John Jarrett, Clarence and Fred Grindstaff.
McBee Prospect, Mitchell County, N. C.

Reference is made to your recent letter (undated) which was received here on February 13. Following are comments on the various questions in that letter:

1. This statement was taken from the abstract, which only summarizes the information. The "favorable environment" is described in the main body of the report.

2. This is a problem which was thoroughly discussed with Mr. Houk, Mr. Anderson and Mr. Hopkins when Mr. Lawrence was in Washington in January. In a deposit like this one, it is virtually impossible to get the quantitative data requested. Only a shallow trench was available for inspection and as in nearly all such cases, any visible books of mica have been removed for sale. Data on which to base an estimate of probable recovery of trimmed sheet mica can usually be obtained only where we have records of previous operations, as in the case of Geological Survey reports for Colonial Mica operations. There are few cases in which a crystal count of the exposed portion of a pegmatite being examined for a DMEA application provides any really useful information. Therefore, the examiners' recommendations have to be based largely on observed or inferred structural conditions, inferred continuity of the dike and mica zones and a favorable mineralogic environment.

3. The only exposures of pegmatite are in the shallow 18-foot trench. However, the geologists infer a strike continuity as the pegmatite appears to be emplaced along a strong strike-slip fault. If this inferred continuity is established, by the dozer trenching, then 60 feet of shaft and 100 feet of drift are well justified; if not, then of course no work would be done under Stage II. It is our opinion that the trenching

is a proper part of the exploration contract, and that Stage II work should be based on the probable results of the Stage I work and not limited to just what is visible at the time of the examination.

4. The examiners will request the applicant to submit an easement for the access road. When this is available, a property map will be prepared as requested.

5. This higher unit cost is based on (a) the hard unweathered condition of the pegmatite from the surface and (b) its location at a high, relatively inaccessible site.

6. The slower rate of advance is based on the conditions explained in 5.

7. The equipment rental for the sinking was incorrect. It should be :

Compressor and drill	$450.00
Hoist	95.00
Pump	40.00
	$585.00

This is equivalent to $15.00 per shift for 39 shifts (8 weeks). The higher cost per shift for the drifting is due to additional cost of jackleg.

8. There is no equipment now on the property. In fact, equipment is seldom ever on the property during an examination. They will probably use a Caterpillar D-6 bulldozer (or equivalent).

9. Legends, and color where adviseable, are now being shown on all maps. We regret that, in the rush of getting out a backlog of reports in November and December, these were left off many of the maps.

Mr. Laurence will be in Washington again on March 12-14 and will be glad to discuss any of these problems at that time.

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

V. J. Lynch, Member
Bureau of Mines

AL/am

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

FEB 10 1956

Re: Docket No. DMEA-4060-Mica
John Jarrett, Clarence and
Fred Grindstaff
Mellen Prospect
Mitchell County, North Carolina

Dear Mr. Lawrence:

Reference is made to the Field Team Report on examination of the subject property.

The applicant is unable to obtain a Consent to Lien. Preparation of papers for a third person guarantor are in progress. Meanwhile, we would appreciate an elaboration of the Field Team Report on the following:

1. The report states "the pegmatite zone is fairly regular and exhibits a favorable environment for the presence of strategic muscovite". We would be in a better position if we knew what this environment is.
2. The amount of mica in the pegmatite is not clearly indicated. It would be helpful if we could get the crystal count and size of mica and an estimate of the probable recovery of trimmed sheet mica.
3. It seems that a program of 60 feet of shaft and 100 feet of drifts is more than adequate for a pegmatite with an exposed strike length of 25 feet. We should have more information on the surface geology to justify this program.
4. We should have a smaller scale map which shows the location of the access road and the cut in relation to the property lines. Most of the access road must be on other property. Please obtain for this office a copy of an easement for the right to bulldoze this part of the road, and submit 9 copies of the requested map.
5. The unit cost of $38.85 for drifting is higher than for the average of contracts that have recently been written. The reason is not evident from the contents of the report. A justification for this higher cost will be appreciated.

6. We note in the estimate of costs that for advance per shift, 1.5 feet for shaft sinking and 2.0 feet for drifting have been used, while the advance used in most estimates amounts to 1.7 feet and 2.2 feet. The report should give a justification for these rates of advance.
7. Equipment rental amounts to $13.60 per shift for shaft sinking and $16.00 per shift for drifting. Please indicate the reason for this difference.
8. Information on equipment now on the property and the size of the bulldozer to be used on the project should be included in the report.
9. Without a legend, it is difficult to interpret the map submitted with the Field Team report. It will be appreciated if in the future, legends are placed on these maps.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:ms 2/10/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

February 1, 1956

Memorandum

To: Mr. Robert Dwyer, Associate Solicitor

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

Subject: Third party guarantee - Docket No. DMEA-4080-Mica
John Jarrett, Clarence and
Fred Grindstaff
McBee Prospect
Mitchell County, North Carolina

The subject applicants are unable to secure a Consent to Lien by the owner. They have furnished satisfactory evidence that a diligent effort has been made to secure one. The owner, Mr. John C. McBee, in a letter dated December 12, 1955, stated his unwillingness and reasons for not signing a Consent to Lien.

In accordance with our letter of December 8, 1955, it is in order to accept a third person guarantee in lieu of a Consent to Lien. Therefore, pursuant to Mr. Sam Phillip's note of November 28,1955 attached to the application, please prepare the appropriate third person guarantee papers.

WCAnderson:ms 2/1/56
Copy to: Docket
Adm. R. File
Mr. Houk
Mr. Anderson

RECEIVED
JAN 27 1956

December 12, 1955

Mr. John Jarrett
Route #3
Bakersville, N. C.

Re: Docket No. DMEA - 4080 - Mica
John Jarrett, Clarence Grindstaff
and Fred Grindstaff, - McBee prospect Mitchell County, N. C.

Dear Mr. Jarrett:

This will acknowledge receipt of letter from Department of Interior Defense Minerals Administration, Washington 25, D. C. 600, under date of December 8, 1955 addressed to you as above.

You will find enclosed an amended description of the land leased by us to you under date of November 8th, 1955 which you may substitute for the description in the lease above referred to.

We are willing too for you and your associates to obtain a government loan, but we are unwilling to sign a lien for ten years against our property when your lease might terminate in a much shorter period. We buy and sell mineral interests and we would be greatly handicapped if we should sell or undertake to sell, subject to this lease which might be terminated, but the lease could go on for ten years and perhaps prevent our making a satisfactory transfer, if it could be transferred only subject to the lease and its conditions.

In other words, we do not want to be placed in a position where you and your associates might voluntarily terminate the lease and we might lease it to someone else and inadvertantly be held for the royalties due to the government under its loan to you, however, any arrangements that you can make with the government which does not involve us will be entirely satisfactory to us and we will be glad to see you get the loan.

Very truly yours,

,PK:dbw

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

RECEIVED
JAN 26 1956

January 26, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 4080 (mica)

Applicant: Jarrett and Grindstaff

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

Date of Field Team Report: 12/14/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 1/23/56

Field Team Recommendation: Recommend an exploration program at a cost of $7,110.00

Comments:

1. Very good quality mica was observed in prospect trench.

2. About 2,000 feet of access road would be necessary to open property.

3. It is proposed to sink a 60-foot incline, and to drive 100 feet of drift and/or crosscut.

4. The contract should be written on a unit cost basis.

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

Recommendation:

I concur with the field team's recommendation for an exploration program.

SIGNED

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
JAN 17 1956

January 16, 1956

Re: DMEA 4030
John Jarrett, et al.
Mellen prospect
Mitchell Co., N. C.
$7,110.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

The applicants requested assistance in exploring by shaft and drift a pegmatite in which, in a prospect trench, very good quality mica is present. The pegmatite is exposed for a strike length of 25 feet in which length it has a width of 4-5 feet.

The work proposed and recommended by the examiners consists of:--

Road, 1333 cu. yds. bulldozing	$ 400.00
Shaft, 60 feet	2,710.00
Drifting, 100 feet	3,885.00
Buildings	115.00
	$7,110.00

I concur with the recommendation of the examiners and the Field Team.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-1/16/56

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

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

January 6, 1956

RECEIVED
JAN 9 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: Field Examination Report, DMEA-4080 (mica)
John Jarrett, Clarence Grindstaff and Fred Grindstaff
McBee Prospect, Mitchell County, N. C.

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

We recommend preparation of a contract for the work outlined in the report, preferably on the short form.

It is suggested that the linear foot would be a better unit for road construction costs, instead of the cubic yard. In that case, the estimated cost would be 2000 (linear) feet of access road at 20 cents per linear foot ----$400.00.

This report is submitted without referral from Washington, as the property is close to current DMEA projects which the examiners were inspecting at the time of this examination.

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM, REGION V

On

DMEA-4080, MCBEE PROSPECT
(Mica)

Mitchell County, North Carolina

RECEIVED
JAN 9 1956

By

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

and

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

December 14, 1955

Reviewed by
DMEA OPERATING COMMITTEE

(date)

FIELD EXAMINATION REPORT

DMEA-4080 (mica) McBEE PROSPECT

Applicants: John Jarrett, Clarence Grindstaff, and Fred Grindstaff
Route 3, Bakersville, North Carolina

Mica in the prospect trench is of very good quality. The 4- to 5-foot pegmatite zone is fairly regular and exhibits a favorable environment for the presence of strategic muscovite. The field examiners recommend that this prospect be given DMEA assistance.

The prospect is high on the northwest slope of Burns Mountain approximately 3700 feet S. 39° W. of the R. B. Phillips mine (DMEA-3422). It is 3.2 airline miles S. 3° W. of Bakersville, Mitchell County, North Carolina. The field examiners were guided on the examination by Mr. John Jarrett. The applicants have been active in carrying out DMEA programs, and are fully capable and responsible individuals.

The pegmatite is exposed in an 18-foot trench 8 feet deep which cuts the dike from wall to wall. It has an exposed strike length of 25 feet. Small undulating drag folds exist on the hanging wall, plunging with the dip. The 4- to 5-foot pegmatite strikes N. 50° E., dips 70° SE. and is bounded by a hard, conformable biotite gneiss. It is a mixture of plagioclase and perthitic microcline with considerable disseminated quartz and an occasional large random quartz mass. Graphic textures exist with small crystalline masses of biotite. Muscovite is disseminated in small flat, hard books of unstained ruby mica.

It is recommended that the program should consist of bulldozing approximately 2,000 feet of access road, sinking 60 feet of incline and driving 100 feet of drift and/or crosscut.

Estimated costs are as follows:

Bulldoze 2000 feet of access road 2000'x 6'x 3' = 1333 cubic yards @ $0.30 per cubic yard		$400.00
Tool House	$75.00	
Powder magazine	25.00	
Exploder magazine	15.00	
		115.00

Sink 60 feet of incline in pegmatite (39 shifts)

Labor:	
1 - Miner @ $1.50/hr.	468.00
1 - Hoistman @ $1.25/hr.	390.00
1 - Laborer @ $1.00/hr.	312.00
	1190
Equipment (rental)	
Compressor and drill @ $230/Mo.	405.00
Hoist @ $50/Mo.	90.00
Pump @ $20/Mo.	35.00
	530.00
Supplies:	
Explosives	210.00
Drill steel	120.00
Gasoline and oil	130.00
Timber, 1800 b.f. @ $65/M	120.00
Small tools and pipe	120.00
Miscellaneous	160.00
Insurance	105.00
Social Security	20.00
Sales tax	25.00

Total estimated cost of sinking 60' shaft $2,710.00

13.59 shaft

Drive 100 feet of level and/or crosscut (50 shifts) 45.

Labor:	
1 - Miner @ $1.50/hr.	600.00
1 - Hoistman @ $1.25/hr.	500.00
2 - Laborers @ $1.00/hr.	800.00
	1900
Equipment (rental)	
Compressor, drill and jackleg @ $250/Mo	625.00
Hoist @ $50/Mo.	125.00
Pump @ $20/Mo.	50.00
	800.00
Supplies:	
Explosives	310.00
Drill steel	160.00
Gasoline and oil	190.00
Small tools and pipe	115.00
Miscellaneous	155.00
Insurance	190.00
Social Security	40.00
Sales tax	25.00

16.00/shift 8.00

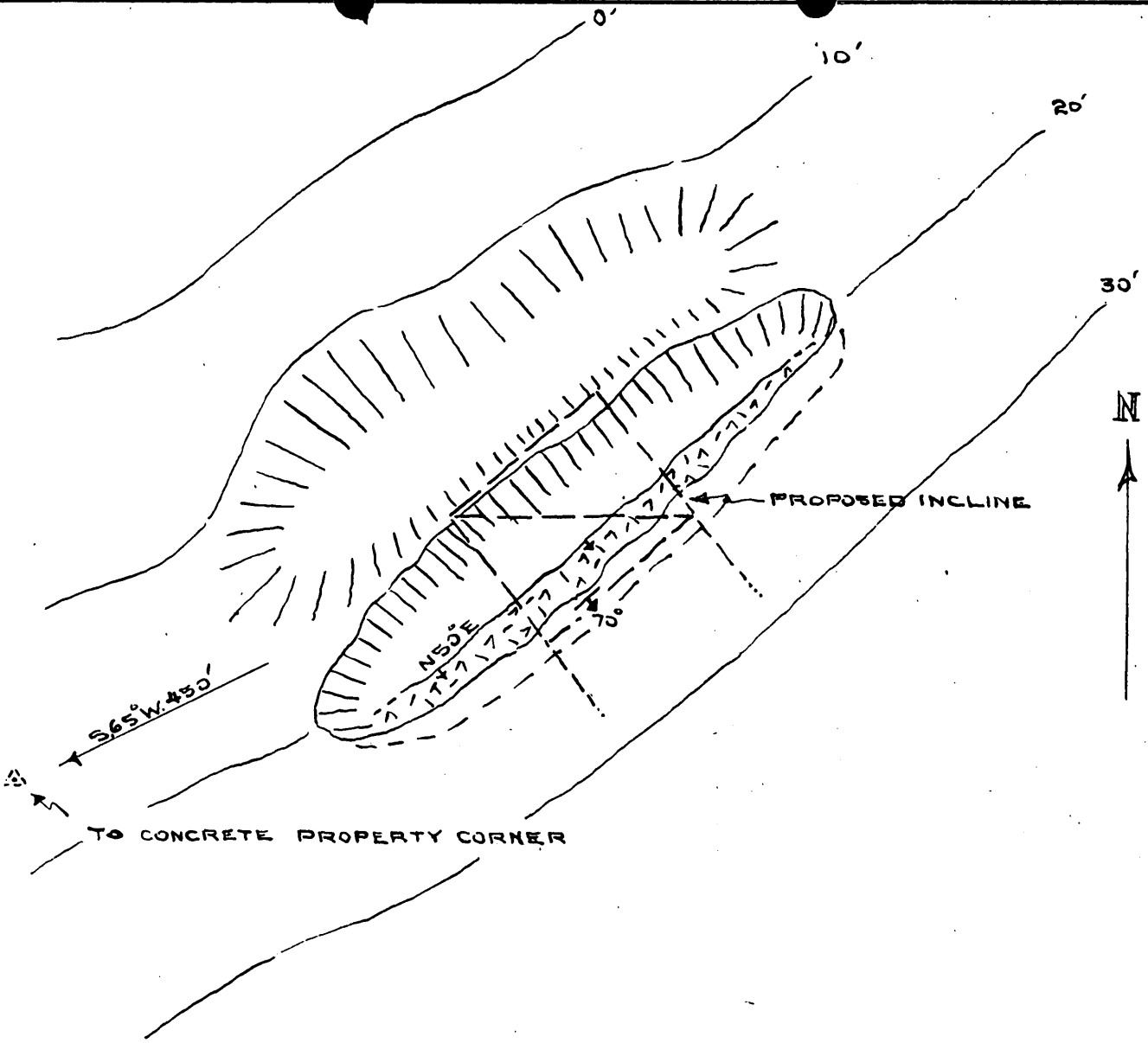
Estimated cost of 100 ft. of drift $3,885.00

38.85

Estimated total cost of project..... $7,110.00

S. C. Bergman and A. R. Taylor, Geologists
Geological Survey
and
L. E. Shirley, Mining Engineer
Bureau of Mines

Dec. 14, 1955



McBee Prospect

Mitchell County, N.C.

DMEA-4080 (Mica)

SCALE: 1" = 6'

1/56 SCB

600

JAN 20 1956

Mr. John Jarrett
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-4080 - Mica
John Jarrett, Clarence Grindstaff
and Fred Grindstaff
McBee Prospect
Mitchell County, North Carolina

Dear Mr. Jarrett:

On December 8, 1955, we requested additional information needed to continue processing the subject application. To date you have not furnished the requested information and we assume that you no longer desire to proceed with the application.

We wish to cooperate with you in the matter of allowing ample time but if the needed information has not been received by March 1, 1956, we will then remove the application from the active file and consider the matter closed.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

WCAnderson:gad 1/19/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

600

DEC - 8 1955

Mr. John Jarrett
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-4080 - Mica
John Jarrett, Clarence Grindstaff
and Fred Grindstaff
McBee Prospect
Mitchell County, North Carolina

Dear Mr. Jarrett:

Reference is made to your application for Government assistance to explore the subject property.

We have been informed that in lieu of a Consent to Lien you will furnish a personal guarantee. Please be advised that in the case of a lessee, a Consent to Lien is necessary to protect the Government's interest. A satisfactory personal guarantee is acceptable only when supported by evidence that a diligent effort to secure a Consent to Lien has been made, and a written refusal from the owner with reasons has been submitted to this office. Enclosed are seven copies of a Consent to Lien which should be signed by all the owners. Either return six copies of the executed Consent to Lien or forward the requested refusal signed by the owners.

We are also returning the lease as it does not contain an adequate land description, nor is the acreage indicated. Please furnish a lease containing a legal land description that gives the bearings and distances of the lines which enclose the property to be explored. The acreage must be indicated and the property must be referenced to a permanent and identifiable landmark, natural or artificial, as the center of a shaft, adit, building, benchmark, etc. If a Consent to Lien is executed, it must also contain this land description.

Processing of your application will be held in abeyance pending compliance with the above requests.

Sincerely yours,

WCAnderson:gad 12/7/55

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 8

Copy to: Admr. R. File
Field Team, Reg. V.
Mr. Houk
Docket
Mr. Kiilsgaard, 5222
Mr. Anderson
Mr. Dietrich, 3061

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

RECEIVED
DEC 5 1955

December 2, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: IMKA-4080 (mica)

Applicant: J. Jarrett, C. & F. Grindstaff

Name and Location of Property: M. McBee Prospect, Mitchell County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/30/55

Comments:

1. This is a new prospect and there are no data available in this office on this property.

2. It is suggested that a staged, unit-cost, exploration plan be requested.

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

Recommendation:

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

Signed
W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
DEC - 5 1955

December 2, 1955

Re: DMEA 4080
John Jarrett, et al
McBee Prospect
Mitchell Co., N. C.
$6,650.00 - Mica

Memorandum

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

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

Subject: Review of application.

Like in DMEA 4079, the applicants, whose leader is also John Jarrett, intend to explore a new pegmatite whose "materials" indicate that ruby mica may be found.

Since other information is lacking referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

NENelson:btr
G - 12/2/55

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