DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Ted Higdon
Route 5
Franklin, North Carolina

pertaining to Exploration Project Contract No. Idm-2972, Docket No. DMEA-4105, for the months of August 1956 and September 1956, covering a project for the exploration of mica on property, known as the Wild Cove Prospect located in Macon 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		$1,865.50
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$1,865.50

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 One thousand three hundred ninety-nine and 12/100 Dollars

"$1,399.12"

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. Tolbert, Auditor

October 25, 1956

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Final PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED OCT - 3 1956

Month of September 6 Docket No. DMEA 4105 Contract No. 972

Operator's Name Ted Higdon 95 Minerals Mica

Address Route 5 Franklin N.C.

Contract Amount, $ 3,148.00 Government Participation: 75 % Amount, $ 2361.00

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 370 cu. yds.		111.00	111.00			
Bulldozing						
Crosscutting	912.00	655.50	1567.50			
Access road 355 cu yds		71.00	71.00			
(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		116.00	116.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	912.00	953.50	1865.50	912.00	953.50	1865.50

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

Date Sept 25 *Payee Ted Higdon

Per Title Operator

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

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

(Instructions on reverse)

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

$684.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date OCT 1 1956 Vou. No. 51
(See other side)

T 9-23 2288

(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-972 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist, USGS Date Sept. 27, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title DMEA EXECUTIVE OFFICER REGION V Date SEP 27 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
OCT - 3 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 6 Docket No. DMEA 4105 Contract No. Ø 972
Operator's Name Ted Higdon Minerals Mica
Address Franklin N. C. Route 5

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	32	$912	32	$1567.50	55	$1567.50	55	@28.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails cu.yds.				$71.00	355	@.20	355	@.20
Bulldozing cu.yds.				$111.00	370	@.30	370	@.30
TOTAL DISTRIBUTED COSTS		$912.00	32	$1749.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				$116.00				
TOTAL COSTS		$912.00	32	$1865.50				

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 September 25, Operator Ted Higdon

Per ..... Title .....

REMARKS:

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

(Instructions on reverse)

(For Government use only)

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 8728.94

Operators
Progress Report for September

RECEIVED
OCT - 3 1956

DMEA No. A101

Work Accomplished

Drove Sky 7 drift ~~25~~ 15 ft. s. 40 w. Then turned N. 55 w. drove drift 17 ft. for a total of 32 ft.

Daily Notes

Sept. 3 Drove drift 4 ft. in pegmatite.

Sept. 4 Drove drift 4 ft. in pegmatite.

Sept. 5 Drove drift 3 ft. vein in center of tunnel.

Sept. 6 Drove drift 4 ft in pegmatite.

Sept 7 Drove drift 4 ft in pegmatite.

Sept. 10 Drove drift 4 ft in pegmatite.

Sept. 11 Drove drift 3 ft. in pegmatite.

Sept. 12 Drove drift 3 ft. vein in east side wall of tunnel.

Sept. 13 Drove drift 3 ft. Vein turned into east wall of drift. Stopped work to consult field team.

F-104 (Rev.)
ril 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
SEP 12 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1956 Docket No. DMEA 4105 Contract No. 972
Operator's Name Ted Higdon Minerals Mica
Address Route 5, Franklin, N.C.
Contract Amount, $ 3,145.00 Government Participation: 75 % Amount, $ 2,361.00

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 370 cu. yds.	$111.00		$111.00			
Crosscutting	$655.50		$655.50			
Drifting	$71.00		$71.00			
Access road 355 cu. yds.						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Tool house	$76.00		$76.00			
Powder Magazine	$25.00		$25.00			
(8) Contingencies (specify):						
Storage Magazine	$15.00		$15.00			
TOTALS	$953.50		$953.50	953.50		953.50

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

Date August 31 *Payee Ted Higdon

Per _____ Title Operator

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

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

(Instructions on reverse)

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

$ 715.12

Signature Helen R. Miller
(Authorized Certifying Officer)

Date SEP 10 1956 Vou. No. 37
(See other side)

238.38 S 8-16

(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. DME 972 in accordance with the terms of the contract.

Signature W. T. Beck Title Mining Engr. USBM Date SEP 6 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamoreaux 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.

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 1105 Contract No. 972
Operator's Name Ted Higdon Minerals Ice
Address Route 5 Franklin, 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	$655.50	23	$655.50	23	$28.50	23	$28.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	cu. yds.	$71.00	355	$71.00	355	$0.20	355	$0.20
Buildings	cu. yds.	$111.00	370	$111.00	370	$0.30	370	$0.30
Total Distributed Costs		$837.50		$837.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Tool house, powder house		$116.00		$116.00				
Storage Costs		$953.50		$953.50				

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 August 31, Operator Ted Higdon

Per _____ Title _____

Remarks:

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

(Instructions on reverse)

(For Government use only)

W. M. Beck, Mining Engr
U.S.B.M.
9/5/56

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

Operators
Progress Report for August
1956

RECEIVED
SEP 12 1956

DMEA No. 4105

Work Accomplished

Bulldozed cut 10ft. by 10 ft. by 10ft. north. Cut additional trench S. E. 50ft. by 10ft. by 10ft. to expose pegmatite to complete stage one of contract 972.

Constructed 800 feet of access road. Drove 5by 7 drift, 23ft. put in 5 rings of timber.

Daily Notes

Aug. 16. Bulldozed cut 100 ft. by 10 ft. by 10 ft. north.

Aug. 17. Bulldozed S.E. 50 ft. by 10 ft. by 10 ft. Bulldozed access road 800 ft.

Aug. 27. Drove 5 by 7 drift. 6 ft. Put in 2 rings of timber.

Aug. 28. Drove drift 5 ft. Put in one ring of timber. Pegmatite coming in on north side.

Aug. 29. Drove drift 5 ft. Put in one ring of timber.

Aug. 30. Drove drift 4 ft. Put in one ring of timber. Pegmatite full in heading. Quartz showing on north side top.

Aug. 31. Drove drift 3 ft. Put in one ring of timber.

Note: The following people are employed at the Wild Cove Mine.

Ted Higdon, Dale Carter, and J.L. Stamey @ $1.25 per hour.

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

Mr. Ted Higdon
Route 5
Franklin, North Carolina

Re: Docket No. DMEA-4105-Mica
Ted Higdon
Wild Cove Mine Property
Macon County, North Carolina
Contract No. Idm-2972

Dear Mr. Higdon:

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

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

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

Sincerely yours,

E. D. [illegible]

Administrator

WCAnderson:rsl 5/7/57
Copy to: Admr. R. File
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Killagaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

MAY 10 1957

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

Re: Docket No. DMEA-4105-Mica
Ted Higden
Wild Cove Mine Property
Macon County, North Carolina
Contract No. Idm-2972

Dear Mr. Laurence:

Enclosed are three letters to be forwarded to the signers of the Consent to Lien under the subject contract.

Kindly complete the addresses and forward, retaining your copies and returning our copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 3

WCAnderson:rsi 5/7/57
Copy to: Admr. R. File
Mr. Chambers
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

MAY 10 1957

Miss Ellen Ray
Route 3
Franklin, North Carolina

Re: Docket No. DMEA-4105-Mica
Ted Higdon
Wild Cave Mine Property
Mason County, North Carolina
Contract No. Idm-5972

Dear Miss Ray:

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

This correspondence relates to the Consent to Lien signed by you.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:rai 5/7/57
Copy to: Admr. R. File
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

MAY 10 1957

Miss Lissie Ray

Route 3
Franklin, North Carolina

Re: Docket No. DMEA-4105-Mica
Ted Higdon
Wild Cove Mine Property
Macon County, North Carolina
Contract No. Idm-2972

Dear Miss Ray:

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

This correspondence relates to the Consent to lien signed by you.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:rsi 5/7/57
Copy to: Admr. R. File
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

MAY 10 1957

Mr. Howard Ray

Route 3
Franklin, North Carolina

Re: Docket No. D[illegible]-4105-Mica
Ted Higdon
Wild Cove Mine Property
Macon County, North Carolina
Contract No. Idm-8972

Dear Mr. Ray:

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

This correspondence relates to the Consent to Lien signed by you.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:rsi 5/7/57
Copy to: Admr. R. File
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Governm[illegible]'s Copy

RECEIVED

OCT 24 1956

TERMINATION AGREEMENT

It is agreed this 10th day of October, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Ted Higdon, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E972, Docket No. DMEA-4105, dated July 23, 1956, hereinafter called the "Contract," that:

1. Effective September 23, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in Article 7 of the Contract with respect to certification of discovery or development, percentage royalty, and liens for its payment, records, audit, and recovery of any overpayment, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

By Robert A. Lamen
Executive Officer
DMEA Field Team, Region V

Ted Higdon
Ted Higdon

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 1310 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 27, 1956

Mr. Ted Higdon
Route 5
Franklin, North Carolina

Re: DMEA-4105, Idm-8972 (Mica)
Wild Cove Prospect
Macon County, North Carolina

Dear Mr. Higdon:

This will confirm the verbal authorization, given by Mr. Shirley and Mr. Taylor recently, to begin work under Stage II of the contract, at the Wild Cove prospect.

Very truly yours,

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

RAL/mg
cc
Oper. Comm. (3)
Finance Office
Lynch
Shirley
File

RECEIVED
AUG 30 1956

Contract No. Idm-E ~~916~~

Docket No. ~~4105~~

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 23, 1956	**V**	**North Carolina**	**Mica**

Name and Address of Operator: **Ted Higdon**
Franklin
North Carolina

	Reserve	Obligation
Prior Amount	**0**	**$2,361.00**
Increase	**0**	**0**
Decrease	~~0~~	~~961.88~~
Revised Amount	**0**	**$1,399.12**

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington **10/30/56**

98963

Contr[illegible] No. Idm-E 972

Docket No. 4105

DEPARTMENT OF THE INTERIOR **Executed contract**

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 23, 1956	V	North Carolina	Mica

Name and Address of Operator: Ted Higdon
Franklin
North Carolina

	Reserve	Obligation
Prior Amount	$2,361.00	0
Increase	0	$2,361.00
Decrease	2,361.00	0
Revised Amount	0	$2,361.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 8/15/56

98963

Government's Copy

MF-200A
(Rev. April 1956)

RECEIVED
AUG 15 1956

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

DMEA No.	*Commodity*	*Contract No. Idm-E*	*County*	*State*
4105	Mica	972	Macon	North Carolina

It is agreed JUL 23 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Ted Higdon

whose mailing address is Route #5
Franklin, North Carolina
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) 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 Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before SEP 1 1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 7 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $3,148.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $2,361.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

(b) 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: Owners' Consent to Lien

(c) 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. 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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. 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 will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *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 all pertinent books, documents, papers, and records of the Operator.

(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 6. *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 the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), 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, for 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, 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, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(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 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 7. *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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

TED HIGDON Ted Higdon
(Operator)

By Frank E. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

RECEIVED
AUG 15 1956

EXPLORATION PROJECT CONTRACT
TED HIGDON
DOCKET NO. DMEA-4105

ANNEX I

The Operator is the lessee of the mineral rights in the land referred to in Article 2 of the Contract. The land is situated in Macon County, North Carolina, approximately 7.27 airline miles N 69° W of the town square of Franklin, North Carolina, and is more particularly described as follows:

> Beginning at a wild cherry, on north bank of Burningtown Creek, and runs N. 33 W., 450 ft. to the S. E. corner of the leased tract. Thence due West 500 ft. to a stake. Thence due North 500 ft. to a stake. Thence due East 500 ft. to a stake. Thence due South 500 ft. to the place of beginning, containing 5.7 acres, be the same more or less. Being part of the land described in a deed from P. C. Wild and A. E. Wild to Newton H. Ray, dated Sept. 22, 1905 and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book TT, Page 256.

EXPLORATION PROJECT CONTRACT
TED HIGDON
DOCKET NO. DMEA-4105

RECEIVED
AUG 15 1956

EXHIBIT "A"

Description of the Work

The location of the work is shown, in part, on the maps entitled "Wild Cove Prospect Map No. 1, Macon County, North Carolina," and "Wild Cove Prospect Map No. 2, Macon County, North Carolina, DMEA-4105 (Mica)" attached hereto and made a part hereof.

The Operator shall complete the Stage I work and as much of the Stage II work as the Government approves in writing.

All work shall be timbered as necessary.

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

The work consists of the following:

Stage I

(1) Excavate a strike length exploratory trench approximately 100 feet by 10 feet by 10 feet deep.

Stage II

(1) Construct by excavation 800 linear feet of access road, 6 feet wide by 2 feet deep.

(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 $2\frac{1}{2}$ feet.
(c) An exploder storage magazine, minimum dimensions 2 feet by $1\frac{1}{2}$ feet by 1 foot.

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

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

(3) At the lowest topographic position possible, as exposed by Stage I excavation, drive 100 feet of exploratory adit and/or crosscut, having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

Estimated Costs of the Project

Fixed Unit Costs

Stage I

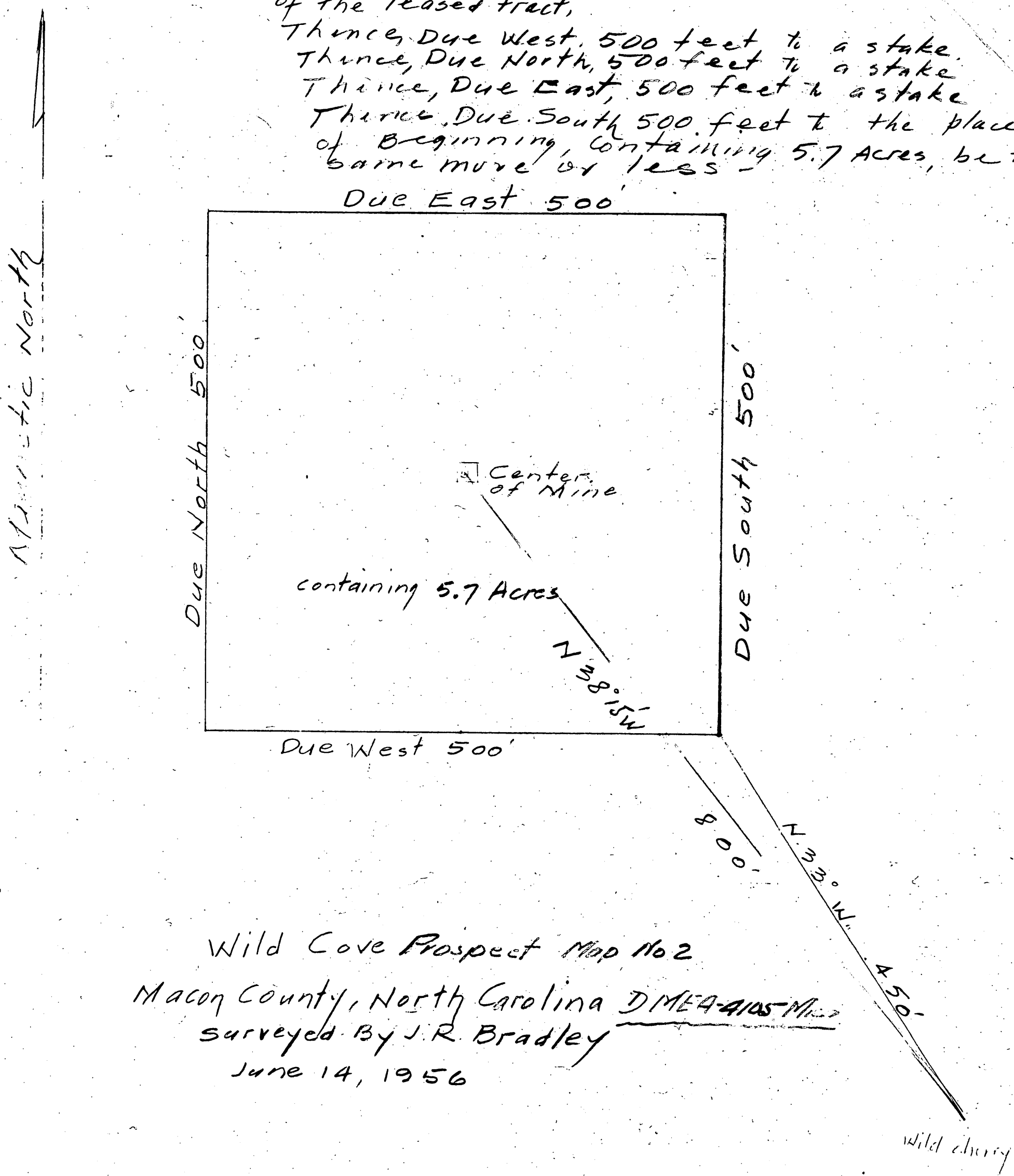
1. Excavate strike trench 100 feet by 10 feet by 10 feet, 370 cubic yards @ $0.30/cu. yd.		$ 111.00	

Stage II

1. Construct 800 linear feet of access road by excavation - 800 feet by 6 feet by 2 feet deep, 355 cubic yards @ $0.20/cu. yd.		71.00	
2. Construct:			
Toolhouse 1/	$76.00		
Powder Magazine 1/	25.00		
Storage Magazine 1/	15.00	116.00	
3. Drive 100 feet of adit-drift and/or crosscut @ $28.50/ft.		2,850.00	
Estimated Total Cost of Project			$3,148.00
Government Participation @ 75%			$2,361.00

1/ The completed work constitutes the unit.

Beginning at a Wild cherry, on North bank of Burningtown creek, and runs,
N33° W., 450 feet to the southeast corner of the leased tract,
Thence Due West 500 feet to a stake.
Thence, Due North, 500 feet to a stake
Thence, Due East, 500 feet to a stake
Thence Due South 500 feet to the place of Beginning, containing 5.7 Acres, be the same more or less -



Wild Cove Prospect Map No 2
Macon County, North Carolina DME4-4105-Map
surveyed By J. R. Bradley
June 14, 1956

RECEIVED
AUG 1 5 1956

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 972
Contract Date JUL 23 1956

CONSENT TO LIEN

RECEIVED
AUG 15 1956

To the United States of America:

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

Beginning at a wild cherry, on north bank of Burningtown Creek, and runs N. 33 W., 450 to the S. E. cornor of the leased track. Thence due West 500 ft. to a stake. Thence due NOrth500 ft. to a stake. Thence due East 500 ft. to a stake. Thence due South 500 ft. to the placeof beginning, containing 5.7 acres, be the same more or less. Being part of the land described in a deed from P.C. Wild and A.E. Wild to Newton H. Ray, dated Sept. 22, 1905 and recorded in the office of the Register of Deeds for Macon County North Carolina, in Deed Book TT, Page 256.

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

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

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

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

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated Sept. 22, 1905, and recorded in book TT page 256 official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

RECEIVED
JUL 5 - 1956

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

5. Added provision: ~~In paragraph 2 the words "the period of the contract or any amendment thereof has" are substuted "ten years have"~~ These typed words are to be disregarded. Words unnecessary and confusing have been marked out.

Lizzie Ray

Howard Ray

Ellen Ray

Ted Higdon

Ted Higdon, [illegible]

Dated this _____ day of _____, 195__.

Howard Ray [Seal]

Ellen Ray [Seal]

Lizzie Ray [Seal]

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

[Corporate Seal]

RECEIVED
AUG 15 1956

NORTH CAROLINA
MACON COUNTY

THIS LEASE AND AGREEMENT, Mada and entered into the 13th day of December, 1955, by and between LIZZIE RAY, WIDOW, HOWARD RAY and wife ELLEN RAY, of Macon County, North Carolina, parties of the first part, and TED HIGDON, of Macon County, North Carolina, party of the second part:

W I T N E S S E T H

That the said parties of the first part in consideration of One ($1.00) Dollar to them paid by party of the second part, the receipt of which is hereby acknowledged, and subject to the terms and conditions hereinafter set forth, have let and leased and by these presents do hereby let and lease unto said party of the second part and his heirs and assigns the mica and all mica mining privileges upon the following described land in Macon County, North Carolina, to-wit:

> Being part of the land described in a deed from P. C. Wild and A. E. Wild to Newton H. Ray, Dated Sept. 22, 1905, and recorded in the Office of the Register of Deeds for Macon County, North Carolina, in Deed Book TT, Page 256, as follows:
>
> Beginning at a wild cherry, on north bank of Burningtown Creed, and runs N. 33 W., 450 to the S.E. corner of the leased track, Thence due West 500 ft. to a stake. Thence due North 500 ft. to a stake. Thence East 500 ft. to a stake. Thence due South 500 ft. to the place of beginning, containing 5.7 acres, be the same more or less. Being part of the land described in a deed from P. C. Wild and A. E. Wild to Newton H. Ray, dated Sept. 22, 1905 and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book TT, Pag8 256.

The terms and conditions of this lease are as follows:

(1) Party of the second part shall have the right under the terms hereof to enter upon said property and explore, prospect for, mine, dig, mill, process, and remove all mica now in, under, or upon the above described land; to construct such roads or trails and erect such structures and buildings upon said property as may be necessary and convenient to

properly conduct mining operations, and the right to use the water of any streams upon said land for said mining operations and such timber as is necessary in said mining operations.

(2) Party of the second part agrees to pay to parties of the first part 12½% of the gross selling price of all mica recovered from said property.

(3) Party of the second part agrees to make all royalty payments monthly on or before the 10th day of each calendar month on all mica sold the preceeding month.

(4) Party of the second part agrees to keep a correct and itemized record of all sales, which record shall be open for inspection of parties of the first part, and party of the second part shall furnish to parties of the first part at the time of each monthly payment a copy of each sales slip or invoice.

(5) The duration of this lease shall be Three (3) years from this date, but it is understood and agreed that if mining operations upon said property shall prove profitable the party of the second part shall have the right to renew this lease for an additional like term at the expiration of this lease, provided he has complied with the terms of this lease.

(6) If the party of the second part should fail to commence to operate the mines upon said property on or before ninety (90) days from this date, or fail to operate the mines for any period of ninety (90) full working days, the parties of the first part at their option may declare this lease terminated and of no further force and effect, and upon notice to the party of the second part of such termination he shall surrender to said parties of the first part immediate possession of such property.

(7) As a part of this lease, parties of the first part give, and grant, unto party of the second part such necessary rights of way as said parties of the first part own or have power to convey to build such trails, or roads upon said

property as may be necessary in the operation of the mines, and party of the second part agrees at the termination of this lease to make all roads now existing upon said property usable by removing any dirt which they may have placed in the same.

TO HAVE AND TO HOLD said mica and mica mining privileges hereinbefore set forth according to the terms hereof unto the said party of the second part, his heirs and assigns, to his only use and behoof.

IN TESTIMONY WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

Howard Ray (SEAL)

Ellen Ray (SEAL)

Lizzie Ray (SEAL)

Ted Hughes (SEAL)

NORTH CAROLINA
MACON COUNTY

I, Mary Louise Sherrill a Notary Public in and for the aforesaid County and State, hereby certify that personally appeared before me this day LIZZIE RAY, widow, HOWARD RAY and wife ELLEN RAY, and TED HIGGS, who acknowledged the due execution of the foregoing lease and agreement for the purposes therein expressed.

WITNESS my hand and Notarial seal, this 19th day of December, 1955.

Mary Louise Sherrill
Notary Public, Macon County, N. C.

My Commission Expires:
10-24-57

VOL 1 0 1956
REGISTRY

RECEIVED
AUG 1 6 1956

Contract No. Idm-E 972

Docket No. 4105

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 23, 1956	**V**	**North Carolina**	**Mica**

Name and Address of Operator: **Ted Higdon**
Franklin
North Carolina

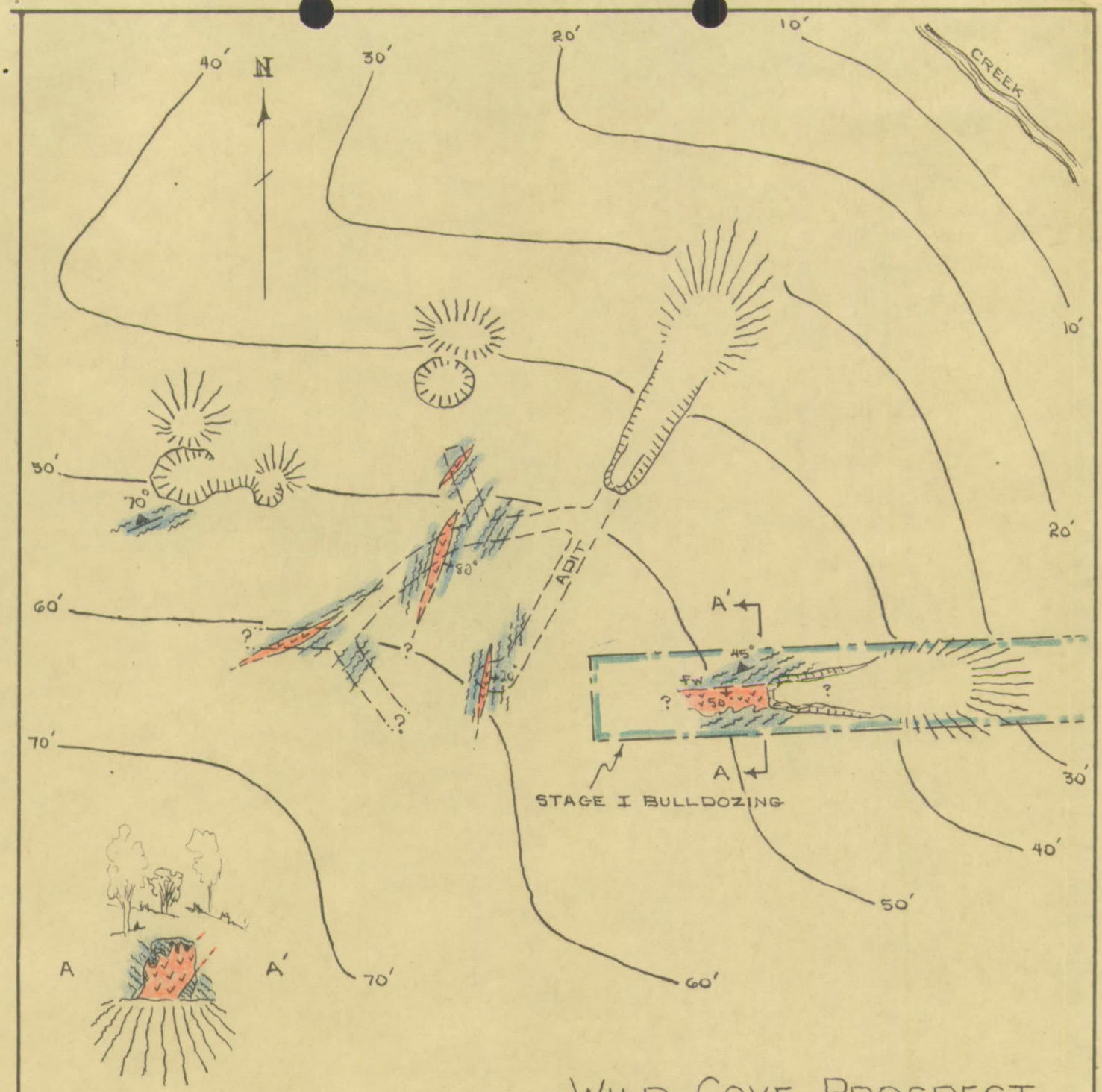
	Reserve	Obligation
Prior Amount	0	0
Increase	$2,361.00	0
Decrease	0	0
Revised Amount	$2,361.00	0

Remarks:

(Name)
Robert E. Adams, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 7/23/56

98963



WILD COVE PROSPECT

MACON COUNTY, NORTH CAROLINA

DMEA-4105 (MICA)

Map No 1.

LEGEND

- PEGMATITE
- MICA GNEISS
- STAGE I BULLDOZING

SCALE: 1" = 20'

SCB 3/56

RECEIVED
AUG 1 5 1956

RECEIVED
MAR 2 6 1956