DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 962

DMEA NO. 4147

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

R.C.B.

17963

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-X962, Docket DMEA-4147 (mica), dated May 31, 1956, with

Sam L. Phillips
Box 35
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Old Buchanan Mine located in Mitchell County, North Carolina, during the period April 18, 1959, through October 12, 1962.

A certification of discovery or development was issued on March 18, 1957, and, in accordance with Article 7 and Amendment No. 2 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated August 23, 1957, indicated accepted costs under the exploration contract amounting to $6,640.50 with the Government's contribution on a 75 percent basis being $4,980.38.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through April 17, 1959, to be $868.05. The royalty account as of April 17, 1959, was:

Total Royalty Payable	$43.40
Total Royalty Paid	43.40
Balance of Royalty Due	$ -0-

As of October 12, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$43.40
Total Royalty Paid	43.40
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OME Auditor

October 17, 1962

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of a 500 foot square located on the Jeff Sparks tract about one mile north of Kona. At the time the contract was executed the Operator was in possession by virtue of a November 1, 1953, lease granted by International Minerals & Chemical Corporation, 20 North Wacker Drive, Chicago, Illinois. In consideration of the contract, the lessor executed a Consent to Lien on January 17, 1956.

Exploration work under the contract was completed on August 6, 1957. Production during the exploration period resulted in the sale of 3,215 lbs. of block mica to the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, by the Howard Boone Mining Company. Unsold production, of no commercial value in the opinion of the Operator, consisted of approximately 250 lbs. of mine-run block mica.

Subsequent examinations of the property, inquiries, or checks of the Depot's records by DMRA and GSA regional representatives found no activity on the property and no additional sales through June 15, 1960. A check of the Depot's records during June 1962 by a representative of this Division disclosed no unreported sales of production. In an October 12, 1962, reply to a DMR Form 43 inquiry, the Operator, signing as "Partner", indicated that neither change in property status nor production had occurred since June 15, 1960.

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

(1) The files indicate that all sales of production have been reported; and

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Nonmetallic Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-2962, Docket No. DMEA-4147 (Mica), dated May 31, 1956, with

Sam L. Phillips
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of mica from property referred to as Old Buchanan Mine located in Mitchell County, North Carolina, during the period May 31, 1956, through April 17, 1959.

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

My review established the total sales of mica to be $868.05. Royalty due the U. S. Government at the contract rate of 5 percent is $43.40. The royalty paid and balance due are as follows:

Total Royalty Due	$43.40
Total Royalty Paid	43.40
Balance of Royalty Due	$ -0-

C. E. Fisher
C. E. Fisher, OME Auditor

April 21, 1959

SAM L. PHILLIPS

Contract No. Idm-F962 Docket No. DMEA-4147

STATUS OF PROJECT, DESCRIPTION
OF REVIEW AND REASONS THEREFOR

A certification of discovery or development was issued on March 18, 1957, and, in accordance with Article 7 of the contract, as amended by Amendment No. 2, royalty is payable on the net value of production from the land described in Article 2 during a period of 11 years from the date of the contract or until the total amount contributed by the Government, without interest, is fully repaid or said 11 years have elapsed, whichever occurs first. A report of review in lieu of final cost audit dated August 23, 1957, indicated accepted costs amounting to $6,640.50 with the Government's contribution, on a 75 percent basis, being $4,980.38.

My review consisted of recomputation of settlement statements furnished by the Executive Officer, OME Field Team, Region V, relating to the sale of 3,215 pounds of block mica to Mica Purchase Depot, Spruce Pine, North Carolina, on October 5, 1956; verification of amount of royalty due; and reconciliation of royalty due with deposits in Hamilton National Bank, Knoxville, Tennessee.

The review was made in lieu of an on-site royalty audit of the accounts and records for the following reasons:

(1) The production on which royalty has been paid was incidental to the exploration work;

(2) Periodic investigations by a representative of the OME Field Team, Region V, did not disclose any production from the mine subsequent to completion of the exploration work; and

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

OME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Sam L. Phillips

Address Spruce Pine, North Carolina

Exploration Contract No. Idm-E962 Docket No. 4147

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

APR 17 1959
Date

Original signed
Wm. A. Beck
Mining Engineer

53362

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/Jul/67	Kirkpatrick	

Mr. Sam L. Phillips

Spruce Pine, North Carolina 28777

MAY 31 1967

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract Idm-2962

Dear Mr. Phillips:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated March 18, 1957, all minerals mined or produced from May 31, 1956, to May 31, 1967, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records 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 contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: International Minerals & Chemical Corporation, Old Orchard Road, Skokie, Illinois 60076
Director's Reading File
Division File
Econ. Geol. File
OME Reading File
DMEA Docket
Br. of Budget & Finance
R. A. Laurence w/cy incoming Form 63
120M

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23263

DMEA Form 7
(12-56)

3/18 Houk 600

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Date	Surname	Code
3/18	Lafferty	800
	[illegible]	140
	[illegible]	140
3/19	Selfridge	130
"	Johnson	110
		100
3/20		220

Lamb
Kilsgaard

600

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

To: Mr. Sam L. Phillips

Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-E962, dated May 31, 1956, Docket No. DMEA-4147, hereinafter called the "contract", between Sam L. Phillips and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

Shaft sinking and subsequent drifting on the 60-foot level in the shaft exposed indicated and inferred reserves of strategic mica in a partly zoned pegmatite that is conformable to the enclosing weathered and locally well-banded biotite gneiss.

THE UNITED STATES OF AMERICA

By C. Mitchell
Administrator, Defense Minerals
Exploration Administration

Dated MAR 18 1957

JHOPKINS:gad 3/18/57

Copy to: Admr. R. File
Mr. Johnson
Operating Committee
Mr. Chambers
Mr. Fredell, GSA
Field Team, Region V
Finance Office
Mr. Kilsgaard, 5222
Mr. ~~Dietrich, 3061~~ Lamb
Mr. Houk

8623

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sam L. Phillips

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E962, DMEA No. 4147, including Amendment Nos. 1, 2 and 3, for the months of June 1956 to August 1957, inclusive, covering a project for the exploration of mica on property, known as the Old Buchanan Mine 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 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 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		$6,640.50
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$6,640.50

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 Four thousand nine hundred eighty and 38/100 Dollars

$4,980.38

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

E. D. Talbert

E. D. Talbert, Auditor

August 23, 1957

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sam L. Phillips

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-2962, Docket No. DMEA-4147, including Amendment No. 1, for the months of June 1956 to September 1956, inclusive, covering a project for the exploration of mica on property, known as the Buchanan Mine 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		$4,015.50
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$4,015.50

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 Three thousand eleven and 62/100 Dollars

$3,011.62

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

October 24, 1956

Government Copy

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DMEA
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DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT

SAM L. PHILLIPS

Docket No. DMEA-4147 (mica)

AMENDMENT No.3

It is agreed this 26th day of July 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Sam L. Phillips, that exploration Contract Idm-E962 (Docket No. DMEA-4147) dated May 31, 1956 and amended September 10, 1956, and April 26, 1957, be further amended as follows:

1. In Article 3 of the contract, the time for completion of the work is extended to August 30, 1957, instead of July 30, 1957 as stated in Amendment No.2.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which theGovernment may be required to contribute, nor the amount of any item designated as "maximum."

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Sam L. Phillips
Sam L. Phillips, Operator

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

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Government's Copy

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DMEA
RECEIVED MAY 8 1957
DATE | INITIALS | CODE

Long
Sawyer
Anderson
Hook
Chambers
Selfridge

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS
DOCKET NO. DMEA-4147

Amendment No. 2

It is agreed this 26th day of April, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Sam L. Phillips, that Contract No. Idm-E962 (Docket No. DMEA-4147), dated May 31, 1956, is further amended, effective MAY 1 1957, as follows:

1. In Article 3 of the Contract, the time for completion of the work is extended from November 30, 1956, to July 30, 1957.

2. In Article 7(b) of the Contract, the period fixed for royalty payments and liens to secure the payment thereof is extended from ten years to eleven years.

3. In Exhibit "A" under Description of the Work, Stage II, add a new Item 4, as follows:

> "Explore a second parallel pegmatite, as indicated on the attached map, entitled 'Old Buchanan Mine, Mitchell County, North Carolina, DMEA-4147 (mica),' by driving from locations approved by the Government, not more than 75 feet of crosscuts and/or drifts."

4. In Exhibit "A" under Fixed Unit Costs, Stage II, change the drift and/or crosscut footage from "25.7" to "100.7" and change the estimated total cost for this work from "$899.50" to "$3,524.50."

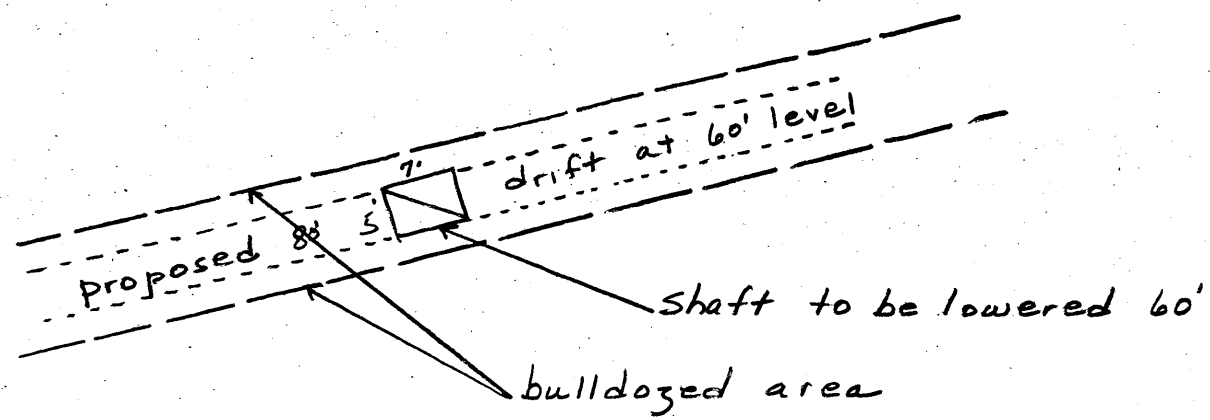
5. In Article 5 of the Contract and in Exhibit "A" under Fixed Unit Costs, the project totals are changed from "$4,016.00" to "$6,640.50," and "Government participation @ 75%" is changed from "$3,012.00" to "$4,980.38."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

Sam L. Phillips
Sam L. Phillips


7'
5'
8'
proposed
drift at 60' level
Shaft to be lowered 60'
bulldozed area

S.L.P 447

Docket Copy

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS
DOCKET NO. DMEA-4147

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Amendment No. 1

It is agreed this 10th day of September, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Sam L. Phillips, that Contract No. Idm-8962 (Docket No. DMEA-4147), dated May 31, 1956, is amended effective August 21, 1956, as follows:

1. In Exhibit "A" under "Description of the Work", Stage II, Item 2 is amended by deleting "80 feet" and in lieu thereof inserting "60 feet".

2. In Exhibit "A", under "Description of the Work", Stage II, add Item 3, "Drive not more than 25.7 feet of drift and/or crosscut."

3. In Exhibit "A", Item 4 under Stage II of the "Fixed Unit Costs" is amended to read as follows:

"Sink 60 feet of shaft @ $45.00/ft. $2700.00"

4. In Exhibit "A" under Stage II of the "Fixed Unit Costs" add the following:

"Driving 25.7 feet of drifts and/or crosscuts @ $35.00/ft. $899.50"

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Sam L. Phillips
Sam L. Phillips

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

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Docket copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 4147

Commodity Mica

Contract No. Idn-E-962

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

It is agreed this MAY 31 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] SAM L. PHILLIPS, whose mailing address is Spruce Pine 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 1 map.

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of North Carolina, County of 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: None

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

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

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(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 Mica. The work to be performed is described in Exhibit "A." The Operator on or before JUL 15 1956 shall commence the work, and on or before November 30, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $4,016.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,012.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

SAM L. PHILLIPS
(Operator)

By Sam L Phillips

THE UNITED STATES OF AMERICA

By C D Mitterdorf
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

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS
DOCKET NO. DMEA-4147

ANNEX I

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

Situate on the Jeff Sparks tract, about one mile north of Kona, North Carolina, on the east side of Highway 80, known as the "Buchanan Mine," and more particularly described as follows:

BEGINNING on an iron stake which is located in the center of the old Buchanan Mine, which is located 175 feet NE of another iron stake, and running 250 feet N, thence 250 feet E, thence 500 feet S, thence 500 feet W, thence 500 feet N, thence 250 feet to the point of closing.

MF-203
Revised March 24, 1955

RECEIVED
JAN 27 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date MAY 31 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake located in the center of the old Buchanan Mine, which is located 175 feet N.E. of another iron stake; and running 250' North; thence 250' East; thence 500' South; thence 500' West; thence 500' North; thence 250' East to the point of closing.

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/

None

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

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

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

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

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

5. Added provision: _____

Dated this 17th day of January, 1956.

INTERNATIONAL MINERALS & CHEMICAL CORPORATION

Norman J. Dunbeck [Seal]

Vice President

_____ [Seal]

_____ [Seal]

I, C. M. Edwards certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Norman J. Dunbeck who signed this agreement was then Vice President (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.

C. M. Edwards

Secretary [Corporate Seal]

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS
DOCKET NO. DMEA-4147

EXHIBIT "A"

Description of the Work

The approximate location of the exploration work is shown on the attached map entitled "Old Buchanan Mine, Mitchell County, N.C. DMEA-4147 (Mica)."

The work is divided into two stages as hereinafter described. The Operator shall perform the work in Stage I, and shall perform as much of the work in Stage II as the Government approves in writing.

Stage I

Excavate along the strike of two converging pegmatites to locate the apex of the structure for a shaft site.

Stage II

1. Construct:

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

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

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

The toolhouse may be unfloored; shall be made from 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 equipped with the equivalent of a 5-tumbler jarproof lock.

2. Sink a two-compartment shaft as nearly as practicable on the pegmatite, not to exceed 80 feet.

The shaft shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary.

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

Fixed Unit Costs

Stage I

Bulldozing a shaft site, 30 hours @ $10.00/working hour	$ 300.00

Stage II

Construct:

Toolhouse 1/	$ 75.00		
Powder Magazine 1/	26.00		
Exploder Magazine 1/	15.00	116.00	
Sink 80 feet of shaft @ $45.00/ft.		3,600.00	
Estimated Total Cost of Project			$4,016.00
Government Participation @ 75%			$3,012.00

1/ The completed work constitutes the unit.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JAN 26 1956

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

RECEIVED JAN 26 1956

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

Not to be filled in by applicant

Docket No. DMEA-4147
Metal or Mineral Mica
Date Received 1-26-56
Estimated Cost $6,000.00
Participation (Government %)

INSTRUCTIONS

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

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Legal description given on attached lease.

(*b*) State any mine name by which the property is known. Old Buchanan Mine Property

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

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

(*e*) If you own the land, describe any liens or encumbrances on it Not owner.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. None

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

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

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

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

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

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

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

(*c*) The work will start within 30 days and be completed within ..... months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

(*b*) How do you propose to furnish your share of the costs? Yes. Will furnish required 25%.

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated January 24, 1956

Sam L. Phillips
(Applicant)

By Sam L. Phillips

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

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

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JAN 2 6 1956

4. (a) This mine was last worked in 1948, at which time some good mica was recovered.

(b) Green mica has been recovered, but no records of production are available.

(c) Vein seems to run in direction that would warrant sinking a new shaft. From appearance of materials, we believe that mica may be found by exploring further.

(d) Project is accessible to roads and shipping.

(e) Manpower, materials and equipment available. Power is within 150 yards.

5. (b) We propose to bulldoze away overburden to best locate shaft on pegmatite, sink a 5&x7' shaft 60 feet deep; then drift 80' with vein.

6. Estimate of costs:

20 Hrs. Bulldozing @ $10.00 per hour	$ 200.00
60' Shaft @ $50.00 per ft.	3000.00
80' Drift @ $35.00 per ft.	2800.00
	$6000.00

NORTH CAROLINA

MITCHELL COUNTY

RECEIVED
JAN 26 1956

THIS AGREEMENT AND LEASE, made and entered into this 1st day of November 1955, by INTERNATIONAL MINERALS AND CHEMICAL CORPORATION, a Corporation chartered under the laws of the State of New York with its general office at 20 North Wacker Drive, Chicago, Illinois, sometimes hereinafter referred to as LESSOR, and SAM L. PHILLIPS of the county of Mitchell and State of North Carolina, sometimes hereinafter referred to as LESSEE.

W I T N E S S E T H

That for and in consideration of the sum of ONE DOLLAR ($1.00), paid by Lessee to Lessor, the receipt whereof is hereby acknowledged and in further consideration of the rents and royalties to be paid and of stipulations and agreements hereinafter contained to be kept and observed, Lessor hereby lets, remises and leases for mining purposes all of the feldspar, mica, quartz and such other minerals as Lessee may desire in, upon or under the following tract of land situated on the Jeff Sparks Tract, about one mile North of Kona, N. C. on the East Side of Highway #80, known as the "Buchanan Mine" and more particularly described as follows:

> BEGINNING on an iron stake which is located in the center of the old Buchanan Mine, which is located 175 feet NE of another iron stake, and running 250 feet N, thence 250 feet E, thence 500 feet S, thence 500 feet W, thence 500 feet N, thence 250 feet to the point of closing".

1.

Lessee shall have the exclusive right to quarry, blast, dig, mine and remove from said land all the feldspar, mica, quartz and such other minerals as Lessee may desire, upon the terms and conditions more fully hereinafter set forth, and during such operations, said Lessee agrees at all times to keep said mine in

workmanlike condition and free from waste, and upon abandoning the mine at the termination of this lease, or any renewal thereof, Lessee agrees to leave all tunnels and entries to the mine in a good and workable condition.

2.

The period or term for which said property is leased is five (5) years from and after the date of the proper execution and acknowledgement of this lease, it being mutually agreed between all parties hereto that if Lessee shall have faithfully kept and performed all of the stipulations, conditions and agreements herein contained, shall have paid to Lessor all royalties due, then, and in that event, Lessee may have an extension of said lease for an additional five year period thereafter.

3.

The royalties to be paid by the Lessee to Lessor hereunder shall be as follows:

A. For all mica mined, removed, sold or shipped from said premises - one-eighth (1/8) of the sale price (at the point where sold).

B. For all feldspar mined, removed and sold or shipped from the herein leased premises- fifty (50) cents per gross ton of 2240 pounds (it being mutually agreed between both parties hereto that Lessor is to have the exclusive right to purchase all feldspar mined on this property. In the event the Lessor is unable to receive the feldspar, it is to be stockpiled on the property until such time as the Lessor desires to purchase same. All feldspar produced at the mine is to be purchased at the market price being paid by Lessor to North Carolina producers for similar feldspar).

C. For all quartz mined, removed, sold or shipped from said premises - ten (10) cents per gross ton of 2240 pounds.

D. For all other minerals removed, sold or shipped from said premises - ten per cent (10%) of the selling price of the same from the mine.

All royalties are to be due and payable on the fifteenth day of the month next succeeding the month in which shipments or sales are made.

4.

Lessee shall have all the necessary rights of ingress, egress and regress over the lands of Lessor for the purposes of conducting said mining and shipping operations and such other operations as pertain to the same and over all mineral lands demised by this lease.

5.

It is further understood that this lease cannot be assigned, except by the written consent of the Lessor.

6.

During the continuance of this lease, said Lessee shall have the right to erect, place, replace and maintain any buildings, roadways, tramways, inclines, bridges and machinery of all descriptions, chutes, pipe lines, ditches, tie lines and other such proper methods as are used in mining and the Lessee shall have the right to remove any and/or all the same from the property at the Lessee's own ~~description~~ discretion.

7.

Lessee agrees to save the Lessor harmless from any claims for damage to surface of property covered by this lease. It is understood and agreed that if, at any time, during the continuation of this lease in the judgment of the Lessee mining operations shall become unprofitable, Lessee shall have the right to terminate this lease by giving to Lessor notice in writing of such intention to terminate and Lessee shall have one month from and after such notice within which to remove all of his machinery and equipment, with the exception of mine timbering or other supports necessary to the safe operation of the mine. It is further understood and agreed that upon the failure of the Lessee to comply with the terms of this lease, the Lessor may, at its option, declare this lease null and void and terminate the same by giving to the Lessee one month's notice in writing, and Lessee shall have a period of one month after receipt of

such notice within which either to immediately correct such noncompliance or to cease operations altogether; and should this lease be so terminated, all machinery, tools, buildings, bridges, inclines, tramways, cableways, pipe lines, tie lines, fixtures and all other improvements and property placed upon said premises by Lessee shall be and remain the property of the said Lessee and the said Lessee shall have one month within which to remove any and/or all of said property, provided, that all royalties shall have been paid up to date and all other terms of this lease shall have been complied with.

8.

Lessee agrees that at all times during the continuance of this lease, or any renewals thereof, that Lessee will carry sufficient compensation and liability insurance to protect his operations and said Lessee agrees to save Lessor harmless from any injury to persons or property resulting from said Lessee's operations.

Lessee further covenants and agrees that he will so conduct his mining operations upon the herein leased premises that he will at all times during such operations have and maintain the status of an independent contractor.

Lessee further contracts and agrees to pay to Lessor a minimum royalty of FIVE HUNDRED DOLLARS ($500.00) per year during the term of this lease or any renewal thereof, i.e. Lessee guarantees to the Lessor that he will pay to Lessor the sum of $500.00 for each year as royalty during the term of this lease or any period thereof whether the regular royalties hereinabove provided for will amount to $500.00 or not, it being mutually understood and agreed between all parties hereto that during each year of the term of this lease if the regular royalties paid by Lessee to Lessor for each year during the pendency of this lease, shall equal or exceed $500.00, then this clause in regard to minimum royalties may be disregarded for that year, but it is un-

derstood and agreed between all parties hereto that Lessee hereby guarantees to Lessor a minimum of $500.00 royalties per year for each year whether the regular royaltie s herein provided for amount to $500.00 per year or not.

IN WITNESS WHEREOF, Lessor has caused these presents to be signed in its name by its President or Vice-President and attested by its Secretary and its Corporate Seal to be attached hereto in attestation hereof, all by order of its Board of Directors in regular session duly given, on the 19 day of December, 1955, and Lessee has hereunto set his hand and affixed his seal on the date hereinabove written.

INTERNATIONAL MINERALS & CHEMICAL CORP.

ATTEST:

(Corporate Seal)

M. Edwards
Secretary

By Norman J. Dunkerley V.P. (Seal)

~~LESSOR~~ LESSEE

Sam L. Phillips (Seal)

Witness

Kenneth R. McKinney
Notary Public
My Comm Expires 8/17/57

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/26/67	Kirkemo	

MAY 31 1967

International Minerals & Chemical Corporation
Old Orchard Road
Skokie, Illinois 60076

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract Idm-E962

Gentlemen:

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

This correspondence relates to the Consent to Lien executed January 17, 1956, by Norman J. Dunbeck, vice president of your company, under the Defense Minerals Exploration Administration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

xxx
cc: Director's Reading File
Division File
Econ. Geol. File
OME Reading File
DMEA Docket
R. A. Laurence
120M

MMerrithew/mm (5/31/67)

23263

Expires 5/31/67
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IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

May 5, 1967

International Minerals
& Chemical Corporation
Old Orchard Road
Skokie, Illinois 60076

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract Idm-E962

OFFICIAL COPY
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INITIALS | CODE
~~[illegible]~~
RG 410
PK ~~120~~
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Gentlemen:

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

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

This inquiry relates to the Agreement and Lease dated November 1, 1955, between International Minerals and Chemical Corporation and Sam L. Phillips of Mitchell County, North Carolina, to the Consent to Lien dated January 17, 1956, executed by your company, and to the certification of discovery or development dated March 18, 1957, transmitted March 25, 1957, by the Defense Minerals Exploration Administration.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **July 1966**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since **July 1966**, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Kelton H. Teague Title Chief Division Geologist

Address Skokie, Ill. Date 5/12/67

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

June 29, 1966

IN REPLY REFER TO:
COPY
O. M. E.
RECEIVED
JUL 13 1966

INITIALS	CODE
7/14 M	120
JJ	110
HK	~~120~~
	~~120~~
	220

International Minerals
& Chemical Corporation
Old Orchard Road
Skokie, Illinois 60076

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract Idm-E962

Gentlemen:

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

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

This inquiry relates to the Agreement and Lease dated November 1, 1955, between International Minerals and Chemical Corporation and Sam L. Phillips of Mitchell County, North Carolina, to the Consent to Lien dated January 17, 1956, executed by your company, and to the certification of discovery or development dated March 18, 1957, transmitted March 25, 1957, by the Defense Minerals Exploration Administration.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

RECEIVED
U.S. GEOLOGICAL SURVEY
JUL 11 12 24 PM 1966
OFFICE OF THE DIRECTOR

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since June 1965, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since June 1965, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Kieran H. Teague Title Chief Division Geologist

Address Skokie, Ill. Date 7/8/66

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

May 27, 1965

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract Idm-E962

International Minerals
& Chemical Corporation
Old Orchard Road
Skokie, Illinois

Gentlemen:

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

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

This inquiry relates to the Agreement and Lease dated November 1, 1955, between International Minerals and Chemical Corporation and Sam L. Phillips of Mitchell County, North Carolina, to the Consent to Lien dated January 17, 1956, executed by your company, and to the certification of discovery or development dated March 18, 1957, transmitted March 25, 1957, by the Defense Minerals Exploration Administration.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 2 1965
INITIALS | CODE
| 110
| 110
| 120
| 120

DMEA-4147
Idm-E962

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since October 1964, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since October 1964, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since through workings (see of contract)? Yes ☐ No ☐

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

Disposition of Material	Quantity	Value

Submitted by: Carl C. Heidel

Name C. C. Heidel Title General Production Manager
Industrial Minerals Division

Address Old Orchard Road, Skokie, Il Date 6/1/65

4511

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

October 7, 1964

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract Idm-E962

International Minerals
and Chemical Corporation
20 North Wacker Drive
Chicago, Illinois

Gentlemen:

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

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

This inquiry relates to the Agreement and Lease dated November 1, 1955, between International Minerals and Chemical Corporation and Sam L. Phillips of Mitchell County, North Carolina, to the Consent to Lien dated January 17, 1956, executed by your company, and to the certification of discovery or development dated March 18, 1957, transmitted March 25, 1957, by the Defense Minerals Exploration Administration.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 20 1964

DATE	INITIALS	CODE
10/20		800
		100
		110
10/20		122
10/21		120
		220

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

2. Since June 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by: C. C. Heidel

Name C. C. Heidel

Address International Minerals & Chemical Corporation
Old Orchard Road
Skokie, Illinois

Title General Production Manager
Industrial Minerals Division

Date October 19, 1964

orm 7
3)

OFFICIAL FILE COPY

Date	Surname	Code
	GCS	420
9/23	[illegible]	110
"	[illegible]	100
		220

SEP 24 1964

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMMA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract Idm-E962

and

DMMA-4332 (Mica)
John Phillips
John Prospect
Avery County, N. C.
Contract Idm-E1006

Dear Mr. Phillips:

In reference to the reverse side of the enclosed MMS Form 63 relating to the subject dockets, we assume that neither lease is in effect. If so, will you please note on each form the date of the release of the land and any other pertinent details and return them to us.

Sincerely yours,

George C. Selfridge (gla)

George C. Selfridge, Chief
Division of Exploration Operations

Enclosures

GCSelfridge/mm (9/23/64)
cc: Director's Reading File
R. A. Laurence
Docket
Mr. Selfridge
Code 120M

23263

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

September 14, 1964

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract Idm-E962

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Sir:

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

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

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 22 1964

DATE	INITIALS	CODE
		100
9/22		110
		120
		120

MME Form 63
Revised 3-62

DMEA-4147
Idm-E962

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

   Is the Agreement and Lease, dated Nov. 1, 1955, from International Minerals and Chemical Corporation still in effect?
   (Leases are not in effect, they expired one year after date.)?

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

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Sam L. Phillips Title Partner

Address Spruce Pine, N. C. Date 9-17-64

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

November 14, 1963

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract Idm-E962

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Sir:

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

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

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 20 1963

DATE	INITIALS	CODE
11/20	[illegible]	800
		100
11/20	[illegible]	~~110~~
~~11/21~~	Murphy	500
		220

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since October 12, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since October 12, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Sam L. Phillips Title Pres.

Address Spruce Pine, N.C. Date Nov. 18, 1963

4511

rm 7
3)

OFFICIAL FILE COPY

Date	Surname	Code
10/19	GCS	120
		220

OCT 1 9 1962

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract Idm-E962

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

George C. Selfridge (gla)

Enclosure

GCSelfridge/gla
10-19-62
cc to: Docket DMEA-4147
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 10/17/62 and orig. cy of memo dtd 10/18/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

October 18, 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract Idm-E962

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

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

(b) Two copies to Region IV files.

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

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

Enclosures

EDTalbert/ama 10-18-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

Form 7
-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/9	Holt	500
	Griswold	500
10/9	Talbert	800
10/9	Selberg	120
"	Johnson	110
10/9	Smith	100
		220

OCT 1 0 1962

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract Idm-E962

Dear Mr. Phillips:

Through inadvertence you failed to check off your answers, Yes or No, after questions 1 and 2 of the enclosed MME Form 63, Request for Information on Certified Project and Project Under Royalty Agreement, which you signed and mailed on October 1, 1962, on the subject contract.

Please check off the answers, Yes or No, on both copies of the form, and, also, please sign the second copy.

Sincerely yours,

/s/ W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

Enclosures

SPHolt/gla
10-9-62
cc to: Director's Reading File
Region IV (2)
Docket
Code 500

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 15 1962

DATE		CODE
10/16		800
10/16		100
10/26		~~110~~
10/30	S.G.H.	5.00
		220

OCT 1

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract Idm-E962

Dear Mr. Phillips:

Through inadvertence you failed to check off your answers, Yes or No, after questions 1 and 2 of the enclosed MME Form 63, Request for Information on Certified Project and Project Under Royalty Agreement, which you signed and mailed on October 1, 1962, on the subject contract.

Please check off the answers, Yes or No, on both copies of the form, and, also, please sign the second copy.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

Enclosures

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

September 26, 1962

Re: DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract Idm-E962

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Mr. Phillips:

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

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

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

DMEA-4147
Idm-E962

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

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

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Sam L. Phillips Title Partner

Address Spruce Pine, N.C. Date 10-12-62

4511

June 24, 1962

Memorandum

To: The File

From: C. E. Fisher, GSA Auditor

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

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

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

C E Fisher

Reading File
Chronologic Reading File
GSA Division
Region IV Files (2)

C-Fisher
6-26-62

03603

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

February 25, 1958

DMEA
RECEIVED FEB 26 1958

DATE	INITIALS	CODE
2/26	C	220
2/27	Trk	600

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4147 (mica)

Applicant: Sam L. Phillips

Name and Location of Property: Old Buchanan Mine, Amendment No. 2, Mitchell County, N. C.

Date of Field Team Final Report: January 22, 1958

Date Rec'd. by Br. of Ceramic and Fertilizer Materials: February 6, 1958

Field Team Recommendation: None

Comments:

1. Work under original contract consisted of exploring a "central" pegmatite by test hole drilling in roof of an incline, costing $4,016.00.
2. Work under amendment consisted of a total of crosscutting 28 feet and drifting a total of 48 feet.
3. No new reserves were outlined.
4. Expenditures -

Total approved	$6,640.50
Total cost	6,640.50
Gov't. share of the cost	4,980.38
Value of production during operation	868.05

Recommendation:

None required as property is already certified as a result of work done under original contract.

W. F. Dietrich

W. F. Dietrich

[illegible]

(Gaggs Rock [illegible]

[illegible] J. R. Dean & J. [illegible]
(Little Ray Mine)

900 Sam Smith
(Dove Hill Mine)

962 Sam Phillips
(Old Buchanan)

1005 John Phillips
(Roby Mine)

[illegible] John Phillips
(John Prospect)

977 Hawk Mining Co.
(Hawk Mine)

1042 Clifton D. Buchanan
(Boone Prospect)

1089 Sam L. Phillips
(Black Mountain Mine)

NOTE: The above listed projects were [illegible] Purchasing Depot, Spruce Pine, N. C. [illegible] the Operators or by inquiring [illegible]

[illegible] 25 1959

[illegible]

[illegible]

[illegible] Mine

[illegible] Periods July 1, 1959 to December 30, 1959

The following certified [illegible] in the [illegible] mining area were checked as the Government [illegible] representing the Operators, either directly or by [illegible] were checked during the first two weeks of [illegible] [illegible] were been [illegible] that they [illegible]

[illegible]	Idm-E	Operator	Mine [illegible]
[illegible]	181	Yancey Mick Mines, Inc.	Cattail
[illegible]	349	Robinson & West	[illegible]
[illegible]	519	Twigge, Glen & Green	Sam [illegible] Mine
[illegible]	560	Murphy Mining Co.	[illegible]
[illegible]	636	Ellis & Grindstaff	Byrd
[illegible]	694	W.B. Chrisman	Westall
[illegible]	664	Buchanan & Cook	Johnson
[illegible]	662	Non-Metallic Minerals	White Pyne
[illegible]	687	Brown & Rathburn	Fox Mine
[illegible]	[illegible]	[illegible] Mining Co.	[illegible]
[illegible]	734	Boone & Jennett	[illegible]
[illegible]	757	G. R. Phillips	Sugar Bowe
[illegible]	[illegible]	Ray Grindstaff	Gentry
[illegible]	[illegible]	J.R. Boone & John Phillips	[illegible]
[illegible]	962	Sam Phillips	Old [illegible]

[illegible] Lynch, [illegible]
[illegible] of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

January 23, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 27 1958

		CODE
1/27	C	220
1/27	ey	130
"	[illegible]	110
1/31	[illegible]	130
1/31	C	220

Memorandum

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

From: Executive Officer, DMEA, Field Team, Region V

Subject: Final Report - Docket No. DMEA-4147, Contract No. Idm-E942
Sam L. Phillips, Spruce Pine, North Carolina
Old Buchanan Mine (mica), Amendment No. 2
Mitchell County, North Carolina

Enclosed are the original and two copies of the subject final report.

The Field Team is in agreement with the report.

Robert A. Laurence
Robert A. Laurence
Executive Officer

V. J. Lynch
V. J. Lynch, Member
Bureau of Mines

Enclosures 3

Field Team
Final Rpt

Reviewed by
DMEA OPERATING COMMITTEE
1-31-58
(Date)

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 27 1958

DATE		CODE
1/31	2/3	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM - REGION V

DMEA-4147, Idm-E942, OLD BUCHANAN MINE, Amendment No. 2 (Mica)
Mitchell County, North Carolina

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

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

Reviewed by
DMEA OPERATIONS [illegible]
1-31-58
(date)

January 22, 1958

FIELD TEAM FINAL REPORT

DMEA-4147, Idm-E942 (mica) OLD BUCHANAN MINE, Amendment No. 2
Mitchell County, North Carolina

Operator: Sam L. Phillips, Spruce Pine, North Carolina

SUMMARY

Stage I bulldozing at the original contract site, plus test hole drilling in the roof of the contract incline, exposed and cut a previously unknown, sub-parallel pegmatite in the hanging wall of the contract structure. An amendment to the contract was granted for additional exploration work on this pegmatite. Crosscut was driven from the bottom of the contract incline 28 feet southeast, cutting two thin sub-parallel pegmatites. Drift was driven on pegmatite 16 feet northeast and 32 feet southwest. Pegmatite tapers almost to extinction to the northeast, and swells in thickness to the southwest, becoming perthitic and unproductive. Very little mica was recovered and no reserves outlined. The property is already certified as a result of work done under the original contract.

INTRODUCTION

Location

The mine lies near Gouge Knob at an elevation of about 2950 feet, at the western extremity of Burns Mountain. It is 0.50 airline miles S. 13° E. of Bandana, Mitchell County, North Carolina, and is located in the north-central one-ninth of the Micaville, North Carolina Quadrangle, USGS-TVA Ed. 1934 (209-NW), 1:24,000.

Previous Work

The pre-DMEA and original contract work is outlined in examination and final reports dated February 13, 1956 and December 20, 1956, respectively, and will not be repeated here.

Amended Contract Work

The additional contract work started on or about June 3, 1957, and was completed by August 6, 1957.

From the bottom of the contract incline, 28 feet of crosscut was driven normal to the structure in a S. 57° E. direction. On the thicker of two sub-parallel pegmatites encountered, 16 feet of drift was driven N. 72° E. and 32 feet S. 63° W. This is a total of 76 feet of drift and crosscut completed, one foot in excess of the contract amount. Work progress was good and conformed with the contract specifications. Some difficulty was encountered in ventilating the work area, due mostly to inadequate, poorly arranged vent lines, and the use of a large floor stand carbide light. Cooperation between the Operator and the field examiners was generally good.

GEOLOGY

Four or more parallel to sub-parallel, tabular-shaped pegmatites were exposed by the contract bulldozing. The structures are concordantly emplaced in a muscovite-biotite gneiss and schist with thin interlayered hornblende schist members. Pegmatite on which the additional work was conducted, was exposed in the bulldozing and cut in a 24 foot percussion test hole, drilled in the back of the contract incline (see map). At the surface and at the drill hole intersection, the structure is 15 to 16 feet "stratigraphically" higher than the contract pegmatite.

The pegmatite at the surface is five feet thick, strikes N. 35° E. and dips 35° southeast. At the drift level, the pegmatite tapers in thickness from 8 inches at the northeast heading to 7 feet at the southwest heading. It is oriented N. 50 - 72° E. 45 - 60° SE, with a suggestion of steepening and convergence with the other structures to the southwest. A parallel 12 to 14 inch thick pegmatite occurs 4½ to 5 feet stratigraphically in the footwall. It is not believed to have much strike or dip continuity. The

end of an en echelon segment of pegmatite is exposed in the northeast heading. Its extent is unknown.

Pegmatite is composed of medium coarse grained microcline perthite and minor quartz, and biotite, with discontinuous, irregular wall zone material occurring sometimes along both contacts and occasionally along just one or the other of the contacts. Wall zone material consists of medium grained oligoclase-andesine, interstitial quartz, muscovite, minor biotite, and accessory garnet and apatite. Wall zone material is not as well developed as in the original contract pegmatite and consequently, muscovite is not as abundant. Muscovite was recovered in books up to 4 x 6 inches across, but generally in sizes about 1 x 2 inches or less. It is a dark greenish-brown color, with common biotite intergrowths, and some waviness, reeving, and ruling. Not more than 250 pounds of mine-run block were recovered from the amendment drift. The deposition of this block is unknown.

CONCLUSIONS AND RECOMMENDATIONS

The amended contract crosscut and drift was completed on the target pegmatite without finding significant amounts of mica-bearing material. No further work on this structure is believed to be justified. All work was in accordance with the contract specifications.

Since certification of the property is already established from the previous work, recommendations along that line are considered to be unnecessary.

EXPENDITURES

(a)	Total approved	$6,640.50
(b)	Total cost of project	6,640.50
(c)	Government's share of cost	4,980.38
(d)	Government's share unexpended	0.00
(e)	Value of production	868.05
(f)	Royalty paid to date	43.40

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

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

IN REPLY REFER TO:

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

ORIGINAL FILE COPY
DMEA
RECD JAN 31 1958

DATE	INITIALS	CODE
1/31	gb	220
2/3	LHouk	600

January 30, 1958
Re: DMEA 4147 Idm-E942
(As Amended)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Mica

Memorandum

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

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

Subject: Review of Field Team Final Report

The operator, under the original contract, did work on a 'central' pegmatite. Old time work had been done on a footwall pegmatite and road work and a long hole from the incline had indicated a 5-foot hanging wall pegmatite.

The work under the amendment explored the hanging wall pegmatite by a crosscut from the foot of the incline on the 'central' pegmatite, and drifting. The cost of the work under the original contract was $4,016.00, and the cost of the work under the amendment is $6,640.50, a total of $10,656.50.

The production, $868.05, has come from contract work in the central pegmatite. The examiners estimated the indicated reserves in the central pegmatite to be 8,700 pounds and the inferred reserves at 17,400 pounds of run-of-mine block mica.

The reserves probably remain in tact as no new sales seem to have been made. No addition to reserves resulted from the work in the hanging wall pegmatite.

The project was certified on the basis of the discovery in the 'central' pegmatite.

N. E. Nelson

N. E. Nelson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/8	Anderson	600
11/12	Houk	600
11-12	Chambers	800
11/13	Martin	130
11/13	Bishop	130
11/13	Kilsgaard	130
11/13	Johnson	110
"	Mittendorf	100
11/14	gb	220

600

NOV 13 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-8962

Dear Mr. Phillips:

Reference is made to the subject contract as amended by Amendment No. 2 which increased the estimated total cost of the project, by providing for additional work, and extended the royalty payment period from ten to eleven years.

As Amendment No. 2 was executed subsequent to certification of the project, the second paragraph of our March 18, 1957, letter transmitting the certification of discovery or development should now read as follows:

> By the terms of the Exploration Project Contract all minerals mined or produced from May 31, 1956, to May 31, 1967, are subject to the Government's percentage royalty as set forth in the contract until the sum of $4,980.38 is repaid to the Government.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:rsi 11/4/57
Rewritten
WCAnderson:rsi 11/8/57
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Johnson
Mr. Chambers
Finance Office
Mr. Kiilsgaard, 5222
Mr. Lamb, 3649
Mr. Houk
Mr. Norman J. Dunbeck

8623

Should a cross reference be made on the certification to both letters of March 18 and this letter, since the amount and time has been changed.

JR

Mr. Selfridge -

Change letter. Letters should also be sent to GSA and owner, calling attention to the increased amount payable from royalties and the extended date of the repayment period.

Frank E. Johnson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/4	Anderson	600
11/9	Houk	600
11-6	Chambers	800
		130
		130
		130
		110
		100
		220

600

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-~~4147-Mica~~
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962 ~~and~~
~~Amendment No. 2~~

Dear Mr. Phillips:

Reference is made to the completed work under Amendment No. 2 to your contract with the Government and to our letter of March 18, 1957, transmitting a certification of discovery or development on the Old Buchanan Mine.

This Certification, issued March 18, 1957, is applicable to all production from the areas of the original contract ~~and Amendment No. 2.~~ However, the second paragraph of our letter transmitting the certification should now read:

> By the terms of the Exploration Project Contract all minerals mined or produced from May 31, 1956, to May 31, 1967, are subject to the Government's percentage royalty as set forth in the contract until the sum of $4,980.38 is repaid to the Government.

Sincerely yours,

Administrator

WCAnderson:rsi 11/4/57
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Johnson
Mr. Chambers
Finance Office
Mr. Kiilsgaard, 5222
Mr. Lamb, 3649
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/8	Anderson	600
11/12	Houk	600
11-12	Chambers	800
11/13	Martin	130
11/13	Bishop	130
11/15	Kiilsgaard	130
11/18	Johnson	110
11	Mittendorf	100
11/14	gb	220

600

600

NOV 13 1957

Mr. Norman J. Dunbeck
Vice President, International Minerals
and Chemical Corporation
20 North Wacker Drive
Chicago 6, Illinois

Re: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

Dear Mr. Dunbeck:

Reference is made to our letter of March 25, 1957, relating to the issuance of a certification of discovery or development pursuant to the terms of the above-cited contract.

Enclosed is a copy of a self-explanatory letter of today to the Operator, citing changes in the contract relating to royalty payments thereunder.

Your Consent to Lien of January 17, 1954, will apply to the full period for which the Operator is obligated to pay royalty.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

WCAnderson:rsi 11/8/57
Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Lamb, 3649
Operating Committee
Field Team, Region V
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/8	Anderson	600
11/8	Houk	600
11-12	Chambers	800
11/13	Martin	130
11/13	Bishop	130
11/13	Kiilsgaard	130
11/14	Johnson	110
"	Mittendorf	100
11/14	gb	220

600

600

NOV 13 1957

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

Re: Docket No. DMEA- 4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

Dear Mr. Fredell:

Reference is made to our letter of March 25, 1957, transmitting one copy of a certification of discovery or development relating to the subject contract.

Subsequent to issuance of the certification, Amendment No. 2 was executed which provided for 75 feet of additional crosscuts and/or drifts, and extended the period fixed for royalty payments and liens to secure payment of Government participation from ten years to eleven years.

The drifting and/or crosscutting work was changed from 25.7 feet to 100.7 feet. Because of this additional work, the total accepted cost of contract work is changed from $4,015.00 to $6,640.50; and the Government participation, from $3,011.62 to $4,980.38.

All other conditions of the above-cited letter remain the same. There were no additional reserves of mica outlined by work under Amendment No. 2.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:rsi 11/8/57
Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Mr. Lamb, 3649
Mr. Kiilsgaard, 5222
Operating Committee
Field Team, Region V
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/4	Anderson	600
11/19	[illegible]	600
		110
		220

600

November 4, 1957

Project Summary Report

By: Walter C. Anderson, Division of Nonmetallic Minerals

1. Docket No. DMEA-4147-Mica
Contract No. Idm-E962 - Amendment No. 2
Old Buchanan Mine
Mitchell County, North Carolina

Application: (See Project Summary
Operator's Property Rights: (Report of March 19, 1957
Operator: Sam L. Phillips
Spruce Pine, North Carolina

2. Contract: Form MF-200A (April 1956) dated November 30, 1956.
Amendment No. 2, dated April 26, 1957
Work Authorized:

Original Contract (See Proj. Sum. Rpt. 3/19/57)	$4,015.50
Amendment No. 2	
75 feet of crosscuts and/or drifts @ $35/ft.	$2,625.00
Total	$6,640.50

Amendment No. 3 - extended completion date from July 30, 1957 to August 30, 1957.
Work Completed: Same as authorized.

Amendment No. 2
Work began on May 27, 1957 and was completed August 6, 1957.
Field Team Final Report - not yet received.
Operator's Final Report - received August 12, 1957.

3. Audit: Report of Review issued August 23, 1957.

Total accepted cost (original contract and amendment)	$6,640.50
Government participation @ 75%	$4,980.38

4. Certification of Discovery: Issued for work under original contract on March 18, 1957, which applies to work under Amendment No. 2. No reserves of mica were outlined under work of amendment.

5. Comments: As applied to Amendment No. 2.
How Conducted: (See Proj. Sum. Rpt. 3/19/57
Operation: (Same applies to amendment.
Engineering: (
Geologic Premise: The work proved that the potential indicated at the outcrop of a parallel pegmatite was lacking at depth.

8623

Geologic Criteria Upon Which Work Was Based:

1. Pegmatite: 5 feet thick, with excellent mineralogical and textural environment, as indicated by surface bulldozing and 24 foot hole drilled from the incline of original contract. Concordantly emplaced and parallel to original pegmatite.

2. Mica: Quality not indicated by reports, but is intimated as of strategic grade.

Geologic Criteria Developed During Project:

1. Pegmatite: 7½ feet thick, perthite is predominant with some plagioclase, quartz, small muscovite and a little biotite.

2. Mica: Most was 1 by 2 inches and smaller. Some hard, flat, and clear, but much is reeved, stained and wedge "A".

Future Possibilities: The work under Amendment No. 2, did not add significantly to the mica reserve of the Old Buchanan Mine.

Walter C. Anderson

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi 11/4/57
Copy to: Admr. R. File
Mr. Houk

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 6 1957
DATE | INITIALS | CODE
11/6 | gb | 220

DMEA EXPLORATION PROJECT

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting Period: to 10-22-57. Date Examined: October 22, 1957

Operator: Sam L. Phillips, Spruce Pine, N. C.

Mine Name: Old Buchanan. County: Mitchell. State: North Carolina

Docket No. DMEA-4147. Contract: Idm-E962. Commodity: Mica

Date of Contract: May 31, 1956, Amended March 26, 1957.

Date Certified: March 18, 1957. Expiration of Royalty Pay't: May 31, 1967

Total Amount of Contract: $4,016.00, Amended to $6,640.50.

Total Expended: $6,640.50. Government Part. @ 75%.. $4,980.38

Royalty Pay't this Period: $43.40. Previously Paid: None

Total Royalty Paid to Date: $43.40. Royalty Due: None

Percent Gov't Participation Repaid: 0.87%.

Royalty Remarks: Royalty has been paid on all sales made to date.

Original Estimate of DMEA Reserves (From Field Team Final Report)

Indicated - 8,700 lbs of "Mine-run" block mica.
Inferred -17,400 lbs " " " " ".

Production this Period:

Type	Pounds	Value
Hand Cobbed	3215	$868.05

Production previously Reported: None

Production to Date: Same as above.

Remarks: This project was visited October 22. No work was being done and it was evident that no operation had taken place since completion of the Amendment to the contract.

Wm. A. Beck

Wm. A. Beck, Mining Engineer
Bureau of Mines

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DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/26	Talbert	800
8/26	P	220
		225

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 14, Post Office Building
Knoxville 2, Tennessee

AUG 26 1957

Re: Docket No. DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract No. Idm-E962

Dear Mr. Laurence:

As requested in your memorandum of August 13, 1957, a Report of Review in lieu of a final audit of the referenced project has been prepared. The original and two copies thereof, together with the original of the final MF-104 submitted with your memorandum of August 21, 1957, are enclosed.

If you concur with the facts stated in this Report of Review, the original and one copy should be forwarded to the regional finance officer and one copy should be retained in your files. If for any reason you do not concur, please return the original and both copies to this Division with your comments.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
August 26, 1957

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

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/19	Talbert	800
8/19	C	220
		225

AUG 19 1957

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

Re: Docket No. DMEA-4147 (Mica)
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract No. Idm-E962

Dear Mr. Laurence:

By memorandum dated August 13, 1957, the Acting Executive Officer, DMEA Field Team, Region V, confirmed the acceptable completion of the work authorized by the referenced contract and requested the issuance of a Report of Review in lieu of a final audit.

The final Operator's Monthly Report and Voucher, Form MF-104, with attachments was not received with the memorandum. A Report of Review will be issued promptly upon your submission of this final voucher for audit review.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
August 19, 1957

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

8623

INTERIM REPORT

DMEA-4147, Idm-E962(mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Location: 0.5 miles S 13° E of Bandana, Mitchell County, N.C.

Amendment No.2. Level work has been completed by 16 feet of advance S65°W. This makes the total of level work 76 feet - one foot more than the contract specifies. The Operator did a satisfactory job. The work, starting at the shaft, consists of a crosscut S60°E, 28 feet to the target dike(cutting a parallel dike 2-feet thick at 23 feet); drift N 72°E, 16 feet; and drift S68°W, 32 feet.

Drift muck, approximately 225 tons, yielded about 250 pounds of mica. The largest size was 4 x 6 inches but most was 1 x 2 inches or smaller. Some was hard, flat, and clear, but much is reeved, stained and wedge "A".

The pegmatite is 7 1/2 ft thick at the face and its attitude is N 40°E 60°NW. Perthite is predominant but plagioclase, quartz, small books of muscovite and a little biotite are also present.

Inspected: August 6, 1957.

S A Feitler

S. A. Feitler, Mining Engineer
and
L. E. Shirley Mining Engineer
Bureau of Mines

F. G. Lesure, Geologist
Geological Survey

OFFICIAL FILE COPY
DMEA
RECEIVED ... 1957

DATE		COST
8-19	C	220
19	Com	100

z

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/6	Anderson	600
		100
		220

600

August 6, 1957

Memorandum

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Amendment No. 3 - Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

The Division of Nonmetallic Minerals concurs in Amendment No. 3 to the subject contract as written and executed in the field. This amendment extends the completion date from July 30, 1957, as provided in Amendment No. 2, to August 30, 1957.

This is additional work under the provisions of Amendment No. 2 to this contract. Considerable rehabilitation, which was not anticipated, had to be done upon resumption of work at the mine. This amendment is justified because of the delay caused by the unexpected repair work.

Walter C. Anderson
Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi : 8/6/57
Copy to: Admr. R. File
Mr. Houk

8623

Form MPC104 (Rev.) April (1952)

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

9

RECEIVED AUG 29 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1957 Docket No. DMEA 4147 Contract No. Idm-E 962

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, N.C.

Contract Amount, $ 6,640.50 Government Participation: 75% Amount, $ 4,980.38

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		300.00	300.00			
Crosscutting		980/00	980.00			
15' Drifting @ $35.00	525.00	2019.50	2544.50			
Shaft		2700.00	2700.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		41.00	41.00			
(8) Contingencies (specify):						
TOTALS	525.00	6115.50	6640.50	525.00	6115.50	6640.50

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

Date 8-7-57 *Payee Sam L. Phillips

Per Sam L. Phillips 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:

$ 393.76 ~~393.75~~

Signature Peter R. Meller (Authorized Certifying Officer)

Date AUG 29 1957 Vou. No. 40 (See other side)

One cent adj. being made on this 131.25 voucher - see previous final voucher No. 60 also audit report.

(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. F-962 in accordance with the terms of the contract.

Signature W. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date AUG 28 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date AUG 28 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.

104A
(52)

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 August 195 7 Docket No. DMEA A147 Contract No. Idm-E 962

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, 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.	525.00	15	2544.50	72.7	35.00	72.7	35.00
Crosscutting				980.00	28	35.00	28	35.00
Raising				3524.50	100.7			
Shafts				2700.00	60	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.			300.00	30	10.00	30	10.00
TOTAL DISTRIBUTED COSTS		525.00		6524.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				41.00				
TOTAL COSTS		525.00		6640.50				

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 9-7-57 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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)

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 #4147, Idm-E 962 (Mica)

Old Buchanan Mine

Mitchell County, North Carolina

FINAL VOUCHER

Work Accomplished:

In the last few days we have completed 15' of drift. We have 28' of crosscut and 47' of drift, making a total of 75' to date, and completing all the work called for in the contract. No mica of commercial value was recovered.

Daily Notes:

1 - 6 : Shot, drilled, and mucked out waste daily, continuing to work on drift. We completed a total of 75' of drift and crosscut to date, which completed our contract.

INTERIM REPORT

DMEA-4147, Idm-E962(mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Location: 0.5 miles S 13° E of Bandana, Mitchell County, N.C.

Amendment No.2. Level work has been completed by 16 feet of advance S65°W. This makes the total of level work 76 feet - one foot more than the contract specifies. The Operator did a satisfactory job. The work, starting at the shaft, consists of a crosscut S60°E, 28 feet to the target dike(cutting a parallel dike 2-feet thick at 23 feet); drift N 72°E, 16 feet; and drift S68°W, 32 feet.

Drift muck, approximately 225 tons, yielded about 250 pounds of mica. The largest size was 4 x 6 inches but most was 1 x 2 inches or smaller. Some was hard, flat, and clear, but much is reeved, stained and wedge "A".

Thepegmatite is 7 1/2 ft thick at the face and its attitude is N 40°E 60°NW. Perthite is predominant but plagioclase, quartz, small books of muscovite and a little biotite are also present.

Inspected: August 6, 1957.

S. A. Feitler, Mining Engineer
and
L. E. Shirley Mining Engineer
Bureau of Mines

F. G. Lesure, Geologist
Geological Survey

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DMEA
RECEIVE 1957
DATE | INITIALS | CODE
600

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

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DMEA
RECEIVED AUG 15 1957

DATE	INITIALS	CODE
8/19	Hunch	600

August 13, 1957

Memorandum

To: Chief, Contract Admin. & Audit Division, DMEA

From: Acting Executive Officer, DMEA - Region V

Subject: Completion of DMEA-4147, Idm-E962-mica. Sam L. Phillips, Operator. Old Buchanan Mine, Mitchell County, N.C. Request for Report of Review.

Work on the subject contract has been completed.

The following units of work have been acceptably performed as verified by our Field Team (including work under Amendment No.2):

1.--Bulldozing shaft site - 30 hrs.

2.--Constructed: Toolhouse, Powder magazine and Exploder magazine

3.--Sank shaft to a depth of 60 ft.

4.--Drove 25.7 feet of crosscut and 75 ft of drift.

An adequate final engineering and geological report has been received. A report of Review is requested.

VJL/zm

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

OFFICIAL FILE COPY
D M E A
RECEIVED AUG 15 1957

DATE	INITIALS	CODE
8/16	Corr	100
8/19	Hank	600

Spruce Pine, North Carolina
August 8, 1957

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

Dear Mr. Laurence:

Re: DMEA #4147, Idm-E 962 (Mica)
Old Buchanan Mine
Mitchell County, North Carolina

We began work on the Amendment No. 2 of the above named prospect on May 27, 1957, and work was completed on August 6, 1957.

Final Report

We moved in equipment and begin to explore a second parallel pegmatite at the suggestion of the Field Team. In the first month of work we completed 28' of crosscut. After we had driven the crosscut a distance of 18' we picked up a vein that was 2' wide, and at the 28' in the crosscut we encountered another 2' of vein. In the month of July we completed 32' of drift, 16' North 72° East and 16' South 65° East, No significant amount of mica was recovered. In the first few days of August we completed 15' more drift, making a total of 28' of crosscut and 47' of drift, which completed the contract.

Operator's Final Rpt.

The Geological and engineering evaluation of the results of the work preformed under the contract with an estimate of the ore reserves resulting from such work are as follows: after the completion of 28' of crosscut and 47' of drift without recovering any mica of commercial value it is the opinion of the opreators that this particular pegmatite does not warrant further exploration.

We wish to thank the Field Team for their assistance on the Old Buchanan Project.

Yours very truly,

Sam L. Phillips

Sam L. Phillips

RECEIVED
AUG 12 1957

P/bj

Spruce Pine, North Carolina
August 8, 1957

EXTRA COPY
D M E A
RECEIVED 1957

DATE	INITIALS	CODE
		600

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

Dear Mr. Laurence:

Re: DMEA #4147, Idm-2 962 (Mica)
Old Buchanan Mine
Mitchell County, North Carolina

We began work on the Amendment No. 2 of the above named prospect on May 27, 1957, and work was completed on August 6, 1957.

We moved in equipment and begin to explore a second parallel pegmatite at the suggestion of the Field Team. In the first month of work we completed 28' of crosscut. After we had driven the crosscut a distance of 18' we picked up a vein that was 2' wide, and at the 28' in the crosscut we encountered another 2' of vein. In the month of July we completed 32' of drift, 16' North 72° East and 16' South 65° East, No significant amount of mica was recovered. In the first few days of August we completed 15' more drift, making a total of 28' of crosscut and 47' of drift, which completed the contract.

? Final - Will accept W.A.

The Geological and engineering evaluation of the results of the work preformed under the contract with an estimate of the ore reserves resulting from such work are as follows: after the completion of 28' of crosscut and 47' of drift without recovering any mica of commercial value it is the opinion of the opreators that this particular pegmatite does not warrant further exploration.

We wish to thank the Field Team for their assistance on the Old Buchanan Project.

Yours very truly,

Sam L. Phillips

Sam L. Phillips

RECEIVED
AUG 12 1957

P/bj

8/13

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. 110		
2. 600	[illegible]	8/14
3.		
4.		
5.		

FROM:

FOR: Check items for action desired

____ Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	____ Your information	

REMARKS:

M8278

INT.-DUP. SEC., WASH., D.C.

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- 6

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 195 7 Docket No. DMEA 4147 Contract No. Idm-E 962

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, N.C.

Contract Amount, $ 6,640.50 Government Participation: 75 % Amount, $ 4,980.38

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		300.00	300.00			
Bulldozing		980.00	980.00			
Crosscutting		899.50	2019.50			
32' Drifting @ $35.00	1120.00					
Shafts		2700.00	2700.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Magd.		41.00	41.00			
(8) Contingencies (specify):						
TOTALS	1120.00	4995.50	6115.50	1120.00	4995.50	6115.50

RECEIVED AUG 13 1957 D.M.E.A.

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

Date 8-1-57 *Payee Sam L. Phillips

Per Sam L. Phillips 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:

$ 840.00

Signature Helen R. Muller (Authorized Certifying Officer)

Date AUG 9 1957 Vou. No. 25

(See other side)

280.00

(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-962 in accordance with the terms of the contract.

Signature W. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date AUG 5 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date AUG 5 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 MR-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 July 1957 Docket No. DMEA #4147 Contract No. Idm-E 962

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, 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.	1120.00	32	2019.50	57.7	35.00	57.7	35.00
Crosscutting				980.00	28	35.00	28	35.00
Raising				2700.00	60	45.00	60	45.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.			300.00	30	10.00	30	10.00
TOTAL DISTRIBUTED COSTS		1120.00		5999.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				41.00				
TOTAL COSTS		1120.00		6115.50				

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.

REMARKS:

Date 8-1-57 Operator Sam L. Phillips

Per Sam L. Phillips 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)

(For Government use only)

RECEIVED AUG 13 1957 D.M.E.A.

MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

EXTRA COPY
D M E A
RECEIVED AUG 13 1957

DATE	INITIALS	CODE
	(Mica)	

OPERATOR'S

Monthly Progress Report

DMEA #4147, Idm-E 962
Old Buchanan Mine
Mitchell County, North Carolina

Work Accomplished:

In last month we completed 28' of crosscut, in this month we have completed 32' of drift, 16' North 72° East and 16' South 65° East, making a total of 32' of drift completed, and making a total of 60' of drift and crosscut to date. No significant amount of mica has been recovered.

Daily Notes:

1 - 5 : After completing 28' of crosscut we began to drift.

8 - 12 : Drilled, shot and mucked out waste daily.

15 - 19 : Continued to drift in vein material, finding very little mica.

22 - 31 : Completed 32' of drift in this month, making a total of 60' of drift and crosscut to date.

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

Project Summary Report

By: James Hopkins March 19, 1957

1. Docket No. DMEA-4147-Mica
Old Buchanan Mine
Mitchell County, North Carolina

Application: Dated January 24, 1956
Operator: Sam L. Phillips
Spruce Pine, N. C.
Operator's property rights: Lessee of 500' square tract situated on the Jeff Sparks Tract.
Consent to Lien dated January 17, 1956.

2. Contract: Dated May 31, 1956
Work authorized:

Bulldozing shaft site 30 hrs. @ $10.00	$300.00
Buildings - Toolhouse, Powder and Exploder Magazines	116.00
Shaft sinking 80' @ $45.00	3,600.00
Estimated total cost	$4,016.00

Amendments: No. 1, dated September 10, 1956, authorized deletion of "80 feet" of shaft sinking and substituting "60 feet" in lieu thereof for a total of $2,700.00 instead of $3,600.00. It also authorized 25.7 feet of drifting and/or crosscutting at $35.00 per foot for a total of $899.50. The total estimated cost was changed from $4,016.00 to $4,015.50.

Work completed:

Bulldozing shaft site 30 hrs. @ $10.00	$300.00
Shaft sinking 60' @ $45.00	2,700.00
Drifting 25.7' @ $35.00	899.50
Buildings	116.00
	$4,015.50

Work began on July 15, 1956, and was completed September 18, 1956.

About 3,215 lbs. of run-of-mine block mica or 92.2# of trimmed mica was recovered during the project. Ratio of block to trim - 2.8%.

Value of production	$868.05
Royalty paid to date	$ 43.30
Value of "trimmed" per lb.	$ 9.43

3. Audit: Report of Review, dated October 24, 1956

Total cost as billed by Operator	$4,015.50
Exceptions	None
Total accepted cost	$4,015.50
Government participation @ 75%	$3,011.62

4. Certification of discovery issued March 18, 1957.

Ore reserves

3,215 lbs. of block muscovite was recovered from a total of 3,115 cubic feet of pegmatite, or a ratio of approximately 1 to 1.

The Field Team has estimated the indicated ore reserves to be a block of ground 29 feet wide north of the new shaft, 60 feet deep, and 5 feet thick, or 8,700 cubic feet of pegmatite with 8,700 lbs. of "mine-run-block" muscovite. Based upon recovery of 2.8% trimmed, and $9.43 per pound value, the total indicated value is $2,392.00. Inferred reserves may be twice that of the indicated in the target. Pegmatite or 17,400 pounds of block or 487.2# of trimmed mica having an estimated value of $4,594.29 at present GSA prices.

Reserves may also exist in the unexplored southeastern pegmatite. Conservatively, the reserves may be work an estimated $5,000.00 (plus).

The ratio of "Block" to "Trimmed" should be 5% and the value of trimmed should be $14.00 per pound.

5. Comments:

The project was designed to explore the supposed apex of two converging conformable pegmatites. The junction of the pegmatites was not exposed but it was conceived that the junction may be the locus of strategic mica.

Subsequent bulldozing revealed that the two pegmatites did not meet and the exploration work consisted of sinking on what appeared to be the most promising pegmatite.

The work was carried out in a very efficient manner by a very competent and experienced Operator.

When the shaft had reached a depth of 60 feet it was proposed to substitute drifting on the pegmatite in lieu of the remaining authorized 20 feet of shaft sinking. Consequently 25.7 feet of drifting was performed on the contract.

Geological criteria upon which project was based:

The easternmost pegmatite - 5 to 7 feet wide and exposed of strike length of 100 feet is noted for several series of dragfolds in the footwall. These folds plunge with the dip of the vein. It was suggested by the compatability of these folds along vein margins that a folded pegmatite emplacement occurs that would crest 40 feet west of the old incline which would provide a locus for the occurrence of strategic mica.

Geological criteria developed during the project:

Bulldozing revealed that the two apparently converging pegmatites did not coalesce. The work was, therefore, performed on the larger pegmatite that showed very little mica at the surface. The shaft was in mica-bearing pegmatite for its entire depth and the drift also showed "good" mica (commercial grade and economically abundant). A drill hole in the footwall revealed a narrow pegmatite 4 feet away. A crosscut showed it very lean in mica. A drillhole in the hangingwall revealed a larger pegmatite which was not explored.

Future possibilities: Good possibilities for developing additional reserves of the same grade exist by extending the drift on the 60-foot level and by deepening the shaft. The hanging wall pegmatite offers some hope of additional reserves as it is believed to be the pegmatite explored by the old workings.

Recommendations: The Field Team concludes that a significant discovery was made and recommended the project be certified. The Commodity Divisions of the Bureau of Mines and the Geological Survey concur in the recommendation. The Nonmetallic Minerals Division concurs in the recommendation, but call attention to letter of January 23, 1957, from the Operating Committee to Mr. Robert A. Laurence.

600

August 6, 1957

Memorandum

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Amendment No. 3 - Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

The Division of Nonmetallic Minerals concurs in Amendment No. 3 to the subject contract as written and executed in the field. This amendment extends the completion date from July 30, 1957, as provided in Amendment No. 2, to August 30, 1957.

This is additional work under the provisions of Amendment No. 2 to this contract. Considerable rehabilitation, which was not anticipated, had to be done upon resumption of work at the mine. This amendment is justified because of the delay caused by the unexpected repair work.

/s/
Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi: 8/6/57
Copy to: Admr. R. File
Mr. Houk

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

DMEA
RECEIVED 1957

		CODE
8/2	P.K	220
		130
		600

July 30, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Amendment No.3, DMEA-4147, Idm-E962(mica)
Sam L. Phillips, Spruce Pine, N.C.
Old Buchanan Mine, Mitchell County, N.C.

Transmitted are two signed copies of the subject amendment. The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINER EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. 600	[illegible]	8/2
2.		
3.		
4.		
5.		

FROM: George C. Selfridge

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Government copy forwarded to Division for clearance - only two copies received.

EF

INT.-DUP. SEC., WASH., D.C.

M8278

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80	Fork	

INTERIM REPORT

DMEA-4147, Idm-E962 (mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Location: 0.5 miles S 13° E of Bandana, Mitchell Co., N. C.

Amendment No. 2. Drifting continues on this contract and an advance of 16 feet has been made during the Interim. Coupled with 28 feet of crosscut previously mentioned, level work completed totals 60 feet. Drifting during the Interim was directed in a S 65° W direction and is an extension of the 16 feet of drift completed to the northeast. At the present face of the southwest drift the body strikes N60°-65°E and dips 50°-55°SE. The pegmatite is 5 feet thick at this point and is composed of K and Na feldspar, quartz, accessory garnet, "burr" rock, biotite as thin sheets and scattered crystals of muscovite. Approximately 100 pounds of mine-run block mica up to 4 inches by 6 inches x 1 inch thick has been produced to date. The mica contains considerable biotite stain and is not flat. The larger sizes of mica in the lot were removed during the Interim.

Underground inspection divulged a lack of oxygen in the drift areas, although artificial ventilation by gasoline blower was furnished to the crosscut. The operator was advised to procure additional airline and to repair existing line from the blower. The operator stated that he had blasted about one hour before this inspection, and this was believed responsible for the lack of oxygen in the drift. Use of this large stand-type carbide lamp has been discontinued.

Instructions were given for continued drifting to the southwest for the additional 15 feet remaining under contract. Progress on this contract has been satisfactory.

L. E. Shirley

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

F. G. Lesure, Geologist
U. S. Geological Survey

Date inspected:

July 22, 1957

ACTION ON INTERIM
OR FINAL FIELD REPORT

Date 8/5

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambree~~
4. ~~Docket Control Mails and Files~~
5. ~~Division~~
6. ~~Docket Control Mails and Files~~
7. 600
8. M+F

Note comments in report regarding:

1.

2.

3.

4.

and take appropriate action.

- - - - - - - - - -

Action taken by Division:

Only 3 cys. received.

Robert P. Adams

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RECEIVED 1957

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7/27	[illegible]	600

INTERIM REPORT

DMEA-4147, Idm-E962 (mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, N. C.

Location: 0.5 miles S13°E of Bandana, Mitchell Co., N. C.

Amendment No. 2 - Drifting is underway on the target pegmatite, which had been crosscut at the time of the last visit, and 15 feet of advance have been made during the Interim; 14 feet have been driven N72°E and 1 foot to the southwest. As drift work advanced to the northeast, the body thickened from 1 foot to 3.5 feet, but had again thinned to about 14 inches as exhibited in the present face. Only a few scattered books of badly stained muscovite was recovered from this work. The pegmatite material is essentially feldspathic and contains scattered quartz and scrap-size mica. To the southwest from the crosscut the body is 2 to 3 feet thick and appears to contain more quartz and mica than the thinner portion to the northeast, just explored. Instructions were given for driving the drift to the southwest from the crosscut.

The Operator was advised to discontinue using a heavy-duty floor-stand type carbide lamp underground and instead, have miners use standard carbide hat lamps. Lack of oxygen in the drift has been

noted during the past two visits. Progress on this contract is satisfactory.

L. E. Shirley & S. A. Feitler

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

S. C. Bergman

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

Date inspected:

July 9, 1957

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DMEA
RECEIVED JUL 5 1957

DATE	INITIALS	CODE
7/5	C	220
	Com	100
		225

INTERIM REPORT

DMEA-4147, Idm-E962 (Mica) Old Buchanan Mine

Operator: Sam L. Phillips, Spruce Pine, N. C.

Location: 0.5 miles S13°E of Bandana, Mitchell County, N. C.

Amendment No. 2 Crosscutting from the ~~original inclined~~ shaft bottom has been in progress during the interim on this contract. An advance of 18 feet has been made during this period and a total of 28 feet has been completed. The crosscut has been driven in a S57°-65°E direction and two pegmatites have been crosscut. One body, 12 to 18 inches thick, was intercepted at 18 feet in the crosscut, and the target pegmatite was intercepted at 25 feet. Both bodies are essentially feldspathic and contain only minor amounts of quartz and muscovite. The target petmatite, which has also been crosscut, is 1 to 3 feet thick and tapers to the northeast. The body trends N57°E and dips 48°E. Instructions were given for future drift work. The operator was advised to use caution underground, and to provide artificial ventilation to the working face during the times that underground work is underway. Progress on this contract is satisfactory.

Messrs. F. Gervosio and J. Pilac, I.C.A. participants from the Phillipines, accompanied the field examiners on this visit to the mine.

L. E. Shirley

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

S. C. Bergman

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

June 25, 1957

INTERIM REPORT

DMEA-4147, Idm-E-962, Old Buchanan Mine
(mica)

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Location: 0.5 airline miles S13°E of Bandana, Mitchell Co., N.C.

Amendment No. 2. Work began on this phase of the contract on or about June 3, 1957. It was necessary to unwater the original incline and drift and timber the portal before starting crosscut work from the incline shaft bottom. Crosscutting to the target pegmatite is underway and an advance of 10 feet in a S65°E direction has been made during the Interim. Most of the work has been accomplished in biotite gneiss country rock which strikes N45°E and dips 34°SE. Instructions were given for continuing the crosscut in the present direction.

Messrs. R. A. Laurence, Executive Officer of DMEA, Region V, and Stuart Maher, of the Tennessee Department of Conservation, Division of Geology, accompanied the Field Examiners on this visit to the mine.

Inspected June 1, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24 1957

DATE	INITIALS	CODE
6-24	C	220
25	Com	100

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

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

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- 2

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 1957 Docket No. DMEA 4147 Contract No. Idm-E 962

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, N.C.

Contract Amount, $ Government Participation: % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		300.00	300.00			
28' Crosscutting @ 35.00	980.00		980.00			
Drifting		899.50	899.50			
Shaft		2700.00	2700.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		41.00	41.00			
(8) Contingencies (specify):						
TOTALS	980.00	4015.50	4995.50	980.00	4015.50	4995.50

RECEIVED JUL 15 1957

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

Date 7-1-57 *Payee Sam L. Phillips

Per Sam L. Phillips 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:

$ 735.00

Signature Helen R. Melin (Authorized Certifying Officer)

Date JUL 12 1957 Vou. No. 4

(See other side)

2X5.00

(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-962 in accordance with the terms of the contract.

Signature S. C. Benjamin Title GEOLOGIST, U. S. G. S. Date JUL 3 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JUL 5 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.

F-104A
(1 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 1957 Docket No. DMEA 4147 Contract No. Idm-E 962

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, 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 and Crosscutting	Ft.	980.00	28	1879.50	53.7	35.00	100.7	35.00
Raising								
Shafts	Ft.			2700.00	60	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.			300.00	30	10.00	30	10.00
TOTAL DISTRIBUTED COSTS		980.00		4879.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				75.00				
New Buildings, Improvements, etc.				41.00				
Powder & Exploder Mags.								
TOTAL COSTS		980.00		4995.50				

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.

REMARKS:

Date 7-1-57 Operator Sam L. Phillips

Per Sam L. Phillips 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)

(For Government use only) S.C. Burgner

GEOLOGIST, U. S. G. S. JUL 3 1957

RECEIVED

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 # 4147, Idm-E 962

Old Buchanan Mine,

Mitchell County, N.C.

Work Accomplished:

We began work on May 27, 1957, moved in equipment, and begin crosscutting. To date we have completed 28' of crosscut, we hit 2' of vein at 18' of crosscut and another 2' of vein at 28' of crosscut. We have recovered a little mica.

EXTRA COPY
DMEA
RECEIVED JUL 15 1957

DATE	INITIALS	CODE
7/16	[illegible]	

Daily notes:

May-
27 - 31 : Moved in equipment, and began work.

June-
3 - 7 : Started work on crosscut.

10 - 14 : Shot, drilled and mucked out waste daily.

18 - 21 : Continued to work on crosscut, we are recovering a little mica.

25 - 28 : We completed 28' of crosscut to date, hit vein material at 18' of crosscut and also at 28' of crosscut.

INTERIM REPORT

DMEA-4147, Idm-E962(mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Location: One mile north of Kona, Mitchell County, N. C.

This property was visited May 14, 1957 to see whether or not work had started on that part of the contract covered by the amendment. It appeared that no work had been done since the original contract was completed. There was no equipment on the property.

Heavy rains since the original contract was completed caused the bank over the portal of the incline to slough off onto the protecting lagging. Some repairs will have to be done and the weight removed from it before an attempt to work in the mine is undertaken. The jeep road to the mine will also have to have some work done on it as it is badly washed and rutted.

Inspected: May 14, 1957.

Wm. A. Beck, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 23 1957

DATE	INITIALS	CODE
6/23	JWR	220
"	Com	100

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 8 1957

DATE	INITIALS	CODE
5/8	C	220
5/10	B	215
		225

May 6, 1957

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Amendment No.2 on Idm-E962, DMEA-4147, Sam L. Phillips, Spruce Pine, N.C. Old Buchanan Mine, Mitchell County, North Carolina.

Transmitted are three signed copies of the subject amendment.

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

Robert A. Laurence

Robert A. Laurence

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/25	Anderson	600
4/25	Houk	600
4-25	Chambers	800
4/26	Selfridge	130
"	[illegible]	110
		~~100~~
4/27	C	220
		225

600

APR 26 1957

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

Re: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

Dear Mr. Laurence:

Reference is made to the suggestion by the Operating Committee and the recommendations by the Examining Engineers and the Field Team to amend the subject contract to provide for additional exploration by level work.

There are transmitted herewith the original and five copies of Amendment No. 2 which have been signed by the Administrator for the Government. If the amendment meets with your approval present it to the Operator for approval and signature. If any part of this amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies are to be returned to this office, together with the proposed changes for consideration. Before execution of the amendment, please fill in the effective date.

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb
Member, Bureau of Mines

W. P. Williams
Member, Geological Survey

WCAnderson:gad 4/25/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 7

P.S. Two extra copies of the amendment are enclosed for use by the Field Team.

8623

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 15 1957

DATE	INITIALS	CODE
4/15	C	220
		225

April 15, 1957

Re: DMEA 4147 Idm-E962
Sam L. Phillips
Old Buchanan Mine
Mitchell Co. N. C.
$4,016.00 - Mica

Memorandum

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

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

Subject: Review of memorandum of the examiners to the Field Team.

The subject memorandum of the examiners dated March 15, 1957 was made in reply to a request of the Chairman of the Operating Committee for a reconsideration of the recommendation of the examiners and the Field Team, that the project be certified. The recommendation is contained in a Final Report dated Dec. 20, 1956, and the request of the Chairman is dated Jan. 23, 1957. March 18, 1957 the project was certified.

In the Final Report the examiners said more work on the level from the new incline is advisable but made no specific recommendation. In the subject memorandum the examiners recommend that the level be extended 50 feet and a crosscut be driven to the 5-foot hanging pegmatite and a drift be driven on it, the footage in the crosscut and drift to be 75 feet. The total footage would be 125 feet and the cost at $35.00 per foot would be $4,375.00 which added to the cost of the incline and drifting, $4,015.00 would be $8,390 and the Government share $6,292.50. To discharge the accrued royalty $3,011.62 minus $43.40 which has been paid plus the proportionate part of the cost of the proposed work at 5% would require the production and sale of about $125,000 worth of mica.

Indicated and inferred reserves, (see letter of Chairman to R. A. Lawrence, Jan. 23, 1957) have an estimated value of $6,855.00. Obviously the chances of increasing the reserves eighteen fold($\frac{125,000}{6,855}$) by doing the 125 feet of recommended work are not good and the additional expenditure is not justified. If the operator should mine some of the reserves and indicate the grade is better than now taken, $9.38 per pound, and the potential is greater than now assumed the work might be warranted even tho lacking the desirable sure thing element.

N. E. Nelson

N. E. Nelson

DEFENSE MINERALS EXPLORATION ADMINISTRATION

600 Division Date 4/1/57

Semi-Annual Report - Certified Project Date

DMEA No. 4147 Operator Sam L. Phillips Contract No. Idm-E 962

Ore Reserves

Ore Estimates	Tons	Analysis
Original (DMEA)	13 Ton	all grades & qualities
Increase (Operator)		
Total		
Decrease (Production)		
Net Available		

Investment

Shafts			Winzes			Drifts & Crosscuts		
Size	Feet	Cost	Size	Feet	Cost	Size	Feet	Cost

Raises			Drilling			Rehabilitation	
Size	Feet	Cost	Type & Size	Feet	Cost	Description	Cost

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/19	Houk	600
3-21	Chambers	800
3/22	Selfridge	130
"	Johnson	110
"	Chatterdoy	100
3/25	C	220
		225

MAR 25 1957 600

Mr. Clarence A. Predell, Acting Director
Technical Services Division
Defense Materials Service
General Services Administration
7th and D Streets, S. W.
Washington 25, D. C.

Re: Docket No. DMEA-4147-Mica 3/18 Lamb (130)
Sam L. Phillips 3/18 Kilsgaard (130)
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

Dear Mr. Predell:

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

The exploration contract was signed on May 31, 1956, with the Government participating to the extent of 75 percent of $4,016.00 or $3,012.00. The project was started on July 15, 1956, and completed on September 18, 1956, after the expenditure of $4,015.00, which is the total net accepted cost according to the Audit Division. The Government paid 75 percent of the total accepted cost or $3,011.62.

The work performed on this project consisted of bulldozing to prepare a shaft site, sinking a 60-foot inclined shaft on the pegmatite and driving 25.7 feet of drifts on the 60-foot level.

About 3,215 pounds of block muscovite was recovered under the contract. The project work furnished sufficient data to calculate the following types and quantities of strategic mica reserves:

Indicated - 8,700 pounds of "mine run" block mica
Inferred - 17,400 pounds of "mine run" block mica

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

JHopkins:gad 3/19/57

Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Mr. Kilsgaard, 5222
Mr. Lamb, 3649
Operating Committee
Field Team, Region V
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/19	Houk	600
3-21	[illegible]	800
3/22	Selfridge	130
"	Johnson	110
"	Mittendorf	100
		220

600

MAR 25 1957

Mr. Norman J. Dunbeck
Vice President, International Minerals
and Chemical Corporation
20 North Wacker Drive
Chicago 6, Illinois

Re: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

3/18 Lamb (130)
3/18 Kilsgaard (130)

Dear Mr. Dunbeck:

Enclosed is a copy of a certification of discovery or development with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Consent to Lien signed by you on January 17, 1956. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures 2

JHopkins:gad 3/19/57

Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Mr. Lamb, 3649
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Houk

8623

DMEA Form 7
(1-56)

3/18 Houk 600

OFFICIAL FILE COPY

Date	Surname	Code
3/18	Talbert	800
	Sawyer	140
	[illegible]	140
3/18	Selfridge	130
"	Johnson	110
"	Mittendorf	100
		220

600

MAR 18 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

3/18 Lamb (130)
3/18 Kilsgaard (130)

Dear Mr. Phillips:

Transmitted herewith is a certification of discovery or development under Contract No. Idm-E962 on the Old Buchanan Mine, Mitchell County, North Carolina.

By the terms of the Exploration Project Contract, all minerals mined or produced from May 31, 1956, to May 31, 1966, are subject to the Government's percentage royalty as set forth in the contract until the sum of $3,011.62 is repaid to the Government.

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

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

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

Sincerely yours,

E. O. Mittendorf (for)

Administrator

Enclosure

Finance Office
Mr. Kilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk Lamb

JHopkins:gad 3/18/57
Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Operating Committee
Field Team, Region V

8623

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

WASHINGTON 25, D.C.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 18 1957

DATE	INITIALS	CODE
3/18	C	220
		225

March 15, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4147, Idm-E962(mica) Sam L. Phillips, Spruce Pine, N.C. Old Buchanan Mine, Mitchell County, N.C.

Reference is made to your letter of January 23, with apologies for the long delay in preparing this answer.

Enclosed is a memorandum from Mr. Bergman and Mr. Shirley, recommending additional work, and a letter from the Operator requesting an amendment to do additional work.

We feel that the work to date has been successful, but that it did not go far enough and that additional exploration by level work may well outline substantial additional reserves.

Approval of an amendment, as outlined in the field examiners' memorandum, is recommended.

Robert A. Laurence

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 18 1957
DATE | INITIALS | CODE

March 15, 1957

Memorandum

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

From: S. C. Bergman, Geologist, and L. E. Shirley, Mining Engr.

Subject: DMEA-4147, Idm-E962-Mica. Sam L. Phillips, Spruce Pine, N. C. Old Buchanan Mine, Mitchell County, North Carolina.

The field examiners believe that a considerable amount of additional level should be driven on the subject pegmatite and on the hanging wall pegmatite recently discovered by Stage I bulldozing (see map). Work completed under DMEA-4147 was not sufficient to intersect possible hangingwall dragfold structures which appear to localize economic concentrations of muscovite as is indicated by exposures in the pre-existing open cut and incline. A request for additional funds to adequately complete the exploration at this site was initiated August 10, 1956, but was subsequently denied. As requested in the Operating Committee's letter of January 23, 1957, the field examiners resubmit a program which they feel will adequately outline the mica-potential of the exposed structures, and in the indicated environment, should have a much better chance of success than the average pegmatite on which we have contracted exploration programs. A request for this additional work from the Operator is included with the memorandum as well as a field team map showing the geological relationships and the proposed work. The Operator's program, in which the field examiners concur, consists of 50 feet of additional level to the northeast from the present heading, and 75 feet of crosscut and drift to explore the hangingwall structure from the head of the contract incline. This makes a total of 125 feet of crosscut and drift which the field team recommends at a unit cost of $35 a foot as allowed under Amendment No. 1 of the contract, or a total cost of $4375.00. No other costs should be allowed since facilities allowed and paid for under the contract are still usable.

In spite of the incompleteness of the previous exploration, the completed work did outline a tabular structure of excellent 3-dimensional continuity containing a fairly uniform

and abundant muscovite content at a ratio of about one pound of block per cubic foot of pegmatite. The recovered muscovite (about 3000 lbs.) was of excellent quality in every respect except for a certain amount of biotite intergrowth, which placed the recovery out of the block just under present economic minimums. In spite of present economic limitations, the field examiners believe that a significant discovery of large proporations was made by the contract work and that certification is justified under the existing conditions.

It is and has been recommended in previous correspondence that the direction of exploration be in the horizontal plane in order to cut dip-oriented structures which appear to localize the economic concentrations of muscovite. This localization is indicated in the old incline and opencut(see map). If intersections with dragfold structures are made, reserves can be projected with a fair degree of certainty both up and down dip from the point of intersection, because of the indicated dip continuity of the structure exposed in the old incline.

The previously unknown pegmatite exposed surficially in Stage I bulldozing is a 5-foot-thick structure with excellent indicated mineralogic and textural environment. It is concordantly emplaced and parallel to the contract pegmatite, occuring about 16 feet "stratigraphically" in the hangingwall. A 24-foot-long percussion drillhole was drilled from the contract incline and intersected 4 1/2 feet of the new pegmatite in the same relative position as exposed on the surface. The head of the contract incline is an excellent place from which to conduct exploration on the new hangingwall pegmatite with a minimum of expense and effort.

S. C. Bergman, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 18 1957

DATE	INITIALS	CODE

Spruce Pine, North Carolina
February 6, 1957

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

Re: DMEA - 4147, Idm-E 962
Old Buchanan Mine, Mitchell County, N.C.

Dear Mr. Laurence:

We would like to do some further work on the above mine, and we wish to request an amendment to the contract to cover this additional work.

We feel that we did not have sufficient footage to explore the pegmatite that we were on when the contract terminated, therefore we would like to request an additional 50' of drift on that pegmatite, also we would like to request an additional 75' of crosscut and/or drift to explore a pegmatite that was uncovered by the bulldozing on the original contract, this pegmatite has not been explored at all. We estimate this cost to be @ $35.00 per foot for a total of $4375.00.

The field team is familiar with this project. If you need further information from me, please let me know.

Very truly yours,

Sam L. Phillips

Sam L. Phillips

P/j

RECEIVED
FEB 11 1957
Knoxville, Tenn.

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

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 7 1957

DATE	INITIALS	CODE
2/8	C	220
		225

February 5, 1957

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V-Knoxville

Subject: DMEA-4147, Idm-E962-Mica. Sam L. Phillips, Spruce Pine, N.C. Old Buchanan Mine, Mitchell County, N.C.

Reference is made to your letter of January 23, 1957.

Mr. Bergman will see the Operator this week and will discuss the possibility of amending the contract for further work. When he returns to Knoxville next week, a reply to your letter will be prepared.

Robert A. Laurence

Robert A. Laurence

DMEA 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/18	Hopkins	600
1/18	Hook	600
1/23	Selbridge	130
	Johnson	110
"	Chittenden	100
1-24	CW	220

600

JAN 28 1957

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

225

Re: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

Dear Mr. Laurence:

Reference is made to the Field Team's Final Report, dated December 20, 1956, on the subject property that contains a recommendation for certification based on an estimate of rather limited ore reserves.

We are inclined to believe that certification of this project cannot be justified because of the inferior grade of mica, the limited reserves, and the improbability of mining these reserves economically. We have made the following estimate of reserves, based on the sales price which is even less than the Field Team's estimate:

Sales to GSA depot 3,215 pounds of "Block" or 92.2 pounds of "Trim".
Value of sales $868.05 = $9.38 per pound.
Trimmed recovery from "Block" 2.8 percent.
Volume of pegmatite mined 3,115 cu.ft. or 260 tons.
Ratio of "Block" mica to pegmatite mined, approx. 1:1.
Value of pegmatite mined $3.33 per ton.

Indicated Ore Reserves

Volume of ore in block 60'x29'x5' 8,700 cu.ft.
Using ratio of 1:1 - "Block" mica in ore block = 8,700 pounds.
8,700 lbs. x 2.8% = 243.6 pounds Trimmed Mica
243.6 x $9.38 = $2,284.96 or $2,285.00

Inferred Reserves

Inferred Reserves are approximately twice as much as indicated reserves or 487.2 lbs. @ $9.38 per pound or $4,570.00.

8623

	Total Reserves	
Indicated	243.6 lbs.	$2,285.00
Inferred	487.2 lbs.	4,570.00
Grand Total	730.8 lbs.	$6,855.00

We will defer action on your recommendation for certification until we again hear from you. If you agree that certification is not yet justified by the work already completed, please let us have your reaction to amending the contract to continue the project by further drifting on the present pegmatite or crosscutting to explore the pegmatite in the hanging wall.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

/s/ James Paone (GCS)

Member, Bureau of Mines

N. E. Nelson (GCS)

Member, Geological Survey

JHopkins:gad 1/18/57

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 8 1957

DATE	INITIALS	CODE
1-8	C	1320
January 8, 1957		

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA - 4147 (mica)

Applicant: Sam L. Phillips

Name and Location of Property: Old Buchanan Mine
Mitchell Co., North Carolina

Contract Number: Idm-E 962

Date of Field Team Report: December 21, 1956

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: January 2, 1957

Field Team Recommendation: Recommend that this mine be certified as a discovery.

Comments: 1. An estimated 3,000 pounds of mine-run-block mica was recovered from exploration work (60 feet of shaft and 29 feet of drift).

2. Field examiners estimate a minimum indicated reserve of $15,000 worth of block mica.

3. Expenditures -

Total approved	$4,016.00
Total cost	4,015.00
Govt's share of cost	3,011.62
Value of production	unknown
Royalty paid to date	43.40

Recommendation:

I concur with the recommendation of the field team that this mine be certified as a discovery.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 4 1957

DATE	INITIALS	CODE
1-4	C	220

January 3, 1957
Re: DMEA 4147, Idm-E962
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
$4,016.00(Approved) - Mica

Memorandum

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

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

Subject: Review of Field Team Final Report.

The applicant was awarded a contract to explore a pegmatite on which work had been done and from which mica had been produced.

Bulldozing revealed two separate and distinct pegmatites rather than two coalescing, and the work was done on the wider of the two which at surface bears little mica. Abundant large crystals of flat green muscovite were found in the 35° shaft, about 20 feet from the outcrop. The shaft remained in mica-bearing pegmatite to the bottom at 60 feet and good mica occurs in the 29-foot drift from the bottom.

About 3,000 pounds of rim-of-mine block mica was recovered and $868.00 worth was sold. The examiners estimate the indicated reserves at 8,700 pounds and the inferred reserves at twice that weight.

A long hole drilled from the shaft bottom into the hanging wall indicated the presence of another pegmatite, and a percussion hole in the footwall showed a third dike, probably the same as was explored by an old incline.

The examiners and the Field Team recommend that the property be certified.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT
Date 12-31

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. ~~Docket Control Mails and Files~~
5. ~~Mr. [illegible] Division~~
6. Docket Control Mails and Files

Note comments in report regarding:

1 Certification recommended

2.

3.

4.

and take appropriate action.

- - - - - - - -

Action taken by Division

[illegible] were being prepared

Robert [illegible] Adams

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

RECEIVED DEC 26 1956 D.M.E.A.

December 21, 1956

Memorandum

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

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

Subject: Final Report - Sam L. Phillips, Spruce Pine, N. C.
Docket No. DMEA-4147, Contract Idm-E962 (Mica)
Old Buchanan Mine, Mitchell County, North Carolina

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

The Field Team agrees with the field examiners' recommendation that this mine be certified as a discovery.

V. J. Lynch
V. J. Lynch
Acting Executive Officer

Helmuth Wedow
Helmuth Wedow, Geologist
U. S. Geological Survey

Enclosures 4

FLD. TM. FIN. RPT.

Reviewed by
DMEA OPERATING COMMITTEE
12/31/56
(date)

UNITED STATES

DEPARTMENT OF THE INTERIOR

RECEIVED

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-4147, Idm-E962, OLD BUCHANAN MINE -Mica
Mitchell County, North Carolina

By

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

and

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

December 20, 1956

Reviewed by
DMEA OPERATING COMMITTEE
12/31/56
(date)

FINAL REPORT
On

DMEA-4147, Idm-E962 (mica) OLD BUCHANAN MINE
Mitchell County, North Carolina

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Summary

An estimated 3000 pounds of mine-run-block mica was recovered from the excavation, 60-ft inclined shaft, and 29 ft of drift. Parallel pegmatites on the foot and hanging walls offer a possibility for the recovery of good mica. Further exploration on the subject pegmatite may be warranted, although a discovery has been made. Work may be done by the Operator in the future on the parallel bodies, but todate only one crosscut to the northwest has been made. It is recommended that the mine be certified as a discovery.

Introduction

Location:

The Old Buchanan mine is 0.85 airline miles south of the Sinkhole mine, and 0.50 miles S 13° E of Bandana, N. C., in Mitchell County, N. C. (Micaville, N. C. Quad.,TVA - 1934 Ed. 1/24,000.)

Work Under Contract

Work began on July 15, 1956, and was completed satisfactorily September 18, 1956. A shaft site was excavated, then a 60-ft inclined shaft was made at a -35° SE, the collar of which is now 20 ft SW of the old incline on a different pegmatite. From the bottom, 29 ft of drift (5' x 7') was driven on the pegmatite in a N 25° E direction (25.7 ft on contract, 3.3 ft at Operator's expense).

Originally, Exhibit "A" of the contract provided for an 80 ft shaft with no drift because of the inferred locus of mica at the projected junction of two pegmatites. However, after bulldozing it was evident that no such coalesence took place. Therefore, the contract was amended to provide for 25.7 ft of drift along strike from the 60-ft level.

were constructed. In addition, a toolhouse, powder magazine, and an exploder magazine No equipment was purchased by the Government.

Geology

The concordant pegmatite strikes N 37° E to N 45° E at the surface, N 60° E at the shaft bottom, and dips from 35° to 45° SE. The body is 5 to 6 ft thick and is composed of plagioclase, perthite, quartz and muscovite, with minor apatite, sericite, and epidote near the contacts.

The material in the first 20 feet of shaft was mostly potash feldspar (crystals to 11") and quartz as a medium-grained graphic-granite, but with depth the composition changed to a more soda-rich feldspar body with abundant large crystals of flat green muscovite with a ruby cast.

In the drift the footwall near the shaft contained more muscovite than the hanging wall, but the occurrence switched to the hanging wall side near the 10-ft point and remained there throughout the drift. From the 10-ft point to the end of the drift some mineralogic zoning is evident, in that the footwall, which is 90% feldspar and 10% quartz, is relatively barren of good muscovite (feldspar about 50% coarse pink perthite), the center is a barren albite-oligoclase zone, and the hanging wall plagioclase-quartz zone is rich in muscovite. Many crystals, some weighing 5 pounds or more, were observed in place to be 6-inches wide and 2 inches thick and generally of good quality.

A percussion test hole in the northwest (footwall)wall of the drift intersected a parallel pegmatite 4 ft away; another test hole in the southeastern wall intersected a second parallel body (about 5 ft thick) 20ft to the southeast.

The Operator made a crosscut to the northwest pegmatite, but found little muscovite. No work has been done on the southeastern body.

The examiners estimated that about 3000 pounds of "mine-run-block" muscovite was recovered during the work. This is in contrast to the "one ton of mica" that the Operator's final report of September 20, 1956 gives.

Reserves

Significant reserves of muscovite have been discovered. Approximately 3000 pounds of block muscovite was recovered from a total of 3115 cubic feet of pegmatite, or a ratio of 1:1.

Indicated reserves, estimated to be a block of ore 29 feet wide north of the new shaft, 60 feet deep, and 5 feet thick, would be 8,700 cubic feet of pegmatite with 8,700 pounds of "mine-run-block" muscovite. Using unknowns, such as 5% trimmed, and $14 per pound value, the total indicated value is $6,090. The 5% royalty would be $304.50.

Inferred reserves may be twice that of the indicated in the target pegmatite. Reserves may also be in the unexplored southeastern pegmatite. Conservatively, the reserves may be worth an estimated $15,000(plus).

Conclusions and Recommendations

Although 3000 pounds of block mica was recovered, the drift footage was insufficient to properly explore the pegmatite along strike and thus block out more indicated reserves. Further drifting by someone could substantially increase the known reserves.

In the future, the Operator or others should crosscut to the hanging wall pegmatite and drift along its strike. If, at the present level of the drift, this were done and the body proven to be of value, then a very large

reserve would be blocked out above the drift. The mineralogy of the zoned pegmatite in its surface outcrop is encouraging. This body, about 5 ft in thickness, has only been drilled for location purposes. No cuttings were saved for study.

The field examiners recommend that the mine be certified as a discovery.

Expenditures:

(a)	Total approved	$4,016.00
(b)	Total cost of the project	4,015.50
(c)	Government's share of cost	3,011.62
(d)	Government's share unexpended	0.38
(e)	Value of production	unknown
(f)	Royalty paid to date	43.40

December 20, 1956

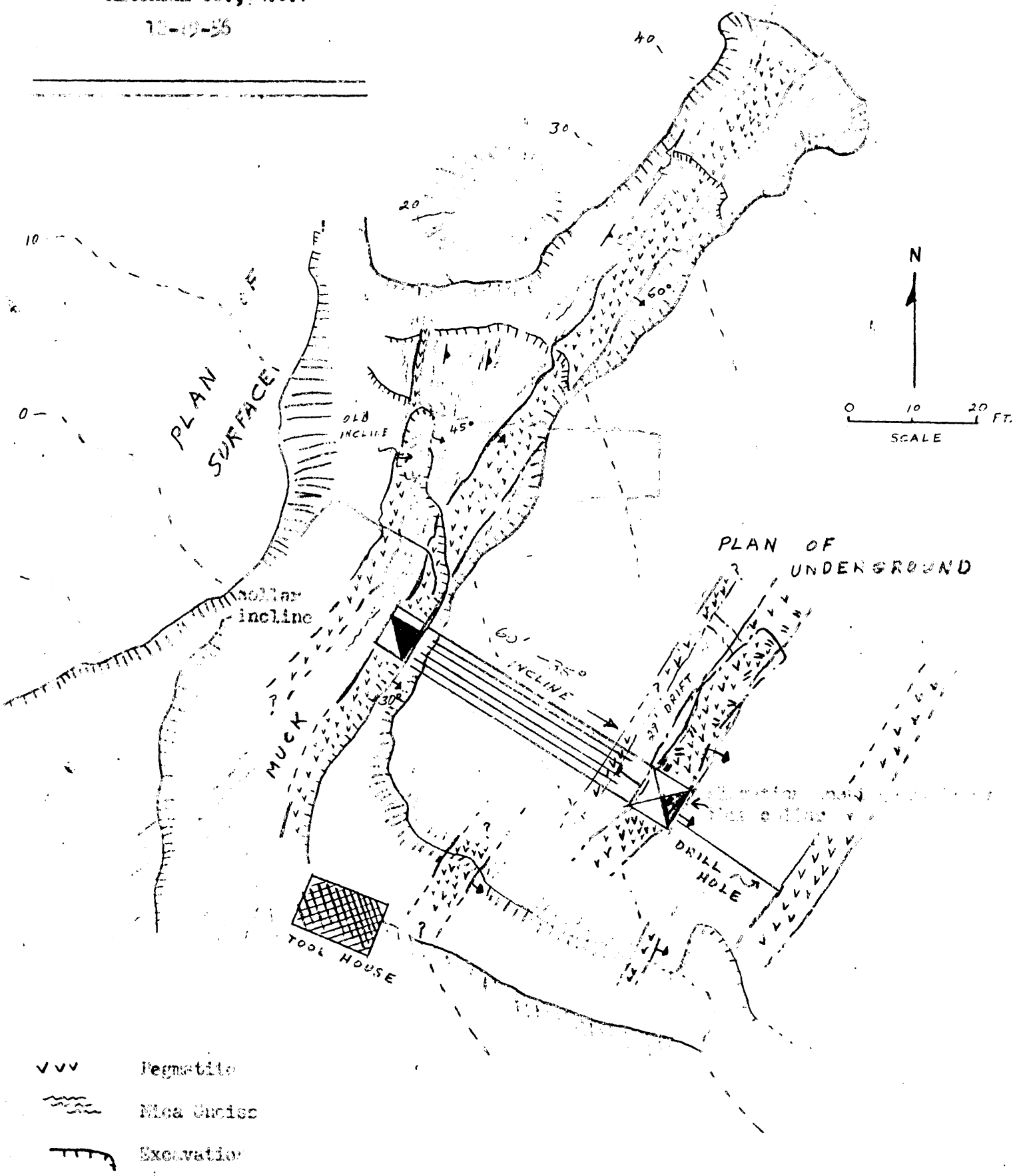
A. R. Taylor and S. C. Bergman, Geologists
U. S. Geological Survey

and

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

z

THE [illegible] MINE
[illegible]-Hill, (Mica)
Mitchell Co., N.C.
12-19-56



VVV Pegmatite

Mica Gneiss

Excavation

12-17-56 ART

RECEIVED
DEC 26 1956
D.M.E.A.

December 10, 1956

RECEIVED
DEC 20 1956
D.M.E.A.

Memorandum

To: Finance Officer, DMEA - Region V

From: Acting Executive Officer, DMEA - Region V - Knoxville, Tennessee

Subject: Royalty Payments. DMEA-4147, Idm-E962, Sam L. Phillips
Old Buchanan Mine, North Carolima

Transmitted is a bill-of-sale in the amount of $634.72, and a royalty check for 5% of the sale in the amount of $31.73 to be credited to the subject contract.

W. J. Lynch

cc:
Lynch
Burmeister
Files
Mellinger

copy

GENERAL SERVICES ADMINISTRATION
FINAL SETTLEMENT

Mica Purchasing Depot, Spruce Pine, N. C.

Date Purchased 10-5-56

Acceptance No. Maximum #540 34 (a)

Certificate Authorization No. 10513 LOT No. SP- 34(a)

VOUCHER No.

	TOTAL Wt. Lb	Lbs-G.S.	Lbs-Stained	Lbs-Hy-Stained	Total Value
Processed for Payment	92.22	29.22	31.56	31.44	868.05
No Processed Pay't					
THINS					
BLACK Dots Spots Stains					
Undersized					
Process-Gain Loss					
Total Lbs Purchased	3215.00				

Less: Initial Payment - Voucher No. Sch. No. 233.33

Balance Due: Government: Seller: X 634.72

Seller's Name
Address: Howard Brome Mining Co
Box 35
Spruce Pine, N. C.

Contract in the name of
Sam L. Phillips

NAME OF MINE: Old Buchanan

DMEA No. 41.47 Idm-E 962

County: Mitchell State: N. C.

Royalty check no. 292
dated 12-14-56

92.22
29.22
31.56
31.44
184.54 | 868.05 | 4.70 | 116
738.16
12.58
125.78
12.58
113.20

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

November 27, 1956

Memorandum

To: Catherine Curtin, Statistics and Control Division

From: Hazel Berry, Operating Committee

Subject: Amendment to Contract

Attached is the following docket copy of an amendment to a contract which has been reviewed and approved by the commodity division and the Contract Administration and Audit Division.

No clearance by Legal appears necessary.

Sam L. Phillips, DMEA-4147, Idm-E962, Amendment No. 1.

Attachment-1

November 23, 1956

Memorandum

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Justification for Amendment No. 1 - Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, N. C.
Contract No. Idm-E962

This amendment (No. 1) was suggested to the Field Team by the Operating Committee in letter of August 16, 1956, giving them authorization to prepare and execute the amendment.

The change in geological conditions encountered during Stage I and the early part of Stage II necessitated the amendment as the apex of the two pegmatites failed to materialize and the lateral work 25.7 feet of drifting was to encounter steep dipping footwall crenulations.

The Nonmetallic Minerals Division concurs in the amendment as written and executed in the field.

LGHouk:gad 11/23/56
Copy to: Admr. R. File
Mr. Houk

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

RECEIVED
OCT 17 1956

October 15, 1956

Memorandum

To: Finance Office - Region V

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty Payment - Idm-E962, DMEA-4147, Sam L. Phillips, Old Buchanan Mine, Mitchell County, N.C.

Transmitted is a bill-of-sale in the amount of $233.33 and a check, No.280 for 5% royalty in the amount of $11.67 to be credited to the subject contract.

Robert A. Laurence

ZM.

cc;
Lynch
Mittendorf
Shirley
files

Copy

GENERAL SERVICES ADMINISTRATION WARRANTY, ACCEPTANCE AND INVOICE MICA PURCHASING DEPOT, SPRUCE PINE, N. C.		DATE PURCHASED 10-5-56 ACCEPTANCE No.
CERTIFICATE AUTHORIZATION No. EPS-105B	LOT No. ✓	$540 Max. per ton ~~VOUCHER No.~~
RUBY NON-RUBY X	TOTAL LBS. PURHCASED	VALUE - INITIAL PAYMENT
PRELIMINARY PAYMENT	3215.00	233.33
GENERAL SERVICES ADMINISTRATION		
By:	NAME OF MINE: Old Buchanan	Mitchell COUNTY - STATE N.C.
Applicant: Sam. L. Phillips	DMEA No. 4147 Idm-E 962	
	Seller: Howard Boone Mining Co Box 35	
	Address: Spruce Pine, N.C.	
	Title:	

Royalty - $11.67 - paid ck. No. 280

RECEIVED
OCT 17 1956

RECEIVED
SEP 27 1956

Region V

P. O. Box 217
September 25, 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 report and voucher

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

Idm-1962 Sam L. Phillips
Docket No. DMTA-4147
4th and final payment - month of September
Completion Date: 9-18-56
Amount $412.12

Helen R. Miller

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

Final

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

RECEIVED SEP 27 1956

Month of Sept., 1956 Docket No. DMEA 4167 Contract No. Idm-E 962
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 4016.00 Government Participation: 75 % Amount, $ 3012.00

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		300.00	300.00			
Crosscutting						
15.7' Drifting @ $35.00	549.50	350.00	899.50			
Shaft		2700.00	2700.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		41.00	41.00			
(8) Contingencies (specify):						
TOTALS	549.50-	3466.00	4015.50	549.50	3466.00	4015.50

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

Date 10-20-56 *Payee Sam L. Phillips

Per Sam L. Phillips Title Oper.

*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:

$ 412.12

Signature Helen R. Miller
(Authorized Certifying Officer)

Date SEP 25 1956 Vou. No. 50
(See other side)

137.38

(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. Jhn E962 in accordance with the terms of the contract.

Signature W. A. Beck Title Mining Engr USBM Date SEP 24 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VI Date SEP 24 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.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 27 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 1956 Docket No. DMEA 4147 Contract No. Idm-E 962
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, 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
15.7 Drifting @ 35.00	Ft.	549.50	15.7	899.50	25.7	35.00	25.7	35.00
Crosscutting								
Raising								
Shafts @ 45.00	Ft.			2700.00	60	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.			300.00	30	10.00	30	10.00
Total Distributed Costs		549.00		3899.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				41.00				
Total Costs		549.00		4015.50				

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 10-20-56 Operator Sam L. Phillips

Per Sam L. Phillips Title Operator

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

(Instructions on reverse)

Remarks:

(For Government use only)

W. A. Beck, Mining Engineer
USBM SEP 2 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

RECEIVED
SEP 27 1956

OPERATOR'S

Monthly Progress Report

September

DMEA - 4147, Idm-E 962
Old Buchanan Mine
Final Voucher

Work Accomplished:

From the bottom of 60' incline shaft drift extended 29' North 25 degrees East. We plan to cut into foot-wall towards old incline shaft to hit wide part of vein. Incline is very shallow 30 to 35 degrees. Drift is in vein all the way, mica 1" to 2" thick 6" wide in both walls of drift. 25.7 feet of drift completed work called for in the contract. The total mica recovered to date is approximately one ton.

Daily Notes:

Sept: 3 - 7 We continue daily operations of mucking, drilling and shooting.

10 - 14 Incline very shallow 30 to 35 degrees. Drift in vein all the way, mica 1" to 2" thick 6" wide in both walls of drift. Total drift called for on contract completed. (25.7')

17 - 18 Operator plans to cut into foot-wall towards old incline shaft to hit wide part of vein. Total mica recovered to date is approximately one ton.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON OFFICE
ROOM 1000 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 24, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Operator's Final Report - DMEA-4147, Idm-E962-Mica
Sam L. Phillips, Old Buchanan Mine.

Transmitted are four copies of the subject report.

Robert A. Laurence

Robert A. Laurence

OPER. F.N. RPT.

RECEIVED
SEP 26 1956

Spruce Pine, North Carolina
September 20, 1956

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

Re: DMEA - 4147, Idm-E 962
Old Buchanan Mine, Mitchell County, N.C.
Final Report

Dear M. Laurence:

We begain work on the above project on July 15, 1956, and completed work called for in the contract September 18, 1956.

In July we bulldozed along two pegmatites according to contract to best locate shaft. We constructed tool house, powder and exploder magazines. Got equipment moved in and set up. We sank a shaft 38' during July, sank in vein most of the way. The vein was approximately 3' thick and had hard slate hanging wall and slate foot wall. The mica we recovered was A-shaped, very spotted and stained. We completed 22' of shaft in August making a total of 60' incline shaft. We also completed 10' of drift. Mica books abundant and large. In September we completed 15.7 feet of drift making a total of 25.7' of drift which completed the work called for in the contract.

We recovered approximately one ton of mica.

We wish to thank the field team for their assistance on the Old Buchanan Project. If further details are necessary please contact us.

Yours very truly,

Sam L. Phillips

Sam L. Phillips

RECEIVED
SEP 26 1956

P/j

4147

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT
Date 4 SEP 1956

Referred to:

1. ~~Mr. Mittenthal~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. ~~Docket Control Mails and Files~~
5. ~~Nonmetallic Minerals Division~~
6. ~~Docket Control Mails and Files~~

Note comments in report regarding:

1. Certification to be recommended
2.
3.
4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert E. Adams

RECEIVED
SEP 28 1956

INTERIM REPORT

DMEA-4147, Idm-E962 (mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, North Carolina
Location: One mile north of Kona, Mitchell County, North Carolina

This contract has been completed and the Field Examiners believe at this stage that certification can be recommended on the basis of reserves inferred as a result of inclined shaft sinking and drifting completed under contract. Another factor that might contribute to certification is the known presence of parallel bodies that may contain strategic mica in close proximity to the explored pegmatite.

In addition to excavation, tool house and magazine construction, an inclined shaft was sunk on a -35° slope to a total depth of 60 feet and from this shaft bottom a total of 29 feet of drift was driven in a N25°E direction. Material encountered in the drift was potash feldspar, scattered quartz, biotite mica, and scattered blocks of muscovite mica. Approximately 3000 pounds of mine-run book was recovered from all work under contract. Recent test holes in the north west wall places a parallel pegmatite only 4 feet distant and in the southeast wall another parallel body at about 20 feet; however, nothing is known about the mica, if any, contained in these bodies. The operator indicates that a crosscut will be driven to the northwest and that body explored at his own expense. This contract was conducted in a satisfactory and efficient manner and the Field Examiners suggestions were followed closely throughout.

Mr. Milford L. Skow, Commodity-Industry Analyst, Branch of Ceramic and Fertilizer Materials, Washington, D. C., accompanied the Field Examiners on this visit to the mine.

L. E. Shirley

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

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

September 18, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

ELECTROTECHINCAL LABORATORY
NORRIS, TENNESSEE
Region V

RECEIVED
SEP 20 1956

P. O. Box 217
September 18, 1956

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington, 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-E676 — American Zinc Company of Tennessee
Docket No. DMEA-2546
26th payment - month of August
Amount $11,533.91

Idm-E962 — Sam L. Phillips
Docket No. DMEA-4147
3rd payment - month of August
Amount $1005.00

Idm-E990 — American Zinc Company of Tennessee
Docket No. DMEA-4209
1st payment - months of July and August
Starting Date: 7-28-56
Amount $4153.37

Helen Miller
Helen R. Miller

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

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

RECEIVED
SEP 19 1956

September 17, 1956

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4147, Idm-E962 (mica) Sam L. Phillips, Spruce Pine, N.C. Old Buchanan Mine, Mitchell County, N.C.

Enclosed are the original and two copies of Amendment No. 1 to the subject contract. The usual distribution of the other copies has been made.

This amendment was made because work to date indicated a change in geologic conditions as originally inferred from available evidence. The revised work will provide better exploration for potential mica shoots on steep structures.

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

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

Files

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

RECEIVED
SEP 14 1956

September 12, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4147, Contract Idm-E962 (Mica)
Sam L. Phillips, Spruce Pine, North Carolina
Old Buchanan Mine, Mitchell County, North Carolina

Enclosed are four copies of the latest interim report on this project.

An amendment has been prepared and sent to the Operator for signature, reducing the shaft footage to 60 feet and providing 25.7 feet of drifting, as authorized in your letter of August 16.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 4

INTERIM REPORT

DMEA-4147, Idm-E962 - OLD BUCHANAN MINE
(mica)

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Location: One mile north of Kona, Mitchell County, N. C.

From the 60-foot level (bottom) in an inclined shaft, a drift has been driven on pegmatite for 10 feet N 25° E following the footwall contact. It was recommended that the Operator turn and intercept the hanging wall which at the 10-foot point is the richest in muscovite.

The hanging wall of the conformable pegmatite at the shaft bottom strikes N 60° E and dips 45° SE. At the shaft the muscovite-rich zone is on the footwall, but near the 10-foot point the richest zone is on the hanging wall side.

The pegmatite as shown in the face at the 10-foot point in the drift is composed of plagioclase, perthite, quartz and muscovite. The footwall consists of about 80 to 90% feldspar and the remaining 10 to 20 % quartz. About 50% of the feldspar on the footwall is coarse, blocky pink perthite, and the other 50% is either oligoclase or albite. Overlying the perthite, in the center of the body, the predominant feldspar is albite. Crystals of muscovite, some intergrown with biotite (15 crystals 2" x 5") occur in the hanging wall side of the drift and in the heading. Some books weighing up to 5 pounds have been recovered.

It is estimated that 2500 pounds of "mine-run-block" muscovite has been recovered to date. The color is difficult to determine; it seems to be green with a noticable ruby cast.

Progress is satisfactory.

Inspected: September 4, 1956

A. R. Taylor S C Bergman

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

z

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED SEP 20 1956

Month of August 1956 Docket No. DMEA 4147 Contract No. Idm-E 962
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 4016.00 Government Participation: 75 % Amount, $ 3012.00

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		300.00	300.00			
Crosscutting						
10' Drifting @ $35.00	350.00		350.00			
22' Shaft @ $45.00	990.00	1710.00	2700.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Exploder & Powder Mags.		41.00	41.00			
(8) Contingencies (specify):						
TOTALS	1340.00	2126.00	3466.00	1340.00	2,126.00	3,466.00

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

Date 9-5-56 *Payee Sam L. Phillips

Per Sam L. Phillips 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:

$1005.00

Signature Helen R. Medlin
(Authorized Certifying Officer)

Date Vou. No. 44
(See other side)

3 335-02

(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. Tam E962 in accordance with the terms of the contract.

Signature W. E. Beck Title Mining Engr. USBM Date SEP 10 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title DMEA EXECUTIVE OFFICER REGION V Date SEP 10 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 20 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug. 195 6 Docket No. DMEA 4147 Contract No. Idm-E 962
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, 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
10' Drifting @ $35.00	Ft.	350.00	10	350.00	10	35.00	80	35.00
Crosscutting								
Raising								
22' Shafts @ 45.00	Ft.	990.00	22	2700.00	60	45.00	80	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.			300.00	30	10.00	30	10.00
Total Distributed Costs		1340.00		3350.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				41.00				
Total Costs		1340.00		3466.00				

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 9-5-56 Operator Sam L. Phillips

Per Sam L. Phillips Title Operator

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

Remarks:

(Instructions on reverse)

(For Government use only)

Lo A Beck Mining Engr.
U.S.B.M.

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 83-38475

RECEIVED
SEP 10 1956

OPERATOR'S

Monthly Progress Report

August 1956

DMEA - 4147, Idm-E 962

Old Buchanan Mine

Work Accomplished:

We completed 22 feet of shaft in this month making a total of 60 feet incline shaft. We also completed 10 feet of drift. Mica books are abundant and large about 2' X 5'. Most abundant on hanging wall side. There is no water, but we are having to use blower to get smoke out. We estimate that we have recovered 2500 lbs. of block mica to date.

Daily Notes:

6 - 10:	We continue daily operations of mucking, drilling and shooting.
13 - 17	We are making good progress, no water to pump out.
20 - 24	There is a lot of smoke we are having to use blower to get it out.
27 - 31	We have completed a total of 60' incline shaft, and 10' of drift to date.

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: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

Mr. Houk: That one of Sam Phillips' where we thought we had an apex.

Mr. Laurence: The Old Buchanan Mine (DMEA-4147). They told them to turn off at the left.

Mr. Houk: How much?

Mr. Laurence: 40 to 50 feet. We will let you know.

Mr. Houk: When it became apparent that that pegmatite did not have a roll in it I think we should have examined the entire deal. Our programs are not that stringent. If you had let us know we would have probably gone down into the old adit.

Mr. Laurence: That is water over the dam now.

Mr. Houk: For some future date. It gave me the impression that you had two coming together in apex. I try to read into your reports everything you say.

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 _____

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

August 22, 1956

Memorandum

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

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

Subject: DMEA-4147, Idm-E962 (Mica)
Sam L. Phillips, Spruce Pine, North Carolina
Old Buchanan Mine, Mitchell County, North Carolina

Reference is made to your letter of August 16.

In accordance with your instructions we will prepare an amendment transferring the remaining funds to drifting, in the hope that we can salvage something out of this contract.

Please note that the target has not changed. Apparently, in spite of all the correspondence about this contract, we have failed to make it clear that the principal target has always been the steeply-dipping zone of drag folds at the old incline and another one some 40 feet to the northeast. Pegmatites of this type seldom contain much good mica where they are regular and undisturbed, but many of them contain economic shoots in disturbed zones. Thus, the low yield from the incline, which is being sunk in an undisturbed area is not discouraging.

We have no idea of the value of the mica recovered, as it has not yet been processed and sold. Only a small amount was present at the site on the days when the field examiners visited the project; it was apparently about average grade mica. We are unable to find in our files the reported statement by the Operator that the mica is of very poor quality.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

INTERIM REPORT

DMEA-4147, Idm-E962 (mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Location: One mile north of Kona, Mitchell County, North Carolina

Incline sinking continues on this contract. At the time of the field examiners' inspection the shaft was full of powder smoke and no measurement could be made. No one was at the mine.

The Operator was advised to turn off and start drifting in order to intersect possible steeply plunging zones of mica.

Inspected: August 21, 1956

S. C. Bergman A. R. Taylor

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

cw

Docket Copy
Surname:
Houk
Selfridge
Lamb
Nelson
McCauley

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

AUG 16 1956

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

Subject: Docket No. DMEA-4147 - Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

Dear Mr. Laurence:

Reference is made to your memorandum to the Operating Committee from the Field Team of August 10, 1956, strongly recommending 80 feet of drifting on the main pegmatite from the bottom of the incline and that no work be done on the parallel conformable pegmatites found in the long drill holes.

Since the inferred intersection of the footwall pegmatite with the main pegmatite did not occur as suggested in the Field Team Examination Report, and since the mica found to date is of poor quality, it does not appear that the granting of additional funds to explore the main pegmatite is justified. Based upon the work to date on the main pegmatite, on the previous work on the footwall pegmatite, and the absence of any lateral work from the old incline, it does not appear that additional sinking of the present incline is justified. However, if you deem it advisable, you are authorized to transfer the remaining funds to drifting on the main pegmatite from the present bottom of the incline. An amendment would be necessary.

When it was apparent that the target did not exist this office should have been informed and possibly the program revised. We note that one-half pound of block mica has been recovered per cubic foot of pegmatite removed. The Operator states this is of very poor quality. What is the value of the mica recovered?

Sincerely yours,

Approved:

FRANK D. LAMB (JHB)
Member, Bureau of Mines

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

George C. Selfridge (JHB)
Chairman, Operating Committee

LGHouk:gad 8/16/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
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: DMEA-4147, Idm-E962 (Mica)
Sam L. Phillips, Spruce Pine, N. C.
Old Buchanan Mine, Mitchell County, N. C.
Request for amendment

Reference is made to our memo of August 3.

On August 7, Mr. Laurence and Mr. Amos examined this project, with Mr. Bergman.

We strongly recommend approval of an amendment to provide for at least 80 feet of drifting, at a unit-cost of $35.00 per foot (based on costs of similar near-by jobs) to explore the down-dip projection of the steep structures in the old incline. In pegmatites of this type, such structure zones are the best possibilities for occurrence of mica shoots. Work in the present incline has produced about 1/2 lb. of block mica per cubic foot of pegmatite. The job will be only partially done if we do not drive horizontally to intersect the more favorable steeply-dipping drag folds.

The attached sketch shows additional information on parallel, conformable pegmatites in the hanging wall and footwall. It will require approximately 40 and 20 feet, respectively, to crosscut to these pegmatites; with 50 feet of drifting on each, a total of 160 feet of drift and/or crosscut, at $35.00 per foot would explore these additional pegmatites, at a depth of about 80 feet, without any additional cost of initial expenses or shaft sinking. However, we doubt that the indicated potential of these pegmatites is sufficient to warrant an additional $5600; therefore, we do not strongly recommend this additional work.

DMEA-4147, Idm-E962

As the incline will be completed in about two weeks, approval of the drifting amendment before that time is requested, so that work may continue without interruption.

Robert A. Laurence
Robert A. Laurence
Executive Officer

V. J. Lynch
V. J. Lynch
Member, Bureau of Mines

Attachment

RECEIVED
AUG 13 1956

INTERIM REPORT

DMEA 4147, Idm-E962 (mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, North Caroline

Location: One mile north of Kona, Mitchell County, N.C.

Incline sinking continues on this contract and now totals 46 feet. The lower portion of the opening is on a -35° inclination to the southeast. The pegmatite at and near the bottom of the incline is 5.5 feet thick. A small amount of mica is being recovered from the sinking.

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 mine.

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 - 6 1956

August 3, 1956

Memorandum

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

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

Subject: DMEA-4147, Idm-E962 (Mica)
Sam L. Phillips, Spruce Pine, North Carolina
Old Buchanan Mine, Mitchell County, North Carolina
Operator's request for amendment

Enclosed are three copies of a request from the Operator for 80 feet of drifting from the bottom of the inclined shaft on the subject contract.

The Field Examiners report that two additional pegmatites within easy reach of the shaft also offer probability of strategic mica reserves. The attached sketch map shows geologic conditions, revised as a result of work done under the contract. Note that the inferred convergence of the two pegmatites did not occur.

We agree with the Field Examiners' opinion that drifting on the "main" pegmatite to explore for steeply dipping mica shoots is worth while. We have asked the Operator to drill some percussion drill holes into both the hanging wall and foot wall to locate these parallel pegmatites. If the results are favorable, we will recommend an amendment for additional crosscutting and drifting. As soon as we learn the results of the drill holes, we will advise you.

Robert A. Laurence
Robert A. Laurence
Executive Officer

V. J. Lynch
V. J. Lynch, Member
Bureau of Mines

Enclosures 4

RECEIVED
AUG - 6 1956

Spruce Pine, North Carolina
July 18, 1956

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

Re: DMEA-4147, Idm-E962 (Mica)
Old Buchanan Mine

Dear Mr. Laurence:

The above contract calls for 80 feet of shaft work only, and we wish to request an amendment which would allow 80 feet of drift from the bottom of the shaft.

We believe that it would be to the advantage of the government as well as the operator to further explore the pegmatite at the 80' depth reached by the shaft. The shaft work so far has been in vein material and has produced some mica.

We would appreciate your early consideration of this request inasmuch as we would like to continue work at this project while equipment is set up.

Very truly yours,

Sam L. Phillips

Sam L. Phillips (B)

P/b

JUL 1 9 1956

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

Budget Bureau No. 42-R1036.5

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

RECEIVED AUG - 8 1956

Month of July 1956 Docket No. DMEA 4147 Contract No. Idm-E962
Operator's Name Sam L Phillips Minerals
Address Spruce Pine, N.C.
Contract Amount, $ 4016.00 Government Participation: 75 % Amount, $ 3012.00

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		300.00	300.00			
Crosscutting						
Drifting						
38' Shaft @ 45.00	1710.00	—	1710.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		41.00	41.00			
(8) Contingencies (specify):						
TOTALS	1710.00	416.00	2126.00	1710.00	416.00	2126.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-1-56 *Payee Sam L. Phillips
Per Sam L. Phillips 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:
$ 1282.50
Signature Helen R. Melin
(Authorized Certifying Officer)
Date AUG 7 1956 Vou. No. 23
(See other side)

427.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-962 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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(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).

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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

copy

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

RECEIVED
AUG - 8 1956

Month of July 1956 Docket No. DMEA 4147 Contract No. Idm-E962
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, 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								
38' Shafts @ 45.00	Ft.	1710.00	38	1710.00	38	45.00	80	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.			300.00	30	10.00	30	10.00
Total Distributed Costs		1710.00		2010.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				41.00				
Total Costs				2126.00				

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 8-1-56 Operator Sam L. Phillips

Per Sam L. Phillips Title Operator

Remarks:

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

(Instructions on reverse)

(For Government use only)

S. C. Bergman - Geologist, USGS
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

OPERATOR'S

Monthly Progress Report

July, 1956 DMEA-4147, Idm-E962

Old Buchanan Mine

Work Accomplished &
Daily Notes:

We sank the shaft 38 feet during July, in vein most of the way. The vein is now about 3 feet thick and has hard slat hanging wall and slate foot wall. We recovered about 600# of mica, of very poor quality. The mica is A-shaped, has spots an stain. Good progress had been made with no difficulty.

Daily Notes:

July 2 - 6 : Drilled and shot in hard material going down with shaft. Shaft in hard vein and showing some mica.

July 9 -13 : Vein widened as we got deeper, producing some mica. Mica is poor quality. Repeated drilling, shooting and mucking.

July 16-20 : Recovered several bags of mica, still spotted and showing stain. Some mica A- shaped.

July 23-31 : Reached 38 foot depth, vein about 3½ feet wide. Still recovering mica and to date have about 600#. Three men worked full time during month.

INTERIM REPORT

RECEIVED
AUG 1 1956

DMEA 4147, Idm-E962 (Mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, North Carolina

Location: One mile north of Kona, Mitchell County, North Carolina

Inclined shaft sinking continues on a -35° slope and is now at 34 feet. Material encountered for the first 20 feet consisted primarily of potash feldspar and quartz as graphic granite. A change occurred at this depth and the remaining 14 feet was sunk in material composed of sodic feldspar, disseminated quartz, and scattered small to medium-sized blocks of mica, some of which contains considerable stain. The operator estimates the production of approximately 1300 pounds of mine-run block mica to date.

The operator was advised to install a section of separated partition in the shaft as soon as practicable, and to scale the hanging wall of the incline after shooting. Progress on this contract is satisfactory.

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

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

July 25, 1956

JUL 1 0 1956

INTERIM REPORT

DMEA-4147, Idm-E962 (mica) OLD BUCHANAN MINE

Operator: Sam L. Phillips, Spruce Pine, N. C.

Location: One mile north of Kona, Mitchell County, N. C.

The Operator has completed Stage I and started Stage II. Incline shaft totals 23 feet. About 1000 pounds of mine-run muscovite has been recovered.

The Operator was instructed to continue sinking. Progress is satisfactory.

Inspected: July 11, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

z

cw.

July 6, 1956

Mr. Sam L. Phillips
Spruce Pine, N. C.

DMPA-4147, Adm-E962 (mica)
Old Buchanan Mine
Mitchell County, N. C.

Dear Mr. Phillips:

This letter will constitute authorization for you to begin work on Stage II of the subject contract, confirming the verbal approval given you by the field examiners on June 20, 1956.

Very truly yours,

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

RAL/mm
cc:
Lynch
Finance Office
Opr. Con.-3
Files

JUL 9 -

Form DME-204 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 1956 Docket No. DMEA 4147 Contract No. Idb-E 962
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Mine, U. C.
Contract Amount, $ 4016.00 Government Participation: 75% Amount, $ 3012.00

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						
30Hr Bulldozing 0 @ 10.00 Hr	300.00		300.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	75.00		75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Magazines	41.00		41.00			
(8) Contingencies (specify):						
TOTALS	416.00		416.00	416.00		416.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7-2-56 *Payee Sam L. Phillips
Per Sam L. Phillips 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)

RECEIVED JUL 9 - 1956

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 312.00
Signature Walter R. Mullins
(Authorized Certifying Officer)
Date [illegible] Vou. No. 7
(See other side)

104.00

(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. E962 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 25 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 1962)

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 4147 Contract No. 16-3 062

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
30 Hr. Bulldozing	Hr.	300.00	30	300.00	30	10.	30	10.00
Total Distributed Costs		300.00		300.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		75.00		75.00				
Powder & Exploder Magazines		41.00		41.00				
Total Costs		416.00		416.00				

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 7-2-56 Operator Sam L. Phillips

Per Sam L. Phillips Title Operator

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

Remarks:

(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-4147

Idm-E 962

Work Began: June 15, 1956

Work Accomplished:

We bulldozed along two pegmatites according to contract to best locate shaft. Field team visited prospect and approved Stage II, locating shaft site for operator. Constructed tool house, powder and exploder magazines. Got equipment moved in and set up.

Daily Notes:

June 15 - 20: Moved in D-6 Dozer, began bulldozing along pegmatite. Uncovered two veins, working as contract required. Field team visited site on June 20, approving Stage II and locating shaft site.

June 21 - 29: Moved in equipment, prepared for operation. Constructed tool house, power magazine and exploder magazine.

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

June 20, 1956

Memorandum

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

From: Acting Executive Officer - DMEA Field Team - Region V

Subject: Docket No. DMEA-4147, Contract No. Idm-E962 (Mica)
Sam L. Phillips, Spruce Pine, North Carolina
Old Buchanan Mine, Mitchell County, North Carolina

Enclosed are the original and two copies of the subject contract. The usual distribution has been made by this office.

V. J. Lynch

V. J. Lynch

Enclosures 3

RECEIVED
JUN 21 1956

Docket Copy
Surname:

Hope
Houk
Martin
J Johnson
Whitendon

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

JUN 12 1956

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

Subject: Docket No. DMEA-4147 - Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina
Contract No. Idm-E962

Dear Mr. Laurence:

Reference is made to your memorandum, dated June 5, 1956, advising us that you will delay presenting the contract to the applicant for execution pending our decision to provide for drifting after completion of shaft sinking.

It is our belief, as pointed out in our letter of April 5, 1956, that a shaft on the apex would be the most economical and better method to explore the target area as shown on the map accompanying the field team report. If it is determined later, and recommended by the Field Team, that drifting is warranted to more adequately explore the pegmatites you may be assured that a request for such work will receive appropriate consideration.

With regard to the exact location of the shaft, the contract provides for a two-compartment shaft on the pegmatite at a point approved by the Government. In this case, the Field Team will act as a representative of the Government.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

JHopkins:gad 6/8/56

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

R.C.L.

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

RECEIVED
JUN -7 1956

June 5, 1956

Memorandum

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

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

Subject: Proposed contract, DMEA-4147 (mica)
Sam L. Phillips, Spruce Pine, N. C.
Old Buchanan Mine, Mitchell County, North Carolina

Reference is made to your letter of May 31, transmitting a proposed contract for approval and signature of the applicant.

We do not believe that shaft-sinking without drifting will provide adequate exploration of this pegmatite. The field examination report suggests localization of mica shoots along steeply plunging drag folds; these could best be explored by drifting on one or both pegmatites.

We will delay presenting the contract to the applicant for execution, pending your decision as to whether provision for drifting should be made now, or whether there should be an understanding with the applicant that an amendment providing for drifting after completion of shaft-sinking will be promptly approved if results of the shaft warrant it. We prefer the first of these two alternatives.

It is entirely possible that the inferred apex of the two apparently converging pegmatites may not be exposed by the bulldozing; in that event, we assume that a shaft site located on one of the pegmatites would be acceptable.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

DOCKET COPY
Surname:

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

MAY 31 1956

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

Re: Docket No. DMEA-4147-mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

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, Consent to Lien, Exhibit "A"(2 pages), and map of the Old Buchanan Mine. Two extra copies of Annex I, Exhibit "A" and the map are enclosed for the use of the Field Team.

If the proposed contract meets with your approval, present it to the applicant for execution. Please explain to the applicant 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 applicant and cannot be amended 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 March 29 and April 2, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

Approved:

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

W. S. Martin
ACTING Chairman, Operating Committee (DLB)

Thor H. Kiilsgaard (DLB)
Member, Geological Survey

Enclosures: 12

Mr. Houk
Admr. R. File

JHopkins:ms 5/25/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061

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

RECEIVED
MAY 11 1956

May 8, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4147-Mica. Sam L. Phillips, Applicant-Spruce Pine, N. C. Old Buchanan Mine, Mitchell County, N. C.

With reference to the Operating Committee's letter of April 5, concerning the subject mine:

The cost of sinking a new shaft in the hard unweathered material occurring in this area would be about equal to the cost of rehabilitation of the existing incline shaft and crosscutting to the pegmatite, about $2500 would be required in either case. If a new shaft was sunk, there would be the additional expense of bulldozing to locate the apex of the structure, the position of which has been inferred from dragfolding along the fold limbs. The proposed crosscut from the bottom of the existing incline to the target pegmatite would explore any mica zones aligned along dragfolds in the hanging wall. However, we would have no serious objections to sinking a new shaft providing the apex of the structure can be located by bulldozing.

It has been standard practice to keep shaft dimensions at not less than 5' x 7' inside the timbers. We prefer to maintain these if possible.

We have no information on the quantity or quality of the mica produced from the incline. Mica observed at the site appeared to be of good quality.

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

V. J. Lynch
V. J. Lynch, Member
Bureau of Mines

Memorandum April 23, 1956

To: Files

From: James Hopkins

Subject: Evaluation of application and Field Team Report

Docket No. DMEA 447-Mica

Old Buchanan Mine

Sam L. Phillips

Mitchell County, North Carolina

Mica:

The muscovite is of fairly good quality.

There is considerable small, flat, scrap-size muscovite and occasional books of biotite

Very little mica was left in place

Few books seen were light yellow-green, flat & flat 4" to 6" in diameter

Exhibits occasional isolated reeve, bend or mineral stain

Pegmatite:

Two converging and consequent, quartz-muscovite rich pegmatites occur in a 100-foot long open cut

Westernmost Pegmatite thins from 2 feet to 1 foot as it pinches out to the west

Easternmost Pegmatite is a body fairly regular 5" to 8" [illegible] vein having a strike length of 100 feet (exposed)

These folds plunge with the dip of the vein and are accented by some migmatitic stringers along the foliation. It is suggested by the compatability of drag folds along both vein margins that a folded pegmatitic emplacement occurs which should crest 40 feet to the southwest of the incline.

Both pegmatites are conformably enclosed in a weathered and locally well banded biotite gneiss.

Both are composed of a mixture of white to buff potash feldspars (some perthite) white plagioclase and considerable quartz.

Apatite and garnet occur as accessory minerals.

Old Workings

Open Cut 120' x 20' to 40' wide x 10' to 20' deep.

Incline shaft on westernmost pegmatite is 50' feet deep. Dimensions are 4' x 10' along a "swelling" or drag fold on hanging wall contact.

No Level Work.

Hanging wall convolutions may provide a locus for the occurrence of strategic ores.

Economics:

No mention is made of production.

Program:

DOCKET COPY
Surname: Houk Selfridge, Geffrey, Matteudy

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

APR 5 1956

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

Re: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to the Field Team Report of February 13, 1956, on the subject mine.

The possible locus for mica occurrences at the crest of the overturned fold could probably be better explored by sinking a new shaft in the target area.

To rehabilitate the 4x10 shaft and crosscut and drift to the target would cost approximately $4,800.00 based upon the Field Team map. It does not appear that the 4x10 shaft incline needs to be slabbed unless the state law requires it. To sink on the apex, exploring the target area as you go, would be much more economical and better mica exploration. Please let us have your comments on this approach to the problem.

The Report does not comment on the quantity or quality of mica produced from the incline. Please furnish this information in your reply.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)
LGHouk:ms 4/2/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. Reading File

Approved:

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

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

N.G.S.

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

RECEIVED
APR 3 - 1956

April 2, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4147 (mica)

Applicant: S. W. Phillips

Name and Location of Property: Old Buchanan Mine, Mitchell Co., N. C.

Date of Field Team Report: 2/13/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/30/56

Field Team Recommendation: Recommend exploration program.

Comments:

1. Geological factors show that this deposit is likely to contain appreciable quantities of strategic mica.
2. It is recommended that the project be conducted on a unit-cost, 2 stage basis.
3. Total estimated costs are in the amount of $5,925.00.

Recommendation: I concur with the field team's recommendation, but should be on a unit-cost, 2 stage basis.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

RECEIVED
APR

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

March 29, 1956

Re: DMEA 4147
Sam W. Phillips
Old Buchanan Mine
Mitchell Co., N. C.
Applied for $6,000
Recommended 5,925
Mica

Memorandum

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

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

Subject: Review of Field Team report

The applicant requested assistance in exploring two converging pegmatites exposed in a large open cut. The easternmost pegmatite, 5 to 7 feet wide is exposed for 100 feet. The westernmost is from 1 to 5 feet wide and is exposed for 30-40 feet. Strategic mica was seen and both pegmatites display considerable small, flat scrap-size muscovite and occasional books of biotite. The junction of the pegmatites is not exposed, but it is conceived that the junction may be the locus of strategic mica.

The examiners and the Field Team recommend that an old 50-foot incline in the westernmost pegmatite be rehabilitated and from the bottom, 120 feet of exploratory drift and or crosscut be driven. The estimated cost is:

Rehabilitation	$1,470.00
Drifting and/or crosscutting	4,340.00
Tool house and magazines	115.00
Total	$5,925.00

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

N. E. Nelson

N. E. Nelson

EXPLANATION LINES
WASHINGTON, D. C.
MAR 30 3 45 PM '56

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

RECEIVED
MAR 26 1956

March 23, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report - DMEA-4147, Old Buchanan Mine (mica), Mitchell County, N. C. Sam W. Phillips, Applicant

Transmitted is the original and three copies of the subject Field Examination Report and nine extra copies of the map.

The Field Team concurs with the field examiners proposal for exploration on this project

ON-SITE EXAM. —

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

S. C. Bergman, Geologist
Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
3-30-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM
REGION V

On

DMEA-4147, OLD BUCHANAN MINE-Mica
Mitchell County, N. C.

By

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE
3-30-56
(date)

February 13, 1956

FIELD EXAMINATION REPORT

On

DMEA-4147, OLD BUCHANAN MINE (mica)
Mitchell County, N. C.

Applicant: Sam W. Phillips, Spruce Pine, North Carolina

Two converging and concordant, quartz-muscovite rich pegmatites occur in a 120-foot long open cut (see map). The muscovite is of fairly good quality and is contained in a strong southeast-plunging overturned fold structure implacement. It is recommended that the strong easternmost limb be explored with DMEA assistance.

The Old Buchanan Mine lies at an elevation of 2950 feet near Gouge Knob at the western extremity of Burns Mountain. It is 0.85 mile south of the Sinkhole Mine, and 0.50 mile S 13° E. of Bandana on Highway No.80, Mitchell County, N. C. (Micaville, N. C. quadrangle, TVA-1934 Ed.,1:24000).

Access from Highway No.80 at Bandana is 0.7 miles of improved all-weather graveled road to the foot of the mountain, then roughly 0.35 mile of steep bulldozer trail over the crest of Gouge Knob to the mine site.

The property was examined February 13, 1956. The field examiners were accompanied by Mr. John Phillips on an examination which lasted approximately 2 hours. There were no buildings, equipment, or recent improvements at the mine site.

Two concordant, converging southeast-dipping pegmatite veins are exposed in an open cut 120 feet long, 20 to 40 feet wide, 10 to 20 feet deep, which trends N 43° E (see map). The westernmost vein has an attitude of N 15° E, 43° SE and thins from 5 feet to 1 foot as it pinches out to the northeast. This pegmatite has been explored down dip for a distance of

50 feet by a 4 x 10 foot incline which followed a local "swelling" or drag-fold on the hanging wall contact. There has been no level work from this incline, which is now partially backfilled. It is suggested that these hanging wall convolutions may provide a locus for the occurence of mineable quantities of strategic muscovite.

The easternmost pegmatite is a hard, fairly regular 5 to 7-foot-wide vein which strikes roughly N 37° E and dips 40 to 45° SE. A strike length distance of roughly 100 feet is exposed, which is notable for the several series of dragfolds in the footwall. These folds plunge with the dip of the vein and are accented by some migmatitic stringers along the foliation. It is suggested by the compatability of dragfolds along both vein margins, that a folded pegmatitic emplacement occurs which should crest within 40 feet to the southwest of the incline. The axial trace should plunge roughly 45°, S 65° E as evidenced by the fairly uniform plunge of the dragfolding.

Both veins are conformably enclosed in a weathered and locally well banded biotite gneiss.

The pegmatites are composed of a mixture of white to buff potash feldspars (some perthite), white plagioclase (albite or oligoclase), and considerable quartz, both small disseminated, large massive, and in stringers. There is considerable small, flat, scrap-size muscovite and occasional books of biotite. Very little strategic muscovite was (or ever is) left in place or at the mine site. The few books seen, were a light yellow-green, flat to flat "A" and from 4 to 6 inches in diameter. The muscovite exhibits an occasional isolated reeve, bend or mineral stain. Apatite and garnet occur as rare accessory minerals.

The field examiners recommend rehabilitating the 50 feet of old incline and cribbing it solid. It is suggested that a crosscut be driven from the bottom of the incline to the parallel easternmost vein and this vein explored along strike for a distance of 100 feet. Total drift and crosscut should amount to 120 feet. Exploratory drill holes in the hanging wall of the incline should assure the reliability of down dip continuity as the rehabilitation progresses.

Estimated Costs:

Toolhouse	75.00	
Powder Magazine	26.00	
Cap Magazine	14.00	$115.00

Rehabilitate 50 ft of old incline (20) shifts mostly timbering and mucking

1 - Miner (foreman) @ $1.50/hr.	240.00
1 - Hoistman @ 1.25/hr.	200.00
2 - Laborers @ $1.00/hr.	320.00

Equipment Rental:

Compressor and Drill @ 230/Mo.	230.00
Hoist @ $50/Mo.	50.00

Supplies:

Timber, 1500 b.f. @ $65/M	95.00
Small tools and pipe	85.00
Miscellaneous (drill steel, explosives and gasoline for possible minimal slabbing 5' x 7' X-Section)	150.00
Liability Insurance	76.00
Social Security	15.20
Sales Tax	8.80

Estimated cost of rehabilitation $1,470.00

Drive 120 feet of exploratory drift and /or crosscut from the bottom of the incline (55 shifts).

Labor:

1 - Miner @ $1.50/hr.	660.00
1 - Hoistman @ $1.25/hr.	550.00
2 - Laborers @ $1.00/hr.	880.00

Equipment Rental:

Compressor, drill & Jackleg @ $250/Mo.	687.50
Hoist @ $50/Mo.	137.50
Pump @ $20/Mo.	55.00

Supplies:

Explosives	370.00
Drill steel	180.00
Gasoline and Oil	225.00
Small tools and pipe	135.00
Miscellaneous	180.00
Liability Insurance	209.00
Social Security	42.00
Sales Tax	29.00

Total estim cost of drifting $4,340.00

Total estimated cost of project..... $5,925.00

Examined: Feb. 13, 1956

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

and

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

z

DOCKET COPY
Surname:

Hopkins
Houk
Selfridge
Johnson

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

600

FEB - 6 1956

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

Re: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated January 30, 1956 and February 2, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GLB)

Approved:

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

Thor H. Kiilsgaard (GLB)
Member, Geological Survey

Enclosures: 4

JHopkins:ms 2/3/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

RCL

DOCKET COPY
Surname:

Copies to
Kiilsgaard
Guhen
Selfridge
Johnson

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

600

FEB - 6 1956

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4147-Mica
Sam L. Phillips
Old Buchanan Mine
Mitchell County, North Carolina

Dear Mr. Phillips:

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ms 2/3/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Field Team, Region V

R.C.S.

Memorandum:

To: File

From: James Hopkins

Subject: Evaluation of Application

Docket No DMEA 4147

Dan L. Phillips

Old Buchanan Mine Property

The applicant proposes to explore a pegmatite by first bulldozing along the strike to locate the most favorable point and then to sink a shaft to a depth of 60 feet and drift from the shaft for 80 feet.

It is reported that "Green" mica was produced in 1948 but there is no record of production.

Costs are as follows:

20 Hours Bulldozing @ 10.00 hr	$200.00
60 feet Shaft @ 50.00 ft	3000.00
80 feet Drift @ 35.00 ft	2800.00
Total	$6000.00

An examination by the Field Team is recommended. The costs proposed are fairly reasonable.

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

RECEIVED
FEB - 3 1956

February 2, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4147 (mica)

Applicant: S. Phillips

Name and Location of Property: Old Buchanan Mine, Mitchell Co., N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 1/27/56

Comments;

1. No data available in this office on subject mine, but applicant reports green mica was produced in 1948.

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

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
JAN 30 1956

January 30, 1956

Re: DMEA 4147
Sam L. Phillips
Old Buchanan Mine
Mitchell Co., N. C.
$6,000.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in bulldozing, sinking a shaft and drifting on a vein that runs in a direction that warrants sinking a new shaft. The appearance of the materials suggests that mica may be found by exploring further.

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

January 26, 1956
Subject: DMEA-4147
Re: Exploration Assistance
Old Buchanan Mine Property

Mr. Sam L. Phillips
Spruce Pine, North Carolina

My dear Mr. Phillips:

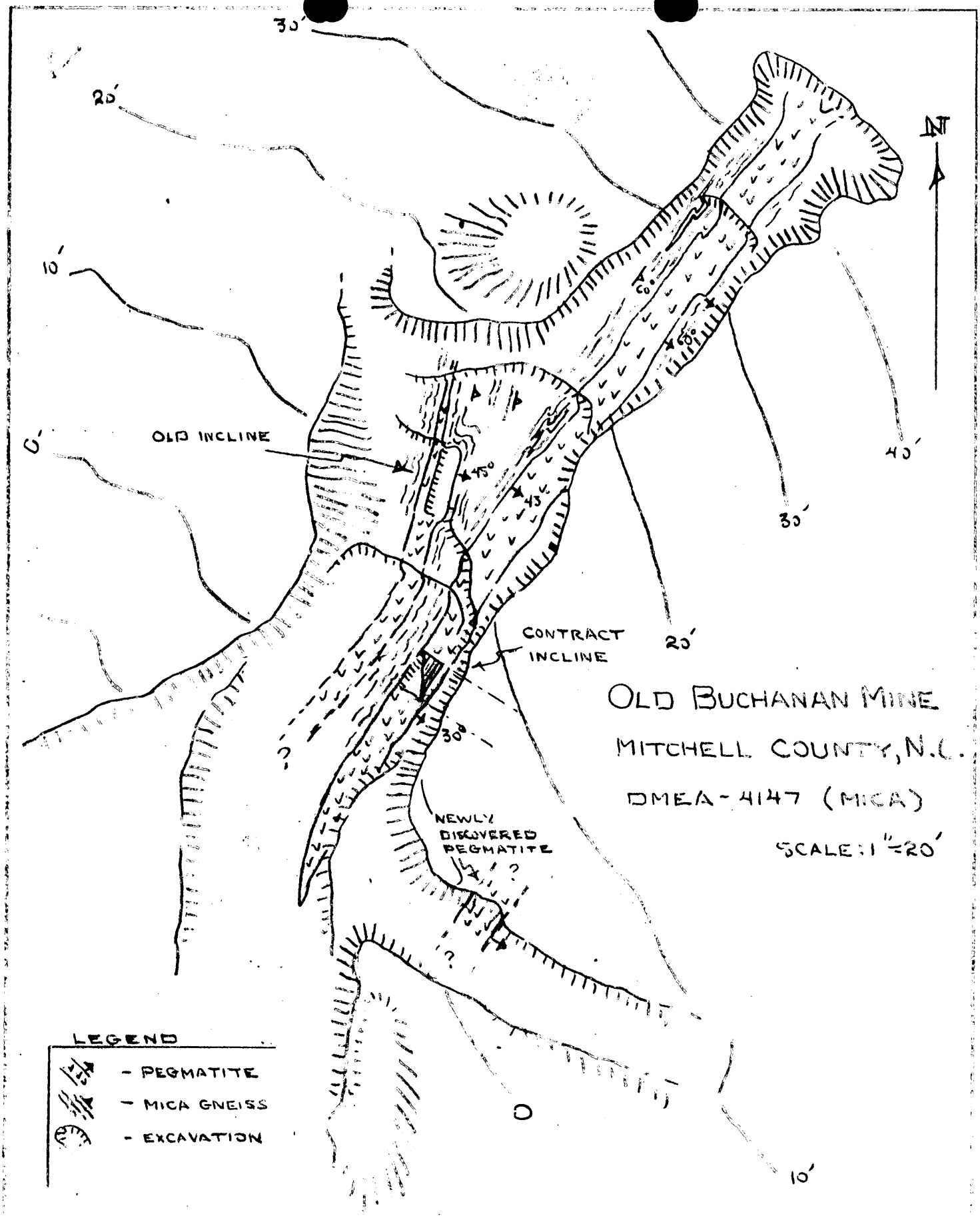
The receipt of your application dated January 24, 1956, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4147 and referred to the Nonmetallic Minerals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division


30'
20'
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N
OLD INCLINE
CONTRACT INCLINE
NEWLY DISCOVERED PEGMATITE
45°
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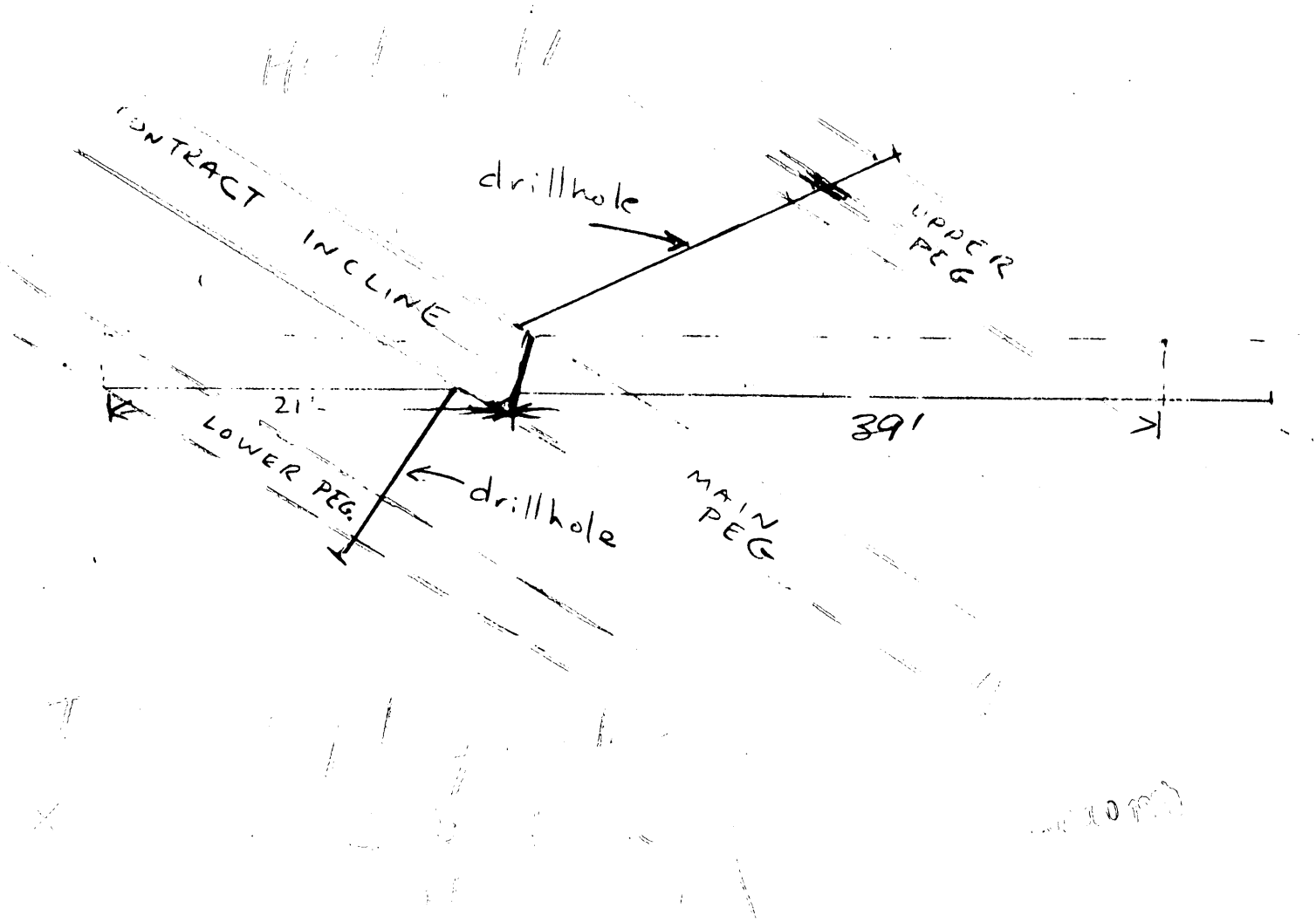
OLD BUCHANAN MINE
MITCHELL COUNTY, N.C.
DMEA-4147 (MICA)
SCALE: 1" = 20'
LEGEND
- PEGMATITE
- MICA GNEISS
- EXCAVATION

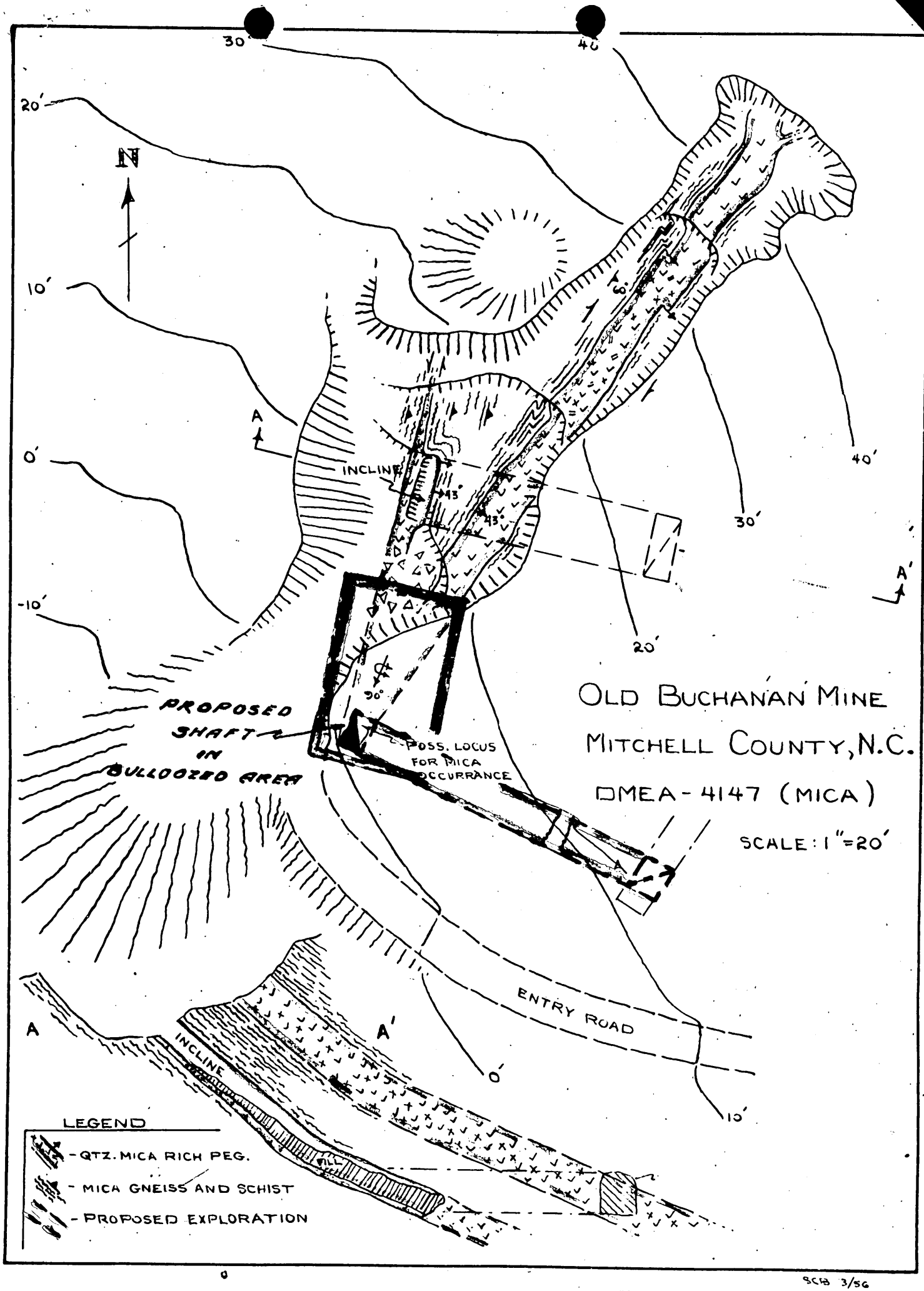
8/1/86

RECEIVED
AUG - 6 1956

OLD BUCHANAN

DMEA 4147




OLD BUCHANAN MINE
MITCHELL COUNTY, N.C.
DMEA - 4147 (MICA)
SCALE: 1" = 20'
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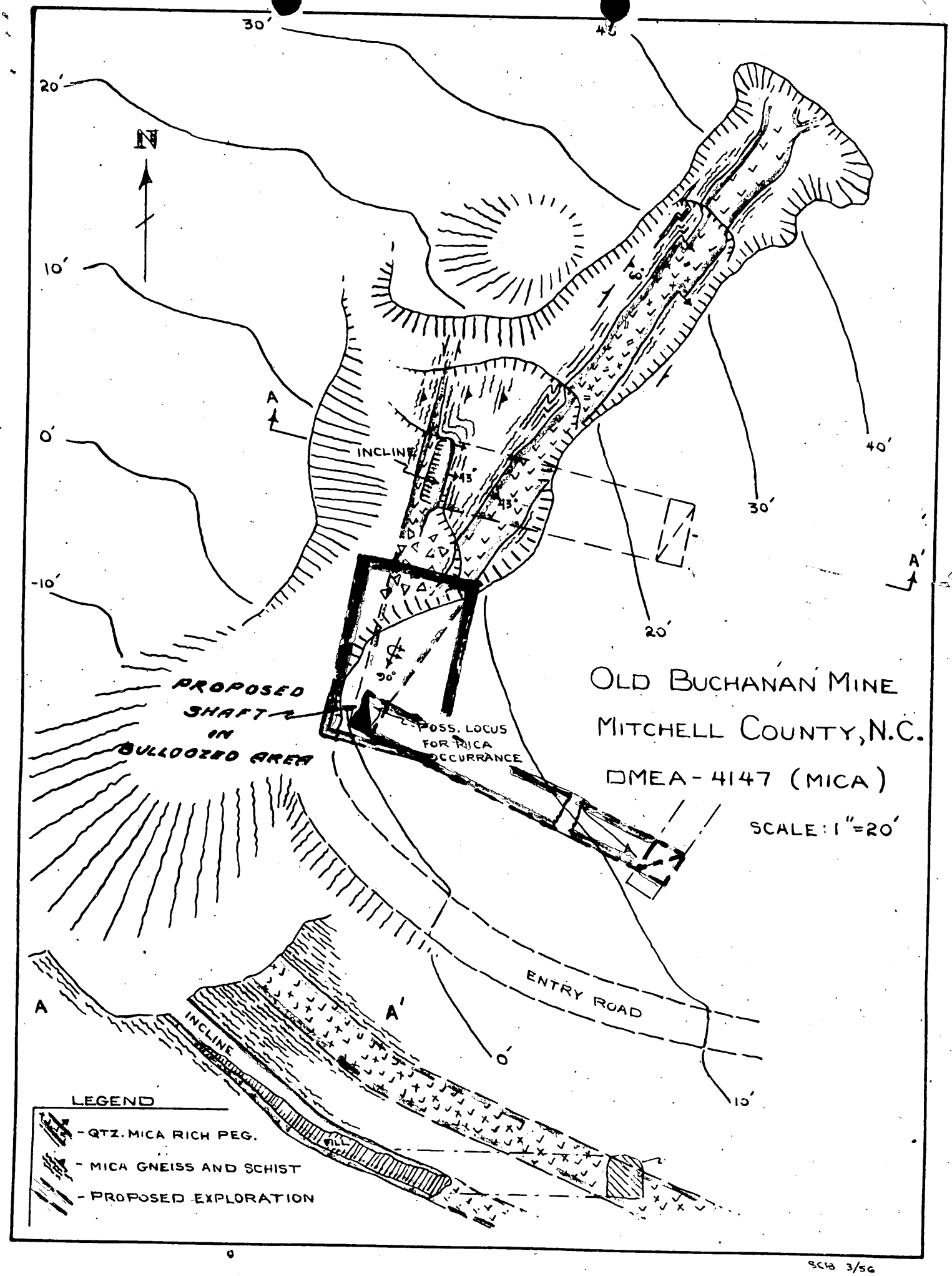
90°
PROPOSED SHAFT IN BULLDOZED AREA
POSS. LOCUS FOR MICA OCCURRANCE
ENTRY ROAD
FILL
LEGEND
- QTZ. MICA RICH PEG.
- MICA GNEISS AND SCHIST
- PROPOSED EXPLORATION

SCB 3/56


OLD BUCHANAN MINE
MITCHELL COUNTY, N.C.
DMEA-4147 (MICA)
SCALE: 1"=20'
N
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20'
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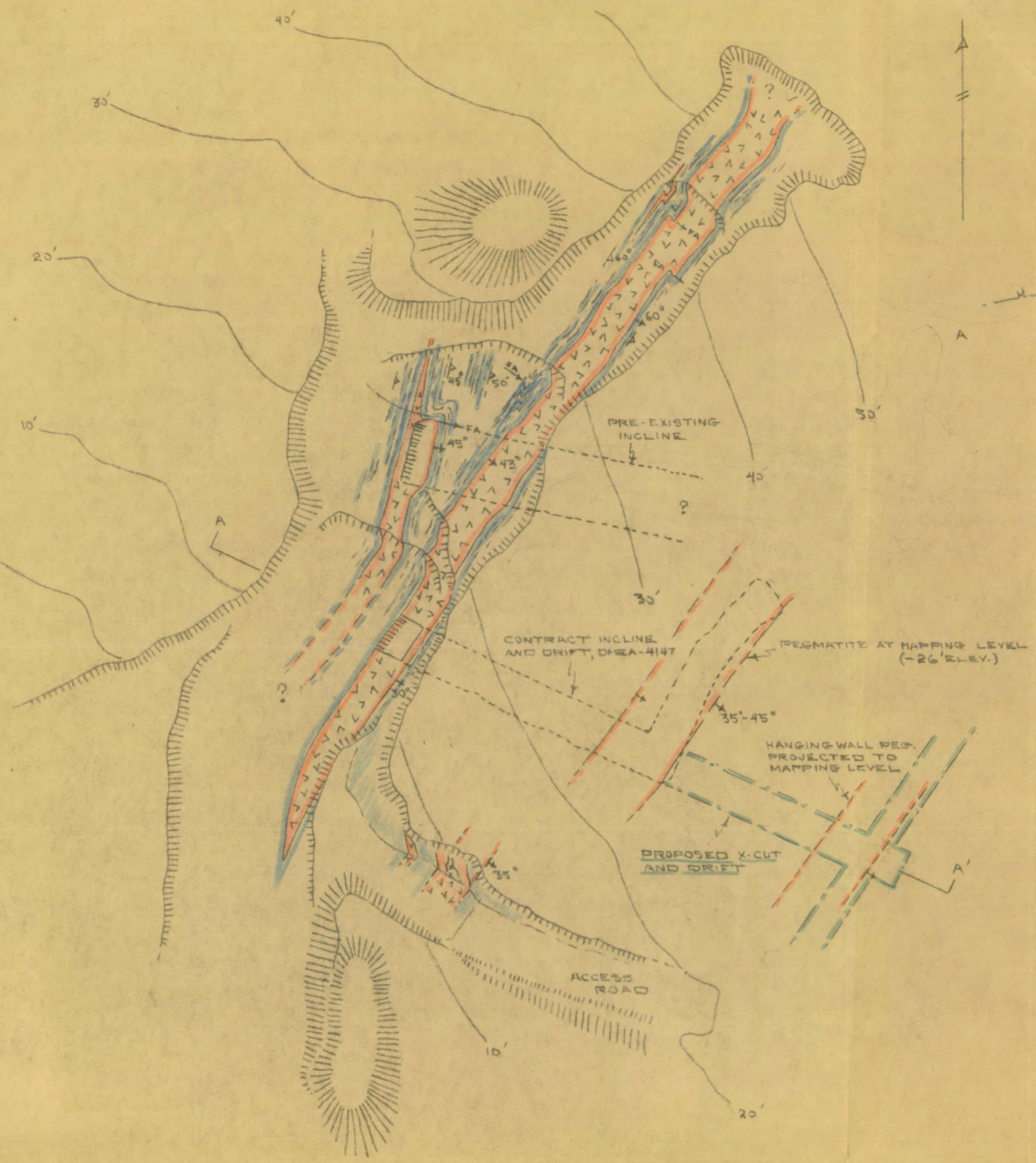
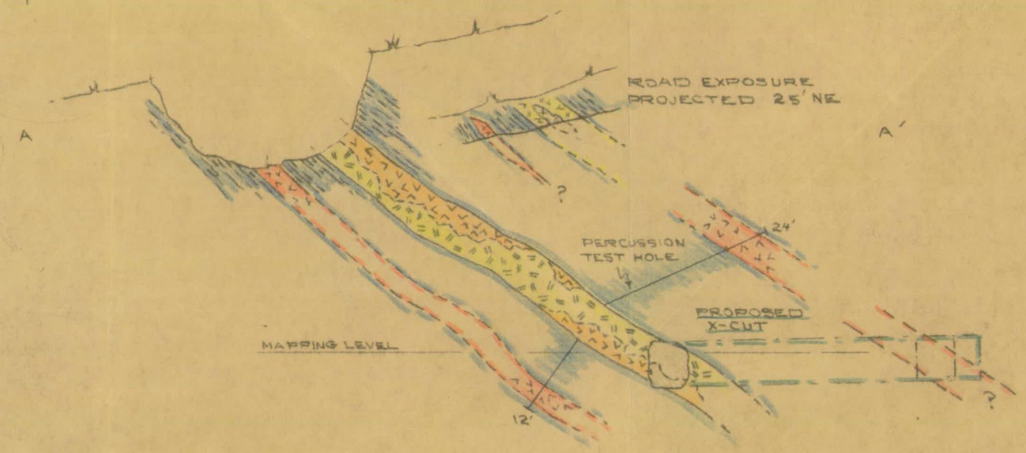
-10'
40'
30'
20'
10'
0'
A
A'
INCLINE
43°
43°
90°
PROPOSED SHAFT IN BULLDOZED AREA
POSS. LOCUS FOR MICA OCCURRANCE
ENTRY ROAD
INCLINE
LEGEND
- QTZ. MICA RICH PEG.
- MICA GNEISS AND SCHIST
- PROPOSED EXPLORATION

SCB 3/56





OLD BUCHANAN MINE
MITCHELL COUNTY, NORTH CAROLINA
DMEA - 4147 (MICA)

SCALE: 1" = 20'

LEGEND

- PEGMATITE - UNDIFERENTIATED - IN PLAN
- PERTHITE & GRAPHIC TEXTURED ZONE } IN SECTION
- OLIGOCLASE - QTZ. - MUSCOVITE ZONE } IN SECTION
- QUARTZ ZONE
- BIOTITE GNEISS - INTERLAYERED HORNBLENDE SCHIST
- UNDERGROUND WORKINGS
- PLUNGE OF FOLD AXIS
- INCLINE PORTAL
- EXCAVATION
- DUMP
- PERCUSSION TEST DRILL HOLE

EXTRA COPY
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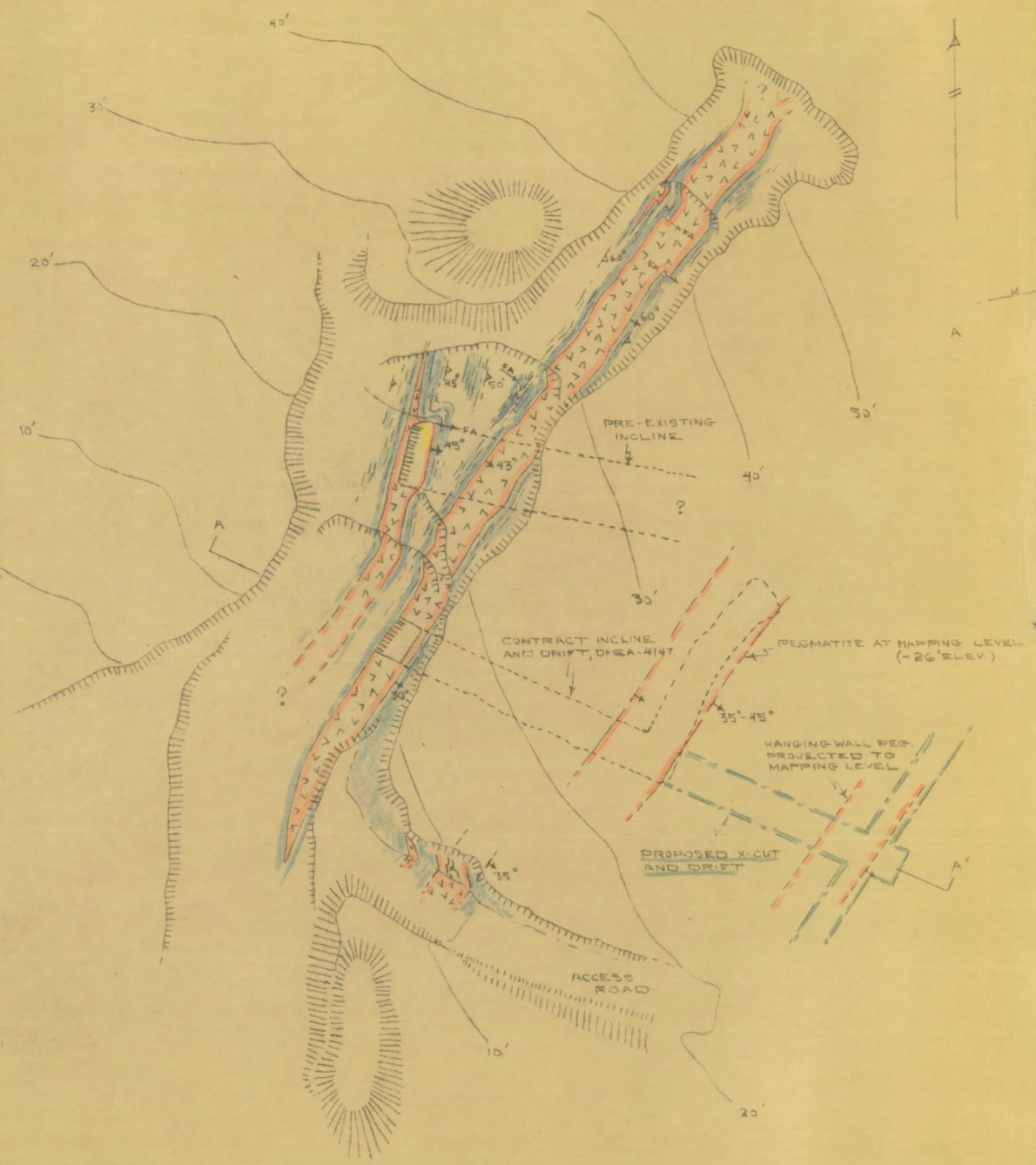
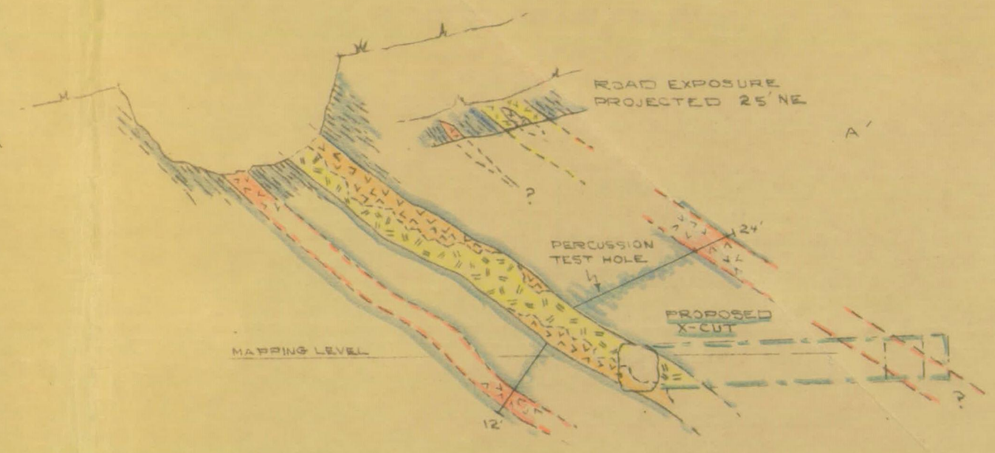
RECEIVED MAR 18 1957

DATE	INITIALS	CODE





OLD BUCHANAN MINE
MITCHELL COUNTY, NORTH CAROLINA
DMEA - 4147 (MICA)

SCALE: 1" = 20'

LEGEND

- PEGMATITE - UNDIFERENTIATED - IN PLAN
- PERTHITE & GRAPHIC TEXTURED ZONE } IN SECTION
- OLIGOCLASE - QTZ. - MUSCOVITE ZONE } IN SECTION
- QUARTZ ZONE
- BIOTITE GNEISS - INTERLAYERED HORNBLENDE SCHIST
- UNDERGROUND WORKINGS
- PLUNGE OF FOLD AXIS
- INCLINE PORTAL
- EXCAVATION
- DUMP
- PERCUSSION TEST DRILL HOLE

SCB 3/57

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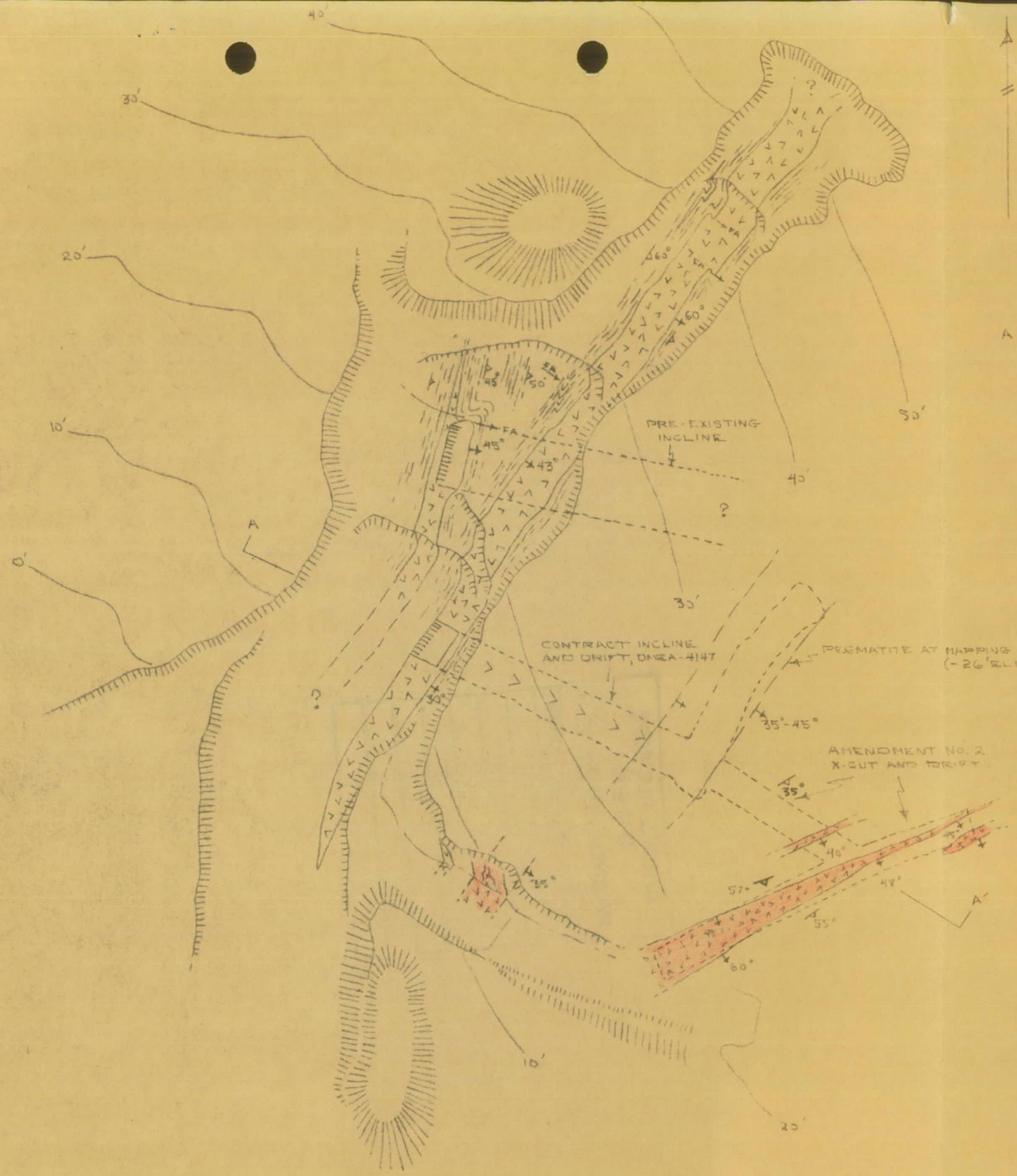
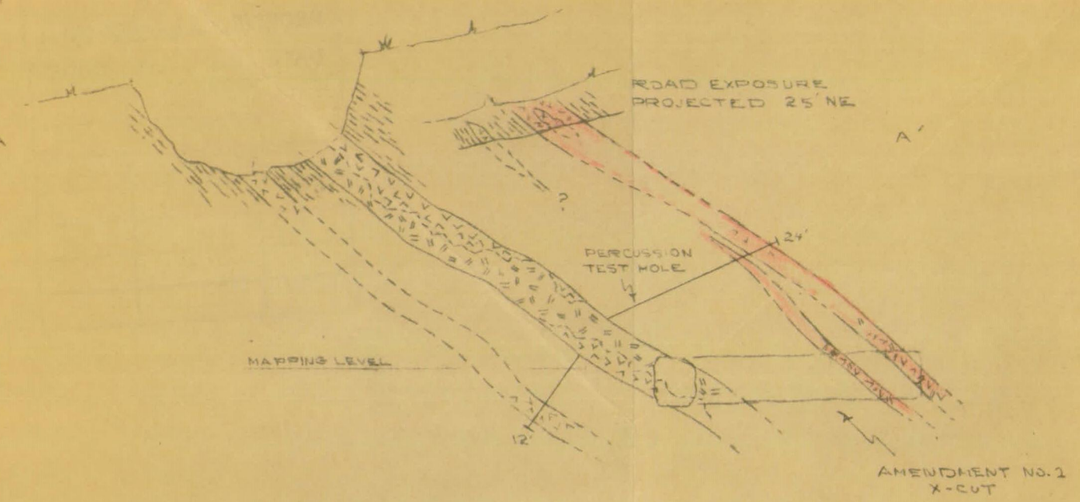
RECEIVED MAR 18 1957

DATE	INITIALS	CODE





OLD BUCHANAN MINE
MITCHELL COUNTY, NORTH CAROLINA
DMEA - 4147 (MICA)

SCALE: 1" = 20'

LEGEND

- PEGMATITE - UNDIFFERENTIATED — IN PLAN
- PERTHITE & GRAPHIC TEXTURED ZONE } IN SECTION
- OLIGOCLASE - QTZ - MUSCOVITE ZONE } IN SECTION
- QUARTZ ZONE
- BIOTITE GNEISS - INTERLAYERED HORNBLENDE SCHIST
- UNDERGROUND WORKINGS
- PLUNGE OF FOLD AXIS
- INCLINE PORTAL
- EXCAVATION
- DUMP
- PERCUSSION TEST DRILL HOLE

SCB 3/57

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DMEA
RECEIVED JAN 27 1958

DATE	INITIALS	CODE

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 27 1958

DATE	INITIALS	CODE