DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

4

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

John Phillips

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. IAm-2989, Docket No. DMEA-4232, for the months of August 1956 to October 1956, inclusive, covering a project for the exploration of mica on property, known as the May Prospect located in Mitchell County, North Carolina.

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

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		$2,102.80
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$2,102.80

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One thousand five hundred seventy-seven and 10/100 Dollars

$1,577.10

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. Tallant
E. D. Tallant, Auditor

December 3, 1956

Division Copy

Indirte
Sherman
Anderson
Yoch
Talbyll
Selfridge

TERMINATION AGREEMENT

It is agreed this 21st day of November, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and John Phillips, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. IAm-2989, (Docket No. DMEA-4232), dated August 10, 1956, hereinafter called the "Contract," that:

1. Effective October 15, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

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

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

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

THE UNITED STATES OF AMERICA

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

John Phillips
John Phillips

Division copy

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No. Idm-E*	*County*	*State*
4232	Mica	989	Mitchell	North Carolina

It is agreed AUG 10 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and John Phillips

whose mailing address is Spruce Pine, North Carolina

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before SEP 15 1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 7 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $3,524.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $2,643.00, in accordance with the provisions of Articles 4 and 5.

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

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

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

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

RECEIVED AUG 30 1956

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

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

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

John Phillips (Operator)

By C. O. Mittendorf
Administrator, Defense Minerals
Exploration Administration

~~By~~ .....

.....

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS
DOCKET NO. BMRA-4232

ANNEX I

The land referred to in Article 2 of the contract is known as the May Prospect, and is held by the Operator under a lease dated March 27, 1956, from R. B. Phillips. The land is located 1.04 airline miles N. 25° W. from Wing, Mitchell County, North Carolina, on the east slope of Big Ridge at the southern extremity of Burns Mountain (Micaville, N. C. quadrangle, TVA Ed. 1934, 1/24,000), and is described as follows:

Beginning on an iron stake at the center of what is known as the May Prospect, which is located 175' N.E. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 989
Contract Date AUG 10 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 at the center of what is known as the May Prospect which is located 175' N.E. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500'North; thence 250' West to a point of closing. This property located approximately 5 miles North of Wing, N. C.,

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.

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MAR 30 1956

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

5. Added provision: _____

Dated this 27th day of March, 1956.

R. B. Phillips [Seal] Bakersville, N. C.

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS
DOCKET NO. DMEA-4232

SEP 15 1956

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map entitled "May Prospect, Mitchell County, N. C. DMEA-4232 (mica)," attached hereto and made a part hereof.

1. Prepare an adit site by excavating an area approximately 40 feet long by 20 feet wide by 20 feet deep, but not exceeding 600 cubic yards of excavation.

2. Construct:

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

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

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

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

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

3. Explore the pegmatite by driving from the bottom of the excavation not more than 100 feet of adit, drift and/or crosscut along the hanging wall zone of the pegmatite.

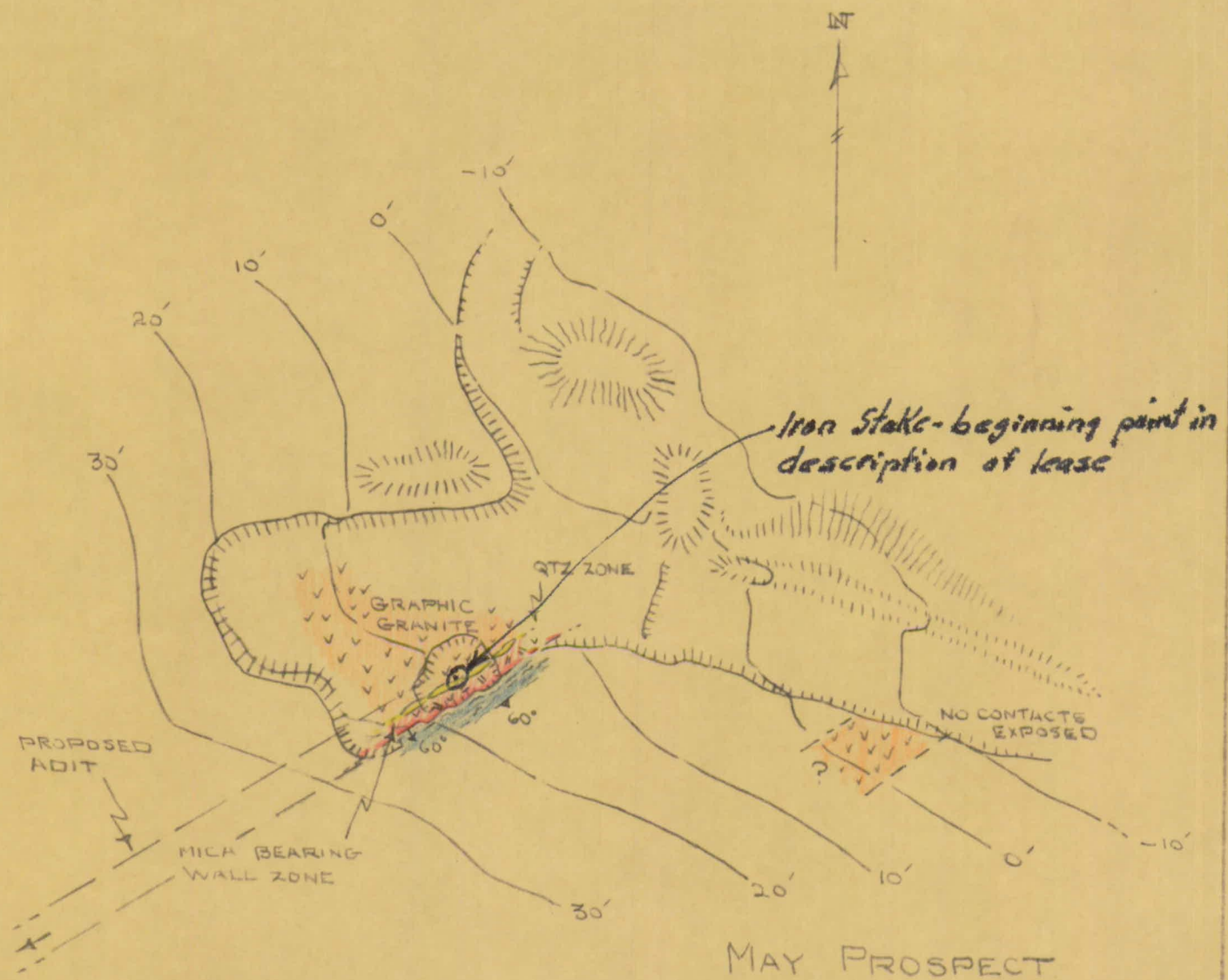
The adit and the drift and/or crosscut shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber. All work shall be performed on the pegmatite or in as close proximity thereto as possible.

...on, inclination, direction, and extent of all work ... the approval of the Government.

Fixed Unit Costs

1. Excavate approximately 600 cubic yards @ $0.30/cu. yd.	$ 180.00	
2. Construct - Toolhouse 1/	76.00	
Powder Magazine 1/	25.00	
Exploder magazine 1/	13.00	
3. Drive - 100 feet of adit, drift and/or crosscut @ $32.30/ft	3,230.00	
Estimated Total Cost of Project		$3,524.00
Government Participation @ 75%		$2,643.00

1/ The completed work constitutes the unit.



MAY PROSPECT

MITCHELL COUNTY, N.C.

DMEA-4232 (MICA)

SCALE: 1" = 20'

LEGEND

- MICA-BEARING CONTACT ZONE
- GRAPHIC TEXTURED PEGMATITE
- MICA GNEISS
- EXCAVATION
- DUMP

6/56

RECEIVED
JUL 5 - 1956

600

APR 30 1957

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4232-Mica
John Phillips
May Prospect
Mitchell County, North Carolina

Dear Mr. Phillips:

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

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

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

Sincerely yours,

Administrator

WCAnderson:rsi 4/26/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

APR 30 1957

Mr. H. E. Phillips

Bakersville, North Carolina

Re: Docket No. DEA-4132-Mica
John Phillips
May Prospect
Mitchell County, North Carolina
Contract No. Idm-2989

Dear Mr. Phillips:

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

This correspondence relates to the Consent to Lien signed by you on March 27, 1956.

Sincerely yours,

[illegible] Wilkinson

Administrator

Enclosure

WCAnderson:rsi 4/26/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Project Summary Report

By: W. C. Anderson, Nonmetallic Minerals Division

1. Docket No. DMEA-4232-Mica
Contract No. Idm-E989
May Prospect
Mitchell County, North Carolina

Application: Form MF-103 (April 1952), received March 30, 1956.

Operator: John Phillips
Spruce Pine, North Carolina

Operator's Property Rights: Five year mining lease on the R. B. Phillips property consisting of five plus acres, dated March 27, 1956. Consent to Lien of lessor, dated March 27, 1956.

Work proposed by applicant:

50 hours bulldozing @ $10.00/hr.	$500.00
60 feet of shaft @ $50.00/ft.	3,000.00
80 feet of drift @ $35.00/ft.	2,800.00
Total amount requested	6,300.00

2. Contract: Form MF-200A (April 1956), dated August 10, 1956.

Work authorized:

Excavation - 600 Cubic Yards @ $0.30 C/Yd.	$180.00
Construction - Toolhouse, powder and Exploder magazines	114.00
100 feet of adit, drift and/or crosscut @ $32.30/ft.	3,230.00
Estimated total cost of project	$3,524.00
Government participation @ 75%	$2,643.00

Amendments: None.

Work completed:

Excavation	$180.00
Construction - Toolhouse, powder and Exploder magazines	114.00
56 feet of drift @ $32.30/ft.	1,808.80
Total accepted cost	$2,102.80
Government participation	$1,577.10

Work began on August 26, 1956 and terminated by mutual agreement October 15, 1956. Field Team Final Report received November 28, 1956.

Operator's Final Report, dated October 31, 1956 received November 28, 1956. No equipment purchased under the contract.

3. Audit: Report of Review dated December 3, 1956.

Total accepted cost	$2,102.80
Government participation	$1,577.10

4. Certification of discovery: None issued.
No production of mica during operation.
No reserves were outlined.

5. Comments:
How conducted: All of the work in which the Government participated was accepted.
Operation: Good
Engineering: Reporting by Operator was better than average.

Geologic premise: The premise that a three foot wide mica-bearing, quartz contact zone would continue to be productive of strategic mica was proven wrong, by 56 feet of a crosscut and drift adit.

Geologic criteria upon which work was based:

1. Pegmatite: 20 foot pegmatite with a 3 foot wide quartz, mica-bearing contact zone, which is separated from the main body by a continuous 1 foot wide quartz zone. Mica occurs in the wall zone, none in main body of pegmatite. The contact zone is comformable with an extremely weathered, earthy, red-brown mica schist. The main pegmatite body is composed of two-thirds kaolinized plagioclase feldspar and one-third of fine graphic intergrowths of quartz and potash feldspar.

2. Mica: Clear, light green, flat "A", no cracking or clay staining, very few fine specks of biotite and iron oxides.

3. Old workings: Excavation 30 feet by 40 feet by 8 feet deep, exposing the hanging wall contact.

Geologic criteria developed during project:

1. Pegmatite: Graphic-granite body with pegmatite phases and a barren fine-grained plagioclase hanging wall zone separated from the main body by a 1 foot quartz zone, ranges from 20 to 25 feet thick and exposed by drifting for a distance of 31 feet.

2. Mica: Only mica recovered by operation were four crystals of green, wedge "A" stained mica, up to 6 inches across.

Future possibilities: No further exploration is warranted.

Recommendations: Since very little mica was recovered and no reserves, indicated or inferred, can be outlined, the Field Team stopped the work before completion and recommend that the project not be certified. The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and Geological Survey concur.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:rsi 4/25/57
Copy to: Admr. R. File
Mr. Houk

Form MF-1[illegible] (Rev.)
(April 195[illegible])

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- Final Voucher 32

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1956 Docket No. DMEA 4232 Contract No. Idm-E 989
Operator's Name John Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 3,524.00 Government Participation 75 % Amount, $ 2,643.00

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		180.00				
Crosscutting						
31' Drifting @ 32.30	1001.30	807.50	1808.80			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		38.00	38.00			
(8) Contingencies (specify):						
TOTALS	1001.30	1101.50	2102.80	1001.30	1101.50	2102.80

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 11-1-56 *Payee John Phillips
Per John 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:
$ 750.97
Signature Helen R. Mullin
(Authorized Certifying Officer)
Date NOV 27 1956 Vou. No. 32
(See other side)

250.33

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date NOV 26 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 29 1956 D.M.E.A.

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

Month of October 1956 Docket No. DMEA 4232 Contract No. Idm-E 989
Operator's Name John 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
31' Drifting @ 32.30	31	1001.30	32.30	1808.80	56	32.30	100	32.30
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				180.00	18 hrs.	10.00	18hrs.	10.00
Total Distributed Costs		1001.30		1988.80				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				76.00				
				38.00				
Total Costs		1001.30		2102.80				

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

Date 11-1-56 Operator John Phillips

Per John 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)

Remarks:

(For Government use only)

V. J. Lynch

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

OPERATOR'S

Monthly Progress Report

DMEA=4232, Idm-E 989

May Prospect

Final Voucher

RECEIVED

Work Accomplished:

In this month we completed 31' of drift making a total of 56' of drift in all, this contract was terminated at this point because what mica we were finding was not good enough to justify the continuation of the contract.

Daily Notes:

October 1-5: 31' of drift was done in this month.

8-15: What mica we were finding was not good enough to justify the continuation of the contract, therefore it was terminated at 56' of drift.

A

RECEIVED
DEC 11 1956
D.M.E.A.

December 7, 1956

Re: DMEA 4232, Ida-8989
John Phillips
May Prospect
Mitchell Co., N. C.
Approved Expend. $3,524
Expended $2,102.80 - 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 contract approved the expenditure of $3,524.00 on drifting 100 feet along the hanging wall of a 20-foot pegmatite.

Twenty-five feet of crosscutting was done and 31 feet of drifting. No strategic mica was found in the course of the drifting so the work was stopped and the contract terminated, $2,102.80 having been expended.

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

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

NENelson:sk
12/7/56
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
Chrono file
W. F. Dietrich, 3061

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

RECEIVED 6 DEC

December 5, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4232 (mica)

Applicant: John Phillips

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

Contract Number: Idm-E 989

Date of Field Team Report: 11/26/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 12/4/56

Field Team Recommendation: Recommend no certification.

Comments:

1. The only muscovite recovered during exploration came from a 1-foot quartz zone.
2. The muscovite was of nonstrategic quality.
3. Expenditures

Total approved	$3,524.00
Total cost of project	2,102.80
Gov't. participation	1,577.10
Gov't. share unexpended	1,065.90
Value of production	None

Recommendation:

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

Signed

W. F. Dietrich

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

A

COPY

November 26, 1956

Memorandum

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

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

Subject: Operator's Final Report - DMEA-4232, Idm-E989 (Mica)
John Phillips, Spruce Pine, North Carolina
May Prospect, Mitchell County, North Carolina

Enclosed are four copies of the Operator's final report on the subject terminated contract. Also enclosed are four copies of the Field Team report with maps attached.

V. J. Lynch

RAL/mg
Enclosures 8
cc - Operating Committee (2)
Lynch
Shirley
File

A[illegible] COMMITTEE
11/30/56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

DMEA-4232, Idm-E989, MAY PROSPECT
Mitchell County, N. C. (mica)

By

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

and

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

NOV 26 1956

Reviewed by
DMEA OPERATING COMMITTEE
11/30/56
(date)

RECEIVED
NOV 28 1956
DAMPA

RECEIVED
NOV 28 1956
D.M.E.A.

EXPLORATION PROJECT CONTRACT

FINAL REPORT

DMEA-4232, Idm-E989 (mica) MAY PROSPECT
Mitchell County, North Carolina

Operator: John Phillips, Spruce Pine, North Carolina

Summary

Fifty-six feet of adit crosscut and drift were driven under the contract in a barren fine-grained plagioclase hanging wall zone of a larger graphic-granite body. No reserves were outlined. It is recommended that no certification be issued.

Introduction

Location

The prospect is located 1.04 airline miles N 29° W of Wing, Mitchell County, N. C., on the eastern slope of Big Ridge (southern part of Burns Mountain., Micaville, N.C. Quad. TVA, 1/24,000).

Work Under Contract

Work began August 26, 1956 and was stopped October 15, 1956. About 640 cu. yds. of material was excavated in a strike length trench; a tool house, powder and an exploder magazine were constructed.

An adit crosscut was driven 12 feet S 25° W, thence 13 feet S 5° E; thence an adit drift was driven along the hanging wall of the pegmatite for 31 feet S 65° W. All work was done in pegmatite. The adit was timbered for a distance of 40 feet. No equipment was purchased by the Government.

Geology

A graphic-granite body with pegmatite phases and a plagiocalse wall zone with a quartz zone was explored. The body is about 25 feet thick on the Northern exposure (down-hill) where it is split into two parallel branches, but only 20 feet thick uphill (south).

Old works were encountered during the bulldozing. Someone had worked the body down dip by an inclined shaft that is now partially filled.

SMITHSONIAN INSTITUTION
RECEIVED
OCT 25 1960
EXCHANGE

Although normally a graphic-granite body this large offers a poor possibility for the occurrence of good muscovite, this body has a plagioclase hanging wall zone that is separated from the main body by a quartz zone 1-foot thick. The only muscovite recovered is associated with that quartz zone, but is non-strategic quality. About 4 crystals of green, wedge "A" stained electric mica up to 6 inches wide represents the total production.

The strike of the fine-grained plagioclase wall zone is N 62° to 65° E and the dip is 60 to 75° SE. The country rock is a weathered mica schist with alternating zones of Hornblende gneiss. It is concordant with the intrusive, having a strike of N 55 to 70° E and dips from 58 to 60° SE.

Conclusions

No further exploration is warranted. No reserves were outlined, therefore, the Field Examiners recommend that no certificate of discovery be issued.

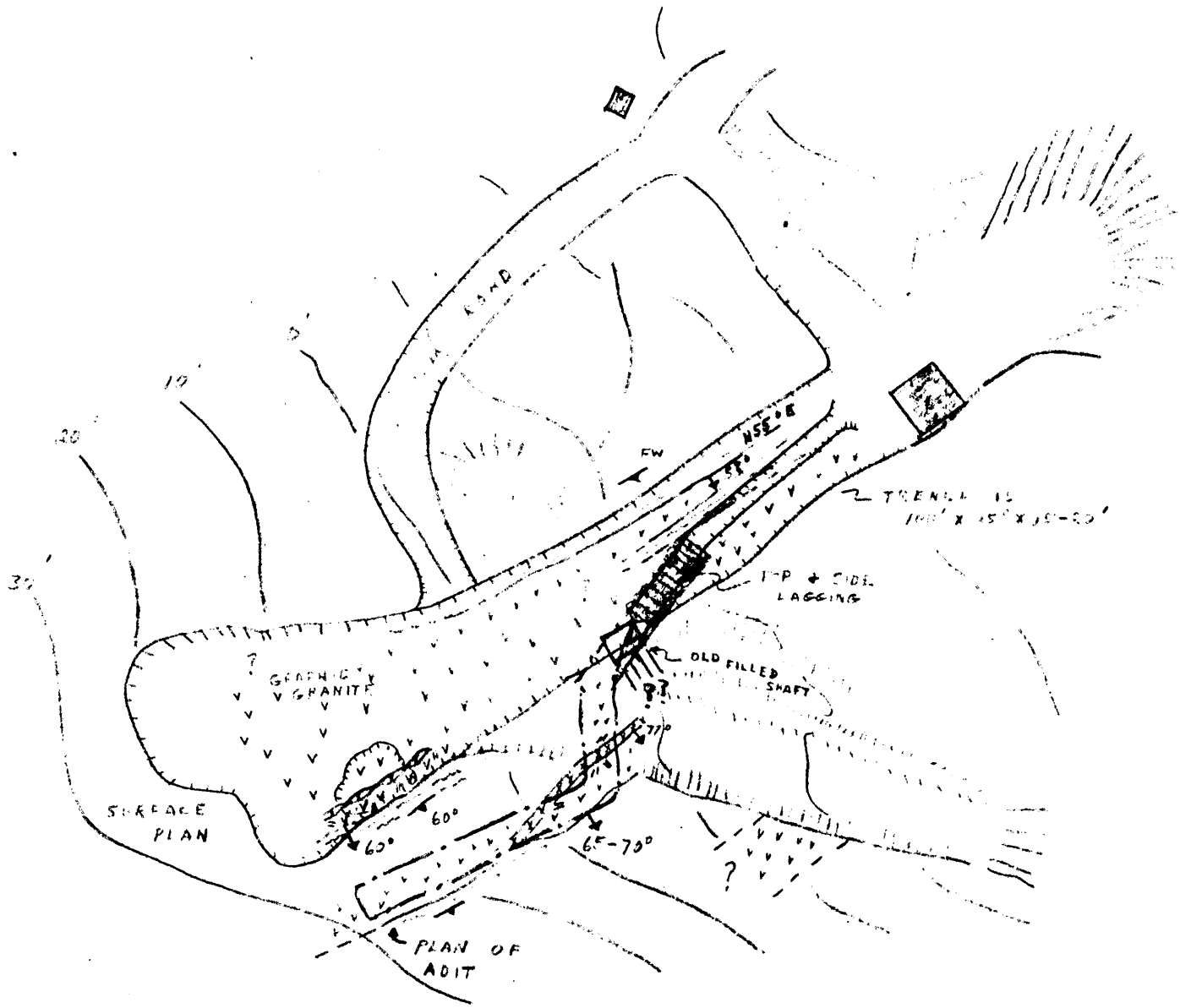
Expenditures:

(a)	Total approved	$3,524.00
(b)	Total Cost of project	2,102.80
(c)	Government's participation	1,577.10
(d)	Government's share unexpended	1,065.90
(e)	Value of production.....	None

z

A. R. Taylor and S. C. Bergman,
Geologists, USGS

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



MAY PROSPECT

DMEA - 4232 (MICA)

MITCHELL CO., N.C.

11-20-56

N

0 20 40 FEET

SCALE

PEGMATITE WITH QUARTZ ZONES

MICA SCHIST + HORNBLENDE GNEISS

EXCAVATIONS

DUMP

TAYLOR - 11-20-56

RECEIVED
NOV 28 1956

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

RECEIVED NOV 28 1956 D.M.E.A.

November 26, 1956

Memorandum

To: Finance Officer, Region V - Knoxville

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

Subject: Final Operator's Report & Voucher - Idm-E989, DMEA-4232 (mica) John Phillips, Spruce Pine, N.C.

Transmitted are three copies of the subject final report. This project began August 26, 1956 and was terminated by mutual agreement October 15, 1956.

Government's participation for the month of October 1956 is $750.97.

V. J. Lynch

ZM.
cc
Lynch
Shirley
Files
Opr. Com.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 5 U.S. BLDG.
KNOXVILLE 2, TENN.

A

RECEIVED NOV 28 1956 D.M.E.A.

November 26, 1956

Memorandum

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

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

Subject: Operator's Final Report - DMEA-4232, Idm-E989 (Mica)
John Phillips, Spruce Pine, North Carolina
May Prospect, Mitchell County, North Carolina

Enclosed are four copies of the Operator's final report on the subject terminated contract. Also enclosed are four copies of the Field Team report with maps attached.

V. J. Lynch

RAL/mg
Enclosures 8
cc - Operating Committee (2)
Lynch
Shirley
File

Spruce Pine, North Carolina
October 31, 1956

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

Re: EMEA-4232, Idm-E 989 (mica)
May Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

We began work on the above project August 27, 1956, and stopped work upon termination of the contract on October 15, 1956.

In the month of August we moved in a bulldozer, and bulldozed away overburden to best locate shaft. In September we sat up equipment and constructed toolhouse, completed 25' of drift, finding very little mica. In October we completed 31' of drift making a total of 56' of drift. The contract was terminated at this point because what mica we were finding was not good enough to justify the continuation of the contract.

We wish to thank the field team for their assistance on the May Project. If further details are necessary, please contact us.

Very truly yours,

John Phillips

John Phillips

P/j

RECEIVED
NOV 26 1956

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

WASHINGTON 25, D.C.

November 26, 1956

RECEIVED NOV 26 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tenn.

Subject: Signed Termination Agreement - Idm-E989-DMEA-4232 (mica) John Phillips, Spruce Pine, N.C.

Attached are three signed copies of the subject termination agreement. The usual distribution of the other copies has been made.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

ZM.
cc
Lynch
Finance Office
Shirley
Files

V. J. LYNCH
MEMBER, BUREAU OF MINES

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

Re: Docket No. DMEA-4232-Mica
John Phillips
May Prospect
Mitchell County, North Carolina
Contract No. Idm-E989

Dear Mr. Laurence:

Reference is made to your memorandum of October 25, 1956, recommending termination of the subject contract by mutual agreement.

We have prepared and enclose herewith the original and five copies of a Termination Agreement with effective date as shown for your signature. If it meets with your approval, please sign it in behalf of the Government and present it to the operator for approval and signature.

If any part of this agreement 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.

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

Sincerely yours,

Approved:

Member, Bureau of Mines

Chairman, Operating Committee

Member, Geological Survey

WCAnderson:gad 11/19/56

Enclosures 6

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

RECEIVED
OCT 29 1956

A

October 25, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tenn.

Subject: DMEA-4232, Idm-E989 (mica) John Phillips, Spruce Pine, N.C. May Prospect, Mitchell Co.,N.C

Enclosed are four copies of the latest interim report on the subject contract.

We agree with the examiners' conclusions, and therefore request permission to terminate the contract, effective October 15, 1956. Certification will not be recommended.

Robert A. Laurence
Executive Officer, DMEA
Region V

L. E. Shirley, for V. J. Lynch
U. S. Bureau of Mines

RAL/xm

cc
Lynch
Shirley
Files

INTERIM REPORT

RECEIVED
OCT 29 1956

DMEA-4232, Idm-E989 (mica) MAY PROSPECT

Operator: John Phillips, Spruce Pine, North Carolina
Location: 1.04 airline miles N29°W from Wing, Mitchell County, North Carolina

Drifting has been in progress for the past two weeks on this contract and coupled with 25 feet of previous crosscut, now totals 56 feet. The Examiners are of the opinion that sufficient exploration has been accomplished at this prospect. Due to the non-strategic quality of the mica and predominant barren feldspathic nature of the body, it is recommended that no additional work under the contract be authorized. The Operator is in agreement with this recommendation and termination forms should be sent for his signature.

Work accomplished under the contract consisted of building a tool house and magazines, trench excavation and driving crosscut and drift as follows: 12 feet S25°W; 13 feet S5°E; and 31 feet S65°W. The hanging wall contact was encountered at 25 feet from the beginning point and 31 feet of drift was driven from that point to the present face. The pegmatite appears continuous but drift work indicates principally feldspathic pegmatite containing scant mica. A few large pieces of large "X" mica was produced from around a large quartz mass in the crosscut, but the mica is non-strategic.

All work attempted under the contract was completed satisfactorily. Timbering was necessary for about 40 feet and is now in good condition.

The Field Examiners recommend that this project be terminated by mutual agreement of both parties. Certification will not be recommended.

Mr. Bob McClay, Geologist, U. S. Geological Survey, accompanied the Examiners on this visit to the mine.

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

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

October 15, 1956

INTERIM REPORT

RECEIVED
OCT 25 1956

DMEA-4332, Idm-E1008 (mica) JOHN PROSPECT

Operator: John Phillips, Spruce Pine, North Carolina
Location: 3.85 airline miles N64°W of Plumtree, Avery County, North Carolina

Trench excavation continues slowly on this contract, but is expected to be completed by the next visit. Old workings have been encountered on the northeast end of the trench and were more extensive than reported. Additional trench work is now underway on the southwest end which should expose the pegmatite properly and provide a safe location for incline work. Work has been in progress daily except during inclement weather.

Mr. Bob McClay, Geologist, U. S. Geological Survey, accompanied the Field Examiners on this visit to the mine.

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

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

October 17, 1956

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS RECEIVED OCT 15 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept., 1956 Docket No. DMEA 4232 Contract No. Idm-E 989
Operator's Name John Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 3,524.00 Government Participation: 75 % Amount, $ 2,643.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		180.00	180.00			
Crosscutting						
25' Drifting @ $32.30	807.50		807.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse	76.00		76.00			
Powder & Exploder Mags.	38.00		38.00			
(8) Contingencies (specify):						
TOTALS	921.50	180.00	1,101.50	921.50	180.00	1101.50

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

Date 10-4-56 *Payee John Phillips

Per John 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:

$ 691.13

Signature Helen R. Miller
(Authorized Certifying Officer)

Date OCT 11 1956 Vou. No. 6

(See other side)

230.37

(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. E989 in accordance with the terms of the contract.

Signature S. C. Burgman Title Geologist, USGS Date 10/8/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamm Title EXECUTIVE OFFICER DMEA REGION V Date OCT 8 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 15 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 6 Docket No. DMEA 4232 Contract No. Idm-E-989
Operator's Name John 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
25' Drifting @ 32.30	Ft.	807.50	25	807.50	25	32.30	100	32.30
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	hrs.		18	180.00	18	10.00	18	10.00
Total Distributed Costs		807.50		987.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Toolhouse		76.00		76.00				
Powder & Exploder Mags.		38.00		38.00				
Total Costs		921.50		1101.50				

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 10-4-56 Operator John Phillips

By John 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)

S.C. Bergman - Geologist, USGS
10/8/56

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

OCT 1 1958

OPERATOR'S

Monthly Progress Report

DMEA-4232, Idm-E 989

May Prospect

Work Accomplished:

In this month we moved in and sat up equipment, and constructed toolhouse. We also completed 25' of drift. Drift was all in vein, which is of very good size. To date we have recovered very little mica.

Daily Notes:

September 3 - 7: We moved in and sat up equipment, constructed toolhouse.

" 10 - 14: We begin work on drift.

" 17 - 21: Drilled, shot and mucked out waste daily, ~~Drift~~ Continued to work on drift, going all the way in vein.

" 24 - 28: There is a very good sized vein, however we have recovered very little mica.

INTERIM REPORT

DMEA-A232, Idm-E989 (mica) May Prospect

Operator: John Phillips, Spruce Pine, North Carolina
Location: 1.04 airline miles N29°W from Wing, Mitchell County, North Carolina

Crosscutting in pegmatite material is in progress on this contract and now totals 25 feet; 12 feet have been driven S25°W and 13'S5°E. Material encountered is pegmatite composed of massive quartz flanked by large "A" mica and feldspathic zones. The body at this point strikes N20°E and dips 77°SE. The body is being crosscut from footwall to hanging wall and drifting will begin along the hanging wall when encountered.

Timber work completed to date is satisfactory. The operator was advised to continue timbering where needed, and to scale the working area after shooting. Progress on this contract is satisfactory.

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

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

October 1, 1956

C
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Y

UNITED STATES DEPARTMENT OF THE INTERIOR
NORRIS, TENNESSEE
REGION V

P. O. Box 217
October 1, 1956

Memorandum

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

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

Subject: Monthly reports and vouchers

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

Idm-E972	Ted Higdon Docket No. DMEA-4105 2nd and final payment - month of September Terminated 9/23/56
Idm-E989	John Phillips Docket No. DMEA-4232 1st payment - month of August Starting Date: 8/26/56 Amount $135.00

/s/ Hen Miller

Helen R. Miller

Attachments

Form [redacted]4 (Rev.)
([redacted]52)

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 OCT - 3 1956

Month of August, 1956 Docket No. DMEA 4232 Contract No. Idm-E 989
Operator's Name John Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 3524.00 Government Participation: 75% Amount, $ 2643.00

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						
18hrs Bulldozing @ $10.00	180.00		180.00			
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.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	180.00		180.00	180.00		180.00

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

Date 9-4-56 *Payee John Phillips

Per John 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:

$135.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date OCT 1 1956 Vou. No. 32
(See other side)

1 8/26 45.00

(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. Idm E989 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engr USDM Date SEP 10 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

EXECUTIVE OFFICER

Signature Robert A. Lawrence Title DMEA REGION V Date SEP 27 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.

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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".

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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 [redacted]-104A
([redacted]952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT - 3 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug. 195 6 Docket No. DMEA 4232 Contract No. Idm-E 989
Operator's Name John 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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
18 hrs.Bulldozing	Hrs.	180.00	18	180.00	18	10.00	18	10.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		180.00		180.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		180.00		180.00				

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 9-4-56 Operator John Phillips

Per John 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)

W. 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 872894

RECEIVE
OCT - 3 19

OPERATOR'S

Monthly Progress Report

August 1956

DMEA - 4232, Idm-E

May Prospect

Work Accomplished:

We moved in a bulldozer, and bulldozed away overburden to best locate shaft.

Daily Notes:

27 - 31 We Bulldozed 18 hours, bulldozing away overburden.

INTERIM REPORT

RECEIVED
OCT - 1 1956

DMEA-4232. Idm-E989 (mica) MAY PROSPECT

Operator: John Phillips, Spruce Pine, North Carolina
Location: 1.04 airline miles N29°W from Wing, Mitchell County, North Carolina

Work on this contract began in late August or early September. Preparation of an adit site has been completed and crosscutting of the pegmatite is expected to get underway in the current week. In preparing a shaft site approximately 640 cubic yards of material was removed by bulldozer and hand excavation. Some timbering was necessary to protect workers from vertical overhang ~~and~~ at and beyond the portal. Instructions were given for crosscutting and work will begin in pegmatite. Progress on this contract is satisfactory.

Mr. Milford L. Skow, Commodity-Industry Analyst, Branch of Ceramics and Fertilizer Materials, Washington, D. C. accompanied the Field Examiners on this visit to the mine.

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

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

September 17, 1956

August 16, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V Knoxville, Tenn

Subject: Signed Contract - DMEA-4232, Idm-E989 (mica)
John Phillips, Spruce Pine, N.C.

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

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

ZM.
cc:
Lynch
Finance
Shirley
Files

RECEIVED
AUG 30 1956

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AUG 1 0 1956

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

Subject: Docket No. DMEA-4232 - Miss John Phillips
May Prospect
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, Exhibit "A" (2 pages) and map of the May Prospect. Two extra copies of Annex I, Exhibit "A" and 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 July 10 and 18, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Please note that Annex I does not contain the book and page of recording nor the area of the tract*. In the future, when a contract is recommended, please have the applicant supply this information and a tie to a corner when practical. The map forwarded for attachment to the contract is not large enough to show all of the proposed work. It would also be helpful to have a profile of the surface above the proposed adit.

Approved:

FRANK D. LAMB

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Enclosures 12

*We are referring to lessor's tract of which the DMEA tract is a smaller tract.

LGHouk:gad 8/9/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Killsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

July 18, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4232 (mica)

Applicant: John Phillips

Name and Location of Property: May Prospect

Date of Field Team Report: 7/3/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 7/12/56

Field Team Recommendation: Recommend an exploration project at an estimated cost of $3,[illegible]8.00.

Comments:

1. A massive pegmatite with good mica potential was observed.

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

Recommendation:

I concur with the field team's recommendation for a unit-cost contract.

Signed
W. F. Dietrich

RECEIVED
JUL 1 3 1956

Memorandum

To: Mr. C. O. M. Adair

From: Lawrence G. Hook, Chief
N M D —

Subject: Evaluation of Application and Field Examination Report.
Docket No. DMRA-4232-Mica
John Phillips
Mary Prospect
Mitchell County — N. C.

A contract is recommended

Mica: Clear, light green, flat "A", no cracking or staining.

Pegmatite: Hanging wall contact, and at least a 20 foot wide pegmatite, conformable with an extremely weathered, earthy, red-brown schist.

Old Workings: None, except a bulldozed area 30 feet by 40 feet by 8 feet deep, which exposed the pegmatite.

Method of exploration: The applicant proposed to sink 50 feet of shaft and drive 80 feet of drift at total cost of $6,300. The Field Team recommends to bulldoze a cut 20 feet deep by 40 by 20 feet in area to prepare for a 100 foot adit at a total cost of $3,528.

Economics and Unit Costs: The purpose is to explore horizontally, the well gone for consultation of strategic mica at a cost of $32.30/foot.

Recommendations: The Nonmetallic Minerals Division and the commodity members of the Geological Survey and Bureau of Mines concur in the Field Team recommendation for a contract.

July 16, 1956

RECEIVED
JUL 18 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4232 (mica) John Phillips, Spruce Pine, N. C.
May Prospect, Mitchell County, N. C.

Reference is made to your letter of July 10.

The location of the iron stake is marked on the enclosed map, as requested.

The relation of the proposed work to the leased area cannot be shown on this map; however, the iron stake at the beginning point is also in the center of the 500-foot-square leased area. Therefore it is 250 feet from this iron pin to the lease boundary at the nearest points (due N.E. S. and W) and 355 feet to the corners of the square.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/am
cc:
Lynch
Files

July 16, 1956

RECEIVED
JUL 18 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4232 (mica) John Phillips, Spruce Pine, N. C.
May Prospect, Mitchell County, N. C.

Reference is made to your letter of July 10.

The location of the iron stake is marked on the enclosed map, as requested.

The relation of the proposed work to the leased area cannot be shown on this map; however, the iron stake at the beginning point is also in the center of the 500-feet-square leased area. Therefore it is 250 feet from this iron pin to the lease boundary at the nearest points (due N.E. S. and W) and 355 feet to the corners of the square.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/mm
cc:
Lynch
Files

JUL 10 1956

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

Subject: Docket No. DMEA-4232 - Miss John Phillips
May Prospect
Mitchell County, North Carolina

Dear Mr. Lawrence:

Reference is made to the field examination report of July 3, 1956, on the subject property.

We are returning one copy of the map because it does not contain a tie-in to a property corner. Please mark on the map the location of the iron pin referred to in the land description and return to us. Also, please furnish a location map showing the outline of the leased area related to the location of the proposed DMEA work.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey

Enclosure

WCAnderson:gad 7/6/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

IN REPLY REFER TO:

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

RECEIVED
JUL 11 1956

July 10, 1956

Re: DMEA 4232
John Phillips
May prospect
Mitchell Co., N. C.
$3,528.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring a newly-discovered 20-foot wide pegmatite exposed by a bulldozed cut on a hillside.

Practically no muscovite can be seen in place but the pegmatite is believed to have strategic mica potential and the examiners recommend that it be explored by 100 feet of drift adit along the hanging wall mica-bearing contact zone.

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

NENelson:btr
G 7/10/56

N. E. Nelson

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

N. E. Nelson

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

July 3, 1956

Memorandum

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

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

Subject: Field Examination Report, DMEA-4232 (Mica)
John Phillips, Spruce Pine, North Carolina
May Prospect, Mitchell County, North Carolina

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

We recommend approval of a contract (preferably unit-cost) as outlined in the report.

Robert A. Laurence
Executive Officer

V. J. Lynch, Member
Bureau of Mines

Enclosures 4
RAL/mg
cc
Operating Committee (3)
Lynch
Shirley
Files

RECEIVED
JUL 5 - 1956

Reviewed by
DMEA OPERATING COMMITTEE
7-9-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
REGION V

On

DMEA-4232, MAY PROSPECT (mica)
Mitchell County, N. C.

By

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

and

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

July 3, 1956

Reviewed by
DMEA OPERATING COMMITTEE

(date)

RECEIVED
JUL 5 - 1956

Supplies (cont'd)

Liability Insurance	$140.00
Social Security	28.00
Sales Tax	30.00
	$3,233.00

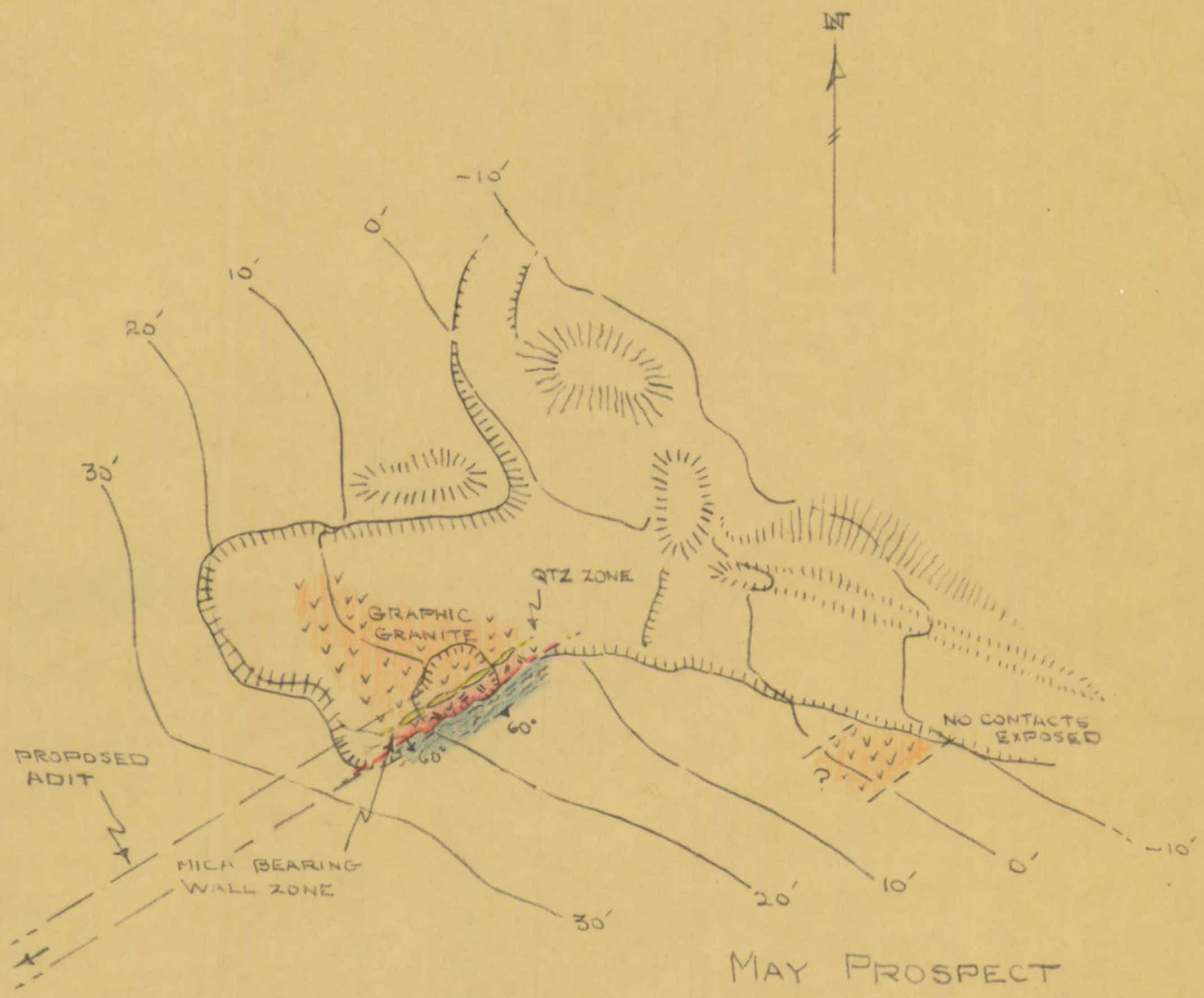
Estimated cost of adit
@ $32.33/ft.

Estimated total cost of project..... $3,528.00

July 3, 1956

S. C. Bergman, Geologist
Geological Survey

A. L. Peyton, Mining Engineer
Bureau of Mines



MAY PROSPECT

MITCHELL COUNTY, N.C.

DMEA-4232 (MICA)

SCALE: 1" = 20'

LEGEND

- MICA-BEARING CONTACT ZONE
- GRAPHIC TEXTURED PEGMATITE
- MICA GNEISS
- EXCAVATION
- DUMP

6/56

RECEIVED
JUL 5 - 1956

600

APR 9 1956

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

Re: Docket No. DMEA-4230-Mica
John Phillips
May Prospect
Mitchell County, North Carolina

Dear Mr. Lawrence:

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

Copies of memoranda dated April 2 and 3, 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

Approved:

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

N. E. Nelson
Member, Geological Survey

WCAnderson:mm 4/4/56
Copy to: Docket
Operating Committee
Mr. Killingsard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

Enclosures: 4

600

APR 9 1956

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. [illegible]
John Phillips
Ray Prospect
Mitchell County, North Carolina

Dear Mr. Phillips:

Your application for assistance in exploring the subject property has been reviewed by the Domestic 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 33, 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. Mitterdorf

Administrator

WCAnderson:ms 4/4/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Killingsworth, 9222
Mr. Dieterich, 9061
Mr. Hook
Mr. Anderson
Admr. R. File

Memorandum

To: Files

From: Walter C. Anderson, Nonmetallic Minerals Division.

Subject: Evaluation of application - Docket No. OMRA-4232-mica

John Phillips

May Prospect

Mitchell County, North Carolina

Referral to field for examination is recommended

Mica: Only information - "we believe high quality ruby mica may be found."

Pegmatite: Only information - "Very promising outcropping of vein".

Old Workings - None; new prospect.

Method of exploration - Applicant proposes to "bulldoze to uncover vein and best locate shaft," sink 50 feet of a shaft and drive 80 feet of drifts, all at an estimated cost of $6,300.00

Comments + recommendations: This is a project that should be carried out in stages. It will require a bulldozing stage to determine whether there is a mica-bearing pegmatite that merits further exploration. The Nonmetallic Minerals Division concurs in the recommendations of the members of the Geological Survey and Bureau of Mines to refer this application to the field for examination.

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

April 3, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4232 (mica)

Applicant: J. Phillips

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/30/56

Comments:

1. No data available in this office on this property.

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

3. Total estimated costs are in the amount of $6,300.00.

Recommendation:

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

Signed
W. F. Dietrich

RECEIVED
APR 3 - 1956

IN REPLY REFER TO:

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

RECEIVED
APR 3 - 1956

April 2, 1956

Re: DMEA 4232
John Phillips
May Prospect
Mitchell County, N. C.
$6,300 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in exploring a very promising vein in which, it is believed, high quality ruby mica will be found.

The proposed work consists of:

Bulldozing 50 hrs.	$500.00
Shaft 60 feet	3,000.00
Drift 80 feet	2,800.00
Total	$6,300.00

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

NENelson:jch
4/2/56
cc: Director's reading 4212
Branch reading 4212
DMEA (3) ✓
Docket file
W. F. Dietrich, 3061