P.O. Box 731

2820
November 7, 1963
Your ref.:
DMRA-4268 (Mica)
Murphy Mining Co.
Murphy Mine
Yancey Co., N.C.
Contract Idm-E1037

Mr. F.M. Murphy, Acting Chief
Division of Minerals
Office of Minerals Exploration
Washington 25, D.C.

Dear Mr. Murphy:

Ranger Price informs us "there was no mineral production under lease BLM-A 048576 from August 1, 1961 to the time the lease was relinquished; also the property has not been sublet to other parties".

Sincerely yours,

PETER J. HANLON
Forest Supervisor

By W. E. Howell

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-61037, Docket OMEA-4268 (mica), dated November 15, 1956, with

Murphy Mining Company
c/o Lewis Aldridge
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Murphy Mine and Murphy Rock Mine located in Yancey County, North Carolina, during the period April 18, 1959, through June 22, 1962.

In accordance with an October 18, 1957, Termination Agreement and Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated March 5, 1958, indicated accepted costs under the exploration contract amounting to $1,241.00 with the Government's contribution on a 75 percent basis being $930.75.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through April 17, 1959, to be $91.95. The royalty account as of April 17, 1959, was:

Total Royalty Payable	$4.60
Total Royalty Paid	4.60
Balance of Royalty Due	$ -0-

As of June 22, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$4.60
Total Royalty Paid	4.60
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OMS Auditor

August 2, 1962

Idm-E1037 Murphy Mining Company DMEA-4268

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The Termination Agreement provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land under the contract. The land consists of 2 acres, more or less, located on Higgins Bald in the Pisgah National Forest. At the time the contract was executed the Operator (a partnership of Lewis Aldridge, Spruce Pine, N. C., and Fred G. Wilson, Old Fort, N. C.) was in possession by virtue of a September 1, 1955 minerals lease (BLM-A 037556) granted Fred G. Wilson by the Bureau of Land Management. In consideration of the contract a Guaranty of Royalty was executed by Samuel P. Brown, Crossnore, N. C., on October 1, 1956.

Exploration work under this contract was discontinued at the end of February 1957 due to difficulties between the partners and infractions of Forest Service regulations. Formal termination was effective March 1, 1957, under the terms of the October 18, 1957, agreement. Production during the exploration period resulted in a single sale of 9.94 pounds of sheet mica for $91.95 in proceeds.

Inquiry by a DMEA regional representative on March 28, 1958, disclosed no further work on the property. In response to an inquiry by the Washington office the Forest Service's District Ranger, Box 128, Burnsville, N. C., advised on April 24, 1962, that: (1) Mr. Wilson's lease was closed December 24, 1959; (2) a lease (BLM-A 048576) was granted to Charles Greene, Homer Greene, and Branton James on August 1, 1961; and (3) there has been no production from the property since March 28, 1958. Furthermore, an examination of the records of the G.S.A. Mica Purchase Depot, Spruce Pine, N. C., during the week ending June 22, 1962, by a Contract Administration and Audit Division representative did not disclose any unreported sales of production.

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

(1) The files indicate that all sales of production from the property under the contract have been reported and proper royalty thereon paid; and

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

800

AUG 3 1962

Memorandum

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

From: Acting Chief, Division of Field Operations, GMK

Subject: DMEA-4268 (Mica)
Murphy Mining Company
Murphy Mine
Yancey County, North Carolina
Contract Lim-21037

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

/s/ H. R. Griswold

Enclosure

HBarry (7/26/62)
cc to: Docket DMEA-4268
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Region IV, w/cy of Report of Royalty Review dtd 8/2/62 & orig. cy of memo dtd 8/2/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Rhead, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

AUG 2 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMRA-4268 (Mica)
Murphy Mining Company
Murphy Mine
Yancey County, North Carolina
Contract Idm-81037

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

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

(b) Two copies to Region IV files.

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

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

Enclosures

EDTalbert/ama 8-2-62

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

E 1037 11/15/56 DMBA-4268 Murphy Mining Company

Yancey County, N.C. Murphy, Murphy Rock Mine

Last reported Depot sale 11/8/57 $91.95 only sale

Other known parties of possible interest:

Fred G. Wilson } Partners Charles Greene

Lewis Aldridge Homer Greene

Samuel P. Brown Grantor Brantom James Buchanan

} secured 8/1/61 from BLM A-048576

Located on forest land.

No additional purchases noted in S.P. Depot records.

CEF

Pseudo

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Signature	Code
6-26	Talbert	800
		500
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

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

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

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

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

CEFisher/ams
6-26-62

03083

800

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
NORTH CAROLINA NATIONAL FORESTS

P.O. Box 128.
Burnsville, N. C.
April 24, 1962

2820
BLM-A-037366

Mr. George Fumich, Jr., Director
Office of Minerals Exploration
U. S. Dept. of Interior
Washington 25, D. C.

RE: DMEA -4268 (Mica)
Murphy Mining Company
Murphy Mine
Yancey County, North Carolina
Contract Idm - E1037

Dear Sir:

Referring to your letter dated April 17, 1962, concerning Mica Mineral Lease, Serial No. BLM-A-037366, dated September 1, 1955, granted to Fred G. Wilson.

According to our files and District personnel there has been no mica production from the area since March 28, 1958, and that Mr. Wilson's lease was closed December 24, 1959.

The area is now under Lease No. BLM-A 037366, dated August 1, 1961, granted to Charles Greene, Homer Greene and Branton James Buchanan. As of this date they, too, have not removed any mica from the area other than for analysis.

Very truly yours,

John W. Griffin
District Ranger

cc: Forest Supervisor

REPORT OF
ROYALTY REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Nonmetallic Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E1037, Docket No. DMEA-4268 (Mica), dated November 15, 1956, with

Murphy Mining Company
c/o Lewis Aldridge
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of mica from property referred to as Murphy Mine located in Yancey County, North Carolina, during the period November 15, 1956, through April 17, 1959.

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

My review established the total sales of mica to be $91.95. Royalty due the U. S. Government at the contract rate of 5 percent is $4.60. The royalty paid and balance due are as follows:

Total Royalty Due	$4.60
Total Royalty Paid	4.60
Balance of Royalty Due	$ -0-

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

April 22, 1959

MURPHY MINING COMPANY

Contract No. Idm-E1037 Docket No. DMEA-4268

STATUS OF PROJECT, DESCRIPTION
OF REVIEW AND REASONS THEREFOR

A Termination Agreement dated October 18, 1957, waived the issuance of Certification of Discovery or Development and provided that the Operator, as principal or as surety, shall pay to the Government the royalty on production provided for in the contract. Thus royalty, computed as outlined in Article 6 of the contract, is payable on the net value of production from the land described in Article 2 of the contract during a period of 10 years from the date of the contract or until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first. A Report of Review in lieu of final cost audit dated March 5, 1958, indicated accepted costs under the exploration contract amounting to $1,241.00 with the Government's contribution, on a 75 percent basis, being $930.75.

My review consisted of a verification of the settlement data furnished by the Executive Officer, OME Field Team, Region V, pertaining to a sale of 9.54 pounds of trimmed mica on November 8, 1957, to the Mica Purchase Depot, Spruce Pine, North Carolina, for $91.95. The royalty due at 5 percent amounting to $4.60 was deposited in Hamilton National Bank, Knoxville, Tennessee, on November 29, 1957, being included in Deposit No. 14-23-070-46.

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

(1) Investigation by a representative of the Field Team, Region V, indicates that royalty has been received by the Government on all sales of mica produced from the property covered by this review; and

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

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Murphy Mining Company

Address c/o Lewie Aldridge

Spencer

Exploration Contract No. Idm-E1037 Docket No. 4268

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

APR 17 1959
Date

Mining Engineer

53362

E-1037

For Certificate of Deposit No. 46, dated November 29, 1957, giving royalty payment of $4.60, see E-548.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
[illegible] BLDG.
[illegible]NN.

4268

October 29, 1957

Mr. Lewie Aldridge

Spruce Pine, N. C.

E1957 (2nd I [illegible])

Re: DMEA-2921, Idm-E548-mica
Fred Taylor & Julian and
Johnnie Greene
Cow Camp (South) Mine
Avery County, N.C.
and
DMEA-2557, Idm-E432-Mica
Anglin & Ellis
Huskins Mine, Yancey County, N.C.

Dear Mr. Aldridge:

The Government royalty on production of mica made by your operations at the above two mines is long past due and we would appreciate your checks made payable to the Defense Minerals Exploration Administration, together with copies of settlement sheets on all sales made.

On may 14, 1957 this office wrote you about two sales of mica to the GSA Depot in Spruce Pine amounting to $228.13, reported to have been produced at the Cow Camp Mine. Todate we have not received the royalty of $11.41 requested in that letter. Since then we have learned that you made a sale May 7, 1957 for which you received $120.52. Royalty on this amounts to $6.03. Thus, royalty amounting to $17.44, plus 5 percent of the amounts received for sales of scrap and punch is now due.

On May 14, 1957, a letter was written to R. B. Deyton, owner of the Huskins Mine, which you leased and operated during 1956, advising him we had not received royalty amounting to $111.12 on sales of sheet, hand cobbed, and scrap made by you. These sales amounted to $2,222.38.

On October 23, Mr. Beck visited the property and talked with Mr. Deyton. He stated you were advised of the royalty due when he received the above letter, and you said you would send a

check immediately. As of this date we have not received the check.

We also wish to point out that you have paid no royalty on mica produced and sold from the Murphy Mine, Docket No. DMEA-4268, Idm-E1037.

We cannot indefinitely postpone collection of these long overdue royalties, and if settlement is not made within thirty (30) days we will refer this matter to our Washington office for further action.

Very truly yours,

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

WAB/mm
cc

Opr. Com.-2
Lynch
Files

REPORT

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Murphy Mining Company
c/o Lewie Aldridge
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E1037, DMEA No. 4268, including Amendment No. 1, for December 1956 and February 1957, inclusive, covering a project for the exploration of mica on property, known as the Murphy Mine located in Yancey County, North Carolina.

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

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

all of the accepted costs were under a contract provision for payment by the Government at fixed unit costs for work performed.

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

Total cost billed by Operator		$1,241.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$1,241.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the Operator by the Government in the amount of Nine hundred thirty and 75/100 Dollars is 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.

Amount payable to Operator	$930.75
Amount reimbursed	930.75
Balance due Operator	$ -0-

E. D. Talbert

E. D. Talbert, Auditor

March 5, 1958

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

Re: Docket No. DMA-4268 (Rice)
Murphy Mining Company
Murphy Mine
Yancey County, North Carolina
Contract No. Idm-21037

Dear Mr. Laurence:

Enclosed are the original and three copies of a Report of Review in lieu of a final audit of the referenced project.

If you concur with the facts stated therein please make the normal distribution. If, for any reason, you do not concur, please return all copies to this Division with your comments.

Sincerely yours,

(Signed) E. D. Talbert

for Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

EDTalbert/sma
March 7, 1958

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

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 13 1958

DATE	INITIALS	CODE
2/13	C	220
		800

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

February 11, 1958

Memorandum

To: Jay L. Chambers, Chief Contract Administration and Audit Division, DMEA - Washington

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

Subject: DMEA-4268, Idm-E1037(mica) Murphy Mining Company, Spruce Pine, N.C. Murphy Mine, Mitchell County, N.C.

This project was abandoned by the Operator after payment of $930.75 for work done up to that time. Later, after much correspondence, the contract was terminated, effective March 1, 1957, by mutual agreement. Because of this, there is no final voucher awaiting payment.

The following units of work were performed:

Bulldozing access road, 600 cu.yds.

Construction of toolhouse, powder magazine and Exploder magazine

Shaft sinking --21 feet.

No final report* was received, but we have requested the Operating Committee to waive this requirement.

Report of Review is requested.

Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA-Region V

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

* Final Report 2/26/58, rec'd Knoxville 2/28/58, rec'd. in Washington with Field Team memo of 2/28/58.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1957 Docket No. DMEA 4268 Contract No. Idm-E 1037

Operator's Name Murphy Mining Company Minerals Mica

Address c/o Lewie Aldridge, Spruce Pine, N. C.

Contract Amount, $ 4236.00 Government Participation: 75 % Amount, $ 3177.00

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 800 L.FT.		180.00	180.00			
Crosscutting						
Drifting						
Shaft Feet	945.00		945.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives Magazine		15.00	15.00			
Powder Magazine		25.00	25.00			
Tool House		76.00	76.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	945.00	296.00	1241.00	945.00	296.00	1241.00

RECEIVED APR 8 1957 D.M.E.A.

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

Date 3-7-57 *Payee Murphy Mining Co.

Per Lewie Aldridge 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)

236.25

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

$ 708.75

Signature Helen R. Miller
(Authorized Certifying Officer)

Date APR 3 1957 Vou. No. 159

(See other side)

(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. DMA E1032 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date APR 2 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title EXECUTIVE OFFICER DMEA REGION V Date APR 2 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 195 7 Docket No. DMEA 4268 Contract No. Idm-E 1037
Operator's Name Murphy Mining Co. Minerals Mica
Address c/o Lewie Aldridge, 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 Bulldozing				180.00	1	180.	1	180.00
Raising							40	31.00
Shafts Feet	Feet	945.00	21	945.00	21	945.	60	45.00
Winzes								
Drilling: Core								
Exploden Magazine				15.00	1	15.	1	15.00
Powder Magazine				25.00	1	25.	1	25.00
Stripping Tool House				76.00	1	76.	1	76.00
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		945.00	21	1241.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		945.00		1241.00				$4236.00

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

Date 3-7-57 Operator Murphy Mining Co.

Per Lewie Aldridge Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

RECEIVED APR 8 1957 D.M.E.A.

W. M. Beck, Mining Engineer
U. S. Bureau of Mines
APR 2 8 1957

INSTRUCTIONS

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

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

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

GPO 872894

MURPHY MINING CO. c/o LEWIE ALDRIDGE
SPRUCE PINE, NORTH CAROLINA

DMEA 4268, Idm-E 1037 Mica

PROGRESS REPORT FOR MONTH OF FEBRUARY, 1957

Feb.	4-6	Laid track, water & air line, set up pump, drilled, shot & mucked.
	7-8	Rained and could not get to mine.
Feb.	11-14	Drilled, pumped water, shot & mucked. No trouble.
	15	Water Pump needed repairs-no work-took pump in for repair.
Feb.	18-19	Drilled, pumped water, shot & mucked.
	20	Rained, men could not get to the mine. Forman there and visited with field men.
	21-22	Pumped water, worked on water line, drilled and shot.
Feb.	25-28	Drilled, pumped water, shot & mucked. No delays.

Pulled 21 feet of shaft in the above period. Have been in the pegmatite and have recovered around 150 pounds of mica containing a few very good blocks which are still small.

EXTRA COPY
DMEA
RECEIVED APR 8 1957

DATE	INITIALS	CODE

RECEIVED
MAR 11 1957
Georgia Division
Knoxville, Tenn.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 51

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1956 Docket No. DMEA 4268 Contract No. Idm-E 1037
Operator's Name Murphy Mining Co. Minerals Mica
Address c/o Lewie Aldridge, Spruce Pine, N. C.
Contract Amount, $ 4236.00 Government Participation: 75 % Amount, $ 3177.00

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 1800 L.Ft.	180.00		180.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives Magazine	15.00		15.00			
Powder Magazine	25.00		25.00			
Tool House	76.00		76.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	296.00		296.00	296.00		296.00

RECEIVED FEB 25 1957 D.M.E.A.

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

Date 2-13-57 *Payee Murphy Mining Co.

Per Lewie Aldridge 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:

$ 222.00

Signature Helen R. Meller
(Authorized Certifying Officer)

Date FEB 21 1957 Vou. No. 136

(See other side)

5 12/10

7400

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1037 in accordance with the terms of the contract.

Signature V J Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date FEB 20 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date FEB 20 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form DMF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec. 195 6 Docket No. DMEA 4268 Contract No. IDM-E 1037

Operator's Name Murphy Mining Co. Minerals Mica

Address c/o Lewie Aldridge, Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
~~Crosscutting~~ Bulldozing	1	180.00	1	180.00	1	180.00	1	180.00
Raising Feet							40	1240.00
Shafts Feet							60	2700.00
Winzes								
Drilling: Core								
Explosion Magazine	1	15.00	1	15.00	1	15.00	1	15.00
Powder Magazine	1	25.00	1	25.00	1	25.00	1	25.00
Tool House	1	76.00	1	76.00	1	76.00	1	76.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		296.00		296.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		296.00		296.00				4236.00

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

Date 2-13-58 Operator Murphy Mining Co.

Per Lewie Aldridge 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: Due to the unusually bad weather, we are late with the work and we have just now been able to acquire the vouchers blanks to fill out for December.

(For Government use only)

RECEIVED FEB 25 1957 D.M.E.A.

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

Dailey Operating progress Report.

DMEA-4268 Mica
Contract No. Idm-E 1037

Started work on December 10, 1957

Had Bulldozer to do 18 hours work covering 800 linear feet.

Then hauled in lumber and built the Exploder Magazine, the Powder Magazine and the Tool House.

The above work was completed by the 20th. day of December, but the ~~work~~ weather got so bad that it was impossible to start the operations for actual mining in December.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 25 1957

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

ROOM 2-B POST OFFICE BLDG.
KNOXVILLE 2, TENN.

FILE COPY
RECEIVED DEC 11 1958
800

December 9, 1958

Mr. Fred G. Wilson

Old Fort, North Carolina

Re: Docket No. DMEA-4268-mica
Murphy Mining Company
Murphy Mine, Yancey County, N.C.
Contract No. Idm-E1037

Dear Mr. Wilson:

Reference is made to your letter of December 8, in which you stated your lease on the subject mine has been reinstated and you requested aid for exploration in your own name.

The Defense Minerals Exploration Administration aid for exploration terminated as of July 1, 1958. Congress has passed a law which grants aid in exploring for certain minerals through a new organization, Office of Minerals Exploration. To date the new regulations and necessary forms have not come out. When they are received in this office we will send them to you. We cannot guarantee however that additional exploration aid will be granted on the subject mine.

As you know the contract by the Murphy Mining Co., was terminated by mutual agreement of the Government and the Murphy Mining Company. This termination agreement was signed by you and Mr. Aldridge for the Company and Mr. C. O. Mittendorf, Administrator for the Government. Item 5 of the agreement guarantees the Government the royalty on any production from the mine the same as if certification of discovery has been made. For your information the Government's share of the exploration costs was $930.75. Royalty paid on production to date is $4.60, leaving a balance of $926.15.

Very truly yours,

Wm. A. Beck, Alternate Acting
Executive Officer, OME
Region V

WAB/xm
cc
Opr. Com-2

EXTRA COPY
DMEA
RECEIVED FEB 26 1958

DATE	INITIALS	CODE

February 24, 1958

Mr. Lewis Aldridge

Spruce Pine, North Carolina

Re: Docket No. DMTA-1268 (Mica)
Murphy Mining Company
Murphy Mine
Yancey County, North Carolina
Contract No. Ida-F1037

Dear Mr. Aldridge:

When I sent the Termination agreement to you for signature, on October 24, 1957, my letter (second paragraph) requested prompt submission of your final engineering and geologic report, as required by article 5e of the contract which states, "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."

Termination of the contract did not remove this obligation. Article 3 of the termination agreement states that "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."

Please let me have this long overdue report as soon as possible, in order that we may complete our records on this contract.

Very truly yours,

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

RAL/mg
cc - Mr. Fred G. Wilson, Old Fort, N.C.
Operating Committee (2)
Mr. V. J. Lynch
File

Audit Copy

TERMINATION AGREEMENT

It is agreed this 18th day of October, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Murphy Mining Company, a partnership composed of Fred G. Wilson and Lewie Aldridge, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E1037, Docket No. DMEA-4268, dated November 15, 1956, hereinafter called the "Contract," that:

1. Effective MAR 1 - 1957, 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 percentage royalty and liens for its payment, records, audits, and recovery of any overpayment, are preserved.

5. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount, and for the same period, and subject to the same conditions provided in the Contract, as if certification of discovery or development had been made, such certification being hereby waived by the Operator.

11/27 gb 220 800

6. 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 C O Mittendorf
Administrator, Defense Minerals
Exploration Administration

MURPHY MINING COMPANY

By Fred G. Wilson (partner)
Fred G. Wilson

By Lewis Aldridge (partner)
Lewis Aldridge

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

November 12, 1957

EXTRA COPY
RECEIVED
DATE
800

Mr. Fred G. Wilson

Old Fort, North Carolina

Re: DMEA-4268(mica)
Murphy Mining Co., Franklin, N.C.
Murphy Mine, Yancey County, N.C.
Contract - Idm-E1037
(Permit-No. BLM-A037366)

Dear Mr. Wilson:

With reference to your letter of November 9, I suggest that you sign the termination agreement and return it promptly, as the contract is now in default and failure to sign the termination agreement could result in a demand for repayment of all Government contributions.

The matter of division of funds between the partners is one in which I have no authority. The Government has contributed its 75% share of all approved costs, and how these or any losses are to be divided is entirely up to the partners of the Murphy Mining Company.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/zm
cc
Opr. Com.-2
Abernethy
Lynch
Files

Old Fort, N. C.
November 9, 1957

Mr. Robert A. Lawrence,
Executive Officer,
DMEA Field Team, Region V,
Room 13 P. O. Building,
Knoxville, 2, Tenn.

Dear Sir:-

Re - DMEA-4268 (Mica)
Murphy Mining Co. Murphy Mine
Yancey County, North Car.
Contract No. Idm-E1037

I have a copy of your letter of October 24, 1957 addressed to Mr. Lowie Aldridge at Spruce Pine, N. C. in which you enclosed original and four copies of termination agreement for the subject expolration agreement.

I have contacted Mr. Aldridge and advised him that just as soon as he made a settlement with me of the funds received from the loan made for the operation of the mine, I will be willing to sign the termination agreement.

He has received all the moneys advanced and has never paid me one cent for my part of the expenses, the principal part of which is $180.00 die for grading road into the mine.

Would be glad if you would write Mr. Aldridge and urge him to make this settlement so that the termination agreement can be signed and returned to the Department.

Yours very truly,

Fred G. Wilson

RECEIVED
NOV 12 1957
U.S. Geological Survey
Knoxville, Tenn.

IN REPLY REFER TO:
BLM-A-037366
North Carolina

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

RALV
SCBV

October 29, 1957

Mr. Fred G. Wilson
Old Fort
North Carolina

Dear Mr. Wilson:

Reference is made to a letter written to Mr. Louie Aldridge under date of October 24 by Mr. Robert A. Laurence, D.M.E.A. Executive Officer, in which reference in turn was made to a letter dated July 12, 1957, from Mr. J. P. McKinney to Aldridge indicating that mica has been sold from land under your lease BLM-A-037366, N. C., to the G.S.A. mica depot at Spruce Pine.

By letter of August 24, 1955, from this office your attention was called to Section 2 of the lease requiring payment of royalty amounting to 8 percent of the gross value of the mica mined. You were requested to submit production reports and royalty payments to this office within 10 days following the close of each calendar quarter.

To date no production reports or royalty payments on production have been received in this office. In fact, you gave no indication to Mr. Mattila from this office when he talked with you last October 10 that any mica had been sold.

Please submit immediately a report on the amount of mica disposed of from the lease land and royalty thereon at 8 percent of the value received from the G.S.A. This must be done before your bond is released.

Very truly yours,

D. C. Abernethy

D. C. Abernethy
Regional Mining Supervisor

Copy to: Manager, Eastern States Office, BLM
Robert Laurence

RECEIVED
NOV 1 - 1957
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

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

OCT 21 1957

Mr. Fred G. Wilson
Old Fort, North Carolina

Re: DMEA-4268, Idm-R1037-mica
Murphy Mining Company
Murphy Mine, Yancey County, N.C.

Dear Mr. Wilson:

Reference is made to your letter of September 24, 1957, to Mr. Frank E. Johnson, expressing your personal willingness to resume and complete the project work.

Even as extended by Amendment No. 1, the time fixed for completion of project work passed about 2 months ago, and the Operator thereby has defaulted under the Contract. The partnership has not performed any project work for over 5 months, and apparently the partners are at odds concerning completion of the work. In these circumstances, the Government is unwilling to continue its participation in this project. However, the Government is willing to terminate this Contract by an agreement, containing requirement for payment by the Operator of royalty on any production made from the land by others. The third party Guarantor will also be liable for any royalty due the Government as a result of such a termination agreement with the Operator.

Should you desire to submit an application in your own name for a project on the same or other land, we would be glad to give it our consideration.

The Termination Agreement is being forwarded to Spruce Pine for execution by the partners.

Sincerely yours,

C. O. Mittendorf
Administrator

HCRubin:md
10/14/57

CC: DMEA Docket
Adm. Reading File
Field Team, Reg.V(2)
Mr. Killsgard
Mr. Dietrich
Mr. Houck
Mr. Dwyer
Operating Com.
Mr. Dwyer
Mr. Rubin
Chron
Pending

J. L. Chambers

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

EXTRA COPY
DMEA
RECEIVED JUL 5 1957

DATE	INITIALS	CODE
		800

July 3, 1957

Murphy Mining Company
c/o Lewis Aldridge
Spruce Pine, North Carolina

Re: DMEA-4268-nlca
Murphy Mine, Yancey County, N.C.
Contract Idm-41037
(Permit No. BLM-A037366)

Dear Mr. Aldridge:

Our Field Examiners report that as yet there has been no resumption of the exploration project at the Murphy Mine. I wish to remind you again that, under the terms of Amendment No.1, this exploration is to be completed on or before August 15, so that barely six weeks remains in which to complete approximately 39 feet of inclined shaft and 40 feet of raises. Work should be resumed promptly and carried out diligently, so that the original objectives of the contract may be completed.

Please let me know at once when work is to be resumed so that our field examiners may schedule their next inspection. Failure to complete the job may result in a demand for repayment of all Government funds which have been contributed to the project.

Very truly yours,

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

RAL/zm
cc
Fred G. Wilson
Abernethy
Opr. Com.-2
Lynch
Shirley
Files

Government Copy

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 22 1957

DATE	INITIALS	CODE
		800

EXPLORATION PROJECT CONTRACT

MURPHY MINING COMPANY

DOCKET No. DMEA-4268

AMENDMENT No. I

It is agreed this 6th day of May 1957, ~~between the~~ United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Murphy Mining Company, a partnership composed of Fred G. Wilson and Lewie Aldridge, that Exploration Project contract Idm-E1037(Docket No. 4268), dated November 15, 1956, be amended as follows:

ARTICLE I is amended to provide for completion of the work within nine (9) months from the date of the contract, instead of six months as stated in the original contract.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

MURPHY MINING COMPANY

By Fred G. Wilson
Fred G. Wilson, partner

By Lewie Aldridge
Lewie Aldridge, partner

z

DMEA Form 14

Contract No. Idm-E 1037

Docket No. 4268

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
November 15, 1956	V	North Carolina	Mica

Name and Address of Operator: Murphy Mining Company
c/o Lewis Aldridge
Spruce Pine, North Carolina

	Reserve	Obligation
Prior Amount	0	3,177.00
Increase	0	0
Decrease	~~0~~	~~2,246.25~~
Revised Amount	0	930.75

Remarks:

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

Date delivered to Bureau of Mines, Washington 3/28/58

22845

Contract No. Idm-E 1037

Docket No. 4268

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
November 15, 1956	V	North Carolina	Mica

Name and Address of Operator: Murphy Mining Company
c/o Lewis Aldridge
Spruce Pine, North Carolina

	Reserve	Obligation
Prior Amount	$3,177.00	0
Increase	0	$3,177.00
Decrease	$3,177.00	0
Revised Amount	0	$3,177.00

Remarks:

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

Date Delivered to Bureau of Mines, Washington 12/7/56

98963

Government's copy

MF-200A
(Rev. April 1956)

RECEIVED DEC 3 1956 D.M.E.A.

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

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4268	Mica	Idm-E 1037	Yancey	North Carolina

It is agreed NOV 15 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and MURPHY MINING COMPANY, a partnership composed of Fred G. Wilson and Lewie Aldridge

whose mailing address is % Lewie Aldridge
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 JAN. 10 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within six 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 $4,236.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $3,177.00, 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: Guaranty of Royalty by Samuel P. Brown in lieu of Consent to Lien.

(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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

MURPHY MINING COMPANY
(Operator)

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

By Fred G. Wilson
Fred G. Wilson, partner

By Lewis Aldridge
Lewis Aldridge, partner.

I, Lewis Aldridge, 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.

Fred

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
MURPHY MINING COMPANY
DOCKET NO. DMEA-4268

ANNEX I

The land referred to in Article 2 of the contract form comprises approximately 2 acres of which the Operator has possession by virtue of a Mineral Lease issued by the U. S. Bureau of Land Management (Serial BLM-A 037366, dated September 1, 1955) to Fred G. Wilson, one of the two partners of the Murphy Mining Company. The land is located on Higgins Bald, an extension of Commissary Ridge on the southeastern slopes of Mount Mitchell, in Yancey County, North Carolina, and is more particularly described as follows:

"Chain and Compass Survey"

Corner 1. (20" dead chestnut) due W. 2.00 chains
2. (36" chestnut oak) due S. 10.00 chains
3. (30" chestnut oak) due E. 2.00 chains
4. (24" chestnut) due N. 10.00 chains.

Tie: From corner 1 due east 3.50 chains to B, a point in Set Rock Creek; corner 4, in Flynn Ridge Trail, thence 54 chains generally S 45° E to a point at junction of trail with wagon road.

The land is immediately adjacent to Set Rock Creek, 1.90 airline miles S. 63° E. from the bench mark at the summit of Mount Mitchell, and 2.62 miles S. 63° W. from Busick School in the Pisgah National Forest.

RECEIVED
OCT - 3 1956

GUARANTY OF ROYALTY

WHEREAS, negotiations are now pending between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Murphy Mining Company, Spruce Pine, North Carolina, for an Exploration Project Contract relating to certain land in the State of North Carolina, County of Yancey, described in United States Department of the Interior, Bureau of Land Management, Mineral Lease Serial No. NLM-A 037366, dated August 17, 1955, such description being incorporated herein by reference.

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

Dated October 1, 1956.

Samuel Berry
(Guarantor)

I, _____, certify that I am the _____ secretary of the corporation named as Guarantor herein; that _____, who signed this Guaranty, was then _____ of said corporation; that said Guaranty 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]

RECEIVED
DEC 3 1956
D.M.E.A.

EXPLORATION PROJECT CONTRACT
MURPHY MINING COMPANY
DOCKET NO. DMEA-4268

EXHIBIT A

Description of the Work

The location of the work is shown on the map entitled "Murphy Mine, Yancey County, North Carolina, DMEA-4268 (Mica)," attached hereto and made a part hereof. The work consists of the following:

1. Improve 800 feet of existing access road.

2. Construct:

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

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

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

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

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

3. Sink 60 feet of two-compartment inclined shaft.

4. Drive 40 feet of incline raises.

All underground work shall be on the pegmatite or in as close proximity thereto as possible.

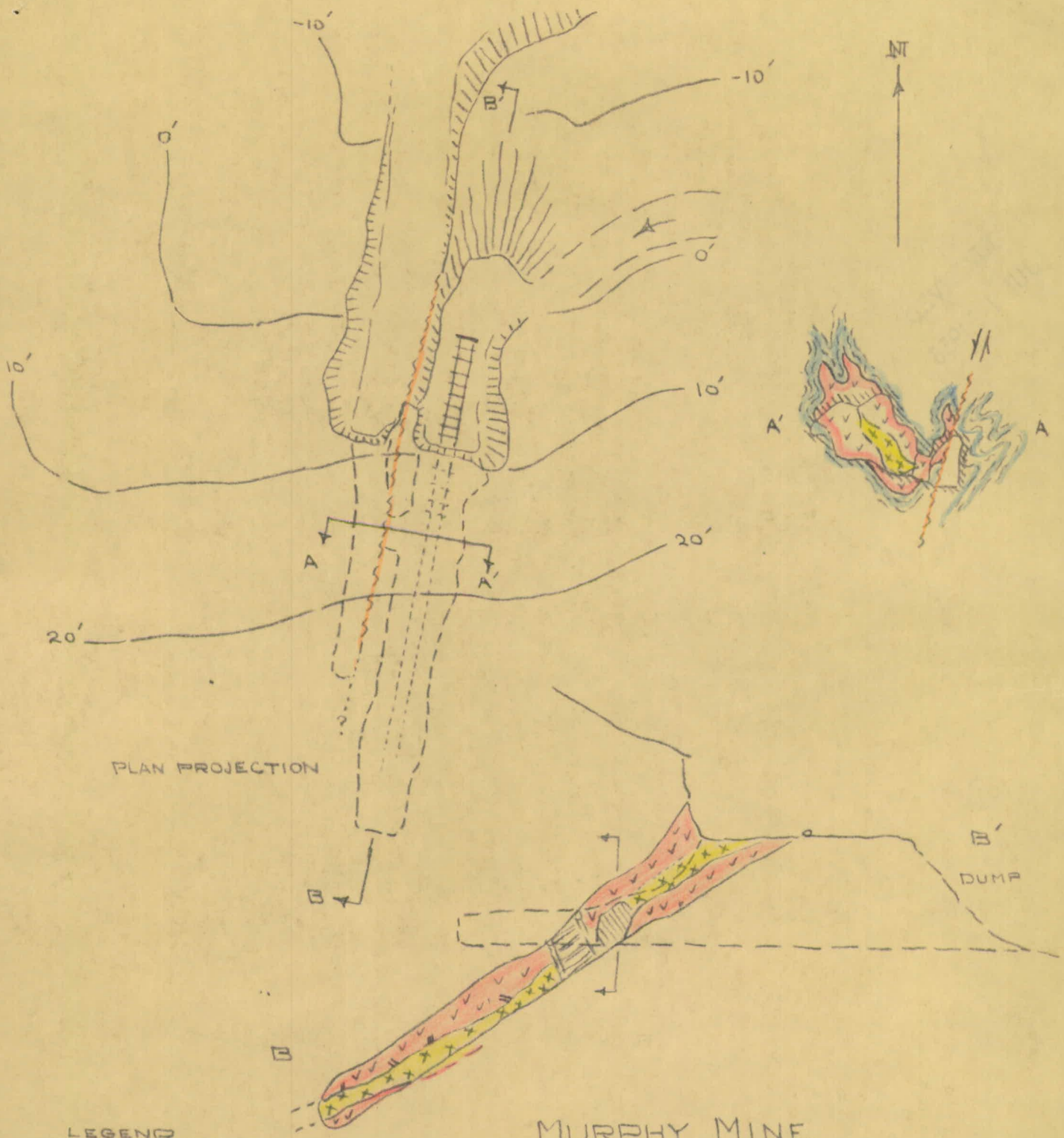
The shaft and raises shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

FIXED UNIT COSTS

1.	Access road improvement Bulldoze approximately 800 linear feet - 600 cubic yards @ $0.30/ cu. yd.		$ 180.00
2.	Construct:		
	Toolhouse 1/	$76.00	
	Powder Magazine 1/	25.00	
	Exploder Magazine 1/	15.00	116.00
3.	Sink 60 feet of shaft @ $45.00/ft.		2,700.00
4.	Drive 40 feet of raises @ $31.00/ft		1,240.00
	Total Estimated Cost of Project		$4,236.00
	Government Participation @ 75%		$3,177.00

1/ The completed work constitutes the unit.



LEGEND

- MICA-BEARING PEG.
- QTZ. CORE
- FAULT ZONE
- EXCAVATION
- DUMP

MURPHY MINE

YANCEY COUNTY, NORTH CAROLINA

DMEA - 4268 (MICA)

SCALE: 1" = 20'

7/56

RECEIVED
JUL 12 1956

Contract No. Idm-E 1037

Docket No. 4268

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
November 15, 1956	V	North Carolina	Mica

Name and Address of Operator: Murphy Mining Company
c/o Lewis Aldridge
Spruce Pine, North Carolina

	Reserve	Obligation
Prior Amount	0	0
Increase	$3,177.00	0
Decrease	0	0
Revised Amount	$3,177.00	0

Remarks:

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

Date Delivered to Bureau of Mines, Washington 11/26/56

98963