DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE E-1026 DMEA NO. 4439

Application (Denied
(Withdrawn
(After disposition, delete items not applicable) (

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
✓ Report of Review
Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓ Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
Owner's Consent to Lien
Subordination Agreement
✓ Leases and assignments of leases
✓ Application and attachments
(3) Envelope for maps

Right Side

Project summary
✓ Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report (Tab)
✓ Operator's Final Report
(2R) ✓ Interim Reports
(2R) ✓ Operator's monthly reports and all attachments (latest on top)
✓ On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order) Interim Summary Reports by W. O. Engineers

Right Side

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

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

R.C.H.

9779

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

John Phillips

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E1026, DMEA No. 4439, including Amendment No. 1, for the months of January 1957 to May 1957, inclusive, covering a project for the exploration of mica on property, known as the Ed Burleson Prospect located in Avery County, North Carolina.

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

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

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

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

Total cost as billed by Contractor		$4,512.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$4,512.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Three thousand three hundred eighty-four and no/100 Dollars

$3,384.00

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

E. D. Talbert, Auditor

June 10, 1957

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DMEA
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DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS
DOCKET NO. DMEA-4439

AMENDMENT NO. I

It is agreed this 11th day of April 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and ~~John Phillips,~~ that Exploration Project Contract Idm-E1026 (Docket No. DMEA-4439), dated October 29, 1956, be amended as follows:

ARTICLE I is amended to provide for completion of the work within eight 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

John Phillips
John Phillips, Operator

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Docket Copy

MF-200A
(Rev. April 1956)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 21 1956 D.M.E.A.

EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4439	Mica	1026	Avery	North Carolina

It is agreed OCT 2 9 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 DEC 15 1956, 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 $4,580.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $3,435.00, 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: None

(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 Owner

(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.*—

.....

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.....

.....

.....

.....

Appd. Sol. Off.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

JOHN PHILLIPS
(Operator)

By John Phillips

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

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS
DOCKET NO. DMRA-4439

ANNEX I

The land referred to in Article 2 of the Contract is located at the Headwaters of Henson's Creek in Avery County, North Carolina, and is described as follows:

> Beginning on an iron stake located at the center of the Ed Burleson Prospect which is located 394 feet North 19 degrees West to a Sugar Tree on the west bank of Henson Creek which is a corner in the property line between Sherman Burleson and Land and Mineral Company; 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 on the Headwaters of Henson's Creek in Avery County, N. C. Deed covering this property recorded in Book 26, Page 139 and 140, Register of Deeds Office, Newland, N. C.

The Operator is in possession and entitled to possession pursuant to a lease agreement dated August 13, 1956, for a period of five years renewable.

F-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E 1026
Contract Date OCT 29 1956

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows: 2/ Begining on an iron stake located at the center of the Ed Burleson Prospect which is located 394 feet North 19 degrees West to a Sugar tree on the west bank of Henson Creek which is a corner in the property line between Sherman Burleson and Land and Mineral Company; 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 on the Headwater's of Henson's Creek in Avery County, N.C. Deed covering this property recorded in Book 26, Page 139 and 140, Register of Deeds Office, Newland, 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;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

_____

_____

_____

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

2/ 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.

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5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this 17th day of August, 1946.

LAND & MINERAL COMPANY

J. Fuller Brown [Seal] Newport News, Va. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

J. L. Wheeler

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS
DOCKET NO. DMEA-4439

EXHIBIT A

Description of the Work

The approximate location of the work is shown on the attached map entitled, "Ed Burleson Prospect, Avery County, North Carolina, DMEA-4439 (Mica)."

The work consists of the following:

1. Construct 500 linear feet of access road having approximate dimensions of 12 feet wide and 2 feet deep, but not exceeding 370 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 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 jar-proof lock.

3. Sink 50 feet of 2-compartment, inclined shaft having minimum cross-section dimensions of 5 feet by 7 feet in the clear of timber.

4. Drive 60 feet of drift, having minimum cross-section dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary and shall be performed on the pegmatite or in as close proximity thereto as possible.

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

Fixed Unit Costs

1.	Access Road Construction - 370 cubic yards of excavation @ $0.40/cu. yd.		$ 148.00	
2.	Construct:			
	Toolhouse 1/	$75.00		
	Powder Magazine 1/	26.00		
	Exploder Magazine 1/	16.00	117.00	
3.	Sink 50 feet of shaft @ $45.50/ft.		2,275.00	
4.	Drive 60 feet of drift @ $34.00/ft.		2,040.00	
	Estimated Total Cost of Project			$4,580.00
	Government Participation @ 75%			$3,435.00

1/ The completed work constitutes the unit.

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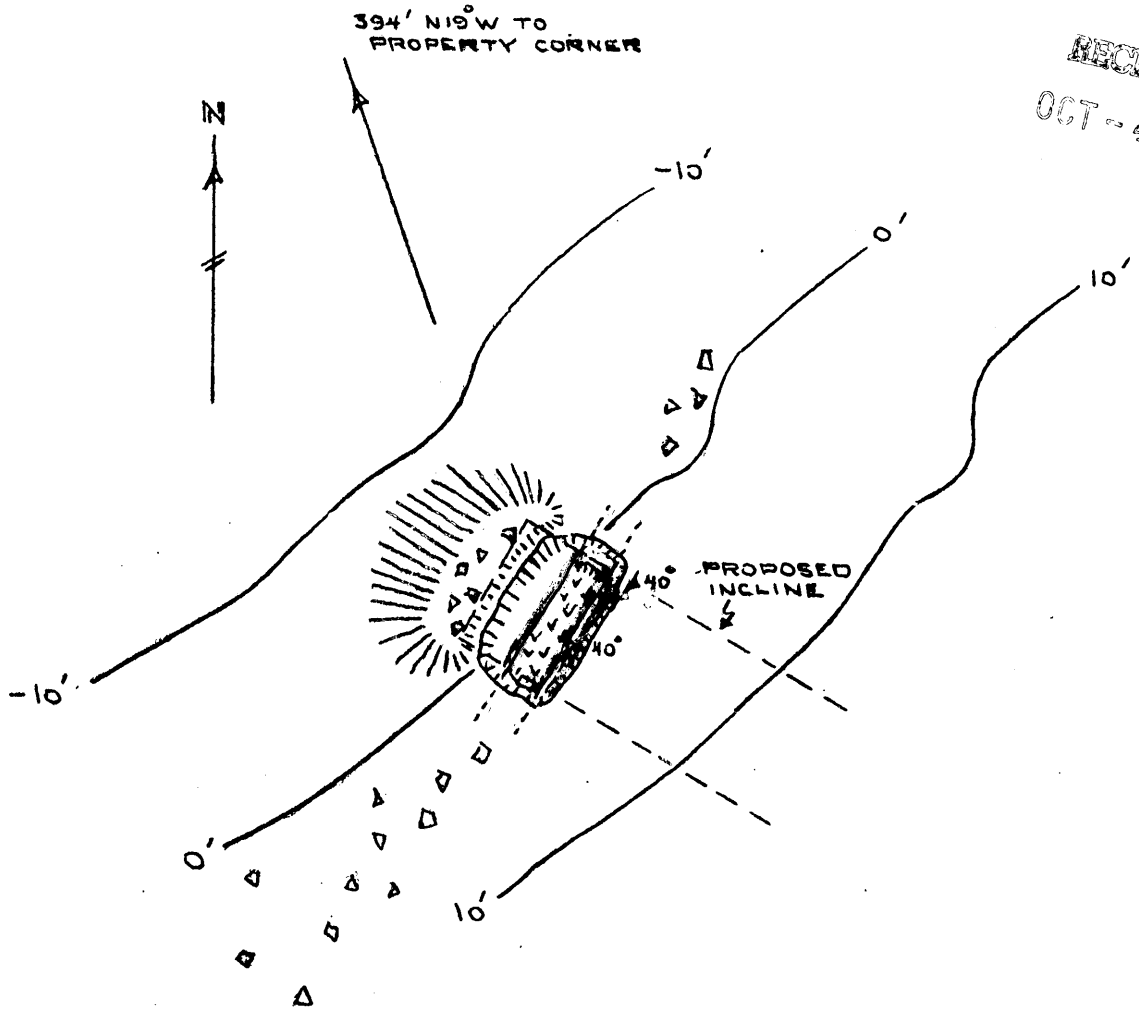
OCT - 4 1956



ED BURLESON PROSPECT
AVERY COUNTY, NORTH CAROLINA
DMEA-4439 (MICA)

SCALE: 1" = 10'

LEGEND

- PEGMATITE
- BIOTITE-HORNBLENDE GNEISS
- FLOAT PEGMATITE
- TEST PIT
- DUMP

9/56 SCB

NORTH CAROLINA
~~BUNCOMBE~~ COUNTY
MITCEHLL

THIS AGREEMENT made the 13th. day of August, 19 56, between the LAND & MINERAL COMPANY, a corporation organized pursuant to the laws of the State of Delaware, hereinafter sometimes designated as "Lessor," party of the first part; and,

John Phillips

of Spruce Pine, N.C.

hereinafter sometimes designated as "Lessee,"
(This designation shall include the respective parties, whether one or more, individual or corporate, and their respective successors in interest or assigns), party of the second part:

W I T N E S S E T H

That the said Lessor, for and in consideration of the premises and of the sum of One Dollar paid said Lessor by Lessee, the receipt of which is hereby acknowledged, and of the undertakings and agreements hereinafter set forth and stated to be kept and performed by the Lessee, has leased and granted, and by these presents does lease and grant unto the Lessee the sole and exclusive right and privilege of digging, boring and otherwise prospecting for, and mining mica, including scrap, sheet and punch mica, and feldspar, and _____, and to remove the same from the following described tract or tracts of land situate in the State of North Carolina, County of Avery, and bounded and more particularly described as follows: Begining on an iron stake located at the center of the Ed Burleson Prospect which is located 394 feet North 19 degrees West to a Sugar Tree on the west bank of Henson Creek which is a corner in the property line between Sherman Burleson and Land and Mineral Company; 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 on the Headwaters of Henson's Creek in Avery County, N.C. Deed covering this property recorded in Book 26, Page 139 and 140, Register of Deeds Office, Newland, N.C.

TO HAVE AND TO HOLD the said premises for the purposes aforesaid only, unto the said Lessee for and during the term of one (~~1~~ 5) year next ensuing from the 13th. day of Aug., 19 56.

1. The Lessee covenants and agrees to pay to the Lessor on the 10th day of each month, the following royalties:
   (a) Scrap mica—a sum equal to 1/8 of the then prevailing market price.
   (b) Sheet and punch mica—a sum equal to 1/8 of the then prevailing market price.
   (c) Feldspar—a sum equal to 50¢ per ton of 2240 pounds.
   (d) All other minerals—a sum equal to _____ of the then prevailing market price,
   (e) No mica to be sold in block form.

mined and removed from said premises pursuant to the provisions of this lease during the month immediately preceding said dates of payments, which payments shall be made to the Lessor at its office in Biltmore, North Carolina, or to its duly designated agent, for that purpose,

Arthur Buchanan, Jr., in complete settlement of any and all royalties due the Lessor for minerals mined and removed during the preceding month and each remittance of royalty payments herein specified shall be accompanied by an accurate statement or invoice and/or weight ticket, showing the amount, grade, qualification and weight of the mica and other minerals upon which said payments are based, together with such other information as may be incident to the mining, sale and shipment of said mica.

2. The Lessee agrees to pay to the Lessor a minimum royalty of $none per year during the term hereof, without regard to the mica, feldspar or other minerals produced from said land; for any period less than a year the minimum royalty payable hereunder shall be ratably ascertained, providing that nothing in this paragraph contained shall release the Lessee from the obligation to prosecute mining operations with a reasonable degree of efficiency and to pay the royalties provided upon the mica and other minerals actually produced. The annual royalties received pursuant to paragraph 1, hereof, shall apply against said minimum royalties but said sums received under paragraph 1, hereof, shall not be considered as advance and cumulative royalties against said minimum royalties.

3. The Lessee covenants and agrees to keep adequate, accurate and complete records, books and accounts of all mica and other minerals mined within the boundaries of the premises above described, and the same shall be open to inspection of the Lessor at all reasonable times.

4. The said Lessee will classify, segregate and keep separate and separately marked, all mica and other minerals mined upon and taken from the premises hereinabove described and in no event will store, ship, mix or confuse the same with mica and other minerals mined or taken from any other land or premises.

5. The Lessor hereby grants to the Lessee the right to mine, prospect, search, dig, bore and excavate for mica and other minerals in as many places on the premises above described as the said Lessee may deem proper, and to extract and remove the same from said premises.

6. The Lessor hereby grants to the Lessee the same right that it has to construct ditches, drains, aerial tramways, tramways, railroads, truck roads, to and across said premises and any adjoining tracts of land belonging to the Lessor, but subject to any obligation of the Lessor in connection therewith which Lessee assumes.

7. The Lessor hereby grants to the Lessee such rights as it has in the premises above, to cut and use such timber located upon the said premises as may be necessary for the construction of buildings and/or for other usual purposes of such mining operations, upon paying for the merchantable timber the reasonable market stumpage value thereof at and upon the aforesaid land and premises, but subject to any obligation of the Lessor in connection therewith, which the Lessee assumes.

8. The Lessor hereby grants to the Lessee such rights as it has to use any stone or gravel located on the aforesaid premises for the purpose of constructing roads necessary and suitable for the full enjoyment of the mining rights hereby leased by the Lessee, as well as such right as it has to use or secure water on said premises and to dump waste material and water arising through the mining operations upon said premises, but subject to any obligation of the Lessor in connection therewith, which Lessee assumes.

9. The Lessor hereby grants to the Lessee the right to remove his mining machinery and equipment at any time within ninety (90) days after the termination or expiration of this lease, provided the time for the removal of said machinery and equipment may be enlarged only by written permission of the Lessor. No mining machinery and equipment belonging to the Lessee shall be removed from said premises until all of the indebtedness and obligations which may be owing to the Lessor by the Lessee shall have been paid in full.

10. The Lessor reserves unto the Lessor the right to use so much of the premises as shall not be required by the Lessee for the mining operations of the Lessee.

11. The Lessee agrees to pay all taxes which may be levied solely upon the mining operations conducted upon the said premises by the Lessee.

12. The Lessee shall have the right to terminate this lease at any time during the term aforesaid upon giving written notice to Lessor of such intention, at least sixty (60) days prior to the date of termination, and upon payment of all sums due Lessor by Lessee to said date of termination. Said notice shall be sent by Registered Mail to last known address of Lessor.

13. The Lessee agrees to conduct his mining operations in a businesslike and workmanlike manner with due regard to Lessor's rights in the mines, minerals and mineral deposits, and to that end the Lessee agrees to keep and maintain the mines and all parts thereof in good and sufficient repair and to work and operate said mines in a good and skillful manner not removing the rich parts of the mines at the expense of the other part thereof, and as the work progresses to keep the mines as clean as reasonably practicable, and all parts thereof securely and properly timbered and supported; and in case of open work to properly slope the walls and banks so as to prevent the same from slipping or falling in; that no waste, rubbish or refuse will be dumped, thrown or placed in any mine, mine tunnel, cut shaft or other improper place, and no waste will be permitted upon said premises nor avoidable damage done to mine thereunder. Lessee further agrees not to interfere with, dislocate, remove, damage or misplace any surface monuments, marker stake or other evidence as presently set defining the boundaries of said premises.

14. The Lessor reserves the right to terminate and cancel this lease in the event of a default on the part of the Lessee in complying with any of the terms and conditions of this lease, provided said default shall continue for a period of sixty days after the Lessor has forwarded written notice thereof to the Lessee. Said notice shall be sent by registered mail to the last known address of the Lessee.

15. The Lessee shall have the right to renew this lease for an additional period of five years, upon the terms and conditions hereinbefore set forth, provided that 30 days prior to the expiration of this lease the Lessee shall forward to the Lessor written notice thereof in the manner hereinbefore provided for sending notices to Lessee.

16. The Lessee will within a period of 60 days from the signing of this lease begin active work in prosecuting the mining operations for scrap mica, sheet and punch mica, feldspar and other minerals and will continue the prosecution of said mining operations in good faith and with due diligence and activity in order to produce the maximum output from the mines located on the above described premises. In the event Lessee fails to operate actively and continuously any mine or mines within said boundary for the production of scrap mica, sheet and punch mica, feldspar and other minerals for a period of 30 days, except for causes absolutely beyond Lessee's control, then the Lessor, at its option, may declare this lease void and of no further force and effect.

17. It is agreed that during the continuation this lease, or any extension thereof, the Lessor or its assigns shall have the refusal of and the right and option to purchase all mica mined and produced by the Lessee from the land and premises hereinabove described. Such purchase to be at the prevailing market price.

18. It is agreed that the acceptance of royalty by the Lessor under the provisions of this lease is to to be a credit in behalf of the Lessee but is not to be taken or considered as a waiver for any damages Lessor may be entitled to recover from Lessee for any breach or breaches that Lessee may make in any duty or covenant expressed or reasonably implied in this lease or as an estoppel against Lessor in this respect. Nothing contained in this lease is intended to, nor shall it abridge or in any way modify the Lessor's right or rights in or to any action for the non-performance of the covenants of this lease.

19. It is agreed that this lease shall not be transferred, assigned or sub-let either in whole or in part by the Lessee without the prior written consent of the Lessor and no right or privilege of the Lessee hereunder can be transferred, assigned or sub-let by Lessee without such written consent of Lessor first had and obtained.

20. Lessee agrees that the Lessor shall in no sense or in any way be held liable for any operations under this lease, and in no event and under no circumstances shall Lessor be held liable for any debt, tort or other liability of the Lessee, his agents, workmen or employees and Lessee further agrees to at all times indemnify and save harmless said Lessor of any claim and demand of whatsoever kind and nature predicated in any manner on such operations under this lease and Lessee further agrees to carry adequate insurance of all kinds to so indemnify said Lessor.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly and properly executed as of the day and year first above written.

LAND AND MINERAL COMPANY
By: Arthur Buchanan Jr Agent
~~President~~

ATTEST:

_____
Secretary

John Phillips (SEAL)

_____ (SEAL)

NORTH CAROLINA
~~BUNCOMBE~~ COUNTY
MITCHELL

I, a Notary Public of said State and County, certify that Arthur Buchanan personally came before me this day and acknowledged that he is agent ~~Secretary~~ of LAND AND MINERAL COMPANY, a corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its agent President, sealed with its corporate seal, and attested by him self as its agent Secretary.

WITNESS my hand and Notarial Seal, this the 22 day of August, 1956.

Kenneth R McKinney NOTARY PUBLIC

My commission expires: 8/17/57

NORTH CAROLINA
BUNCOMBE COUNTY

I, _____, a Notary Public of said State and County, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal, this _____ day of _____, 19____.

_____ NOTARY PUBLIC

My commission expires:

_____

STATE OF NORTH CAROLINA
COUNTY OF ~~BUNCOMBE~~
MITCHELL

LAND AND MINERAL COMPANY
To

LEASE

Filed for registration on the_____
day of_____,
19____, at_____o'clock _____M., and
registered in the Office of The Register of
Deeds for_____
County, North Carolina in Book_____
Page_____.

_____
Register of Deeds for

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 4439
Metal or Mineral Mica
Date Received 8-27-56
Estimated Cost $6,250
Participation (Government %)

INSTRUCTIONS

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

RECEIVED
AUG 24 1956
U. S. Geologic Division Knoxville, Tenn.

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

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

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

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

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

(*b*) State any mine name by which the property is known. Ed Burleson Prospect

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

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

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

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

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

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

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

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

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

RECEIVED
AUG 27 1956

16—66551-1

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*b*) How do you propose to furnish your share of the costs?

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 8-13-56, 195...

John Phillips
(Applicant)

By .....

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

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

MF-103 (Continuation Sheet)

4. (a) This mine has been mined some, years ago some good quality ruby mica was produced. Applicant has no interest in previous operation.

(b) No records available.

(c) With exploration work, we belive that strategic mica may be found.

(d) Project is accessible to roads and shipping.

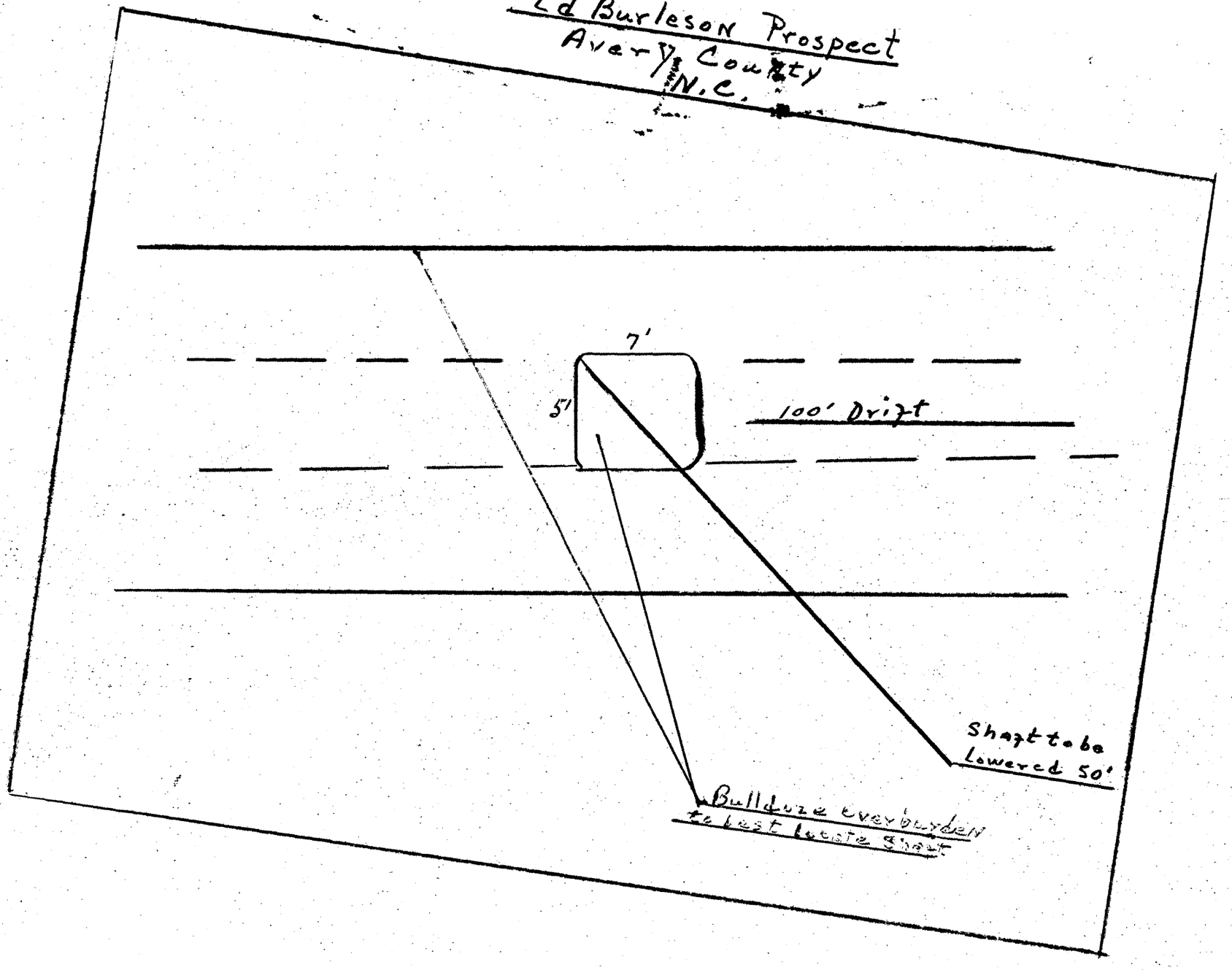
(e) Manpower, equipment and supplies available. Power one half mile away.

5. (b) We propose to bulldoze overburden to best locate shaft, then lower a 5' x 7' shaft a dept of 50' and drift a distance of 100' with vein.

6. Estimate of cost:

25 hrs. Bulldozing @ $10.00 - - - - - -	$ 250.00
50' Shaft. @ $50.00 per. foot - - - - -	2500.00
100' Drift @$35.00 per. foot - - - - -	3500.00
Total estimated cost of project:	$ 6,250.00

Ed Burleson Prospect
Avery County
N.C.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA - Box 431
Joplin, Missouri

OFFICIAL BUSINESS

DMEA Operating Committee
Defense Mineral Exploration Administration
Department of the Interior
Room 4459
Washington 25, D. C.

600

NOV 29 1957

Mr. J. Fuller Brown
President, Land and Mineral Company
Newport News, Virginia

Re: Docket No. [illegible]-443-[illegible]
John Phillips
Ed Burleson Prospect
Avery County, North Carolina
Contract No. [illegible]-[illegible]6

Dear Mr. Brown:

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 and Subordination Agreement signed by you on August 17, 195[illegible].

Sincerely yours,

C. O. Dittendorf

Administrator

Enclosure

WCAnderson:rsi 11/22/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Hillsgaard, 5222
Mr. Dietrich, 3061
Mr. Healy

4439
Div. Docket

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DM[illegible]-443-Mica
John Phillips
Ed Burleson Prospect
Avery County, North Carolina
Contract No. Idm-E1026

Dear Mr. Phillips:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:rsi 11/22/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. J. Fuller Brown

November 22, 1957

Project Summary Report

By: Walter C. Anderson, Division of Nonmetallic Minerals

1. Docket No. DMEA-4439-Mica
Contract No. Idm-E1026
Ed Burleson Prospect
Avery County, North Carolina

Application: Form MF-103(April 1952) received August 27, 1956.

Work Proposed by Applicant:

25 hours of bulldozing @ $10.00/hr.	$250.00
50 feet of shaft @ $50.00/ft.	2,500.00
100 feet of drift @ $35.00/ft.	3,500.00
Total amount requested	$6,250.00

Operator: John Phillips
Spruce Pine, North Carolina

Operator's Property Rights: Five year mining lease on a five acre tract belonging to the Land and Mineral Company, dated August 15, 1956. Consent to Lien and Subordination Agreement dated August 17, 1956.

2. Contract: Form MF-200A(April 1956) dated October 29, 1956.

Work Authorized:

Construction access road - 370 Cu.Yds. @ $0.40/c.yd.	$148.00
Construction - toolhouse, powder & exploder magazine	117.00
50 feet of shaft @ $45.50/ft.	2,275.00
60 feet of drift @ $34.00/ft.	2,040.00
Estimated total cost of project	$4,580.00
Government participation @ 75%	$3,435.00

Amendments: No. 1, 4/11/57, extended completion of work from April 29, 1957 to June 29, 1957.

Work Completed:

Access road	$148.00
Construction - toolhouse, powder & exploder magazine	117.00
50 feet of shaft @ $45.50/ft.	2,275.00
58 feet of drift @ $34.00/ft.	1,972.00
Total accepted cost	$4,512.00
Government participation	$3,384.00

Work began December 6, 1956 and ended May 16, 1957.
Field Team Final Report received June 27, 1957.
Operator's Final Report received June 3, 1957. No equipment purchased under contract.

3. Audit: Report of Review issued June 10, 1957.

Accepted cost	$4,512.00
Government participation	$3,384.00

4. Certification of Discovery or Development - none issued.
No strategic mica production during project,nor could any reserves be indicated or inferred.

5. Comments:
How Conducted: All of the work in which the Government participated was acceptable.
Operation: Good.
Engineering: Reporting by Operator was above average.
Geologic Premise: The premise that a strong pegmatite with good mineralogic and textural environment would be productive of commercial amounts of strategic mica was not fulfilled by the exploration work.
Geologic Criteria Upon Which Work Was Based:
1. Pegmatite: 2½ to 3 feet thick, exposed for 8 feet along strike, concordant in fine biotite-hornblende gneiss. Consists mostly of oligoclase and quartz, with accessaoy minerals - biotite, garnet, apatite, and sericite.
2. Mica: That picked up on dump was up to 4 inches across, ha r hard, flat and light reddish in color. Little mineral staining.
3. Past Production - none.

Geologic Criteria Developed During Project:
1. Pegmatite: Thin, 1/2 to 2 1/2 ft. thick, concordantly emplaced in biotite-hornblende gneiss, consisting of plagioclase, quartz and muscovite at or near the surface,and at 20 to 40 feet,entirely of perthite and at 50 feet, it contains discontinuous lenses of perthite enclosed in medium-grained plagioclase, quartz and minor muscovite.
2. Mica: Very small, scarce, hard, flat, and clear.

Future Possibilities: None.

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

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi : 11/22/57
Copy to: Admr. R. File
Mr. Houk ✓

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/26	Anderson	600
11/26	Hark	600
11/26	Talbert	800
11/27	Selford	120
"	Johnson	110
"	Mittendorf	100
11/29	gb	220
		600

600

NOV 29 1957

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4439-Mica
John Phillips
Ed Burleson Prospect
Avery County, North Carolina
Contract No. Idm-E1026

Dear Mr. Phillips:

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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,

C. O. Mittendorf (for)

Administrator

WCAnderson:rsi 11/22/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. J. Fuller Brown

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/26	Anderson	600
11/26	Houk	600
11/26	Talbot	800
11/27	Selfridge	120
"	Johnson	110
"	Mittendorf	100
11/29	[illegible]	220
		600

600

NOV 29 1957

Mr. J. Fuller Brown
President, Land and Mineral Company
Newport News, Virginia

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John Phillips
Ed Burleson Prospect
Avery County, North Carolina
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C. O. Mittendorf

Administrator

Enclosure

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Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/26	Anderson	600
11/26	Hook	600
		110
		220

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November 22, 1957

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8623

[illegible]

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2. Mica: That picked up on dump was up to 4 inches across, ha r hard, flat and light reddish in color. Little mineral staining.
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Geologic Criteria Developed During Project:
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2. Mica: Very small, scarce, hard, flat, and clear.

Future Possibilities: None.

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

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

WCAnderson:rsi : 11/22/57
Copy to: Admr. R. File
Mr. Houk

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

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DMEA
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7/18	Hook	600

July 17, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4439 (mica)

Applicant: Frank Phillips

Name and Location of Property: Ed Burleson Prospect, Avery County, N. C.

Contract Number: Idm-E 1026

Date of Field Team Report: 6/25/57

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 7/1/57

Field Team Recommendation: Recommend that no certification of discovery be issued.

Comments:

1. A contract was awarded October 29, 1956 for exploration of a narrow, concordant pegmatite by sinking a shaft and drifting.
2. A 50-foot shaft and 58 feet of drift were driven without discovering any strategic mica.
3. Expenditures -

Total approved	$4,580.00
Total cost	4,512.00
Gov't. share of the cost	3,384.00
Value of production during operation	None

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

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

July 2, 1957
Re: DMEA 4439
Frank Phillips
Ed Burleson Prospect
Avery County, ~~North Carolina~~
Mica

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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, awarded October 29, 1956, approved the expenditure of $4,580.00 on the exploration of a narrow, concordant pegmatite by sinking and drifting. The application said mica had been recovered from the pegmatite.

The shaft was sunk 50 feet, and 58 feet of drifts were driven. In addition about 1500 feet of access road was built, the total cost being $4,512.00.

No strategic mica was recovered and none was placed in reserve, and no certification of discovery is recommended.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

WASHINGTON 25, D.C.

June 25, 1957

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		220

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Report, DMEA-4439, Idm-E1026-mica. Frank Phillips, Spruce Pine, North Carolina

Transmitted are four copies of the subject report.

The Field Team concurs with the Field Examiners in their suggestions that no certification of discovery be issued on the prospect.

Robert A. Laurence/WHA
Robert A. Laurence
EXECUTIVE OFFICER
DMEA FIELD TEAM
REGION V

V. J. Lynch
V. J. LYNCH
MEMBER, BUREAU OF MINES

Reviewed by
DMEA OPERATING COMMITTEE
7-1-57
(date)

Field Team Final Rpt.

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DMEA
RECEIVED JUN 1957
DATE | CODE
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UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

DMEA-4439, Idm-E1026(mica) ED BURLESON PROSPECT
Avery County, North Carolina

By

S. C. Bergman, Geologist
Geological Survey

and

L. E. Shirley, Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
7-1-57
(date)

June 25, 1957

OFFICIAL FILE COPY
DMEA
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CODE
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220

EXPLORATION PROJECT
DMEA
FINAL REPORT

On
DMEA-4439 (mica) ED BURLESON PROSPECT
Avery County, North Carolina

Operator: John Phillips, Spruce Pine, North Carolina

SUMMARY

Exploration conducted on a thin pegmatite at this prospect failed to discover mica of strategic quality in sizes large enough to yield trimmed sheet. It is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

INTRODUCTION

Location

The Ed Burleson Prospect is on the northern slope of Long Level Mountain at an elevation of about 3350 feet. It is 1.56 air-line miles N 54°W of the intersection of U.S. Highway 19E and the Henson's Creek Road at Spears, Avery County, North Carolina.

Previous Work

The only work conducted at this Prospect prior to the contract was the excavation of a shallow pit approximately 9 feet long by 5 feet wide.

Contract Work

A unit-cost contract was authorized October 29, 1956. Actual work began December 6, 1956 and ended May 16, 1957. Work completed under the contract consisted of constructing an access road, tool-house, powder magazine and exploder magazine; sinking a 50-foot inclined shaft; and driving 58 feet of drifts. The access road is about 1500 feet long and required removal of material in excess of

370 cubic yards. The shaft was inclined about -45° in a S60°E direction and was made 5' x 9' in cross-section. The increased size over the 5' x 7' authorized by the contract was done at the Operator's expense. A total of 58 feet of drifts were driven from the bottom of the shaft; 34 feet in a S 40°W direction and 24 feet N33°E. Two feet of drifting authorized by the contract was not done when it became apparent additional exploration was not warranted. Only minor timbering was required in the shaft and drifts.

GEOLOGY

A thin, concordant pegmatite is exposed in the underground workings at this Prospect. It strikes N30 to 40° E and dips 40 to 50° to the southeast. The body varies from 1/2-foot to 2 1/2 feet in thickness. At and near the surface the pegmatite consists of plagioclase, quartz and muscovite; whereas at an inclined depth of 20 to 40 feet it is composed almost entirely of perthite. At the level of the drifts the pegmatite contains discontinuous lenses of perthite enclosed in medium-grained plagioclase, quartz and minor muscovite. The mica is hard, flat and clear. All the books are too small in size to yield strategic sheet mica. The enclosing wall rock is biotite-hornblende gneiss.

Production and Reserves

There has been no production of strategic mica from this Prospect. The exploratory work completed under the contract did not indicate any reserves of strategic mica nor can any be inferred.

Expenditures

(a)	Total amount of contract	$4,580.00
(b)	Total cost of project	4,512.00
(c)	Government's share of cost	3,384.00
(d)	Government's share unexpended	51.00
(e)	Value of production during opr.	none
(f)	Royalty received to date	none

Competency of Operator

The work completed under the contract was conducted in an efficient and satisfactory manner.

RECOMMENDATION

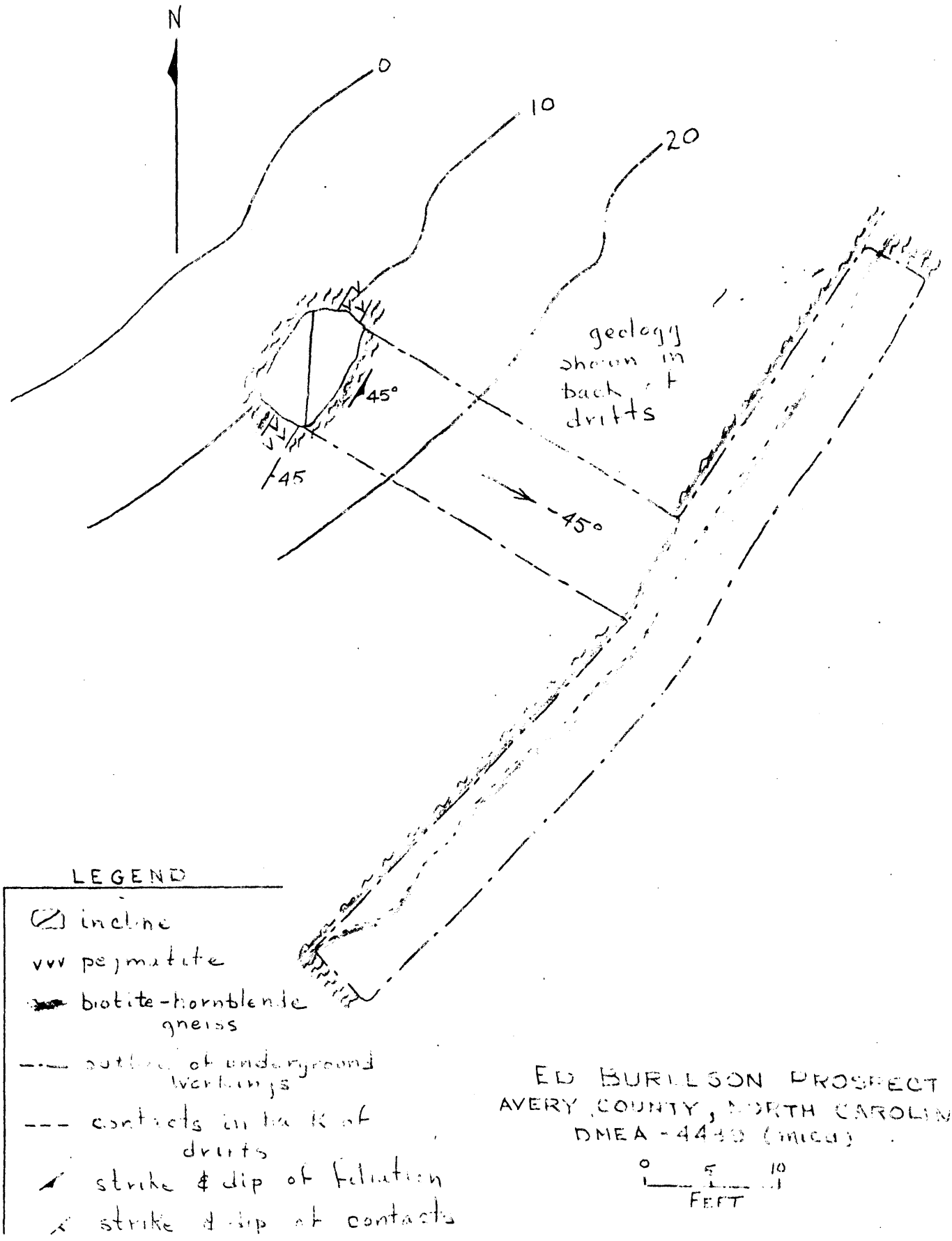
As no reserves of strategic mica were discovered by the exploration done under this contract, it is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

June 25, 1957

S. C. Bergman, Geologist
Geological Survey

DHA/zm

L. E. Shirley, Mining Engineer
Bureau of Mines



ED BURLESON PROSPECT
AVERY COUNTY, NORTH CAROLINA
DMEA - 4440 (micu)

0 5 10
FEET

6-24-57

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

June 25, 1957

EXTRA COPY
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DATE	INITIALS	CODE
		130
		220

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Report, DMEA-4439, Idm-E1026-mica. Frank Phillips, Spruce Pine, North Carolina

Transmitted are four copies of the subject report.

The Field Team concurs with the Field Examiners in their suggestions that no certification of discovery be issued on the prospect.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA FIELD TEAM
REGION V

sm
cc
Shirley
Lynch
Files

V. J. LYNCH
MEMBER, BUREAU OF MINES

Reviewed by
DMEA OPERATING COMMITTEE
7-1-57
(date)

EXTRA COPY
DMEA
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220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

DMEA-4439, Idm-E1026(mica) ED BURLESON PROSPECT
Avery County, North Carolina

By

S. C. Bergman, Geologist
Geological Survey

and

L. E. Shirley, Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
7-1-57
(date)

June 25, 1957

EXPLORATION PROJECT
DMEA
FINAL REPORT

On

DMEA-4439 (mica) ED BURLESON PROSPECT
Avery County, North Carolina

Operator: John Phillips, Spruce Pine, North Carolina

SUMMARY

Exploration conducted on a thin pegmatite at this prospect failed to discover mica of strategic quality in sizes large enough to yield trimmed sheet. It is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

INTRODUCTION

Location

The Ed Burleson Prospect is on the northern slope of Long Level Mountain at an elevation of about 3350 feet. It is 1.56 air-line miles N 54°W of the intersection of U.S. Highway 19E and the Henson's Creek Road at Spears, Avery County, North Carolina.

Previous Work

The only work conducted at this Prospect prior to the contract was the excavation of a shallow pit approximately 9 feet long by 5 feet wide.

Contract Work

A unit-cost contract was authorized October 29, 1956. Actual work began December 6, 1956 and ended May 16, 1957. Work completed under the contract consisted of constructing an access road, tool-house, powder magazine and exploder magazine; sinking a 50-foot inclined shaft; and driving 58 feet of drifts. The access road is about 1500 feet long and required removal of material in excess of

370 cubic yards. The shaft was inclined about -45° in a S60°E direction and was made 5' x 9' in cross-section. The increased size over the 5' x 7' authorized by the contract was done at the Operator's expense. A total of 58 feet of drifts were driven from the bottom of the shaft; 34 feet in a S 40°W direction and 24 feet N33°E. Two feet of drifting authorized by the contract was not done when it became apparent additional exploration was not warranted. Only minor timbering was required in the shaft and drifts.

GEOLOGY

A thin, concordant pegmatite is exposed in the underground workings at this Prospect. It strikes N30 to 40° E and dips 40 to 50° to the southeast. The body varies from 1/2-foot to 2 1/2 feet in thickness. At and near the surface the pegmatite consists of plagioclase, quartz and muscovite; whereas at an inclined depth of 20 to 40 feet it is composed almost entirely of perthite. At the level of the drifts the pegmatite contains discontinuous lenses of perthite enclosed in medium-grained plagioclase, quartz and minor muscovite. The mica is hard, flat and clear. All the books are too small in size to yield strategic sheet mica. The enclosing wall rock is biotite-hornblende gneiss.

Production and Reserves

There has been no production of strategic mica from this Prospect. The exploratory work completed under the contract did not indicate any reserves of strategic mica nor can any be inferred.

Expenditures

(a)	Total amount of contract	$4,580.00
(b)	Total cost of project	4,512.00
(c)	Government's share of cost	3,384.00
(d)	Government's share unexpended	51.00
(e)	Value of production during opr.	none
(f)	Royalty received to date	none

Competency of Operator

The work completed under the contract was conducted in an efficient and satisfactory manner.

RECOMMENDATION

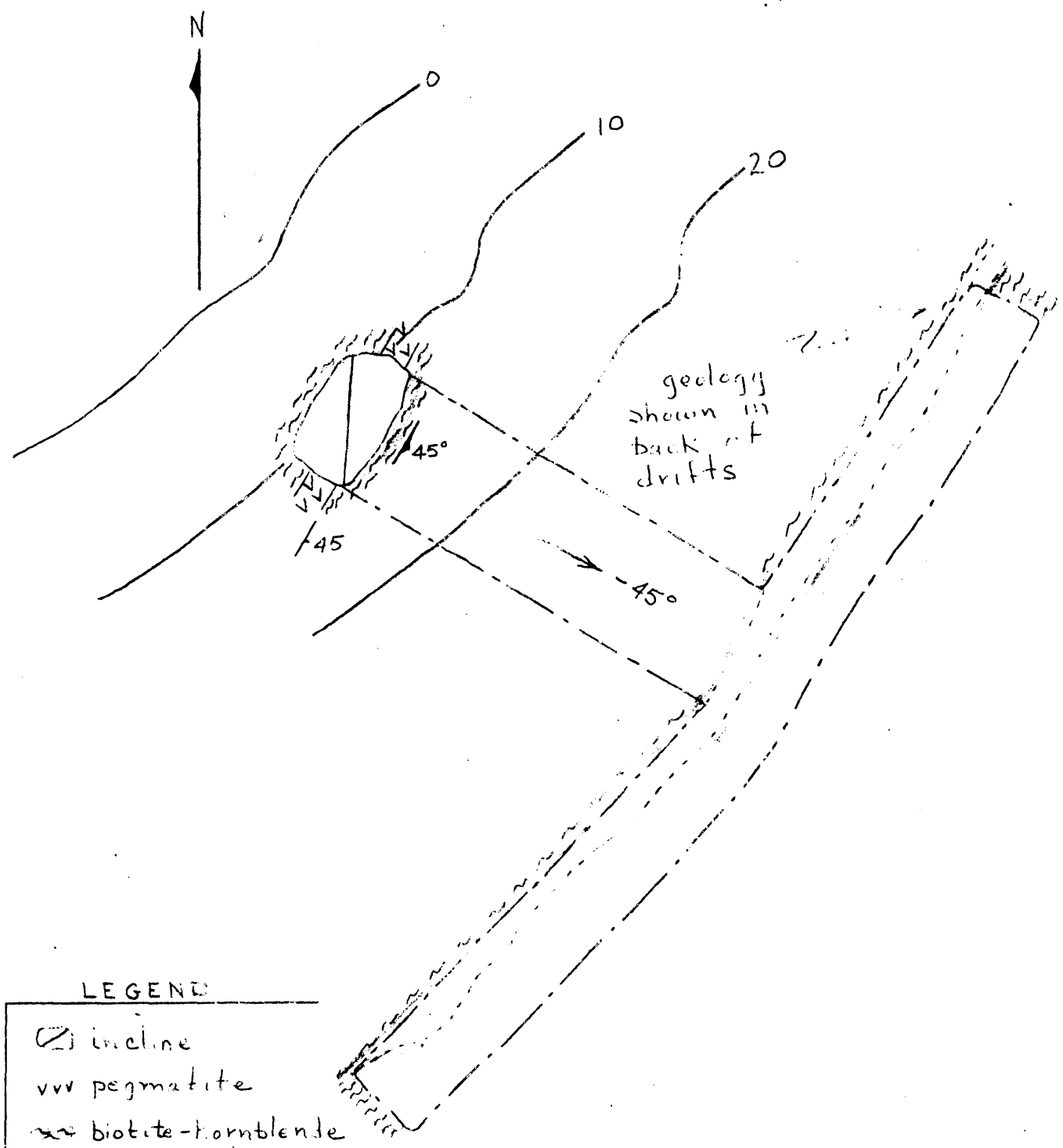
As no reserves of strategic mica were discovered by the exploration done under this contract, it is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

June 25, 1957

S. C. Bergman, Geologist
Geological Survey

DHA/zm

L. E. Shirley, Mining Engineer
Bureau of Mines



LEGEND

- incline
- pegmatite
- biotite-hornblende gneiss
- outline of underground workings
- contacts in back of drifts
- strike & dip of foliation
- strike & dip of contacts

ED BURLESON PROSPECT
AVERY COUNTY, NORTH CAROLINA
DMEA - 44[illegible] (mica)

0 5 10
FEET

6-24-57

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

Budget Bureau No. 42-R1036.5

Final

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS No. 75

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1957 Docket No. DMEA 4439 Contract No. Idm-E 1026

Operator's Name John Phillips Minerals

Address Spruce Pine, North Carolina

Contract Amount, $ 4,580.00 Government Participation: 75 % Amount, $ 3,435.00

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		148.00	148.00			
Crosscutting						
19' Drifting @ 34.00	646.00	1326.00	1972.00			
Shaft		2275.00	2275.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		42.00	42.00			
(8) Contingencies (specify):						
TOTALS	646.00	3866.00	4512.00	646.00	3866.00	4512.00

RECEIVED JUN 17 1957 D.M.E.A.

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

Date 5-27-57 *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:

$ 484.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date ..... Vou. No. .....
(See other side)

1615-0

(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-1026 in accordance with the terms of the contract.

Signature [illegible] Title MINING ENGINEER U. S. BUREAU OF MINES Date JUN 13 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JUN 13 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1957 Docket No. DMEA 4439 Contract No. Idm-E 1026
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	Ft.	646.00	19	1972.00	58	34.00	60	34.00
Crosscutting								
Raising								
Shafts	Ft.			2275.00	50	45.50	50	45.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu.Yds.			148.00	370	0.40	370	0.40
TOTAL DISTRIBUTED COSTS		646.00		4395.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				42.00				
TOTAL COSTS		646.00		4512.00				

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 5-27-57 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.

REMARKS:

(Instructions on reverse)

(For Government use only)

RECEIVED JUN 17 1957 D.M.E.A.

V.J. Lynch

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

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DMEA
RECEIVED JUN 17 1957
DATE | INITIALS | CODE

OPERATOR'S

Monthly Progress Report

DMEA -4439, Idm-E 1026

Ed Burleson Prospect

Avery County, N.C.

Work Accomplished:

We continued to work on drift, completing 19' in this month, making a total of 58' of drift to date, and asking that the contract be terminated at this point. We drifted a total of 34' South West and 24' North East. No mica of commercial value was recovered.

Daily Notes:

1 - 2 :	Continued to work on drift, finding no mica.
6 - 10 :	Drilled, shot and mucked out waste daily.
13 - 15 :	Completed 19' of drift in this month, making a total of 58' to date.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/10	Talbert	800
6/12	C	220
6/12	H	600

JUN 10 1957

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

Re: Docket No. DMEA-4439 (Mica)
John Phillips
Ed Burleson Prospect
Avery County, North Carolina
Contract No. Idm-E1026

Dear Mr. Laurence:

Enclosed are the original and two copies of a Report of Review, in lieu of final audit of the referenced project, prepared in accordance with the request contained in your memorandum of June 4, 1957, which confirmed the acceptable performance of the project work.

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

The original MF-104 for May 1957, which was submitted with your memorandum, also is enclosed.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb 6/10/57

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

8623

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

OFFICIAL FILE COPY
D M E A
RECEIVED 6 1957

DATE	INITIALS	CODE
6/10	C	220
6/10	[illegible]	800
6/11	[illegible]	600

June 4, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Operator's Final Engineering and Geological Reports.

Enclosed are four copies each of the following reports:

DMEA-4439, Idm-E1026, Ed Burleson Prospect (mica).

DMEA-4332, Idm-E1008, John Prospect (mica).

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

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

OFFICIAL FILE COPY
D M E A
RECEIVED 1957
DATE | INITIALS | COPY

Spruce Pine, North Carolina
May 27, 1957

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

Dear Mr. Laurence:

Re: DMEA #4439, Idm-E 1026 (Mica)
Ed Burleson Prospect
Avery County, North Carolina

Work began on the above project December 14, 1956, and work was completed May 15, 1957.

The Exploration consisted of 50' of shaft work, the shaft was sunk on a pegmatite that continued to narrow with the depth of the shaft. The pegmatite consisted of feldspar, quartz and occasional pieces of scrap mica, the vein was about 3' wide at the top of the ground, but narrowed to a few inches at the bottom of the shaft, from the bottom of the shaft we drifted 34' South West and 24' North East a total distance of 58', and the vein had narrowed in each heading to approximately 6". No mica of commercial value was recovered.

The Geological and engineering evaluation of the results of the work preformed under the contract with an estimate of the ore reserves resulting from such work are as follows: after the completion of the 50' of shaft, and 58' of drift without recovering any mica of commercial value the operator is requesting that the contract be terminated without the completion of the full 60' of drift, because it is the operators opinion that this particular pegmatite does not warrant further exploration.

We wish to thank the Field Team for their assistance on the Ed Burleson Project.

Very truly yours,

John Phillips

John Phillips

P/j

RECEIVED
JUN 3 - 1957
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

ACTION ON INTERIM
OR FINAL FIELD TEAM REP[illegible]

Date 5/24

Referred to:

1. ~~Mr. McCandless~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. Division
6. Docket Control Mails and Files
7. 600

Note comments in report regarding:

1. Finished

2.

3.

4.

and take appropriate action.

- - - - - - - - -

Action taken by Division:

Robert E. Adams

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RECEIVED MAY 24 1957

DATE	INITIALS	CODE
5/24	C	220
27	Cam	100
28	H	600

INTERIM REPORT

DMEA-4439, Idm-E1026(mica) Ed Burleson Prospect

Operator: John Phillips, Spruce Pine, North Carolina

Location: 1.56 airline miles N 54° W from the intersection of N. C. State Highway 19E and the Henson Creek Road at Spear, Avery County, N.C.

Contract drifting totals 58 feet, 2 feet short of the amount setup in the contract. No work had been done in the few days prior to the inspection, the Operator believing that the contract drifting was complete. It is recommended that the contract be considered complete at this point since the results todate have been negative and all evidence points to a continuation of the existing environment. From the shaft bottom, 24 feet of drift has been driven N 33° E and S 40° W.34feet. The pegmatite is a continuous tabular body which pinches and swells from a few inches to 2 1/2 feet thick. It consists predominantly of a centrally located, medium grained, perthite zone and a thin fine grained oligoclase wall zone. The structures have been, from the upper part of the incline, notably quartz and mica deficient. All work has been completed in a satisfactory manner and progress has generally been good.

Inspected: May 14, 1957.

Wm. A. Beck, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

z

EXTRA COPY
DMEA
RECEIVED MAY 24 1957

DATE	INITIALS	CODE

INTERIM REPORT

DMEA-4439, Idm-E1026(mica) Ed Burleson Prospect

Operator: John Phillips, Spruce Pine, North Carolina

Location: 1.56 airline miles N 54° W from the intersection of N. C. State Highway 19E and the Henson Creek Road at Spear, Avery County, N.C.

Contract drifting totals 58 feet, 2 feet short of the amount setup in the contract. No work had been done in the few days prior to the inspection, the Operator believing that the contract drifting was complete. It is recommended that the contract be considered complete at this point since the results todate have been negative and all evidence points to a continuation of the existing environment. From the shaft bottom, 24 feet of drift has been driven N 33° E and S 40° W.34feet. The pegmatite is a continuous tabular body which pinches and swells from a few inches to 2 1/2 feet thick. It consists predominantly of a centrally located, medium grained, perthite zone and a thin fine grained oligoclase wall zone. The structures have been, from the upper part of the incline, notably quartz and mica deficient. All work has been completed in a satisfactory manner and progress has generally been good.

Inspected: May 14, 1957.

Wm. A. Beck, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

DMF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 67

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1957 Docket No. DMEA 4439 Contract No. Idm-E 1026
Operator's Name John Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 4,580.00 Government Participation: 75 % Amount, $ 3,435.00

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		148.00	148.00			
Crosscutting						
24' Drifting @ $34.00	816.00	510.00	1326.00			
		2275.00	2275.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		42.00	42.00			
(8) Contingencies (specify):						
TOTALS	816.00	3050.00	3866.00	816.00	3050.00	3866.00

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

Date 5-1-57 *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:

$ 612.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date MAY 9 1957 Vou. No. 181

(See other side)

RECEIVED MAY 17 1957

204.00

(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. Tan E 1026 in accordance with the terms of the contract.

Signature W. A. Beck Title MINING ENGINEER U. S. BUREAU OF MINES Date MAY 3 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date MAY 3 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

F-104A
(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 April 195 7 Docket No. DMEA 4439 Contract No. Idm-E 1026
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
Drifting	Ft.	816.00	24	1326.00	39	34.00	60	34.00
Crosscutting								
Raising								
Shafts	Ft.			2275.00	50	45.50	50	45.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu. Yds.			148.00	370	0.40	370	0.40
TOTAL DISTRIBUTED COSTS		816.00		3749.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				42.00				
TOTAL COSTS		816.00		3866.00				

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 5-1-57 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.

REMARKS:

(Instructions on reverse)

(For Government use only)

W. M. Beck
MINING ENGINEER
U. S. BUREAU OF MINES

MAY 3 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

OPERATOR'S

Monthly progress report -

DMEA - 4439, Idm-E 1026

Ed Burleson Prospect -

Avery County, N.C.

Work Accomplished:

We continued to work on drift, completing 24' in this month, making a total of 39' of drift to date. We drifted 18' in a North East direction and 21' in South West direction. The vein is 18" wide, no mica has been recovered.

Daily Notes:

1 - 5	:	Continued to work on drift.
8 - 12	:	Drilled, shot and mucked out waste daily.
15 - 19	:	Continue to work on drift, the vein is 18" wide, no mica recovered to date.
22 - 30	:	Completed 24' of drift in this month, making a total of 39' of drift to date.

RECEIVED
MAY 3 - 1957

INTERIM REPORT

DMEA-4439, Idm-E1026 (Mica) ED BURLESON PROSPECT

Operator: John Phillips, Spruce Pine, N. C.

Location: L.56 airline miles N54°W of the intersection of North Carolina State Highway 19-E and the Hensons Creek Road at Spear, Avery Co., N. C.

Drifting continues on this contract and total drift completed is 39 feet; 18 feet has been driven to the northeast and 21 feet to the southwest. The pegmatite has narrowed in the northeast drift to 6 inches. Instructions were given for returning to the southwest heading to work in thicker and more favorable pegmatite, after completion of drilled round and mucking, in the northeast drift. The pegmatite in the southwest heading is 18 to 20 inches thick and is composed of feldspar and scattered small books of mica.

Necessary incline timber work has been completed and a separated manway with ladders extend to the shaft bottom. Progress on this contract is satisfactory.

Mr. V. J. Lynch, Bureau of Mines, member of the DMEA Field Team, Region V, accompanied the Examiners on this visit to the mine.

OFFICIAL FILE COPY
D M E A
RECEIVED MAY 13 1957
DATE | INITIALS | CODE
5/13 | | 220
5/13 | | 100
5/14 | | 600

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

S. C. Bergman
S. C. Bergman and E. L. Boudette
Geologists, U. S. Geological Survey

April 29, 1957

INTERIM REPORT

DMEA-4439, Idm-E1026 (mica) ED BURLESON PROSPECT

Operator: John Phillips, Spruce Pine, North Carolina

Location: 1.56 airline miles N54°W of the intersection of N. C. State Highway 19-E and the Hensons Creek Road at Spear, Avery Co., North Carolina

Drifting progresses slowly on this contract due to inclement weather and equipment breakdown. The mine could not be inspected because of water in the drifts. Compressor repairs were being made at the time of this visit. Drifting to the northeast will resume within the week.

L. E. Shirley

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

E. L. Boudette

E. L. Boudette, Geologist
U. S. Geological Survey

April 16, 1957

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DMEA
RECEIVED APR 29 1957

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

April 18, 1957

Memorandum

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Amendment No. 1 - Docket No. DMEA-4439-Mica
John Phillips
Ed Burleson Prospect
Avery County, North Carolina
Contract No. Idm-E1026

The Nonmetallic Minerals Division concurs in Amendment No. 1 to the subject contract as written and executed in the field. This amendment extends the completion date from April 29, 1957, to June 29, 1957.

Amendment No. 1 is necessary because of work delays caused by bad weather.

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

INTERIM REPORT

DMEA-4439, Idm-S1026 (mica) ED BURLESON PROSPECT

Operator: John Phillips, Spruce Pine, North Carolina

Location: 1.56 airline miles N54°W of the intersection of N. C. State Highway 19-E and the Hensons Creek Road at Spear, Avery Co., North Carolina

Drifting progresses slowly on this contract due to inclement weather and equipment breakdown. The mine could not be inspected because of water in the drifts. Compressor repairs were being made at the time of this visit. Drifting to the northeast will resume within the week.

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

E. L. Boudette, Geologist
U. S. Geological Survey

April 16, 1957

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DATE | INITIALS | CODE
4/29 | 8 | 600

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 17 1957

DATE	INITIALS	CODE
4/16	C	220
	esf	130
		220

April 15, 1957

Memorandum

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

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

Subject: Exploration Contract Idm-E1026, DMEA-4439 (mica) John Phillips, Spruce Pine, N. C., Ed Burleson Prospect, Avery County, N. C., Amendment No. 1.

Submitted are three copies of subject amendment. An extension of time is necessary because of work delays caused by bad weather.

Robert A. Laurence

Robert A. Laurence

RAL/as
cc
Opr. Com. 2
Finance Officer
Lynch
Shirley
Files

OFFICIAL FILE COPY
DMEA
RECEIVED APR 15 1957

DATE	INITIALS	CODE
4/15	Com	100

INTERIM REPORT

DMEA-4439, Idm-E1026 (mica) ED BURLESON PROSPECT

Operator: John Phillips, Spruce Pine, N. C.

Location: 1.56 airline miles N54°W of the intersection of N. C. State Highway 19-E and the Hensons Creek Road at Spear, Avery Co., North Carolina

Drifting continues on this contract, and a total of 18 feet has been completed to the southwest from the shaft bottom. The attitude of the body has not changed appreciably in the 7 feet of advance made during the Interim, but the pegmatite has thickaned from 11 inches to 18 inches. Occasional small blocks of mica has been found in the drift work, but no commercial mica has been produced to date. Instructions were given for continued drift work in both directions from the shaft bottom.

The Operator was advised to complete timber work as soon as turnoff has been made to the northeast. Slow progress during the Interim is due to inclement weather.

L. E. Shirley

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

E. L. Boudette

E. L. Boudette, Geologist
U. S. Geological Survey

April 1, 1957

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 61

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1957 Docket No. DMEA 4439 Contract No. Idm-E 1026
Operator's Name John Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $4,580.00 Government Participation: 75 % Amount, $3,435.00

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		148.00	148.00			
Crosscutting						
15' Drifting @ $34.00	510.00		510.00			
5' Shaft @ 45.50	227.50	2047.50	2275.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		42.00	42.00			
(8) Contingencies (specify):						
TOTALS	737.50	2312.50	3050.00	737.50	2312.50	3050.00

RECEIVED APR 2 DMEA

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

Date 4-1-57 *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:

$553.12

Signature Helen R. Miller
(Authorized Certifying Officer)

Date APR 4 1957 Vou. No. 163
(See other side)

184.38

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title MINING ENGINEER U. S. BUREAU OF MINES Date APR 3 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date APR 3 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;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1957 Docket No. DMEA 4439 Contract No. Idm-R 1026
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
Drifting	Ft.	510.00	15	510.00	15	34.00	60	34.00
Crosscutting								
Raising								
Shafts	Ft.	227.50	5	2275.00	50	45.50	50	45.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu.Yds.			148.00	370	0.40	370	0.40
TOTAL DISTRIBUTED COSTS		737.50		2933.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Magn.				42.00				
TOTAL COSTS		737.50		3050.00				

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 4-1-57 Operator John Phillips

By 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)

RECEIVED APR 3 D.M.E.A.

W. T. Beck
MINING ENGINEER
U. S. BUREAU OF MINES

APR 3 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

EXTRA COPY
DMEA
RECEIVED APR 8 1957

DATE	INITIALS	CODE

Operator's

Monthly Progress Report

DMEA # 4439, ~~Idm-E 1026~~

Ed Burleson Prospect, Avery County

Work Accomplished:

We completed work on shaft, making a total of 50'. Begin work on drift and have completed 15' to date. The vein is approximately 12 to 18 " wide, no mica recovered.

Daily Noted:

1 - 8 :	Drilled, shot and mucked out waste daily.
11 - 15 :	Completed work on shaft, total 50'.
18 - 22 :	Begin work on drift, the vein is approximately 12 to 18" wide.
25 - 29 :	Completed 15' of drift, no mica recovered.

RECEIVED
APR 3 - 1957

INTERIM REPORT

DMEA-4439, Idm-41026 (mica) ED BURLESON PROSPECT

Operator: John Phillips, Spruce Pine, N. C.

Location: 1.56 airline miles N54°W of the intersection of N. C. State Highway 19-E and the Hensons Creek Road at Spear, Avery Co., N. C.

Shaft sinking has been completed to a total depth of 51 feet on this contract, turnoff on a drift level has been made from the 50-foot shaft level, and 11 feet of advance has been made to the southwest. The pegmatite in the present face trends N45°E, dips 30°SE, and is 6 to 11 inches thick. The body as exposed on the NE side of the shaft, near bottom, is 16 inches thick. The body is primarily feldspathic with scattered small quartz and occasional mica. Instructions were given for continued drifting in the present direction, if pegmatite persists, for at least an additional 9 feet. Drift work will also be conducted from the shaft bottom tothe northeast.

The Operator was advised to install a permanent partitioned manway before doing any additional drift work. Progress on this contract is satisfactory.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 2 1957

DATE	INITIALS	CODE
4/2	C	220
11	LOM	100

L. E. Shirley

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

S. C. Bergman E. L. Boudotte

S. C. Bergman and E. L. Boudotte, Geologist
U. S. Geological Survey

March 21, 1957

EXTRA COPY
DMEA
RECEIVED MAR 18 1957
DATE | INITIALS | CODE

INTERIM REPORT

DMEA-4439, Idm-E1026 (mica) ED BURLESON PROSPECT

Operator: John Phillips, Spruce Pine, N. C.

Location: 1.56 airline miles N54°W of the intersection of N. C. State Highway 19-E and the Hensons Creek Road at Spear, Avery Co., N.C.

Inclined shaft sinking continues on this contract, and is now at 45 feet. Five feet of shaft remains to be sunk under contract, and instructions were given for turning off to the southwest after completion of the shaft. At the present level, the body strikes N40°E, dips 50°SE, and is about 1.5 feet thick. Mica recovery to date has been limited to occasional small books occurring in a feldspar-quartz mixture.

Suggestions were made concerning necessary timber work at the collar, and the installation of a partition containing permanent ladders as soon as practicable. Progress on this contract is satisfactory.

Mr. V. J. Lynch, Bureau of Mines member of the DMEA Field Team, Region V, accompanied the Field Examiner on this visit to the mine.

L. E. Shirley

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

March 4, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 15 1957

DATE	INITIALS	CODE
3/18	C	220
18	CDM	100

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

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 55

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

Month of February, 1957 Docket No. DMEA 4439 Contract No. Idm-E 1026
Operator's Name John Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 4,580.00 Government Participation: 75 % Amount, $ 3,435.00

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		148.00	148.00			
Crosscutting						
Drifting						
20' Shaft @ $45.50	910.00	1137.50	2047.50			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		42.00	42.00			
(8) Contingencies (specify):						
TOTALS	910.00	1402.50	2312.50	910.00	1,402.50	2,312.50

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

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

Date 3-1-57 *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:

$ 682.50

Signature Helen R. Meier
(Authorized Certifying Officer)

Date MAR 7 1957 Vou. No. 141
(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. E1026 in accordance with the terms of the contract.

Signature S. C. Bergman Title GEOLOGIST, U. S. G. S. Date MAR 5 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Feb. 1957 Docket No. DMEA 4439 Contract No. Idm-E 1026
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
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	910.00	20	2047.50	45	45.50	50	45.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing:	Cu.Yds.			148.00	370	0.40	370	0.40
Total Distributed Costs		910.00		2195.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				42.00				
Total Costs		910.00		2312.50				

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 3-1-57 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)

S. C. Bergman
GEOLOGIST, U. S. G. S. MAR 5 1957

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

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

February, 1957

DMEA- 4439, Idm-E 1026

Ed Burleson Prospect

Work Accomplished:

We continued with work on shaft, completing 20' in this month, making a total of 45' of shaft work to date. The vein is approximately 3' wide, no mica has been recovered.

Daily Notes:

4 - 8 : Continued work on shaft.

11 - 15 : Drilled, shot and mucked out waste daily.

18 - 22 : The vein is approximately 3' wide, no mica has been recovered.

25 - 28 : We completed 20'/of Shaft, making the total 45' to date.

EXTRA COPY
D·M E A
RECEIVED MAR 11 1957

DATE	INITIALS	CODE

INTERIM REPORT

DMEA-4439, Idm-E1026 (mica) ED BURLESON PROSPECT

Operator: John Phillips, Spruce Pine, N. C.

Location: 1.56 airline miles N54°W of the intersection of N. C. State Highway 19-E and the Hensons Creek Road at Spear, Avery Co., N. C.

Inclined shaft sinking continues on this contract and is now at 39 feet. Work is following the dip of the body on a-45° slope and is progressing satisfactorily. The pegmatite is about two feet thick, and at the present depth is essentially feldspathic in composition, but also contains small quartz and scattered blocks of small mica. Instructions were given for completing the shaft to a total depth of 50 feet.

Instructions were also given for timber work to be completed as soon as practicable.

L. E. Shirley

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

S. C. Bergman

S. C. Bergman and E.L. Boudette
Geologists, U. S. Geological Survey

February 18, 1957

OFFICIAL - COPY
DMEA
RECEIVED MAR 4 1957

DATE	INITIALS	CODE
3/5	COM	100
		225

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 45

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1957 Docket No. DMEA 4439 Contract No. Idm-E 1026
Operator's Name John Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 4,580.00 Government Participation: 75 % Amount, $ 3,435.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
370 cu yd Bulldozing @ 0.40	148.00		148.00			
Crosscutting						
Drifting						
25' Shaft @ 45.50	1137.50		1137.50			
(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.	75.00		75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.	42.00		42.00			
(8) Contingencies (specify):						
TOTALS	1402.50		1402.50	1402.50		1402.50

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

Date 2-1-57 *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:

$1051.88

Signature Helen R. Mullis
(Authorized Certifying Officer)

Date FEB 8 1957 Vou. No. 123
(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. Bm-E1026 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form 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

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

Month of January 1957 Docket No. DMEA 4439 Contract No. Idm-E 1026
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
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	1137.50	25	1137.50	25	45.50	50	45.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu.Yds.	148.00	370	148.00	370	0.40	370	0.40
TOTAL DISTRIBUTED COSTS		1285.50		1285.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		75.00		75.00				
Powder & Exploder Mags.		42.00		42.00				
TOTAL COSTS		1402.50		1402.50				

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 2-1-57 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.

REMARKS:

(Instructions on reverse)

(For Government use only)

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

INSTRUCTIONS

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

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

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

GPO 872894

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

Operator's

Progress Report for the month of -

January, 1957

DMEA- 4439, Idm-E 1026

Ed Burleson Prospect

Work Accomplished:

Bulldozing work begin December 14, 1956, we bulldozed road access, moved in equipment. In January we have constructed toolhouse, sat up powder and exploder magazines, and begin work on shaft, to date we have completed 25' of shaft. The vein is approximately 2' wide, however we are finding very little mica.

Daily Notes:

Dec. 14 - 31:	Bulldozed road access and moved in equipment.
Jan. 2 - 11:	Constructed toolhouse, sat up powder and exploder magazines.
14 - 18:	Begin work on shaft, shot, drilled and mucked out waste daily.
21 - 25:	Continued work on shaft, the vein is approximately 2' wide.
28 - 31:	We have completed 25' of shaft to date, finding very little mica.

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

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

INTERIM REPORT

DMEA-4439, Idm-E1026 (mica) ED BURLESON PROSPECT

Operator: John Phillips, Spruce Pine, N. C.

Location: 1.56 airline miles N54°W of the intersection of N. C. State Highway 19-E and the Hensons Creek Road at Spear, Avery Co., N. C.

Shaft sinking continues on this contract and is now at 19 feet. The shaft is being sunk on a -45° slope and is following a 2 foot thick pegmatite containing disseminated small quartz, considerable feldspar, and scattered small books of mics, much of which does not split easily. Suggestions were made for continued shaft sinking and also for necessary timber work to be completed when practicable. The hanging wall area has been lagged properly, and the enclosing rock is not badly weathered at the present depth.

Progress on this contract, considering inclement weather during the interim, has been good.

L. E. Shirley

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

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

January 23, 1957

INTERIM REPORT

DMEA-4439, Idm-E1026 (mica) ED BURLESON PROSPECT

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

Operator: John Phillips, Spruce Pine, North Carolina
Location: 1.56 airline miles N54°N of the intersection of N. C. State Highway 19-E and the Hensons Creek Road at Spear, Avery County, North Carolina

Shaft sinking is underway on this contract and is now at 6 feet. No shaft collar work has been completed as yet but will be undertaken as soon as practicable. The work will follow the inclination of the body. A few pieces of mica containing a brown stain has been recovered, but work has not progressed enough to tell much about the quality or quantity of mica in the body.

Suggestions were made concerning necessary timber work. A toolhouse and exploder magazine have been built; the operator was requested to move the magazine to a safer location. Equipment in use consists of a Gardner-Denver 105 c.f.m. air compressor with jackhammer, etc., a single drum gasoline-powered hoist and necessary hand tools. Instructions were given for continued shaft sinking. Progress on this contract is satisfactory.

L. E. Shirley

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

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

January 9, 1957

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

INTERIM REPORT

DMEA-4439, Idm-E1026 (mica) ED BURLESON PROSPECT

Operator: John Phillips, Spruce Pine, North Carolina
Location: 1.56 airline miles N54°W of the intersection of North Carolina State Highway 19-E and the Hensons Creek Road at Spear, Avery County, North Carolina

The starting date on this contract is December 6, 1956. Access road construction has been completed, and equipment is being moved to the site. Sinking is expected to begin within the coming week.

L. E. Shirley

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

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

December 10, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025, DEC BLDG.
KNOXVILLE 2, TENNESSEE

November 19, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - Idm-E1026, DMEA-4439 (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.

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

V. J. Lynch
V. J. LYNCH
MEMBER, BUREAU OF MINES

Docket Copy
Surname:

Hopkins
Houk
Chapman
Selfridge
Matthewson

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

600

OCT 26 1956

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

Subject: Docket No. DMEA-4439-Mica
John Phillips
Ed Burleson Prospect
Avery County, North Carolina

Dear Mr. Laurence:

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

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

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

Copies of memoranda dated October 11 and 16, 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:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

JHopkins:gad 10/24/56

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

Enclosures 12

R.C.S.

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

RECEIVED
OCT 16 1956

October 16, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4439 (mica)

Applicant: John Phillips

Name and Location of Property: Ed Burleson Prospect, Avery County, N. C.

Date of Field Team Report: 10/2/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/4/56

Field Team Recommendation: Exploration assistance be granted to further evaluate this prospect.

Comments:

1. Field team reports a mica-bearing pegmatite is exposed in old test pits.

2. Muscovite, 4-inches across, was observed on old dump.

3. The applicant has previously operated under many DMEA contracts.

Recommendation:

I concur with the recommendation of the field team that assistance be granted.

Donald R Irving,
acting for W. F. Dietrich

1.7'/Dy — Slight
2.2/Dy — Slight

IN REPLY REFER TO:

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

RECEIVED
OCT 1 1956

October 11, 1956

Re: DMEA 4439
John Phillips
Ed. Burleson Prospect
Avery Co., N. C.
Appl. Est. $6,250
Rec'd. Est. 4,960
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 by sinking and drifting a pegmatite from which, he said, mica had been recovered.

The examiners found a strong pegmatite 2½ to 3 feet thick exposed in a shallow pit. The little mica remaining is of fairly good quality, and occurs in the central part of the pegmatite. The examiners consider the environment favorable and recommend that bulldozing, 370 cu. yds., shaft sinking, 50 feet, and drifting, 60 feet, be done.

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

N. E. Nelson

N. E. Nelson

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

RECEIVED
OCT - 4 1956

October 2, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4439 (mica) John Phillips, Spruce Pine, N.C.
Ed Burleson Prospect, Avery County, N.C.
Field Examination Report

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

This is a pegmatite on which very little work has been done. The available exposures indicate that a central muscovite zone may contain reserves of strategic mica.

We agree with the recommendation for exploration by inclined shaft and drift, as outlined in the report.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
10-8-56
(date)

RECEIVED
OCT - 4 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA FIELD TEAM, REGION V

EXAMINATION REPORT

On

DMEA-4439(mica) ED BURLESON PROSPECT
Avery County, North Carolina

ON-SITE EXAM.

By

S. C. Bergman, Geologist
Geological Survey

and

L. E. Shirley, Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
10-8-56
(date)

September 19,1956

FIELD EXAMINATION REPORT

On

DMEA-4439 (mica) ED BURLESON PROSPECT

Applicant: John Phillips, Spruce Pine, North Carolina

Location: The property is situated on the northern slope of Long Level Mountain, an arm of Cane Creek Mountain, at an elevation of approximately 3350 feet. It is 1.56 airline miles N 54° W of the intersection of State Highway 19E and the Henson's Creek Road at Spear, Avery County, North Carolina.

Summary

A strong pegmatite 2½ to 3 feet thick has been exposed in a shallow pit. A good mineralogic and textural environment exists for the occurance of strategic muscovite. What little muscovite has been left, is of fairly good quality. It is recommended that exploration assistance be granted to further evaluate this prospect.

Introduction

The property was examined September 19, 1956. The Examiners were accompanied by Messrs. John Phillips, Frank Cook, and Milford Skow (USBM). The property is located on a steep wooded slope with very little soil cover. It is approximately 500 feet south of the Henson's Creek Road. No aceess road or any other improvement exists at the property site. There is no nearby source of surface water, except for Henson's Creek about 225 feet vertically below the site.

Mr. John Phillips, the applicant, has had a long association with DMEA projects and is well qualified to undertake contract obligations.

Geology

The subject pegmatite is located on a rocky 35° slope and is exposed in a shallow 9' x 5-foot test pit. A 2½ to 3-foot thick mica-bearing pegmatite is exposed for about 8 feet along strike. The structure strikes N 30° E, dips 40° SE, and is concordant in a hard unweathered, fine banded biotite-hornblende gneiss. Pegmatite float along strike in both directions, indicates fairly strong strike-length continuity.

Pegmatite is composed chiefly of oligoclase feldspar and disseminated quartz with a zone chiefly along the footwall contact up to a foot thick with rodlike (graphic) intergrowths of plagioclase and quartz. The quartz in the wall zone is oriented more or less normal to the contact. Accessory minerals are very common such as muscovite, coarsely crystalline biotite, garnet, apatite, sericite, and secondary hyalite opal along fractures. There is a very fine grained 4-inch thick dike of material approximating quartz diorite in composition along the hanging wall.

The muscovite is more or less centrally located in the pegmatite and seems to be abundant. very little muscovite has been left in place for evaluation purposes. Muscovite picked up on the dump was up to 4-inches across, hard, flat, and light reddish in color. Some material had a light greenish-yellow caste. Mineral staining in the mica is very rare. Coarse crystalline apatite found on the dump fluoresces a dark red color under short wave ultra violet.

Conclusions

A good potential mica-bearing pegmatite is exposed in an old shallow test pit. It is recommended that 500 feet of access road be constructed to the prospect site and fifty feet of incline and 60 feet of drift be sunk and driven on pegmatite to delineate any possible mica-bearing structures.

Estimated Costs:

1.	Access road- 500 linear ft- 500' x 10' x 2' = 370 cu.yds @ .40¢ per cu.yds.		$148.00
2.	Construct: Toolhouse	$75.00	
	Powder Mag.	25.00	
	Exploder Mag.	15.00	115.00
3.	Sink 50 ft of 2-compartment inclined shaft, 5' x 7' in cross-section, timber where necessary.		
Labor:	1 - Foreman-miner @ $1.75/hr.	$300.00	
	1 - Hoistman @ $1.50/hr.	360.00	
	1 - Laborer @ $1.00/hr.	240.00	

cont'd-DMEA-4439. Costs:

Equipment: (rental)

1 - 105 c.f.m air compressor @ $200/Mo.	$300.00
1 - Rock drill with airline @ $40/Mo.	60.00
1 - Gasolined powered Hoist @ $50/Mo.	75.00
1 - Air sump pump @ $85/Mo.	127.00

Supplies:

Timber, 2000 b.f. @ $65/M	130.00
Gasoline and oil	125.00
Drill steel	90.00
Explosives	180.00
Small tools, pipe etc.	100.00
Insurance	113000
Social Security	20.25
Sales Tax	18.75
Miscellaneous	80.00

Estimated total shaft sinking..... $2,439.00

($48.78/ft)

Drive 60 ft drift 5' x 7' in cross-section, timbered where necessary (30 shifts). √

Labor: (same as for shaft)	$1020.00

Equipment:

1- 105 c.f.m. air compressor @ $200/Mo.	$300.00
1 - Air Jackleg @ $25/Mo.	37.50
1 - Gasoline Powered Hoist @ $50/Mo.	75.00
1 - Air sump pump @ $85/Mo.	127.50
1 - Rock drill with airline @ $40/Mo.	60.00

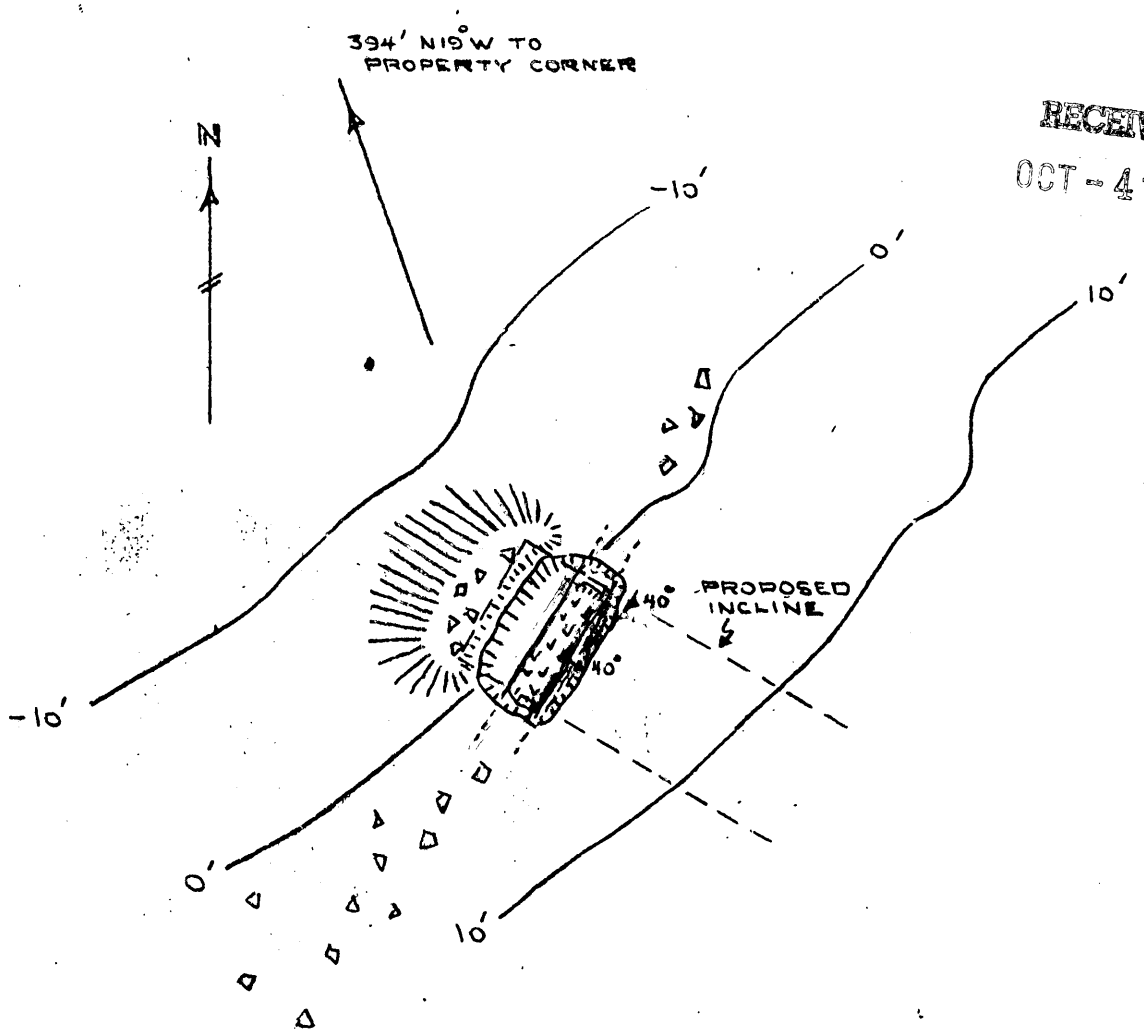
Supplies:

Gasoline and Oil	115.00
Drill steel	90.00
Explosives	150.00
Small tools, pipe, nails, etc.	70.00
Timber, 1000 b.f. @ $65/M	65.00
Insurance	113.00
Social Security	20.00
Sales Tax	15.00

Total cost of drifting $2,258.00

Total cost of Project..... $4,960.00

L. E. Shirley, Mining Engr. USBM
S. C. Bergman, Geologist, USGS



RECEIVED
OCT - 4 1956

ED BURLESON PROSPECT
AVERY COUNTY, NORTH CAROLINA
DMEA - 4439 (MICA)

SCALE: 1" = 10'

LEGEND

- PEGMATITE
- BIOTITE - HORNBLENDE GNEISS
- FLOAT PEGMATITE
- TEST PIT
- DUMP

9/56 SCB

Docket Copy
Surname:

Copy
Hope
Selfridge
Hefelman

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

SEP - 7 1956

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

Subject: Docket No. DMEA-4439 - Mica
John Phillips
Ed Burleson Prospect
Avery County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated August 29, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

Frank D. Lamb (FDL)
Member, Bureau of Mines

N. E. Nelson (NEN)
Member, Geological Survey

Enclosures 4

JHopkins:gad 9/5/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.A.L.

Docket Copy
Surname:

Hopkins
Houk
Nelson
Lauer
Selfridge

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

SEP - 7 1956

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4439 - Mica
John Phillips
Ed Burleson Prospect
Avery County, North Carolina

Dear Mr. Phillips:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

Frank E. Johnson (signed)
ACTING Administrator

JHopkins:gad 9/5/56
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S

IN REPLY REFER TO:

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

August 29, 1956

Re: DMEA 4439
John Phillips
Ed Burleson Prospect
Avery County, N. C.
$6,250 - Mica

Memorandum

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

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

Subject: Review of application

The applicant requests assistance in exploring a pegmatite from which ..."years ago some good quality ruby mica was produced."

Referral of the application to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

RECEIVED
AUG 2 1956

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

August 29, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4439 (mica)

Applicant: J. Phillips

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/28/56

Comments:

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

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

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

Attachment

August 27, 1956

Mr. John Phillips
Spruce Pine,
North Carolina

Subject: DMEA-4439
Re: Exploration Assistance
Ed Burleson Prospect

Dear Mr. Phillips

The receipt of your application dated August 13, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4439 and referred to the Nonmetallic Minerals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Eakan
~~[illegible]~~, Chief
Operations Control and
Statistics Division

August 27, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region V.

DMEA
- 4439 John Phillips
Ed Burdison Prospect

Robert E. Adams
Chief, Operation's Control
and Statistics Division

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

August 24, 1956

Memorandum

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

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

Subject: Application from John Phillips, Spruce Pine, N. C.
Ed Burleson Prospect, Avery County, North Carolina

Enclosed are three copies of the subject application, received here today, with six signed copies of the Consent to Lien and three copies of the lease.

We are keeping the fourth copy of the application.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 3

RECEIVED
AUG 27 1956

Memorandum

To: Files

From: James Hopkins

Subject: Evaluation of application and Field Team Report
Docket No DMLA 4439 Mica
Ed. Burleson Prospect
Avery County North Carolina

A (strong) pegmatite 2½ to 3 feet thick has been exposed in a shallow pit. A (good) mineralogic and textural environment exists for the occurence of strategic muscovite.

Mica: A small amount remaining in the exposure is fairly good quality.
Muscovite picked up on the dump was up to 4 inches across, hard, flat and light reddish in color. Little mineral staining. Some material had light greenish yellow caste.

Pegmatite:
Located on rocky 35° slope. This dike 3' thick and exposed for 8 feet along strike. Float along strike in both directions from exposure indicates satisfactory continuity. It is concordant in unweathered fine biotite-hornblende gneiss.
Mostly oligoclase and quartz, with accessory minerals - biotite garnet apatite and sericite

Old Workings

None A 9'x5' pit only

Economics

There has been no production

In prospect stage only

Much Mica appears to have been removed from pit

Proposal:

Field Team recommends exploration by means of 50-foot shaft and 60-foot drift.

Recommendation

The proposal is sound engineering practice.