IMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4554

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(Withdrawn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 I (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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-K1089, Docket DMEA-4554 (mica), dated May 21, 1957, with

Sam L. Phillips
Box 35
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Black Mountain Mine located in Buncombe County, North Carolina, during the period April 18, 1959, through October 1, 1962.

A certification of discovery or development was issued on April 9, 1958, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated January 8, 1958, indicated accepted costs under the exploration contract amounting to $5,376.00 with the Government's contribution on a 75 percent basis being $4,032.00.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through April 17, 1959, to be $2,690.29. The royalty account as of April 17, 1959, was:

Total Royalty Payable	$134.51
Total Royalty Paid	134.51
Balance of Royalty Due	$ -0-

As of October 1, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$134.51
Total Royalty Paid	134.51
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OME Auditor

October 18, 1962

Idm-E1089 Sam L. Phillips DMEA-4554

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of approximately 8 acres, a 600 foot square block, on Middle Mountain about .59 miles S 73° E of Montreat Reservoir and 1 mile N of Montreat College. At the time the contract was executed the Operator was in possession by virtue of a September 26, 1956, lease from the Mountain Retreat Association, Montreat, North Carolina. The lessor refused to grant a lien to the Government and, in lieu thereof, performance bonds as individual sureties were executed by Kenneth R. McKinney and Oscar V. Coulter, both of Spruce Pine, North Carolina.

Exploration work under the contract was completed on October 16, 1957. Production during the exploration work resulted in sales to the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, in the name of Black Mining Company of 3,600 lbs. of hand cobbed and 55.86 lbs of sheet mica for $2,310.29 in proceeds. Also, 200 lbs. of scrap was sold to a commercial buyer for $3.00 in proceeds. Subsequent production through April 29, 1958, resulted in an additional sale to the Depot of 22.38 lbs. of full trimmed mica by the Phillips Mica Co. for $377.00 in proceeds.

Later examinations of the property, inquiries, or checks of the Depot's records by DMEA and OME regional representatives disclosed neither activity on the property nor further sales through June 15, 1960. A check of the Depot's records during June 1962 by a representative of this Division found no unreported sales. In an October 1, 1962, reply to a MME Form 63 inquiry the Operator, signing as "Partner", advised that neither change in property status nor production had occurred since June 12, 1958.

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

(1) The files indicate that all sales of production have been reported; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Nonmetallic Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E1089, Docket No. DMEA-4554 (Mica), dated May 21, 1957, with

Sam L. Phillips
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of mica from property referred to as Black Mountain Prospect located in Buncombe County, North Carolina, during the period May 21, 1957, through April 17, 1959.

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

My review established the total sales of mica to be $2,690.29. Royalty due the U. S. Government at the contract rate of 5 percent is $134.51. The royalty paid and balance due are as follows:

Total Royalty Due	$134.51
Total Royalty Paid	134.51
Balance of Royalty Due	$ -0-

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

April 22, 1959

SAM L. PHILLIPS

Contract No. Idm-E1089 Docket No. DMEA-4554

STATUS OF PROJECT, DESCRIPTION
OF REVIEW AND REASONS THEREFOR

A certification of discovery or development was issued on April 9, 1958, and, in accordance with Article 6 of the contract, royalty is payable on the net value of production from the land described in Article 2 during a period of 10 years from the date of the contract or until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first. A Report of Review in lieu of final cost audit dated January 8, 1958, indicated accepted costs under the exploration contract amounting to $5,376.00 with the Government's contribution, on a 75 percent basis, being $4,032.00.

My review consisted of a tabulation and recomputation of the settlement data furnished by the Executive Officer, OME Field Team, Region V, pertaining to royalty received and reconciliation of such receipts with copies of deposit slips furnished by the regional finance office. The last receipt included in this review related to a sale of 22.38 pounds of trimmed mica sold to the Mica Purchase Depot, Spruce Pine, North Carolina, on July 25, 1958, on which the Government's royalty amounting to $13.85 was deposited in Hamilton National Bank, Knoxville, Tennessee, on August 7, 1958, by Deposit No. 14-23-070-9.

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

(1) Inspections by a field representative of OME Field Team, Region V, indicate that there has been no activity at the mine since early in 1958 and that all equipment has been removed;

(2) All production subject to the Government's royalty has been properly accounted for; and

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

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Sam L. Phillips

Address Spruce Pine, North Carolina

Exploration Contract No. Idm-E1089 Docket No. 4554

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

APR 17 1959
Date

Original signed
Wm. A. Beck
Mining Engineer

53362

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/31	Anderson	600
3/31	Houk	600
3-31	Chambers	800
	Butler	140
	Dwyer	140
4/9	Selfridge	130
4/9	Lamb	130
4/9	Kilsgaard	130
	Johnson	110
	"Mittendorf	100
		220

INTERIOR DEPT. 600

APR 1 - 1958 APR 10 1958

SOLICITOR

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. Phillips:

Enclosed is a certification of discovery or development under Contract No. Idm-E1089 on the Black Mountain Prospect, Buncombe County, North Carolina.

By the terms of the Exploration Project Contract, all minerals mined or produced from May 21, 1957, to May 21, 1967, are subject to the Government's percentage royalty as set forth in the contract until the sum of $4,032.00 is repaid to the Government.

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

RECEIVED
APR 1 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

Enclosure

WCAnderson:gad 3/28/58

Copy to: Mr. Kenneth R. McKinney, Spruce Pine, N. C.
Mr. Oscar V. Coulter, Spruce Pine, N. C.
Mr. Clarence A. Fredell, GSA
Admr. R. File
Mr. Johnson
Mr. Chambers
Operating Committee
Field Team, Region V
Finance Office
Mr. Kilsgaard, 5222
Mr. Lamb, 3649
Mr. Houk

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/31	Anderson	600
3/31	Houk	600
3-31	Chambers	800
	Porter	140
	Hunger	140
4/9	Phillips	130
4/9	Lamb	130
4/9	Kiilsgaard	130
"	Johnson	110
		100
		220

Rec. 3-31-58
600

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

To: Mr. Sam L. Phillips

Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-E1089, dated May 21, 1957, Docket No. DMEA-4554, hereinafter called the "contract", between Sam L. Phillips and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

Shaft sinking and drifting exposed mica in a discordant, zoned pegmatite emplaced in biotite and feldspathic muscovite-biotite gneiss. Sufficient data were obtained to calculate indicated and inferred reserves of strategic mica.

THE UNITED STATES OF AMERICA

By C. W. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

Dated APR 9 1958

WCAnderson:gad 3/28/58
Copy to: Mr. Kenneth R. McKinney,
Spruce Pine, N. C.
Mr. Oscar V. Coulter,
Spruce Pine, N. C.
Mr. Clarence A. Fredell, GSA

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

DATE OF ROYALTY EXPIRATION: May 21, 1967 GOVERNMENT PARTICIPATION: $4,032.00

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/7	Anderson	600
4/7	Houk	600
4-7	Chambers	800
	Britin	140
	Johnson	140
4/9	Selfridge	130
4/9	Houk	130
4/9	Kiilsgaard	130
"	Johnson	110
"	Mittendorf	100
		220

APR 10 1958 600

Mr. Kenneth R. McKinney

Spruce Pine, North Carolina

INTERIOR DEPT.
APR 8 - 1958
SOLICITOR

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1069

Dear Mr. McKinney:

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

This correspondence relates to the Performance Bond and Affidavit of Individual Surety signed by you on April 19 and 24, 1957, respectively. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated, during that period, to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures 2

WCAnderson:3/31/58
Rewritten
GCSelfridge:rsi 4/7/58
Copy to: Admr. R. File
Operating Committee
Mr. Chambers
Mr. Johnson
Mr. Kiilsgaard, 5222
Mr. Lamb, 3649
Field Team, Region V
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/31	Anderson	600
3/31	Houk	600
3-31	Chambers	800
	Bolton	140
	Sawyer	140
	App'd. Sol. Off.	130
		130
		130
		110
		100
		220

600

Mr. Kenneth R. McKinney

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. McKinney:

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

This correspondence relates to the Performance Bond and Affidavit of Individual Surety signed by you on April 19 and 24, 1957, respectively. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, ~~and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.~~ ?

Sincerely yours,

Administrator

Enclosures 2

WCAnderson:gad 3/31/58

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

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/7	Anderson	600
4/7	Houk	600
4-7	Chambers	800
	Baton	140
	Dymyer	140
4/9	Selfridge	130
4/9	Rebuck	130
4/9	Kiilsgaard	130
"	Johnson	110
	Mittendorf	100
		220

600

APR 10 1958

Mr. Oscar V. Coulter

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. Coulter:

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

This correspondence relates to the Performance Bond and Affidavit of Individual Surety signed by you on April 19 and 24, 1957, respectively. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated, during that period, to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures 2

WCAnderson:3/31/58
Rewritten
GCSelfridge:rsi 4/7/58
Copy to: Admr. R. File
Operating Committee
Mr. Chambers
Mr. Johnson
Mr. Kiilsgaard, 5222
Mr. Lamb, 3649
Field Team, Region V
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/31	Anderson	600
3/31	[illegible]	600
	Britin	140
	[illegible]	140
3-31	Chambers	800
		130
		130
		130
		110
		100
		220

600

Mr. Oscar V. Coulter

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Lim-E1089

Dear Mr. Coulter:

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

This correspondence relates to the Performance Bond and Affidavit of Individual Surety signed by you on April 19 and 24, 1957, respectively. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated, during that period, to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Administrator

Enclosure

WCAnderson:3/31/58
Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Mr. Dietrich, 3061
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/31	Anderson	600
3/31	Houk	600
3-31	Chambers	800
4/9	Schroder	1304
4/9	Lamb	130
4/9	Kilsgaard	130
"	Johnson	110
"	Mittendorf	100
		220

APR 10 1958 600

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

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. Fredell:

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

The exploration contract was signed on May 21, 1957, with the Government participating to the extent of 75 percent of $5,376.00 or $4,032.00. The project was started on June 11, 1957, and was completed by October 14, 1957, after the expenditure of $5,376.00, which is the total accepted cost according to the Audit Division. The Government paid 75 percent of the total accepted cost or $4,032.00.

The work performed on this project consisted of rehabilitating 20 feet of existing shaft, sinking an additional 40 feet of shaft and driving 100 feet of drifts. The work exposed a strategic mica-bearing zoned pegmatite, 10 to 20 feet thick.

A total of 3,600 pounds of block and 55.86 pounds of full-trim sheet were sold between July and October, 1957. The project work furnished sufficient data to calculate the following classifications of strategic mica reserves:

<u>Indicated</u> - 14,800 pounds block @ est. 4.3% recovery, or 636 pounds sheet.
<u>Inferred</u> - 7,400 pounds block @ est. 4.3% recovery, or 318 pounds sheet.

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

WCAnderson:gad 3/28/58

Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Mr. Kilsgaard, 5222
Mr. Lamb, 3649

Operating Committee
Field Team, Region V
Mr. Houk

8623

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sam L. Phillips

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Ida-21089, DMFA No. 4554, for the months of June 1957 to October 1957, inclusive, covering a project for the exploration of mica on property, known as the Black Mountain Prospect located in Buncombe 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 Operator:

Total cost as billed by Operator		$5,376.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,376.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the Operator by the Government in the amount of Four thousand thirty-two and No/100 Dollars is valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$4,032.00
Amount reimbursed	3,586.50
Balance due Operator	$ 445.50

E. D. Talbert

E. D. Talbert, Auditor

January 8, 1958

Gove[illegible]en[illegible]

OFFICE COPY
FILE COPY
DMEA
RECEIVED MAY 29 1957

DATE	INITIALS	CODE

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4554	Mica	*Idm–E* 1089	Buncombe	North Carolina

It is agreed 21 MAY 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Sam L. 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 JUL 1 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 7 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $5,376.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,032.00, 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: Royalty of 12½% of gross receipts from sale of minerals, payable to lessors.

(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: Performance Bond and Affidavit of Surety accepted in lieu of Consent to Lien and Subordination Agreement.

(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.*—

.....

.....

.....

.....

.....

.....

Long
Hoffheed
Apvd. Sol. Off.
Anderson
Hoch
Chambers
Selfridge

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Sam L. Phillips

SAM L. PHILLIPS (Operator)

By C. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

BY .....

.....

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

.....

[CORPORATE SEAL]

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 29 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS
DOCKET NO. DMEA-4554

ANNEX I

The land referred to in Article 2 of the Contract known as Black Mountain Prospect is situated on the southeast slope of Middle Mountain and on the southeast trending nose of Forked Ridge at an elevation of 3,400 feet about 0.59 airline miles S 73° E of Montreat Reservoir and 1 mile north of Montreat College, Buncombe County, North Carolina. The Operator is in possession by virtue of a lease, dated September 26, 1956, as amended, from the Mountain Retreat Association. The leased area consisting of 8 acres more or less is part of a 1,760 acre tract conveyed to the Association by deed dated June 1, 1897, and recorded in the Office of the Register of Deeds of Buncombe County, North Carolina, in Book 103, at page 135.

The 8-acre tract is shown on Map No. 1 DMEA-4554, attached and made a part hereof and is described as follows:

> Beginning at the shaft of what is known as the Black Mountain prospect, which is located 1464 feet South 57° East to a twin ten-inch Spanish oak, which is the property corner between Fronde Kennedy, David Neville, and the Mountain Retreat Association (said Spanish oak is located South 15° West 44 feet from a Carolina Power electric power pole No. 15) and running North 300 feet, thence East 300 feet, thence South 600 feet, thence West 600 feet, thence North 600 feet, thence East 300 feet to closing.
>
> This prospect is located approximately 1 mile northwest of the Assembly Inn at Montreat, North Carolina.

STANDARD FORM 25
REVISED NOVEMBER 1950
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

PERFORMANCE BOND

(See Instructions on Reverse)

DATE BOND EXECUTED

April 19, 1957

PRINCIPAL

Sam L. Phillips

SURETY

Oscar V. Coulter

Kenneth R. McKinney

PENAL SUM OF BOND (*express in words and figures*)	CONTRACT NO.	DATE OF CONTRACT
Four thousand two hundred ($4,200.00) dollars		

KNOW ALL MEN BY THESE PRESENTS, That we, the PRINCIPAL and SURETY above named, are held and firmly bound unto the United States of America, hereinafter called the Government, in the penal sum of the amount stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the Government, numbered and dated as shown above and hereto attached;

NOW THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

In Presence of:

	WITNESS		INDIVIDUAL PRINCIPAL	
1.	Betty J. Grindstaff	as to	Sam L. Phillips	[SEAL]
2.		as to		[SEAL]
3.		as to		[SEAL]
4.		as to		[SEAL]

	WITNESS		INDIVIDUAL SURETY	
1.	Betty J. Grindstaff	as to	O. V. Coulter	[SEAL]
2.	Betty J. Grindstaff	as to	Kenneth R. McKinney	[SEAL]

Attest:	CORPORATE PRINCIPAL	
	BUSINESS ADDRESS	
	BY	AFFIX CORPORATE SEAL
	TITLE	

Attest:	CORPORATE SURETY	
	BUSINESS ADDRESS	
	BY	AFFIX CORPORATE SEAL
	TITLE	

The rate of premium on this bond is ..... per thousand.

Total amount of premium charged, $.....

(The above must be filled in by corporate surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, ..., certify that I am the ..... secretary of the corporation named as principal in the within bond; that .....,

who signed the said bond on behalf of the principal, was then ..... of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said corporation by authority of its governing body.

..... [CORPORATE SEAL]

INSTRUCTIONS

1. This form shall be used for construction work or the furnishing of supplies or services, whenever a performance bond is required. There shall be no deviation from this form except as authorized by the General Services Administration.

2. The surety on the bond may be any corporation authorized by the Secretary of the Treasury to act as surety, or two responsible individual sureties. Where individual sureties are used, this bond must be accompanied by a completed Affidavit of Individual Surety for each individual surety (Standard Form 28).

3. The name, including full Christian name, and business or residence address of each individual party to the bond shall be inserted in the space provided therefor, and each such party shall sign the bond with his usual signature on the line opposite the scroll seal, and if signed in Maine or New Hampshire, an adhesive seal shall be affixed opposite the signature.

4. If the principals are partners, their individual names shall appear in the space provided therefor, with the recital that they are partners composing a firm, naming it, and all the members of the firm shall execute the bond as individuals.

5. If the principal or surety is a corporation, the name of the State in which incorporated shall be inserted in the space provided therefor, and said instrument shall be executed and attested under the corporate seal as indicated in the form. If the corporation has no corporate seal the fact shall be stated, in which case a scroll or adhesive seal shall appear following the corporate name.

6. The official character and authority of the person or persons executing the bond for the principal, if a corporation, shall be certified by the secretary or assistant secretary, according to the form herein provided. In lieu of such certificate there may be attached to the bond copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

7. The date of this bond must not be prior to the date of the instrument in connection with which it is given.

U. S. GOVERNMENT PRINTING OFFICE 16—30441-2

STANDARD FORM 28
NOVEMBER 1950
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

AFFIDAVIT OF INDIVIDUAL SURETY

(See Instructions on Reverse)

STATE OF
North Carolina
COUNTY OF
Mitchell
} SS:

I, the person whose signature appears below as surety, being duly sworn, depose and say that I am one of the sureties to the attached bond; that I am a citizen of the United States, and of full age and legally competent; that I am not a partner in the business of the principal on the bond or bonds on which I appear or may appear as surety; that the information herein below furnished is true and correct. This affidavit is made to induce the United States of America to accept me as surety on the attached bond.

MY NAME *(first, middle, last)*
Kenneth R. McKinney

MY ADDRESS *(street and number, city and State)*
Spruce Pine, N. C.

TYPE AND DURATION OF MY OCCUPATION
Car salesman 4½ years & V.P. & Gen. Mgr., Phillips & McKinney Motor Co., Inc. 6 mos.

NAME OF MY EMPLOYER
Phillips & McKinney Motor Co., Inc.,

MY BUSINESS ADDRESS *(street and number, city and State)*
Oak Ave.,
Spruce Pine, N. C.

AMOUNT I AM WORTH IN REAL ESTATE AND PERSONAL PROPERTY OVER AND ABOVE (1) ALL MY DEBTS AND LIABILITIES OWING AND INCURRED, (2) ANY PROPERTY EXEMPT FROM EXECUTION, (3) ANY PECUNIARY INTEREST I HAVE IN THE BUSINESS OF THE PRINCIPAL ON SAID BOND, AND (4) ANY INTEREST I HAVE IN ANY SO-CALLED COMMUNITY PROPERTY
$4500.00

LOCATION AND DESCRIPTION OF REAL ESTATE OF WHICH I AM SOLE OWNER IN FEE SIMPLE *(not exempt from seizure and sale under any homestead law, community or marriage law, or upon attachment, execution, or judicial process)* none.
Title to home held by myself and wife, Phyllis S. McKinney, as tenants by entirety.
Situate in Town of Spruce Pine, Grassy Creek Township, Mitchell County, N. C.

FAIR VALUE OF SUCH REAL ESTATE
entirety $9500.00

ASSESSED VALUE OF SUCH REAL ESTATE FOR TAXATION PURPOSES

ALL MORTGAGES OR OTHER ENCUMBRANCES AGAINST ABOVE REAL ESTATE, THERE BEING NO OTHERS *(if none, so state)*
D/T to Mitchell County B & L Ass'n., approximately $2000.00 on same property held by the entirety.

MY LIABILITIES OWING AND INCURRED DO NOT EXCEED THE AMOUNT OF
$2000.00

AMOUNT I AM WORTH, OVER AND ABOVE JUST DEBTS AND LIABILITIES, IN PERSONAL PROPERTY SUBJECT TO EXECUTION AND SALE, THIS AMOUNT BEING ADDITIONAL TO THE REAL ESTATE ABOVE DESCRIBED
$4500.00

THE ABOVE PERSONAL PROPERTY CONSISTS OF THE FOLLOWING
15 shares Phillips & McKinney Motor Co., Inc.,

ALL OTHER BONDS ON WHICH I AM SURETY *(state character and amount of each bond; if none, so state)*
none

MY SIGNATURE AS SURETY
Kenneth R McKinney

Subscribed and sworn to before me this date at Spruce Pine, N. C.,

OFFICIAL SEAL

Lewis Robinson JP — April 24 1957
(Signature) — my commission expires (Title of official administering oath) — (Date)

STANDARD FORM 28
NOVEMBER 1950 EDITION

16—63324-1

CERTIFICATE OF SUFFICIENCY

I HEREBY CERTIFY, That the surety named herein is personally known to me; that, in my judgment, said surety is responsible, and qualified to act as such; and that, to the best of my knowledge and belief, the facts stated by said surety in the foregoing affidavit are true.

NAME (*typewritten*)
W. H. Lee

SIGNATURE
W H Lee

OFFICIAL TITLE
Cashier Northwestern Bank, Spruce Pine Branch,

ADDRESS
Spruce Pine, N. C.

INSTRUCTIONS

1. This form shall be used whenever sureties on bonds to be executed in connection with Government contracts are individual sureties. There shall be no deviation from this form except as authorized by the General Services Administration.

2. A firm, as such, will not be accepted as a surety, nor a partner for copartners or for a firm of which he is a member. Stockholders of a corporate principal may be accepted as sureties provided their qualifications as such are independent of their stock holdings therein. Sureties, if individuals, shall be citizens of the United States, except that sureties on bonds executed in any foreign country, the Canal Zone, Puerto Rico, Hawaii, Alaska, Guam, or any possession of the United States, for the performance of contracts entered into in these places, need not be citizens of the United States, but if not citizens of the United States shall be domiciled in the place where the contract is to be performed.

3. The individual surety shall justify, under oath, in a sum not less than the penalty of the bond, according to the form appearing on the face hereof, before a United States commissioner, a clerk of a United States court, a notary public, or some other officer having authority to administer oaths generally. If the officer has an official seal, it shall be affixed, otherwise the proper certificate as to his official character shall be furnished. Where citizenship is not required, as provided in paragraph 2 of these instructions, the affidavit may be amended accordingly.

4. The certificate of sufficiency shall be signed by an officer of a bank or trust company, a judge or clerk of a court of record, a United States district attorney or commissioner, a postmaster, a collector or deputy collector of internal revenue, or any other officer of the United States acceptable to the department or establishment concerned. Further certificates as to the financial qualification of the sureties may be required from time to time. Such certificates must be based on the personal investigation of the certifying officers at the time of the making thereof, and not upon prior certificates.

U. S. GOVERNMENT PRINTING OFFICE 16—63324-1

STANDARD FORM 28
NOVEMBER 1950
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

AFFIDAVIT OF INDIVIDUAL SURETY

(See Instructions on Reverse)

STATE OF
North Carolina
COUNTY OF
Mitchell
} SS:

I, the person whose signature appears below as surety, being duly sworn, depose and say that I am one of the sureties to the attached bond; that I am a citizen of the United States, and of full age and legally competent; that I am not a partner in the business of the principal on the bond or bonds on which I appear or may appear as surety; that the information herein below furnished is true and correct. This affidavit is made to induce the United States of America to accept me as surety on the attached bond.

MY NAME *(first, middle, last)*
Oscar V. Coulter

MY ADDRESS *(street and number, city and State)*
Spruce Pine, N. C.

TYPE AND DURATION OF MY OCCUPATION
Wholesale Texaco distributor and operator Firestone Store 20 years.

NAME OF MY EMPLOYER self - partner with John M. Phillips in Phillips & Coulter.

MY BUSINESS ADDRESS *(street and number, city and State)*
Oak Ave.,
Spruce Pine, N. C.

AMOUNT I AM WORTH IN REAL ESTATE AND PERSONAL PROPERTY OVER AND ABOVE (1) ALL MY DEBTS AND LIABILITIES OWING AND INCURRED. (2) ANY PROPERTY EXEMPT FROM EXECUTION. (3) ANY PECUNIARY INTEREST I HAVE IN THE BUSINESS OF THE PRINCIPAL ON SAID BOND. AND (4) ANY INTEREST I HAVE IN ANY SO-CALLED COMMUNITY PROPERTY
$20,000.00

LOCATION AND DESCRIPTION OF REAL ESTATE OF WHICH I AM SOLE OWNER IN FEE SIMPLE *(not exempt from seizure and sale under any homestead law, community or marriage law, or upon attachment, execution, or judicial process)* none. Own undivided ½ interest with partner, John M. Phillips, in 2 lots and brick building thereon housing Texaco bulk plant and Firestone dealership in the Town of Spruce Pine, Grassy Creek Township, Mitchell County, N. C. Title to home in self and wife, Edna Coulter, as tenants by entirety, also located in town of Spruce Pine, Mitchell County, N. C.

FAIR VALUE OF SUCH REAL ESTATE Entirety $35000.00
One half int. P & C $25000.00

ASSESSED VALUE OF SUCH REAL ESTATE FOR TAXATION PURPOSES

ALL MORTGAGES OR OTHER ENCUMBRANCES AGAINST ABOVE REAL ESTATE. THERE BEING NO OTHERS *(if none, so state)* Entirety, Mitchell County B & L Ass'n., approximately $20,000.00.

MY LIABILITIES OWING AND INCURRED DO NOT EXCEED THE AMOUNT OF
$20,000.00

AMOUNT I AM WORTH, OVER AND ABOVE JUST DEBTS AND LIABILITIES, IN PERSONAL PROPERTY SUBJECT TO EXECUTION AND SALE, THIS AMOUNT BEING ADDITIONAL TO THE REAL ESTATE ABOVE DESCRIBED
$10,000.00

THE ABOVE PERSONAL PROPERTY CONSISTS OF THE FOLLOWING ½ int. in partner in Phillips & Coulter in trucks, supplies, inventory and receivables. no

ALL OTHER BONDS ON WHICH I AM SURETY *(state character and amount of each bond; if none, so state)*
none

MY SIGNATURE AS SURETY
O. V. Coulter

Subscribed and sworn to before me this date at Spruce Pine, N. C.

OFFICIAL SEAL

Lecris Robinson N.P. April 24 1957
(Signature) *(Title of official administering oath)* *(Date)*
My Com 3-23-58

STANDARD FORM 28
NOVEMBER 1950 EDITION

16—63324-1

CERTIFICATE OF SUFFICIENCY

I HEREBY CERTIFY, That the surety named herein is personally known to me; that, in my judgment, said surety is responsible, and qualified to act as such; and that, to the best of my knowledge and belief, the facts stated by said surety in the foregoing affidavit are true.

NAME (*typewritten*)

W. H. Lee

SIGNATURE

W H Lee

OFFICIAL TITLE

Cashier Northwestern Bank, Spruce Pine, Branch,

ADDRESS

Spruce Pine, N. C.

INSTRUCTIONS

1. This form shall be used whenever sureties on bonds to be executed in connection with Government contracts are individual sureties. There shall be no deviation from this form except as authorized by the General Services Administration.

2. A firm, as such, will not be accepted as a surety, nor a partner for copartners or for a firm of which he is a member. Stockholders of a corporate principal may be accepted as sureties provided their qualifications as such are independent of their stock holdings therein. Sureties, if individuals, shall be citizens of the United States, except that sureties on bonds executed in any foreign country, the Canal Zone, Puerto Rico, Hawaii, Alaska, Guam, or any possession of the United States, for the performance of contracts entered into in these places, need not be citizens of the United States, but if not citizens of the United States shall be domiciled in the place where the contract is to be performed.

3. The individual surety shall justify, under oath, in a sum not less than the penalty of the bond, according to the form appearing on the face hereof, before a United States commissioner, a clerk of a United States court, a notary public, or some other officer having authority to administer oaths generally. If the officer has an official seal, it shall be affixed, otherwise the proper certificate as to his official character shall be furnished. Where citizenship is not required, as provided in paragraph 2 of these instructions, the affidavit may be amended accordingly.

4. The certificate of sufficiency shall be signed by an officer of a bank or trust company, a judge or clerk of a court of record, a United States district attorney or commissioner, a postmaster, a collector or deputy collector of internal revenue, or any other officer of the United States acceptable to the department or establishment concerned. Further certificates as to the financial qualification of the sureties may be required from time to time. Such certificates must be based on the personal investigation of the certifying officers at the time of the making thereof, and not upon prior certificates.

U. S. GOVERNMENT PRINTING OFFICE 16—63324-1

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DMEA
RECEIVED MAY 29 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS
DOCKET NO. DMEA-4554

EXHIBIT A

DESCRIPTION OF THE WORK

Exploration for concentrations of strategic mica shall be performed in the area indicated on the attached map No. 2 entitled "The Black Mountain Prospect, Buncombe County, North Carolina, DMEA-4554 (mica)," as follows:

1. Construct:

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

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

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

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

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

2. Rehabilitate the inclined shaft a distance of not more than 20 feet.

3. From the bottom of the rehabilitated shaft, sink a two-compartment inclined shaft a distance of not more than 40 feet.

4. Explore the pegmatite by driving from or near the bottom of the shaft, not more than 100 feet of drifts and/or crosscuts.

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

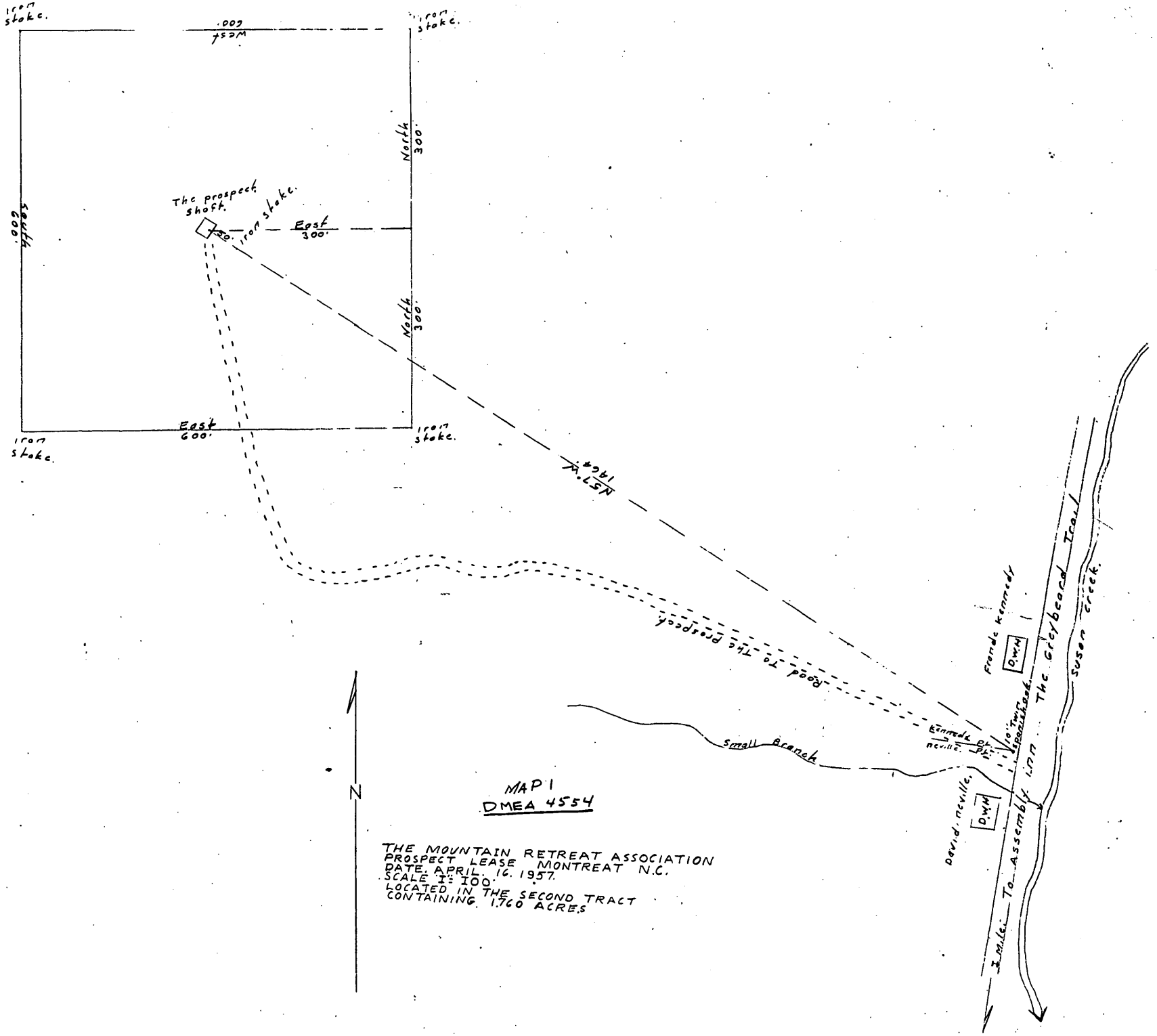
All work shall be performed on the pegmatite or in as close proximity thereto as possible.

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

FIXED UNIT COSTS

1. Construct--			
Toolhouse 1/	$76.00		
Powder magazine 1/	25.00		
Exploder magazine 1/	15.00	$ 116.00	
2. Rehabilitate 20 feet of existing shaft @ $10.00/foot		200.00	
3. Sink 40 feet of shaft @ $44.00/foot		1,760.00	
4. Drive 100 feet of drifts and/or crosscuts @ $33.00/foot		3,300.00	
Estimated total cost of project			$5,376.00
Government participation @ 75%			$4,032.00

1/ The completed work constitutes the unit.



MAP 1
DMEA 4554

THE MOUNTAIN RETREAT ASSOCIATION
PROSPECT LEASE MONTREAT N.C.
DATE. APRIL. 16. 1957.
SCALE 1" = 100'
LOCATED IN THE SECOND TRACT
CONTAINING. 1.760 ACRES

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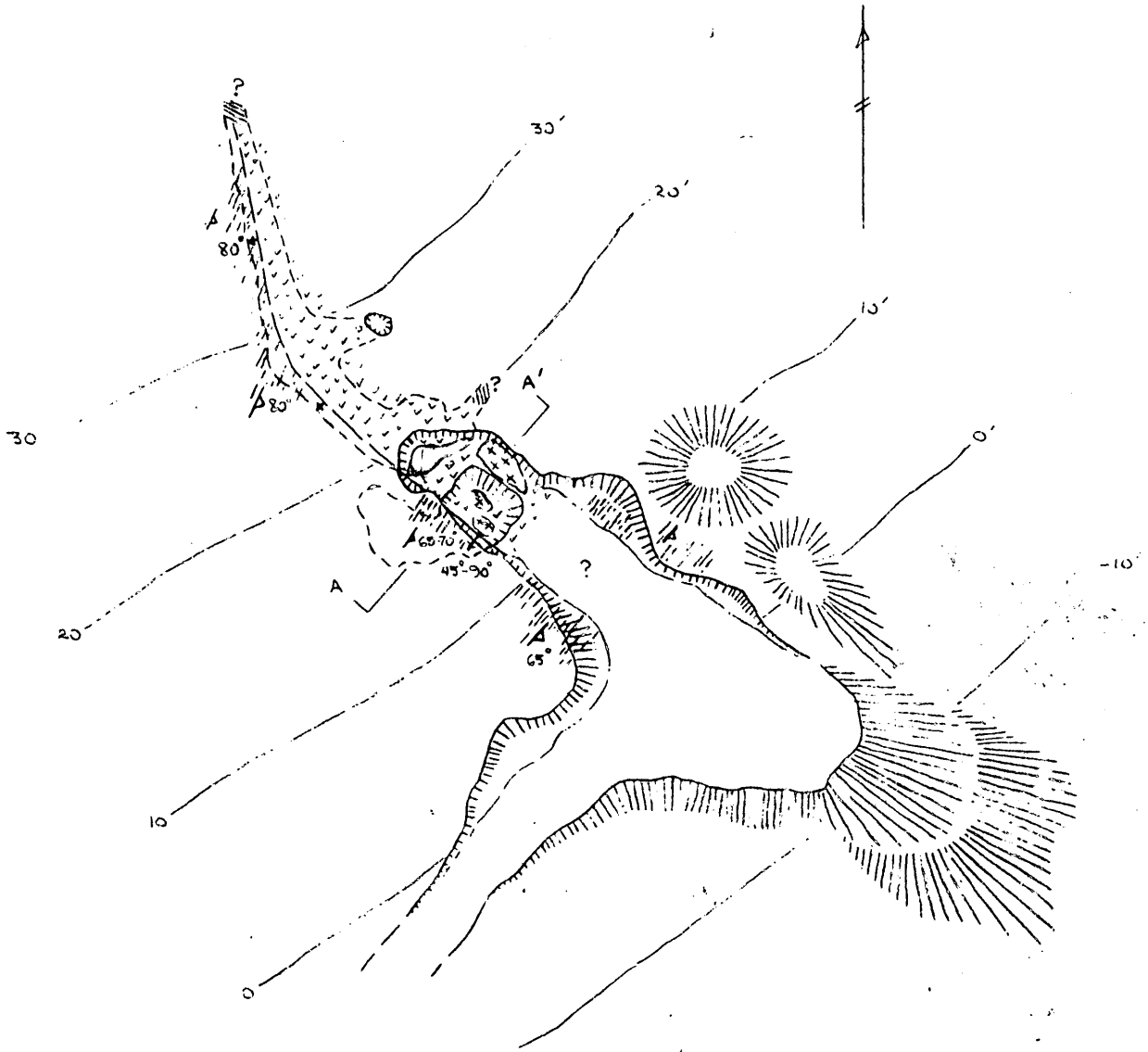
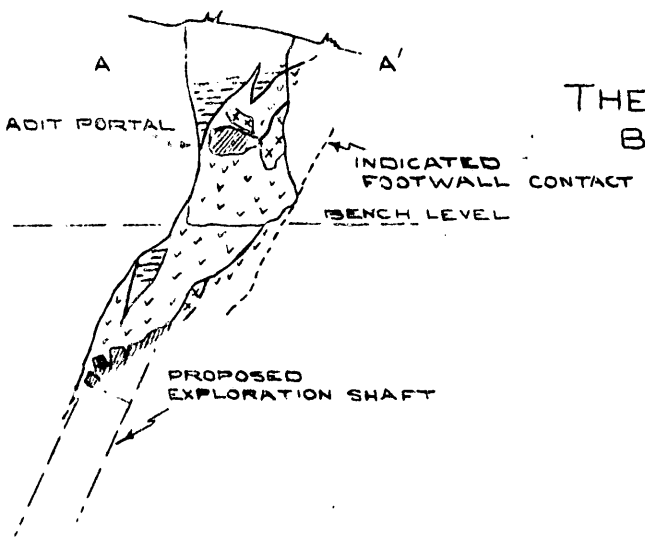
D M E A
RECEIVED MAY 29 19[illegible]

DATE	INITIALS	COD-





MAP No. 2

THE BLACK MOUNTAIN PROSPECT

BUNCOMBE COUNTY, NORTH CAROLINA

DMEA - 4554 (MICA)

SCALE: 1" = 20'

LEGEND

- PLAG.-QTZ.-MUSCOVITE PEGMATITE
- MASSIVE QUARTZ
- WEATHERED MICA GNEISS
- UNDERGROUND WORKINGS
- EXCAVATION
- DUMP

SCB 2/57

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

WASHINGTON 25, D. C.

November 26, 1956

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

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Application from S. L. Phillips, Spruce Pine, N. C.
Black Mountain Mine, Buncombe County, N.C.

Enclosed are three copies of the subject application, with three copies of the lease. The fourth copy is being retained in this office.

Please note that the Applicant intends to submit a third party quaranty in lieu of Consent to Lien.

V. J. Lynch

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

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V. J. Lynch

ZM.
cc
Lynch
Shirley
Files

Spruce Pine, North Carolina
November 20, 1956

Mr. Robert A. Laurence
Executive Officer
D.M.E.A., Region V
Room 13, P.O. Bldg.
Knoxville, Tennessee

Dear Mr. Laurence:

Enclosed is the application that I am filing on the Black Mountain Prospect, which I talked to you about yesterday on the phone. You will notice on the first page of the lease, paragraph three is the Book and Page number on where the original deed to this property was recorded in 1897. This great boundary of land which includes many thousand acres was purchased at different times by a large number of landlords many years ago. The amendment to the lease is tied into fixed and permanent land marks which can easily be located by the field team upon their examination.

I also want this letter to serve as an intention on my part to have a surety sign implace of consent to lein. (m lease 0 | 0 0 2
If there is any thing further that you need in connection to this application, please let me know.

Sincerely Yours,

Samuel L. Phillips

Sam L. Phillips

P/j

RECEIVED
NOV 23 1956
Survey
Geologic Division
Knoxville, Tenn.

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. 4554
Metal or Mineral Mica
Date Received 11-28-56
Estimated Cost $10,100
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: Samuel L. Phillips
Spruce Pine, North Carolina

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NOV 23 1956
Charlotte Division
Asheville, N.C.

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

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

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

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

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

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NOV 28 1956
D.M.E.A.

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

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

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

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

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

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

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

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

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

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

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

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

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

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations Now on file with D.M.E.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 November 20, 1956

Samuel L. Phillips
(Applicant)

By Samuel L. Phillips

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

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

RECEIVED
NOV 28 1956

MF-103 (Continuation sheet)

4. (a) We have done some exploration work, there is an existing 30' shaft.

(b) We have sold a small amount of mica, and it is of very high quality.

(c) With more exploration work we beleive we will recover some very good ruby mica.

(d) We propose to bulldoze road access.

(e) Manpower, supplies and equipment are available. Power is 1500' away.

5. (b) We propose to bulldoze road access, and bulldoze away overburden, then deepen an existing 30' shaft, 60' deeper, then drift with vein a distance of 150'.

6. Estimated of costs :

50 hours bulldozing @ $10.00 per hour - - -	$ 500.00
60' Shaft @ $60.00 per foot - - - - - - - - -	3600.00
150' Drift @ $40.00 per foot - - - - - - - - -	6000.00
Total estimated cost of project:	$10,100.00

AMENDMENT

It is the purpose of this instrument to amend the legal description of a lease dated the 26th day of September, 1956, between the Mountain Retreat Association, the lessor, and Samuel L. Phillips, the lessee, as follows:

Beginning at the shaft of what is known as the Black Mountain prospect, which is located 1464 feet South 57° East to a twin ten-inch Spanish oak, which is the property corner between Fronde Kennedy, David Neville, and the Mountain Retreat Association (said Spanish oak is located South 15° West 44 feet from a Carolina Power electric power pole No. 15) and running North 300 feet, thence East 300 feet, thence South 600 feet, thence West 600 feet, thence North 600 feet, thence East 300 feet to closing.

This prospect is located approximately one mile northwest of the Assembly Inn at Montreat, North Carolina.

It is expressly understood and agreed that this amendment in no way changes any of the conditions of the original lease.

THE MOUNTAIN RETREAT ASSOCIATION

By

J. R. McCreight
President

Lessor

WITNESS:

Una Mae Mangum

Samuel L. Phillips
Samuel L. Phillips

Lessee

THIS AGREEMENT made and entered into this the 26th day of September A.D., 1956, by and between THE MOUNTAIN RETREAT ASSOCIATION, a corporation organized and existing under and by virtue of the laws of the State of North Carolina, party of the first part, hereinafter referred to as the Lessor, and SAMUEL L. PHILLIPS of the County of Avery, State of North Carolina, party of the second part, hereinafter referred to as the Lessee,

W I T N E S S E T H:

That for and in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration and the mutual promises and agreements herein contained, the parties hereto do CONTRACT and AGREE as follows:

RECEIVED NOV 23 1956 D.M.E.A.

(1) That the Lessee shall have the exclusive right and privilege, upon the terms and conditions hereinafter mentioned, to enter upon such portion of all the lands owned by the Lessor and located in Black Mountain Township as may be agreeable to the Lessor, for the purpose of searching for mica and other minerals and for the purpose of conducting mining and quarrying operations and removing therefrom such mica and other minerals as may be deemed advisable, for a period of five (5) years beginning the 1st day of October A.D., 1956, and ending on the 30th day of September A.D., 1961, the said lands owned by The Mountain Retreat Association hereinabove referred to, include those tracts of land described in a deed of conveyance from John C. Collins and wife, Fannie M. Collins, to Mountain Retreat Association dated June 1, 1897 and recorded in the Office of the Register of Deeds of Buncombe County, State of North Carolina in Book 103 at Page 135, which have not hitherto been conveyed or put to other usage by the said The Mountain Retreat Association.

(2) During the term of this lease no other person shall have the right to mine or quarry mica and other minerals on the lands of said Lessor above referred to, but the said Lessee shall

conduct mining and quarrying operations only in such localities on the lands above referred to, and at such times, as the Lessor may consent to in writing, the said consent in writing to be signed by the President of the Lessor or his representative duly appointed in writing, it being understood and agreed that such mining and quarrying operations shall be conducted at such localities and at such times as shall not interfere with other business or operations of the said Lessor.

(3) It is further CONTRACTED and AGREED that the said Lessee shall conduct said mining and quarrying operations in a sound, neat and workmanlike manner, without producing unreasonable noise which might disturb other occupants of the Mountain Retreat Association grounds, and shall clean up and leave in reasonably neat condition, the location where any such mining or quarrying operations are conducted.

(4) The Lessor agrees that the Lessee shall have the right at his own expense to cut, construct and use such rights-of-way as may be reasonable and necessary to enter upon such mining operations and remove therefrom mica and minerals; the said rights-of-way to be constructed, however, in such a manner as not to interfere with other operations of the Lessor, or with the comfort and convenience of residents of Montreat.

(5) The Lessee agrees that he will be responsible for the good conduct of any and all agents or employees of the said Lessee on the lands of the Lessor, and that such conduct shall not be offensive in any manner to the said Lessor.

(6) The Lessee CONTRACTS and AGREES that he will begin mining operations on the premises hereinabove referred to within sixty (60) days from the date of this agreement, and shall work the same continuously and with reasonable diligence, and that in the event there shall be a cessation of mining operations by the Lessee for any period of sixty (60) consecutive days without the

written consent of the Lessor that then, and in that event, the said Lessor at its option may cancel and terminate this lease by giving written notice to the Lessee by registered mail addressed to him at Spruce Pine, North Carolina, that the said Lessor has cancelled said lease, or intends to do so.

(7) It is further CONTRACTED and AGREED that the Lessee shall pay to the Lessor a royalty of twelve and one-half percent (12½%) of the sale price of any and all mica removed from the premises of the Lessor hereinbefore referred to; and shall also pay to the said Lessor the customary royalties on any and all other minerals removed from said premises, and that the payment of said royalties accruing during any month shall be paid not later than the 10th day of the next succeeding month, and that for the purpose of carrying out this agreement, the said Lessee shall furnish to the Lessor on or before the 10th day of each month a complete itemized statement, duly sworn to, of any and all mica and other minerals removed from said premises during said preceding month, including the kind and sale price thereof; and that said Lessor shall have the right through any duly designated agent, to inspect and audit any and all records of the said Lessee relating to any mica or other minerals removed from said premises and the sale prices thereof, and shall also have the right, if it so desires, to inspect the said mica and minerals before, or as they are removed from the premises hereinbefore referred to, and that any mica and minerals removed from said premises and/or sold, and the records thereof, shall be kept separate and distinct from mica and minerals and the accounts and records thereof which may be mined or sold by the Lessee from any other locality or any other project.

(8) The Lessee further CONTRACTS and AGREES that he will not assign this lease nor sublet the same, or any part thereof, without the written consent of the said Lessor.

(9) The Lessee further CONTRACTS and AGREES that if he shall fail to pay and account for the royalites hereinabove mentioned promptly as the same shall become due, or fail to carry out any of the other promises and conditions herein contained, or shall become bankrupt, or a receiver for him, or his property shall be appointed, or if there shall be any transfer of this lease by operation of law of any kind, then, and in either of the above-mentioned events, the Lessor shall have the option of terminating this lease after giving fifteen (15) days notice of its intention so to do at the address hereinabove mentioned and shall have the right to re-enter upon said premises and re-possess the same and that any other and further notice is hereby waived.

IN WITNESS WHEREOF the Lessor has caused these presents to be signed by its President, and duly witnessed and caused its corporate seal to be attached hereto, all by authority duly given; and the Lessee has duly executed the same, all the day and year first above written.

THE MOUNTAIN RETREAT ASSOCIATION

By,

J. R. McGregor
President

WITNESS:

Ura Mae Mangrum

Lessor

Samuel L. Phillips
Samuel L. Phillips

Lessee

EXECUTED IN DUPLICATE

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

The Mountain Retreat Association, Inc.,
Lessor

Samuel L. Phillips,
Lessee

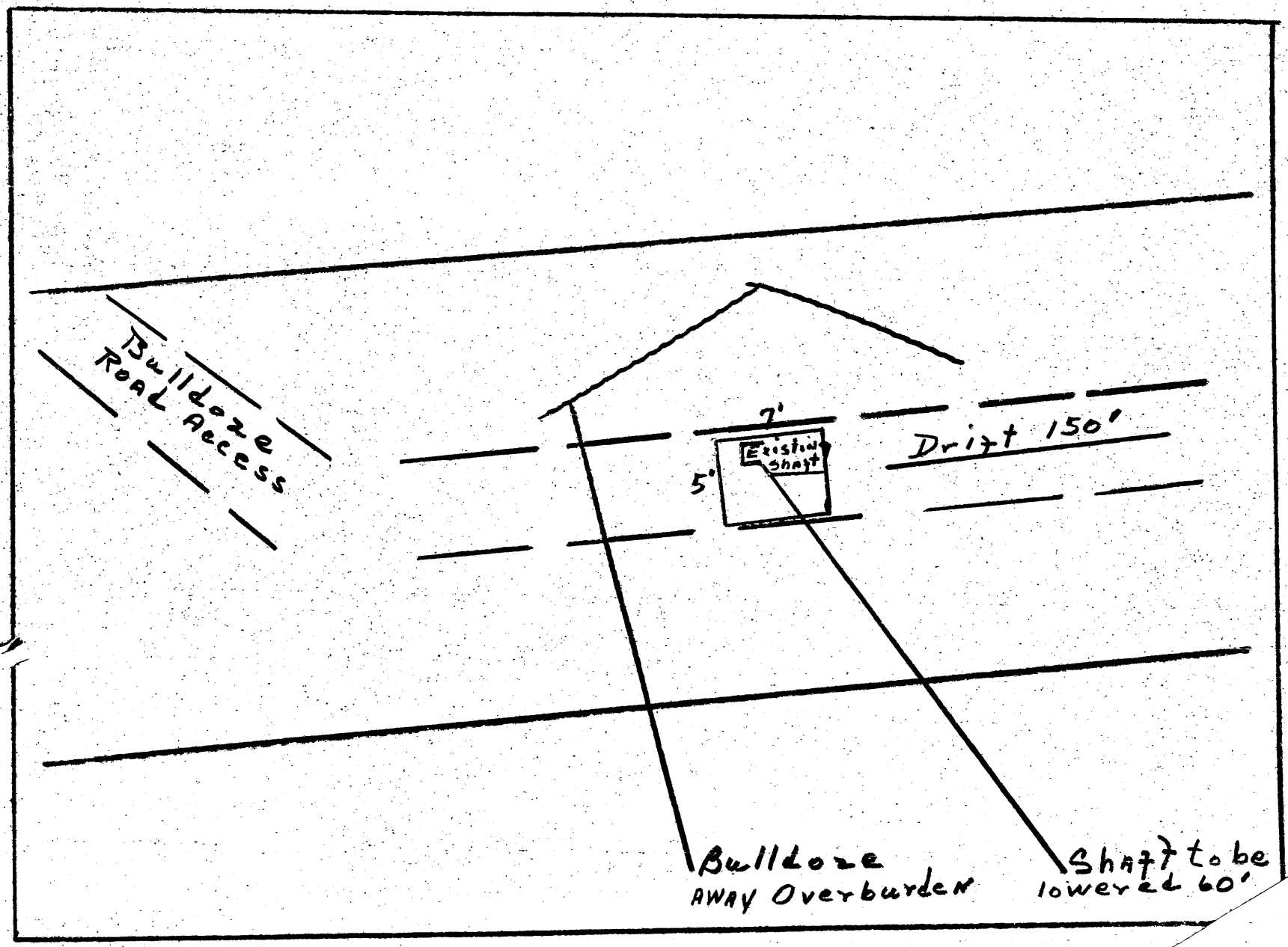
Lease of mica and mineral rights

9-26-56

WILLIAMS AND WILLIAMS
ATTORNEYS AT LAW
ASHEVILLE, NORTH CAROLINA

DRAWN BY:

Black Mountain Prospect
Buncombe County



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U. S. Government Messenger Envelope

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2. Void previous block.
3. Write clearly.

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Send surplus envelopes to supply room for reissue.

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Use RUN and STOP only when messenger service between Government buildings in Washington is required. Your mail room has RUN and STOP information.

DMEA Form 7
(12-56)

OFFICIAL FILE CO.

Date	Surname	Co
3/31	Anderson	600
3/31	Hoch	600

600

Project Summary Report

By: Walter C. Anderson WCA

1. Docket No. DMEA-4554-Mica
Contract No. Idm-E1089
Black Mountain Prospect
Buncombe County, North Carolina

Application: Form MF-103 (April 1952) received November 28, 1956.

Work proposed by applicant:

Bulldoze access road - 50 hrs. @ $10/hr.	$500.00
60 feet of shaft @ $60/ft.	3,600.00
150 feet of drift @ $40/ft.	6,000.00
Total amount requested	$10,100.00

Operator: Sam L. Phillips
Spruce Pine, North Carolina

Operator's property rights: Five year mining lease on an 8.2 acre tract belonging to The Mountain Retreat Association, dated September 26, 1956. In lieu of a Consent to Lien and Subordination Agreement, the Operator furnished a Performance Bond in the amount of $4,200.00.

2. Contract - Form MF-200A (April, 1956) dated May 21, 1957

Work authorized:

Construction: Toolhouse, Powder and Exploder Magazines	$116.00
Rehabilitation: 20 feet of existing shaft @ $10/ft.	200.00
40 feet of shaft @ $44/ft.	1,760.00
100 feet of drifts and/or crosscuts @ $33/ft.	3,300.00
Estimated total cost of project	$5,376.00
Government participation @ 75%	$4,032.00

Amendments - None

Work completed - Same as authorized.

8623

Work started on June 11, 1957, and was completed by October 14, 1957.
Field Team Final Report received March 10, 1958.
Operator's Final Report received October 18, 1957.
No equipment was purchased under the contract.

3. Audit: Report of Review issued January 8, 1958.

Total accepted cost	$5,376.00
Government participation	$4,032.00

4. Certification of discovery issued April 10, 1958.

Sales of mica during project.

Field Team reports the value as	$2,670.40
Government's royalty @ 5%	133.52
Royalty paid to Government to date	115.51
Royalty due the Government	$18.01

Mica Reserves

Indicated: Including 1,500 pounds block produced prior to project, there were 3,700 pounds of mine-run block mica produced in the shaft. Drifting indicates a block of pegmatite extending 30 feet westward, or 4 times the width of the shaft, which would give an indicated reserve of 14,800 pounds of mine-run block, which at 4.3% recovery would yield 636 pounds of trim valued at $22 per pound, or a total value at present prices of $14,000.00.

Inferred: There is a possibility that a like amount occurs beyond the indicated area, however, one-half that amount will be used for purposes of estimation, or 7,400 pounds of mine-run mica yielding 318 pounds of trim valued at approximately $7,000.00.

Ore Reserve Summary:

Indicated - 14,800 pounds block @ est. 4.3% recovery, 636 pounds trim.

Inferred - 7,400 pounds block @ est. 4.3% recovery, 318 pounds trim.

5. Comments: 22,200 = 11

How conducted - All of the work in which the Government participated was acceptable.

Operation - Good.

Engineering - Reporting by Operator was well done.

Geological premise - The premise that the mineralogical environment was good for the occurrence of strategic mica proved correct.

Geological criteria upon which work was based:

1. Pegmatite - Arcuate, discordant, 10 feet thick, exposed for 60 feet along strike and 40 feet down dip. Emplaced in a deeply weathered coarse-grained mica gneiss and composed of kaolinized plagioclase, quartz, and abundant small mica books.
2. Mica - Fairly abundant, books range up to 6 inches across, average 2 inches; reddish-brown. Only defects - slight waviness and some edge-cracking.
3. Past production.

Criteria developed during project:

1. Pegmatite - Discordant, well-zoned, 10 to 20 feet thick, consisting of a continuous 8 foot thick quartz core and 4 to 8 feet thick hanging and footwall zones composed of a mixture of medium to medium-coarse-grained plagioclase and variable amounts of muscovite and other minor amounts of other minerals. Emplaced in a biotite and feldspathic muscovite-biotite gneiss.
2. Mica - Concentrated at the hanging wall zone, thick euhedral crystals up to 8 by 12 inches across and 8 inches thick in the shaft. Books are smaller and less frequent in the drift. The mica is of excellent quality.

Future possibilities: The pegmatite has a potential of a larger production than is indicated by the reserve estimate.

Recommendations:

By the Field Team: Although they were inclined not to recommend certification because of the small reserve, they have no objection to certification.
By the Bureau of Mines Commodity Member: Further consideration should be given to certification without the additional work which the Operator requested.
By the Geological Survey Commodity Member: Recommends certification.
By the Division of Nonmetallic Minerals: Recommends certification.

WCAnderson:gad 3/28/58
Copy to: Admr. R. File
Mr. Johnson
Mr. Houk

DMEA Form 18
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ANALYSIS OF SEMIANNUAL REPORT OF CERTIFIED PROJECT

Prepare in duplicate. File original in Official Docket. Send copy

To: Statistics Branch (Code 210)

From: Division of Nonmetallic Minerals

Report Period: To 6/12/58

DMEA No.	Operator	Contract No.
4854	Sam L. Phillips	Idm-E1089

ORE ESTIMATES - Mica

	Tons	Analysis
DMEA	11	@ $600 - $6,600
Operator to date		
Total		
Production to date	4	2,400
Ore in ground	7	@ $600/ton - $4,200

INVESTMENT

Type	Size	Feet	Cost
Shafts			
Winzes			
Drifts and Crosscuts	5 x 7	15	$495.00
Raises		20	(Est.) 300.00
Drilling	Type		
Rehabilitation	Description		

FACILITIES

Mine Plant		
Mill		
Roads		

REMARKS

Prepared by Walter C. Anderson Date 8/6/58

31398

$4,032 $5,376 $4,032

ANALYSIS MR

ORE	DMEA	OPERATOR	TOTAL	PRODUCTION	AVAILABLE
MINERAL					
Mica	22,200 lbs.				

☑ Audited 1/8/58

☑ Certified 4/9/58

Name Sam L. Phillips

State No. Car.

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of Oct. 31-57

Incl. Voucher for Sept 57.

Commodity Mica

☐ Actual Cost

☑ Agreed Unit Costs

Docket No. 4554

Idm-E No. 1089

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	100 Ft.	3,300.00	100	3,300.00	3300.00
Raising					
Shafts	40 Ft.	1,760.00	40	1760.00	1760.00
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation		200.00		200.00	200.00
New Building, Improvements, etc.		116.00		116.00	116.00
Other (Specify)					
Totals		$5,376.00		5,376.00	5,376.00

Prepared by Walter C. [illegible]

71626

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/5/67		110
	On leave	120
		220

JUL 3 1967

Mr. Kenneth R. McKinney

Spruce Pine, North Carolina 28777

Re: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract Idm-E1089

Dear Mr. McKinney:

Reference is made to the Performance Bond and Affidavit of Individual Surety signed by you on April 19 and April 24, 1957, respectively, in connection with the subject contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region IV

FEJohnson/gla 6/27/67

Identical original letter sent to:
Mr. Oscar V. Coulter
Spruce Pine, N. C. 28777

cc (both letters) to Mountain Retreat Association, Montreat, North Carolina 28757 23263

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

SPRUCE PINE
JUN 20
AM
1967
28777

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER Office of Minerals Exploration,
U.S.Geological Survey, Dept. of the Interior

STREET AND NO. OR P.O. BOX
Department of Interior Building

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242

POD Form 2811 June 1966

c55—10—71548-9

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom and date delivered ☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(*Additional charges required for these services*)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO.

133 68

INSURED NO.

SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

1 Kenneth R McKinney

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

2

DATE DELIVERED

6/20/67

SHOW WHERE DELIVERED (*only if requested*)

45 54

055—16—71548-9 GPO

OME-4554 Contract Idm-E1089 Sam. L. Phillips

IN REPLY REFER TO:
Office of Minerals Exploration

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

June 15, 1967

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Kenneth R. McKinney

Spruce Pine, North Carolina 28777

Re: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract Idm-E1089

Dear Mr. McKinney:

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

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

This correspondence relates to the Performance Bond and Affidavit of Individual Surety signed by you on April 19 and April 24, 1957, respectively, in connection with the referenced contract.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Cy to P-IV

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

From August 1966 to May 21, 1967

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

From August 1966 to May 21, 1967

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

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	_____ Tons	_____	_____
Concentrates	_____ Tons	_____	_____
Other	_____ Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Kenneth R. McKinney Title _____

Address Spruce Pine, NC Date 6-19-67

IN REPLY REFER TO:
Office of Minerals Exploration

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

May 22, 1967

Mr. Oscar V. Coulter

Spruce Pine, North Carolina 28777

Re: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract Idm-E1089

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 29 1967

INITIALS	CODE
ga	170
JEJ	40
AK	120
	120
	220

Dear Mr. Coulter:

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

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

This correspondence relates to the Performance Bond and Affidavit of Individual Surety signed by you on April 19 and April 24, 1957, respectively, in connection with the referenced contract.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

From August 1966 to May 21, 1967

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

From August 1966 to May 21, 1967

2. ~~XXXXX~~ , has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value
_____		
_____	_____	_____

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

Type	Quantity	Estimated Grade	Location
Ore	_____ Tons	_____	_____
Concentrates	_____ Tons	_____	_____
Other	_____ Tons	_____	_____

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

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

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name A. V. Caulter Title [illegible]

Address _____ Date _____

8/31/66

Tom OK —

May you should consider to the
OV Coulter and Hennessy of,
Wichmey, Spring Point, N.C.
as they are a performance Bond
for project. Hal

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

IN REPLY REFER TO:

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 31 1966
INITIALS | COPY
8/31/66 M 1 20 m
285 140

Registered Mail
Return Receipt Requested

August 23, 1966

Re: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract Idm-E1089

Mountain Retreat Association
Montreat
North Carolina

Gentlemen:

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

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

This inquiry relates to the lease dated September 26, 1956, between the Mountain Retreat Association and Samuel L. Phillips, Avery County, North Carolina.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

Lease discontinued in 1957

2. Since May 1965, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by: **Mountain Retreat Association**

Name **K. N. Stutts** Title **Treasurer**

Address **Montreat, N. C.** Date **8-25-66**

AUG 30 12 31 PM '66
BUREAU OF MINES
WASHINGTON, D.C.

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Mountain Retreat Association

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

By Mary U. Stures

DATE DELIVERED	SHOW WHERE DELIVERED *(only if requested)*

C55—16—71548-5—F GPO

4554

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

AUG 25 1966

N. C.

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO. 500411	NAME OF SENDER U.S. Geological Survey Office of Minerals Exploration
CERTIFIED NO.	STREET AND NO. OR P. O. BOX Dept. of the Interior
INSURED NO.	CITY, STATE, AND ZIP CODE Washington, D. C. 20242

POD Form 3811 Sep. 1963

C55—16—71548-6—F

DMEA 4554

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

May 27, 1965

Re: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract Idm-E1089

Mountain Retreat Association
Montreat
North Carolina

Gentlemen:

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

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

This inquiry relates to the lease dated September 26, 1956, between the Mountain Retreat Association and Samuel L. Phillips, Avery County, North Carolina.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

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

MME Form 63
Revised 3-62

DMEA-4554
Idm-E1089

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

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

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Harry McDonald Title Business Manager

Address Montreat N. C. Date May 31-'65

This work was discontinued.

4511

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

October 12, 1964

Mountain Retreat Association
Montreat
North Carolina

Re: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract Idm-E1089

Gentlemen:

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

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

This inquiry relates to the lease dated September 26, 1956, between the Mountain Retreat Association and Samuel L. Phillips, Avery County, North Carolina.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 16 1964

DATE	INITIALS	CODE
10/15		800
10/16		100
10/16		110
10/19		120
		120

DMEA-4554
Idm-E1089

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

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

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Harry McDonald Title Business Manager

Address Mantuet N.C. Date 10/14/64

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

October 5, 1964

Re: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract Idm-E1089

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Sir:

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

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

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 8 1964

DATE	INITIALS	CODE
10/9	GCS	800
		~~100~~
10/9	TEJ	~~120~~
10/9	MSA	120 M
		~~120~~
		320

MME Form 63
Revised 3-62

DMEA-4554
Idm-E1089

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

   Is the lease dated September 26, 1956, covering the subject property in full force? If not, please give details concerning the lands released. (Lease terminated about two years after date, and reverted back to the Mountain Retreat Association.)

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

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Sam L. Phillips Title Partner

Address Spruce Pine, N.C. Date 10-7-64

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

OFFICIAL FILE COPY
C. M. E
RECEIVED DEC 10 1963
INITIALS

December 6, 1963

Re: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract Idm-E1089

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Sir:

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

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

Sincerely yours,

F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

2. Since October 1, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Sam L. Shelley Title Partner

Address Spruce Pine, N.C. Date 12-7-63

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/19	GCS	120
		220

OCT 19 1962

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Mine
Buncombe County, North Carolina
Contract Idm-E1089

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

George C. Selfridge (gla)

Enclosure

GCSelfridge/gla
10-19-62
cc to: Docket DMEA-4554
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 10/18/62 and orig. cy of memo dtd 10/18/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

October 18, 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Mine
Buncombe County, North Carolina
Contract Idm-E1089

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

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

(b) Two copies to Region IV files.

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

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

Enclosures

EDTalbert/ama 10-18-62

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

43683

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

September 27, 1962

Re: DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract Idm-E1089

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Mr. Phillips:

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

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

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

DMEA-4554
Idm-E1089

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 4 1962

DATE	INITIALS	CODE
10/4	[illegible]	800
10/4	[illegible]	100
10/4	[illegible]	110
	[illegible]	500
10/8	Yes ☐ No ☑	500
	S.P.H.	220

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since June 12, 1958, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since June 12, 1958, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Sam L. Phillips Title Partner

Address Spruce Pine, N.C. Date Oct. 1, 1962

4511

OME Form 7
(10-58)

Date	Initials	Code
6/26	[illegible]	800
		500
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

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

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

Contract No.	Docket No.	Operator	Mine Names
E- 684	3244	Alex Teague	Old Denson (Denison)
687	3256	Glenn C. Rathburn	Fox, Busby Creek
692	3260	Sam L. Phillips	W. A. McKinney, McKinney No. 1
694	3199	W. B. Chrisawn	R. D. (W. H.) Westall
712	3410	Rock Mining Company	Rock
757	3469	A. Ward	Elmore
757	3559	C. R. Phillips, et al.	Sugar Dave, Ralph
762	3577	Keller Mining Co.	Oyster
805	3720	Alvin White, et al.	Coward
832	3263	Mines and Mining, Inc.	Carlow Gap
835	3313	T. B. Vance	Shuffle Vance, Red, Charlie Burleson
840	3739	T. R. Beam	Bennett, Mica Field
865	3360	Ed Boone	[illegible] Rock
889	3924	T. R. Beam & John Phillips	Little Ray, Pat
891	3543	Buchanan Mines, Inc.	Buchanan, Dream
909	3942	Sam G. Smith	Doe Hill, Sam Smith
962	4147	Sam L. Phillips	Old Buchanan
1005	4259	John Phillips	Roby (Robby)
1008	4332	John Phillips	John (John's) Brown
1037	4268	Murphy Mining Co.	Murphy, Murphy Rock
1042	4449	Clifton D. Buchanan	Moore, Phillips
1099	4554	Sam L. Phillips	Black Mountain

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

CEFisher/ama
6-26-62

03603

[illegible] mi-annual report on [illegible]

Idaho	[illegible]
734	Boone & [illegible] (Marsh [illegible])
737	[illegible] ([illegible])
757	C. [illegible] ([illegible])
862	Keller Mining [illegible] (Royster [illegible])
864	Roy Grindstaff (Conley Mine)
865	T. R. Vance (Shuffle Vance Mine)
865	Ed Boone (Goog Rock Mine)
882	J. R. Bean & J. Phillips (Little Ray Mine)
900	Sam Smith (Doe Hill Mine) Royalty due-$27.[illegible]
962	Sam Phillips (Old Buchanan)
1005	John Phillips (Roby Mine)
[illegible]	[illegible] (Boone Prospect)
977	Hawk Mining Co. (Hawk Mine)
1042	Clifton V. Buchanan (Boone Prospect)
1089	Sam L. Phillips (Black Mountain Prop)

REMARKS: The above listed projects were checked at the Government Purchasing Depot, Spruce Pine, N. C., or by contacting the Operators or by inquiring in and around the vicinity.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/22	Anderson	600
9/23	[illegible]	130
"	Johnson	110
"	[illegible]	100
9/24	[illegible]	220
		600

600

SEP 24 1958

Mr. Robert A. Laurence
Executive Officer, OME
Field Team, Region V
Room 2-B, Post Office Bldg.
Knoxville 2, Tennessee

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. Laurence:

Reference is made to the subject contract number and to the Field Team's letter of May 1, 1958, addressed to the Operator, and to memoranda on royalty payments to the Finance Officer, dated May 19 and August 6, 1958. Kindly correct your records to read Contract No. Idm-E1089 instead of Idm-6977.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

Frank J. Cservenyak (GCS)
Member, Bureau of Mines

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

LGHouk:gad 9/22/58
Copy to: Dir. R. File
Operating Committee
Mr. Kiilsgaard
Mr. Dietrich
Mr. Houk

8623

6/23 C 220
2 Com 100
11 110
6/25 800
600

DMEA EXPLORATION PROJECT

Semi-Annual Report of Certified Project

Reporting Period: to June 12, 1958. Date Examined: 6/12/58

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

Mine Name: Black Mountain Prospect. County: Buncombe

State: North Carolina. DMEA-4554. Idm-E1089. Commodity: Mica

Date of Contract: May 21, 1957. Date Certified: April 9, 1958

Expiration of Royalty Payments: May 21, 1967.

Total Amount of Contract: $5,376.00

Total Expended under contract: $5,376.00

Amount of Gov't participation at 75%.....$4,032.00

Royalty Payments this period: $115.66. Previously Paid: None

Total Royalty Paid to date: $115.66.

Percent Gov't Participation Repaid: 2.87%.

Royalty Due on Production to Date: None

Royalty Remarks: All royalty has been paid on sales to date.

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

6800 pounds of hand cobbed mica valued at $6,600.00

11 tons

Production DMEA Ore (this period and to date):

Type Mica	Pounds	Value
Sheet	55.86	$1,230.29
Hand cobbed	3,600.00	1,080.00
Scrap	200.00	3.00
	3,855.86	$ 2,313.29

4.0

Production Remarks:

After completing all the contract work the Operators ceased operations October 14, 1957. They went back to the mine in April and worked eleven shifts from the 17th to 29th. During this period they drifted 15 feet on the hanging wall, raised 20 feet and did a small amount of work in the shaft. No mica was found in the drift or raise, but a small quantity was recovered in the shaft.

When the property was visited by the writer there was no activity and all the equipment had been removed.

Wm. A. Beck, Mining Engineer
U.S. Bureau of Mines (DMEA)

June 19, 1958

z

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

August 6, 1958

Memorandum

To: Finance Officer, Region V (DMEA) Norris, Tenn.

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty Payment - DMEA-4554, Idm-E977-(mica)
Black Mountain Prospect, Buncombe County, N.C.
Sam L. Phillips, Operator, Spruce Pine, N.C.

Transmitted is a final settlement sheet in the amount of $377.00; and a royalty check for 5% of the sale in the amount of $18.85 to be credited to the subject contract.

Robert A. Laurence

zm.
enc.
ck. No.163, dated
8/4/58-$18.85

cc:
Mittendorf
Lynch
Files

DMEA
RECEIVED AUG 8 1958
8/8 C 220
600

Mittendorf

FORM APPROVED
CONT. NO.
MARCH 25, 19

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT - MICA PURCHASE

MICA PURCHASE DEPOT - Spruce Pine, N. C.

PROGRAM: [X] A [ ] B

DATE PURCHASED: 6-17-58

ACCEPTANCE NUMBER: ABD-1064(a)

CERTIFICATE AUTHORIZATION NUMBER: DMR-4-1007 A

LOT NUMBER: SBAD-1064 (a)

VOUCHER NUMBER:

SCHEDULE NUMBER:

EVALUATION DATA

RUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT	
GOOD STAINED AND BETTER							
GRADES NO. 3 AND LARGER		$	$	.19	$ 70.00	$ 13.30	13.30
GRADES NO. 4 AND 5			2.84	2.84	40.00	113.60	113.60
GRADES NO. 5½ AND 6			9.68	9.68	17.70	171.34	171.34
STAINED							
GRADES NO. 3 AND LARGER		12.00	.03	.03	31.30	.96	.96
GRADES NO. 4 AND 5		5.00	.94	.94	18.25	17.16	17.16
GRADES NO. 5½ AND 6		5.00	7.41	7.41	7.55	55.95	35.95
HEAVY STAINED							
GRADES NO. 3 AND LARGER		[illegible]			14.80	.21	
GRADES NO. 4 AND 5		4.00	.03	.03	6.85	.23	
GRADES NO. 5½ AND 6		2.00	1.12	1.12	4.00	4.48	
TOTALS			$			$ 4.48	

NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ 70.00	$
GRADES NO. 4 AND 5					40.00	
GRADES NO. 5½ AND 6					17.70	
STAINED						
GRADES NO. 3 AND LARGER		9.00			25.55	
GRADES NO. 4 AND 5		4.00			14.60	
GRADES NO. 5½ AND 6		2.40			6.55	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		6.40			11.85	
GRADES NO. 4 AND 5		3.20			5.45	
GRADES NO. 5½ AND 6		1.60			4.00	
TOTALS			$	22.24		$ 377.00

TOTAL YIELD AND VALUE [X] RUBY [ ] NONRUBY (*Half trim plus full trim*) 22.24 LBS. $ 377.00

ADJUSTED VALUE WHEN LESS THAN 18% GS & B (ABOVE VALUE $ _____ X _____ : 18) $

FOR PROGRAM B, DEDUCT $4.00 PER POUND FOR RIFTING AND TRIMMING

FINAL BASIS FOR PAYMENT $ 377.00

LESS: INITIAL PAYMENT VOUCHER NUMBER SCHEDULE NUMBER $ 195.24 181.76

BALANCE DUE [X] SELLER [ ] GOVERNMENT

NAME AND LOCATION OF MINE

Black Mountain, Buncombe County, N. C.
% GS & B 57.15

SELLER'S NAME AND ADDRESS (*Type or print*)

Phillips Mica Co.
Box 35
Spruce Pine, N. C.

PROCESSED FOR PAYMENT (LBS.)	22.24
PROCESSED - NO PAYMENT (LBS.) THINS	
BLACK (*Dots, Spots, Stained*)	
UNDERSIZED	14
PROCESSING LOSS	.14
TOTAL POUNDS PURCHASED	22.38

APPROVED

DEPOT SUPERINTENDENT

7-25-58

DATE

DMEA-4554

GSA WASH D C 58-3177

GSA FORM 1013a
SEPTEMBER 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 19, 1958

OFFICIAL FILE COPY
DMEA
MAY 21 1958

5/21 J. G. 225
5/21 600

Memorandum

To: Finance Officer, Region V - DMEA - Norris

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

Subject: Royalty Payment - Idm-~~E977~~ 1089, DMEA-4554, Sam Phillips, Black Mountain Prospect, Buncombe County, N.C.

Black Mountain Prospect sold to the English Mica Company 200 lbs of scrap mica @ $30/ton.....$3.00

5% x $3.00 = .15¢. Check No. 157 for 15¢ for royalty due is attached.

Robert A. Laurence

sm.
cc
enc. Ck No. 157
dated 5/14/58--15¢
Mittendorf
Lynch
Files

Operating Comm.

OFFICIAL FILE COPY
DMEA
RECEIVED 5 1958

5/5	C	220
5/5	Lynch	800
5/5	Hirsch	1600

May 1, 1958

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554 (Mica)
Black Mountain Prospect
Buncombe County, N. C.
Contract No. Idm-E977

Dear Mr. Phillips:

Our records show that sales from the subject mine consist of 3,600 pounds of hand cobbed mica and 55.86 pounds of block mica. Please advise this office if any sales of scrap and punch mica have been made.

Very truly yours,

V. J. Lynch
Acting Executive Officer
DMEA Field Team
Region V

VJL:pwy
cc: Opr. Com.
Lynch
Laurence

Mr. Kenneth R. McKinney
Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Adm-E1089

Dear Mr. McKinney:

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

This correspondence relates to the Performance Bond and Affidavit of Individual Surety signed by you on April 19 and April 24, 1957, respectively. ~~The Government's (prior lien on the land etc)~~ -- The Government's prior lien on the land etc --

Same letter as above to -

Mr. Oscar V. Coulter
Spruce Pine, North Carolina

3/31/58
Mr. Robin O.K.'d above draft as written
WVR

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

March 21, 1958

Memorandum

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

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

Subject: DMEA-4554, Idm-E1089(mica) Sam L. Phillips, Spruce Pine, N.C. Black Mountain Prospect, Buncombe County, North Carolina

Reference is made to your letter of March 18.

We have no objection to certification of this property. In fact, as pointed out in the final report and transmittal letter, we considered it to be just short of a certifiable reserve.

We did not consider that denial of the Operator's request is a basis for not certifying. Our point was that if it is not certifiable now, the fact that additional work by the Operator at his own expense might enlarge the reserve to certifiable size, should not be considered a basis for certifying.

We agree that a small reserve, with an inferred potential, exists and therefore we are not in opposition to certification. However, experience has indicated that, in very few cases do the royalties from small discoveries like this one repay the cost of semi-annual inspections.

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

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/17	Houk	600
3/17	[illegible]	130
"	Johnson	110
"	[illegible]	100
3/18	[illegible]	220
		600

MAR 18 1958 600

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

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. Laurence:

Reference is made to your recommendation not to certify the subject project.

We believe that the results achieved in the shaft will support a certification. May we point out the good geologic and textural environment, value of production, high quality of mica, and access provided to the Operator. Our calculation, based upon a 40 foot dip length in the shaft (the first ten feet by the Operator prior to the contract), and a 30 foot strike length will give a gross value of about $12,000.00 with additional inferred potential possible.

The justification for the proposed amendment for additional work pointed out that there was insufficient footage to define the 3-dimensional potential. In most mica projects if we have one good mica face to work on or a shoot that is projectable as this one appears to be we consider it successful. The Operator's intention to work in the productive shaft area indicates that he has been encouraged by the results.

The denial of the Operator's request to do additional work is not considered a basis for not certifying. We have certified others under similar circumstances. We will delay our decision pending receipt of your comments.

Copies of memoranda dated March 11 and 13, 1958, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, are enclosed for your information and consideration.

LGHouk:gad 3/17/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Approved:

P. F. Yopes (GB)
Member, Bureau of Mines

Thor H. Kiilsgaard (GB)
Member, Geological Survey

Enclosures 4

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GB)

8623

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DMEA
RECEIVED MAR 14 1958
DATE | INITIALS | CODE
3/17 | C | 220
600

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

March 13, 1958

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4554 (mica)

Applicant: Sam L. Phillips

Name and Location of Property: Black Mountain Prospect
Buncombe County, North Carolina

Contract Number: Idm-E 1089

Date of Field Team Final Report: March 7, 1958

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: March 12, 1958

Field Team Recommendation: They do not think that a certification can be recommended.

Comments:

1. From the bottom of a 20-foot incline in an open cut contract work consisting of continuation of the incline shaft 42 feet and drifting a total of 101 feet, was completed.

2. Mica recovery to the northeast was negligible but was higher than average ($22.02 per foot of advance) in the drift to the northwest.

3. Field examiners state that there is no indication of the pegmatite terminating in the northwest headings.

4. A request for additional work to the northwest by the operator was denied.

5. Expenditures -

Total approved	$5,376.00
Total cost	5,376.00
Gov't. share of the cost	4,032.00
Value of production during operation	2,670.40
Royalty paid to date	115.51

Recommendation:

In view of the excellent geologic environment, the productiveness from drift work to the northwest and the belief by the field team that additional work may extend this prospect to a significant discovery, it is recommended that the operator's application for additional work be reviewed. Further consideration should also be given to certification without additional work.

W. F. Dietrich

W. F. Dietrich

OFFICE FILE COPY
DMEA
RECEIVED MAR 12 1958

DATE	INITIALS	CODE
3/12	C	220
3/12	Houk	600

IN REPLY REFER TO:

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

March 11, 1958

Re: DMEA 4554, Idm-E1089
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Mica

Memorandum

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

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

Subject: Review of Field Team Final Report

The contract authorized the expenditure of $5,376.00 on the exploration of a thick, zoned, discordantly emplaced pegmatite. The approved amount was spent.

A 42-foot shaft extension and 101 feet of drifting showed the pegmatite to have a mica-rich hanging wall zone from which $2,670.00 worth of mica was recovered. The examiners say the upper 30 feet of new shaft is rich in muscovite of relatively large size and good quality, but in the northwest drifts at the 70 foot, the structural controls appear to have changed. The drifts "followed pegmatite with favorable texture and composition, but with not enough muscovite content to be considered economic. ..... The drift footage was found to be too small to adequately outline the pegmatite's potential."

In the opinion of the examiners, "the small reserve that can be inferred to the northwest of the shaft is much too small on which to base a recommendation for certification, and none is recommended. This is a block 30 feet downdip and 30 feet along strike to the northwest, containing an estimated 6,800 pounds of block valued at $6,600, by comparison with recovery and value obtained during the contract."

Obviously the outlook for the recovery of a fair part of the balance of the accrued royalty ($4,032.00 - 115.51) is not good, but by comparison it is above average. Therefore I recommend that certification be made.

N. E. Nelson

N. E. Nelson

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

March 7, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR. 10 1958

DATE	INITIALS	CODE
3/10	C	220
3/10	[illegible]	130
"	[illegible]	110
3/12	[illegible]	130
3-13	C	220

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Report, DMEA-4554, Idm-E1089-mica. Sam L. Phillips, Spruce Pine, N.C. Black Mountain Prospect, Buncombe County, N. C.

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

The work of this project discovered a small amount of strategic mica, although as the report indicates, it is insufficient to support a recommendation for certification. Additional work may well extend this into a significant discovery, but the Operator's request for an amendment to do such work was denied. Under these circumstances, we do not think a certification can be recommended.

Field Team Final Rpt

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
3-12-58
(date)

FINAL FILE COPY
DMEA
RECEIVED MAR. 10 1958

DATE	INITIALS	CODE
3/12	HB	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFNESE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
FIELD TEAM REGION V

DMEA-4554, Idm-E1089(mica) BLACK MOUNTAIN PROS.
Buncombe County, N. C.

S. C. Bergman and F. G. Lesure, Geologists
Geological Survey

and

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

Reviewed by
DMEA OPERATING COMMITTEE
3-12-58
(date)

March 7, 1958

EXPLORATION PROJECT CONTRACT

FINAL FIELD TEAM REPORT

BLACK MOUNTAIN PROSPECT -mica

DMEA-4554, Idm-E1089

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

SUMMARY

A 20-foot deep incline in the bottom of a pre-existant open cut of unknown origin, was mucked, enlarged, and adequately cribbed. From its bottom, a total of 42 feet of inclined shaft was sunk to the south-southwest along the mica-rich hanging wall of a thick, zoned, discordantly emplaced pegmatite. A total of 101 feet of drift was driven from the shaft bottom (see map). Drift segments were driven along both hangingwall and footwall zones to the northwest, and to the pegmatite's eastern termination 10 to 15 feet east-northeast of the shaft. The upper 30-feet of new shaft is rich in muscovite of relatively large size and good quality. The area east of the shaft is barren of muscovite and quartz core. To the northwest, both foot and hangingwall drifts followed pegmatite with favorable texture and composition, but with not enough muscovite content to be considered economic. Several structural controls are suggested which infer the continuation of the mica-rich area found in the shaft to the northwest above the drift level. Reserves that can be inferred to the northwest of the shaft, are too small for any valid certification, although the Field Examiners believe that a good potential still exists for making a significant discovery. The pegmatite proved to be larger and more irregular than anticipated. The drift footage was found to be too small to adequately outline the pegmatite's potential. The Operator submitted a request for additional level work to the northwest, which was subsequently denied. Some additional work in the productive shaft area is contemplated by the Operator.

INTRODUCTION

Location

The contract site is located on the southeast slope of Middle Mountain and on the southeast trending nose of Forked Ridge at an elevation of approximately 3400 feet. It is 0.59 airline miles S73°E of Montreat Reservoir, and approximately 1 mile north of Montreat College. The prospect is reached by

following the blacktopped Montreat Road (Graybeard Trail), 3.5 miles north from the intersection of U.S. Highway 70 at Black Mountain, thence approximately 1200 feet northwest and upslope by rough jeep trail to the site (Montreat, N.C. Quad. USGS-TVA Ed. 1943, 201-NE, 1:24,000).

Contract Work

The pre-existing workings are of unknown origin and consist of an opencut, parallel to the hill slope, 50 feet long, 15 feet wide, and a maximum of 20 feet deep on the uphill end. An adit at least 45 feet long had been driven along the pegmatite hangingwall into the hillside from the head of the open cut. The Operator sank at least part of a 20-foot-deep incline which is collared just below the adit portal.

The contract work started on June 11, 1957, and consisted of mucking, enlarging, and cribbing the existing incline, sinking 42 feet of new incline to the south-southwest, and driving a total of 101 feet of drift from the shaft bottom, in various increments to the northeast and northwest (see map). All contract work was completed by October 14, 1957.

The contract shaft was sunk on a 60°incline between the hanging wall contact of the pegmatite and the top of the quartz core. From the shaft bottom, 17 feet of drift was driven N17°E until what appeared to be a medial horse of country rock was cut in the heading. Lateral test hole drilling established the lensing out of the pegmatite to the east and northeast in two segments

(see map). Sixteen feet of drift was driven S78°W until again stopped by what appeared to be another medial horse of country rock. The Operator drove another 15 feet N77°W in the country rock in the mistaken belief that the pegmatite would coalesce around the false horse and continue beyond. From the west side of the shaft bottom, the footwall zone of the pegmatite was followed 16 feet N16°W and 18 feet N55°W. The final work followed the hanging wall contact 8 feet N37°W and 11 feet N18°W. All work was according to contract specifications and the work progress good. In addition to the above work a combination tool house and hoist house and powder and exploder magazines were built according to contract specifications.

GEOLOGY

The Black Mountain pegmatite is a large, irregular, tabular-shaped structure, discordantly emplaced in a biotite and feldspathic muscovite-biotite gneiss. The foliation strikes N19 to 45°E and dips 60 to 80° southeast. The plan of the pegmatite at drift level suggests emplacement along a northwest trending fault truncated on the southeast by a series of younger, relatively tight, northeast trending shears. The arcuate shape of the pegmatite near the shaft suggests dragging against the northeast trending shears. Differential strike-slip movement along the northeast trending shears, would normally open the pre-existing northwest trending shear in tension, producing an idial structural environment for pegmatite emplacement.

The main part of the pegmatite is a 10 to almost 20-foot-thick dike striking N12-60°W and dipping 50 to 90° southwest.

Continuous quartz core up to 8 feet thick was followed from near the surface to the drift level and from the shaft to the limits of the drift work, 30 feet northwest. The core lenses out to the east-southeast at the shaft station, and occurs as discontinuous quartz masses in the open cut. There is no indication in the northwest headings of pegmatite terminating in that direction. A minimum of 60 feet of continuity to the northwest of the shaft is indicated from exposures in the old adit (see map). where

The hanging wall and footwall zones are 4 to 8 feet thick and are composed of a mixture of medium to medium-coarse-grained plagioclase, variable amounts of muscovite and minor microcline-perthite, localized more or less adjacent to the core, interstitial quartz, small thin books of biotite, and rare crystals of garnet. Thick euhedral crystals of light, clear, pinkish-brown muscovite were recovered in sizes up to 8 x 12 inches across and 8 inches across and 8 inches thick from a zone in the shaft, from the start of the new work, 30 feet downdip. An estimated 2200 pounds of block was recovered in the shaft with an average of about 52 pounds of block per foot of depth. Muscovite recovered from the level work is smaller and substantially less abundant. The drifts in pegmatite to the west and northwest of the shaft contained an average of about 22 pounds of block per foot of advance. Practically no block was recovered from the drift to the east of the shaft bottom. An estimated 1500 pounds of additional block was recovered from the level work. Muscovite is concentrated in

a zone near and at the hanging wall contact and to a lesser degree along the core margins, in some cases projecting well into the quartz. The underside of the core and footwall contact in the productive shaft section are totally unexplored. The distribution of block in the footwall drift is more discontinuous and quantitatively less than on the hanging wall. The smaller books of muscovite in many instances retain thicknesses up to 6 inches, the same as the largest books. A minor amount of "A" and isolated reeving, edge cracking, isolated specks, and crystals of intergrown biotite, were the defects noted in the muscovite. Large proportions of muscovite in the wall zones appears to depend on several factors, first and most important, the presence of massive quartz core, and secondly, a subtle flattening of the dip of the hanging-wall contact. Small undulations and changes in strike of the contacts may also affect the concentration of muscovite.

A total of 3600 pounds of block and 55.86 pounds of full-trim sheet were sold between July and October 1957, with a sale value of $2,670.40. Although the block sales were paid at the B program maximum of $600 per ton, the actual value indicated on the new GSA sales report form, is slightly over $1,000 per ton. This considers only the yield of "good-stained or better," and if the value of the stained and heavy-stained is added, the value is probably over $1500 per ton. The sheet sales average $22.02 per pound, well over the GSA Depot average of around $14 per pound.

The indicated average content of good-stained or better material is 43%. The mica sales indicate a much larger recovery of block than was estimated above.

CONCLUSIONS AND RECOMMENDATIONS

A thick discordant and well-zoned pegmatite was explored down dip, to its eastern termination, and about 30 feet northwest along both hanging-wall and footwall contacts. A highly productive mica zone was cut in sinking the shaft, from the start of the new work down dip to just above the drift level. The recovered muscovite is of excellent quality and large size. No extensions of the productive zone exist to the east of the shaft, but good potential for as yet undefined reserves exists to the northwest, in a flat-lying zone or shoot above the drift level along both wall zones, but particularly near or at the hanging - wall contact.

The contract level work was found to be too limited to fully define the extent and mica potential of the pegmatite. In hindsight, it appears that the application of extension steel test hole drilling would have greatly improved the utilization of the level work in the relatively large, contorted pegmatite. It is extremely unfortunate that a small air turbine diamond drill is not available to the mica industry for structural probing. The small reserve that can be inferred to the northwest of the shaft is much too small on which to base a recommendation for certification, and none is recommended. This is a block 30 feet downdip

and 30 feet along strike to the northwest, containing an estimated 6800 pounds of block valued at $6600, by comparison with recovery and value obtained during the contract.

EXPENDITURES

(a)	Total approved	$5,376.00
(b)	Total cost of project	5,376.00
(c)	Government's share of cost	4,032.00
(d)	Government's share unexpended	-
(e)	Value of production	2,670.40 ?
(f)	Royalty paid todate	115.51

20

2310.20

360.20

March 7, 1958.

S. C. Bergman, Geologist

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

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

z

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 26, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D.C.

ORIGINAL FILE COPY
RECEIVED
JAN 1 1958

1/24 Finch 220 600

January 22, 1958

Memorandum

To: FInance Officer - Region V (DMEA)

From: Acting Executive Officer, DMEA - Region V

Subject: Royalty Payment - Idm-E1089, DMEA-4554-mica.
Sam L. Phillips, Spruce Pine, N. C.
Black Mountain Pros. Buncombe County, N.C.

Transmitted is a final settlement sheet on the subject prospect for mica sold in the amount of $271.74-- and a check for royalty on the sale in the amount of $13.59.

V. J. Lynch

sm.
cc
Mittendorf
Lynch
Files

Enc; Check No.134, dated 1-20-58

FORM APPROVED BY COMPTROLLER GENERAL, U.S. MARCH 1957

GENERAL SERVICES ADMINISTRATION

DATE PURCHASED: 10-15-57

FINAL SETTLEMENT - PROGRAM B - MICA PURCHASE

(MICA REGULATION 7, REVISION 3, AMENDMENT 2, FURTHER AMENDED BY 4 AND 8)

MICA PURCHASE DEPOT - Spruce Pine, N. C.

ACCEPTANCE NUMBER: BRS-73 (1) Mon. 9000

W.A.I. NUMBER	LOT NUMBER	VOUCHER NUMBER	CHECK NUMBER
BRS-3-5 B	BRS-73 (1)		

TYPE OF MICA	POUNDS PURCHASED	INITIAL PAYMENT
[X] RUBY [ ] NONRUBY	1770.00	$ 250.20

STATEMENT OF ACTUAL YIELD

QUALITY	POUNDS	PROGRAM A VALUE STAINED MICA (1)
1. GOOD STAINED AND BETTER	24.06	
2. STAINED	32.71	234.99
3. HEAVY STAINED	2.90	
4. TOTAL YIELD	59.87	
	3.58 % Rejected	

6. RIFTING: 176 HOURS X $ 1.05 = $ 184.80

7. TRIMMING: 248 HOURS X $ 1.10 = $ 272.80

8. RIFTING AND TRIMMING (Per pound)

TOTAL COSTS (Items 6 and 7) $ 457.60 TOTAL YIELD (Item 4) 70.79 = $ 6.46

COMPUTATION OF FINAL PAYMENT

9. POUNDS OF GOOD STAINED AND BETTER (Item 1) 24.06		691.11
10. POUNDS OF STAINED (Item 2)		32.71
11. POUNDS OF GOOD STAINED AND BETTER (Item 1) 24.06	EQUIVALENT POUNDS OF STAINED	30.09
12. DIFFERENCE (Item 10 minus 11)		[illegible]
13. PROGRAM A - VALUE OF STAINED (Item 5) $ 234.99	LBS. OF STAINED (Item 2) 32.71	7.20
14. DUE SELLER ON STAINED (Item 12 [illegible] Item 13)		$
15. TOTAL (Item 9 + Item 14)		$ 691.11
16. COST OF RIFTING AND TRIMMING (Item 12 x Item 8)		$ [illegible]
17. GROSS AMOUNT DUE SELLER (Item 15 - Item 16)		$ 691.18
18. MAXIMUM ALLOWABLE ([illegible]) 1770.00 lbs. x 30¢		$ 531.00
19. INITIAL PAYMENT		$ 250.20
20. DUE [X] SELLER		$ 271.74

NAME AND LOCATION OF MINE

Black Mountain, Buncombe County, N. C.

SELLER'S NAME AND ADDRESS (Type or print)

Black Mining Co.
Box 38
Spruce Pine, N. C.

APPROVED

DEPOT SUPERINTENDENT

DATE 1-23-58

OFFICIAL FILE COPY
DMRA
RECEIVED

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. 110	[illegible]	[illegible]
2. 600	[illegible]	1/16
3.		
4.		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

MF-104 (Rev.)
(April 1952)

RECEIVED JAN 16 1958 D.M.E.A.

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

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 33

Month of October 1957 Docket No. DMEA 4554 Contract No. Idm-E 1089

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, North Carolina

Contract Amount, $ 5,376.00 Government Participation: 75 % Amount, $ 4,032.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
18' Drifting @ $33.00	594.00	2706.00	3300.00			
Shaft		1760.00	1760.00			
(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		200.00	200.00			
(6) New Bldgs., Improvements, etc.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	594.00	4782.00	5376.00	594.00	4782.00	5376.00

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

Date 10-16-57 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 445.50

Signature Helen R. Miller (Authorized Certifying Officer)

Date JAN 14 1958 Vou. No. 109

(See other side)

148.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1089 in accordance with the terms of the contract.

Signature S Feitler Title MINING ENGINEER U. S. BUREAU OF MINES Date JAN 13 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JAN 13 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 7 Docket No. DMEA 4554 Contract No. Idm-E 1089

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	594.00	18	3300.00	100	33.00	100	33.00
Crosscutting								
Raising								
Shafts	Ft.			1760.00	40	44.00	40	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		594.00		5060.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				200.00				
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		594.00		5376.00				

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 10-16-57 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

S Fiedler

MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

FINAL REPORT

OPERATORS

MONTHLY PROGRESS REPORT

DMEA #4554, Idm-E 1089 (Mica)
Black Mountain Prospect
Buncombe Co., North Carolina

Work Accomplished:

We completed 18' of drift on October 15th., making a total of 100' of drift to date, and completing all the work called for in the contract. We have recovered approximately $2,642.00 worth of mica.

Daily Noted:

1 - 15 : Worked on drift, shot, drilled, mucked out waste, and pumped out water daily. Completed 18' of drift in the first 15 days of this month, and completed all the work called for in the compract.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/8	Talbert	800
1/9	gb	220
1/9	Wra	600

JAN 8 1958

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

Re: Docket No. DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract No. Idm-E1089

Dear Mr. Laurence:

My letter of October 28, 1957, in reply to your request of October 24, 1957, for a Report of Review covering the referenced contract, advised that the issuance thereof was being held in abeyance pending decision on amendment of the contract to provide additional work. As the additional work was not approved, the Report of Review may now be issued and the original and three copies are enclosed.

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

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Director
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
January 8, 1958

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/2	Anderson	600
1-3	Chamberlin	800
1/3	Selbridge	130
1/3	Lopez	130
1/3	Kilsgaard	130
	Arzent	110
	Westerday	100
1/6	C	220
Mica		600

600

JAN 3 1958

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. Phillips:

Reference is made to your final report of October 16, 1957, advising that you have completed all of the work of the subject contract, and your letter of the same date requesting an amendment to provide for 70 feet of additional drifting.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, based on the results of the completed work, indicates to us that further Government participation to explore the Black Mountain Prospect is not warranted. We regret to advise you, under these circumstances, that your request for additional aid is denied.

We wish to thank you for your interest in the Defense Minerals Exploration Administration Program and for bringing the proposed extension of your project to our attention.

Sincerely yours,

C. O. Miller (for)

Administrator

WCAnderson:rsi 1/2/58
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

WASHINGTON 25, D. C.

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 20 1957

DATE	INITIALS	CODE
12/20	gb	220
12/20	[illegible]	600

December 18, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4554, Idm-E1089(mica) Sam L. Phillips, Spruce Pine, N.C.
Black Mountain Mine, Buncombe County, N. C.

This is in reply to your letter of December 2 in which you requested certain information relative to the subject contract.

Since completion of the contract all equipment and supplies, with the exception of hoist and compressor, have been removed from the property for use elsewhere. To get set-up again and drill a 15-foot hole would cost about $75.00.

The Operator has stated that he is willing to do anything within reason to help supply the information necessary to facilitate granting of the proposed amendment.

A 15-foot hole drilled due west from the face of the hanging wall crosscut would probably reach the hangingwall and would identify a quartz core if one is present.

A mica crystal count is not possible because all the good mica is removed as soon as it is exposed. This is indicated by the fact that the shaft is from 8 to 11 feet long where the pegmatite was mined as the shaft was sunk. Also stageing would be required before an inspection of the hangingwall could be made.

The suggestion to drift above the 60-foot level, say at about the 40-foot level has merit and may be the proper approach. We had anticipated using the footage about as follows:

1. Continue hangingwall drift 25 to 30 feet to intercept the mica shoot, if it plunges northwest at a low angle. This would establish the possibility of a hangingwall ore shoot of good length.

2. Crosscut to the footwall at the end of the drift to sample the

core margins and the footwall for mica potential.

3. If warranted, raise 15 to 30 feet from a favorable point in the hangingwall drift to establish continuity of the mica shoot above the drift.

4. Use any remaining footage to drift from the raise or possibly not use it. This would depend upon our knowledge of the deposit at that time.

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

Helmuth Wedow, Jr., Geologist
Geological Survey

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/2	Houk	600
12/2	[illegible]	1301
"	Johnson	110
		~~100~~ 216
12/2	gb	220
		600

600

DEC 2 1957

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

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1039

Dear Mr. Laurence:

Reference is made to your memorandum of November 20, 1957, to the Operating Committee, giving data to justify an amendment for additional work at the subject mine.

After careful study of all of the information available and before reaching a final decision, we would like to know what a long hole drilled approximately due west from the face of the footwall crosscut at an upward inclination of from five to ten degrees indicates. DMEA would participate in the drilling of such a hole, and, if the Operator is agreeable, please have him do the long-hole drilling in the presence of an examining engineer and report the results.

We would also like to know if the mica-bearing pegmatite is as good on the northwest end of the winze as that mined when winzing, supported by a mica crystal count at four or five different points, if necessary and possible.

If seemingly the flattening of the hanging wall contact was conducive to better mica values, wouldn't it be better to do any additional drifting above the 60-foot level rather than on it?

Approved:

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

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

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GB)

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

LGHouk/GCSelfridge:gad 12/2/57

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/26	Anderson	600
		130
		110
		100
		220

600

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

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. Laurence:

Reference is made to your memorandum of November 20, 1957, to the Operating Committee, giving data to justify an amendment for additional work at the subject mine.

After careful study of all the information available we have concluded that a long-hole drill from the face of the footwall-crosscut, approximately due west, and inclined upward 5 to 10 degrees, is about the limit of the work in which the DMEA is justified in participating at this time. If the Operators are agreeable, please have them do the long-hole drilling in the presence of an examining engineer, and have the Field Team report the results and its recommendations to this office.

We would also appreciate having a mica crystal count on the northwest wall of the shaft at four or five different points, if possible, and any information on the plunge of the hanging-wall undulations in this area. It would appear that the work on the 60-foot level is below the target. Is this a correct assumption? We will re-evaluate the proposal upon receipt of the above-requested results and information.

Sincerely yours,

Approved:

Member, Bureau of Mines

Member, Geological Survey

Chairman, Operating Committee

LGHouk:rsi 11/26/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

WASHINGTON 25, D. C.

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 22 1957

DATE	INITIALS	CODE
11/22	C	220
11/25	Hoch	600

November 20, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4554, Idm-E1089-Mica. Sam L. Phillips, Spruce Pine, N. C. Black Mountain Mine, Buncombe County, North Carolina.

Reference is made to your letter of November 12, concerning the subject contract.

The matter of limited continuity of the pegmatite depends on ones interpretation of the phrase "limited continuity." Also the maps may have been misinterpretated.

The faces of the northwest drift (from open cut) and the stub crosscut to the east are both full of muck. We do not know if they were stopped in pegmatite or schist. The footwall has not been exposed at the surface.

Both northwest drifts on the 60-foot level were stopped in pegmatite. Therefore nothing so far exposed underground suggests limited continuity" to the northwest.

We agree with that long-hole drilling as outlined in your letter would give valuable information and that it should be done preliminary to any drifting, crosscutting or raising. Exploratory raising can be done in this locality for about $25 a foot with 4 x 6 foot cross-section.

Footage in the 10-foot crosscut was allowed. The country rock was at first thought to be a horse of waste and the Operator tried to intersect the hangingwall by driving through it. This was not an intentional disregard of instructions.

Not enough exploration work has been done to permit calculation of reserves. Certification would not be recommended at this stage.

V. J. Lynch, Acting
Executive Officer, Reg. V.

Helmuth Wedow, Jr.
Geologist, Geological Survey

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/8	Anderson	600
11/8	Houk	600
11/8	[illegible]	130
11	Johnson	110
		~~100~~
11/12	C	220
		600

NOV 12 1957 600

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

Subject: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. Laurence:

Reference is made to the Field Team's memorandum of October 22, 1957, recommending an amendment for additional exploration work to outline a discovery of significant proportions.

A study of the surface map and the Interim Report map of 10/57, S.C.B., suggests limited continuity of the pegmatite to the northwest and that the mica content and quality decreases northwestward at the drift level in both headings. However, the mica recovery from the shaft work is encouraging. May we suggest that a horizontal long-hole drilled west from the face of the footwall drift would provide valuable information as would a 45 degree up-hole from the same location in a S.30 W. direction, both holes being approximately 15 feet in length. The long-hole drilling would be preliminary to any drifting, crosscutting or raising. Exploratory raising of the type visualized, generally, is $3.00 to $10.00 per foot less than drifting, according to our experience. Did the Government participate in the 10 foot hanging wall crosscut driven west in the country rock?

We would be pleased to receive an estimate of the reserves based on the work completed to date, together with any other pertinent information that would help justify the additional expenditure. A geological projection in the plane of the vein (NW-SE direction) would be helpful in understanding the problem here. Can we certify at this stage?

Sincerely yours,

Approved:

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

George C. Selfridge
Chairman, Operating Committee (GCS)

Thor H. Kiilsgaard (THK)
Member, Geological Survey

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

WCAnderson:gad 11/4/57
Rewritten
LGHouk:gad 11/8/57

8623

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

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

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina
Contract No. Idm-E1089

Dear Mr. Laurence:

Reference is made to the Field Team's memorandum of October 22, 1957, recommending an amendment to the subject contract providing for additional exploration work consisting of 70 feet of drift and/or crosscut and/or raise.

Please be advised that we are reluctant to concur in the recommendation. After careful study of the results of the completed work we are of the opinion that further Government participation to explore the Black Mountain Prospect is not warranted. We have noted that in the past additional work, in most cases, has failed to achieve the results anticipated.

We would appreciate having your comments on our reaction to the recommendation. Also, please advise if a recommendation can be made for a certification of the project based on the results of the work completed.

Sincerely yours,

Approved: Frank D Lanel
Member, Bureau of Mines

Noted: Thor H Rilsgaard
Member, Geological Survey

Chairman, Operating Committee

Kinney-4554 - request amend 70' additional Drift.

35 along HW - NW.

35 feet raise on Crosscut

Workdone -

Drift - 15 feet NE - finished out.

to NW. 20' peg for 30 feet

15'

Shaft - follow hanging wall

0-5 - 40# minimum

5-14 - 600# " "

14-20 - 360# minimum

20-30 - 500# 50

30-40 - 700# 10

2200 - mich decreases rapidly at bottom.

33	33
35	40
	27
68	100

Drift - F.T.

15' to NE - 0

15' to SW - 500#

3 to SW + 20' x-cut N.W - 400# - peg - 20' shute

29' NW along FW - 50# small mica

62

Drift. Open. repl.

Ask Informer

Where are interim reports that record Sept 30
" is justification for amendment.
Production of $26 42 00 mica
Can we certify now.
How much royalty has been paid
Why request R. of R when request
for amendment is made

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/28	Talbert	800
10/29	gb	220
		600

OCT 28 1957

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

Re: Docket No. DMEA-4554 (Mica)
Sam L. Phillips
Black Mountain Prospect
Buncombe County, N. C.
Contract No. Idm-81089

Dear Mr. Laurence:

By memorandum dated October 24, 1957, you submitted to this Division the enclosed original copy of the October 1957 MF-104 and MF-104A of the referenced Operator and requested a Report of Review.

The review has disclosed that the claimed costs of $5,376.00 are acceptable and Government participation in the amount of $4,032.00 is valid and proper. Issuance of a Report of Review in lieu of a final audit, however, is being held in abeyance pending determination that the project, in fact, is completed. It is noted that by memorandum dated October 22, 1957, the Field Team has recommended amendment of the contract to provide additional work.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Director
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
October 28, 1957

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

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 30 1957

DATE		CODE
10/30	gb	220
11/1	[illegible]	600

October 28, 1957

Memorandum

To: Finance Officer, DMEA - Region V

From: Acting Executive Officer, DMEA - Region V

Subject: Royalty Payment - DMEA-4554, Idm-E1089-mica.
Sam Phillips, Spruce Pine, N.C.
Black Mountain Prospect, Buncombe County, N.C.

Transmitted are settlement sheets in the amount of $493.44 and a check No.118, dated October 24, 1957 in the amount of $24.67 for royalty on the sale.

V. J. Lynch

zm.
cc
Mittendorf
Lynch
FDles

GENERAL SERVICES ADMINISTRATION

REGION 3

FINAL SETTLEMENT

MICA PURCHASING DEPOT, SPRUCE PINE, N. C. B

DATE PURCHASED: 8-9-57

ACCEPTANCE NO.: [illegible] [illegible]-24 (a)

CERTIFICATE AUTHORIZATION NO.: [illegible]-3-5 B

LOT NO.: SP [illegible]-24 (a)

VOUCHER NO.:

	TOTAL WGT. (LBS.)	LBS. - G. S.	LBS. - STAINED	LBS. - HVY. STAINED	TOTAL VALUE
PROCESSED FOR PAYMENT	74.04	29.32	35.69	9.03	349.00
PROCESSED - NO PAYMENT					
THINS					
BLACK - DOTS / SPOTS / STAIN					
UNDERSIZED					
PROCESS - GAIN / LOSS					
TOTAL LBS. PURCHASED	1830.00				

FOR USE OF CERTIFYING OFFICER

LESS: INITIAL PAYMENT - VOUCHER NO. SCH. NO. 314.82

BALANCE DUE GOVERNMENT ☐ SELLER ☒ 234.18

SELLER'S NAME AND ADDRESS

Black Mining Co.
Box 35
Spruce Pine, N. C.

NAME OF MINE AND LOCATION

Black Mountain-Buncombe County, N. C.

APPROVED

[illegible] 10-16-57

DEPOT SUPERINTENDENT DATE

GSA-WASH DC 58-592 R3 T152 JULY 1957

FORM APPROVED BY COMP. GEN. U.S. MARCH 25 1957

GENERAL SERVICES ADMINISTRATION

WARRANTY AND ACCEPTANCE

DOMESTIC MICA PURCHASE PROGRAM (GSA REG. 7, AS AMENDED)

MICA PURCHASE DEPOT - Spruce Pine, N. C.

DATE PURCHASED	10-15-57
ACCEPTANCE NUMBER	[redacted] Nos. 9600
CERTIFICATE AUTHORIZATION NUMBER	[redacted]-3-3 B
LOT NUMBER	[redacted]
VOUCHER NUMBER	
SCHEDULE NUMBER	

BASIS FOR FINAL SETTLEMENT: [ ] PROGRAM A [X] PROGRAM B [ ] ALTERNATE PROGRAM B *(Under Regulation 7, Revision 3, as amended)*

NAME AND LOCATION OF MINE: Black Mountain-Buncombe County, N. C.

TYPE OF MICA: [X] RUBY [ ] NONRUBY

PRELIMINARY PAYMENT

TOTAL POUNDS PURCHASED	AMOUNT OF INITIAL PAYMENT
1770.00	$ 259.26

WARRANTY

The undersigned warrants that this lot of mica, weight above indicated, meets the requirements of all applicable regulations and laws governing the Domestic Mica Purchase Program. Further, the undersigned hereby sells this lot of mica to the Government subject to all laws and regulations governing the Domestic Mica Purchase Program and agrees to accept the processing results as valid and correct and to refund unconditionally to the Government any overpayment, with the understanding that the amount of any underpayment will be paid by the Government to the Seller upon completion of the processing of this mica.

SELLER'S NAME AND ADDRESS *(Type or print)*

Black Mining Co.
Box 35
Spruce Pine, N. C.

SELLER OR PERSON AUTHORIZED TO SIGN FOR SELLER

SIGNATURE

NAME *(Type or print)*: Ed Buckins

TITLE *(Type or print)*: Partner

ACCEPTANCE

This lot of mica, weight above indicated, is accepted for the Government subject to all pertinent regulations and laws governing the Domestic Mica Purchase Program.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed S. Burleson		Buyer

GSA WASH D C 58-3177

GSA FORM 1013 SEPTEMBER 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1005 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D. C.

October 25, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 28 1957
10/28 gb 220

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: DMEA-4554, Idm-E1089(mica) Black Mountain Mine, Buncombe County, N. C. Request for Amendment.

Refer to Field Team memo of October 22, transmitting original and 2 copies of the interim report on the subject contract.

The enclosed maps should have been attached to the interim reports.

Robert A. Laurence

Robert A. Laurence

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

October 24, 1957

DATE		
10/24	Hurk	600

Memorandum

To: Jay L. Chambers, Director Contract Admin. and Audit Div.

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

Subject: DMEA-4554, Idm-E1089(mica) Sam L. Phillips, Spruce Pine, N. C. Black Mountain Prospect, Buncombe County, N. C.

Work on the subject exploration project contract has been completed.

The following units of work have been acceptably performed, as verified by our Field Examiners:

1. Construction of toolhouse, powder and exploder magazines.

2. Shaft rehabilitation, 20 feet.

3. Shaft sinking, 42 feet (2 ft at Operator's expense).

4. Drifting, 100 feet.

An adequate final engineering and geological report has been received.

The original copy of the final MF-104 and MF-104A are enclosed. A report of Review is requested.

The Operator has requested an amendment to increase the total amount of the contract, for additional exploratory work.

Robert A. Laurence

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

ACTION ON INSER[illegible]
OR FINAL FIELD TEAM REPORT

Date 10/25/57

Referred to:

~~1. Mr. Mittenderf~~
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. Amendment for
2. additional funds
recommended
3.
4.

and take appropriate action.

= = = = = = = = =

Action taken by Division:

Robert E. Adams

gb

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

WASHINGTON 25, D. C.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 25 1957

DATE	TO-FILE	CODE
10/25	gb	220

October 22, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4554, Idm-E1089-Mica. Sam L. Phillips, Spruce Pine, North Carolina. Black Mountain Mine, Buncombe County, North Carolina.

Enclosed are the original and 2 copies of the latest interim report, and the original and 2 copies of the Operator's request for an amendment to provide additional funds.

We believe the additional work is needed for a firm justification for a certification of discovery, and recommend approval of an amendment for $2,310.00 to provide for a maximum of 70 feet of drift and/or crosscut and/or raise, without specifying the individual amounts of each.

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 25 1957
DATE | CODE

INTERIM REPORT

DMEA-4554, Idm-E1089(mica) BLACK MOUNTAIN PROS.

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

Location: One mile north of Montreat College and 0.59 airline miles S73°E of Montreat Reservoir, Buncombe County, North Carolina.

All work authorized by the contract was satisfactorily completed by October 14, 1957. The Operator requested an additional 70 feet of work to more fully outline the mica-potential of the pegmatite. The Examiners believe additional work should be done since so much of the drift footage was consumed in outlining the basic shape of the structure, that ~~and~~ not enough was left to define its 3-dimensional potential. Pegmatite proved to be much larger at depth than anticipated, with evidence that further drifting and/or crosscut and/or raise could outline a discovery of significant proportions.

An existing 20 ft of shaft was rehabilitated and 42-feet of new shaft sunk in a south-southwest direction on a -60° incline and with a 6 x 9-foot cross section. The hanging wall contact of the pegmatite was followed downdip, and the footwall of the incline is on continuous quartz core. From the shaft bottom, a total of 101 feet of drift was driven, as outlined on the accompanying map. The pegmatite branches and pinches to extinction about 15 ft northeast of the shaft station while the massive quartz core pinches out to the east at the east end of the shaft, although continuous downdip from a point just below the bench level. Well-zoned pegmatite 17 to 20 ft thick was followed about 30 feet to the northwest along both contacts with quartz core 6 to 7 ft thick continuous between the drifts. Muscovite-rich pegmatite was encountered at or near the hanging wall contact and to a lesser degree along the margins of the quartz core from the start of the new work to near the shaft bottom. About 2000 lbs of block mica was recovered from the 6 x 9 ft shaft, averaging about 52 lbs per foot of depth. Flat, and mostly clear books of muscovite with good euhedral outlines were recovered in sizes up to 8 x 12 x 8 inches thick, with smaller 3 x 4 inch books retaining thicknesses up to 6 inches. Books decrease rapidly in size and quality near the shaft bottom. Drift to the northeast was relatively barren of muscovite, while drift to the northwest along footwall and hangingwall contacts was in material with favorable mineralogy, texture, and with a moderate content of small to medium size books of muscovite, estimated at about 22-lbs per foot of advance. Three sales of

sheet are recorded, recovered mostly from the shaft section, they total 80.67 lbs of sheet value at $1497.80. An additional sale of 1830 lbs of hand cobbed block has brought an initial payment of $314.82. The trimmed sheet has an average value of $18.56 per pound, which is well above the GSA Depot average.

The presence of productive mica-pegmatite appears to depend on several factors, first and most important, the presence of massive quartz core, and second, small undulations and/or flattening of the dip of the hangingwall contact. The hangingwall contact at the surface and at the drift level are nearly vertical but have a horizontal displacement of from 27 to 34 ft. The subtle flattenting of the intervening contact is believed to be significant. Concentrations of mica may also be controlled by changes in strike of the hangingwall contact. It is believed that a substantial block of mica-rich material can be outlined above the drift level if continuous quartz core and the same relative horizontal displacement of contacts can be maintained on a projection to the northwest. It is recommended that at least 35 additional feet of drift be driven along the hangingwall contact to the northwest to prove continuity and an additional 35 feet of raise and/or cross-cut be driven to outline the target. Recommended unit cost for additional work is $33.00 per foot, the same as the unit cost for drifting in the completed contract.

S. C. Bergman, Geologist
Geological Survey

Stanley A. Feitler,
Mining Engineer, Bureau of Mines

z

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

October 22, 1957

DATE		CODE
10/25	gb	220
		130
10/28	Houb	600

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4554, Idm-E1089-Mica. Sam L. Phillips, Spruce Pine, North Carolina. Black Mountain Mine, Buncombe County, North Carolina.

Enclosed are the original and 2 copies of the latest interim report, and the original and 2 copies of the Operator's request for an amendment to provide additional funds.

We believe the additional work is needed for a firm justification for a certification of discovery, and recommend approval of an amendment for $2,310.00 to provide for a maximum of 70 feet of drift and/or crosscut and/or raise, without specifying the individual amounts of each.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/zm
Lynch
File

RECEIVED
OCT 18 1957
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Spruce Pine, North Carolina
October 16, 1957

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 25 1957

DATE	INITIALS	CODE
10/25	gb	220
		130
10/28	Hmb	600

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

Re: DMEA #4554, Idm-E 1089 (Mica)
Black Mountain Prospect
Buncombe County, North Carolina

Dear Mr. Laurence:

I would like for you to treat this letter as an application for additional footage for drifting and/or cross cutting on the above named prospect.

The reasons why I beleive that additional footage is necessary are several, and I will attempt to explain them the best I can. First we found good mica comming down the hanging wall of the shaft.. We received approximately two ton of mica, and approximately half of this mica was sold hand cobbed, and the other half trimmed. The mica that we rifted and trimmed ourself has an estimated value of at least $2,000.00 a ton. In the hand cobbed lot of almost one ton we received an initial payment of approximately $300.00. It is therefore obvious that the quality of the mica is one point in favor of additional footage.

After the completion of the shaft we followed the vein to the North East for considerable distance, untill the vein pinched out in that direction, using up a considerable amount of the drift as called for in the contract. Then we drove a drift to the West in pegmatite which thickened considerable, and we followed the hanging wall. Then a drift was driven to the North West along the foot wall and good blocks of mica was recovered periodical that were as much as 6" thick. The pegmatite was strong in both the headings to the West and to the North West with a good quartz core, but there was not enough mica recovered to make it profitable to continue on our own. I beleive that with further drifting that a substantial amount of mica could be outlined. A lot of the footage was used in trying to find the shape of the pegmatite, but there was not enough footage to satisfactorily explore the pegmatite. The work that was done in the shaft suggested that there were shoots of mica comming off, and we beleive that we need a minimum of another 70' of drift @ $33.00 per ft. to try to define these mica shoots.

The mine is temperately closed, however, we are leaving the equipment at the mine site, untill we hear from you about this admendment.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

P/bj

Operator's Final Rept

Final Report

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 25 1957

DATE	INITIALS	AMOUNT
10/25	gb	220
10/28	[illegible]	800
		600

Spruce Pine, North Carolina
October 16, 1957

RECEIVED
OCT 18 1957
U.S. Geological Survey
Chief DMEA
Knoxville, Tenn.

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

Re: DMEA #4554, Idm-E 1089 (Mica)
Black Mountain Prospect
Buncombe Co., N.C. (FINAL REPORT)

Dear Mr. Laurence:

We began work on the above named prospect on June 17, 1957, and completed all the work called for in the contract on Oct. 16, 1957.

The first work consisted of constructing toolhouse, powder and exploder magazines, we took in air compresor, hoist and sat up mask and boom poles. We rehabilitated 20' of existing shaft, then we sank a shaft 40' in pegmatite, and the shaft was sunk on the hanging wall. Some good mica was recovered in the sinking of the shaft. At the bottom of the shaft we ran a drift to the North East in the pegmatite, untill it was learned that the pegmatite became barron of mica, and was pinching out. Then we drifted to the West and to the North West along the foot wall and hanging wall, and found some good mica, but there was not enough mica in the pegmatite to make it a paying proposition. There has been $2,642.00 worth of mica sold to date.

The 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 are as follows: we beleive that there should be a substantial amount of mica if we could cut one of the shoots of mica, however, we have been unable to recover enough mica to make it profitable to continue on our own.

We wish to thank the Field Team for their assistance on the Black Mountain Project.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

P/bjg

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

October 21, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 23 1957

DATE	INITIALS	CODE
10/23	gb	220
10/23	[illegible]	600

Memorandum

To: Finance Officer, Region V (DMEA)

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

Subject: Royalty Payment - Idm-E1089, DMEA-4554-mica.
S. L. Phillips, Spruce Pine, N.C.
Black Mountain Prospect, Buncombe County, N. C.

Transmitted is a final settlement sheet in the amount of $139.16, and a check for 5% royalty, dated October 17, 1957, No.115, in the amount of $6.96 to be credited to the subject contract.

Robert A. Laurence

zm.
cc
Nittendorf
Lynch
Files

GENERAL SERVICES ADMINISTRATION

REGION 3

FINAL SETTLEMENT

ICA PURCHASING DEPOT, SPRUCE PINE, N. C.

DATE PURCHASED: 9-19-57

ACCEPTANCE NO.: AR3-298 (a)

VOUCHER NO.:

LOT NO.: SP AR-298 (a)

-3-17 A

	TOTAL WGT. (LBS.)	LBS. - G. S.	LBS. - STAINED	LBS. - HVY. STAINED	TOTAL VALUE
ENT	28.41	13.34	13.56	1.51	485.78
MENT					
	.09				
	28.50				

FOR USE OF CERTIFYING OFFICER

PAYMENT - VOUCHER NO. SCH. NO. 346.62

GOVERNMENT ☐ SELLER ☒ 130.16

SS

Mining Company

Mica, N. C.

NAME OF MINE AND LOCATION

Black Mountain,
Buncombe County, N. C.

APPROVED

DEPOT SUPERINTENDENT

10-11-57

DATE

R3 T152 JULY 1957

INTERIM REPORT

DMEA-4554, Idm-E1089(mica) BLACK MOUNTAIN PROSPECT

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

Location: One mile north of Montreat College and 0.59 air-line miles S73°E of Montreat Reservoir, Buncombe County, North Carolina.

Drift advance during the interim was 29 feet. The footwall drift was advanced 14 feet N56°W and exposed a sparse occurence of small but good quality mica along the contact. Some books were cracked and biotite inclusions were noted in others. The hanging wall drift was advanced 16 feet S82°W on a false hanging wall in gneiss. The Examiners recommended that the Operator drop back 15 feet and drift northwest on the hanging wall of the pegmatite exposed in the north rib of the drift with the footage remaining under the contract.

About 50 pounds of small mica was recovered from the footwall during the interim.

September 30, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957
DATE | CODE
10 14 C 220
1 Conc 100
Mmh

Stanley A. Feitler,
Mining Engineer, Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

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- 13

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1957 Docket No. DMEA 4554 Contract No. Idm-E 1089
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $5,376.00 Government Participation: 75 % Amount, $ 4,032.00

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						
Crosscutting						
62' Drifting @ 33.00	2046.00	660.00	2706.00			
Shaft		1760.00	1760.00			
(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		200.00	200.00			
(6) New Bldgs., Improvements, etc.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	2046.00	2736.00	4782.00	2046.00	2736.00	4782.00

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

Date 10-2-57 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 1534.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date OCT 10 1957 Vou. No. 67

(See other side)

571.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1089 in accordance with the terms of the contract.

Signature S. Heitler Title MINING ENGINEER ~~U. S. BUREAU OF MINES~~ Date OCT 7 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM ~~REGION V~~ Date OCT 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

Month of Sept. 1957 Docket No. DMEA 4554 Contract No. Idm-E 1089
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	2046.00	62	2706.00	82	33.00	100	33.00
Crosscutting								
Raising								
Shafts	Ft.			1760.00	40	44.00	40	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2046.00		4466.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				200.00				
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		2046.00		4782.00				

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 10-2-57 Operator Sam L. Phillips
Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

HFeitler

MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Progress Report

DMEA #4554, Idm-E 1089 Mica

Black Mountain Prospect

Buncombe County, N.C.

Work Accomplished:

In this month we have completed 62' of drift, making a total of 8 2' of drift to date. We recovered approximately 500# of mica this month, the vein is 10 to 12' wide.

Daily Notes:

2 - 6 : We continued to work on drift.

9 - 13 : Drilled, shot and mucked out waste, and pumped out water daily.

16 - 20 : Drilled, shot, mucked out waste, and pumped out water daily, continued to work on drift.

23 - 30 : We completed 62' of drift in this month and recovered approximately 500# of mica, the vein ia 10 to 12' wide.

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

September 30, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 2 1957

DATE	INITIALS	CODE
10/2	C	226
	Hook	600

Memorandum

To: Finance Officer, DMEA - Region V -

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

Subject: Royalty Payment - Idm-E1089, DMEA-4554 (mica)
Sam L. Phillips, Spruce Pine, North Carolina
Black Mountain Mine, Buncombe County, N.C.

Attached is an invoice for mica sold to the Mica Purchasing Depot, Spruce Pine, N.C., in the amount of $346.62, and a check no.101, dated September 26, 1957 for 5 percent royalty on the sale amounting to $17.33 to be credited to the subject contract.

Robert A. Laurence

ZM.
cc
Lynch
Mittendorf
Files

GENERAL SERVICES ADMINISTRATION
REGION 3

WARRANTY, ACCEPTANCE AND INVOICE

MICA PURCHASING DEPOT, SPRUCE PINE, N. C.

		DATE PURCHASED: 9-19-57
		ACCEPTANCE NO.: AR[redacted]
CERTIFICATE AUTHORIZATION NO.: 1948-3-17 A	LOT NO. SP [redacted]	VOUCHER NO.:
RUBY [X] NON-RUBY [ ]	TOTAL LBS. PURCHASED	VALUE - INITIAL PAYMENT
PRELIMINARY PAYMENT	28.50	346.62

THIS LOT OF MICA, WEIGHT ABOVE INDICATED, IS ACCEPTED FOR THE GOVERNMENT SUBJECT TO ALL PERTINENT REGULATIONS AND LAWS GOVERNING THE DOMESTIC MICA PROCUREMENT PROGRAM.

GENERAL SERVICES ADMINISTRATION

BY: Raleigh Young

SIGNATURE

THE UNDERSIGNED WARRANTS THAT THIS LOT OF MICA, WEIGHT ABOVE INDICATED, MEETS THE REQUIREMENTS OF ALL APLLICABLE REGULATIONS AND LAWS GOVERNING THE MICA PROGRAM. FURTHER, THE UNDERSIGNED HEREBY SELLS THIS LOT OF MICA TO THE GOVERNMENT SUBJECT TO ALL LAWS AND REGULATIONS GOVERNING THE PURCHASE OF MICA BY THE GOVERNMENT AND AGREES TO ACCEPT THE PROCESSING RESULTS AS VALID AND CORRECT AND TO REFUND UNCONDITIONALLY ANY OVERPAYMENT WITH THE UNDERSTANDING THAT ANY UNDERPAYMENT WILL BE MADE BY THE GOVERNMENT UPON COMPLETION OF THE PROCESSING OF THIS MICA. THIS INVOICE IS CORRECT AND JUST AND PAYMENT THEREFOR HAS NOT BEEN RECEIVED.

BUYER

FOR USE BY GSA ONLY

NAME AND LOCATION OF MINE: Black Mountain Mine, Buncombe County, N. C.

SELLER: Black Mining Co.

DATE: 9-19-57

ADDRESS: Box 35, Spruce Pine, N. C.

BY:

TITLE: Agent

R3-T151 JULY 1957

GSA-WASH DC 58-593

INTERIM REPORT

DMEA-4554, Idm-E1089(mica)BLACK MOUNTAIN PROSPECT

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

Location: One mile north of Montreat College and 0.59 airline miles S73°E of Montreat Reservoir, Buncombe County, North Carolina.

The S65W drift was advanced 3 ft and the gneiss inclusion occupies most of the face. Pegmatite southeast of the gneiss may be an apophysis and the real hanging wall may strike northwest. A crosscut in the pegmatite was driven 20 ft N10°W through the footwall which strikes N35°W and dips 50°SW.

The pegmatite is about 20 ft thick between the two westerly drifts. Mica has been recovered from both walls but was more plentiful on the hanging wall.

Approximately 400 lbs of mine-run mica was recovered during the interim.

Instruction were given for continuing the drifts to the northwest on both the hanging wall and the footwall. Progress has been good.

Inspected: Sept. 16, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 30 1957

DATE	[illegible]	CODE
9-30	C	220
"	Com	100
10/2	Hout	600
"		

SAFeitler
Stanley A. Feitler, Mining Engineer
Bureau of Mines

F. G. Lesure
S. C. Bergman and F. G. Lesure, Geologists
Geological Survey

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 #- 12

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1957 Docket No. DMEA 4554 Contract No. Idm-E 1089
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 5,376.00 Government Participation: 75 % Amount, $ 4,032.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
20' Drifting @ $33.00	660.00		660.00			
10' Shaft @ $44.00	440.00	1320.00	1760.00			
(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		200.00	200.00			
(6) New Bldgs., Improvements, etc.		76.00	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	1100.00	1636.00	2736.00	1100.00	1636.00	2736.00

RECEIVED SEP 16 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9-3-57 *Payee Sam L. Phillips
Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$825.00
Signature Helen R. Mullen
(Authorized Certifying Officer)
Date SEP 12 1957 Vou. No. 51
(See other side)

275.00

(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. IdnE1089 in accordance with the terms of the contract.

Signature [illegible] Title MINING ENGINEER U. S. BUREAU OF MINES Date SEP 5 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date SEP 5 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form 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 August 1957 Docket No. DMEA 4554 Contract No. Idm-E 1089
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	660.00	20	660.00	20	33.00	100	33.00
Crosscutting								
Raising								
Shafts	Ft.	440.00	10	1760.00	40	44.00	40	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1100.00		2420.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				200.00				
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		1100.00		2736.00				

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

Date 9-3-57 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

RECEIVED SEP 16 1957 D.M.E.A.

W. A. Beck

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 #4554, Idm-E 1089 Mica

Black Mountain Prospect

Buncombe County, N.C.

Work Accomplished:

In this month we completed 10' of shaft, making a total of 40' which completes the shaft work called for in the contract. We began work on the drift, and have completed 20' to date. There is 5 to 6' of vein material, and we are recovering some mica.

Daily Notes:

1 - 9 : Continued to work on shaft.

12 - 16 : Drilled, shot and mucked out waste, continue to pump water daily.

19 - 23 : Completed 10' of shaft in this month, a total of 40' to date completing all the shaft work called for in the contract.

26 - 30 : We completed 20' of drift to date, there is 5 to 6' of vein material, and we are recovering some mica.

4' drift
7 shaft

EXTRA COPY
DMEA
RECEIVED SEP 16 1957

DATE	INITIALS	CODE
	[illegible]	

INTERIM REPORT

DMEA-4554, Idm-E1089 (mica) BLACK MOUNTAIN PROSPECT

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

Location: One mile north of Montreat College and 0.59 airline miles S73°E of Montreat Reservoir, Buncombe Co., N. C.

Drifting from the shaft bottom continues on this contract, and a total of 30 feet has been driven in a N52°E to S65°W direction. Work in the southwest drift has followed quartz core on the northwest side of the drift, and a feldspathic-mica zone has been followed on the southeast side to the biotite gneiss contact. The trend of the body is variable. At the present face in the southwest drift the zone between the core and contact is at least 7 feet thick; a 4 foot gneiss inclusion was observed near the floor. In the northeast drift finer-grained pegmatite containing only small scrap mica has been observed. About 500 pounds of small to medium-sized blocks of fair-quality mica has been recovered from the southwest drift during the Interim.

Instructions were given for stopping work to the northeast, crosscutting the pegmatite from the shaft to the footwall contact, and continuation of the southwest drift. Progress on this contract has been satisfactory.

L. E. Shirley

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

F. G. Lesure

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

Date inspected:

September 3, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 13 1957

DATE	INITIALS	CODE
9-13	C	220
9/16	Hook	600

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INTERIM REPORT

DMEA-4554, Idm-E1089 (mica) BLACK MOUNTAIN PROSPECT

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

Location: One mile north of Montreat College and 0.59 airline miles S. 73° E. of Montreat Reservoir, Buncombe County, N. C.

The shaft is approximately 70 feet deep from the top of the cribbing and the new shaft provided in the contract has been completed. The upper 8 feet is vertical and cribbed up from the starting collar. The next 20 feet was rehabilitated and the lowest 42 feet are new work. This is 2 feet more than provided by contract. The foreman plans to sink another round to provide a sump.

Below the vertical cribbing, the shaft dips 65° NE.

A burn cut has been pulled to start a southeast drift. Test holes drilled into the hanging wall showed that the exposed schist is actually a roll in the hanging wall and not an inclusion.

The hanging wall near the bottom of the shaft strikes N. 70° W. and dips 70° SW. The foliation of the schist strikes N. 50° E. and dips 80° NW.

The work proceeds at a moderate pace.

Approximately 700 pounds of mine-run mica was recovered during the interim.

Inspected: August 19, 1957

SAFeitler

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

S. C. Bergman and F. G. Lesure
Geologists
U. S. Geological Survey

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

August 19, 1957

Memorandum

To: Finance Officer - Region V (DMEA)

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty Payment - DMEA-4554, Idm-E1089-mica
Sam Phillips. Black Mountain Mine, Buncombe County, N.C.

Attached is a bill-of-sale in the amount of $314.82, and a check No. 70, dated August 15, 1957 in the amount of $15.74 royalty due on the sale, and to be credited to the subject contract.

Robert A. Laurence

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 21 1957

DATE	INITIALS	CODE
8/21	O	220
8/21	Hook	600

z

Mittendorf
Lynch
Files
Shirley

GENERAL SERVICES ADMINISTRATION

WARRANTY, ACCEPTANCE AND INVOICE

MICA PURCHASING DEPOT, SPRUCE PINE, N. C.

DATE PURCHASED 8-9-57	
CERTIFICATE AUTHORIZATION NO. [illegible]-3-3 B	ACCEPTANCE NO. Max. $600 [redacted]
RUBY [X] NON RUBY [ ]	LOT NO. SP [redacted] / VOUCHER NO.
PRELIMINARY PAYMENT	TOTAL LBS. PURCHASED 1830.00 / VALUE - INITIAL PAYMENT 314.82

This lot of mica, weight above indicated, is accepted for the Government subject to all pertinent regulations and laws governing the domestic mica procurement program.

GENERAL SERVICES ADMINISTRATION

BY

Ed S. Dudleson

SIGNATURE

BUYER

FOR USE BY GSA ONLY

The undersigned warrants that this lot of mica, weight above indicated, meets the requirements of all applicable regulations and laws governing the mica program. Further, the undersigned hereby sells this lot of mica to the Government subject to all laws and regulations governing the purchase of mica by the Government and agrees to accept the processing results as valid and correct and to refund unconditionally any overpayment with the understanding that any underpayment will be made by the Government upon completion of the processing of this mica. This invoice is correct and just and payment therefor has not been received.

NAME AND LOCATION OF MINE

Black Mountain-Duncan's County, N. C.

SELLER: Black Mining Co.

DATE: 8-9-57

ADDRESS: Box 33, Spruce Pine, N. C.

BY

TITLE: Partner

Form R4-T35, May 1956

DMEA-4554, FdME-1089-

ck # 70. Dated 8-15-57 in amt. of $15.74

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 3 1957

DATE	INITIALS	CODE
9/3	R.K	220
9/3	[illegible]	600

August 30, 1957

Memorandum

To: Finance Officer - DMEA - Region V -

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty Payment - Idm-E1089, DMEA-4554(mica)
Sam L. Phillips, Spruce Pine, N.C.
Black Mountain Mine, Buncombe County, N.C.

Attached is a final settlement sheet in the amount of $210.49, and a check dated 8-28-57, No.79, in the amount of $10.52 representing 5% royalty on the sale.

Robert A. Laurence

zm.
mittendorf
lynch
files

GENERAL SERVICES ADMINISTRATION

REGION 3

FINAL SETTLEMENT

MICA PURCHASING DEPOT, SPRUCE PINE, N. C.

DATE PURCHASED: 7-23-57

CERTIFICATE AUTHORIZATION NO.: MS-3-17 A

LOT NO.: SP AR-91 (a)

	TOTAL WGT. (LBS.)	LBS. - G. S.	LBS. - [illegible]	[illegible]	TOTAL VALUE
PROCESSED FOR PAYMENT	27.34	17.89	8.38	1.07	744.51
PROCESSED - NO PAYMENT					
THINS					
BLACK [illegible]					
[illegible]					
[illegible]	.72				
TOTAL LBS. PURCHASED	27.36				

LESS: INITIAL PAYMENT VOUCHER NO. [illegible]	534.02
BALANCE DUE GOVERNMENT [illegible] X	210.49

SELLER'S NAME AND ADDRESS

Black Mining Co.
Box 35
Spruce Pine, N. C.

NAME OF MINE AND LOCATION

Black Mountain Mine
Buncombe County, N. C.

APPROVED: [illegible] 8-20-57

DEPOT SUPERINTENDENT — DATE

GSA-WASH DC 58-592

R3 T152 JULY 1957

INTERIM REPORT

DMEA-4554, Idm-E1089(mica) BLACK MOUNTAIN PROS.

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

Location: One mile north of Montreat College and 0.59 airline miles S73°E of Montreat Reservoir, Buncombe County, N.C.

The inclined shaft was sunk 10 ft during the interim. The foreman, Ed Huskins was instructed to sink 8 feet more to complete the shaft at 40 ft as provided in the contract. Then he is to drift both ways, but to favor the N 50° W direction where the quartz core is stronger.

Near the present bottom, quartz core with sulfides on its upper side is present in the northwest end of the shaft and the northwest half of the footwall of the shaft.

A streak of schist near the center of the hanging wall of the shaft is to be tested with drill holes to find out whether it is an inclusion or a roll in the pegmatite.

Approximately 500 lbs. of mica was recovered during the two week period.

Previous instruction to bar down the walls and install ladders to the bottom had been carried out.

Inspected: August 5, 1957

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

F. G. Lesure, Geologist
Geological Survey

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 13 1957

DATE	[illegible]	CODE
19	Com	100
9/W	Hmk	600

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 6

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1957 Docket No. DMEA 4554 Contract No. Im-S 1039
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 5,376.00 Government Participation: 75 % Amount, $ 4,032.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
22' Shaft @ $44.00	968.00	352.00	1320.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		200.00	200.00			
(5) Initial Rehabilitation and Repairs		76.00	76.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Tags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	968.00	668.00	1636.00	968.00	668.00	1636.00

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

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-1-57 *Payee Sam L. Phillips
Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 726.00
Signature Helen R. Melin
(Authorized Certifying Officer)
Date AUG 9 1957 Vou. No. 25
(See other side)

8x4.00

(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. E1089 in accordance with the terms of the contract.

Signature [illegible] Title MINING ENGINEER U. S. BUREAU OF MINES Date AUG 5 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date AUG 5 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form 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 July 1957 Docket No. DMEA 4554 Contract No. Ith-8 1069
Operator's Name Sam L. Phillips Minerals Iron
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.	968.00	22	1320.00	30	44.00	40	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		968.00		1320.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				200.00				
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Insp.				40.00				
TOTAL COSTS		968.00		1636.00				

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

Date 8-1-57 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

RECEIVED AUG 1 1957 DMEA

MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Progress Report

DMEA 4554, Idm-E 1089 (Mica)
Black Mountain, Prospect
Buncombe County, N.C.

EXTRA COPY
D M E A
RECEIVED AUG 13 1957

DATE	INITIALS	CODE

Work Accomplished:

We continued to sink shaft, completing 22' in this month, making a total of 30' of shaft work completed to date. There is a very wide vein, and we are recovering some mica.

Daily Notes:

1 - 5 : Continued to sink shaft.

8 - 12 : Shot, drilled, mucked out waste and pumped water daily.

15 - 19 : Continued to sink shaft, there is a very wide vein and we are recovering some mica.

22 - 31 : Completed 22' of shaft work in this month, making a total of 30' of shaft completed to date.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 5 1957

DATE	INITIALS	CODE
8/5	CRM	100

INTERIM REPORT

DMEA-4554, Idm-E1089 (mica) BLACK MOUNTAIN PROSPECT

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

Location: One mile north of Montreat College and 0.59 airline miles S73°E of Montreat Reservoir, Buncombe County, North Carolina

Inclined shaft sinking continues on this contract and now totals 42 feet; 20 feet of this figure is rehabilitated shaft. All of the shafting to date has been conducted in a pegmatite zone between the quartz core and hanging wall contact of the body. The country rock is a biotite gneiss and appears to be only semi-weathered at this depth. The hanging wall contact locally strikes N78°W and dips 70°SW. The pegmatite zone is 4 feet thick and is composed of quartz, Na - K feldspar, and muscovite. The operator reports that production has declined during the Interim with a decrease in both quantity and quality of mica. About 1,000 pounds of mine-run block has been produced to date from all work completed. Instructions were given for continued shaft sinking. The operator has complied with recent recommendations for additional timber work of a dangerous vertical section above the shaft collar. During this inspection, suggestions were made concerning the use of temporary ladders during sinking, and the removal of accumulated muck from the steep footwall

of the shaft. Progress on this contract is necessarily slower than normal because of mica recovery.

L. E. Shirley

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

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

Date inspected:

July 22, 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 45 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

July 30, 1957

Memorandum

To: Finance Officer, DMEA- Region V

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

Subject: Royalty Payment - DMEA-4554, Idm-K1089(mica)
Black Mountain Prospect, Buncombe County, N.C.

Attached is a settlement sheet in the amount of $534.02 , and a royalty check in the amount of $26.70 to be credited to the subject contract.

Robert A. Laurence

xm.
cc
Lynch
Mittendorf
Shirley
Files

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 2 1957

DATE		CODE
8/2	P.K.	220
8/2	Mark	600

GENERAL SERVICES ADMINISTRATION

WARRANTY, ACCEPTANCE AND INVOICE

MICA PURCHASING DEPOT, SPRUCE PINE, N. C.

DATE PURCHASED: 7-23-57

ACCEPTANCE NO.: A[redacted]

CERTIFICATE AUTHORIZATION NO.: [redacted]-3-17 A

LOT NO.: SP A[redacted]

VOUCHER NO.:

RUBY [X] NON-RUBY [ ]

TOTAL LBS. PURCHASED: 27.36

VALUE - INITIAL PAYMENT: 234.00

PRELIMINARY PAYMENT

This lot of mica, weight above indicated, is accepted for the Government subject to all pertinent regulations and laws governing the domestic mica procurement program.

GENERAL SERVICES ADMINISTRATION

BY: M. S. Dunleavy

SIGNATURE

BUYER

FOR USE BY GSA ONLY

The undersigned warrants that this lot of mica, weight above indicated, meets the requirements of all applicable regulations and laws governing the mica program. Further, the undersigned hereby sells this lot of mica to the Government subject to all laws and regulations governing the purchase of mica by the Government and agrees to accept the processing results as valid and correct and to refund unconditionally any overpayment with the understanding that any underpayment will be made by the Government upon completion of the processing of this mica. This invoice is correct and just and payment therefor has not been received.

NAME AND LOCATION OF MINE: Black Mountain - Yancey County, N. C.

SELLER: Black Mining Co.

DATE: 7-23-57

ADDRESS: Box 13, Spruce Pine, N. C.

BY: [signature]

TITLE: Partner

Form NA-735, May 1956

DMEA-4554

Royalty ck. 7-29-57 = $26.70

INTERIM REPORT

DMEA-4554, Idm-E1089 (mica) BLACK MOUNTAIN PROSPECT

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

Location: One mile north of Montreat College and 0.59 airline miles S73°E of Montreat Reservoir, Buncombe County, North Carolina

Shaft sinking continues on this contract, and coupled with 20 feet of rehabilitated shaft, totals 34 feet. The shaft work is being conducted in pegmatite and is following the hanging wall contact of the body. The entire thickness of the pegmatite at the present depth is not known because shaft work has been conducted in a zone between a massive quartz core and the hanging wall, which is 4 to 5 feet thick. The zone is composed of Na feldspar, K feldspar, disseminated small quartz, and muscovite. The mica has occurred in crystals up to 6 inches by 8 inches and is of good quality. About 600 pounds of mine-run book has been produced to date. Instructions were given for continued shaft sinking. Recommendations for additional timbering above the shaft collar was made. Progress on this contract has been satisfactory.

L. E. Shirley & S. A. Feitler

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

S. C. Bergman

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

MATERIAL FILE COPY
DMEA
RECEIVED JUL 22 1957

DATE	INITIALS	CODE
7/22	C	220
22	Copy	100
23	F	

Date inspected:

July 8, 1957

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 2

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1957 Docket No. DMEA 4554 Contract No. Idm-E 1089
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 5,376.00 Government Participation: 75 % Amount, $ 4,032.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
8' Shaft @ $44.00	352.00		352.00			
(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	200.00		200.00			
(6) New Bldgs., Improvements, etc.	76.00		76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.	40.00		40.00			
(8) Contingencies (specify):						
TOTALS	668.00		668.00	668.00		668.00

RECEIVED JUL 15 1957 DMEA

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

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

Per Sam L. Phillips Title partner

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

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

(Instructions on reverse)

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

$ 501.00

Signature Helen R. Mullis
(Authorized Certifying Officer)

Date JUL 12 1957 Vou. No. 4

(See other side)

167.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1089 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JUL 5 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 7 195.
Operator's Name Sam L. Phillips
Address Spruce Pine, N.C.

Docket No. DMEA 4554

Contract No. Idm-E 1089
Minerals Mica

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	Ft.	352.00	8	352.00	8	44.00	40	44.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		352.00		352.00				Total Costs Authorized by Contract
Operating Equipment Purchased		200.00		200.00				
Initial Rehabilitation and Repairs		76.00		76.00				
New Buildings, Improvements, etc. Powder & Exploder Mags.		40.00		40.00				
Total Costs		668.00		668.00				

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

Date 7-1-57 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

Remarks:

RECEIVED JUL 15 1957 DMEA

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

(Instructions on reverse)

(For Government use only) S. C. Bergman

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

OPERATOR'S

Monthly Progress Report

DMEA 4554, Idm-E 1089

Buncombe County, N.C.

Work Accomplished:
Work began June 17, 1957
We moved in equipment, sat up powder and exploder magazines, constructed tool house, and completed the rehabilitation work on the existing shaft. To date we have completed 8' of shaft. There is a vein approximately 2½' wide, and we are finding a little mica.

Extra copy
DMEA
JUL 15 1957
RECEIVED
DATE | INITIALS | CODE

Daily Notes:

17 - 21 : We moved in equipment, sat up powder and exploder magazines, constructed tool house, and began work on existing shaft.

25 - 28 : We completed rehabilitation work on existing shaft, and begin to work on new shaft to date we have completed 8', and we are finding a little mica.

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 5 1957

DATE	INITIALS	CODE
7/5	C	220
7/5	Conn	100
7/9	Hock	

INTERIM REPORT

DMEA-4554, Idm-E-1089, Black Mountain Prospect
(mica)

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

Location: One mile north of Montreat College and 0.59 airline miles S73°E of Montreat Reservoir, Buncombe Co., N.C.

The starting date on this contract is June 11, 1957. The rehabilitation of 20 feet of inclined shaft, consisting of muck removal and timbering, has been completed. Shaft sinking in pegmatite from the 20-foot point is underway and a total depth of 5 feet in new ground has been gained. New shaft work is following the hanging wall contact of the body and most of the work has been accomplished in quartz core and a fieldspar-mica zone about 2.5 feet in combined thickness. The footwall zone of the body has not been encountered and total thickness of the body could not be determined. Instructions were given for continued sinking. An estimated 40 pounds of mine-run book mica has been recovered from muck and limited shaft sinking accomplished. Examination of the mica shows considerable wedge "A" structure and stain in some books, as well as clear mica.

Equipment at the site consists of a 105 c.f.m. air compressor, single-drum gasoline hoist, a sump pump, and a rock drill. Toolhouse construction is nearing completion, and powder and exploder magazines have been completed and are in use. Progress on this contract has been satisfactory.

Mr. F. Cervosio, an I.C.A. participant from the Phillipines, accompanied the Field Examiners on this visit to the mine.

Inspected: June 24, 1957

L. E. Shirley

L. E. Shirley, Mining Engineer
Bureau of Mines

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 29 1957

DATE	INITIALS	CODE
5/29	JAB	220
5/31	C	~~215~~ 220
5/31	Hmln	600

May 27, 1957

Memorandum

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

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

Subject: Contract Idm-E1089, Docket No. DMEA-4554 (Mica)
Sam L. Phillips, Spruce Pine, N. C.
The Black Mountain Prospect, Buncombe County, N. C.

Enclosed is the original and two signed copies of the subject contract.

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

W. A. Beck

W. A. Beck for V. J. Lynch
Acting Executive Officer

Enclosures 3

OFFICIAL FILE COPY

Date	Surname	Code
5/8	Anderson	600
5/10	Houk	600
5-20	Chamberlin	800
5/20	GCS	130
		130
		130
	Absent	110
	Yesterday	100
5/23	C	220

Received letter 5-16-JC

600

MAY 21 1957

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

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina

600

Dear Mr. Laurence:

Enclosed are the original and five copies of a proposed short-form contract signed by the Administrator for the Government. It consists of the form, Annex I (1 page), Exhibit A (2 pages), and two maps. Also enclosed are two extra copies of Annex I, Exhibit A, and the maps for Field Team use.

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 maps are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated February 28 and March 7, 1957, by Mr. W. P. Williams, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Approved:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures 12

WCAnderson:gad 5/9/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

P.S. A Performance Bond and Affidavits of Individual Surety are attached to the Government and Finance Office copies.

8623

Memorandum

To: File

From: Walter C. Anderson

Subject: Evaluation of application and field examination report

Docket No. E 10700-4554-Mica

James L. Phillips

Black Mountain Prospect

Buncombe County, North Carolina

No contract is recommended.

Mica: Fairly abundant, books range up to 6 inches across, average 2 inches, reddish brown. Only superficially stained and some edge-cracking.

Pegmatite: Arcuate, discordant, 10 feet wide, exposed for 60 feet along strike and 40 feet down dip. Emplaced in a deeply weathered coarse grained mica gneiss and composed of hackly plagioclase, quartz, and abundant small mica books.

Old Workings: Open cut, 60 feet long by 40 feet deep.

Production: Past history not known, but recent production amounts to 1500 lbs. block from 10 ft. gneiss work.

Method of exploring: Applicant proposed 50 hours of bulldozing, 60 feet of shaft and 150 feet of drifts for which he requested $10,100.00. Field Team recommended 20 feet of shaft rehabilitation, 40 feet of shaft sinking and 101 feet of drifts at an estimated cost of $3457.00. No contract written by Nonmetallic Minerals Div. recommendation was followed.

but the estimated cost was reduced to $5,376.00.

Recommendations: Because this is a promising prospect lying well outside the main Spruce Pine pegmatite district, the Nonmetallic Minerals Division and the Commodity members of the Bureau of Mines and Geological Survey concur in the Field Team's recommendation for a exploration project at this property.

This Indenture made this the first day of June 1897, by and between John C. Collins and Fannie M.Collins his wife, of the City of New Haven and State of Connecticut, parties of the first part, and the Mountain Retreat Association, a corporation created and existing under the laws of the State of North Carolina, party of the second part, Witnesseth: That said parties of the first part for and in consideration of the sum of Sixteen thousand and seventy-one and 37/100 dollars ($16,071.37) to them in hand paid by the said party of the second part, the receipt of which is hereby acknowledged, have bargained and sold, and by these presents do bargain, sell and convey unto the said party of the second part, its successors and assigns, all those tracts or parcels of land situate in Black Mountain Township, County of Buncombe and State of North Carolina and particularly described as follows:
Second Tract Beginning on a Chestnut, east side of Flat Creek and runs north sixty (60) degrees west thirty-one (31) poles to a rock, formerly a hickory corner; thence north sixty-eight and one-half (68½) degrees west forty (40) poles to a maple on the west bank of the branch in Ezra Stepp's old line, thence west passing Ezra Stepp's old Spanish oak corner at sixteen (16) poles from said maple ninety-six (96) poles to a stake, Ezra Stepp's corner; thence north with Ezra Stepp's line one hundred and forty (140) poles to a gum on the east side of a branch; thence north eighty (80) degrees east with Ezra Stepp's line seventy-three (73) poles to a black oak, Ezra Stepp's corner in the point of the Little Piney Mountain; thence up with the top of said Little Piney Mountain as follows:- north one (1) degree east one hundred and sixty (160) poles to a stake and pointers; thence north fifteen (15) degrees west eight (8) poles to a chestnut on the top of the Middle Mountain; thence into the top of the Middle Mountain; north six (6) degrees east twenty-two (22) poles to a stake; thence north forty-two (42) degrees east forty-four (44) poles to a stake; thence north twenty-two (22) degrees east twenty (20) poles to a stake; thence north fifty-three (53) degrees east ninety-two (92) poles to a stake in chestnut on top of Big Piney Mountain; thence down with main top of Big Piney Mountain as follows:- south fifty-nine (59) degrees east one hundred (100) poles to a stake; south thirty (30) degrees east one hundred and six (106) poles to a stake, and north eighty-eight (88) degrees east sixty (60) poles to a stake and south forty-five (45) degrees east twenty (20) poles to a stake; south sixty-three (63) degrees east twenty (20) poles to a stake on Kelly's old line of his McCoy tract; thence north sixty (60) degrees east, crossing the Main Flat Creek, two hundred and fifty (250) poles to a stake and chestnut pointers on the top of the Blue Ridge in the McDowell and Buncombe County line; thence with the main top of said Blue Ridge and County Line south six (6) degrees west sixty (60) poles to a stake; south two (2) degrees east eighty (80) poles to a stake; south sixty (60) degrees east forty-two (42) poles to a stake; south thirty-two (32) degrees east one hundred and seventy-six (176) poles to a stake;

south five (5) degrees east sixty-eight (68) poles to a stake; south eighty-four (84) degrees east thirty-eight (38) poles to a stake; south twenty-five (25) degrees east fourteen (14) poles to a small Spanish oak, J. E. Brown's Northeast Corner of the Cathcart land, thence west with said Brown's line five hundred and sixty-two (562) poles to a stake, Brown's Northwest Corner of said land; thence south eighty-three (83) degrees west one hundred and one (101) poles to the beginning, containing seventeen hundred and sixty (1760) acres more or less, and being the same tract of land conveyed to the said John C. Collins by D. Cady Champlain and wife and E. P. Sutton this day, and duly recorded in the office of the Register of Deeds of Buncombe County in Book of Deeds, No. 102, on page 22.

Docket No. DMEA-4554-Mica
Black Mountain Prospect

Enclosing Map and Preformance Bond as requested.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 26 1957

DATE	INITIALS	CODE
4/26	C	220
4/26	MCA	600

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/27	Houk	600
3/28	Dwyer	140
3/29	Talbert	800
4/1	Selfridge	110
"	Johnson	110
"	Mittendorf	100
4/2	C	110
		600

600

APR 1 - 1957

Mr. Sam L. Phillips
Spruce Pine, North Carolina

INTERIOR DEPT
MAR 28 1957
SOLICITOR

FROM SOLICITOR
MAR 28 1957
FOR SIGNATURE

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina

Dear Mr. Phillips:

Reference is made to your telephone conversation of March 27, 1957, with Mr. Houk on the acceptance of a performance bond with two individual sureties in lieu of a performance bond from an acceptable bonding company.

A copy of the lease together with two copies of Standard Form 28, Affidavit of Individual Surety, were forwarded to you under separate cover on March 27, 1957, for execution and return to this office. An acceptable performance bond in the amount of approximately $4,200.00, Government's participation, will be required in lieu of the Consent to Lien and Subordination Agreement.

When the Performance Bond, Standard Form 25, and the two Affidavits of Individual Surety, Standard Form 28, properly executed, have been received, we will continue with the processing of your application.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

LGHouk:gad 3/27/57
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RECEIVED
MAR 28 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/22	Houk	600
25	Mittendorf	100
3/26	C	220
		600

600

MAR 25 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina

Dear Mr. Phillips:

Receipt is acknowledged of the metes and bounds description of the Mountain Retreat Association tract, and a letter of March 14, 1957, from the Association stating they are unwilling to sign a Consent to Lien and Subordination Agreement.

A performance bond from an acceptable bonding company in the amount of approximately $4,200.00, Government's participation, will be required in lieu of the Consent to Lien and Subordination Agreement. Please name the bonding company you intend to contact for the performance bond.

Please identify the Kennedy-Neville corner in the metes and bounds description and indicate the tract in which your lease is located.

Sincerely yours,

C. O. Mittendorf

Administrator

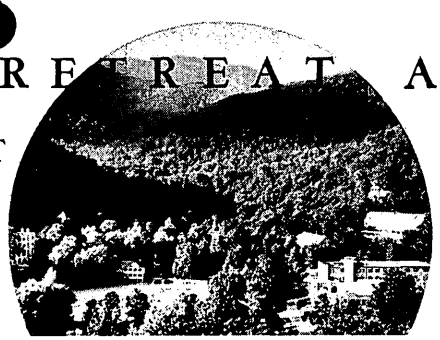
LGHouk:gad 3/22/57
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

MOUNTAIN RETREAT ASSOCIATION

MONTREAT COLLEGE

Conference Grounds of Presbyterian Church, U. S., for 30,000
Information · Inspiration · Recreation
Spiritual Strength



Camp Montreat for Girls
Assembly Inn Open the Year Round
J. Rupert McGregor, Th.D., President

MONTREAT, NORTH CAROLINA

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 20 1957

DATE	INITIALS	CODE
3/20	C	220
		600

March 14, 1957

REV. J. RUPERT MCGREGOR, TH.D.
PRESIDENT

TRUSTEES

ALABAMA
Rev. J. Chester Frist, D.D.
Rev. Frank Alfred Mathes, D.D.
Mr. Aubrey Miree

ARKANSAS
Mr. Adrian Williamson
Rev. George T. Wingard, Jr.

APPALACHIA
Rev. Henry B. Dendy, D.D.
Rev. T. A. Freeman, D.D.
Rev. J. Rupert McGregor, Th.D.
Rev. M. O. Sommers, D.D.
Rev. Ferguson Wood, D.D.

FLORIDA
Mr. T. Emmett Anderson
Mr. Kenneth S. Keyes
Mr. Ollie Page

GEORGIA
Rev. S. Wilkes Dendy, D.D.
Rev. Homer McMillan, D.D.
Rev. John E. Richards, D.D.
Rev. John A. Wilson, D.D.

KENTUCKY
Rev. J. B. Wood, Jr.

LOUISIANA
Mr. R. F. Cooper, Jr.
Rev. W. L. McLeod, D.D.

MISSISSIPPI
Rev. William F. Mansell
Mr. W. E. Pleasants

MISSOURI
Rev. William T. Magill

NORTH CAROLINA
Mr. Floyd Craft
Rev. John R. Cunningham, D.D.
Mr. Philip F. Howerton
Dr. F. L. Jackson
Rev. C. G. McClure, D.D.
Mr. Edwin Morgan
Rev. Fred R. Stair

OKLAHOMA
Rev. R. M. Firebaugh, D.D.
Rev. J. Martin Singleton

SOUTH CAROLINA
Rev. Raleigh M. Engle
Rev. John McSween, D.D.
Rev. G. A. Nickles, D.D.

TENNESSEE
Rev. John K. Johnson, D.D.
Mr. John V. Matthews
Mr. Albert Noe

TEXAS
Rev. W. Kirk Allen, Jr.
Rev. R. B. Brannon, D.D.
Rev. Thomas H. Talbot, D.D.

VIRGINIA
Mr. George R. Norris
Rev. Frank W. Price, Ph.D.

WEST VIRGINIA
Rev. John J. Hayes
Rev. C. H. Patterson, D.D.

Mr. Sam L. Phillips
Spruce Pine, N. C.

Dear Mr. Phillips:

We are not interested in nor willing to give a lien on any of the property which belongs to The Mountain Retreat Association, Inc. I think you would understand why such an organization as this would not give a lien on its land.

I hope plans are developing in an encouraging way for the working of the mica prospects here.

Very sincerely,

J. R. McGregor

J. Rupert McGregor
President

JRMcG/lb

Black Mountain Prop.
DMEA - # 4554

C
O
P
Y

Spruce Pine, North Carolina
March 14, 1957

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
U. S. Dept. of the Interior, D.M.E.A.
Washington 25, D. C.

Dear Mr. Houk:

Enclosed you will find the legal description taken from the deeds for the following: Bee Ridge Prospect, DMEA#4648, Black Mountain Prospect, DMEA#4554, Fall's Prospect, mailed 3-12-57.

We are forwarding the entire legal descriptions you asked for, and when the Field Team make their examination we can establish that the leased property is located within the overall legal description.

We will send you the legal description on the Mead Prospect, DMEA #4662, Whisnant Prospect, DMEA #4663, and the Tom Benfield Prospect, DMEA #4636, just as soon as we get them.

Sincerely,

/s/ Sam L. Phillips

Sam L. Phillips

Enclosures

P/j

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 8 1957

DATE	INITIALS	CODE
3/8	C	220
3/12	Hoch	600
~~March 7, 1957~~		

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4554 (mica)

Applicant: Samuel L. Phillips

Name and Location of Property: Black Mountain Prospect, Buncombe County, North Carolina

Date of Field Team Report: 2/21/57

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/4/57

Field Team Recommendation: Recommend approval of a contract as outlined in report.

Comments:

1. A mica-bearing pegmatite has been exposed in open cut for 60 feet along strike and 40 feet down dip.

2. Field examiners observed that mica is fairly abundant especially in small sizes, and is reddish brown in color and free from mineral intergrowths.

3. Proposed exploration by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

Recommendation:

I concur with the recommendation of the field team for approval of a contract as outlined in the report.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 1 1957

DATE	INITIALS	CODE
3/1	C	220
3/12	Houk	600

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

Memorandum

February 28, 1957

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of Field Examination Report, DMEA 4554, Sam L. Phillips, Black Mountain prospect, Buncombe County, North Carolina, (mica).

The examining team report that geologic conditions on the applicant's property are favorable for the presence of commercial grade mica. The pegmatite host rock is considered large enough to contain a significant amount of salable mica.

As a result of their observations, the field examiners recommend approval of a DMEA contract providing for 20 feet of shaft rehabilitation, 40 feet of shaft sinking, and 100 feet of drifting and crosscutting at a total estimated cost of $5,457.

In addition to the possibility of mica discovery, the proposed project, if successful, could be instrumental in providing for a southwest extension of the Spruce Pine district. I agree with the examining teams' recommendations for approval of the application.

W. P. Williams

W. P. Williams

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

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 25 1957

DATE	INITIALS	CODE
2/25	C	220
		130
3-4	C	220
		600

February 21, 1957

Memorandum

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

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

Subject: Field Examination Report - DMEA-4554 (Mica)
Sam L. Phillips, Spruce Pine, North Carolina
Black Mountain Prospect, Buncombe County, N. C.

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

This promising prospect lies well outside the main Spruce Pine pegmatite district. We recommend approval of a contract as outlined in the report.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 13

Reviewed by
DMEA OPERATING COMMITTEE
3-1-57
(date)

OFFICIAL FILE COPY
D M E A
RECEIVED FEB 25 1957

DATE	INITIALS	CODE
		1302
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION, REGION V

On-Site Exam Rpt

On

DMEA-4554, BLACK MOUNTAIN PROSPECT - Mica
Buncombe County, North Carolina

By

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

and

W. A. Beck, Mining Engineer
U. S. Bureau of Mines

February 21, 1957

Reviewed by
DMEA OPERATING COMMITTEE
3-1-57
(date)

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 25 1957

DATE	INITIALS	CODE
		130 246
		220

FIELD EXAMINATION REPORT

On

DMEA-4554, BLACK MOUNTAIN PROSPECT - Mica

Applicant: Samuel L. Phillips, Spruce Pine, North Carolina

SUMMARY

An arcuate, northwest-southeast trending, discordant pegmatite has been exposed in open cut and adit for a distance of about 60 feet along strike, and in incline and open cut for a distance of about 40 feet down dip. The structure exhibits an excellent mineralogic environment and is rich in good-quality small muscovite. The field examiners recommend an exploration program consisting of rehabilitation of the existing incline, sinking 40 feet of additional shaft, and drifting on the pegmatite for a distance of 100 feet.

INTRODUCTION

Location:

The prospect is located on the southeast slope of Middle Mountain and on the southeast trending nose of Forked Ridge at an elevation of approximately 3400 feet. It is 0.59 airline miles S. 73° E. of Montreat Reservoir and approximately 1 mile north of Montreat College. The property is reached by following the paved Montreat Road (Graybeard Trail) 3.5 miles north from the intersection of U. S. Highway 70 at Black Mountain, thence approximately 1200 feet northwest and upslope by rough jeep trail to the prospect site. (Montreat, N. C. quadrangle, USGS-TVA Ed. 1943, 201-NE, 1:24,000)

Examination:

The examiners were accompanied by Messrs. John Phillips and Ed Huskins on an examination which took about 1½ hours time, on February 4, 1957. A northwesterly trending open cut has been driven upslope into a

moderately steep wooded mountain side for a distance of about 45 feet. An inclined and moderately raised adit has followed the hanging wall of the pegmatite an additional 45 feet into the mountain side. From the uphill end of the open cut, an inclined shaft has followed the hanging wall of the pegmatite downdip 20 feet below the bench-level of the open cut. The past history of this prospect is unknown, but the present applicant has cleaned out the incline and recovered enough muscovite to make two small sales. Reportedly about 1500 pounds of block were recovered from about 10 feet of new work. Out of the block, 64.87 pounds of sheet were sold or a recovery of 4.3 %. At the present time there is no equipment, buildings, or supplies at the site.

GEOLOGY

The subject pegmatite is an arcuate, discordant body exposed along strike for about 60 feet and downdip for 40 feet (see map). The strike changes from N. 55° W. to N. 10° W. going into the hill while the extremely irregular dip varies from 45 to 90° SW. Several irregular upward pinching apophyses of pegmatite are exposed on the hanging wall, arranged somewhat en echelon updip. Only the hanging wall contact is exposed in the adit and shaft, but country rock exposed on both sides of the open cut, indicates a thickness of not more than 10 feet. The structure is discordantly emplaced in a deeply weathered and fairly coarse-grained mica (biotite) gneiss which strikes N. 30 - 45° E. and dips 65 - 80° SE. Pegmatite is composed of a mixture of medium-coarse kaolinized plagioclase, disseminated quartz, and abundant small books of muscovite. There are a number of large masses of clear to milky quartz disseminated in the medial

portion of the pegmatite, somewhat suggestive of a discontinuous core. Biotite is present in very minor amounts.

Muscovite was fairly abundant especially in the smaller sizes. Books ranged in size up to 6 inches across, but average about 2 inches across. The mica is reddish brown in color, and free from mineral intergrowths. The only defects noted were a slight waviness and some edge-cracking.

CONCLUSIONS AND RECOMMENDATIONS

A large pegmatite with excellent mica-potential has been well exposed in both the horizontal and vertical planes. The examiners recommend that exploration assistance be given in the form of 20 feet of rehabilitation of the existing shaft, 40 feet of additional shaft and 100 feet of exploration drift and/or cross-cut. All work should be 5 x 7 feet in cross-section in the clear of timber and conducted in pegmatite material.

Construct		
1 - Tool house	$75.00	
1 - Powder magazine	25.00	
1 - Exploder magazine	15.00	
		$115.00
Rehabilitation		
Rehabilitate 20 feet of existing incline shaft (5 shifts)		
Labor		
1 - Miner - Foreman @ $1.75/hr.	70.00	
1 - Hoistman @ $1.50/hr.	60.00	
1 - Laborer @ $1.00/hr.	40.00	
		170.00
Shaft Sinking		
Sink 40 feet - 5 x 7' inclined shaft. Timber where necessary (~~27~~ 25 shifts)		
Labor		
1 - Foreman-Miner @ $1.75/hr.	378.00	
1 - Hoistman @ $1.50/hr.	324.00	
1 - Laborer @ $1.00/hr.	216.00	

Equipment (Rental)		
1 - air compressor @ $150/Mo.	$187.50	
1 - Single drum hoist @ $50/Mo.	62.50	
1 - Jackhammer @ $40/Mo.	50.00	
1 - Pump @ $40/Mo.	50.00	
	340.00	
Supplies		
Gasoline and oil	100.00	
Explosives	120.00	
Drill steel	75.00	
Timber @ $65/Mbf	65.00	
Small tools - pipe, etc.	40.00	$442
Social Security	18.50	
Compensation Insurance	90.50	
Total Estimated Cost of Shaft Sinking		$1777.00
		use $44/ft.
Drifting		
Drive 100 feet 5 x 7' drift, timber where necessary		
Labor		
1 - Foreman-Miner @ $1.75/hr.	700.00	
1 - Hoistman @ $1.50/hr.	600.00	
1 - Laborer @ $1.00/hr.	400.00	
Equipment (Rental)		
1 - Air Compressor @$150/Mo.	300.00	
1 - Hoist @ $50/Mo.	100.00	
1 - Rock drill and jackleg @ $60/Mo.	120.00	
1 - Sump pump @ $40/Mo.	80.00	
Supplies		
Gasoline and oil	175.00	
Explosives	300.00	
Drill steel	185.00	
Timber @ $65/M	80.00	
Pipe and small tools	50.00	
Social Security	35.00	
Compensation Insurance	170.00	
Miscellaneous	100.00	use $33/ft.
Total Estimated Cost of Drifting		$3395.00
Total Estimated Cost of Project		$5457.00

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

W. A. Beck, Mining Engineer.
U. S. Bureau of Mines

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	Houk	600
"	[illegible]	110
2/28	Mittendorf	100
3/1	[illegible]	220
		600

FEB 28 1957 600

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina

Dear Mr. Phillips:

Reference is made to our letter of January 15, 1957, on obtaining a performance bond in lieu of a Consent to Lien and Subordination Agreement.

Please obtain a letter from one of the officers of the Mountain Retreat Association stating it is unwilling to sign a Consent to Lien and Subordination Agreement. We are enclosing two copies of the Standard Form 25, Performance Bond and we will require the original and one copy of said executed bond. In this connection you will be advised the amount of the bond if and when a contract is approved.

Please supply the total acreage in the tract described in book 103, page 135, and a metes and bounds description of this tract as copied from the county records. A tie from the DMEA work to one of the corners of the bounding tract should also be given.

We will continue to process your application when the above requested data are received.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures 2

LGHouk:gad 2/27/57
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/3/57	Hopkins	600
1-4	Houk	600
1/14	Selfridge	130
	Johnson	110
1/14	Matteodorf	100
1/15	cwb	225

600

JAN 15 1957

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

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe 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 November 30 and December 4, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed. There is also enclosed a copy of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 5

JHopkins:gad 1/3/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

P.S. We are enclosing two copies of a letter from the Applicant dated December 19, 1956.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/10/57	[illegible]	600
1/11	Houk	600
1/14	Selfridge	130
	[illegible]	110
1/14	Hutchinson	100
1/15	cw	225

Lamb

Kilsgaard

600

JAN 15 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina

Dear Mr. Phillips:

Your letter of December 19, 1956, containing the additional cost data has been received and your application is being 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.

If a project is approved for your property, it will be necessary to get a letter from the Mountain Retreat Association stating that it is unwilling to sign a Consent to Lien and Subordination Agreement. After receipt of this letter a performance bond may be acceptable.

Sincerely yours,

G. O. Hitchcock

Administrator

JHopkins:gad 1/3/57
Rewritten
JHopkins:gad 1/10/57

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

P.S.S.

8623

Spruce Pine, North Carolina
December 19, 1956

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

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
U.S. Dept. of the Interior, D.M.E.A.
Washington 25, D.C.

Re: Docket No. DMEA-4554-Mica
Black Mountain Prospect
Buncombe County, N.C.

Dear Mr. Houk:

This will acknowledge receipt of your letter dated December 7, 1956.

The applicant removed existing muck from an existing 20 foot shaft and deepened the shaft 10 additional feet. The shaft is located on the pegmatite which is approximately 4 feet wide and as far as we can tell it is at least 100 feet long. The probably contents of this pegmatite is far above average, at the place we did our exploration work was near the out cropping of the vein on a steep slope. We produced approximately 1500 lbs. of mica that sold for approximate- $800.00, the quality of the mica is good.

It is my opinion that we sank the shaft in the wrong place, because the vein seems to be plunging back into the mountain, and we have only touched the edge of the main pegmatite. There are no records of any production, from this property prior to my acquisition to the property. However the dump is extremely rich with small pieces of mica and large scales of mica.

One of the reasons for the increase of cost in this work is the minimum wage-law which came into effect March 1st. of this year. It is true that most people prior to March 1st. were receiving $1.00 an hour, but an increase in the lower bracket increased the salary of the more skilled workers. If the increase in cost as reflected in the applications filed is going to have the possibility of another cost contract coming thru, please disregard any suggestion on my part that the cost of mining has increased in the last three or four years.

The property upon which this mine is located is owned by the Mountain Retreat Association a Religious Institution, and none of the officers of the Corporation individually or jointly will take the responsibility of signing a Consent to Lein. If a letter from the President of the Association stating that he is unwilling to sign a Consent to Lein is deamed necessary by your office I shall endeavor to get one. If you need any further information, please let us know.

Very truly yours,

Sam L. Phillips

Sam L. Phillips

P/j

Docket Copy
Surname:
Houk
Mattesaw

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

DEC - 7 1956

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4554-Mica
Sam L. Phillips
Black Mountain Prospect
Buncombe County, North Carolina

Dear Mr. Phillips:

Reference is made to your application for exploration assistance dated November 20, 1956, on the subject property.

It is noted that the information given in Item 4(a) of your application is very meager and indefinite. We will appreciate receiving more information regarding the pegmatite and the 30-foot shaft. Is the pegmatite exposed in the shaft? If so, what is its width, and probable mica content? What was the nature of exploration work that you performed, and what was the quantity and value of the mica that was recovered and sold? Is there any record of production from the shaft prior to your acquisition of the property?

In connection with your estimate of costs which are in excess of those allowed in previous work of this nature, please send us a breakdown that will show your justification for your estimated costs.

We also note that you wish to submit a third person guaranty of royalty in lieu of Consent to Lien and Subordination Agreement. In the event that a project is approved for the subject property, the DMEA will be willing to accept a Performance Bond as surety in lieu of a Consent to Lien and Subordination Agreement if it is shown that the lessor is unwilling to execute a Consent to Lien and Subordination Agreement.

Sincerely yours,

SIGNED

Lawrence C. Houk, Chief,
Nonmetallic Minerals Division

JHopkins:gad 12/7/56
Copy to: Admr. R. File
Docket
Field Team, Reg. V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

RECEIVED DEC 4 1956 D.M.E.A.

December 4, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4554 (mica)

Applicant: Samuel L. Phillips

Name and Location of Property: Black Mountain Prospect, Buncombe County, North Carolina

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/28/56

Comments:

1. Applicant has done some exploration work, including sinking a 30 foot shaft, on this prospect.

2. Applicant states he has recovered and sold some high quality mica.

3. 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

IN REPLY REFER TO:

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

RECEIVED DEC 4 1956 D.M.E.A.

November 30, 1956

Re: DMEA 4554
Samuel L. Phillips
Black Mountain Prospect
Buncombe Co., N. C.
$10,100.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in exploring a pegmatite by bulldozing, shaft sinking and drifting. The pegmatite has been explored by a 30-foot shaft, and a small amount of good mica was recovered. How much is not stated and it is not possible to estimate the mica-bearing potential of the pegmatite. Neither is a reason given for expecting the proposed 60 feet of shaft extension and the 150 feet of drifting to be more productive than the 30 feet of shaft.

Perhaps the bulldozing will uncover enough of the pegmatite as to make such an estimate possible.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

November 28, 1956

Mr. Samuel L. Phillips
Spruce Pine,
North Carolina

Subject: DMEA-4554

Dear Mr. Phillips

Your application for exploration assistance, dated November 28, 1956 submitted to our office at Knoxville, has been assigned Docket Number DMEA-4554 and referred to the Nonmetallic Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

(Sgd) Allen S. Dakan

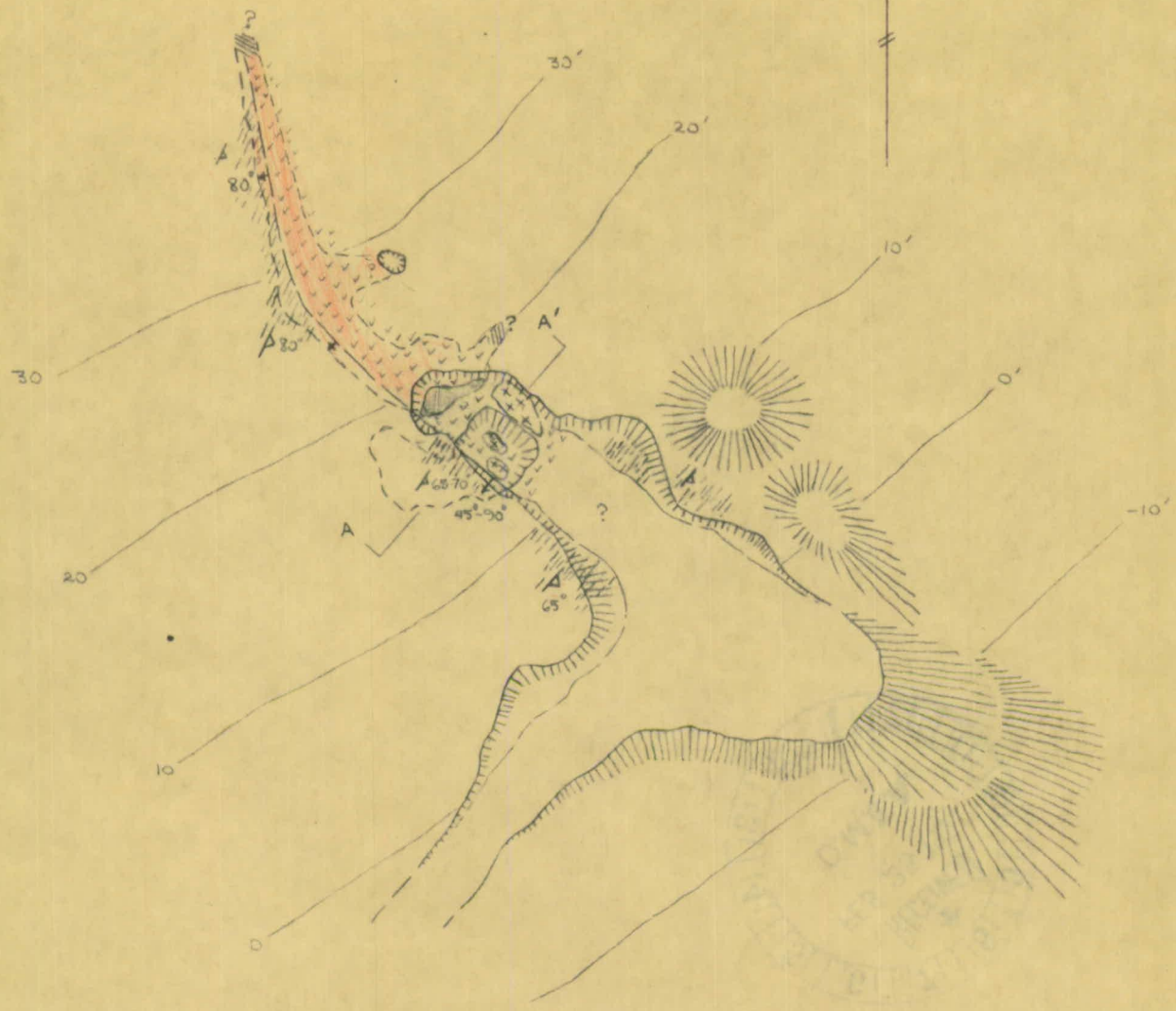
Allen S. Dakan, Director
Operations Control and
Statistics Division

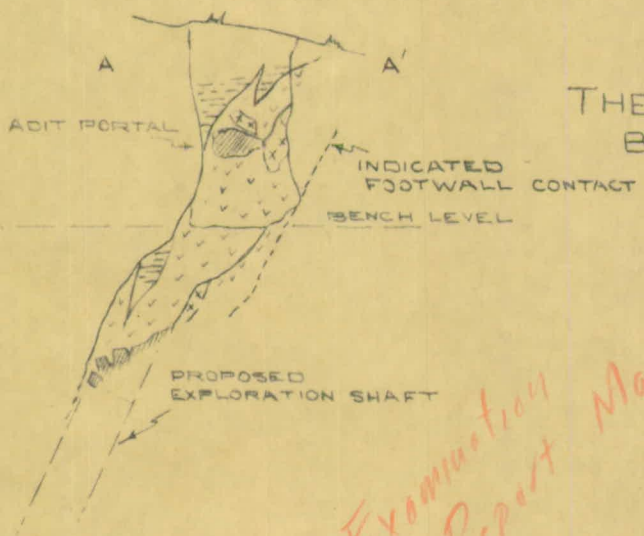
Copy to:

Region V. Knoxville, Tennessee

Code 600

6816





THE BLACK MOUNTAIN PROSPECT

BUNCOMBE COUNTY, NORTH CAROLINA

DMEA - 4554 (MICA)

SCALE: 1" = 20'

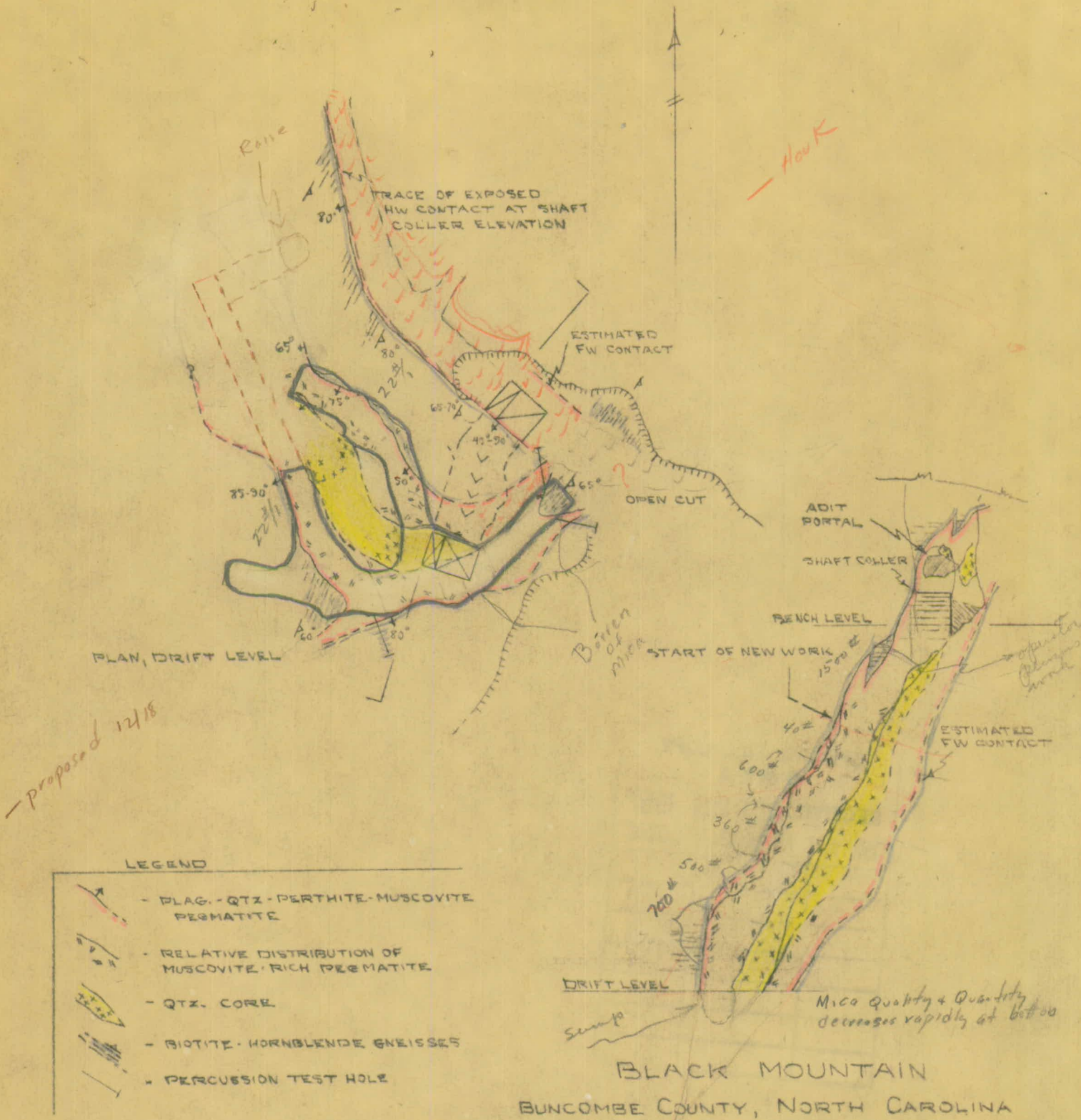
LEGEND

- PLAG.-QTZ.-MUSCOVITE PEGMATITE
- MASSIVE QUARTZ
- WEATHERED MICA GNEISS
- UNDERGROUND WORKINGS
- EXCAVATION
- DUMP

Examination Report Map

SCB 2/57

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



BLACK MOUNTAIN

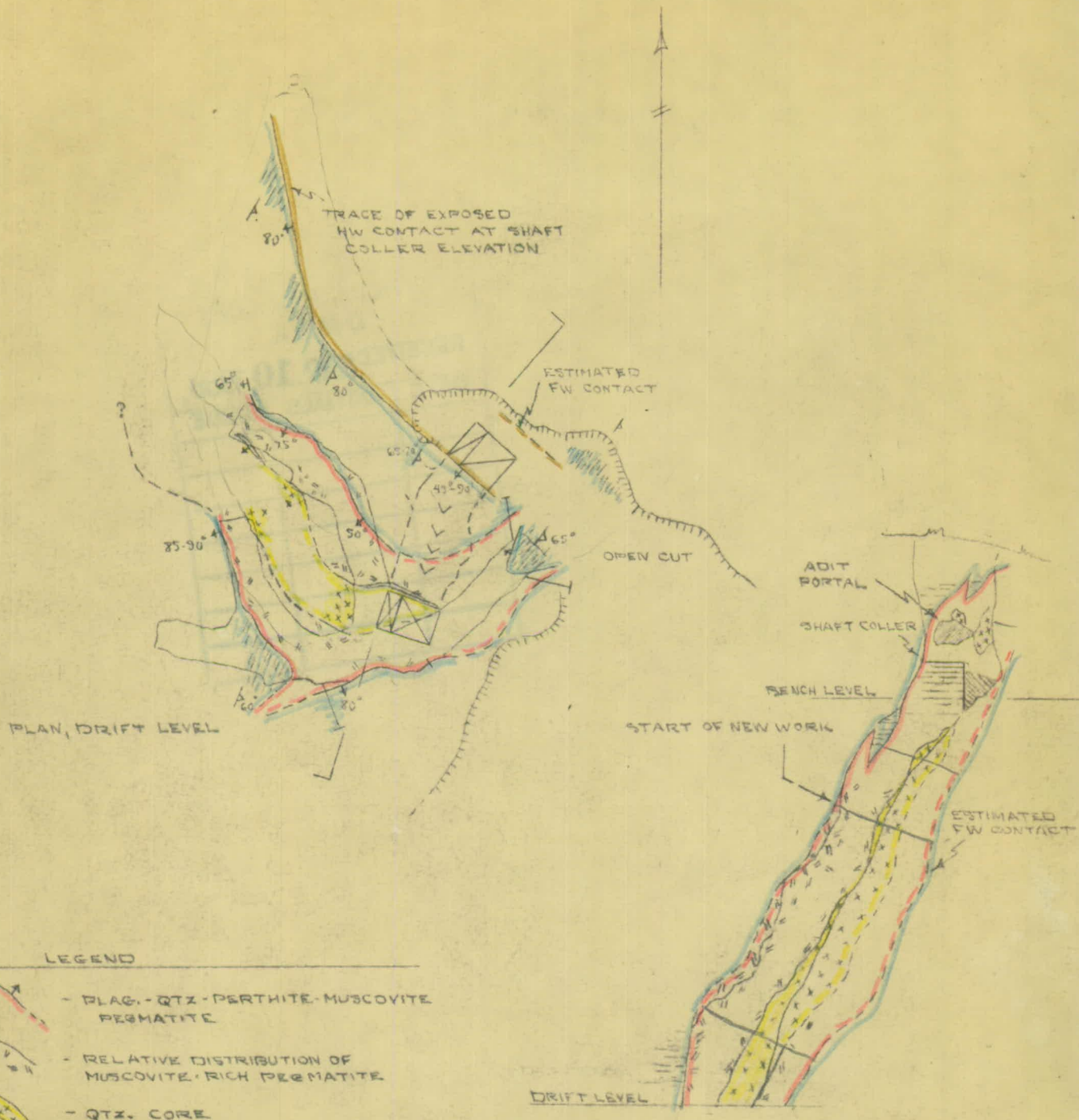
BUNCOMBE COUNTY, NORTH CAROLINA

DMEA-4554, Idm-E1089

SCB 10/57

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 28 1957

DATE	INITIALS	CODE



LEGEND

- PLAG.-QTZ-PERTHITE-MUSCOVITE PEGMATITE
- RELATIVE DISTRIBUTION OF MUSCOVITE-RICH PEGMATITE
- QTZ. CORE
- BIOTITE-HORNBLENDE GNEISSES
- PERCUSSION TEST HOLE

BLACK MOUNTAIN

BUNCOMBE COUNTY, NORTH CAROLINA

DMEA-4554, Idm-E1083

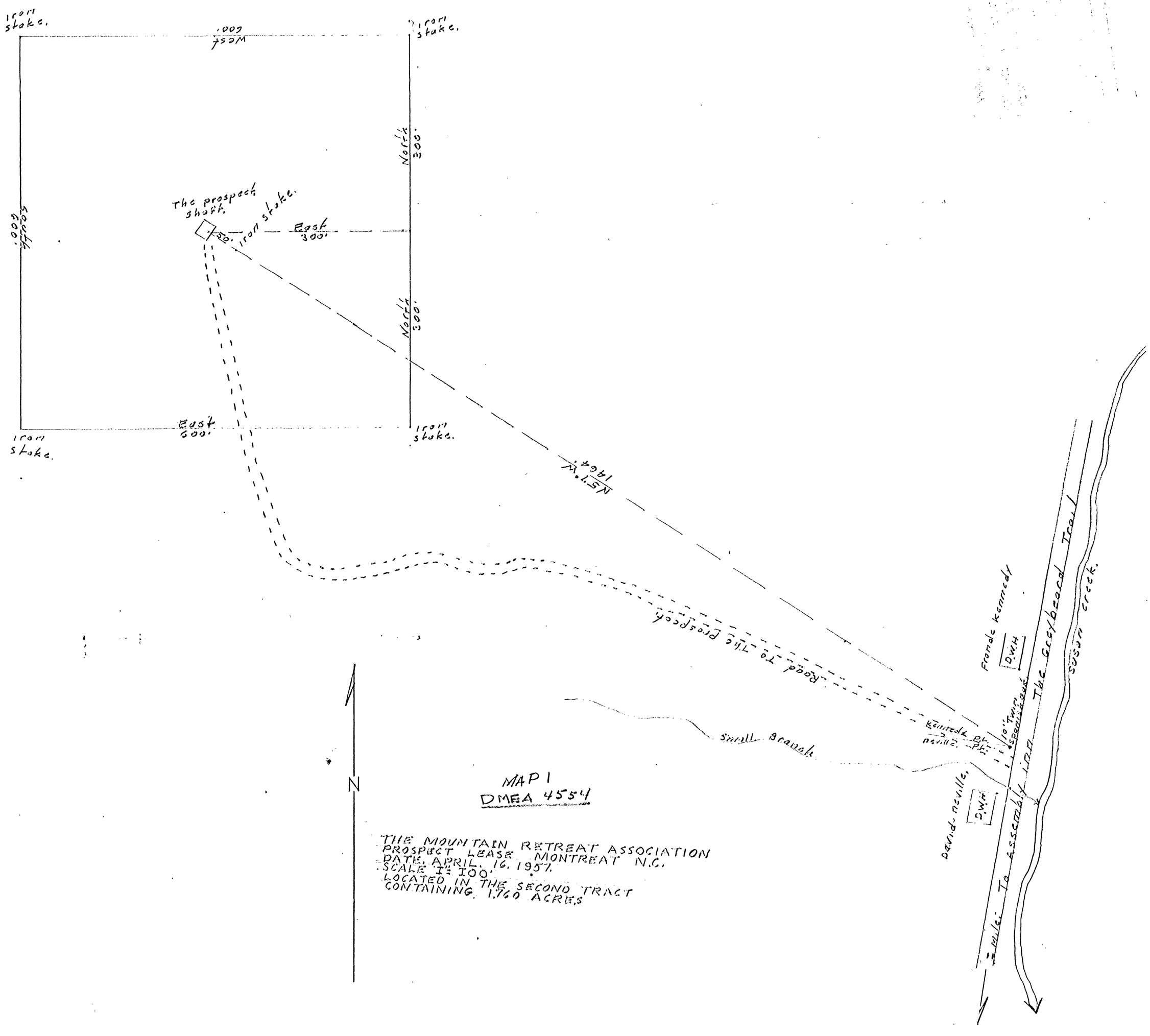
SCALE: 1" = 20'

0 10 20'

SCB 10/87

OFFICIAL FILE COPY
DMEA
RECEIVED MAR. 10 1958

DATE	INITIALS	CODE



MAP I
DMEA 4554

THE MOUNTAIN RETREAT ASSOCIATION
PROSPECT LEASE MONTREAT N.C.
DATE. APRIL. 16. 1957.
SCALE 1" 100'
LOCATED IN THE SECOND TRACT
CONTAINING. 1.760 ACRES