E-1197

For Certificate of Deposit No. 73, dated May 12, 1959, giving royalty payment of $24.38, see E-1106.

TRIPLICATE
Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.
Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

4/20/59 (Date sent)

14-23-070[redacted]68 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 5369

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): [redacted]ak Ridge, Tennessee

Deposited with Hamilton National Bank, Knoxville, Tennessee
(Name and location of depositary)

(3) The Sum of $ 61.66

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ $61.66 (Idm-E1197 Royalty Payment)		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
Defense Minerals Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Adm. Asst.
P. O. Box 217
Norris, Tennessee

Depositor's name, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

APR 20 1959

(Authorized signature)

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 22 1959

DATE	INITIALS	CODE
4/22		800

E-1197

For Certificate of Deposit No. 54, dated February 13, 1959, giving royalty payment of $17.70, see E-1171.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK Oak Ridge, Tennessee

DEPOSIT NO. 14-23-070-36

For credit of 5369 Br. Tra[redacted] Regional Office, Oak Ridge, Tenn[redacted] 11/6/58
(Name, title, and disbursin[redacted]ther identification symbol of accountable officer) [redacted] (Date sent)

deposited with Hamilton National Bank, Knoxville, Tennessee
(Name and location of depositary)

$ 9.95

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E1197 DeGroat, Buchanan & Buchanan (Royalty Payment)	9.95

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Adm. Asst.
P. O. Box 217
Norris, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

NOV 6 1958
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GP

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 5369 Br. Trsy. Regional Office, Oak Ridge, Tenn. 8/27/58
(Name, title, and disbursing [illegible]her identification symbol of accountable officer) (Date sent)

deposited with Hamilton National Bank, Knoxville, Tennessee
(Name and location of depositary)

DEPOSIT NO. ~~14-23-070-16~~

$ 13.25

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idn-E1197 Twiggs Prospect (Royalty Payment)	$13.25

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Personal Assistant
P. O. Box 217
Norris, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

DeGroat, Buchanan & Buchanan
Route 4
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-E1197, DMEA No. 4946, including Amendment No. 1, for June 1958 to November 1958, inclusive, covering a mica project at the Twiggs Mica Prospect, Mitchell County, North Carolina.

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

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

All of the costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$5,360.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	217.00	217.00
Accepted cost		$5,143.00

The contract calls for a 75 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$3,857.25
Paid to date	3,438.75
Balance due Operator	$ 418.50

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

December 22, 1958

Exception by this review:

Drifting	
Claimed by Operator:	
100 feet @ $31.00/foot	$3,100.00
Completed work reported by Field Examiners:	
93 feet @ $31.00/foot	2,883.00
Disallowance:	
7 feet @ $31.00/foot	$ 217.00

DEC 23 1958

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

Re: Docket No. DMEA-4946
DeGroat, Buchanan & Buchanan
Contract No. Idm-21197

Dear Mr. Laurence:

Enclosed are the original and three copies of a Report of Review, as requested by Mr. Lynch's December 16 memorandum. Also enclosed is the Operator's final (November 1958) MF-104, which was submitted with his request.

If you concur with the facts as stated in this report, please make the usual distribution. If for any reason you do not concur, please return the original and all copies with your comments to this Division.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

Enclosures

GMcCarthy/GMcC
December 22, 1958

cc: Docket
Director's Reading File
Mr. Chambers
Helen R. Miller

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

OFFICIAL FILE COPY O. M. E. RECEIVED DEC 17 1958		
DATE	INITIALS	CODE
12/18	[illegible]	225 800

December 16, 1958

Memorandum

To: Jay L. Chambers, OME Contract Administration and Audit Division - Washington, D.C.

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

Subject: Completion of DMEA-4946, Idm-E1197(mica)
DeGroat, Buchanan & Buchanan, Bakersville, N.C.
Twiggs Prospect, Mitchell County, N.C.

Work on the subject contract has been completed. The following units of work were acceptably performed as verified by our Field Examiners:

1 - Construction of powder magazine, exploder magazine and toolhouse.

2 - 148 cubic yards of material excavated in road construction.

3 - Shaft sunk to a depth of 50 feet

4 - 93 feet of drift work completed (Operator incorrectly claimed 100 ft.)

An acceptable final engineering and geological report has been received. This report was combined with the last monthly report which has been submitted to the Operating Committee.

Original of final monthly report and voucher is attached. A Report of Review is requested.

V. J. Lynch

V. J. Lynch

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

Budget Bureau No. 42-R1036.5

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

JAN 15 1959 O.M.E. PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 38

Month of November 195 8 Docket No. DMEA Contract No. IC-1197
Operator's Name Bourout, Buchanan & Buchanan Minerals Mica
Address Rt. 4, Dekalb, Mo.
Contract Amount, $ 5,012.00 Government Participation: 75 % Amount, $ 6,138.00

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	None	45.00	45.00	—	45.00	45.00
Bulldozing						
Crosscutting	775.00	3,325.00	4,100.00	558.00	2325.00	2883.00
Drifting	None	2,100.00	2,100.00	—	2100.00	2100.00
Shaft						
(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	None	115.00	115.00			
(6) New Bldgs., Improvements, etc.					115.00	115.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	775.00	5,585.00	6,360.00	558.00	4585.00	5143.00

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

Date 12-8-58 *Payee Bourout, Buchanan & Buchanan

Per Jeb Buchanan Title Operator

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

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

(Instructions on reverse)

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

$ 418.50

Signature Helen R. Mullin
(Authorized Certifying Officer)

Date JAN 13 1959 Vou. No. 74

(See other side)

c 1249

139.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1197 in accordance with the terms of the contract.

Signature F. S. Lewis Title GEOLOGIST, U. S. G. S. Date DEC 29 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date DEC 29 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

JAN 15 1959

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 9 Docket No. DMEA 4066 Contract No. 1197
Operator's Name Dolbrook, Buchanan & Buchanan Minerals Mica
Address Rt. 4, Hickoryville, North Carolina.

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.	775.00	25	3,100.00	100	31.00	100	31.00
Crosscutting								
Raising								
Shafts	Ft.	None	None	2,100.00	50	42.00	50	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Cu Yds	None	None	45.00	149	0.30	140	0.30
TOTAL DISTRIBUTED COSTS		775.00	25	5,245.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None	None	None				
Initial Rehabilitation and Repairs		"	"	"				
New Buildings, Improvements, etc.		"	"	115.00				115.00
TOTAL COSTS		775.00	25	5,360.00				115.00

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.

REMARKS: Final Report on this Project.

Date November End 1959 Operator Dolbrook, Buchanan & Buchanan

Per Zeb Buchanan Title Partner

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

(Instructions on reverse)

(For Government use only)

See Report of Review and Corrections made on MF-104

H. J. Lynch
MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

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

Budget Bureau No. 42-R1036.5

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

PAID ON VOUCHER & SCHEDULE

RECEIVED NOV 13 1958 OF PAYMENTS K-O.M.E.

Month of October, 1958 Docket No. DMEA 4946 Contract No. Ion-1197
Operator's Name DeGroat, Buchanan & Buchanan Minerals Mica
Address Rt.4. Bakersville, N.C.
Contract Amount, $5,512.00 Government Participation: 75 % Amount, $ 4,134.00

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) Contracts:						
Shafting	None	2,100.00	2,100.00			
Bulldozing	None	45.00	45.00			
Crosscutting						
Drifting	1,035.00	1,240.00	2,325.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	None	115.00	115.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,085.00	3,500.00	4,585.00			
TOTALS	1,085.00	3,500.00	4,585.00	$1,085.00	$3,500.00	$4,585.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 11-3-58 *Payee DeGroat, Buchanan & Buchanan
Per [signature] 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:

$813.75

Signature [signature]
(Authorized Certifying Officer)

Date NOV 12 1958 Vou. No. 55
(See other side)

271.25

(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. Adm E1197 in accordance with the terms of the contract.

Signature W. A. Beck Title MINING ENGINEER ~~U. S. BUREAU OF MINES~~ Date NOV 5 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawson Jr. Title EXECUTIVE OFFICER OME FIELD TEAM ~~REGION V~~ Date NOV 10 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
NOV 13 1958
D.M.E.

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

Month of October 195 8 Docket No. DMEA 4946 Contract No. Idm-1197
Operator's Name DeGroat, Buchanan & Buchanan Minerals Mica
Address Rt.4. Bakersville, 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	Lft	1,085.00	(35)	2,325.00	(75)	31.00	100	31.00
Crosscutting								
Raising								
Shafts	Lft.	None	None	2,100.00	(50)	42.00	50.00	42.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Cu Yds	None	None	45.00	(148)	0.30	148	0.30
Total Distributed Costs		1,085.00	(35)	4,470.00				Total Costs Authorized by Contract
Operating Equipment Purchased		None	None	None				
Initial Rehabilitation and Repairs		"	"	"				
New Buildings, Improvements, etc.		"	"	115.00				115.00
Total Costs		1,085.00	(35)	4,585.00				115.00

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 Nov. 3rd 1958 Operator DeGroat, Buchanan & Buchanan

Per Zeb Buchanan Title Partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

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

NOV 5 1958

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

Month Of October,1958
Twiggs Mine Prospect
Mitchell County, N.C.
Work Accomplished:

DMEA No. 4946
Idm-E 1197
Date Work Began-10-1-58
DeGroat, Buchanan &
Buchanan.

SUMMARY

All Work done during this period, October 1st, to November 1st, 1958, consisted in driving of the 100 ft drift along the strike of the main pegmatite body. Only one phase of work was accomplished, towit:- Drilling, loading and shooting in the pegmatite body and mucking after each shot. During this period, 13.44 lbs of mica was recovered, processed and sold to the local mica depot at Spruce Pine, N.C. (see invoice attached) Royalty at the rate of .05% is enclosed with this report to cover the amount due Government on the 13.44 pounds sold from this prospect.

DAILY NOTES:

Oct. 1st, 1958. Drilled, Loaded & Shot 24' of holes & mucked out.
2nd, " Drilled, Loaded & Shot 24' of holes & mucked out.
3rd, " Drilled, Loaded & Shot 30' of holes & mucked out.
Note: Main body still about ~~XXX~~ 10" in thickness, improvement in makeup noted. A few books of good mica recovered mostly on footwall side of body.

Oct. 6th, 1958. Drilled, Loaded & Shot 26" of holes & Mucked out.
7th, " Drilled, Loaded & Shot 24" of holes & mucked out.
8th, " Drilled, Loaded & Shot 30" of holes & mucked out.
9th, " Drilled, Loaded & Shot 30" of holes & mucked out.
10th, " Drilled, Loaded & Shot 24" of holes & mucked out.
Note: No apparent change in pegmatite body noted. A few more small books of mica recovered during this period.

Oct. 13th, 1958. Drilled, Loaded & Shot 26" of holes & mucked out.
14th, " Drilled, Loaded & shot 24" of holes & mucked out.
15th, " Drilled, Loaded & shot 24" of holes & mucked out.
16th, " Drilled, Loaded & shot 26" of holes & mucked out.
17th, " Drilled, Loaded & shot 24" of holes & mucked out.
Note: Formation of pegmatite body unchanged. A few more books of small mica recovered during this period.

Oct. 20th, 1958 Drilled, Loaded & Shot 24" of holes and mucked out.
21st, " Drilled, Loaded & shot 30" of holes & mucked out.
22nd, " Drilled, Loaded & shot 30" of holes & mucked out.
23rd, " Drilled, Loaded & shot 30" of holes & mucked out.
24th, " Drilled, Loaded & shot 24" of holes & mucked out.
Note: No change of any importance noted in operation. Few more small books of mica recovered.

Oct. 27th, 1958 Drilled, Loaded & shot 24" of holes & mucked out.
28th, " Drilled, Loaded & shot 24" of holes & mucked out.
29th, " Drilled, Loaded & shot 30" of holes & mucked out.
30th, " Drilled, Loaded & shot 30" of holes & mucked out.
31st, " Drilled, Loaded & shot 24" of holes & mucked out.
Note: Still no change of any importance noted in formation or any part of the operation. Body averages about 10" in thickness. Few more small books of mica recovered.

Respectfully submitted,

DeGroat, Buchanan & Buchanan,
Rt.4, Bakersville, N.C.
Per: Zek Buchanan

RECEIVED
NOV 5 - 1958
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-21 D.M.E.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1958 Docket No. DMEA 4046 Contract No. 1197
Operator's Name Debroat, Buchanan & Buchanan Minerals Mica
Address Rt. 4. Dakorsville, N.C.
Contract Amount, $5,512.00 Government Participation: 25 % Amount, $4,134.00

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~~ Contracts: ~~Short Form~~ Short	126.00	~~[illegible]~~	~~[illegible]~~			
Drilling	Short.	1,974.00	2,100.00			
Bulldozing	None	45.00	45.00			
Crosscutting						
Drifting	1,240.00	None	1,240.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	None	115.00	115.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Bonds	1366.00	2134.00	3,500.00			
TOTALS	~~1,366.00~~	~~3,074.00~~	~~3,700.00~~	1366.00	2134.00	3500.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9-30-58 *Payee Debroat, Buchanan & Buchanan
By James H. Debroat Jr. 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:
$ 1024.50
Signature Helen R. Miller
(Authorized Certifying Officer)
Date OCT 8 1958 Vou. No. 46
(See other side)

341.50

(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. E1197 in accordance with the terms of the contract.

Signature S Feitler Title MINING ENGINEER U. S. BUREAU OF MINES Date OCT 2 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature N. J. Lynch Title ACTING EXECUTIVE OFFICER OME FIELD TEAM REGION V Date OCT 2 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED OCT 13 1958 O.M.E.

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

Month of Sept. 195 8 Docket No. DMEA 4946 Contract No. Idr-1199

Operator's Name DeGroat, Buchanan & Buchanan Minerals Mica

Address Rt.4. Bakersville, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract	
~~XXXX~~	~~Lft.~~	~~126.00~~	~~(3)~~	~~126.00~~	~~(3)~~	~~31.00~~	~~(100)~~	~~31.00~~
Drifting								
Crosscutting								
Raising								
Shafts	Lft.	126.00	(3)	2,100.00	(50)	42.00	(50)	42.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits	Cu Yds	None	None	45.00	(148)	0.30	(148)	0.30
Roads and Trails								
Drifting	Lft.	1240.00	(40)	1240.00	(40)	31.00	(100)	31.00
Total Distributed Costs		1366.00	(43)	3,385.00				Total Costs Authorized by Contract
Operating Equipment Purchased		None	None	None				
Initial Rehabilitation and Repairs		"	"	"				
New Buildings, Improvements, etc.		"	"	115.00				115.00
Total Costs		1366.00		3,500.00				115.00

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.

Remarks: The (50) Ft shaft completed with this report and initial work on drift started.

Date 9-30-58 Operator DeGroat, Buchanan & Buchanan,

By James H. DeGroat Jr. Title Partner

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

(Instructions on reverse)

(For Government use only)

S Feitler

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

DAILY WORK PROGRESS REPORT

Month Of September, 1958
Work Accomplished:
Twiggs Mica Prospect
Mitchell County, N.C.

DMEA NO. 4946
Idm-E 1197
Date Work Began: 9-1-58
DeGroat, Buchanan & Buchanan

SUMMARY

The work done during this period was in two phases, namely: (1) completion of the (50) foot vertical shaft. (2) Initial work began on the (100) foot drift ~~xxxxxxxxxx~~ along the strike of the main pegmatite body.

All work accomplished consisted in drilling and blasting out the formation rock forming the main body and sufficient slate binder to permit sufficient space to work. A (3) man crew was employed during all this period of operation. A small amount of mica (not yet weighed) was recovered during this period in the drift along the strike of main body.

DAILY NOTES:

Sept. 1st, 1958. Drilled, Loaded & Shot 30' of holes & removed muck. This was done in the 50 ft shaft and brought the shaft up te 50 ft maximum depth as per contract.

Sept. 2nd, 1958. Drilled, Loaded & Shot 24' of holes & removed all muck.
3rd, " Drilled, Loaded & Shot 30' of holes & removed all muck.
4th, " Drilled, Loaded & Shot 26' of holes & removed all muck
5th, " Drilled, Loaded & Shot 26' of holes & removed all muck.
Note: Work accomplished from 9-2 to 9-5 inclusive was done on the 100 ft drift along the strike of the main pegmatite body. Body durthis period remained poor with no visible indication of a mica build up. The average thickness of body being about 8 inches.

Sept. 8th, 1958. Drilled, Loaded & Shot 30' Of Holes & Removed All Muck.
9th, " Drilled, Loaded & Shot 26' Of Holes & Removed All Muck.
10th, " Drilled, Loaded & Shot 26' Of Holes & Removed All Muck.
X11th, " Drilled, Loaded & Shot 24' Of Holes & Removed All Muck.
12th, " Drilled, Loaded & Shot 30' Of Holes & Removed All Muck.
Note: No change of any importance noted in formation during this period of operation. Pegmatite body continues poor and thickness of bod y remaining about same.

Sept.15th, 1958. Drilled, Loaded & Shot 30' Of Holes & Removed All Muck.
16th, " Drilled, Loaded & Shot 26' Of Holes & Removed All Muck.
17th, " Drilled, Loaded & Shot 30' Of Holes & Removed All Muck.
18th, " Drilled, Loaded & Shot 30' Of Holes & Removed All Muck.
19th, " Drilled, Loaded & Shot 26' Of Holes & Removed All Muck.
Note: A small lot of small to mediumn size books of mica was recoved during this period. Body at one point showed small enlargment but otherwise remained about same.

Sept.22nd, 1958. Drilled, Loaded & Shot 26' Of Holes And Removed All Muck
23rd, " Drilled, Loaded & Shot 30' Of Holes & Removed All Muck.
24th, " Drilled, Loaded & Shot 30' Of Holes & Removed All Muck.
25th, " Drilled, Loaded & Shot 24' Of Holes & Removed All Muck.
26th, " Drilled, Loaded & Shot 30' Of Holes & Removed All Muck.
Note: No change of any importance noted during this period of work.

Sept.29th, 1958. Drilled, Loaded & Shot 26' Of Holes & Removed All Muck.
30th, " Drilled, Loaded & Shot 30' Of Holes & Removed All Muck.
Note: A few more small books of mica recovered. Body remains at an average of 10" in thickness. No futher indications of mica buildup noted.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1958 Docket No. DMEA 4946 Contract No. 1197
Operator's Name DeGroat, Buchanan & Buchanan Minerals Mica
Address rt.4, Bakersville, N.C.
Contract Amount, $ 5,512.00 Government Participation: 75 % Amount, $ 4,134.00

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	None	45.00	45.00			
Crosscutting						
Drifting						
Shaft (20 Ft)	840.00	1,134.00	1,974.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	None	115.00	115.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	840.00	1,294.00	2,134.00	840.00	1294.00	2134.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-31-58 *Payee DeGroat, Buchanan & Buchanan
Per James H. DeGroat Jr. 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:
$ 630.00
Signature Helen R. Miller
(Authorized Certifying Officer)
Date SEP 5 1958 Vou. No. 29
(See other side)

210.00

(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 1197 in accordance with the terms of the contract.

Signature S. Feitler Title MINING ENGINEER U. S. BUREAU OF MINES Date SEP 4 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date SEP 4 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.

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 1958 Docket No. DMEA 4946 Contract No. 1197

Operator's Name DeGroat, Buchanan & Buchanan Minerals Mica

Address Rt. 4, Bakersville, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes	Lft	840.00	20	1,974.00	47	42.00	50	42.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Cu Yds	None	None	45.00	148	0.30	148	0.30
Total Distributed Costs		840.00	20	2,019.00 ~~1,659.00~~				Total Costs Authorized by Contract
Operating Equipment Purchased		None	None	None				
Initial Rehabilitation and Repairs		"	"	"				
New Buildings, Improvements, etc.		"	"	115.00				115.00
Total Costs		840.00	20	2,134.00				115.00

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.

Remarks:

Date 8-31-58 Operator DeGroat, Buchanan & Buchanan

Per James H. DeGroat Jr. Title Partner

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

(Instructions on reverse)

(For Government use only)

S Feitler
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

DAILY WORK PROGRESS REPORT

Month Of August 1958
Work Accomplished:
Twiggs Mica Prospect
Mitchell County, N.C.

DMEA No. 4946
Idm-E 1197
Date Work Began: 8-1-58

Phase of work done consisted of driving vertical shaft down for a depth of (20) feet with pitch of pegmatite body. All of the work done consisted of drilling, loading and blasting out the formation rock and removing same from shaft. A (3) man crew worked during the period covered by this report. No mica was recovered during this period of operation.

Daily Notes:

August 1st, 1958--Drilled 4-6' holes in pegmatite. Shot & removed muck
4th " --Drilled 30 ft of holes. Shot & removed all muck.
5th " -- " 25 " " " " " " " "
6th " -- " 24 " " " " " " " "
7th " -- " 24 " " " " " " " "
8th " -- " 30 " " " " " " " "
Note: All shots were placed in or ajacent to pegmatite body which remained poor with no indications of a build up either in mica or size of the body. Pitch of body remained about steady at about 25 degrees to the South-Southeast.

August 11th, 1958--Drilled 25 ft of holes. Shot & removed muck.
12th " -- " 24 " " " " " " " "
13th " -- " 24 " " " " " " " "
14th " -- " 24 " " " " " " " "
15th " -- " 30 " " " " " " " "
Note: No change of importance noted in formation. Pegmatite body still poor. A few small mica books noted but too small and scattered.

August 18th, 1958--Drilled 26 ft of holes. Shot & removed all muck.
19th " -- " 24 " " " " " " " "
20th " -- " 24 " " " " " " " "
21st " -- " 30 " " " " " " " "
22nd " -- " 26 " " " " " " " "
Note: Still no change noted in formation. No indication of any mica buildup. Pegmatite body poor.

August 25th, 1958--Drilled 26 ft of holes. Shot & removed all muck.
26th " -- " 30 " " " " " " " "
27th " -- " 24 " " " " " " " "
28th " -- " 24 " " " " " " " "
29th " -- " 24 " " " " " " " "
Note: Pegmatite body, binders, ects. remain about the same but a slight narrowing of body noted. This might indicate a important change in formation shortly.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED AUG 7 1958

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 7

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JULY, 1958 Docket No. DMEA 4946 Contract No. 1197
Operator's Name DeGROAT, BUCHANAN + BUCHANAN Minerals MICA
Address Rt. 4, BAKERSVILLE, N.C.
Contract Amount, $ 5,512.00 Government Participation: 75% Amount, $ 4,134.00

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					45.00	45.00
Crosscutting						
Drifting						
21 FT SHAFT @ 42.00	882.00	252.00	1134.00	882.00	252.00	1134.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.					115.00	115.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 882.00	$ 252.00	$ 1134.00	882.00	412.00	1294.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7-31-58 *Payee DeGROAT, BUCHANAN + BUCHANAN
Per James H. DeGroat Jr. 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:
$ 661.50
Signature Helen R. Miller
(Authorized Certifying Officer)
Date AUG 5 1958 Vou. No. 17
(See other side)

220.50

(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. E1197 in accordance with the terms of the contract.

Signature S Feitler Title MINING ENGINEER U. S. BUREAU OF MINES Date AUG 4 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 4 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED AUG 7 1958

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JULY 1958 Docket No. DMEA 4946 Contract No. 1197
Operator's Name DeGROAT, BUCHANAN & BUCHANAN Minerals
Address RT. 4, BAKERSVILLE, N.C. 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								
Shafts	Ft	882.00	21	1134.00	27	1134.00	50	2,100.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$882.00	21	1134.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		NONE						
Initial Rehabilitation and Repairs		"						
New Buildings, Improvements, etc.		"						
TOTAL COSTS		$882.00	21	$1134.00			$	2,100.00

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 7-31-58 Operator DeGROAT, BUCHANAN + BUCHANAN
Per James H. DeGroat Jr. Title PARTNER

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

(Instructions on reverse)

REMARKS:

(For Government use only)

S A Fuller

Operator did not include $45.00 for road repair or $115.00 for new buildings previously reported in above costs to date. Total costs to date should be $1,294.00

W E 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

DAILY WORK PROGRESS REPORT

Month Of July, 1958

Work Accomplished:

DMEA No. 4946

Idm-E 1197

Date Work Began:
July 1st, 1958

A three man crew engaged in mining operation. All work done consisted in drilling holes, loading and blasting and cleaning up after shots. During the month 15 pounds of mica was recovered, processed and sold to Government Depot at Spruce Pine, N.C.

Daily Work Notes:

July 1st, 1958	Drilled holes, shot and mucked out.						
2nd	"	"	"	"	"	"	"
3rd	"	"	"	"	"	"	"
4th	"	"	"	"	"	"	"
7th	"	"	"	"	"	"	"
8th	"	"	"	"	"	"	"
9th	"	"	"	"	"	"	"
10th	"	"	"	"	"	"	"
11th	"	"	"	"	"	"	"
14th	"	"	"	"	"	"	"
15th	"	"	"	"	"	"	"
16th	"	"	"	"	"	"	"
17th	"	"	"	"	"	"	"
18th	"	"	"	"	"	"	"
21st to 31st Inc	"	"	"	"	"	"	"

EXTRA COPY
D M E A
RECEIVED [illegible] 58

DATE	[illegible]	CODE

Respectfully submitted,
De Groat, Buchanan & Buchanan
By: James H. Buchanan Jr. Partner

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- 2

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 1958 Docket No. DMEA 4946 Contract No. 1197
Operator's Name DeGroat, Buchanan & Buchanan Minerals Mica
Address Rt. 4, Bakersville, N.C.
Contract Amount, $ 5,512.00 Government Participation: 75 % Amount, $ 4,134.00

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	$ 45.00	None	$ 45.00			
Crosscutting						
Drifting						
Shaft 6FT	$ 252.00	None	$ 252.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	$ 115.00	None	$ 115.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 412.00	None	$ 412.00	412.00	—	412.00

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

Date 7-7-58 *Payee DeGroat, Buchanan & Buchanan

Per James H. DeGroat 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:

$ 309.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUL 11 1958 Vou. No. 6
(See other side)

103.00

(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. E1197 in accordance with the terms of the contract.

Signature S Feitler Title MINING ENGINEER U. S. BUREAU OF MINES Date JUL 7 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JUL 7 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.

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 8 Docket No. DMEA 4946 Contract No. 1197
Operator's Name De Groat, Buchanan & Buchanan Minerals Mica
Address Rt.4. Bakersville, 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	$252.00	6	$252.00	6	252.00	50	2,500.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	CY							
Bulldozer Work	H	45.00	148	45.00	148	45.00	148	45.00
TOTAL DISTRIBUTED COSTS		297.00	154	297.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None						None
Initial Rehabilitation and Repairs		None						None
New Buildings, Improvements, etc. Toolhouse & Magazines		115.00	3	115.00				$ 115.00
TOTAL COSTS		412.00		412.00				~~2,660.00~~ 115.00

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 7-1-58 Operator DeGroat, Buchanan & Buchanan

Per James H. DeGroat Jr. Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

S F Eitler

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

DAILY REPORT OF WORK PROGRESS

(Narrative)

Month Of June 1958

DMEA NO. 4946

Work Accomplished:

Idm-E 1197

Date Work Began 6-9-58

Bulldozed out road to mine, brought machinery to mining site and set up same, carried cribbing to mine and pumped water out of old shaft, set down hoist and worked on road, built toolhouse and magazines for powder and exploders, overhauled all machinery and equipment, cribbed old shaft and removed old muck, drilled 36 ft of holes and shot same penetrating a depth of 6' in shaft. removed muck.

Daily Notes:

June 9th-- Hauled machinery and equipment to mining site.

10th- Bulldozed out road to mining site (4 hrs.)

11th- Hauled Cribbing to mine and pumped out water.

12th- Set down hoist and worked on mine road to mine.

13th- Built toolhouse and magazines.

16th to 20th inclusive-- Overhauled machinery.

23rd- Cribbed and otherwise rehabilited at shaft and removed muck.

24th- " " " " " " " "

25th- " " " " " " " "

26th- " " " " " " " "

27th- " " " " " " " "

30th- Drilled 36 lft of holes in bottom of shaft, loaded and shot same, mucked out shots. all holes in pegmatite and 3 men employed during all this period report.

Respectfully submitted,

DeGroat, Buchanan & Buchanan

By: James H DeGroat Jr.
Partner

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

JUN 9 1959

De Groat, Buchanan and Buchanan
c/o Mr. J. H. De Groat, Jr.
Route 4
Bakersville, North Carolina

Re: Docket No. DMEA-4946-Mica
De Groat, Buchanan & Buchanan
Twiggs Mica Prospect
Mitchell County, North Carolina
Contract No. Ind-51197

Gentlemen:

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

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

We appreciate your interest and participation in the DMEA exploration program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

JWAlt:gad 6/2/59
Copy to: Dir. R. File
Region V
Audits
Mr. Kiilsgaard, USGS
Mr. Irving, USBM
Mr. Francis E. Field, President, Land & Mineral Company

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

600

JUN 9 1959

Mr. Francis K. Field
President, Land & Mineral Company
Dover, Delaware

Re: Docket No. DMEA-4946-Mica
De Groat, Buchanan & Buchanan
Twiggs Mica Prospect
Mitchell County, North Carolina
Contract No. Idm-E1197

Dear Mr. Field:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on February 14, 1958, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

JWAlt:gad 6/3/59
Copy to: Dir. R. File
Region V
Audits
Mr. Kiilsgaard, USGS
Mr. Irving, USBM

Audit's copy

TERMINATION AGREEMENT

It is agreed this 13th day of January, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and DeGroat, Buchanan, and Buchanan, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E1197, Docket No. DMEA-4946, dated May 29, 1958, hereinafter called the "Contract", that:

1. Effective December 16, 1958, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

4. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

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

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

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

DEGROAT, BUCHANAN AND BUCHANAN

James H. DeGroat Jr.
J. H. DeGroat, Jr.

Zeb Buchanan
Zeb Buchanan

Guy Buchanan
Guy Buchanan

EXTRA COPY
O. M. E.
RECEIVED APR 22 1959

DATE	INITIALS	CODE

Audit Copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 8 1958
FILES CODE

EXPLORATION PROJECT CONTRACT

DeGROAT, BUCHANAN and BUCHANAN, PTNRS.

Docket No. DMEA-4946

AMENDMENT No.1

It is agreed this 29th day of September, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and the partnership of DeGroat, Buchanan and Buchanan that Exploration Project Contract No. Idm-E1197, (Docket No. DMEA-4946), dated May 29, 1958, is amended, effective September 29, 1958, as follows:

1. In Article 1(a), the date for completion of the work is extended from September 29, 1958 to December 29, 1958, a total of seven months from the date of the contract.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Robert A. Laurence
Executive Officer
Office of Minerals Exploration
Field Team, Region V

DEGROAT, BUCHANAN & BUCHANAN

By James H. DeGroat Jr.
J. H. DeGroat, Jr. (Partner)

By J. Zeb Buchanan
Zeb Buchanan (Partner)

By Guy Buchanan
Guy Buchanan (Partner)

MME Form 14
Sept. 1958

Contract No. Idm-E) [illegible]
[illegible])

Docket No. DMEA) 4946
[illegible]

Date of Action 1/30/59

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Terminated contract

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor: **DeGroat, Buchanan & Buchanan**
Route # 4
Bakersville, North Carolina

Date of Contract	Region	State	Commodity
May 29, 1958	**V**	**North Carolina**	**Mica**
	Reserve		Obligation
Prior Amount	0		4,134.00
Increase	0		0
Decrease	0		276.75
Revised Amount	0		3,857.25

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1197

Docket No. 4946

Executed Contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
May 29, 1958	V	North Carolina	Mica

Name and Address of Operator:

DeGroat, Buchanan and Buchanan
Route #4
Bakersville, North Carolina

	Reserve	Obligation
Prior Amount	4,134.00	0
Increase	0	4,134.00
Decrease	4,134.00	0
Revised Amount	0	4,134.00

Remarks:

(Name)

Allen S. Dakan, Chief, Operations Control and Statistics Division

(Title)

Date delivered to Bureau of Mines, Washington 6/11/58

22845

Audit copy

MF-200A
(Rev. April 1956)

ORIGINAL FILE COPY
DMEA
RECEIVED JUN 11 1958
DATE

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

DMEA No.	Commodity	Contract No. Idm-E	County	State
4946	Mica	1197	Mitchell	North Carolina

It is agreed 29 MAY 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and J. H. DeGroat, Jr., Zeb Buchanan and Guy Buchanan, a partnership, d/b/a DeGroat, Buchanan and Buchanan

whose mailing address is c/o J. H. DeGroat, Route #4, Bakersville, 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 30 days from the date of the contract, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within four 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 $5,512.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,134.00, 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: Interests of Lessor, the Land & Mineral Company

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

DeGROAT, BUCHANAN AND BUCHANAN
Operator

By James H DeGroat Jr.
J. H. DeGroat, Jr., (partner)

By Zeb Buchanan
Zeb Buchanan (partner)

By Guy Buchanan
Guy Buchanan (partner)

By C B Mittendorf
Administrator, Defense Minerals
Exploration Administration

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
DEGROAT, BUCHANAN AND BUCHANAN
DOCKET NO. DMEA-4946

ANNEX I

The land referred to in Article 2 of the Contract consists of an 8.26 acre tract known as the Twiggs Mica Prospect which is situated 1.9 miles N. 28° E. of Cane Creek School (Near Hawk Center) and also 1.0 mile N. 19° E. of the Hawk Mine, in Mitchell County, North Carolina.

The Operator is in possession of the land pursuant to the terms of a lease executed February 14, 1958, by the Land and Mineral Company, recorded in the Register of Deeds Office for Mitchell County, North Carolina, in Book 86 at page 486.

The leased area is shown on the attached map entitled "Figure 1, Metes & Bounds & Location of Land & Mineral Company (Twiggs Mine) leased to J. H. DeGroat, Jr., Zeb Buchanan & Guy Buchanan," and is described as follows:

Beginning at the mine shaft (the site of this exploration program) thence south 310 feet to a stake on the south boundary line, thence east 300 feet to a stake, SE corner; thence north 600 feet to a stake NE corner; thence west 600 feet to a stake, NW corner; thence south 600 feet to a stake SW corner; thence east 300 feet to a stake, point of closure. Enclosing an area 600 feet by 600 feet square or not less than 8.26 acres. The SE corner of the land is located S. 58° W. 775.5 feet from an Ash Tree, Buchanan's corner as shown on the map referred to above.

A Consent to Lien and Subordination Agreement dated February 15, 1958, signed by the Lessor is attached hereto.

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

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

RECEIVED
FEB 26 1958
D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows: 2/ XXXXXXXXXXX In a certain Mineral Lease dated February 14th, 1958, the same being duly recorded in the Register of Deeds Office for Mitchell County, N.C. in Book # 86, on Page # 486, of said offical records of that county.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

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

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

LESSOR OWNS MINERALS AND MINING RIGHTS ONLY

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

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

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

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto. THIS CONSENT TO LIEN SHALL NOT REMAIN INFORCE FOR MORE THAN A MAXIMUM OF TEN YEARS

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

Dated this 14th day of February, 1958.

Frank C. Field [Seal] Dover, Delaware [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

V. Jordan Drum
[Corporate Seal]

EXPLORATION PROJECT CONTRACT
DEGROAT, BUCHANAN AND BUCHANAN
DOCKET NO. DMEA-4946

EXHIBIT A

Description of the work

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 soft wood 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. From the bottom of the 40 foot shaft, shown in the leased area of the attached map, Figure I, sink the shaft along the pegmatite or as close thereto as practical, a distance of not more than 50 feet.

3. From a point within 5 feet of the bottom of the shaft, drift northeasterly along the pegmatite or as close thereto as is practical a distance of not more than 100 feet.

4. Drill not in excess of 200 feet of long holes, approximately normal to the drift direction, and inclined plus 5 to 15 degrees at locations approved by the Government.

The shaft shall have two compartments and together with the drift and/or crosscut shall be timbered as necessary and have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber.

All cuttings from the drill holes shall be saved, at intervals not exceeding 5 feet, and properly labeled and stored pending Government inspection. With Government approval, the Operator may dispose of all drill cuttings.

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

Estimated Cost of the Project

Fixed Unit Costs

148 cu. yds. excavation, access road improvement @ $0.30		$45.00
1. Construct:		
Toolhouse 1/	$75.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	15.00	115.00
2. 50 foot shaft @ $42/ft.		2,100.00
3. 100 foot drift or crosscut @ $31/ft.		3,100.00
4. 200 feet percussion drilling @ $0.75/ft.		150.00
Estimated total cost of the project (rounded)		$5,512.00
Government participation @ 75 percent		$4,134.00

1/ The completed work constitutes the unit.

DMEA Form 14

Contract No. Idm-E 1197

Docket No. 4946

Approved Contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
May 29, 1958	V	North Carolina	Mica

Name and Address of Operator:

DeGroat, Buchanan and Buchanan
c/o J. H. DeGroat,
Route #4
Bakersville, N. C.

	Reserve	Obligation
Prior Amount	0	0
Increase	4,134.00	0
Decrease	0	0
Revised Amount	4,134.00	0

Remarks:

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

Date delivered to Bureau of Mines, Washington 5/29/58

22845

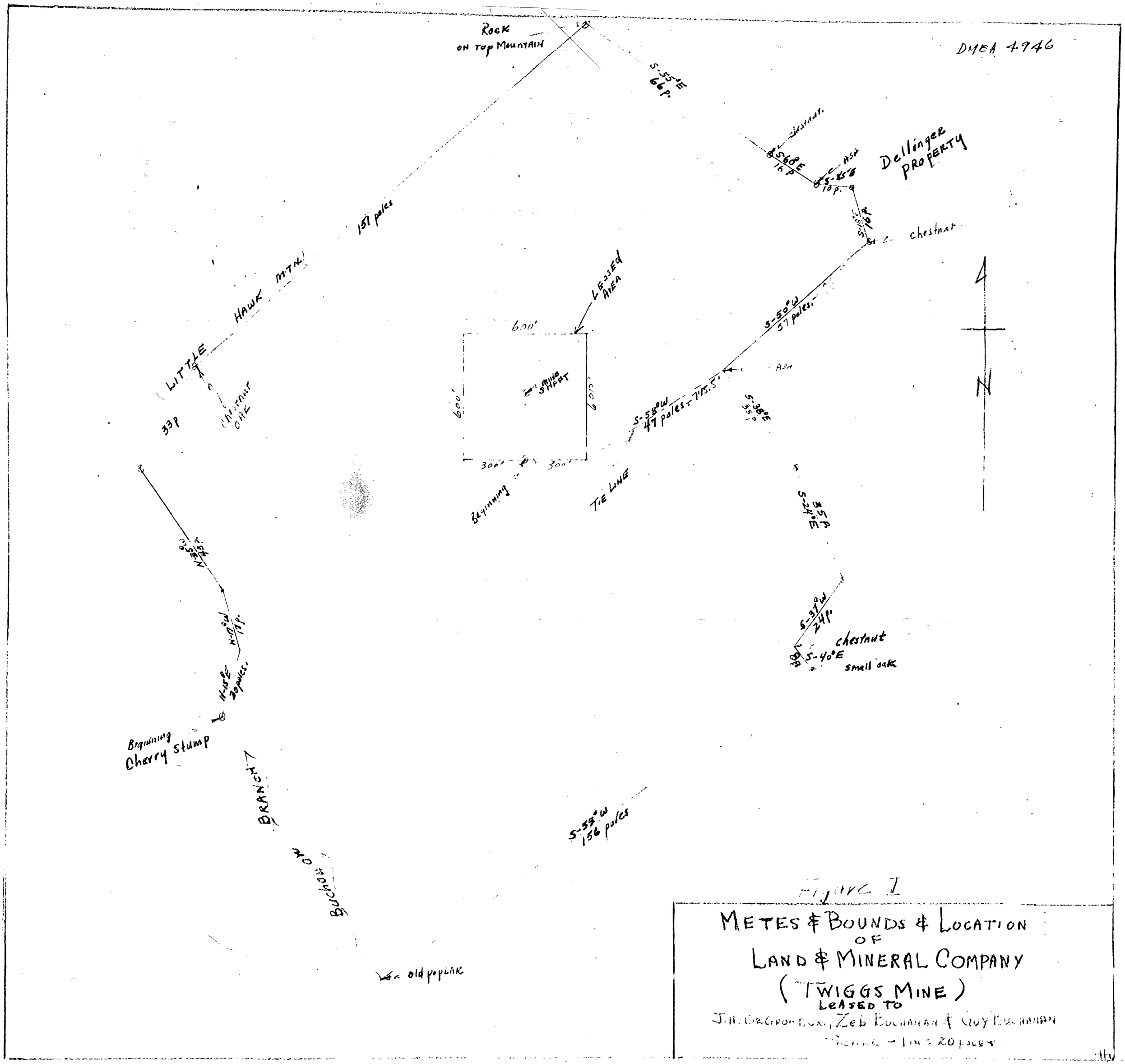

Figure I

METES & BOUNDS & LOCATION
OF
LAND & MINERAL COMPANY
(TWIGGS MINE)
LEASED TO
J.H. DeGroot, Zeb Buchanan & Guy Buchanan
Scale - 1 in = 20 poles