OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

George D. Dorroh & M. M. McCormick, partners
511 Citizens Bank Building
Lexington, Kentucky

pertaining to Exploration Project Contract No. 14-23-090-2001, OME No. 6011, for May 1959 to September 1959, inclusive, covering a mica project on the Ed Robinson Property, 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, confirmation 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 acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs for work performed.

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

Total cost billed by Operator		$8,350.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$8,350.00

The contract calls for a 50 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	$4,175.00
Paid to date	3,275.00
Balance due Operator	$ 900.00

E. D. Talbert

E. D. Talbert, OME Auditor

November 2, 1959

NOV 2 1959

Memorandum

To: Executive Officer, OME Field Team, Region V

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

Subject: Docket No. OME-6011 (Mica)
George D. Darrah & M. M. McCormick, partners
Ed Robinson Property
Mitchell County, North Carolina
Contract No. 2001

The original and three copies of a Report of Review, in lieu of a final audit of the subject project, are attached. Your explanatory memorandum dated October 28, 1959, answered the only question raised in the audit review.

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

Attachments

EDTalbert/ama
November 2, 1959

Copy to: Docket
Director's Reading File
CA & A Division
Mrs. Helen R. Miller

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

October 29, 1959

EXTRA COPY O. M. E. RECEIVED NOV 3 1959		
DATE	INITIALS	CODE
		800

Memorandum

To: Operating Committee, OME - Washington

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

Subject: OME-6011, Contract No. 2001(mica) Geo. D. Dorroh and M. M. McCormick, Ptnrs. Ed Robinson property, Mitchell County, North Carolina.

The shaft location on the Operator's map is incorrect, as we reported in our memo to Mr. Talbert yesterday.

The southeast corner of the shaft is about 160 feet N60°W from the cemetery corner. The heading of the northeast drift is 125 feet from the east property line. These locations will show on the map in the Field Team report, which will be completed as soon as we receive Mr. Talbert's Report of Review.

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

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

RAL/mm

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

October 28, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 30 1959

DATE	INITIALS	CODE
10/30	gad	770
		800

Memorandum

To: Mr. E. D. Talbert, Acting Chief, Contract Admin. and Audit Division, OME

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

Subject: OME-6011, Contract No.2001(mica). George D. Dorroh and M. M. McCormick, Lexington, Ky. Ed Robinson property, Mitchell County, N. C.

All workings done under the contract are more than 125 feet from the exterior property lines. The main drift was stopped when it reached a point 125 feet from the line. Please note the enclosed map*, which was prepared for the Field Team report. This was made from plane-table surveys and is accurate. The 100-foot line shown on the Operator's final report is incorrect.

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

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

* attached to Opr. Comm. copy of memo filed in Docket.
Talbert

OCT 26 1959

Memorandum

To: Executive Officer, OME Field Team, Region V

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

Subject: Docket No. OME-6011 (Mica)
George D. Dorroh and M. M. McCormick
Ed Robinson Property
Mitchell County, North Carolina
Contract No. 2001

As requested by your October 22 memorandum a review in lieu of a final audit has been made of the referenced contract. However, preparation of a Report of Review is being withheld pending clarification of the specific location of the workings in relation to the property lines.

Exhibit "A" of the contract provides that "The Government will not contribute to the cost of any work that is within 125 feet of any exterior property boundary". The map submitted by the Operator with his final narrative report specifically indicates that the project shaft is located 100 feet from an exterior property line stake.

The final (September 1959) MF-104, which was submitted with your memorandum, is returned herewith. Payment of the balance due the Operator should not be made until this matter of the location of the workings is settled and a Report of Review is released.

Attachment

EDTalbert/ama
October 26, 1959

Copy to: Docket
Director's Reading File
CA & A Division
Mrs. Helen R. Miller
Mr. Talbert

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 26 1959

DATE	INITIALS	CODE
10-26	gad	VVO
		800

October 22, 1959

Memorandum

To: Contract Administration & Audit Division, OME

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

Subject: Docket No. OME-6011 (Mica)
George D. Dorroh and M. M. McCormick, Partners
Ed Robinson Property
Mitchell County, North Carolina
Contract No. 2001

Work under the subject contract was completed September 30, 1959.

The units of work completed by the Operator and accepted by the Field Team are as follows:

1 - 100 feet of shaft sinking
2 - 100 feet of drifting and/or crosscutting

An acceptable final engineering and geological report has been received.

A total of $3,275.00 has been paid to date to the Operator, $900.00 having been withheld pending final audit and review.

A Report of Review, in lieu of final audit, is in order and requested.

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

NOV 9 19

PAID ON VOUCHER AND SCHEDULE
O.M.E. PAYMENTS N-6

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1959 Docket No. ~~XXXXX~~ OME 6011 Contract No. 2001
Operator's Name Dorroh - McCormick Minerals Mica
Address 511 Citizens Bank Bldg., Lexington, Kentucky
Contract Amount, $ 8,464.00 Government Participation: 50 % Amount, $ 4,232.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting 50 Lin. Feet	1800.00	1800.00	3600.00	1800.00	1800.00	3600.00
sinking shaft 100 ft.		4750.00	4750.00			4750.00
(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.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1800.00	6550.00	8350.00	1800.00	6550.00	8350.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 30, 1959 Payee Dorroh-McCormick
Per Title

*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:
$ 900.00
Signature Helen R. Mellie
(Authorized Certifying Officer)
Date NOV 6 1959 Vou. No. 6
(See other side)

5 & 7
C 9/30/59

(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. 2001 in accordance with the terms of the contract.

Signature Frank D. Lesure Title GEOLOGIST, U. S. G. S. Date NOV 6 1959

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER OME FIELD TEAM REGION V Date NOV 6 1959

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.

DMEA-F-104A
(April 1952)

Budget Bureau No. 42-R1151.2

NOV 9 1959
O.M.E.

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

Month of September 1959 Docket No. DMEA-GF-6011 Contract No. 2001
Operator's Name Dorroh - McCormick Minerals Mica
Address 511 Citizens Union Bank Bldg., Lexington, Ky.

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	1,800.00	50	3600.00	100 ft	36.00	100	36.00
Crosscutting								
Raising								
Shafts	Ft	---	--	4750.00	100 ft	47.50	100	47.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1800.00	50	8,350.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1800.00		8,350.00				

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.

George V Dorroh M M McCormick

Date September 30, 1959 Operator Dorroh - McCormick

Per ..... Title .....

Remarks: See narrative report attached.

→ 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)

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

NARRATIVE REPORT

Month of September, 1959 OME 6011 Contract No. 2001
DORROH - McCormick Mica
511 Citizens Bank Bldg., Lexington, Kentucky

Work completed during the month of September, 1959. Contract completed according to terms of same by sinking a shaft 100 feet and running an entry of 100 feet. Both being 5 X 7 feet.

The headings were driven a total of 50 lineal feet during the month of September. After coming in contact with the north slate wall the heading was turned to the right and driven 40 feet on a course of about N 45° 00 E. This heading was driven parallel to the north wall and produced very little mica which was of poor quality, stained, bent, curled and unsalable. The appeared to be many slips and other unfavorable formations in the vein while driving the 100 foot entry. We also drove the remaining footage to the left of the shaft in the vein and failed to find anything of value- this distance was 10 feet. In the entire workings we produced about 80 or 90 pounds of mica, all of which was of no value.

This entry of 100 fee completed our contract and all work was terminated as of October 31, 1959. (This has been a complete loss ----- except to the contractor --------)

DORROH - McCORMICK
511 Citizens Union Bank Bldg.,
Lexington, Kentucky

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

October 12, 1959

EXTRA COPY O. M. E. RECEIVED OCT 14 1959		
DATE	INITIALS	CODE
		800

Mr. George D. Dorroh
511 Citizens Bank Bldg.
Lexington, Kentucky

Re: OME-6011-Mica
Ed Robinson Property
Mitchell County, N.C.
Contract No. 2001.

Dear Mr. Dorroh:

Your September voucher and narrative report has been received. As this is your final report, we cannot process it for payment until we have your final engineering and geologic report, as required by Article 5c of the contract. Please send me this report at your earliest convenience.

As it did not become necessary to amend the contract to provide for percussion drilling, please return to me, unsigned, all the copies of the proposed amendment No.1 which I sent you on August 31. If this is returned unsigned, we can approve payment for the entire 100 feet of drifting; if signed we can pay for only 98 feet.

Very truly yours,

Robert A. Laurence
Executive Officer, OME
Region V

RAL/am
cc
Opr. Com-2
Lynch
Files

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 N-4

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1959 Docket No. ~~DMEX~~ OME 6011 Contract No. 2001

Operator's Name Dorroh & McCormick Minerals Mica

Address 511 Citizens Bank Bg., Lexington, Ky.

Contract Amount, $ 8,464.00 Government Participation: 50 % Amount, $ 4,232.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting 50 Lin Ft.	$1800.00	None	$1800.00			
Shaft Sinking	-	$4,750.00	$4,750.00			
(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.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1800.00	$4750.00	$6550.00	1800.00	4750.00	6550.00

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

George D. Dorroh M. M. McCormick

Date August 31, 1959

George D. Dorroh & M. M. McCormick

Per _____ Title _____

*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:

$ 900.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date SEP 9 1959 Vou. No. 4

(See other side)

4th

900.00

(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. 2001 in accordance with the terms of the contract.

Signature [illegible] Title MINING ENGINEER U. S. BUREAU OF MINES Date SEP 8 1959

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER OME FIELD TEAM REGION V Date SEP 8 1959

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 1959 Docket No. ~~XXXXX~~ OME 6011 Contract No. 2001
Operator's Name Dorroh & McCormick Minerals Mica
Address 511 Citizens Bank Bg., Lexington, Ky.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	$1800.00	50	$1800.00	50	36.00	100	36.00
Crosscutting								
Raising								
Shafts	Ft.		100	$4750.00	100	47.50	100	47.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1800.00	50	$6550.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1800.00		$6550.00				

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.

George D. Dorroh M. M. McCormick

Date August 31, 1959 Operator
George D. Dorroh & M. M. McCormick
Per Title

REMARKS: See Narrative Report attached.

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)

SEP 11 1959
O.M.E.

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

50 ft. for month of
August

-NARRATIVE REPORT-

O.M.E. #6011
Idm-E 8001

Month of August 1959 Date Work Began (May 18, 1959)

Work Accomplished during month of August:

Advanced a total of 50 lineal feet of 5' x 7' entry during the month of August.

Beginning at bottom of shaft, we drove approximately 15 feet into a stray vein on a course of about North 35°00 East. Thinking this not to be the main body of the vein we drilled an 18 foot test hole on a due North course and drilled through the main pegmatite. Then we drove approximately 45 feet on a course of North 14°00 East striking the North black slate wall. Approximately 30 pounds of small Mical was produced in the last 8 or 10 feet of mining. Several delays were encountered during the Month; 2 days lost by rain and approximately 10 hours lost on mechanical failure. Continued using the three men crew all month.

During the week, August 3 through August 7 inclusive the work consisted of drilling, shooting and mucking.

For the week of August 10 through August 14, drilled the 18 foot test hole to the North and turned the entry North 14°00 East, down one day on account of rain, 3 hours on compressor.

August 17 through August 21, drilling, shooting and mucking, all week, some water being made off stray vein.

August 24 through August 28, idle one day on rain down, 4 hours on compressor, shooting, mucking and drilling.

August 31- Shooting, mucking and drilling all shift.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

AUG 19 1959
PAID ON VOUCHER & SCHEDULE OF PAYMENTS 2
O.M.E.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1959 Docket No. ~~DMEAOME~~ 6011 Contract No. 2001
Operator's Name Dorroh - McCormick Minerals Mica
Address 511 Citizens Union Bank Bldg., Lexington, Ky.
Contract Amount, $ 8,464.00 Government Participation: 50 % Amount, $ 4,232.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Sinking	1995.00	2,802.50	4797.50	1947.50	2802.50	4750.00
(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.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1995.00	2,802.50	4797.50	1947.50	2802.50	4750.00

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

Date July 31, '59 *Payee D. D. McCormick

Per Dorroh Title

*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:

$ 973.75

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 17 1959 Vou. No. 2
(See other side)

973.75

(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. 2001 in accordance with the terms of the contract.

Signature [illegible] Title MINING ENGINEER U. S. BUREAU OF MINES Date AUG 10 1959

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DME FIELD TEAM REGION V Date AUG 10 1959

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

AUG 19 1959
O.M.E.

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

Month of July 1959 Docket No. ~~DMEA~~ OME 6011 Contract No. 2001
Operator's Name George D. Dorroh & M. M. McCormick Minerals Mica
Address 511 Citizens Union Bank Bldg., Lexington, Kentucky

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft	1995.00	42	4797.50	101	47.50	100	47.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1995.00	42	4797.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1995.00		4797.50				

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

Date July 31, 1959 Operator M. M. McCormick
George D. Dorroh & M. M. McCormick
Per George D. Dorroh Title

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: See narrative report attached

(For Government use only)

Shaft footage reduced by 1 foot to conform to contract.

V.H.

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

NARRATIVE REPORT

Month of July - 1959 - OME 6011 Contract No. 2001

GEORGE D. DORROH & M.M. McCORMICK

511 Citizens Union Bank Bldg, Lexington, Kentucky.

July - 1959

Work accomplished - Lowered the shaft to a depth of 23 1/2 feet during the first half of July and 18 1/2 feet during the second half of July. Timbering down to 65 feet on 16th and down to 67 feet on July 31. Lost two days due to rain and four part days due to mechanical failures to hoist and to compressor. Also 3 hour delay to broken mast pole. Bought 300 feet of boxing 3 - 4 x 4 x 12 and 8 - 2 x 4 x 12. Down 67 feet with timbering. Stairway down 90 feet. Hit 6 feet of pigmatite at 62 feet deep and also at 68 feet. Pigmatite was 4 feet thick on NE corner. Down with 5 x 7 feet shaft 101 feet. Total feet shaft was lowered during July - 42 feet.

July 1 - Shooting, drilling and mucking all shift.
" 2 The same as above
" 3 Cutting and fitting timber in shaft all shift
" 4 No work

" 6 Timbering and drilling
" 7 Working on compressor most of shift - some drilling
" 8 Drilling, shooting and mucking all shift
" 9 Reparing hoist part of shift - mucking remainder
" 10 Mucking, drilling and shooting all shift

" 13 Mucking and hoisting all shift
" 14 Drilling shooting and mucking
" 15 The shaft is down (5x7) 82 1/2 feet as of to day
" 16 Shooting and mucking all shift
" 17 Sawing timber and fitting same in shaft

" 20 Timbering shaft all shift
" 21 Shooting and mucking all shift
" 22 Drilling , shooting and mucking all shift
" 23 Repairing compressor and mucking
" 24 Mucking and drilling

" 27 Shooting and mucking
" 28 Boxing in shaft and making stairway
" 29 Bailing water, drilling and shooting
" 30 Mucking most of shift. Pegmatite in NE corner of shaft.
" 31 Drilled 18 foot test hole in north saide of shaft and drilled through 10 feet of pegmatite. Shaft down 101 feet.

August 17, 1959

Dorroh - McCormick
511 Citizens Union Bank Building
Lexington, Kentucky

Re: Contract 14-23-090-2001
OME-6011

Gentlemen:

Reference is made to your July MF-104 and 104A covering the above contract.

Payment is being made today in the amount of $973.75, which is 50% of the approved total of $1947.50. Shaft sinking limited to 100 feet by contract, therefore footage claimed reduced by 1 foot.

Sincerely yours,

Helen R. Miller
Administrative Assistant

/hbm
Copies to R. A. Laurence
V. J. Lynch
E. D. Talbert
Morris files
Day files

EXTRA COPY
O. M. E.
RECEIVED AUG 19 1959

DATE	INITIALS	CODE
		800

194 (Rev.)
il 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS N-1

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 15 - 30 195 9 Docket No. DMEA 2001 Contract No. 2001
Operator's Name Dorroh & McCormick Minerals Mica
Address 511 Citizens Bank Bldg., Lexington, Ky.
Contract Amount, $ 8,464.00 Government Participation: 50 % Amount, $ 4,232.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Sinking	712.50	2090.00	2802.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	712.50	2090.00	2802.50	712.50	2090.00	2802.50

I certify that the above bill is correct and just and that payment therefor has not been received. George D. Dorroh & M. M. McCormick

Date June 30, 1959 *Payee

Per George D. Dorroh Title M. M. McCormick

*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:

$ 356.25

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUL 17 1959 Vou. No. 1
(See other side)

356.25

(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. 2001 in accordance with the terms of the contract.

Signature [illegible] Title GEOLOGIST, U. S. G. S. Date JUL 8 1959

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title ACTING EXECUTIVE OFFICER DME - REGION V Date JUL 8 1959

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.

104A

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

JUL 20 1959

OPERATOR'S UNIT COST AND PROGRESS REPORT

OME XXXXX 6011

Month of June 15-30 195 9 Docket No. DMEA 2001 Contract No.

Operator's Name Dorroh & McCormick Minerals Mica

Address 511 Citizens Bank Bldg., Lexington, Ky.

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	A	$712.50	15	$2802.50	59	$47.50	100	$47.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$712.50	15	$2802.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$712.50		$2802.50				

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

George D. Dorroh & M. M. McCormick

Date June 30, 1959 Operator George D. Dorroh M. M. McCormick

Per _____ Title _____

REMARKS: See Narrative Report attached.

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)

GEOLOGIST, U. S. G. S.

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

NARRATIVE REPORT

Month of June (-15 - 30) OME No. 6011

Idm-E 2001

Date work began (May 18, 1959)

Work Accomplished:

Continuing sinking 5'x 7' shaft with the three man crew on single shift. Have encountered seamy black slate that is difficult to shoot due to the great number of seams throughout the last 25 feet of depth, although there appears to be a change in the structure of the black slate in the last two or three feet. The seams are disappearing and the slate is getting firmer which should result into better shooting and easier mucking. The shooting cost has been exceedingly high due to the shots failing to pull the full depth of the holes. The excavating of the 5' x 7' foot shaft is down a total depth of 59 feet and the timbering is down 52 feet. Bought 2500 feet of 1" and 3" Oak lumber during this half. Lost one day due to rain also lost two days due to mechanical failure.

June 16 - Drilling, Shooting and mucking all shift.

June 17 - Rained out for the day.

June 18 - Received 2500 ft. lumber, timbered all shift.

June 19 - Repaired Compressor, set pump and pumped some water.

June 22 - Drilling, Shooting and mucking.

June 23 - Drilling, Shooting and mucking.

June 24 - Timbering all shift, repairing pump and setting fan and tubing.

June 25 - Drilling, Shooting, mucking all shift.

June 26 - Drilling, Shooting, mucking all shift.

June 29 - Compressor down- Repairing same, sawing timbers.

June 30 - Shooting, mucking all shift, down 59 feet with excavating and 52 ft. with timbering.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 20 1959
DATE | INITIALS | CODE

RECEIVED
JUL 7 - 1959
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

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- /

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 18 to June 15, 1959 Docket No. DMEA 601 Contract No. 2001

Operator's Name Dorroh and McCormick Minerals Mica

Address 511 Citizens Bank Bldg., Lexington, Ky.

Contract Amount, $8,464.00 Government Participation: 50 % Amount, $4,232.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Sinking	$2090.00	-	$2090.00			
(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.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2090.00	-	$2090.00	2090.00	—	2090.00

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

Date ( ) *Payee M.M.McCormick-George D.Dorroh

Per M.M. McCormick Title George D. Dorroh

*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:

$ 1045.00

Signature Helen R. Miller (Authorized Certifying Officer)

Date JUN 26 1959 Vou. No. 1

(See other side)

1045.00

(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. 2001 in accordance with the terms of the contract.

Signature [signature] Title GEOLOGIST, U. S. G. S. Date JUN 25 1959

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [signature] Title ACTING EXECUTIVE OFFICER OME - REGION V Date JUN 25 1959

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.

DMEA-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 18 to June 15, 1959 Docket No. ~~DMEA~~ OME 6011 Contract No. 2001

Operator's Name George D. Dorroh and M. M. McCormick Minerals Mica

Address

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.	$2090.00	44	$2090.00	44	$47.50	100	$47.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2090.00		$2090.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2090.00		$2090.00				

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.

George D. Dorroh - M. M. McCormick

Date June 23, 59 Operator

Per Title

REMARKS: See Narrative Report attached

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)

GEOLOGIST, U. S. G. S.

JUN 25 1959

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.

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GPO 872894

NARRATIVE REPORT

OME No. 6011

Month of May 18 to June 15, 1959 Idm-E 2001

Work Accomplished: Date Work Began May 18th, 1959

Bulldozing and leveling hillside for shaft location, moving machinery on property, began digging 5' x 7' shaft by hand, setting up hoist and other equipment, began sinking shaft with use of hoist and bucket after 6 feet of depth, ordered powder, detinators and lumber. Installed steps and partition also lining of 35 feet of shaft, completed as of June 15th. The shaft is excavated to a depth of 44 feet as of June 15th. Work is being done on a siggle shift with a three man crew.

May 18 - Began clearing trees and dozing for shaft location. Also moving machinery and equipment on job.

May 19 - Began digging shaft by hand.

May 20 - Rain.

May 21 - Digging shaft by hand, moving in equipment.

May 22 - Rain.

May 25 - Began setting up hoist and other equipment.

May 26 - Working in shaft - no timbering, Shaft 5' x 7', and vertical.

May 27 - Moving water (from heavy rains) out of shaft.

May 28 - Bought 2,000 feet of 2" white oak lumber for shaft lining. Continued excavation of shaft to 15 feet.

May 29 - Excavating shaft and working on hoist.

June 1 - Mucking most of shift, began timbering shaft.

June 2 - Timbering shaft - (Clay and some rock).

June 3 - Timbering shaft - (Clay and some rock).

June 4 - Timbering shaft - (Clay and some rock).

June 5 - Worked on hoist and digging shaft.

June 8 - Drilling and shooting necessary for faster progress, some rock showing up very hard.

June 9 - Black slate showing up in North side of shaft down 30 feet with excavation timbered 24 feet deep.

June 10 - Drilling and burning most of shift.

June 11 - Mucking and bailing some water.

June 12 - Drilling and timbering shaft.

June 15 - Mucking, drilling and shooting down 44 feet, timbered 38 feet.

FEB 23 1960

Messrs. George D. Barrah
and H. H. McDonald, partners
311 Citizens Bank Building
Lexington, Kentucky

Re: Docket No. 6011 (Mica)
George D. Barrah and
H. H. McDonald, partners
Ed Robinson Property
Mitchell County, North Carolina
Contract No. 2021

Gentlemen:

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

We sincerely regret that the work performed did not result in a certification of possible production 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 contract. 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 GNX exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Copies to:
Mr. Earl Smith, Clay City, Kentucky
Mr. Arnold Cundall, Compton, Kentucky
Mr. John G. Meuer, 318 Willow Road, Muncie, Indiana

CLAmlt/a 2-18-60
cc to: Director's Reading File
Operating Committee
OAAA Division
GNX Field Team, Region V (2)
M. L. Shaw, UGSM
Harold Kirkham, UGSM
Code 300
Docket Chron

MME Form 14
Sept. 1958

Contract No. Idm-E) 14-23) 2001

Docket No. EMEA) MME) 6011

Date of Action December 9, 1959
Incentive Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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:

George R. Darroch and M. H. McCormick
511 Citizens Bank Bldg.,
Lexington, Ky.

Date of Contract	Region	State	Commodity
April 29, 1959	V	N. Carolina	Mica

	Reserve	Obligation
Prior Amount	0	04,232.00
Increase	0	0
Decrease	0	57.00
Revised Amount	0	04,275.00

Remarks:

cc: 800
210

43244

MME Form 14
Sept. 1958

Contract No. ~~Idm-E)~~ 14-23)-090 2001

Docket No. ~~DMEA)~~ MME) 6011

Date of Action April 29, 1959
Executed Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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: George D. Dorroh and
M. M. McCormick
511 Citizens Bank Building
Lexington, Ky.

Date of Contract	Region	State	Commodity
April 29, 1959	V	N. Carolina	Mica

	Reserve	Obligation
Prior Amount	4,232.00	0
Increase	0	4,232.00
Decrease	4,232.00	0
Revised Amount	0	4,232.00

Remarks:

cc: 800
210

43244

Audit's copy

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME 6011	Mica	14-23-090- 2001	Mitchell	North Carolina

It is agreed 29 APR 1959 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

George D. Dorroh and M. M. McCormick, partners,

whose mailing address is 511 Citizens Bank Building, Lexington, Kentucky, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before JUN 1 1959 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 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 work is $8,464.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $4,232.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 6 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) 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 rights in land.--(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 right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

None

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

See Annex I.

(c) The Operator shall preserve and maintain his right, title, or 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 royalty on production and liens for the payment thereof. Two true 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, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws 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 production operations during the period that royalty is payable to the Government. 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. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts 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) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). 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 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 the Government determines that 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 preparation or completion of same 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 mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" 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.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

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 royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his 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. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____ (Partner)

By _____ (Partner)

By Frank E. Johnson

Acting Director, Office of Minerals Exploration

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52375

EXTRA COPY
O. M. E.
RECEIVED MAY 14 1959

DATE	INITIALS	CODE

EXPLORATION ROYALTY CONTRACT
BETWEEN E. ROBINSON AND W. H. MCCONNELL
DOCKET NO. CRE-6011

EXHIBIT I

The land referred to in Article 2 of the Contract is known as the E.E. Robinson Property and owned by John C. Rauer, consisting of 9.2 acres. This property is on the steep southwest slope of a low ridge about 500 feet north of Bandana Post Office, Mitchell County, North Carolina.

The Operators are in possession of the land pursuant to a mineral lease from E. E. Robinson and his wife, Elizabeth, September 26, 1957, recorded in the Office of the Register of Deeds in Mitchell County, North Carolina, Deed Book 90, Page 23. On May 15, 1958, E. E. Robinson and his wife, Elizabeth conveyed the property under lease and subject to the lease of Robinson to Dorsch, Smith and Crandell, to J. C. Rauer. The property is described as follows:

Being located in Mitchell County, North Carolina and conveyed to John C. Rauer by E. E. Robinson and wife, Elizabeth Robinson on May 15, 1958, and recorded in Book 121, Page 542 in the office of the Register of Deeds for Mitchell County, North Carolina and further described as follows:

> Being located in Knox Creek Sp., Mitchell County, North Carolina adjoining the land of W. B. Ellis, J. E. Davis, Zelma Livingstone, E. E. Robinson and Silver Chapel Church, and
>
> BEGINNING on a stake in the Cemetery fence north of Silver Chapel Church, corner between E. E. Robinson and W. B. Ellis, and runs thence north 15 degrees 15 minutes west 252 feet to a stake on top of ridge in Ellis' line; thence north 25 degrees 30 minutes west 290 feet 6 inches to a stake in Ellis' line on top of ridge; thence north 20 degrees 30 minutes west 224 feet 4 inches to a stake in Ellis' line on ridge; north 20 degrees 30 minutes west 76 feet 4 inches to a stake in Ellis' line on top of ridge; thence north 30 west 289 feet to a large Spanish Oak, common corner to W. B. Ellis, J. E. Davis and E. E. Robinson; thence

south 28 west 226 feet 3 inches to a stake in fence; thence south 31 west 225 feet to a stake in fence; thence south 32 degrees 30 minutes west 112 feet 8 inches to a Dogwood, Selma Livingston's corner; thence south 32 east 152 feet to a stake in fence; thence south 48 east 223 feet 8 inches to a Spanish Oak, Selma Livingstone's corner; thence south 41 west 170 feet to a Wild Cherry tree at Gouges Creek, Selma Livingstone's corner; thence up and with said Creek and into meanders 427 feet to a stake on the west side of said Creek, E. M. Robinson's corner; thence with a new line north 75 degrees 30 minutes east 202 feet to a stake in field; thence continuing with said new line south 23 east 67 feet 6 inches to a stake in fence; thence north 55 east 190 feet 2 inches to a stake in Cemetery fence; thence north 25 degrees 30 minutes west with said Cemetery fence to a stake, the northwest corner of said Cemetery; thence north 63 degrees 30 minutes east with said Cemetery fence to the point of beginning, containing nine and two-tenths (9.2) acres, more or less.

The attached map shows the approximate location of the proposed work and the property lines in regard to metes and bounds.

A Lien and Subordination Agreement dated February 14, 1959, and signed by John C. Heuer, is attached.

A Lien and Subordination Agreement dated March 24, 1959, and signed by Earl Smith and Arnold Caudell, is attached.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

GEORGE D. DORROH
ATTORNEY AT LAW
511 CITIZENS-UNION BANK BLDG.
LEXINGTON, KENTUCKY

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME – 601
Contract No. 14-23-090 – 2001
Contract Date 4-29-59

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Mitchell, State of North Carlonia

described as follows: 2/ Copy of description hereto attached. Deed from P. M. Robinson and Elizabeth Robinson to John C. Heuer recorded in Deed Book 121, page 502, office of the Register of Deeds for Mitchell County, North Carlonia, (Bakersville, North Carlonia).

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

George D. Dorroh and M. M. McCormick 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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/

2. 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.

3. 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 blank.)

None

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 24 day of March, 1959.

Earl Smith (Seal)	Clay City, Kentucky	(Street) (City & State)
Earl Smith		
Arnold Caudell (Seal)	Campton, Kentucky	(Street) (City & State)
Arnold Caudell		
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)
(Seal)		(Street) (City & State)

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

_____ (Corporate Seal)

INT.-DUP. SEC., WASH., D.C. 48694

Description of property upon which application for assistance is made is described as follows:

Being located in Mitchell County, North Carolina and conveyed to John C. Bauer by E. N. Robinson and wife, Elizabeth Robinson, on May 15, 1950 and recorded in Book 121, Page 542 in the office of the Register of Deeds for Mitchell County, North Carolina and further described as follows:

> Being located in Bear Creek Sp., Mitchell County, North Carolina adjoining the land of V. D. Ellis, J. E. Davis, Celia Livingstone, E. N. Robinson and Silver Chapel Church, and
>
> Beginning on a stake in the Cemetery fence north of Silver Chapel Church, corner between E. N. Robinson and V. D. Ellis, and runs thence north 32 degrees 15 minutes west 152 feet to a stake on top of ridge in Ellis' line; thence north 24 degrees 30 minutes west 250 feet 6 inches to a stake in Ellis' line on top of ridge; thence north 20 degrees 30 minutes west 224 feet 4 inches to a stake in Ellis' line on ridge; north 22 degrees 30 minutes west 70 feet 4 inches to a stake in Ellis' line on top of ridge; thence north 30 west 120 feet to a large Spanish Oak, common corner to V. D. Ellis, J. E. Davis and C. C. Robinson; thence south 21 west 326 feet 3 inches to a stake in fence; thence south 31 west 295 feet to a stake in fence; thence south 33 degrees 30 minutes west 112 feet 8 inches to a Dogwood, Celia Livingston's corner; thence south 32 east 152 feet to a stake in fence; thence south 40 east 223 feet 6 inches to a Spanish Oak, Celia Livingston's corner; thence south 41 west 170 feet to a 12" Cherry tree at Cooper Creek, Celia Livingston's corner; thence up and with said Creek and into members 127 feet to a stake on the east side of said Creek, E. N. Robinson's corner; thence with a new line north 75 degrees 30 minutes east 202 feet to a stake in field; thence continuing with said new line south 23 east 67 feet 6 inches to a stake in fence; thence north 55 east 170 feet 2 inches to a stake in Cemetery fence; thence north 73 degrees 30 minutes west with said Cemetery fence to a stake, the northwest corner of said Cemetery; thence north 63 degrees 30 minutes east with said Cemetery fence to the point of beginning, containing also one two-tenths (9.2) acres, more or less.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FEB 27 1959

GEORGE D. DORROH
ATTORNEY AT LAW
511 CITIZENS UNION BANK BLDG.
LEXINGTON, KENTUCKY

GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Mitchell, State of North Carolina

described as follows: 2/ copy of description hereto attached. Deed from W. M. Robinson and Elizabeth Robinson to John C. Bauer recorded in Deed Book 121, Page 502, office of Register of Deeds for Mitchell County, North Carolina, (Bakersville, North Carolina).

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

George D. Dorroh and M. W. McCormick 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

X 1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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/

2. 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.

3. 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 blank.)

None

1/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions ____ None ____ (State "None" or "See Annex No.____".)

Dated this 14th day of February, 19 59.

John C. Heuer (Seal) _____ (Street) (City & State)

John C. Heuer, Sole owner of land referred to in this agreement,
Address: 310 Willow Road
Muncie, Indiana

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

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

_____ (Corporate Seal)

INT.-DUP. SEC., WASH., D.C. 48694

EXPLORATION PROJECT CONTRACT
GEORGE D. DORROH AND M. M. McCORMICK
DOCKET NO. OME-6011

EXHIBIT "A"

Description of the work

Exploration for concentration of strategic mica shall be performed in the area indicated on the attached map entitled "OME-6011, Ed. Robinson Property, Mitchell County, North Carolina", as follows:

1. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.
(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.
(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

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

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

2. Sink from the surface at the approximate location indicated on the attached map, a vertical shaft to a depth not to exceed 100 feet.

3. Explore the pegmatite by driving from or near the bottom of the shaft, drifts and/or crosscuts not to exceed an aggregate of 100 feet.

The shaft and the drifts and/or crosscuts shall be timbered as necessary and shall be not less than 5 feet by 7 feet in the clear in cross section.

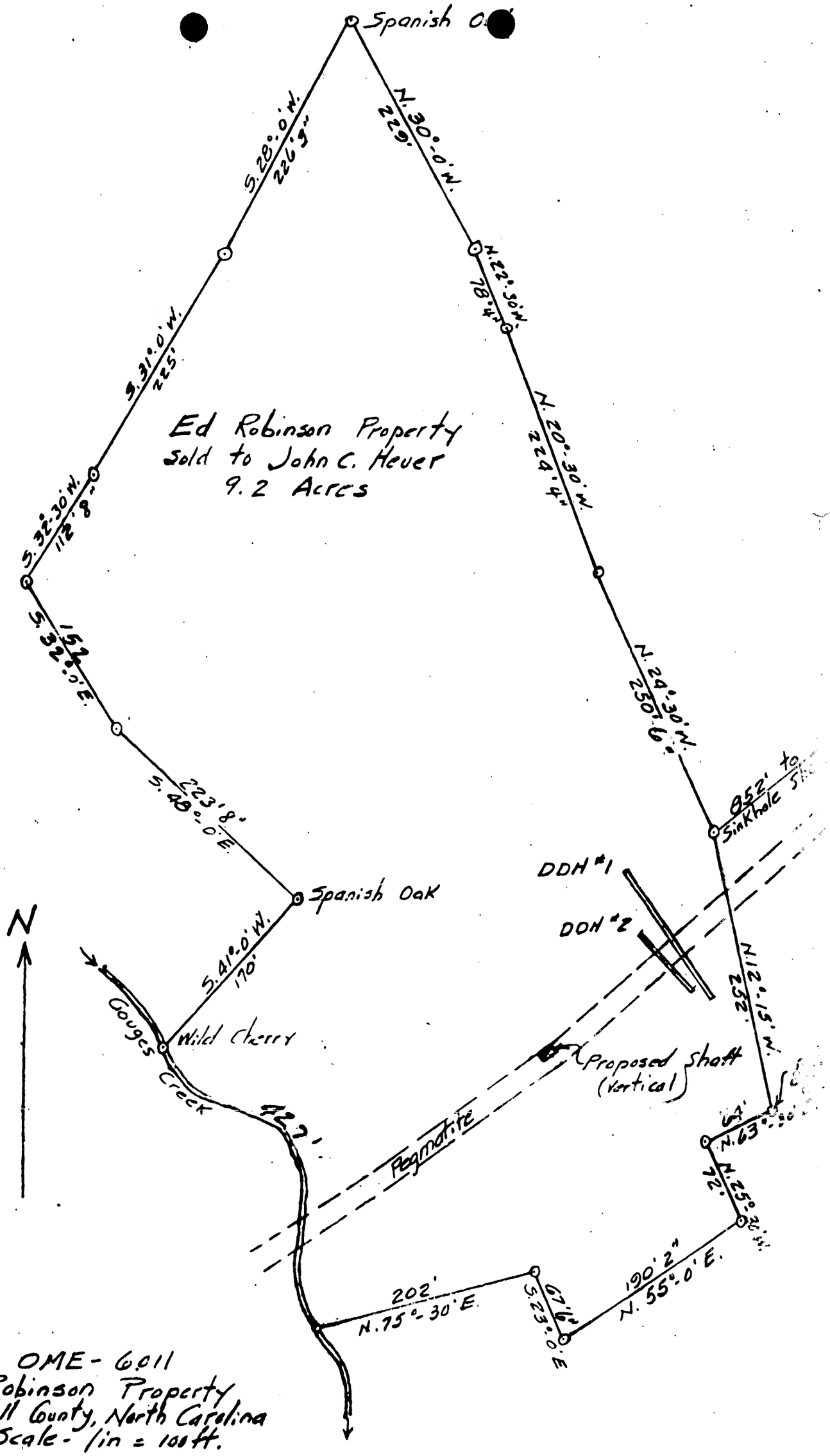
Level work shall be performed on the pegmatite or in as close proximity thereto as possible. The Government will not contribute to the cost of any work that is within 125 feet of any exterior property boundary.

The locations, inclinations, directions, and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

1.	Construct: Toolhouse[1/]	$75.00	
	Powder magazine[1/]	25.00	
	Exploder magazine[1/]	14.00	$ 114.00
2.	Sink 100 feet of shaft @ $47.50/ft.		4,750.00
3.	Drive 100 feet of drifts and/or cross-cuts @ $36.00/ft.		3,600.00
	Estimated total cost of work		$8,464.00
	Government participation @ 50%		$4,232.00

1/ The completed work constitutes the unit.



OME-6011
Ed Robinson Property
Mitchell County, North Carolina
Scale- 1in = 100ft.

MME Form 14
Sept. 1958

Contract No. ~~DMEA~~) 14-23-090 2001

Docket No. ~~DMEA~~) MME) 6011

Date of Action April 29, 1959
Approved Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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: George D. Darroh and
M. M. McCormick
511 Citizens Bank Building
Lexington, Ky.

Date of Contract	Region	State	Commodity
April 29, 1959	V	North Carolina	Mica

	Reserve	Obligation
Prior Amount	0	0
Increase	4,232.00	0
Decrease	0	0
Revised Amount	4,232.00	0

Remarks:

cc: 800
210

43244