E-714

For Certificate of Deposit No. 75, dated February 13, 1956, giving royalty repayment of $3.50, see E-432.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Henry Lee Robinson
Box 262
Newport, New Hampshire

pertaining to Exploration Project Contract No. Idm-E714, Docket No. DMEA-3329, including Amendment No. 1, for the month of December, 1954, covering a project for the exploration of mica on property, known as the Chandler Mills Mine, located in Sullivan County, New Hampshire.

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

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

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

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

Total cost as billed by Contractor		$1,050.00
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Herewith	- 0 -	-0-
Total Accepted Cost		$1,050.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seven hundred eighty-seven and 50/100 Dollars

$787.50

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

E. D. Talbert, Auditor

March 24, 1955

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 No. 35

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1954 Docket No. DMEA 3345 Contract No. Rdm-571[illegible]
Operator's Name Henry L. Robinson Minerals Mica
Address Box 202 Lovett, N. M.
Contract Amount, $ 1500. Government Participation: 75% Amount, $ 1125.00

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	1050.	0	1050.00			
(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	1050.	0	1050.00	1050.00	—	1050.00

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

Date 1/11/55 *Payee Henry L. Robinson

Per _____ Title Operator

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

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

(Instructions on reverse)

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

$ 787.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 2-8-55 Vou. No. _____
(See other side)

262.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 714 in accordance with the terms of the contract.

Signature W. L. Burmeister Title Mining Engineer Date Jan. 28, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. G. M. Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date FEB 1 1955

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 9 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec. 1954 Docket No. DMEA 3329 Contract No. [illegible]
Operator's Name Henry L. Robinson Minerals Mica
Address Box 262 Newport, N. H.

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	Foot	1050.	35	1050.	35	30.00	50	1500.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1050.	35	1050.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1050.		1050.00				1500.00

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

Date 1/11/55 Operator Henry L. Robinson

Per _____ 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.

Remarks:

(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

copy for Geo. C. Selfridge,
W. O.

TRUE COPY

Defense Minerals Administration
RECEIVED
FEB 9 1955

January 20, 1955

W.T. Millar Executive Officer
Bureau Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

Dear Mr. Millar:

In answer to your letter of January 14,1955. We cleaned the muck out and timed a road back to the starting place in November. We actually drilled our first heading on December 1, 1954. We followed the hanging wall as directed.

On December 31, 1954 we shot through into the dirt, and it fell in. The hanging wall led us into the ground. We found less than 300 pounds of very poor mica along the roll in the wall.

I don't believe it is necessary to go any further in the direction we are going. I hope this explains the situation to your satisfaction.

Very truly yours,

/s/ Henry Lee Robinson
Henry Lee Robinson

copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB - 8 1955

College Park, Maryland

January 14, 1955

Mr. Henry Lee Robinson
Box 262
Newport, New Hampshire

Subject: Docket No. DMEA-3329 (Mica)
Chandler Mills Mine
Sullivan County, New Hampshire
Contract No. Ice-8714
(Monthly Progress Report for November and December, 1954)

Dear Mr. Robinson:

Monthly report forms MF-104 and MF-104A, covering progress of exploration under the subject contract for the combined months of November and December, 1954, were received today.

In accordance with the contract, a narrative on the progress for the report period is required. This narrative should explain the progress made and results with your comment on further work. Usually, if the results are favorable the work will continue in accordance with the contract, or if unfavorable you would probably like to terminate the exploration or request an amendment to proceed on other plans which would have to be approved by the Government.

Please forward to this office as soon as possible, the date on which work started and a description in your own words of the progress and results of work to December 31, 1954. Include an estimate of the amount and quality of mica recovered during exploration and if possible a sketch of the drift showing where mica was found. The portion of the report submitted will be held pending receipt of the narrative.

Upon completion of the exploration drift, please notify this office.

Very truly yours,

W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

WEM:rwa

copy for PaulTAllsman
DMEA Files - 2

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

FEB 17 1956

Mr. Henry Lee Robinson
Box 262
Newport, New Hampshire

Re: Docket No. DMEA-3329-Mica
Henry Lee Robinson
Chandler Mills Mine
Sullivan County, New Hampshire
Contract No. Ldm-3714

Dear Mr. Robinson:

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

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

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

Sincerely yours,

E. O. Mittendorf

Administrator

WCAnderson:rm 2/15/56
Copy to: Admr. R. File
Docket
Mr. Chambers
Mr. Killagnard, 5222
Mr. Dietrich, 3061
Field Team, Region V(Land Owners' Copies attached for forwarding)
Mr. Houk
Mr. Anderson
Mr. George F. Smith
Mrs. Agnes S. Smith

Government's Copy

TERMINATION AGREEMENT

It is agreed this 9th day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Henry Lee Robinson, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E714, Docket No. DMEA-3329, dated September 23, 1954, hereinafter called the "Contract," that:

1. Effective February 15, 1955, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

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

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

THE UNITED STATES OF AMERICA

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

HENRY LEE ROBINSON

Henry Lee Robinson

Government's Copy

Department of the Interior
Defense Minerals Administration
RECEIVED
JAN 3 1955

EXPLORATION PROJECT CONTRACT
HENRY LEE ROBINSON
DOCKET NO. DMEA-3329

AMENDMENT NO. 1

It is agreed this 19th day of November, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Henry Lee Robinson, that Exploration Project Contract Idm-E714 (Docket No. DMEA-3329), dated September 23, 1954, hereinafter called the "Contract", is amended effective September 23, 1954, as follows:

In Article 3 of the Contract:

(a) Delete the starting date "November 1, 1954," and substitute the starting date "November 25, 1954," and

(b) Delete the completion date "February 1, 1955," and substitute "February 25, 1955."

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By W. J. Miller
Executive Officer
DMEA Field Team, Region VIII

HENRY LEE ROBINSON

By Henry Lee Robinson

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 19 1954

College Park, Maryland

November 19, 1954

Mr. H. L. Robinson
Box 262
Newport, Rhode Island

Subject: Docket DMEA-3329 (Mica)
Chandler Mills Mine
Sullivan County, N. H.
Contract No. Idm-E714

Dear Mr. Robinson:

This acknowledges your letter of November 15, requesting that the starting date of Contract No. Idm-E714 be changed from November 1, 1954 to November 25, 1954.

Delay in starting the exploration specified in the contract, pending indications of your exploration already in progress is considered justified and to the advantage of the Government as well as the Operator. You are hereby authorized to commence exploratory work on November 25, 1954 in accordance with the contract. The termination date of the contract is extended correspondingly to February 25, 1955.

Your first progress report on Forms IF-104 and 104A will be due not later than January 15, 1955. This report must include all progress from the starting date, November 25 to December 31 with a narrative describing the results of the exploration.

Very truly yours,

W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

WTM:rwa

copies for Mr. Selfridge - 3 ✓
FRKantner, Fin. Off., Reg. 8
DMEA Files - 2

TRUE COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 19 1954

Newport, N. H.
Nov. 15, 1954

Mr. W. T. Millar, Exec. Officer
D. M. E. A. Region VIII
U. S. Bureau of Mines
College Park, Md.

Dear Mr. Millar:

Mr. H. L. Burmeister of your office was at the Chandler Mills Mine today and received D. M. E. A. Contract E-714.

Mr. Burmeister informs me that under the terms of the Contract it was necessary to start work on or before Nov. 1, 1954. I did not sign the Contract earlier for the reason that I was not reasonable sure that the work would produce results. I now believe it will.

I wish to request an extension of the starting date from Nov. 1, 1954 to Nov. 25, 1954. I have done no work specified by the Contract and will not start it untill I hear from you regarding my request for an extension of starting date.

Yours truly,

/s/ H. L. Robinson

Docket No. DMEA - 3329

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 714

Date of Contract or Amendment: Sept. 23, 1954

Name and Address of Operator:
Henry Lee Robinson
Chandler Mills Mine
Sullivan County, New Hampshire

Amount of Government participation $1,125.00

Percent of Government participation 75 %

Region: V State: N. H.

Note: Please release $ 337.50

for E. L. Talbert
J. L. Charbo (Name)
Chief, Contract Administration and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 3/29/55

54458

Docket No. ~~DMEA # 3329~~

Commodity ~~Mica~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 714

Date of Contract ~~xxxxxxxxxxxx~~ Sept. 23, 1954

Name and Address of Operator:
Henry Lee Robinson
Chandler Mills Mine
Sullivan County, New Hampshire

Amount of Government participation _____ $ 1,125.00

Percent of Government participation 75 %

Region: VIII State: N. H.

J. L. Chambers
(Name)
Chief, Contract Administration and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington.

9/23/54

54458

Government's copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1954

MF-200A
(Revised June 1954)

Docket No. DMEA 3329

Commodity Mica

Contract No. Idm-E - 714

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 23rd day of September, 1954 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Henry Lee Robinson, whose mailing address is Box 262 Newport, New Hampshire, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of New Hampshire, County of Sullivan, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] mica mining rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] recorded in Book 356, page 19, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: none

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: an Owner's Consent to Lien executed by the lessors

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of mica. The work to be performed is described in Exhibit "A." The Operator on or before November 1, 1954 shall commence the work, and on or before February 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $1,500.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $1,125.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(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. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *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 any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *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 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

HENRY LEE ROBINSON
(Operator)

By O Mitchendorf
Administrator, Defense Minerals
Exploration Administration

By X Henry Lee Robinson

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1954

EXPLORATION PROJECT CONTRACT
HENRY LEE ROBINSON
DOCKET NO. DMEA-3329

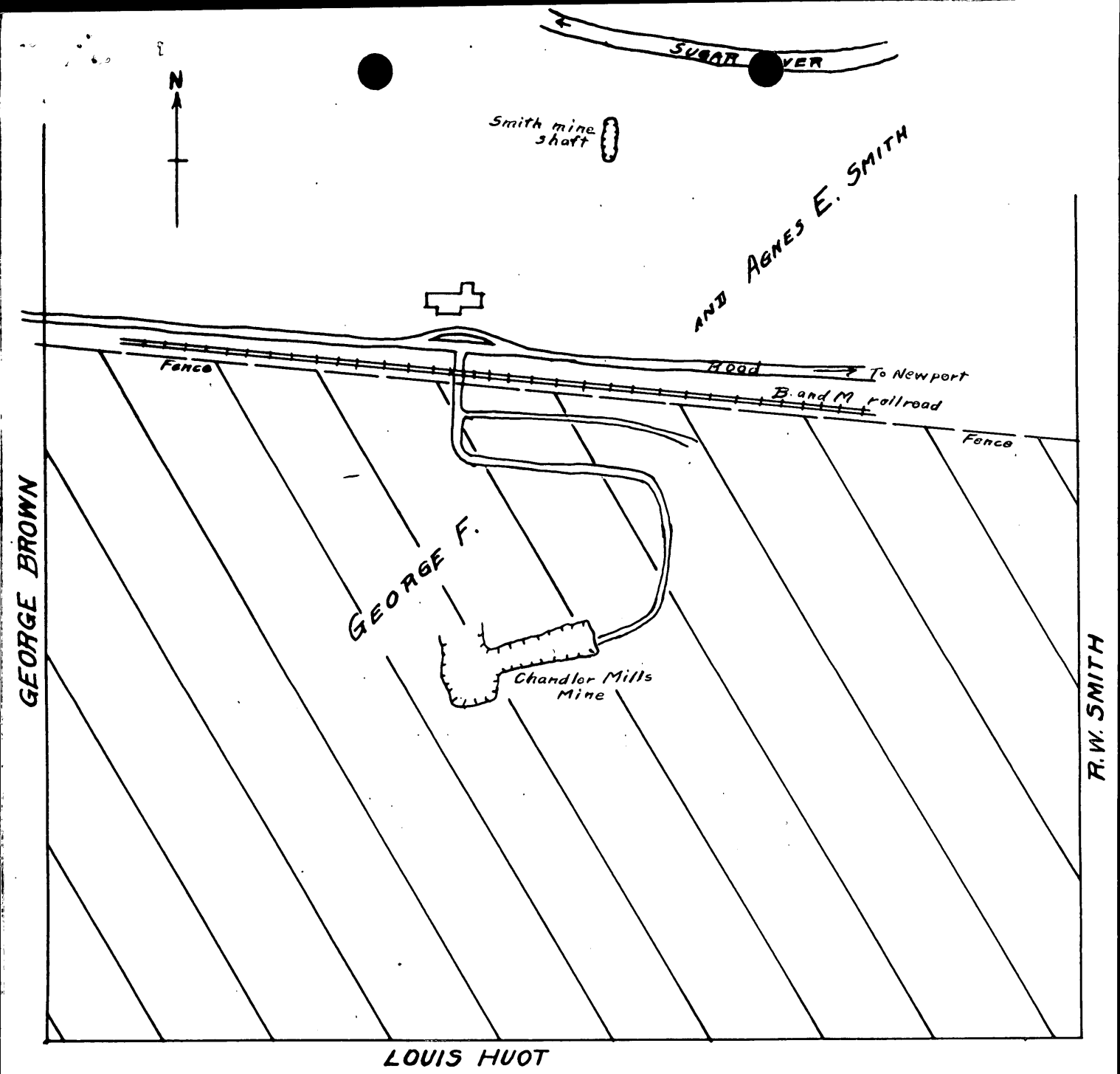
ANNEX I

The land referred to in Article 2 of the contract form is known as the Chandler Mills Mine and was leased for mining purposes to Henry Lee Robinson for a period of two years, with an option to renew for an additional two years, by George Smith and Agnes Smith, by an instrument dated May 7, 1953. It is located at Chandler Station, Sullivan County, New Hampshire, about 2 miles from Kelleyville on "Old Newport" road. The boundaries of the leased area are shown on the map entitled "Sketch Chandler Mills Mine" attached hereto and made a part hereof, and is described as follows:

Beginning at an iron pin driven in the ground on the south side of Boston & Maine Railroad tracks running from Newport to Claremont at land of R. W. Smith; thence southerly along said Smith land to an iron pin driven in the ground at land of Louis Huot; thence westerly along said Huot land to an iron pin driven into the ground at land of George C. Brown; thence northerly along said Brown land to the railroad track aforementioned; thence easterly along the southerly side of said railroad track to the point of beginning.

Excepting and reserving two mow fields, one being located in the northeast corner of the above-described tract of land, and the other being located in the northwest corner of said tract.

Being a portion of the same premises conveyed to George F. and Agnes E. Smith by Florence E. Parmenter by a warranty deed dated February 7, 1941 and recorded in Sullivan County Records, Vol. 275, Page 182.



SKETCH

CHANDLER MILLS MINE

SULLIVAN COUNTY, N.H.

DOCKET DMEA-3329

— NOT TO SCALE —

AREA LEASED BY H.L. ROBINSON

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1954

EXPLORATION PROJECT CONTRACT
HENRY LEE ROBINSON
DOCKET NO. DMEA-3329

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the sketch attached to Annex I, as follows:

Drive not more than 50 feet of incline drift, timbered as necessary and with a cross-sectional dimension of not less than 5 feet by 7 feet in the clear of timber. The incline drift shall explore the hanging-wall mica zone, shall have a bearing of approximately S. 35° W., and shall begin at a location approved in advance by the Government.

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

Fixed Unit Costs

50 feet of incline drift @ $30.00/ft.	$ 1,500.00
Estimated total cost of project	$ 1,500.00
Government participation @ 75%	$ 1,125.00

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1954

College Park, Maryland

November 10, 1954

Mr. H. L. Robinson
Box 262
Newport, New Hampshire

Subject: Docket DMEA-3329 - (Mica)
Chandler Mills Mine
Sullivan County, N. H.
Contract No. Idm-E714

Dear Mr. Robinson:

Receipt of the original and four copies of Contract No. Idm-E714, signed by you, is hereby acknowledged.

Please refer to Article 3 of your copy of the contract. It is stated, "The work to be performed is described in Exhibit "A". The Operator on or before November 1, 1954 shall commence the work and on or before February 1, 1955 - - - - - - - shall complete the work."

If exploratory work has continued on your deposit during the seven weeks since the contract was submitted for your signature, it may be necessary to change the description of the proposed exploration. Mr. H. L. Burmeister is now in New England and will call on you.

Very truly yours,

W. T. Miller, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

WTM:rwa

copies for Mr. Selfridge - 3
DMEA Files