E-1184

For Certificate of Deposit No. 49, dated January 22, 1959, giving royalty payment of $9.00, see E-516.

EXTRA COPY
D. M. E.
RECEIVED DEC 5 1958
DATE | INITIALS
800

Spruce Pine, North Carolina
November 26, 1958

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

Dear Mr. Lawrence:

Re: DMEA-4803, Idm-E1184-mica
Medford Prospect
Upson County, Georgia

With reference to your letter dated November 25, 1958. I'm sorry about the error made in our letter of November 21. The Medford Mica was sold with sale dated September 5, 1958 for 4420,00 pounds of block mica, inital payment $488.88. We have not received the final settlement for this sale, as soon as we do we will pay the 5% royalty due the Government.

Sincerely yours,

Howard Boone

Howard Boone

Enclosures - Copy of Inv.
H/bjg

RECEIVED
NOV 28 1958
U. S. Geological Survey
Geologic Division
Knoxville, Tenn

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

RAL/zm

cc: Opr. Com-2
Lynch
File

EXTRA COPY
O. M. E.
RECEIVED NOV 28 1958

DATE	INITIALS	CODE
		800

November 25, 1958

Mr. Howard Boone
c/o Sam L. Phillips
Spruce Pine, N.C.

Re: DMEA-4803, Ion-Kilbourn Mica
Medford Prospect
Upson County, Georgia

Dear Mr. Boone:

Your letter of November 21, unfortunately, does not provide the information needed to properly allocate royalty payments received from the Medford and Taylor mines.

Your monthly reports indicate that 350 pounds of mica was recovered in June, and another 250 pounds in July; your final report, dated September 12, states that this 600 pounds was sold to the Government in the block with Taylor mica. However, the August 21 sale to which you refer in your letter was only 161.97 pounds, sold as full trim. The only "B" program sales from the Taylor, after signing of the Medford contract, for which we have records are dated April 21, May 23, June 13 and June 30. We have no record of a "B" program sale which could have included this Medford mica.

What we need to know, in order to clarify our records, is:

1) price per pound received for the 600 pounds of Medford mica.

2) Lot and acceptance numbers, as well as date of sale of the Taylor sale which included the Medford mica. The number in your November 21 letter (DMS-4-1882-A) is your certificate authorization number and, as it appears on most of your settlement sheets it does not identify any particular sale.

Please send the required data at your earliest convenience.

Sincerely yours,

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

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

November 4, 1958

EXTRA COPY
O. M. E.
RECEIVED NOV 6 1958
DATE
INITIALS
CODE
800

Mr. Howard Boone
c/o Sam Phillips
Spruce Pine, N. C.

Re: EMEA-4803 (mica)
Medford Prospect
Upson County, Georgia
Contract Idm-E1184

Dear Mr. Boone:

In your final report, dated September 12, 1958, you state that 600 pounds of mica recovered at the Medford prospect was sold to the Government in the block with Taylor mica.

On checking over our records of sales from the Taylor mine, I am unable to identify the sale which included this Medford mica. In order that our records will be correct and the royalties credited to the proper source, will you please send me the following data:

1) Number and date of the Taylor sale which included the Medford mica.

2) Price received for this mica.

Sincerely yours,

RAL/sm
cc
Opr. Com-2
Lynch
Files

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Howard Boone, Homer Boone, Jeter Boone, John Phillips & Sam L. Phillips
c/o Sam L. Phillips
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E1184, DMEA No. 4803, including Amendment No. 1, for April 1958 to August 1958, inclusive, covering a mica project at the Medford Prospect, Upson County, Georgia.

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

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

All of the costs were under a contract provision for payment 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		$2,348.40
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total acceptable cost		$2,348.40

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

Payable on audited claim	$1,761.30
Paid to date	1,480.80
Balance due Operator	$ 280.50

E. D. Talbert, Auditor

September 22, 1958

Mr. Robert A. Laurence
Room 13, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-4803 (Mica)
Howard Boone, et al
Contract No. Idm-E1184

Dear Mr. Laurence:

Enclosed are the original and three copies of a Report of Review, as requested by your September 15 memorandum. Also enclosed is the Operationr's final (August 1958) MF-104, which was submitted with your request.

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

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert
Contract Administration and
Audit Division

Enclosures

EDTalbert/GMcC
Sept. 22, 1958

cc: Docket
Act. Director's Read. File
Mrs. Helen R. Miller
Mr. Chambers
Mr. Talbert

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

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 19 1958

DATE	INITIALS	CODE
9-19	C	220
		800

September 18, 1958

Memorandum

To: Jay L. Chambers, Director-Contract Administration

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Termination of DMEA-4803, Idm-E1184(mica)
Sam L. Phillips, Medford Prospect, Upson County, Ga.

Work on the subject contract was terminated as of August 18, 1958.

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

1. 178 cu. yds. of material was excavated in trenching.
2. 32 cu. ~~yds~~ ft were excavated by hand in cleaning the trench.
3. A shaft was sunk to a depth of 40 feet.
4. 11 feet of drifting was completed.
5. A toolhouse, powder magazine and exploder magazine were constructed.

An adequate final engineering and geological report has been received.

The original of the Monthly Report & Voucher for August 1958 is attached. A Report of Review is requested.

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

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

Budget Bureau No. 42-R1036.5

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

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

Month of August, 1958 Docket No. DMEA 4803 Contract No. Idm-E 1184
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, North Carolina
Contract Amount, $ 6,292.00 Government Participation 75 % Amount, $ 4,719.00

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		53.00	53.00			
Crosscutting						
11' Drifting @ $34.00	374.00		374.00			
Hand Trenching		6.40	6.40			
Shaft		1800.00	1800.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exp. Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	374.00	1974.40	2348.40	374.00	1974.40	2348.40

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

Date 9-12-58 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 280.50

Signature Helen R. Miller (Authorized Certifying Officer)

Date OCT 1 1958 Vou. No. 41

(See other side)

T 8/18 93.50

(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. E1184 in accordance with the terms of the contract.

Signature S Feitler Title MINING ENGINEER U. S. BUREAU OF MINES Date SEP 15 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date SEP 15 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 8 Docket No. DMEA 4803 Contract No. Idm-E-1134
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	374.00	11	374.00	11	34.00	100	34.00
Crosscutting								
Raising								
Shafts	Ft.			1800.00	40	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Hand Trenching	Cu.Ft.			6.40	.32	0.20	120	0.20
Test Pits								
Roads and Trails								
Bulldozing	Cu.Ft.			53.00	176	0.30	176	0.30
TOTAL DISTRIBUTED COSTS		374.00		2233.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		374.00		2348.40				

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

REMARKS:

Date 9-12-58 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

(Instructions on reverse)

(For Government use only)

S Feitler
MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Progres s Report

DMEA #4803, Idm-E 1184
Medford Prospect
Upson County, Georgia

Final Report

Work Accomplished:

We started the drift and have completed 11' of drift. There is no vein material and we have recovered no mica in the last month, therefore, we request that the contract be terminated.

Daily Notes

4 - 8 : Started the drift, shot, drilled and mucked out waste daily.

11 - 15 : Completed 11' of ~~shaft~~ drift, at which point we request that the contract be terminated.

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

RECEIVED AUG 13 1958 D.M.E.A.

Month of July, 1958 Docket No. DMEA 4803 Contract No. Idm-E 1184
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, North Carolina
Contract Amount, $ 6,292.00 Government Participation: 75 % Amount, $ 4,719.00

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		53.00	53.00			
Crosscutting						
Drifting						
Hard Trenching		6.40	6.40			
28' Shaft @ $45.00	1260.00	540.00	1800.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	1260.00	714.40	1974.40	1260.00	714.40	1,974.40

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

Date 8-6-58 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 945.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 11 1958 Vou. No.

(See other side)

315.00

(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. E1184 in accordance with the terms of the contract.

Signature S F Feuler Title MINING ENGINEER U. S. BUREAU OF MINES Date AUG 8 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 8 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1958 Docket No. DMEA 4801 Contract No. Idm-E 1184
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	1260.00	28	1800.00	40	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Hand Trenching	Cu. Yd.			6.40	32	0.20	120	0.20
Test Pits								
Roads and Trails								
Bulldozing	Cu. Ft.			53.00	175	0.30	178	0.30
TOTAL DISTRIBUTED COSTS		1260.00		1859.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		1260.00		1974.40				

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

Date 8-6-58 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

SHeider

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

OPERATORS

Monthly Progress Report

DMEA #4803, Idm-E 1184 (Mica)
Medford Prospect
Upson County, Georgia

Work Accomplished:

We continued working on the shaft and completed 28' in this month, making a total of 40' to date, there is 3' of vein in the bottom of the shaft and we have recovered approximately 250# of mica.

Daily Notes:

1 - 11 :	Continued working on shaft.
14 - 18 :	Shot, drilled, mucked out waste and pumped out water each day.
21 - 25 :	Continued working on shaft.
28 - 31 :	Completed 28' of shaft in this month, making a total of 40' of shaft to date. There is 3' of vein in the bottom of the shaft and we have recovered approximately 250# of mica.

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
VOUCHERS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1958 Docket No. DMEA 4803 Contract No. Idm-E 1184

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, N.C.

Contract Amount, $ 6,292.00 Government Participation: 75 % Amount, $ 4,719.00

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		53.00	53.00			
Crosscutting						
Drifting						
Hand Trenching		6.40	6.40			
12' Shaft @ $45.00 per ft.	540.00		540.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	75.00		75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.	40.00		40.00			
(8) Contingencies (specify):						
TOTALS	655.00	59.40	714.40	655.00	59.40	714.40

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

Date 7-1-58 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 491.25

Signature Hilton R. Miller
(Authorized Certifying Officer)

Date JUL 11 1958 Vou. No.

(See other side)

2

163.75

(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. E-1184 in accordance with the terms of the contract.

Signature [illegible] Title MINING ENGINEER U. S. ~~BUREAU OF MINES~~ Date JUN 3 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JUN 3 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1958 Docket No. DMEA 4803 Contract No. Idm-E 1184
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	540.00	12	540.00	12	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Hand Trenching	Cu.Ft.			6.40	32	0.20	120	0.20
Test Pits								
Roads and Trails								
Bulldozing	Cu.Ft.			53.00	178	0.30	178	0.30
TOTAL DISTRIBUTED COSTS		540.00		599.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		75.00		75.00				
Powder & Exploder Mags.		40.00		40.00				
TOTAL COSTS		655.00		714.40				

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

Date 7-1-58 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

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

INSTRUCTIONS

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

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

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

GPO 872894

Operators

Monthly Progress Report

DMEA #4803, Idm-E 1184 (Mica)
Medford Prospect
Upson County, Georgia

Work Accomplished:

After the completion of the dozing and hand trenching, we constructed toolhouse, powder and exploder magazines. We begin work on the shaft and have completed a total of 12' to date, there is approximately 4½' of vein material showing and we have recovered 350# of good mica.

Daily Notes:

2 - 6 : Constructed toolhouse, powder and exploder magazines.

9 - 13 : Begin work on shaft, shot, drilled and mucked out waste daily.

16 - 20 : Continued to work on the shaft.

24 - 30 : Completed 12' of shaft in this month, we have approximately 4½' of vein material showing and we have recovered 350# of good mica.

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAY ON VOUCHER & SCHEDULE OF PAYMENTS K- 59

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1958 Docket No. DMEA 4803 Contract No. Idm-E 1184
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 6,292.00 Government Participation: 75 % Amount, $ 4,719.00

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						
178 Cu.Yds. Bulldozing @ $ 0.30	53.00		53.00			
Crosscutting						
Drifting						
32 Cu.Ft. Hand Trenching @ $ 0.20	6.40		6.40			
(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	59.40		59.40	59.40	—	59.40

RECEIVED MAY 14 U. S. Geological Survey Grants Uranium Branch Denver, Colo.

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

Date 5-12-58 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 44.55

Signature Walter R. Mellin
(Authorized Certifying Officer)

Date JUN 2 1958 Vou. No. 177
(See other side)

1 pt

14.85

(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. E1184 in accordance with the terms of the contract.

Signature S Feitler Title MINING ENGINEER ~~U. S. BUREAU OF MINES~~ Date MAY 20 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM ~~REGION V~~ Date MAY 20 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED

Month of April 195 8 Docket No. DMEA 4803 Contract No.

Operator's Name Sam L. Phillips Minerals Idm-E 1184 Mica

Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Hand Trenching								
Test Pits	Cu.Ft.	6.40	32	6.40	32	0.20	120	0.20
Roads and Trails								
Bulldozing	Cu.Yds	53.00	178	53.00	178	0.30	178	0.30
TOTAL DISTRIBUTED COSTS		59.40		59.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		59.40		59.40				

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

REMARKS:

Date 5-12-58 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

(Instructions on reverse)

(For Government use only)

S Keitler

MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

GPO 872894

Operator's

Monthly Progress Report

DMEA #4803, Idm-E 1184 (Mica)
Medford Prospect
Upson County, Georgia

Work Accomplished:

We moved in bulldozer and completed 202 cubit yards of dozing, and 32 cubit feet of hand trenching. We plan to ~~xxxxxx~~ begin Stage II of the contract on Monday, May 12, 1958 weather premitting.

Daily Notes:

21 - 24 : Moved in bulldozer and excavated trench , also completed 32 cubit feet of hand trenching.

600

MAR 23 1959

Mrs. Howard Beam, Homer Beam,
Peter Beam, John Phillips, and
Sam L. Phillips
c/o Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMA-4803 (Min)
Howard Beam, et al.
Mulford Prospect
Spaun County, Georgia
Contract No. Min-[illegible]

Gentlemen:

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

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

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

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

WCAnderson:gsd 3/17/59
Copy to: Dir. M. File
Mr. Chambers
Region V
Mr. Killingsard, 5222
Mr. Dietrich, 3061
Mr. Bank
Mr. H. Lee Mulford, Spruce Pine, North Carolina

400

MAR 25 1959

Mr. H. Lee Medford

Spruce Pine, North Carolina

Re: Docket No. DMSA-1303 (Mon)
Howard Beams, et al.
Medford Prospect
Upson County, Georgia
Contract No. 2Mn-K1184

Dear Mr. Medford:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on November 20, 1957, under the DMSA program which has now been extended by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

WCAnderson:gsd 3/18/59
Copy to: Dir. R. File
Region V
Mr. Chambers
Mr. Kiilsgaard, USGS
Mr. Dietrich, USBM

Audit's copy

RECEIVED SEP 22 1958
DATE | INITIALS | CODE
800

TERMINATION AGREEMENT

It is agreed this 8th day of September, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Howard Boone, et al., hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Idm-E1184 (Docket No. DMEA-4803), dated April 10, 1958, as amended, hereinafter called the "Contract", that:

1. Effective August 18, 1958, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

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

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

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

THE UNITED STATES OF AMERICA

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

Howard Boone
Howard Boone

Homer Boone
Homer Boone

Peter Boone
Peter Boone

John Phillips
John Phillips

Sam Phillips
Sam Phillips

Audit's copy

OFFICIAL FILE COPY
DMEA
RECEIVED
DATE

EXPLORATION PROJECT CONTRACT
HOWARD BOONE, ET AL.
DOCKET NO. DMEA-4803

AMENDMENT NO. 1

It is agreed this 18th day of June, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Howard Boone, et al., that Exploration Project Contract No. Idm-E1184 (Docket No. DMEA-4803), dated April 10, 1958, is amended effective April 10, 1958, as follows:

In Exhibit "A"

(a) Under Description of the Work, Stage I is revised to read:

"The existing trench, 20 feet by 12 feet, shall be deepened and extended, by bulldozing, to the approximate dimensions of 71 feet by 10 feet by 5 feet. Explore a parallel pegmatite to the southeast by bulldozing a trench approximately 20 feet by 12 feet by 5 feet. The aggregate excavation in the two trenches shall not exceed 178 cubic yards. In addition, clean out the bottom of the trenches by hand, not to exceed 120 cubic feet of excavation."

In Exhibit "A"

(b) Under Fixed Unit Costs, Stage I, change "Hand Trench" to "Hand Cleaning".

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, the amount of any item designated as "maximum" or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mittelsdorf
Administrator, Defense Minerals
Exploration Administration

Howard Boone (Partner)
Howard Boone

Homer Boone (Partner)
Homer Boone

Jeter Boone (Partner)
Jeter Boone

John Phillips (Partner)
John Phillips

Sam L. Phillips (Partner)
Sam L. Phillips

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

July 2, 1958

EXTRA COPY
DMEA
RECEIVED JUL 7 1958
DATE | CODE
860

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4803, Idm-E1184(mica) Howard Boone, et al.
Medford Prospect, Upson County, Georgia.

Enclosed are the Government and Audit copies of Amendment No. 1, signed by all the partners. The other copies have been distributed as usual.

The amendment was mailed to the Operator June 24, and was returned in an envelope bearing a July 1 postmark. The envelope is enclosed.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/em.
cc
Finance Office
Lynch
Files

800

April 28, 1953

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DTIA-1303 (Fica)
Howard Boone, et al.
Medford Prospect
Upson County, Georgia
Contract No. Idr-F1184

Dear Mr. Phillips:

This will confirm the verbal approval given Mr. Howard Boone on April 24 to begin Stage II work at the Medford prospect, as provided in Exhibit "A" of the contract.

Please let us know when the Stage II work is begun.

Sincerely yours,

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

RAL/mg
cc - Operating Committee (2)
Finance Office
Mr. V. J. Lynch
File

DMEA Form 14

Contract No. Idm-E 1184

Docket No. 4803

Terminated contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
April 10, 1958	V	Georgia	Mica

Name and Address of Operator: Howard Boone, Homer Boone, et al.
c/o Sam L. Phillips
Spruce Pine
North Carolina

	Reserve	Obligation
Prior Amount	0	4,719.00
Increase	0	0
Decrease	0	2,957.70
Revised Amount	0	1,761.30

Remarks:

(Name)

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

Date delivered to Bureau of Mines, Washington 9/23/58

22845

DMEA Form 14

Contract No. Idm-E 1184

Docket No. 4803

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
April 10, 1958	V	Georgia	Mica

Name and Address of Operator: Howard Boone, Homer Boone, et al.
c/o Sam L. Phillips
Spruce Pine
North Carolina

	Reserve	Obligation
Prior Amount	4,719.00	0
Increase	0	4,719.00
Decrease	4,719.00	0
Revised Amount	0	4,719.00

Remarks:

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

Date delivered to Bureau of Mines, Washington 4/25/58

22845

Audit copy

MF-200A
(Rev. April 1956)

ORIGINAL FILE COPY
DMEA
RECEIVED APR 23 1958

DATE	INITIALS	CODE

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

DMEA No.	Commodity	Contract No. Idm-E	County	State
4803	Mica	1184	Upson	Georgia

It is agreed 10 APR 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Howard Boone, Homer Boone, Jeter Boone, John Phillips and Sam L. Phillips, partners

whose mailing address is c/o Sam L. Phillips, Spruce Pine, North Carolina

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before MAY 15 1958, 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 project work is $6,292.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,719.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Royalty of 1/8 gross receipts from the sale of minerals, payable to lessor

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

Howard Boone (partner)
Howard Boone

Homer Boone (partner)
Homer Boone ~~(Operator)~~ XXXXX

Peter Boone (partner)
Peter Boone

John Phillips (partner)
John Phillips

Sam L. Phillips (partner)
Sam L. Phillips

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
HOWARD BOONE ET AL.
DOCKET NO. DMEA-4803

ANNEX I

The land referred to in Article 2 of the Contract is an 8.26-acre tract known as the Medford Prospect in Upson County, Georgia. The Operator is in possession by virtue of a lease, executed November 20, 1957, by H. Lee Medford, wherein the leased area is described as follows:

> "Beginning on an iron stake which is located 50' north of what is known as the Medford Prospect, and running 250' north, thence 300' west, thence 600' south, thence 600' east, thence 600' north, thence 300' west to the point of closing. The southwest corner of this legal description is located north 60° east 2100' from a stake and a colored cemetery, also the southeast corner of this legal description is located north 47° 30 min. east 440' to L. M., an 8' post oak, Wyman Mathis corner. This property is located approximately six miles southeast of Thomaston, Georgia, as recorded in Register of Deeds Office in Upson County, Georgia, Book R at page 731."

A Consent to Lien and Subordination Agreement, executed by the owner, H. Lee Medford, is attached and made a part hereof.

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1184
Contract Date 10 APR 1958

RECEIVED NOV 27 1957 D.M.E.A.

RECEIVED APR 23 1958 D.M.E.A.

CONSENT TO LIEN and SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Dyer, State of Georgia, described as follows: 2/

Beginning on an iron stake which is located 50' North of what is known as the Bedford Prospect, and running 250' North, thence 300' West, thence 600' South, thence 600' East, thence 600' North, thence 300' West to the point of closing. The Southeast corner of this legal description is located North 60° East 2100' from a stake and a colored cemetery, also the Southeast corner of this legal description is located North 47° 30 min. East 440' from an 8" post oak, Dyer Mathis corner. This property is located approximately one mile Southeast of Thompson, Ga., as recorded in Register of Deeds Office in Upson Co., Ga. Book 1 at Page 132.

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

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

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

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

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

None

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

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

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

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

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

Dated this 20 day of November, 1957.

H. Lee Medford [Seal] Spruce Pine, N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
HOWARD BOONE, ET. AL.
DOCKET NO. DMEA-4803

EXHIBIT A

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map entitled "Medford Prospect, Upson County, Georgia, DMEA-4803 (mica)" attached and made a part hereof. The work is divided into two stages. The Operator shall complete Stage I, and shall perform as much of the Stage II work as is approved in writing and in advance by the Government.

Stage I

Bulldoze a trench approximately 80 feet long by 12 feet wide by 5 feet deep, aggregating not more than 178 cubic yards of excavation, to crosscut the pegmatite to the south of the present exposure of same. In addition to the bulldozer trenching, excavate two hand trenches each approximately 30 feet long by 2 feet wide by 1 foot deep, aggregating not more than 120 cubic feet of excavation.

Stage II

1. Construct:

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

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

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

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

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

2. Sink a vertical or inclined two-compartment shaft, not to exceed 60 feet in depth, at a site approved by the Government and at a point selected after a study of the results of Stage I work.

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

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

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

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

Fixed Unit Costs

Stage I

Excavate bulldozer trench, 178 cubic yards @ $0.30/cu. yd. (round to)	$53.00	
Hand trench, 120 cubic feet @ $0.20/cu. ft.	24.00	$77.00

Stage II

1. Construct:	Toolhouse 1/	$75.00	
	Powder magazine 1/	25.00	
	Exploder magazine 1/	15.00	$115.00

2. Sink shaft 60 feet @ $45.00/ft.	$2,700.00	
3. Drift and/or crosscut 100 feet @ $34.00/ft.	3,400.00	
Estimated total cost stage II		$6,215.00

S U M M A R Y

Estimated total cost Stage I	$77.00	
Estimated total cost Stage II	$6,215.00	
Estimated total cost of the Project		$6,292.00
Government participation at 75%		$4,719.00

1/ The completed work constitutes the unit.

DMEA Form 14

Contract No. Idm-E 1184

Docket No. 4803

Approved contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
April 10, 1958	V	Georgia	Mica

Name and Address of Operator: Howard Boone, Homer Boone, et al.
c/o Sam L. Phillips
Spruce Pine
North Carolina

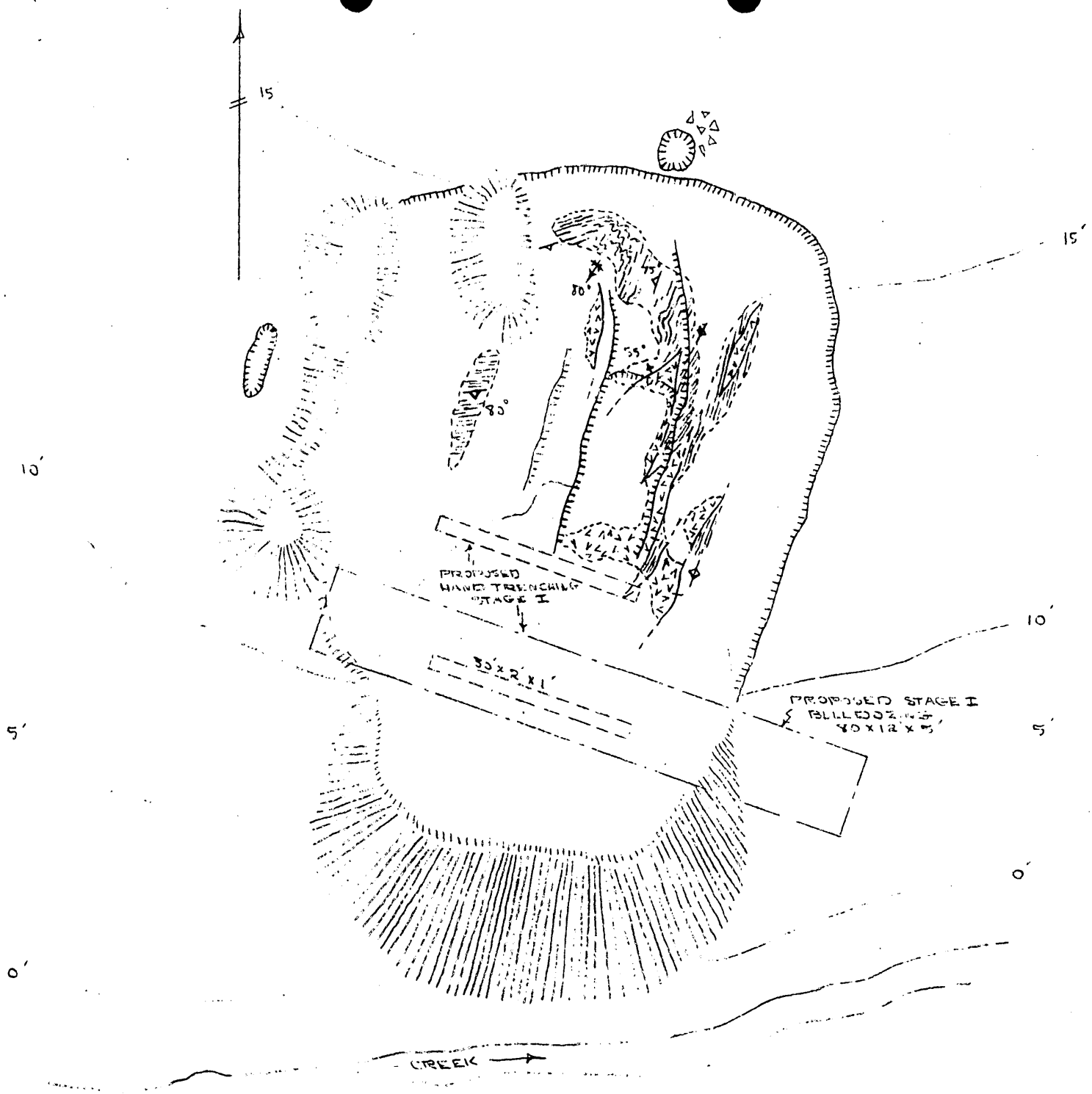
	Reserve	Obligation
Prior Amount	0	0
Increase	4,719.00	0
Decrease	0	0
Revised Amount	4,719.00	0

Remarks:

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

Date delivered to Bureau of Mines, Washington 4/10/58

22845



LEGEND

- PLAGIOCLASE-PERTHITE-QUARTZ MUSCOVITE PEGMATITE
- QTZ-BIOTITE-MUSCOVITE GNEISS AND SCHIST
- EXCAVATION
- DUMP
- LIMITS OF EXPOSURE
- PEGMATITE FLOAT

MEDFORD PROSPECT
UPSON COUNTY, GEORGIA

DMEA-4803(MICA)

SCALE: 1" = 20'

0 10 20'

EXTRA COPY
DMEA
RECEIVED OCT 10 1957

DATE	INITIALS	CODE