E 476 1/16/53 DMBA-2329 Andrew W. Reid owner

Macon County, N.C. May Mine

Last reported Depot sale 7/6/55 AR 4-38 $431.43 A.W. Reid
ERB-4-74A

Other known parties of possible interest:

Carl E. Hubble acquired 1/2 interest subsequent to contract John Dalton

G. A. Fleming Weaver Gibson

Rudolph G. & Rosalie H. Lichtenstein Held an option to purchase but gave it up.

auth 917A Lot 511 9/15/54 $123.11

No purchases after SPAR-38, 7/6/55, A.W. Reid, were noted in check of S.P. Depot records.

C.E.F. 6/21/62

Ab.

MSS Form 7
(1-58)

OFFICIAL FILE COPY

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

June 26, 1962

Memorandum

To: [illegible]

From: [illegible] isher, OME Auditor

Subject: [illegible] f Spruce Pine Mica Purchase [illegible]epot Records, [illegible] - 22, 1962

During the [illegible] of June 18 to 22, 1962, I examined the purchase records of [illegible] .A. Mica Purchase Depot at [illegible]ruce Pine, North Carolina, [illegible] purpose of ascertaining a[illegible] reported production under [illegible] tion project contracts. My examination did not disclose any [illegible]orted production subject to royalty under the following contr[illegible]

Contract No.	Do[illegible]	Operator	Mine Names
S- 87	[illegible]	[illegible]itt Mica Corporation	[illegible]ary, Reid, Reid-Mary, [illegible]eid Hooker
456	[illegible]	[illegible]. W. Reid a[illegible] H. [illegible]	[illegible]ary, Reid, Reid-Mary, [illegible]eid Hooker
393	[illegible]	[illegible]ixie Minera[illegible], Inc.	[illegible]. H. Stephens (Stevens)
412	[illegible]	[illegible]urke John [illegible] Miners	[illegible]urke John, N. L. Barnard
461	[illegible]	[illegible]ab Angel	[illegible]asson
472	[illegible]	[illegible]ourne Associates	Liberty, Conley, Turley
686	[illegible]	[illegible]ixie Mines, Inc.	" " "
476	[illegible]	[illegible]ndrew W. Reid	[illegible]ay
516	[illegible]	[illegible]he Goodmica Mining Co.	[illegible]ngle Cope
519	[illegible]	[illegible]. J. Twiggs & W. S. Glenn	Sam Huskins, Little Sam [illegible]uskins
547	[illegible]	[illegible]uncan Mining Co.	[illegible]onnolly
560	[illegible]	[illegible]rphy Minin[illegible] Co.	[illegible]eid, Bennett
562	[illegible]	[illegible]mpire Mica [illegible].	[illegible]hort-Mitchell
601	[illegible]	[illegible]. E. Burles[illegible], et al.	[illegible]ones-Bozeman
613	[illegible]	[illegible]tt Young	[illegible]ox
62[illegible]	[illegible]	[illegible]deric Mica Co.	[illegible]anders (Sanders)
630	[illegible]	[illegible]rd Mica Miners	[illegible]yrd
659	[illegible]	[illegible]llis & [illegible]nder Minin[illegible]	[illegible]utz
662	[illegible]	[illegible]on-Metallic Minerals	[illegible]hite Face, Peterson [illegible]ract
674	[illegible]	[illegible]d Cut Mining Company	[illegible]ud Cut, Tallent (Talent)
679	[illegible]	[illegible]. C. Burles[illegible]	[illegible]ity, Shaft
675	[illegible]	[illegible]. R. Beam [illegible] Howard [illegible]	[illegible]raw, Clifton

Director's Weekly File
Region IV Files (2)

[illegible]/aaa
[illegible]-62

63682

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Nonmetallic Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E476, Docket No. DMEA-2327 (Mica), dated January 16, 1953, with

Andrew W. Reid
P. O. Box 489
Franklin, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of mica from property referred to as May Mine located in Macon County, North Carolina, during the period March 19, 1955, through April 17, 1959.

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

My review established the total sales of mica for this period to be $656.70. Royalty due the U. S. Government at the contract rate of 5 percent is $32.84. A prior report of royalty review dated March 21, 1955, stated the sales of mica through March 18, 1955, to be $2,390.06 and the royalty at 5 percent to be $119.50. The royalty account was stated as follows:

Total Royalty Due	$119.50
Total Royalty Paid	119.50
Balance of Royalty Due	$ -0-

As of April 17, 1959, the royalty account of this project was found to be:

Total Royalty Due	$152.34
Total Royalty Paid	152.34
Balance of Royalty Due	$ -0-

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

April 21, 1959

ANDREW W. REID

Contract No. Idm-E476 Docket No. DMEA-2327

STATUS OF PROJECT, DESCRIPTION OF REVIEW AND REASONS THEREFOR

A certification of discovery or development was issued on August 3, 1953, and, in accordance with Article 9 of the contract, royalty is payable on the net value of production from the land described in Article 2 during a period of 10 years from the date of the contract or until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first. A report of review in lieu of final cost audit dated April 16, 1953, indicated accepted costs amounting to $1,809.00 with the Government's contribution, on a 90 percent basis, being $1,628.10.

My review consisted of a tabulation and recomputation of copies of settlement statements furnished by the Executive Officer, OME Field Team, Region V, pertaining to royalty receipts subsequent to March 18, 1955, and reconciliation of such receipts with copies of deposit slips furnished by the regional finance office. The last receipt of royalty included in this report related to sales of scrap mica during July and August, 1955, to S. Lyn Young on which royalty amounting to $10.19 was deposited in Hamilton National Bank, Knoxville, Tennessee, by Deposit Slip No. 14-23-070-18 dated August 11, 1955.

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

(1) Field investigations by a representative of OME Field Team, Region V, indicate that there has not been any production from the mine since about July, 1955, all production has been reported, and the royalty due to the Government has been received; and

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

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Andrew W. Reid

Address P.O. Box 489

Franklin, North Carolina

Exploration Contract No. 476 Docket No. 2327

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

APR 17 1959
Date

W. A. Beck
Mining Engineer

53362

E-476

For Certificate of Deposit No. 10, dated July 22, 1955,

giving royalty repayment of $22.65, see E-107.

Oak Ridge, Tennessee

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO. 14-23-070-18

For credit of 428 BR TRSY Regi al Office, Oak Ridge, Tennessee 8/11/55
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

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

$ 10.19

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E-476 Andrew W. Reid (Royalty Payment)	10.19

(Depositor will insert below his name, title, Department or Agency concerned, and his address)
Defense Minerals Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Adm. Asst.
P. O. Box 217
Norris, Tennessee

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

Thomas Duncan
(Authorized signature) Auditor

AUG 1 1955
(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Fo: Promulgated Oct. 1949 by Treasury Dept., Fiscal Se

REPORT OF
ROYALTY REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF SECOND ROYALTY REVIEW

I have reviewed all copies of settlement sheets on file with the Executive Officer, DMEA Field Team, Region V, applicable to royalties collected on the sales of mica for the period January 16, 1953, to March 18, 1955, by:

Andrew W. Reid
P. O. Box 489
Franklin, North Carolina

produced from property referred to as the May Mine located in Mason County, North Carolina, under terms of Contract Idm-2476, Docket No. DMEA-2327.

My review included a conference with Mr. William A. Beck, Mining Engineer, U. S. Bureau of Mines, Knoxville, Tennessee, who is thoroughly familiar with the project.

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

(1) This account was previously reviewed by Mr. B. J. Brekhus as indicated by his Royalty Audit Memorandum dated July 28, 1954.

(2) A check of the records of the General Services Administration Mica Purchase Depot, Spruce Pine, North Carolina, did not disclose any sale of mica produced from this mine on which royalties have not been paid to the U. S. Government.

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

The review established the total sales of mica for this period to be $2,390.06. Royalty due the U. S. Government at the contract rate of 5 percent is $119.50. The royalty paid and balance due are as follows:

Total Royalties Due	$119.50
Total Royalties Paid	119.50
Balance of Royalties Due	$ -0-

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

March 21, 1955

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with Hamilton National Bank, Knoxville, Tenn. 10/21/51
(Name and location of depositary) (Date sent)

DEPOSIT NO. 14-23-070-30

the sum shown opposite for credit, subject to check, in the disbursing account of—

$ 175.46

E. A. Dixon, Gold Pick, Tennessee
(Name and address of officer to be credited)

SYMBOL NO. 1453

On account of—

INTOR $ 175.46 (000 Forward) E-476

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

Carl A. Piper, Fiscal Officer
Bureau of Mines
Department of the Interior
Knoxville, Tenn.

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

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

REPORT OF
ROYALTY REVIEW

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

July 28, 1954

Royalty Audit Memorandum

To: Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division

From: B. J. Brekhus, Auditor

Subject: Royalty Audit - Contract Idm-E87, Docket No. DMA-1140X
Pitt Mica Corporation
Contract Idm-E456, Docket No. DMEA-2150
A. W. Reid and W. H. Hooker, partners
Contract Idm-E476, Docket No. DMEA-2327
Andrew W. Reid

On July 13, accompanied by Mr. Wm. A. Beck, Mining Engineer, Bureau of Mines, Knoxville, Tennessee, I called upon Mr. A. W. Reid for purpose of determining status of royalty payments on the subject contracts.

We found Mr. Reid at home in apparently poor physical condition. He was reported to have been involved in a mine cave in sometime previously, and had spent considerable time in a hospital. Another man was reported killed in this same cave in.

Mr. Reid stated he was now no longer active in the above mining projects and his former partner, Mr. W. H. Hooker, who now resides in Atlanta, Georgia, has taken over the properties and owns the mineral rights, and has the records of the operations. He also stated that there was now no mining being done on these properties and he believed all royalties have been paid. The records of the Field Team and the Mica Depot in Spruce Pine, North Carolina, also support this. Therefore, it was decided not to go to Atlanta, as the probable findings would not justify the trip.

The status of the royalty accounts of the above contracts is as follows:

Contract No.	Sales: Strategic Mica	Sales: Punch & Scrap	Sales: Total Sales	Royalty Paid
Idm-E 87	$ 530.98	$684.58	$1,215.56	$ 60.77
" 456	-	-	-	-
" 476	2,004.90	144.25	2,149.15	107.45

Mr. W. H. Hooker's present business address is c/o Trade Publications, Inc., 1125 Peachtree Street, Atlanta, Georgia.

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. 8 19

Sheet No.

Department of the Interior
Defense Minerals Exploration Administration — Bureau of Mines 4-23-70
(Department or Establishment) — Defense Minerals Administration (Bureau or Office)

Received by A. E. Hudson, Regional Disbursing Officer at Oak Ridge, Tenn.
(Name) (Title) (Station)

Period December 1953 — 2 1 1953 — D. O. Symbol No. 1123
(Month or quarter ended)

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
Check dated	233 12/12/53	A. W. Reid, Ray Mine	5% royalty on mica sold under contract DMI-1-476, DSA 2327	17.45	1[illegible]01 Revolving fund, Defense Production Act, Interior
			Total,	17.45	

Received _____, subject to collection. Forwarded December 14, 1953

_____ (Disbursing clerk or accountable officer)

By _____

By William [illegible] Blair (Name)
Title Authorized Certifying Officer

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

Andrew W. Reid

P. O. Box 489

Franklin, North Carolina

pertaining to Contract No. Idm-8476, Docket No. DMEA-2327, for the month of March, 1953, covering a project for the exploration of mica.

My review included an examination of the Monthly Report (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the Regional Field Team, and a determination of the reasonableness and propriety of the costs.

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

(a) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible disallowances thereunder; and

(b) a major portion ($1,000.00) of the costs covered bulldozing which was documented by a receipted invoice.

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

Total cost as billed by Contractor		$ 1,809.00
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Herewith	- 0 -	-0-
Total Accepted Cost		$ 1,809.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One thousand six hundred twenty-eight and 10/100 Dollars,

— $ 1,628.10 —

is considered valid and proper.

April 16, 1953

E. D. Talbert

E. D. Talbert, Auditor

First and Final

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 9 1953

140

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1953 Docket No. DMEA 2327 Contract No. [illegible]
Operator's Name Andrew W. Reid Minerals [illegible]
Address P. O. Box 489 Franklin, N. C.
Contract Amount, $1,900.00 Government Participation: 90% Amount, $1,710.00

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	$ 1000.-	-	$ 1000.-	1000.00		1000.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	480.-	-	480.-	480.00		480.00
Supervision	240.-	-	240.-	240.00		240.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Hand Tools 2 ea	47.00		47.00	47.00		47.00
(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						
Jeep Transportation	42.-	-	42.-	42.00		42.00
~~Hand Tools~~	~~47.-~~	-	~~47.-~~			
(8) Contingencies (specify):						
TOTALS	$ 1809.-	-	$ 1809.-	1809.00		1809.00

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

Date 3/30/53 *Payee Andrew W Reid

Per _____ Title _____

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

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

(Instructions on reverse)

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

$ 1628.10

Signature Cora A. Piper
(Authorized Certifying Officer)

Date APR 6 1953 Vou. No. 140
(See other side)

S - 2/23/53
C - 3/27/53
Int - 7

180.90

(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. Hm-E476 in accordance with the terms of the contract.

Signature Lawrence C. Shirley Title Mining Engr. U.S.B.M. Date April 1, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. E. Beck Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date APR 3 1953

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 63-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 9 1953

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

Month of March 1953 Docket No. DMEA2327 Contract No. Idm-E 476
Operator's Name ANDREW W. REID Minerals MICA
Address P.O.BOX 489 Franklin, 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	Hr.	$1000.-	100	$1000.00	100	$1000.-	100	$1000.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits Labor	Hr.	480.-	480	480.00	480	480.-	480	480.00
Roads and Trails								
Supervision	Hr.	240.-	160	240.00	160	240.-	160	240.00
Total Distributed Costs				$1720.00				Total Costs Authorized by Contract
Jeep Transportation								
~~Operating Equipment Purchased~~				42.00				63.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Hand Tools				47.00				47.00
Total Costs				$1809.00				$1830.00

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

Date 3/30/53 Operator Andrew W Reid

Per _____ Title _____

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MF-104 ANDREW W. REID P.O.BOX 489 FRANKLIN, N.C.
DOCKET NO. DMEA 2327 CONTRACT NO. Idm-E 476 MICA

NARRATIVE

WORK ACCOMPLISHED:

Moved in with bulldozer, hired 3 laborers for single daylight shift. Dozing completed as per contract, with laborers sampling [illegible] and removing mica blocks as encountered.

TIME RECORD

Dozer started February 23, 1953 and completed its work March 10, 1953.

Laborers (3) started February 23, 1953 and completed their work, as per contract, on March 27, 1953.

Supervisor, A. W. Reid, worked 23 days (contract allows only 20 days).

Jeep transportation included 26 trips from Franklin to the Mica Mine, 30 miles per round trip, a total of 600 miles.

- - -

Trench and cuts, as provided in contract, were completed.

Two (2) test pits were sunk into the pegmatite, 5' x 6' x 8' and 3' x 6' x 3', and an old tunnel was cleaned out. The vein at this point is approximately 12 feet wide, showing a large quantity of small masses of ruby quality mica.

Three cuts were dozed. Cut No. 1 - 125' long, 30' deep, 12' wide at the bottom. The pegmatite in this cut is 12' to 20' wide.

Cut No. 2 failed to get deep enough due to hardness of overburden.

Cut No. 3 - vein material exposed approximately 50 feet. Small books of small ruby mica were encountered. This vein is about 12 feet wide. Work at this point is being continued by Operator at his own expense because it looks very favorable to becoming a producer of large quantities of hygrade strategic ruby mica.

Operator also expects to continue operation at Cut No. 1. This vein is exposed 100 feet in length, showing large masses of small ruby mica. One block recovered weighed approximately 50 pounds (14"x10"x12") but slightly stained due to being near the surface. Approximately 500 pounds of block mica was recovered during exploration but none has been sighted as yet.

Because of the excellent results from this work, Operator anticipates same will be certified.

(Receipted bills for dozing and hand tools are attached).

RECEIVED
APR 3 1953
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

C O P Y

P.O. Box 489

Franklin, North Carolina

April 21, 1953

Defense Minerals Expl. Adm.
Room 13, Post Office Building
Knoxville 2, Tennessee

Attention: Mr. Wm. A. Beck

Re: DMEA-2327, Idm-E476(Mica)

Gentlemen:

Reference is being made to your letter of the 17th, in which you request certain information connected with the above contract.

I hereby certify that the following is a true and exact copy of my records:

Work on this project started February 23, 1953, and was completed March 27, 1953. Labor paid was as follows:

Employees; Laborers, Beverage Sanders, Omer Hlmore, Beulon Mason. Each worked 20 days, 8 hours per day and were paid at the rate of $1.00 per hour, or $160.00. A. W. Reid worked as supervisor or foreman, worked the same number of hours and days at $1.50 per hour - $240.00

Days worked:

February	23, 24, 25, 26, 27	5 days
March	2, 3, 4, 5	4 days
	9, 10	2 "
	16, 17, 18, 19, 20	5 "
	23, 24, 25, 26	4 "

Total - 20 days

I trust this is the information you require.

Very truly yours,

s/ A. W. Reid

ANDREW W. REID

Copied by zm.
cc:
Beck
Finance Office-3

JAN 30 1963

Mr. Andrew W. Reid
P. O. Box 489
Franklin, North Carolina

Re: DMEA-2327 (Mica)
Andrew W. Reid
May Mine
Macon County, North Carolina
Contract Idm-2476

Dear Mr. Reid:

By the terms of the subject Exploration Project Contract and the certification of discovery or development dated August 3, 1953, all minerals mined or produced from January 16, 1953, to January 16, 1963, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/mm
1/29/63
cc: Director's Reading File
✓CA&A Division
Region IV (2)
Docket
Code 500

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

GOVERNMENT COPY

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

To: Andrew N. Reid
P. O. Box [illegible]
Franklin, North Carolina

Pursuant to the provisions of Exploration Project Contract No. [illegible], [illegible] 26, [illegible] (Contract No. [illegible]), [illegible] and the United States of America, [illegible] Government, to assist in the Government's [illegible] entage royalty on production and its [illegible] thereon and on the [illegible] of the contract, the Government hereby certifies that discovery of development from which production may be [illegible] resulted from the exploration work.

The nature of such discovery or development is as follows:

As a result of the work performed under this contract, there are indications that one that still [illegible] which an [illegible] may be produced from this property. A [illegible] with an average thickness of 12 feet was exposed over a length of [illegible] feet and a vertical distance of [illegible] feet.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense
Mineral Exploration
Administration

Dated: AUG 3 1953

DGHouk/AEKane/ema 7-29-53
Copy to: Mr. Edmund F. Hansburg, DMPA
Mr. Thayer, 5216 GSA Bldg.
Adm. R. File
Mr. Hedges, 4604,
Docket File
Field Team, Region VII
Operating Committee
Mr. Chambers
Mr. Johnson
Mr. Houk
Finance Office

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

600

AUG 3 1953

Mr. Andrew W. Reid
P. O. Box 489
Franklin, North Carolina

Re: Docket No. DMEA-2327 - Mica
May Mine
Macon County, North Carolina
Contract No. Idm-E476

Dear Mr. Reid:

Transmitted herewith is a Certification of Discovery or Development on Contract No. Idm-E476 on the May Mine in Macon County, North Carolina.

By the terms of the Exploration Project Contract and of the Certification, all production from the property from the date of the Exploration Project Contract, January 16, 1953, is subject to the Government's percentage royalty as set forth in the contract until the sum of $1,628.10 is paid or until January 16, 1963, whichever occurs first.

Payments should be made to Mr. Robert A. Laurence, Executive Officer, Defense Minerals Exploration Administration Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee. Checks should be drawn payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct to the Executive Officer.

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

JHopkins:gad 7/21/53

Copy to: Admr. R. File
Mr. Johnson
Mr. Hedges, 4604
Mr. Chambers
Mr. Houk

Docket File
Field Team, Region VII
Mr. Thayer, 5216 GSA Bldg.
Operating Committee

EXPLORATION PROJECT CONTRACT
ANDREW W. REID
DOCKET NO. DMEA-2327

EXHIBIT "A"

Description of the Work

Excavate a trench not more than 12 feet wide at the bottom and approximately 125 feet long as shown on the map entitled "Figure 1 - May Mica Mine, Macon County, North Carolina - DMEA-2327" attached hereto and made a part hereof.

Excavate a series of cuts, each not more than 50 feet long by 12 feet wide, at the bottom, approximately as shown on the map entitled "Figure 2 - Proposed Prospecting at 'Adit A' - May Mica Mine - Macon Co., N. C. - DMEA-2327" attached hereto and made a part hereof.

Excavate test pits whose number, location, and depth shall be specified by the Government.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1) Independent Contracts

Bulldozer - Caterpillar D6 or equivalent - $10.00/hr. for 100 hrs. actual operating time (including cost of operator, fuel, oil, supplies & repairs; the time used in transportation to and from job site may be charged at not over $5.00/hr.)	$1,000.00*

(2) Labor, Supervision, Consultants

3 laborers @ $1.00/hr. 20 shifts each	480.00
1 Working foreman @ $1.50/hr. for time actually worked not to exceed 20 - 8/hr. shifts	240.00*

(3) Operating Materials and Supplies

Hand tools	47.00

(4) Operating Equipment

None

(5) Rehabilitation and Repairs

None

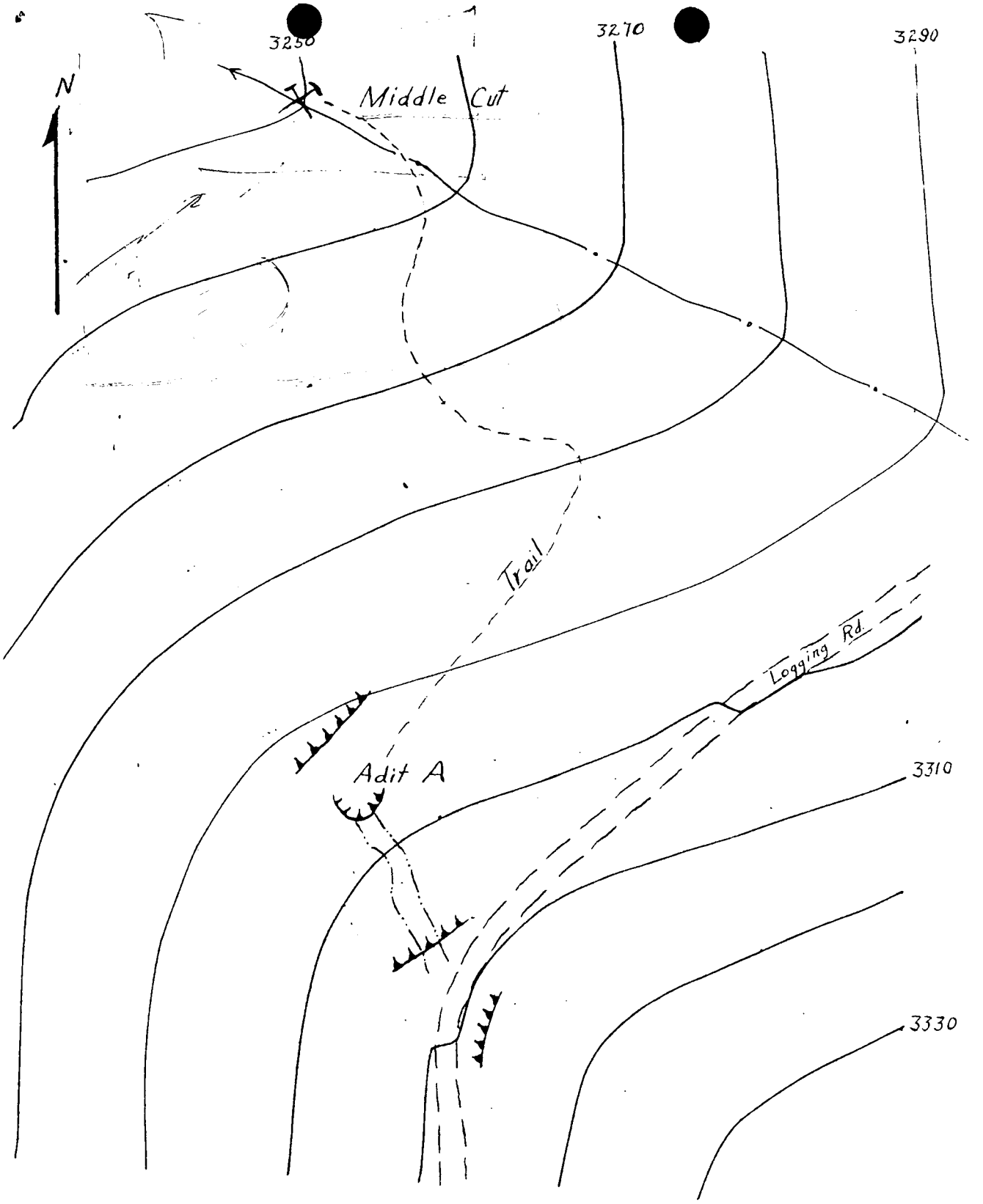
(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Jeep transportation - 900 miles @ $0.07/mile	$ 63.00	
Workmen's compensation and employers' liability insurance and payroll taxes	70.00	
Total Estimated Cost of Project		$1,900.00*
Government Participation @ 90%		$1,710.00*

LARGE FORMAT DOCUMENTS AT END OF FILE



DMEA-2327

Scale 1" = 60'

Fig 2A

Proposed Prospecting
at "Adit A"
MAY MICA MINE
Macon Co. N.C.

Proposed Open Cut

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $1,710.00, which is 90 percent of $1,900.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ____

Executed in sextuplicate the day and year first above written.

Andrew W. Reid
(Operator)

By A W Reid

THE UNITED STATES OF AMERICA

By ____
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 16—66328-1

EXPLORATION PROJECT CONTRACT
ANDREW W. REID
DOCKET NO. DMEA-2327

EXHIBIT "A"

Description of the Work

Excavate a trench not more than 12 feet wide at the bottom and approximately 125 feet long as shown on the map entitled "Figure 1 - May Mica Mine, Macon County, North Carolina - DMEA-2327" attached hereto and made a part hereof.

Excavate a series of cuts, each not more than 50 feet long by 12 feet wide, at the bottom, approximately as shown on the map entitled "Figure 2 - Proposed Prospecting at 'Adit A' - May Mica Mine - Macon Co., N. C. - DMEA-2327" attached hereto and made a part hereof.

Excavate test pits whose number, location, and depth shall be specified by the Government.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1) Independent Contracts

Bulldozer - Caterpillar D6 or equivalent - $10.00/hr. for 100 hrs. actual operating time (including cost of operator, fuel, oil, supplies & repairs; the time used in transportation to and from job site may be charged at not over $5.00/hr.)	$1,000.00*

(2) Labor, Supervision, Consultants

3 laborers @ $1.00/hr. 20 shifts each	480.00
1 Working foreman @ $1.50/hr. for time actually worked not to exceed 20 - 8/hr. shifts	240.00*

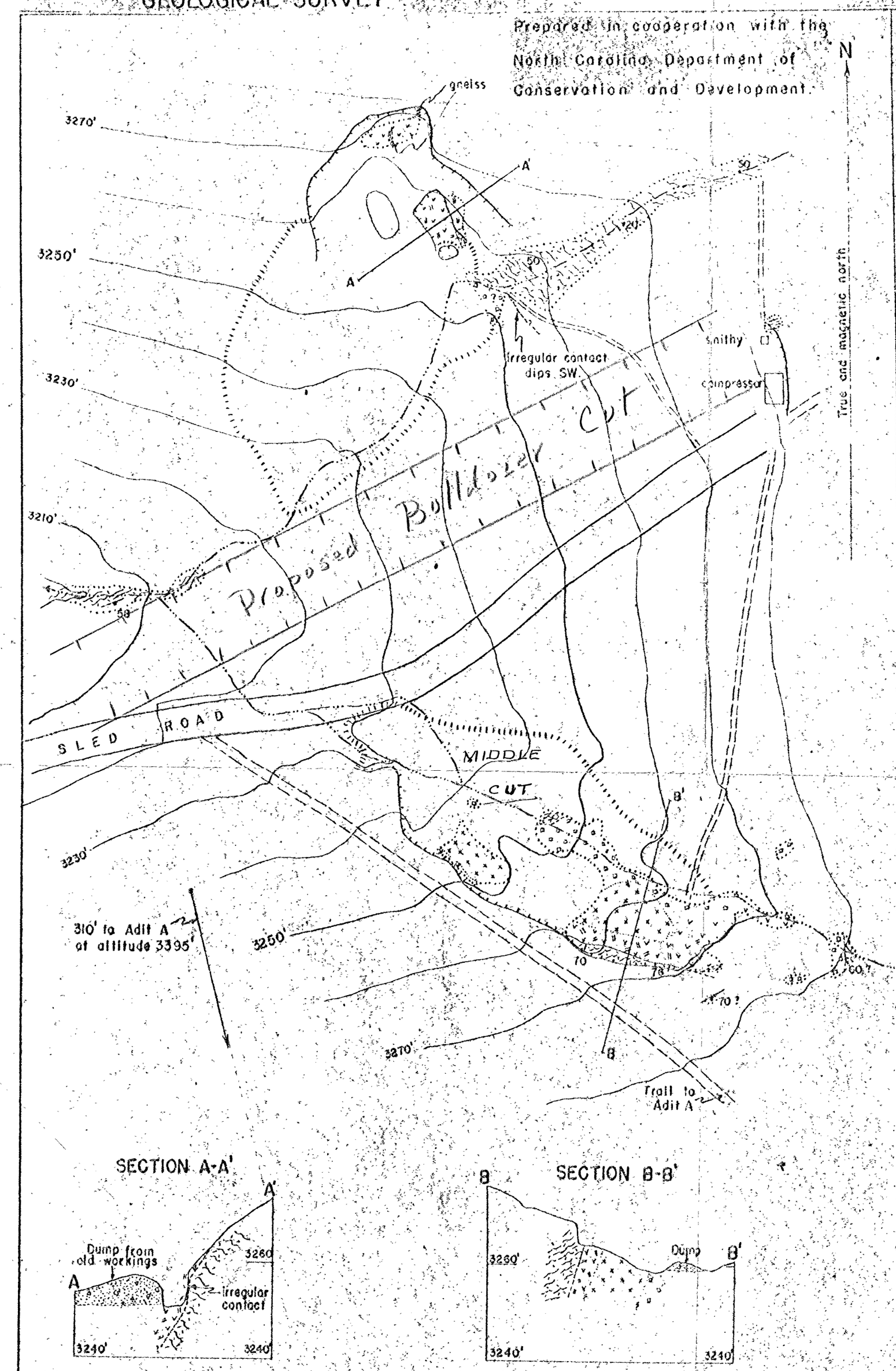
(3) Operating Materials and Supplies

Hand tools	47.00

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAPS

Prepared in cooperation with the North Carolina Department of Conservation and Development.



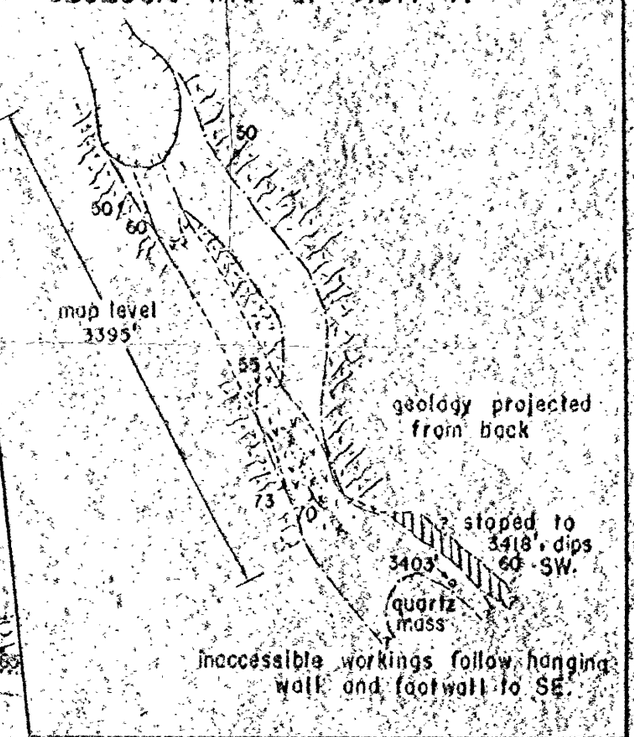
EXPLANATION

- Feldspar-quartz pegmatite (medium-grained)
- Quartz-feldspar-muscovite pegmatite (fine-grained)
- Massive quartz
- Concentration of sheet mica
- Concentration of scrap mica
- Biotite gneiss
- 50 Attitude of foliation
- 78 Observed contact
- Approximate contact
- Pegmatite zone boundary
- Outline of underground workings
- Limit of exposure
- Rim of excavation
- Trail
- Dump area

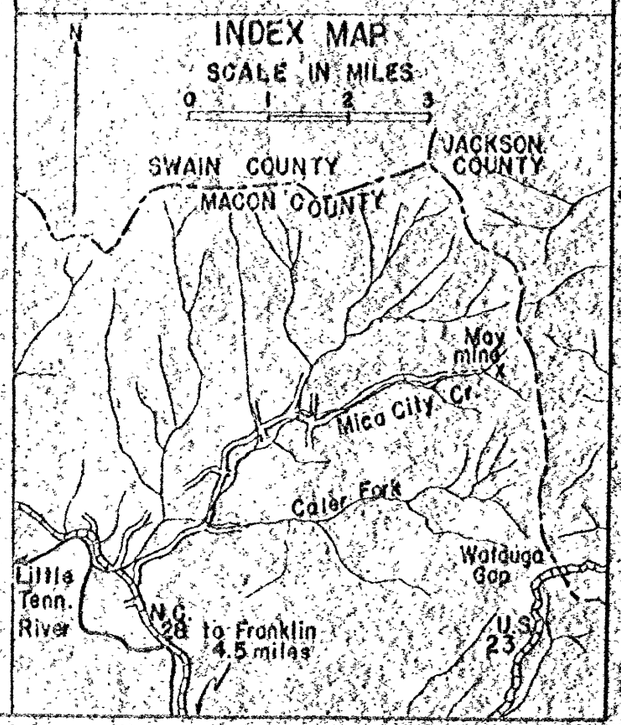
Plane table survey
Datum from T.V.A.-U.S.G.S. Greens Creek Quadrangle

Geology and topography by
Lloyd C. Pray
E. Wm. Heinrich
May 8 and 9, 1944 L.C.P.

GEOLOGIC MAP OF ADIT A



INDEX MAP



MAY MICA MINE, MACON COUNTY, NORTH CAROLINA

SCALE IN FEET
20 10 0 20 40 60 80 100

CONTOUR INTERVAL - 10'

Figure 1

DNE A-2327