DMEA-2524
Idn-E430
Misc
Region VII
(Terminated)

BUCHANAN AND BUCHANAN, HANK, NORTH CAROLINA. Joe Stevenson Mine, Mitchell County, North Carolina.
Final Field Report recommending that no certification be made on the project. The report was referred to the Commodity Group.

273
9/28/53

4-27-53
No. 209

DMEA-2524
Idn-E430
Misc
Region VII

BUCHANAN & BUCHANAN, HANK, NORTH CAROLINA. Joe Stevenson Mine, Mitchell County, North Carolina.
Letter to the Field with reference to its letter of April 13, 1953, and forwarding "Termination of Contract" forms, signed by the Administrator, for [illegible].

DMEA-2524
Idn-E430
Misc
Region VII

[illegible] Joe Stevenson Mine, Mitchell County, North Carolina.
Letter to the Field in reply to its letter of [illegible], 1953, to the [illegible] forms, signed by [illegible]

5-27-53
No. 221

☑ Audited R.R. 7-14-53 WORK ANALYSIS SHEET - DMEA PROJECT ☐ Actual Cost

☐ Certified Analysis as of 12-7-54 ☑ Agreed Unit Costs

Incl. Voucher for Dec. 1953

Name Buchanan and Buchanan Docket No. 2524

State N.C. Commodity Mica Idm-E No. 430

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	60	2400.00			
Raising					
Shafts	54'	1700.00	25	1250.00	1250.00
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		3800.00		1250.00	1250.00

Prepared by James A. [illegible]

71626

H

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Ottis L. Buchanan & Ira Buchanan

d/b/a Buchanan & Buchanan

Hawk, North Carolina

pertaining to Exploration Project Contract No. Idn-F430, Docket No. DMA-2524, including Amendment No. 1, for the months of November, 1952 to January, 1953, inclusive, covering a project for the exploration of mica.

My review included an examination of the Monthly Reports (Forms MT-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the DMA 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 reason that:

> the contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$1,700.00
Exceptions:		
By DMA Finance Officer	-0-	
Herewith, in accordance with the determination of the Chairman, Operating Committee, as stated in letter of May 28, 1953 to the Executive Officer of the DMA Field Team (copy attached)	$450.00	450.00
Total Accepted Cost		$1,250.00

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 Eleven hundred twenty-five and no/100 Dollars

$1,125.00

is considered valid and proper, in view of the decision of the DMA Chief Counsel as stated in memorandum of July 6, 1953 to the Chief, Contract Administration and Audit Division.

E. R. Talbert
Auditor

Date: JUL 14 1953

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

C
O
P
Y

May 28, 1953

Subject: Docket No. DMA-2524
(Mica)
Buchanan & Buchanan
Joe Stevenson Mine
Mitchell County, N. C.
Contract No. Idm-E430

Mr. Reobert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 2, Tennessee

Dear Mr. Laurence:

In response to your memorandum dated May 14 to the Chief Counsel concerning termination of the above-cited project, there is attached a form of termination notice under the provisions of the contract, which you may use in this case.

The Operator's January voucher should not be paid.

In addition to sending the termination notice to the Operator, you should follow up your letter dated May 14 to the Operator's attorney, Warren H. Pritchard, informing him that the contract has been terminated under the provisions of the contract.

Sincerely yours,

s/ George C. Selfridge

Chairman, Operating Committee

Enclosures

Approved:

s/ J. H. Hedges
Member, Bureau of Mines

s/ A. R. Kinkel, Jr.
Member, Geological Survey

C O P Y

UNITED STATES
DEPARTMENT OF THE INTERIOR

140

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

July 6, 1953

Memorandum

To: Chief, Contract Administration and Audit Division

From: Chief Counsel

Subject: Termination of Exploration Project Contracts

Reference is made to your memoranda to me of May 14, on the general subject above indicated, and of May 22, on the same subject in its application to Buchanan and Buchanan, Docket No. DMEA-2524, Contract No. Ida-E430.

The current Exploration Project Contract forms (MF-200 and MF-200A) provide that the Government may terminate the contract:

(a) If the Operator fails to provide his share of the money;

(b) If the Operator, in the opinion of the Government, fails to prosecute operations pursuant to 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 worthwhile discovery and in the opinion of the Government further operations are not justified.

(Item (a) above, is really nothing but one element of Item (b) and the statement of these items will be revised in the new contract form. Both of these items refer to a default or breach of the contract on the part of the Operator. The third item, (c), does not refer to a breach by the Operator, but gives the Government the right to terminate even though the Operator may be performing pursuant to the terms of the contract.

It is plain that termination of a contract on account of breach by the Operator should have a different effect from termination because the Government is of the opinion that the operations will not result in a discovery or development. In the first case, the Government may be justified in terminating or rescinding the contract and demanding repayment of money already contributed, and possibly damages in addition. In the second case, where the Operator is not in default, it is manifest that it is not intended that the Government may recover any money already contributed, but that it may merely refrain from contributing any more.

Your two memoranda raise the question of whether it is ever proper for the Government to terminate the contract and not demand the repayment of any contribution theretofore made.

The answer will depend upon the grounds relied upon for termination of the contract and the nature of the notice of termination. The Government would have the right to terminate an exploration project contract for the serious default or breach of an Operator, without the aid of any special provisions in the contract for termination. The termination provision in the contract forms gives the Government a much broader right of termination than it otherwise would have had. As stated in the contract, the Government may terminat "if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract." It was not intended that a termination under this provision would give the Government the right to recover money previously contributed, but only to relieve the Government of the obligation to contribute any more.

On the other hand, if the default or breach by the Operator is so gross and plain that there is no question about it (such as abandonment of the work without any excuse), and the Government wishes to terminate the contract and to recover the money already contributed, the notice of termination should not be given as under the terms of the contract ("in the opinion of the Government"), but should be given as a notice of rescission for breach of the contract by the Operator, with demand for the repayment of all money contributed. In a proper case, in addition to money contributed, the Government might recover damages for the Operator's failure to complete the work. I believe that to date any notices of termination that have been given have been notices under the provisions of the contract, without demand for the repayment of money previously contributed, and without any intention of recovering any money previously contributed. In connection with such terminations, it is my opinion that the Government may not recover the money contributed at the time the notice was given.

You have suggested that these considerations should be set forth in an amendment or supplement to DNTA Circular No. 22. I agree with you in this, and will shortly revise DNTA Circular No. 22 to conform with what is above stated and with the provisions of the revised contract forms now pending.

None of the foregoing has anything to do with the termination of contracts by agreement. I have frequently pointed out that it is preferable to terminate by agreement where a suitable agreement can be worked out with the Operator. Termination by notice is to be made only where a satisfactory agreement cannot be negotiated.

/s/ J. L. Hofflund
J. L. Hofflund
Chief Counsel

C
O
P
Y

Division Copy

TERMINATION OF EXPLORATION PROJECT CONTRACT

To: Ottis L. Buchanan

Ira Buchanan

Hawk, North Carolina

Operator under Exploration Project
Contract I-dm-E430, Docket No.
DMEA-2524, dated October 30, 1952

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above-mentioned contract, hereby terminates the contract on the following grounds:

(a) Your failure to provide your share of the money necessary to prosecute operations pursuant to the terms of the contract.

(b) In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract.

THE UNITED STATES OF AMERICA

JUN 2 - 1953

Hal Robin Chandler

By Silas T. A. Lawrence
Executive Officer
DMEA Field Team
Region VII

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 18, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

June 2, 1953

Mr. Warren H. Pritchard

Spruce Pine, N. C.

Re: DMEA-2524, Idm-E430 (mica)
Buchanan & Buchanan

Dear Mr. Pritchard:

We are sending Mr. Otis Buchanan a notice of termination of the subject exploration contract for failure to prosecute operations pursuant to the terms of the contract. The January voucher cannot be paid, and of course the proposal to pay one-half of it is unacceptable too. This decision has been based upon a thorough review of the case by our Washington staff.

The forms sent to Mr. Buchanan on May 4 should be returned to this office unsigned.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region 7

RAL/mm
cc:
Beck
Lynch
Opr. Com.
Files

Div. Copy

CONTRACT AMENDMENT NO.1

Contract Docket No. DMEA-2524, Idm-Eh30, dated the 30th day of October 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Otis L. Buchanan and Ira Buchanan, partners, doing business as Buchanan and Buchanan, Hawk, North Carolina, is hereby amended as follows:

1. Article 3 is amended to read, "The Operator, ...; and shall bring the project to completion within a period of 9 months from the date of contract" instead of 5 months as stated in the original contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay, under the provisions of Article 4 of the contract form.

Dated: March 17, 1953

UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer, DMEA-Region 7

BUCHANAN AND BUCHANAN

By Ottis L. Buchanan
Ottis L. Buchanan, Partner

By [illegible]
Ira Buchanan, Partner

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

DOCKET NO. DMEA 2524

COMMODITY Mica

Division Copy
IDM-E 430

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 30th day of October, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] _____

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of _____, County of _____, described as follows: [3] _____

the Operator represents and undertakes: [4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within _____ days from the date of this contract shall commence work on a project of exploration for [5] _____

in or upon the described land; and shall bring the project to completion within a period of _____ from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay _____ percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $_____, which is _____ percent of $_____, 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Otis B. Buchanan
(Operator)

By Ione Buchanan

By O. M. Meiteadey
Contracting Officer
Defense Minerals Exploration Administration

Carl Fine
Harry Seibert

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—66329-1

[illegible] TECH PROJECT CONTRACT
BUCHANAN [illegible] BUCHANAN
DOCKET NO. [illegible]-2524

ARTICLE 1

The property referred to in Article 2 hereof is described in a lease dated January 3, 1952, from Arthur Stevenson and Electa Stevenson, his wife, to the Operator, recorded January 3, 1952, in the Office of the Registrar of Deeds for Mitchell County, North Carolina, in Deed Book No. 11, page 75, and its beginning point is indicated on the map attached hereto and made a part hereof and entitled "Surface Map, W. C. Burleson Mica Mine, DMSA-2524", and its detailed description is as follows:

Beginning at a point where the small stream encounters the old mine dump and running thence due north for 300 feet to a stake; thence, due west 300 feet to a stake; thence 600 feet due south to a stake; thence 600 feet due east to a stake; thence 600 feet due north to a stake; thence 300 feet due west to a stake (point of closure).

EXPLORATION PROJECT CONTRACT
BUCHANAN AND BUCHANAN
DOCKET NO. DMEA-2524

EXHIBIT "A"

Description of the Work

At the site of the proposed inclined shaft, as indicated on the attached map described in Annex I, deepen the existing test pit which is now 15 feet deep to a total depth of approximately 49 feet. The shaft as sunk from the bottom of the above-mentioned test pit shall be 5' x 7' in cross section and approximately 34 feet deep.

Drift a maximum of 60 feet along the hanging wall of the pegmatite from the bottom of the shaft, as indicated on the above-mentioned map.

The exact location, direction, and extent of the work is to be specified by the Government.

Agreed Estimated Costs

Sink 34 feet of shaft @ $50/ft.	$1,700.00	
Drift 60 feet @ $35/ft.	2,100.00	
Total Agreed Estimated Costs		$3,800.00
Government Participation @ 90%		$3,420.00

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, leased to Ira Buchanan and Otis L. Buchanan, in lease dated January 3, 1952, recorded in Deed Book 11, page 75, and more particularly described as follows: BEGINNING at a point where the small stream encounters the old mine dump (point shown on map identified as "Surface Map - W. C. Burlesca Mine - DMI-2524" attached to the contract between the United States of America and Otis L. and Ira Buchanan), and running thence; due north for 300 feet to a stake; thence, due west 300 feet to a stake; thence 600 feet due south to a stake; thence, 600 feet due east to a stake; thence, 600 feet due north to a stake; thence, 300 feet due west to a stake (point of closure).

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

2/ _____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and any amendment thereof and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract or any amendment thereof. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of October 13, 1952.

_____ [Seal]

Arthur Stevenson [Seal]

Electa Stevenson [Seal]

1/ 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.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, 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.

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 14 1952

No closing letter to be sent in a case like this.

reason: Abandonment

Project Summary Report

By: Walter C. Anderson November 17, 1953

1. DMEA Docket No. 2524 - Mica
Contract No. Idm-E430
W. C. Burleson (Joe Stevenson) Mine
Mitchell County, North Carolina

Operators: Otis L. and Ira Buchanan
d.b.a. Buchanan and Buchanan
Hawk, North Carolina

Operator's Property Rights:
Lease - dated January 3, 1952
Owner's Consent to Lien - dated July 25, 1952

2. Contract - dated October 30, 1952

Work authorized:

34 feet of shaft @ $50/ft.	$1,700.00
60 feet of drift @ $35/ft.	2,100.00
Total	$3,800.00
Government's participation @ 90%	$3,400.00

Amendments:
No. 1 - 3/17/53 - Extends completion date from 5 months to 9 months.

Work completed:

25 feet of shaft @ $50/ft.	$1,250.00
Total	$1,250.00
Government's participation @ 90%	$1,125.00

The contract was terminated by the Government on June 2, 1953, for failure to prosecute operations pursuant to terms of the contract.

3. Audit Certificate issued July 14, 1953.

Total cost as billed by Contractor		$1,700.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith, in accordance with the determination of the Chairman, Operating Committee, as stated in letter of May 28, 1953, to the Executive Officer of DMEA Field Team	450.00	450.00
Total accepted cost		$1,250.00

Government participation @ 90% $1,125.00

4. Certification of Discovery - None issued.

5. Comments:

The project was conducted in a very poor manner. According to the Field Team the Operator's behavior in carrying out its contract obligations give it a reputation of being very irresponsible. Work accomplished under the contract consisted of deepening an existing 15-foot pit, 34 feet on a 60-degree incline to 49 feet. When the incline was completed, the Operator abandoned the project and refused to drive the 60 feet of drifts as provided in the contract. The project began on November 10, 1952, and was terminated for cause on April 28, 1953. That portion of the project completed failed to discover a worthwhile deposit; therefore, no certification of discovery should be issued.

WCAnderson:gad 11/17/53

Copy to: Admr. R. File
Docket File
Mr. Houk ✓

original to Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1953

November 10, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2524, Mica

Applicant: Otis and Ira Buchanan
Name and Location of Property: Joe S. Stevenson Mine
Mitchell County, North Carolina
Date of Final Field Team Report: September 16, 1953
Contract: Idm-E430
Field Team's Recommendation:

1. No certification.

Comments;

1. Operations abandoned before project brought to completion.
2. No worthwhile deposit of mica found.

Recommendation:

I concur in the field team's recommendation to deny certification.

Signed

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

November 10, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2524, Mica

Applicant: Otis and Ira Buchanan
Name and Location of Property: Joe S. Stevenson Mine
Mitchell County, North Carolina
Final
Date of Field Team Report: September 16, 1953
Contract: Idm-E430
Field Team's Recommendation:

1. No certification.

Comments:

1. Operations abandoned before project brought to completion.
2. No worthwhile deposit of mica found.

Recommendation:

I concur in the field team's recommendation to deny certification.

Signed

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1953

November 10, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2524, Mica

Applicant: Otis and Ira Buchanan
Name and Location of Property: Joe S. Stevenson Mine
Final Mitchell County, North Carolina
Date of/Field Team Report: September 16, 1953
Contract: Idm-E430
Field Team's Recommendation:
1. No certification.
Comments:
1. Operations abandoned before project brought to completion.
2. No worthwhile deposit of mica found.
Recommendation:
I concur in the field team's recommendation to deny certification.

Signed

W. F. Dietrich

Original to Docket

IN REPLY REFER TO:

G-MD-CNM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

September 28, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2524 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Otis L. Buchanan and Ira Buchanan, Hawk, North Carolina
Name of property: Joe S. Stevenson mine.
Location of property: Mitchell County, North Carolina.
Date of field team report: September 16, 1953.
Authorship of field team report: Kefton H. Teague and L. E. Shirley.
Field team's recommendation: Termination of contract with no certification of discovery.
Comments: It is recommended that no additional projects from either applicant be considered, as a result of the way they handled this contract.
ACTION SUGGESTED:
Follow field team's recommendation."

D. M. Larrabee

Larrabee:jeh
9/28/53
cc: Director's reading 4212
Branch reading 4222
DMEA 3
Larrabee G-230

IN REPLY REFER TO:

G-ND-CNM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

September 28, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2524 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Otis L. Buchanan and Ira Buchanan, Hawk, North Carolina
Name of property: Joe S. Stevenson mine.
Location of property: Mitchell County, North Carolina.
Date of field team report: September 16, 1953.
Authorship of field team report: Kefton H. Teague and L. E. Shirley.
Field team's recommendation: Termination of contract with no certification of discovery.
Comments: It is recommended that no additional projects from either applicant be considered, as a result of the way they handled this contract.
ACTION SUGGESTED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
9/28/53
cc: Director's reading 4212
Branch reading 4222
DMEA 3
Larrabee G-230

IN REPLY REFER TO:

G-ND-CSH

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

September 28, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2524 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Otis L. Buchanan and Ira Buchanan, Hawk, North Carolina
Name of property: Joe S. Stevenson mine.
Location of property: Mitchell County, North Carolina.
Date of field team report: September 16, 1953.
Authorship of field team report: Kefton H. Teague and L. E. Shirley.
Field team's recommendation: Termination of contract with no certification of discovery.
Comments: It is recommended that no additional projects from either applicant be considered, as a result of the way they handled this contract.

ACTION SUGGESTED:

Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
9/28/53
cc: Director's reading 4212
Branch reading 4222
DMEA 3
Larrabee G-230

UNITED STATES
DEPARTMENT OF THE INTERIOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

September 17, 1953

Memorandum

To: Chairman, Operating Committee

From: DMEA Field Team, Region 7

Subject: Final Reports.

Reviewed by
DMEA OPERATING COMMITTEE
9-28-53
(date)

Transmitted herewith are the field examiners final reports on the following projects:

DMEA-2416, Idm-E328, J. W. Autrey Mine (mica)

DMEA-2824, Idm-E511, Hawkins Mine (mica)

DMEA-2832, Idm-E503, Bear Pen Mine (mica)

DMEA-2561, Idm-E420, Poston Prospects (mica)

DMEA-2375, Idm-E349, Swannanoa Mine (mica)

DMEA-2524, Idm-E430, Joe Stevenson Mine (mica)

Attached to the appropriate reports are also the Operator's final reports on the following:

DMEA-2832, Idm-E503, Bear Pen
DMEA-2824, Idm-E511, Hawkins Mine
DMEA-2416, Idm-E328, J. W. Autrey

The operators final report on Poston Prospects, DMEA-2561, Idm-E420 has previously been forwarded.

Final reports have not been received from the operator on the following:

Swannanoa, DMEA-2375, Idm-E349, and J. W. Stevenson Mine, DMEA-2524, Idm-E430. As soon as these reports are received they will be forwarded.

The Field Team is in agreement that none of the projects herein described warrant certification.

/s/ Wm. A. Beck
U. S. Bureau of Mines

/s/ Robert A. Laurence
Executive Officer, DMEA
Field Team, Region 7

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
REGION VII

FIELD TEAM FINAL REPORT

ON

JOE S. STEVENSON MINE
DMEA-2524, Idm-E430 (mica)
Mitchell County, N. C.

-BY-

Kefton H. Teague, Geologist
U. S. Geological Survey

and

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

September 16, 1953

Reviewed by
DMEA OPERATING COMMITTEE
9-28-53
(date)

DEFENSE MINERALS EXPLORATION
ADMINISTRATION

FINAL REPORT
ON
JOE S. STEVENSON (BILLY BURLESON) MINE
DMEA-2524, Idn-E430 (mica)
Operator: Otis L. Buchanan and Ira Buchanan, Hawk, North Carolina

The Joe Stevenson Mine is 6.1 miles by road a little south of east Bakersville, Mitchell County, N. C. It is about 1.5 miles S. 40° E. of Hawk, and is located along the north side of White Rock Ridge.

The operators abandoned the project before it was brought to completion. That portion of the project completed failed to discover a worthwhile deposit of mica; therefore, no certification of discovery should be issued.

Work accomplished under this contract consisted of deepening an existing 15-foot pit, 34 feet on a 60° incline to 49 feet. When the incline was completed, the operators abandoned the project and refused to drive the 60 feet of drifts as provided in the contract. The project began November 10, 1952 and was terminated for cause on April 28, 1953.

A pegmatite of variable thickness is exposed in the 49-foot incline. In general it is in excess of 8 feet in thickness and is composed of a rather uniform mixture of medium coarse plagioclase feldspar, small segregations and lenses of smoky quartz, both ruby and green muscovite, serecite and small red garnets. Schist stringers extend for a foot or more into the pegmatite from both the hanging and foot walls. Apparently this is a characteristic of this particular pegmatite, although the operators would not recognize this feature. Instead they insisted that the pegmatite had pinched out in the bottom of the incline. Where exposed in the incline, the pegmatite averages 60° southeast in dip although the schist stringers from the wall are nearly flat. Approximately 800 pounds of book mica was obtained from the incline, about 50 percent was green in color. The green mica occurs along the footwall and the ruby variety on the hanging wall.

Expenditures:

(a) Total approved	$ 3,800.00
(b) Total Cost of Project	1,250.00
(c) Government's share of cost	1,125.00
(d) Government's share unexpended	2,295.00
(e) Value of production during operation - unknown	

So far as the work that was completed is concerned, it was conducted satisfactorily, although safety features practiced left much to be desired.

Reviewed by
DMEA OPERATIONS COMMITTEE
9-28-53
(date)

Otherwise the project was conducted very poorly. The operator abandoned the project without prior consent of the Government and extended the truth beyond its breaking point in attempting to justify the action. Never again will the present field examiners recommend a contract with either of the operators.

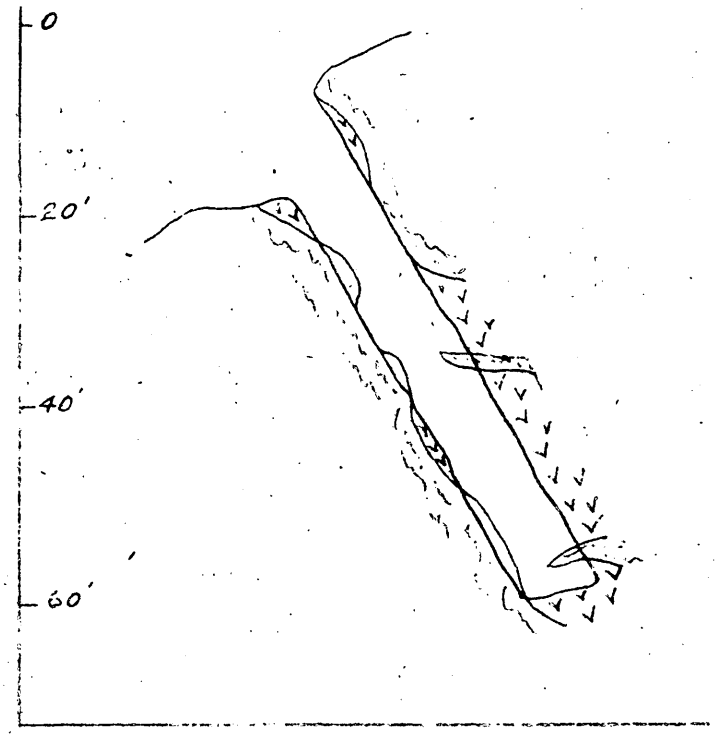
No equipment was purchased for this project as it was on a unit basis. However, the Government was able to salvage the final voucher of $405.00 which had not been paid at the time the project was abandoned.

September 16, 1953

Kefton H. Teague, USGS

L. E. Shirley, USBM

EH



Cross Section
to NE

Joe Stevenson Mine
Mitchell Co., N.C.

0 20 40'

Scale

DNER-2524 (mica)

140

7.

MAY 28 1953

Subject: Docket No. DMEA-2524
(Mica)
Buchanan & Buchanan
Joe Stevenson Mine
Mitchell County, N. C.
Contract No. Idm-2430

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 2, Tennessee

Mr. Rubin
Chron.
Pending

Dear Mr. Laurence:

In response to your memorandum dated May 14 to the Chief Counsel concerning termination of the above-described project, there is attached a form of termination notice under the provisions of the contract which you may use in this case.

The Operator's January voucher should not be paid.

In addition to sending the termination notice to the Operator, you should follow up your letter dated May 14 to the Operator's attorney, Warren H. Pritchard, informing him that the contract has been terminated under the provisions of the contract.

Mr. Thayer
Mr. Hedges
Mr. Houk
Mr. Hoffland

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

Approved:

Copy to: Mails & Files
Admr. R. File
Docket
Oper.Comm.

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

HCRubin:ep 5-21-53

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

May 22, 1953

Memorandum

To: Mr. J. L. Hofflund
Chief Counsel

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Contract No. Idm-F430, Docket No. DMEA-2524 (Mica)
Buchanan & Buchanan, Joe Stevenson Mine
Mitchell County, North Carolina

I am forwarding the covering letter and attachments regarding the above-cited contract for advice on the following points.

This is a short-form contract. Does the Government have the right to terminate this project for cause which is not necessarily in the interest of the Government without making a claim for repayment of monies advanced to the Operator under the terms of the contract? Would it not be better to terminate this contract by mutual agreement? Surely, sufficient reasons could be had to show that the Government would in the long run be benefitted by closing the contract. Under the proposed termination, I wonder what basis the Contract Administration and Audit Division would have to approve the payments under this contract when a Report of Review is issued.

Attachment

JIChambers/wb
May 22, 1953

Copy to: Docket
Admr. Reading File
Mr. Houk
Mr. Chambers

APR 2 8 1953

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-2524 (Mica)
Buchanan & Buchanan
Joe Stevenson Mine
Mitchell County, N. C.
Contract No. Idm-EA30

Dear Mr. Laurence:

Reference is made to your memorandum to me of April 13, 1953, regarding the method of terminating the subject contract.

This contract should be terminated by mutual agreement, and six copies of the termination notice are enclosed for your approval and submission to the Contractor for signature.

After execution of the termination agreement, the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

Enclosures 6

AEKane:ep 4-23-53

Copy to: Mails & Files
Admr. R. File
Op. Comm.
Mr. Thayer
Mr. Hedges
Mr. Houk
Mr. Hofflund
Mr. Kane
Chron.
Pending

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

DOCKET COPY

April 13, 1953

Mr. Warren R. Pritchard

Spruce Pine, N. C.

Re: DMEA-2524, Idm-E430 (mica)
Buchanan & Buchanan
Joe Stevenson Mine

Dear Mr. Pritchard:

This is in reply to your letter of April 11, concerning the exploration project captioned above.

In all cases of breach of contract the final decision on what action to take rests with the Legal Division in our Washington office, and we are referring your letter, and previous correspondence with Mr. Buchanan to them. We will notify you as soon as possible what action is to be taken.

However, I would like to point out that Mr. Buchanan is mistaken when he says that Mr. Teague told him he could remove the equipment and abandon the project whenever he saw fit. Mr. Teague did not, at any time, make such a statement.

Very truly yours,

Robert A . Laurence
Executive Officer, DMEA
Field Team, Region 7

RAL/mm
cc:
Rock
Lynch
Opr. Com.
Files

April 7, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 1, Docket No. DMFA-2524 - Mica
Otis L. Buchanan and Ira Buchanan
Joe Stevenson Mine
Mitchell County, North Carolina

Purpose: To bring project to completion in nine months instead of five months.

Recommendation: The Nonmetallic Minerals Division recommends concurrence with this amendment which was executed March 10, 1953, in the field.

Note: Operators became discouraged on not encountering mica shoot and requested abandonment of contract. The field team have persuaded them to continue.

/S/
Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 4/7/53

Copy to: Admr. R. File
Docket File
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DOCKET COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
KNOXVILLE
APR 6 1953

April 1, 1953

Mr. Ottis Buchanan
Hawk, North Carolina

Re: DMEA-2524, Idm-E430 (mica)
Joe Stevens Mine

Dear Mr. Buchanan:

This will acknowledge receipt of the original and four copies of Amendment No. 1, granting you a time extension on the subject contract.

Transmitted herewith are original and five copies of Amendment No. 2 which allows you to sink an additional 15.4 feet in the shaft. You will note that this amendment does not increase the amount of the Contract but increases the amount of shaft sinking and decreases the amount of drifting.

This amendment is in accordance with the agreement made by you with the Field Team on their visit with you on March 27.

Please sign all six, keep one copy and return the original and four copies to this office.

Please notify us when you resume operations on the project.

Yours very truly,

Wm. A. Beck, Acting
Executive Officer, DMEA-Reg.7

WAB/am
cc: Beck
Lynch
Laurence
Opr. Com.

Shaft 49.5' @ $50 = $2470.
Drift 38' @ $35 = 1330
$3800

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 325, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

March 17, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 19 1953

Mr. Ottis Buchanan

Hawk, North Carolina

Re: DMEA-2524, Idm-E430 (mica)
Joe Stevenson Mine

Dear Mr. Buchanan:

We understand that no work on your exploration contract has been done since that reported on your January voucher, and that you have apparantly abandoned the project. The completion date on this contract is March 30, 1953, and as it is now obviously impossible to complete the project by that time, I enclose 6 copies of an amendment extending the time for an additional 4 months. Please sign all six, keep one copy and return the original and 4 copies to me.

This contract, signed by you, is a firm contract to complete a project. A suspension of operations for whatever cause, with no intention of resuming them within a time and in a manner to permit completion of the work within the time fixed by the contract, is a breach of the contract. Such a suspension is a default on your part, and justifies the Government in making no further contribution to the costs of operations, including work already performed. Therefore, we are still holding your January voucher and will not approve it for payment until we are assured that you are going to complete the contract. If the default continues, the Government could demand repayment of all contributions previously made.

Please give this your immediate attention.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Field Team, Region 7

RAL/xm

cc:
Beck
Lynch
Opr. Com.
Files

noted
3/20/53
SK

Mr. Fiedler

INTERIM REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1953

IMEA-2524 Idm-2430 (mica) JOE STEVENSON MINE

OPERATOR: Otis L. Buchanan and Ira Buchanan, Hawk, N. C.

LOCATION: 6.1 miles by road, a little south of East Bakersville, Mitchell County, N. C. It is about 1.5 miles S 40° E of Hawk, N. C. and occurs along the north side of White Oak Ridge.

The shaft sinking, as set up in Exhibit "A" of the contract, has been completed and is now at 34 feet. Dimensions at the bottom shows the shaft to be 9' long and 8' wide. The inclined shaft was sunk in pegmatite material for the entire footage. This material consisted of quartz and feldspar with garnets, apatite and sericite scattered throughout. At about 26 feet from the surface a biotite schist roll cuts into the pegmatite from the footwall and a similar roll is reported in the bottom of the shaft. Mica recovered during shaft sinking has been both ruby and green colored in about equal percentages. The operators are of the opinion that the country rock is cutting out all vein material and since no "mica column" was picked up during shaft sinking, they prefer to discontinue the operation. It was suggested that they continue, carrying out the drifting as set up in the contract because to the N E of the shaft location and along the strike of the pegmatite, there are certainly good indications of mica bearing pegmatite at surface level. The operators still want to cease work and may sub-contract the drift work, if an agreeable party can be found.

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

A. H. Teague, Geologist
U. S. Geological Survey

February 10, 1953

8/5/53

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1952 Docket No. DMEA-2524 Contract No. IDm-E 430
Operator's Name Ottis Buchanan Minerals Mica
Address Hawk N.C.
Contract Amount, $ 3800.00 Government Participation: 90 % Amount, $ 3420.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft	$850.00	$400.00	$1250.00	850.00	400.00	1250.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$850.00	$400.00	$1250.00	850.00	400.00	1250.00

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

Date Jan. 6, 1953 *Payee Ottis Buchanan

Per Ira Buchanan 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:

$

Signature
(Authorized Certifying Officer)

Date Vou. No.

(See other side)

(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. Idn-E430 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Jan. 12, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. T. Beck Title Mtg. Exec. Offr. Region III Date 1-14-53

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
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 23 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1952 Docket No. DMEA-2524 Contract No. IDM-E436
Operator's Name Ottis Buchanan Minerals mica
Address Hawk 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 (incline)	ft.	$850.00	17	$1250.00	25	50.00	34	$50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$850.00		$1250.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$850.00		$1250.00				

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 Jan. 6. 1953 Operator Ottis E. Buchanan
Per Ira Buchanan Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

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

Dec. 8 - drilled one V round - used 18 sticks of dynamite

Dec. 9 - mucked out - down 2 ft.

Dec. 10 - Out due to bad weather

Dec. 11 - out due to bad weather

Dec. 12 - drilled 24 ft. used 18 sticks of dynamite on side holes.

Dec. 15 - Out due to bad weather

Dec. 16 - Out due to bad weather

Dec. 17 - mucked out

Dec. 18 - drilled 8 - 2 ft. holes - used 12 sticks of dynamite - mucked out - down 2 ft.

Dec. 19 - drilled 3 side holes - mucked out

Dec. 22 - drilled

Dec. 23 - drilled

Dec. 24 - loaded holes with 100 lb. of dynamite - shot

Dec. 26 - mucked out - down 6 ½ ft.

Dec. 29 - drilled

Dec. 30 - drilled

Dec. 31 - shot 100 lbs. dynamite - mucked out down 6 ½ ft.

Daily Report of -
Ottis Buchanan (Stevenson Mine)
Hawk, N.C.

7 in Feet

INTERIM REPORT

LMEA-2526 ldm-5430 (mica) JOE STEVENSON MINE

OPERATORS: Otis L. Buchanan and Ira Buchanan
Hawk, North Carolina.

LOCATION: 6.1 miles by road, a little south of East Bakersville, Mitchell County, North Carolina. It is about 1.5 miles S 40° E of Hawk, North Carolina and occurs along the north side of White Rock Ridge.

Inclined shaft is now at 12 feet. Material removed consists of feldspar, quartz, garnet and some larger pieces of muscovite mica. Bad weather has prevented full time work on this project. Project is moving slowly, but satisfactorily.

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

December 16, 1952

noted 12/31/52 SF

Mr. Fuller

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII

OFFICE OF
REGIONAL DIRECTOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 18 1952

P. O. BOX 217
NORRIS, TENNESSEE

December 16, 1952

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration

From: Administrative Officer, Region VII, Norris, Tennessee

Subject: Monthly progress reports and vouchers

We are enclosing two copies each of the following monthly progress reports and vouchers:

Idm-S-410 Elk Mine Miners
Docket No. DMEA-2466
2nd payment - month of November
Amount $664.00

Idm-S-418 Conway Rovin
Docket No. DMEA-2575
1st payment - month of November
Starting Date: November 15, 1952
Amount $524.90

Idm-E-430 Buchanan and Buchanan
Docket No. DMEA-2524
1st payment - month of November
Amount $360.00
Starting Date: November 10, 1952

Helen R. Miller

HRM:AC:hbm
Enclosures
CC: W. A. Duck
R. A. Lawrence
Region Files
Day Files

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
DEC 18 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1952 Docket No. DMEA 2524 Contract No. IDM-E 430
Operator's Name Otis L. Buchanan Minerals Mi C 2
Address: Hawkins
Contract Amount, $ 3800.00 Government Participation: 90 % Amount, $ 3420.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form } Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft	$400.00		$400.00	400.00	—	400.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$400.00		$400.00	400.00		400.00

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

Date November 29, 1952 *Payee Otis L. Buchanan

Per _____ 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:

$ 360.00

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____
(See other side)

(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. Idm.E 430 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Dec. 11, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title Executive Officer Date 12-15-52

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 18 1952

Month of November 1952 Docket No. DMEA-2524 Contract No. IDM-E430
Operator's Name Otis L. Buchanan Minerals Mica
Address Hamlet, 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 (incline) ft.		$400.00	8	$400.00	8	50.00	34	$50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		$400.00		$400.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$400.00		$400.00				

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 November 29 1952 Operator Otis L. Buchanan
Per Ina Buchanan Title Partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

November 1952
DMEA-2524 Idm-E430
Joe Stevenson Mine

10 Hired 2 men and moved in Compressor
11 Cut boom and mast pole
12 went to get hoist and had to wait
3 days before I could get it
13 off till 17
17 moved in hoist
18 set up poles and laid pipe line
19 Cleaned out pit drilled one round of 2 ft
holes used 18 sticks of dynamite
20 mucked out
21 Out due to bad weather
24 out due to bad weather
25 drilled 3-5 ft. side holes to square up
used 9 sticks of dynamite
26 mucked out
27 drilled 12-6 ft. holes used 48 sticks
of dynamite
28 hoist broke down

Daily Report Stevenson Mine
Ottis L. Buchanan
Hawk N. C.

Mr. Little

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEC 1 1952

INTERIM REPORT

IMEA-2524 Idm-5430 (mica) JOE STEVENSON MINE

OPERATORS: Otis L. Buchanan and Ira Buchanan, Hawk, North Carolina.

LOCATION: 6.1 miles by road a little south of East Bakersville, Mitchell County, North Carolina. It is about 1.5 miles S 40° E of Hawk and occurs along the north side of White Rock Ridge.

Work has begun on the incline shaft which is now down to about 9'. The Majority of time spent on this project during the month of November consisted of setting up equipment for starting operations. Material encountered is principally pegmatite which consists of feldspar with quartz lenses, pink to red finely disseminated garnets, and a few pieces of muscovite mica. Mica recovered is flat, hard and ruby colored and appears to be of strategic grade. An air compressor, hoisting equipment and drilling equipment are all on the site.

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. M. Teague, Geologist
U. S. Geological Survey

December 5, 1952

noted 12/18/52
SF

600

OCT 30 1952

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 2, Tennessee

Subject: Docket No. DMEA-2524 - Miss Buchanan and Buchanan
Mitchell County, North Carolina
N. C. Burleson (Joe Stevenson)Mine

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by this office for the Government with register number and effective date as shown.

If the contract meets with your approval, present it to the operator for his approval and signature. If any provisions are unsatisfactory to the operator, return all copies to this office along with suggested changes for consideration.

After signing of the contract, one copy is to be given to the operator, one copy retained for your files, one copy for the Regional Finance Officer, and the remaining copies, including the original, are to be returned to this office as soon as possible.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 6

SAFeitler:gnd 10/28/52
Copy to: Adm. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

October 20, 1952

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Stanley A. Feitler, Nonmetallic Minerals Division

Subject: Resume - Docket No. DMEA-2524 - Mica
W. C. Burleson (Joe Stevenson) Mine
Mitchell County, North Carolina

Conclusions: This mine yielded $22,000.00 worth of mica in 16 months during World War II. The pegmatite to be explored is from 10 to 15 feet wide and is exposed for 165 feet along its strike. Mica of strategic quality is found along the hanging wall.

Recommendation:
Approval of attached contract providing $3,800.00 to deepen an existing test pit to a total depth of 49 feet and drift 60 feet along the hanging wall of the pegmatite from the bottom of the shaft.

Application received 5/13/52
Proposes deepening two shafts at a cost of $4,100.00
USGS memo 5/26/52 - Refer to field.
USBM memo 6/19/52 - Refer to field.
Letter to applicant 6/27/52
Requesting sample, additional information, and suitable property description.
Received 7/28/52 - sample and Owner's Consent to Lien.
Referred to field 7/31/52
Received field report 8/21/52
Recommends $3,350.00 to deepen 15' test pit to 40' and drift 60' from the bottom.
USGS concur 8/27/52
USBM concur 9/3/52
Letter to applicant 10/6/52 - Requesting corrected Owner's Consent to Lien.
Received corrected Owner's Consent 10/16/52
Contract prepared 10/17/52
Contract to Legal Division 10/20/52

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 10/20/52
Copy to: Adm. R. File
Docket File
Mr. Houk

Feitler

600

OCT 6 1952

Mr. Otis L. Buchanan
Buchanan & Buchanan
Bank, North Carolina

Subject: Docket No. DMEA-2524 - Mica
W. C. Burleson
(Joe Stevenson) Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Reference is made to the subject application for exploration assistance at the W. C. Burleson (Joe Stevenson) Mine, Cane Creek Township, Mitchell County, North Carolina.

As the property description submitted for you by the Field Team is not in the lease, we have incorporated it in eight copies of the enclosed Owner's Consent to Lien. Please submit six of these copies signed by Arthur and Electa Stevenson to establish the lessor's approval of the new property description and avoid the necessity of executing a new lease. The two extra copies are intended for you and the lessor.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 8

SAFeitler:gad 10/3/52

Copy to: Adm. R. File
Field Team, Region VII
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Name owners
Arthur & Electa
Stevenson.
approve description
of leased land.

9/29/52
Send proposed lease
amendment to applic
to be signed by
lessors & lessees
then O.K.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

September 3, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Ecploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2524, Mica, W. C. Burleson Mine, (Joe Stevenson Mine) Mitchell County, N. C.

I concur in the field team's recommendation for an exploration program in the amount of $3,350.

W. F. Dietrich

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~

Room 13, Post Office Building
Knoxville, Tennessee

August 19, 1952

Memorandum

To: Operating Committee, DMEA-Washington

From: Field Team, Region 7

Subject: Field Examination Report on DMEA-2524, (mica)
Joe Stevenson Mine.

Transmitted herewith are 4 copies of the above subject report with 6 extra copies of the maps, and supporting documents.

The Field Team concurs in the recommendations on this project.

/s/ Wm. A. Beck
Wm. A. Beck, Acting
Executive Officer, DMEA
Region VII

/s/ K. H. Teague
K. H. Teague, Geologist
U. S. Geological Survey

SD

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2524, W. C. BURLESON MINE (Mica)(Joe Stevenson Mine)
Otis L. and Ira Buchanan - Applicants
Hawk, Mitchell County, N. C.

AUG 21 1952

By

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

Kefton H. Teague, Geologist
U. S. Geological Survey

August 19, 1952

Reviewed by
DMEA OPERATING COMMITTEE
8-25-52
(date)

Report of Field Examination on
DMEA-2524, W. C. BURLESON MINE (Mica)(Joe Stevenson Mine)

Otis L. and Ira Buchanan - Applicants
Hawk, Mitchell County, N. C.

This old mine has been worked quite extensively southwest from a small branch. The requested exploration assistance is aimed at exploring the pegmatite northeast from the branch.

The Field Team recommends deepening a 15-foot incline shaft to a depth of 40 feet, driving 30-foot drifts from the bottom of the shaft in both directions along the pegmatite.

The Field Team examined this mine accompanied by Ira and Otis Buchanan on July 16, 1952. Three hours were spent in the examination.

The Burleson mine is located 6.1 miles by road a little south of East Bakersville, Mitchell County, North Carolina. It is about 1.5 miles S. 40° E. of Hawk and occurs along the north side of White Rock Ridge. The mine is easily accessible by truck at all seasons of the year.

Both of the applicants have mined mica at various times during their life, and appear to be competent.

No buildings or facilities are available on the property. However, for exploration, none are required as the applicants live only a short distance from the property.

This mine has been worked at various intervals since approximately 1900. During World War II, according to the applicants, Jesse McKinney operated the mine for 16 months, and sold $22,000 worth of mica to the Colonial Mica Corporation. In the old workings southwest of the small branch, the pegmatite is a rather large, tabular body that strikes about east-northeast and generally dips moderately southeast. It is from 10 to 15 feet thick and has been exposed along the strike for 165 feet. It pinches and swells along the strike and no rake or plunge can be observed. Minerals found in the pegmatite in the order of decreasing abundance are: plagioclase, microcline, quartz, muscovite, biotite, apatite, sericite, garnet, pyrite and hyalite. The pegmatite is fairly well zoned consisting of a border zone of fine-grained plagioclase-quartz on the hanging wall side followed by a coarse grained plagioclase-quartz zone with abundance of scrap mica and sheet mica (ruby colored). The main bulk of the pegmatite is in an intermediate zone consisting of plagioclase, micas, and quartz, of irregular but fairly coarse texture. The footwall zone is similar to the sheet and scrap mica zone near the hanging wall. However, in general the mica present in the footwall zone is green colored.

The applicants propose to explore an exposure located about 40 feet northeast of the small branch. At this place, an opening 10 to 15 feet in diameter and 15 feet deep has exposed a pegmatite at least 15 feet thick. It strikes N. 55° E. and dips to a variable depth at the southeast. The pegmatite is enclosed in a biotite schist which has been recrystallized by pegmatite action. The hanging wall contact between wall rock and pegmatite is very sharp. Minerals present in the pegmatite at this place appear to be identical with those present in the old workings to the southwest. Both green and ruby colored mica occurs in the exposure. The ruby mica is along the hanging wall contact, and the green at or near the footwall contact. The applicants report that when they sunk this 15 foot test pit, ruby colored mica which would trim 2 x 10 was obtained. The mica is very hard, flat, clear, and splits well. It would appear that the exposure contains sufficient mica of strategic grade to justify a loan.

It is recommended that the 15 foot test pit be deepened following the hanging wall contact down the dip to a depth of approximately 40 feet, and drifts 30 feet long be driven in each direction along the pegmatite from the bottom of the shaft. Estimated costs of project are as follows:

Sinking 25 feet of 5 x 7 incline shaft in the pegmatite @ $50/foot - - - - - - - - - - - - -	$1,250
Driving 60 feet of drift at $35/foot - - - -	2,100
Estimated total cost	$3,350

July 16, 1952

A. L. Peyton, USBM

K. H. Teague, USGS

DMEA-2524

The legal description of property held under lease by Otis L. and Ira Buchanan from Arthur Stevenson and wife, Electra Stevenson

BEGINNING at a point where the small stream encounters the old mine dump (point shown on the attached map), and running thence; due north for 300 feet to a stake; thence, due west 300 feet to a stake; thence, 600 feet due south to a stake; thence, 600 feet due east to a stake; thence, 600 feet due north to a stake; thence, 300 feet due west to a stake (point of closure).

600

JUL 31 1952

Mr. Otis L. Buchanan
Buchanan & Buchanan
Bowk, North Carolina

Subject: Docket No. DMEA-2524 - Mica
Joe Stevenson Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Your application is being referred to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further information.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

SAFeitler:gad 7/30/52

Copy to: Admin. Reading File
Operating Committee (2)
Field Team, Region VII (2)
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Bowk

600

JUL 31 1952

Mr. Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 2, Tennessee

Subject: Docket No. DMEA-2524 - Mica
Joe Stevenson Mine
Mitchell County, North Carolina

Dear Mr. Lawrence:

This letter refers to the subject application for exploration assistance submitted by Otis L. and Ira Buchanan of Hawk, North Carolina.

Please arrange for a field examination to determine whether this mine is sufficiently promising to warrant Government participation in exploration. A suitable program should be submitted, if the results of the examination are favorable.

In addition to copies of memoranda from the Bureau of Mines and Geological Survey, we enclose a copy of the lease and Owner's Consent to Lien for your guidance. The property description in the lease is too vague, but a length of 300 feet each way from the small branch is mentioned. In the application, Item 1a is a reference to one acre. Although the lease does not mention one acre, an acre 600 feet long would be about 73 feet wide. The need for a definitive property description and sufficient area should be pointed out to the operator, if a contract is to be recommended. We have been unsuccessful in getting this idea across to the applicant by letter. A copy of his answer to our questions about the property is enclosed.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

J. H. Hedges

Bureau of Mines

T. P. Thayer

Geological Survey

Enclosures 5

SAFeitler:gad 7/30/52
Copy to: Admin. Reading File
Operating Committee (2)
Docket File
Mr. Norton, G-232 GSA Bldg.
Mr. Dietrich, 3526
Mr. Houk

600

JUN 27 1952

Mr. Otis L. Buchanan
Buchanan & Buchanan
Hawk, North Carolina

Subject: Docket No. DMEA-2524 - Mica
Mitchell County
North Carolina

Dear Mr. Buchanan:

This letter refers to the above application for exploration aid for a mica mine near Hawk, North Carolina.

Certain information is not clear nor complete enough to allow proper evaluation of this application.

The property under lease is not definitely described. Please supply the book, page, and county of record for the entire Stevenson Farm and also a clear description of the lease area. The lease mentions a length of 600 feet. If one acre is correct, this means that the leased ground is only 72.6 feet wide. You should submit a map showing the farm and the mine.

By what name or names has the mine been known? Under what name were mica sales made? Was the mine worked during World War II?

The sample you mention enclosing with the application was not received. Please send in one-fourth pound of pieces about one-sixteenth of an inch thick.

As your lease is for only three years, an Owner's Consent to Lien will be necessary. We enclose eight copies of which six should be signed by Arthur and Elesta Stevenson, and returned to this office. Do not fill in the amount of the contract as this will not be known unless and until a contract is drawn.

When you have complied with the above, we will be able to proceed with the processing of your application.

SAFeitler:gad 6/27/52
Copy to: Admin. Reading File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Docket File
Mr. Houk

Sincerely yours,

Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration Administration

Enclosures 8

2524

Buchanan & Buchanan 5/19/52

No North on map
Property under lease not definite
esp. width
if 600 feet long and 1 Acre
then lease is 72.6' wide

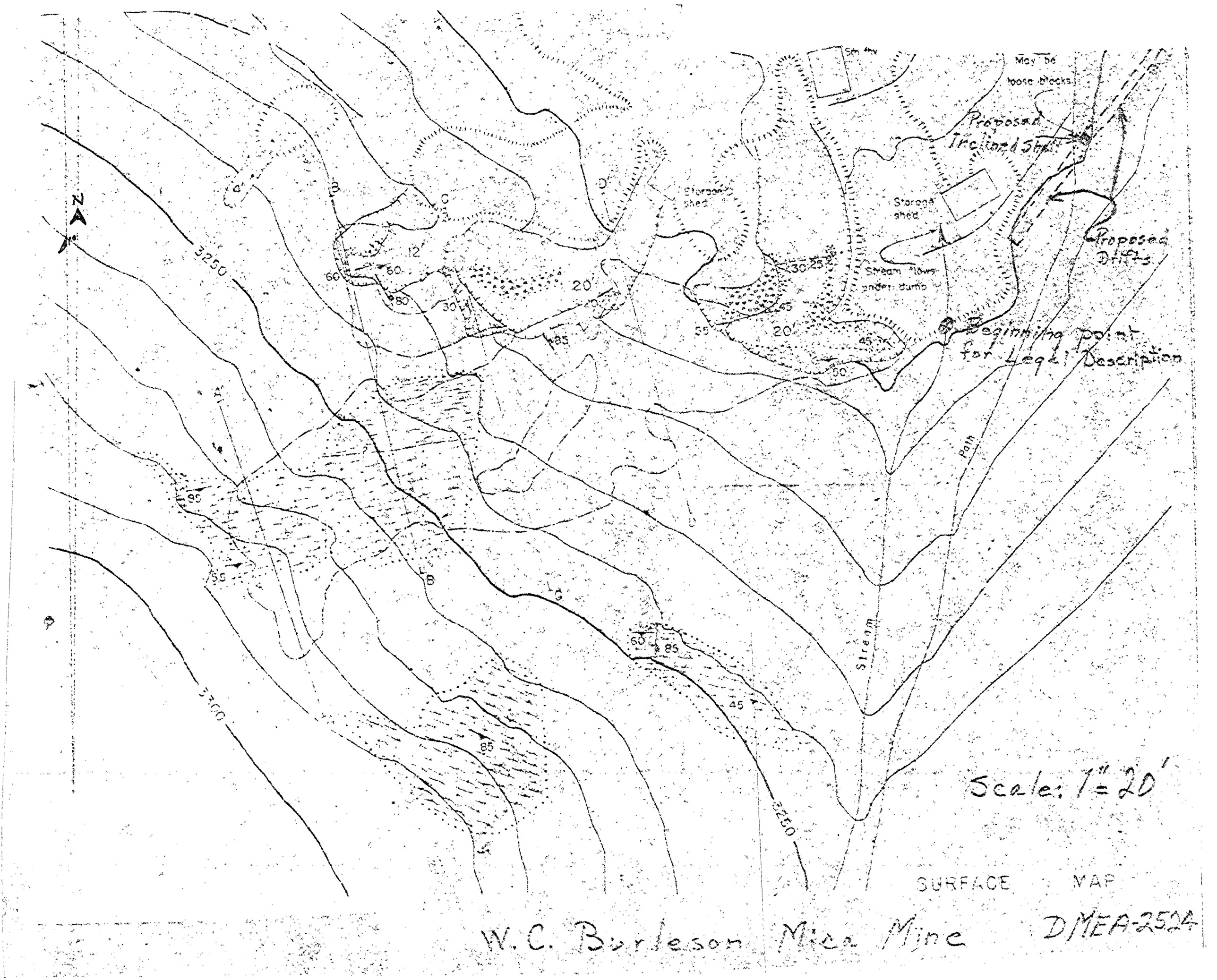
What is name of mine
Name for prob. sales

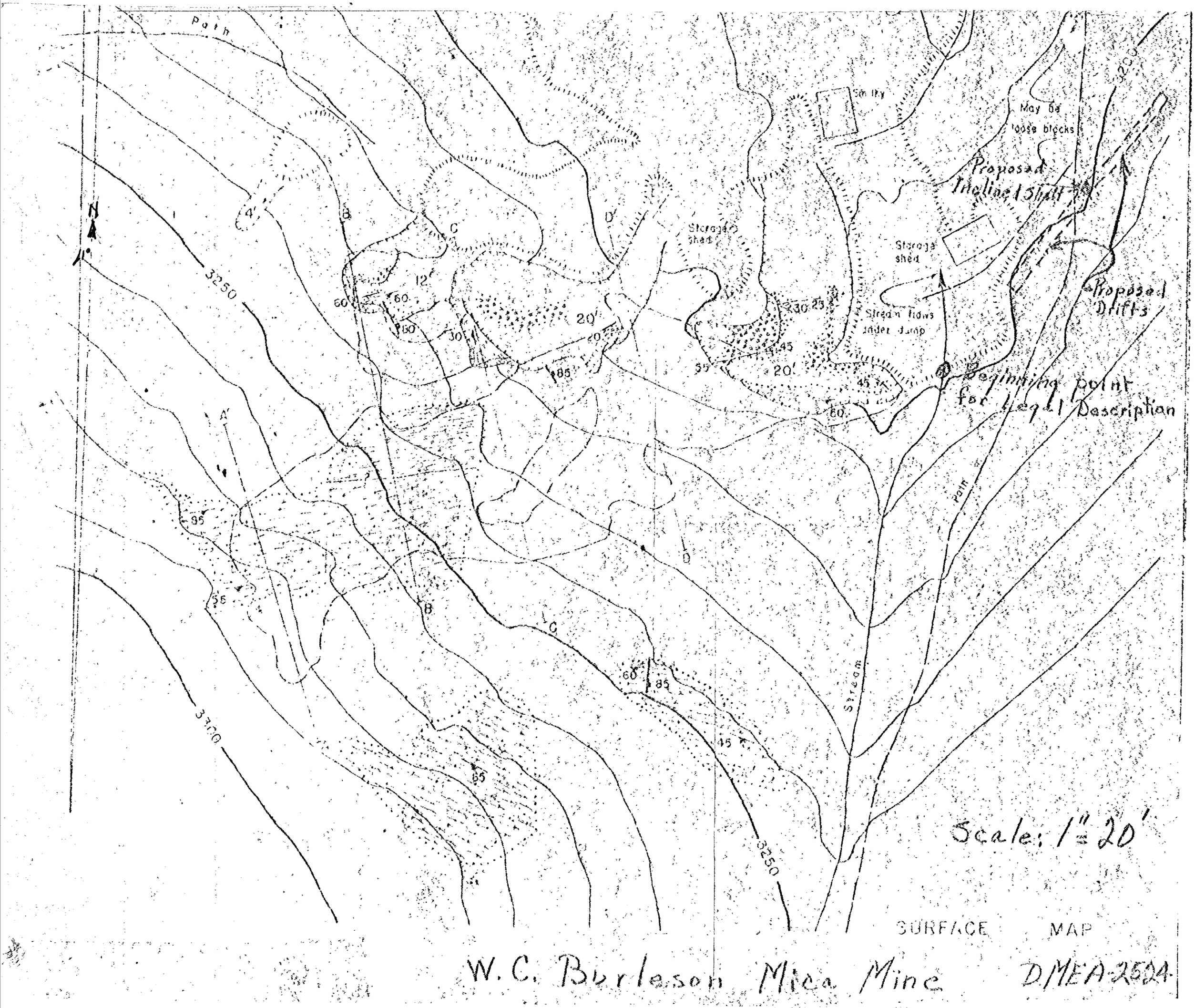
Need book, page & county - whole farm
Plus metes & bounds of mine
area under lease

Sample missing from applic

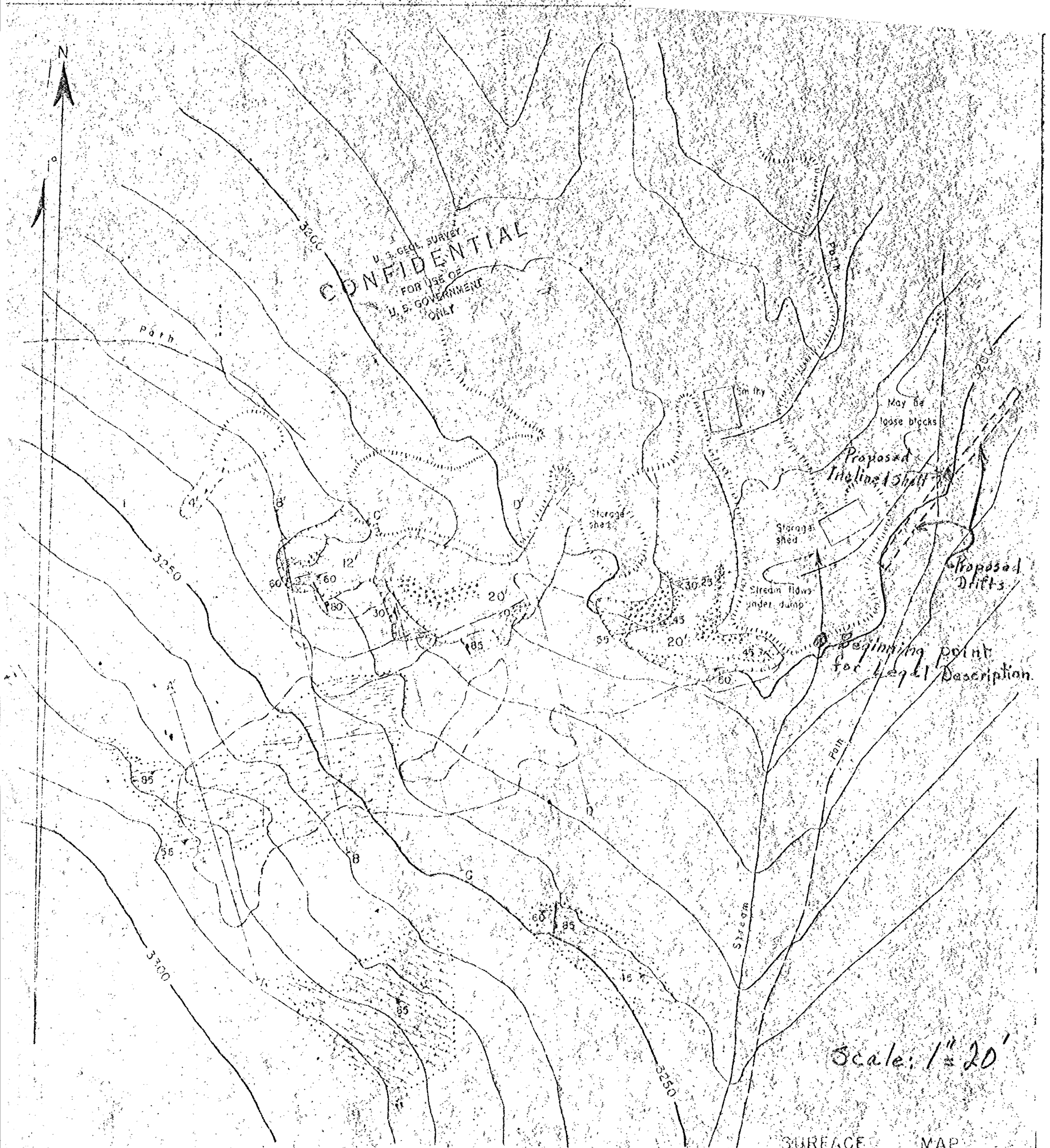
Needs Owners Consent to Lien
Lease - 3 yrs. dated Jan 3, 1952

(Put this in Docket when completed)


N
3250
3200
Storage shed
Storage shed
Stream flows under dump
May be loose blocks
Proposed Inclined Shaft
Proposed Drifts
Beginning point for Legal Description
Path
Stream
Scale: 1" = 20'
SURFACE MAP
W. C. Burleson Mica Mine
DMEA-2524


Path
N
3250
3210
A
B
C
D
12'
20'
30
45
60
85
55
Storage shed
Stream flows under dump
Small Dry
May be loose blocks
Proposed Incline Shaft
Proposed Drifts
Beginning point for Legal Description
Path
Stream
Scale: 1" = 20'
SURFACE MAP
W. C. Berleson Mica Mine
DMEA-2524

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



SURFACE MAP

W. C. Burleson Mica Mine DMEA-2524