DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Robert Baker

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E444, Docket No. DMEA-2646, including Amendment No. 1, for the months of November, 1952 to February, 1953, inclusive, covering a project for the exploration of mica in Mitchell County, North Carolina, known as the Zimmman Mine.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer, verification of work performed by reference to field team reports, and a determination of the reasonableness and propriety of the costs.

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

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		$3,170.00
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Herewith	- 0 -	-0-
Total Accepted Cost		$3,170.00

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 Two thousand eight hundred fifty-three and no/100 Dollars,

$2,853.00

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

E. D. Talbert

E. D. Talbert, Auditor

April 6, 1954

Division copy

NOTICE OF TERMINATION

To: Robert Baker
R.F.D. No. 1, Box 109
Toe Cane, North Carolina

Operator under Exploration
Project Contract Idm-2444
Docket No. DMEA-2646,
dated November 13, 1952.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereby terminates the subject contract, under the terms thereof (which preserves the Government's rights with respect to a percentage royalty), on the following ground:

> In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract, in that you have not performed any work since March 1953, that all mining equipment has been removed from the property which is the subject of the exploration project, and that the time for the completion of the work, November 13, 1953, has passed.

The Government will make no contribution to the agreed unit costs of work performed after the date of receipt by you of this notice.

All rights of the Government with respect to certification of discovery or development, percentage royalty, and lien for payment, as provided in the contract, are preserved.

Dated this 1st day of March, 1954.

THE UNITED STATES OF AMERICA

By C. Mitchell Dow
Administrator, Defense Minerals
Exploration Administration

Robin
Hoffland
Hoch
Chandler

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Contract Amendment No. 1

DMEA Docket No. 2646, Idm-Ehhh (mica) Robert Baker, Operator.

Contract Docket No. 2646, Idm-Ehhh, dated 13th November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and ROBERT BAKER of Toe Cane, R.F.D. No.1, Box 109, North Carolina is hereby amended as follows:

1. Article 3 is amended to read,"..... ; and shall bring the project to completion within a period of twelve (12) months from the date of this contract,"... instead of six (6) months as written in the original contract.

This amendment is necessary because of inadequate facilities for handling the flow of water in the shaft, thus work has been very slow and extra time is needed for completion of project.

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: April 27, 1953

THE UNITED STATES OF AMERICA

By: W. A. Beck
Acting Executive Officer, DMEA
Field Team, Region 7

ROBERT BAKER

By Robert Baker

SJB

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1952

DOCKET NO. DMEA 2046 2646

MF-200 (A)
(February 1952)

COMMODITY Mica

Division Copy
IDM-E 444

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 13th day of November, 1952 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Robert Delaar, of Joe Cane, R.F.D. No. 1, Box 109, North Carolina

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 North Carolina, County of Mitchell, described as follows: Being in Snow Creek Township, containing 67 acres more or less, adjoining the lands of J. J. Conley and others, and being the same identical lands described in a deed executed by J. T. Harlison, Sheriff, to T. C. Pitman and Brown McKinney on the 16th day of August, 1920 and recorded in the office of the Register of Deeds for Mitchell County, North Carolina, in Book No. 74 at page 505 A.C., the Operator represents and ~~(a) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached. (Strike out the provision not applicable.)~~ undertakes:

(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] Strategic Mica

in or upon the described land; and shall bring the project to completion within a period of six months 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 90 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 $6,633.00, which is 90 percent of $7,370.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final 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

Robert Baker
(Operator)

By Robert Baker

By C O Mitteudorf
Administrator, Defense Minerals Exploration Administration

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

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
ROBERT BAKER
DOCKET NO. DMEA-2646

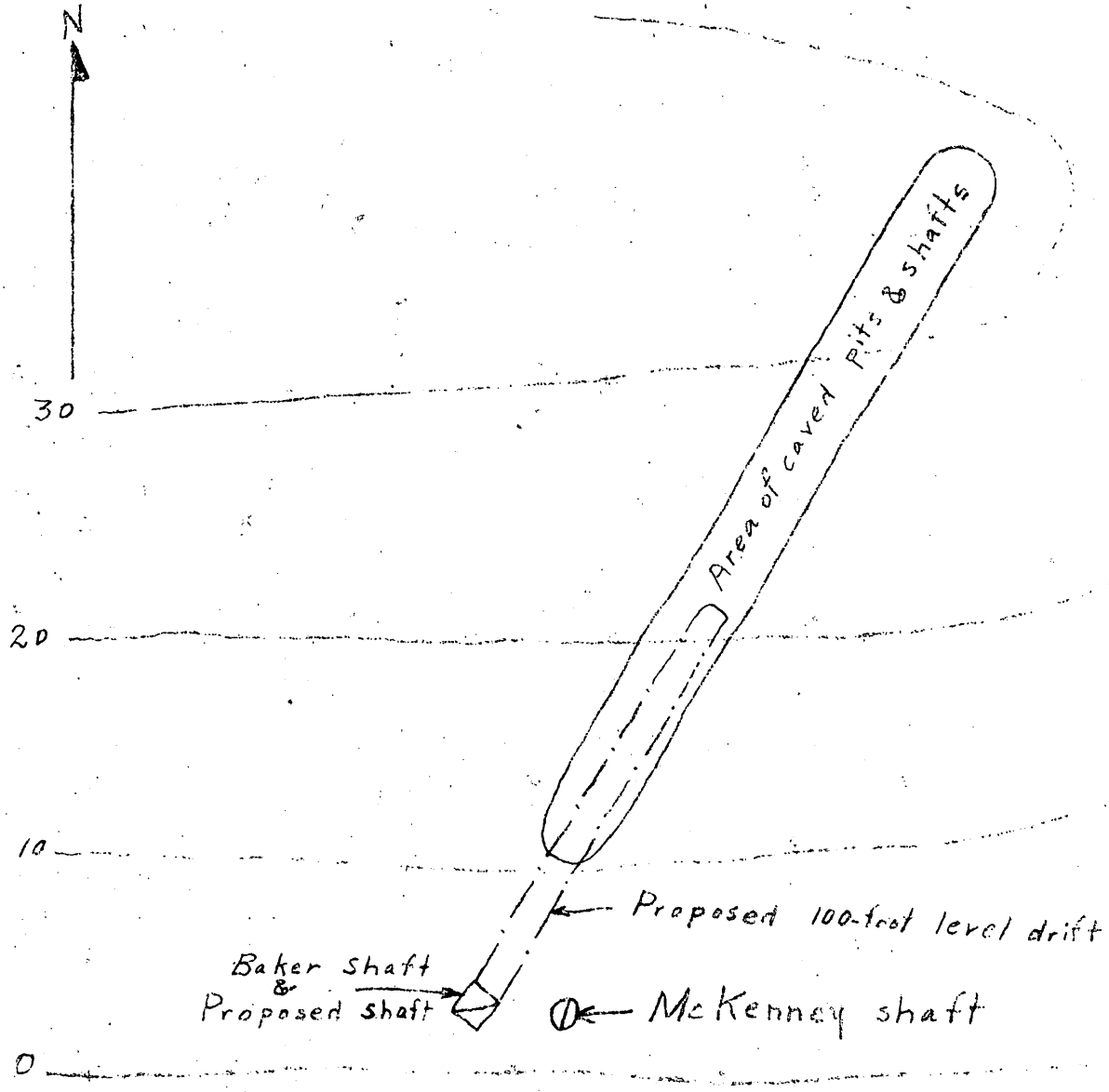
EXHIBIT "A"

Description of the Work

At the location marked "Proposed Shaft" on the sketch entitled "Sketch of Plan - Zinniman Mine, Mitchell Co., N. C., 8/7/52, DMEA-2646," attached hereto and made a part hereof, remodel the existing "Baker Shaft" to 5 feet by 7 feet in the clear to its bottom and sink to a vertical depth of 105 feet below its collar. Drive a drift 5 feet by 7 feet in cross-section from the bottom of the aforementioned shaft for a length of not more than 100 feet.

Agreed Estimated Costs

Remodeling shaft 46 ft. @ $20.00/ft.	$ 920.00	
Sinking shaft 59 ft. @ $50.00/ft.	2,950.00	
100 ft. of drift @ $35.00/ft.	3,500.00	
Estimated Total Cost		$7,370.00
Government Participation @ 90%		$6,633.00



SKETCH of
Plan

Zinniman Mine
Mitchell Co., N.C.

0 40' 80'
Scale

8/7/52 DMEA-2646

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, described as follows:1/ All the mineral and mining rights in a certain piece or parcel of land lying and being in Snow Creek Township, containing 67 acres more or less, adjoining the lands of J. J. Conley and others, and being the same identical lands described in a deed executed by L. F. Burleson, Sheriff, to M. C. Pitman and Brown McKinney on the 16th day of August, 1920 and recorded in the office of the Register of Deeds for Mitchell County, North Carolina, in Book No. 74 at page 505 & c., reference is hereby made to said recorded deed for a more complete description of the said land

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/ Robert Baker, Toe Cane, R.F.D. No. 1, Box 109, N. C.

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 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 which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, 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 in the amount of the Government's contribution, not in excess of 4/$ 6,633.00, 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. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 7 day of Oct, 1952.

Brown McKinney [Seal]

Frances McKinney [Seal]

M C Pitman [Seal]

Mrs M C Pitman (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.

DHEA-2616
Ich-Ehlich
Misc
Region VII

ROBERT BAKER, TUCKER, NORTH CAROLINA. Lumbee Area, Robeson County, North Carolina.

7-8-53

Letter to the Field with reference to the letter of June 22, 1953, regarding work under the [illegible] advise the [illegible] 1953.

No 237

Project Summary Report

By: Walter C. Anderson July 2, 1954

1. Docket No. DMEA-2646 - Mica
Contract No. Idm-E444
Zinniman Mine
Location: Snow Creek Twsp., Mitchell County, North Carolina

Operator: Robert Baker
Spruce Pine, North Carolina

Operator's property rights - Owner of surface (67 acres)
Lessee of mineral rights - lease dated July 16, 1952, for 2 years. Owner's Consent for mineral rights executed.

2. Contract - dated November 13, 1952.

Work authorized:

Remodel shaft - 46 ft. @ $20.00/ft.	$920.00
Deepen shaft - 59 ft. @ $50.00/ft.	2,950.00
100 ft. of drift @ $35.00/ft.	3,500.00
Estimated total cost	$7,370.00
Government participation @ 90%	$6,633.00

Amendments:
No. 1 - 4/27/53 - extends completion date from 6 mos. to 12 mos.

Work completed:

Remodelling shaft - 46 ft. @ $20.00/ft.	$920.00
Deepening shaft - 46 ft. @ $50.00/ft.	2,250.00
Total accepted cost	$3,170.00
Government participation @ 90%	$2,853.00

Work began on November 26, 1952, was abandoned by Operator and terminated for cause on March 1, 1954.
Field Team Final Report received March 25, 1954.
Operator's Final Report - none received.

3. Audit - certificate issued April 6, 1954.

Accepted cost	$3,170.00
Government participation	$2,853.00

4. Certification of Discovery - none issued.

5. Comments:

How conducted - poorly. Did not provide adequate pumping facilities; failed to pay expenses incurred including labor, therefor Operator was unable to secure labor. Abandoned project with 13 feet of shaft and 100 feet of drift of the contract undone.

Operation - poor.

Engineering - Reporting by Operator was very inadequate. Operator was missing about a year after abandonment, therefore, planning by the Government could not be accomplished.

Geological premise - The premise that the pegmatite would continue was substantiated as far as the project went, since the uncompleted shaft is in mica containing pegmatite.

Geological criteria upon which work was based:

1. Near vertical pegmatite 6 to 10 feet thick.
2. Ruby colored, hard, flat, clear mica.
3. Past production.

Criteria developed during project - Pegmatite containing some mica.

Future possibilities - Field Team reports that this deposit remains a good possibility for production of strategic mica.

Recommendation:

The Nonmetallic Minerals Division agrees with the field that not enough work was done to prove a discovery and recommends that because of the behaviour of the Operator, he never again should be considered for exploration assistance.

WCAnderson:gad 7/2/54
Copy to: Adm. R. File
Mr. Houk

OCT 12 1954 600

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zimmman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Docket No. DMEA-4873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Docket No. DMEA-3099 - Mica
Homer C. Mundy and
Carl Frank Thomas
Dickens Mine
Oconee County, Georgia
Contract No. Idm-E609

Dear Mr. Laurence:

Reference is made to your memorandum of August 20 concerning the different forms of termination action taken in the subject cases.

I

With respect to Robert Baker and Forest City Mining Company you say: "At the time the termination agreements were prepared..." No termination agreements were prepared as these contracts were terminated by unilateral notice on account of the defaults of the operators.

II

You say "...we evidently misunderstood the language (of the termination notices), for we assumed that the Government was preserving the right to repayment for work already done..." Payment by whom?

If you mean payment by the operator, that is correct. If you mean payment by some subsequent operator, that is wrong. Moreover, no royalty can accrue except by a certification under the contract within the time limited by the contract, and if there has been no discovery there cannot, of course, be any certification. That is why when it is desirable to preserve the Government's royalty rights without certification it is necessary to do so by agreement with the operator, assuming that the operator will agree.

III

You say: "...we assumed that the Government was preserving the right to repayment for work already done, in case a new applicant should be awarded a contract to complete the work which was abandoned by default of the original Operators." If you mean that you assumed that the obligation of the original operators would be carried to some new subsequent operators, that could be done only by agreement with the subsequent operators. Ordinarily DMEA treats further operations by a new operator as an entirely new project without liability for past operations which did not result in a certification of discovery or development. However, in some cases where the second operator would derive unusual benefit from the Government's contribution under the original contract he may be required to assume liability for such contribution if certification is made.

IV

With respect to an operator who has abandoned the property you say: "As it now stands, there is evidently nothing to prevent these defaulters from resuming work at their own expense, doing a little more work and possibly making a discovery, thus leaving the Government holding the bag for its investment in these contracts." That is erroneous except where the Government terminates the contract. Under the provisions of the contract the operator can be relieved from the royalty obligations only by "...complete abandonment by the Operator of all interest in or operations on the land for a period of ten years from the date of this contract..." If the Government terminates it waives all claim for damages on account of the abandonment.

V

You say: "It is not clear to us why one type of action was taken for these two contracts (Robert Baker and Forest City), and entirely different actions taken in terminating (the other contracts)..." The method of terminating contracts must depend upon the facts in each

case, the willingness of the operator to sign a termination agreement, and other elements. We cannot require operators to enter into termination agreements, and we cannot preserve royalty rights except by agreement or by certification. Rescission, with demand for repayment, is resorted to only where the operator's default is deemed to be inexcusable and the Government feels that it would have been beneficial to have completed the project.

These matters are discussed in more detail in Circular No. 33 of June 30, 1954.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

LGHouk/JLHofflund/
LGHouk:gad 10/6/54

Copy to: Admr. R. File
Operating Committee
Docket - 4
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk - 4
Mr. Hofflund - 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

September 17, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: DMEA-2646, Idm-E444 (mica) Robt. Baker, Zinniman Mine
DMEA-2725, Idm-E480 (mica) Forest City Mining Co. Old Mauney Mine

Reference is made to a memorandum dated August 20 from the Executive Officer, Region VII, to the Operating Committee which Mr. Houk has submitted to this office on a routing slip dated August 25, received here September 2, asking us to prepare an answer. The memorandum from the Administrative Officer asks why in terminating certain contracts the Government's royalty rights are preserved in one case and not in another.

This office does not and cannot determine when royalty rights are to be preserved in connection with the termination of contracts. The answer should be prepared in the Commodity Division, and this office will review it if that seems desirable.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

JLHofflund:bbh 9-17-54

Copy to: Mr. Houk
DMEA Docket
Solicitor's Docket
Chron.

600

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinnimon Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Dear Mr. Laurence:

Reference is made to your memorandum of July 28, 1954, to the Operating Committee on clarification of the termination notices on the subject contracts.

The termination agreement merely preserves the right to certify. It does not provide for repayment without certification. In this connection see DMEA Circular 33 and the alternative provisions 5 and 5' in form "Termination Agreement" attached to that circular. As we now know that these projects will not be certified because no discovery or development was made, there is no obligation on the part of anyone to repay the Government.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

D. M. Larrabee

Member, Geological Survey

LGHouk:LGHouk:gad 8/16/54

Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5226
Mr. Houk (2)

C
O
P
Y

July 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-2646, Idm-E 444 (mica) Robert Baker (Zinniman Mine) Mitchell County, N. C. and
DMEA-2725, IdmE 480 (mica) Forest City Mining Company (Old Mauney Mine) Cleveland County, N. C.

Reference is made to the Notice of Termination on the subject contracts. In these terminations it is stated that "All rights of the Government with respect to Certification of discovery or development, percentage royalty, and lien for payment as provided in the contract, are preserved." We would like clarification on this statement. As no certification of discovery or development has been made, and none can be made as no ore was discovered, is the Government still entitled to a royalty on production should another Operator take over the property and produce mica?

Robert A. Laurence

APR [illegible] 600

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Dear Mr. Laurence:

Reference is made to your memorandum dated March 3, 1954, requesting copies of Notice of Termination.

Transmitted herewith are two copies of Notice of Termination for forwarding to the owners of the mineral rights, Mr. and Mrs. Brown McKinney, and Mr. and Mrs. M. C. Pitman. We understand Robert Baker is the owner of the surface rights.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

D. M. Larrabee

Member, Geological Survey

Enclosures 2

LGHouk:gad 4/13/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

April 1, 1954

Memorandum

To: Chief, Nonmetallic Minerals Division

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

Reference is made to the rough draft of a proposed letter for the signature of the Administrator to Mr. Robert Baker which you have submitted with a slip attached marked "Legal for approval." I am unable to approve the proposed letter.

The letter seems to indicate that in your mind there is some connection between the reservation of the Government's right to make a certification of discovery or development, and to the demand which you propose to make upon the operator for the repayment of the money which the Government has contributed. There is no connection whatever between these two. The docket indicates that the Government has no intention to and in fact could not make a certification of discovery or development; therefore, the right to make the certification is entirely without significance.

If demand is to be made upon the operator for repayment of money contributed, it can be made only on the ground of breach of the contract. As indicated in my memoranda to the Administrator dated February 16 and March 25, I think that the Government's action in terminating the contract under the provisions of the contract seriously jeopardized any right the Government may have had previously to rescind the contract for breach and to recover the money contributed. However, if it is your wish to make such a demand, I will frame a proper letter for this purpose, and if the money is not paid by the operator, will turn the account over to the General Accounting Office for collection. If the General Accounting Office feels that the termination of the contract

under the provisions thereof is not too great an obstacle to the recovery of the money contributed, it may wish to undertake the matter.

Unless we are to proceed against the operator for breach of contract, we are not concerned with whether the operator preserved its leasehold interest in the property as required by the provisions of the Exploration Project Contract.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

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

Defense Library
RECEIVED
MAR 31 1954

March 31, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2646

Contract Number: Idm-E444

Applicant: Robert Baker

Name and Location of Property: Zinniman Mine
Mitchell County, North Carolina

Date of Final Field Team Report: March 22, 1954

Date Rec'd. by Ceramic & Fert. Mats. Branch: March 29, 1954

Field Team Recommendation:

1. Unless steps be taken to recover $2853 from the applicant, the Government's right to this amount in percentage royalties through November 13, 1962 should be preserved.

Comments:

1. Applicant did not fulfill the terms of the contract.

2. Little or no effort was made on this part to follow the suggestions made by the examiners.

3. Expenditures -

Total approved	$7,370
Total cost	3,170
Government share of cost	2,853
Value of production	None

Recommendation:

No certification of discovery or development.

Signed

W. F. Dietrich

March 31, 1954

MAR 31 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Mr. Robert Baker

Bakersville, North Carolina

Re: Docket No. DMEA-2646 - Mica
Zinniman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Dear Mr. Baker:

Reference is made to the Notice of Termination of the subject contract, dated March 1, 1954, on the Zinniman Mine, Mitchell County, North Carolina.

Your failure to prosecute the operations pursuant to the terms of the contract resulted in the termination of this contract. The Government, however, reserved the rights to certification of discovery or development and to the percentage royalty on any production from the property, ~~and a lien for payment of all monies advanced to you for the work already completed~~. The Government does hereby request and demand that the sum of $2,853.00 be remitted to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for repayment in full of your obligations incurred under the contract upon which you defaulted.

Please note Article 7 of your Contract which reads: "The Operator shall not make any voluntary or 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."

Mr. Brown McKinney stated in a letter dated January 5, 1954, that your lease had been voided by the owners, some months prior, for failure to operate for a ninety-day period, and that

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Signed _____

Interior—Duplicating Section, Washington, D. C.

you and your wife assigned all of your interest in the lease to Mr. M. C. Pitman, one of the grantors. In the assignment of your interest in the lease to Mr. M. C. Pitman did you preserve the Government's right to a percentage royalty on all production for a ten-year period? Please send this office a certified copy of the assignment.

Sincerely yours,

Administrator

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

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_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Interior—Duplicating Section, Washington, D. C.

Signed _____

IN REPLY REFER TO: G-MD-CNM

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

March 29, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2646 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Robert Baker.
Name of property: Zinniman Mine.
Location of property: Mitchell County, North Carolina.
Date of field team report: March 11, 1954.
Authorship of field team report: K. H. Teague, D. H. Amos, and L. E. Shirley.
Field team's recommendation:

"Unless steps are taken to recover the $2,853 from Robert Baker, the Government's right to this amount in percentage royalties on any production through November 13, 1962 should be preserved."

Comments: Let's tie up this job so others in that area will not get the idea they can drop a project at will.

ACTION RECOMMENDED:

Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
3/29/54

cc: DMEA 3
Director's reading 4212
Branhh reading 4212
Larrabee G-230

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

March 25, 1954

Memorandum

To: The Administrator

Through: 1. L. G. Houk
2. F. E. Johnson

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-E480, Forest City Mining Company

These two contracts were the subject of a memorandum from the Chief Counsel to the Administrator, dated February 16 which contains this paragraph:

> "Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts and forms for your signature are attached for this purpose."

The notices of termination attached to the memorandum were executed by the Administrator under date of March 1, and presumably have been delivered to the Operators. These notices contain the statement that the Government ". . . hereby terminates the subject contract, <u>under the terms thereof</u> . . ." The notices themselves do not contain any demand for repayment of money, nor was any demand for repayment made contemporaneously with the notices.

Mr. Houk (2)

NOTE: Copy of this memo sent to Region VII 3/29/54

It is my opinion, as indicated in the memorandum of February 16, that notice of termination under the provisions of the contract, should not be given if the Government considers the case a proper one for the recovery of money contributed. If a demand for the repayment of money is made, it is made only because the Government deems that it has a legal right to repayment, and if not thereafter paid, it would have to be referred to the General Accounting Office for collection.

Once a termination of the contract has been made under the provisions of the contract, without at the same time demanding repayment of money contributed, it is my opinion that any right that may have existed to demand and collect repayment is at least seriously jeopardized, and may provide the Operator with a good defense to any subsequent demand for repayment.

In a proper case for requiring repayment of money contributed, notice of termination should not be given under the provisions of the contract, but notice of rescission should be given for breach of the contract coupled with a demand for the repayment of money contributed.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund/emd

Copy to: Docket (2)
√L. G. Houk(2)
F. E. Johnson
J. L. Hofflund
chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~

KNOXVILLE, TENNESSEE

March 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Final Report, DMEA-2646, Idm-E 444 (mica) Zinniman Mine. Robert Baker, Operator

Enclosed are four copies of the final report on the subject exploration contract, which was terminated March 1, 1954 because of failure of the Operator to fulfill the contract.

Although we cannot report that a discovery has been made, there is a probability that someone else may complete the work and make a discovery of a commercial deposit of mica. Therefore, unless steps are taken to recover the $2,853 from Robert Baker, the Government's right to this amount in percentage royalties on any production through November 13, 1962 should be preserved.

/s/ Robert A. Laurence
Executive Officer
DMEA Region VII

/s/ Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
3-29-54
(date)

Defense Minerals Administration
RECEIVED
MAR 25 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
BY
FIELD TEAM, REGION VII

DMEA-2646, ZINNIMAN MINE (mica)
Mitchell County, N. C.

By

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

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

D. H. Amos, Geologist
U. S. Geological Survey

March 22, 1954

Reviewed by
DMEA OPERATING COMMITTEE
3-29-54
(date)

EXPLORATION PROJECT CONTRACT

FINAL REPORT

On
DMEA-264b (mica) ZINNIMAN MINE
Contract Idm-E 444

Operator: Robert Baker, Bakersville, North Carolina

The Zinniman mica mine is near the crest of a low ridge 3.6 miles N. 40° W. of Spruce Pine and 1.6 miles due north of Penland, Mitchell County, North Carolina.

Previous interim reports and correspondence on the subject mine leaves little to report on the project. It is sufficient to say that the Operator abandoned the project after trimming the existing 46-foot shaft to 5' x 7' and sinking it to 93 feet. Pegmatite containing some mica occurs in the shaft from about the 51 to 93 foot level. At the 93-foot level the shaft is entirely in footwall, although the north side of the shaft is pegmatite. This deposit remains a good possibility for the production of strategic mica. The project began on November 26, 1952, and was terminated for cause on March 1, 1954.

Expenditures :

(a)	Total approved	$7,370.00
(b)	Total cost of project	3,170.00
(c)	Government's share of cost	2,853.00
(d)	Government's share unexpended	3,780.00
(e)	Value of production ---none	

The conduct of this project has been previously discussed. The Operator did not provide adequate pumping facilities nor did he pay all of the e xpenses incurred during the operation of the project. The reason he was unable to secure labor was that he did not pay the labor he had.

The examiners visited the mine on March 11, 1954. No work has been done at the shaft since the project was abandoned about one year ago; however, Mr. Baker, who has been missing all these months, was on the property at the time of our visit.

March 11, 1954.

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

L. E. Shirley, Mining Engineer, U. S. B. M.

MF 0

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3/10/54

REFERRED TO:
1. ~~Mr. Houk, Rm. 4637~~
2. [redacted]
3. Mr. Houk
4.

FOR:

Action	Recommendation
Approval	Record
Comment	of
Conference	Referring
Consideration	to
Filing	Reply for signa-
Instructions	ture of
Investigation	Rewriting
Initials	Signature
Mailing	Suggestions
Previous correspondence	Your information

RECEIVED
MAR 12 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

REMARKS: NOTE: Only the original of this letter was received in Wash. I returned it to M&R for files. Hazel
Did Field Team [illegible] [illegible] DMEA 2524 and 2646?

Check (X) before the items needing attention.

George C. Selfridge
Initials of sender.

GPO 16—63815-1

STATES
F THE INTERIOR
ORATION ADMINISTRATION
ON 25, D. C.
ost Office Bldg.
le 2, Tenn.

COPY

March 8, 1954

RECEIVED
MAR 12 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

M E A - Washington

gion VII

projects.

r letter of March 4.

n as to what steps should be taken
contracts on time, it is our opinion
his would be to so enlarge our
man would be responsible for not
would visit at least 3 times per
operators, and to back this up by
for repayment, whenever the project lagged
impossible.

ction would be undesirable, excessively
the discovery of very much strategic
mica.

Another possibility would be to increase, by 50 to 100 per cent, the original estimate of time required. Mica mining and exploration is essentially a "one-horse" type of operation and failure of equipment, illness of the operator or his foreman or workmen, an excessively wet or cold period, the temporary diversion of his laborers to other seasonal activities such as cotton picking, tobacco planting, celebration of Christmas at home, and many other causes both expected and unexpected, can contribute to the delay of the completion of an exploration project.

Only a few of our operators are carrying a number of contracts simultaneously and, in general, these have been the best with regard to keeping on schedule. Our most dilatory operators have been those with only one or two contracts. Most of the operators want to complete exploration on time so as to begin selling mica to the Spruce Pine depot.

MF 0

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3/10/54

REFERRED TO:

1. ~~Mr. Houk, Rm. 4637~~
2. [redacted]
3. Mr. Houk
4.

FOR:

	Action		Recommendation
	Approval		Record of
	Comment		
	Conference		Referring to
	Consideration		
	Filing		Reply for signature of
	Instructions		
	Investigation		Rewriting
	Initials		Signature
	Mailing		Suggestions
	Previous correspondence		Your information

RECEIVED
MAR 12 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

REMARKS: NOTE: Only the original of this letter was received in Wash. I returned it to M&R for files. Hazel

Did Field Terms [illegible] [illegible] DMEA 2524 and 2646?

Check (X) before the items needing attention.

George C. Selfridge
Initials of sender.

GPO 16—63815-1

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

COPY

March 8, 1954

RECEIVED
MAR 12 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Memorandum

To: Operating Committee - D M E A - Washington

From: Field Team, D M E A - Region VII

Subject: Time Amendments for mica projects.

Reference is made to your letter of March 4.

In reply to your question as to what steps should be taken to make the operators complete the contracts on time, it is our opinion that the only effective way to do this would be to so enlarge our staff of field examiners that each man would be responsible for not more than 3 or 4 contract, which he would visit at least 3 times per week in order to "ride herd" on the operators, and to back this up by termination for cause, with demand for repayment, whenever the project lagged and completion on schedule appeared impossible.

Obviously such drastic action would be undesirable, excessively expensive, and would not result in the discovery of very much strategic mica.

Another possibility would be to increase, by 50 to 100 per cent, the original estimate of time required. Mica mining and exploration is essentially a "one-horse" type of operation and failure of equipment, illness of the operator or his foreman or workmen, an excessively wet or cold period, the temporary diversion of his laborers to other seasonal activities such as cotton picking, tobacco planting, celebration of Christmas at home, and many other causes both expected and unexpected, can contribute to the delay of the completion of an exploration project.

Only a few of our operators are carrying a number of contracts simultaneously and, in general, these have been the best with regard to keeping on schedule. Our most dilatory operators have been those with only one or two contracts. Most of the operators want to complete exploration on time so as to begin selling mica to the Spruce Pine depot.

If there is to be no punishment, by demand for repayment, of such wilful defaulters as Buchanan and Buchanan (DMEA-2524) and Robert Baker (DMEA-2646), then it would be patently unfair to the others who are merely dawdlers, to enforce termination with repayment for failure to complete on time, and termination of the dawdlers without repayment would simply result in considerable expense of Government money for work which would not reach the target.

We will continue to urge all operators to keep the jobs progressing toward completion on schedule and especially to take advantage of the favorable conditions for both access and work during the coming summer and fall seasons. Long delays at projects located in poor roads and at altitudes above 3000 feet are virtually inevitable during the winter and early spring months.

/s/ Robert A. Laurence
Executive Officer
DMEA Region VII

/s/ Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

Mr. Anderson

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1954

March 8, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-2624, Idm-E 444 (mica) Robert Baker, Operator
Zinniman Mine.

Much to my surprise, the registered letter to Robert Baker containing the termination notice of the subject exploration contract was delivered to him at Bakersville, N. C., and the return receipt, with Bakers's signature was received here today.

Robert A. Laurence

RAL/zm

cc;

Beck

Lynch

Files

MAR 1 1954

600

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zimmman Mine
Mitchell County, North Carolina
Contract No. Idm-2444

Dear Mr. Lawrence:

Please find herewith the original and two copies of a Notice of Termination of subject exploration contract which have been signed by the Government.

If this Notice of Termination meets with your approval kindly make the proper distribution of copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

Enclosures 3

WCAnderson:gad 2/25/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

February 16, 1954

Memorandum

To: The Administrator
Through: L. G. Houk

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-E480, Forest City Mining Company

There are attached notices of termination for the subject contracts under the provisions thereof.

The facts of these two cases are very similar. Both contracts were on the short form, were for exploration for mica on leased ground and provided for 90% Government contribution toward total estimated costs approximating $7,300. In each case the Operator abandoned the operations after approximately one-third of the work had been performed, and appears to be in default under his lease. In one case the Operator cannot be located, and in the other case the Operator has ignored recent communications from the Field Team concerning continuation of the work.

Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts and forms for your signature are attached for this purpose.

This memorandum and the proposed notices of termination are being routed through the Commodity Division for its approval.

HCRubin/JLHofflund/emd
Copy to: Docket (2)
L.G.Houk (2)
J.L.Hofflund
H.C.Rubin
Attachments
chron.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

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

December 24, 1953

Mr. Brown McKinney

Bakersville, North Carolina

Re: DMEA-2646, Idm-E 444 (mica)
Zinniman Mine, Robert Baker, Appli.

Dear Mr. McKinney:

On July 15, 1953, you and your wife Frances McKinney, and M. C. Pitman and his wife, Deptie Pitman, lease to Robert Baker the mineral rights in property containing the Zinniman Mine, which Mr. Baker agreed to explore under the terms of the subject contract with the Government. However, Mr. Baker appears to have abandoned the project before completion. Since the time for performance of the contract has now passed, Mr. Baker is now in default. We have been unable to obtain any information from him because he has gone away and all efforts to locate him have failed. Will you please advise us whether Mr. Baker has surrendered to you his lease to the mineral rights in the subject property.

Sincerely yours,

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

Hac/km

Lynch

Opr. Com.

CC: Laurence
Beck-Lynch
Opr. Com-2
Finance Office

December 10, 1953

Mr. R. C. Pitman

Toecane, North Carolina

Subject: Docket No. DMA-2646 (mica)
Robert Baker
Zinniman Mine
Mitchell Count, N. C.
Contract Idm-1 444

Dear Mr. Pitman:

On July 15, 1953, you and your wife, Deptie Pitman, Brown McKinney and his wife, Frances McKinney, leased to Robert Baker the mineral rights in property containing the Zinniman Mine, which Mr. Baker agreed to explore under the terms of the subject contract with the Government. However, Mr. Baker appears to have abandoned the project before completion. Since the time for performance of the contract has now passed, Mr. Baker is now in default. We have been unable to obtain any information from him because he has gone away and all efforts to locate him have failed. Will you please advise us whether Mr. Baker has surrendered to you his lease to the mineral rights in the subject property.

Sincerely yours,

Robert A. Laurence, Executive Officer
DMA Field Team, Region VII

RAL/zm

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

DEC 8 - 1953

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

Subject: Docket No. DMEA-2[illegible] (Mica)
Robert Baker
Mitchell County, North Carolina
Contract No. 1dm-1[illegible]

Dear Mr. Laurence:

There is enclosed a draft of a letter for your signature to Mr. H. C. Pitman, inquiring as to whether Mr. Robert Baker has surrendered to him his lease to the mineral rights in the subject property.

It will be necessary for you to ascertain Mr. Pitman's correct address, inasmuch as it is not shown in our records.

Sincerely yours,

SIGNED

Lawrence C. Houk, Chief
Nonmetallic Minerals Division

AEKane/ema 12-7-53
Enclosure

Copy to: Docket
Adm. R. File
Op. Comm.
~~Field Team, Region VII~~
L. G. Houk
A. E. Kane
J. L. Hofflund
Chron.
Pending

DRAFT

Mr. M. C. Pitman

Subject: Docket No. DMEA-2646 (Mica)
Robert Baker
Zinnimon Mine
Mitchell County, North Carolina
Contract No. Idm-2444

Dear Mr. Pitman:

On July 15, 1952, you and your wife, Deptie Pitman, Brown McKinney and his wife, Frances McKinney, leased to Robert Baker the mineral rights in property containing the Zinnimon Mine, which Mr. Baker agreed to explore under the terms of the subject contract with the Government. However, Mr. Baker appears to have abandoned the project before completion. Since the time for performance of the contract has now passed, Mr. Baker is now in default. We have been unable to obtain any information from him because he has gone away and all efforts to locate him have failed. Will you please advise us whether Mr. Baker has surrendered to you his lease to the mineral rights in the subject property.

Sincerely yours,

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 140
WASHINGTON 25, D. C.

December 4, 1953

Memorandum

To: Chief, Nonmetallic Minerals Division

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

Reference is made to your memorandum to the Administrator dated October 21, 1953, which was routed through my office.

I have drafted a letter to the Comptroller General and also a memorandum to the Administrator in this matter, but I am retaining them in my files since I do not think that I should send either this memorandum or the letter until you have first ascertained whether or not the Operator surrendered his lease to the owner.

When you have ascertained this fact, please advise me, and I will proceed accordingly.

Albert E. Kane,

for J. L. Hofflund
Chief Counsel

Origi[illegible] Retained for Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~XXXWASHINGTON 25, D.C.~~
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2 TENNESSEE

C
O
P
Y

November 23, 1953

Memorandum

To: Operating Committee, DMEA, Washington, D. C.

From: Field Team, Region VII

Subject: Default of Contract
DMEA-2646, Idm-E 444 (Mica)
Zinniman Mine - Robert Baker, Operator

The subject exploration contract, as amended, expired on November 13. No work has been done since March 1953. The shaft was sunk to 93 feet when abandoned. This leaves 12 feet of shaft-sinking and 100 feet of lateral work to complete the contract.

We have repeatedly written the Operator, at three different addresses, and all our letters are returned by the Post Office. It is obvious that Mr. Baker has no intention of completing this work.

Permission is requested to terminate the contract because of default. We recommend strongly that a diligent effort be made to locate Mr. Baker, and recover the $2,853.00 paid to him, calling on the Department of Justice for assistance if necessary.

/s/ Robert A. Laurence
Robert A. Laurence
Executive Officer
DMEA FIELD TEAM, Region VII

/s/
Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

October 21, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zimmman Mine
Mitchell County, North Carolina
Contract No. Idm-R444

Reference is made to the Chief Counsels memorandum dated October 9, 1953, which was in response to our memorandum dated October 7, 1953, concerning the Operator's failure to complete the subject contract.

After careful consideration of all the facts at hand, we have arrived at the conclusion that there was no justification for the Operator discontinuing the work and that it would have been beneficial to the Government if he had completed it, as the target has not been reached.

We, therefore, recommend that the Government's contribution of $2,853.00 be recovered by legal action.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 10/21/53
Copy to: Admr. R. File
Docket File
Mr. Houk

October 7, 1953

Memorandum

To: Chief Counsel

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Transmitted herewith is the subject docket and our Division file for your reference in reviewing the status of the contract.

You will note in the correspondence that Mr. Robert Baker has disappeared before completing the contract and efforts by Region VII Field Team to locate him have failed.

We are referring this matter to your office for determination of the proper course of action.

W. C. Anderson
Nonmetallic Minerals Division

Attachments 2

WCAnderson:gad 10/7/53
Copy to: Admr. R. File
Docket File
Mr. Houk

Target not reached.

We should determine action to be taken and not the Field Team.

Field Team has indicated their views - termination because of default and demand return of Government's contribution. This appears to be the proper course to take as there appears to be no justification for discontinuing the work, and it would be beneficial to the Government to complete the work. If we are in doubt that this is the case we should request the Field Team to advise us accordingly.

(Frank Johnson.)?

Anderson
see ~~Segal~~ about revising this
memo

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Signed _____

Interior—Duplicating Section, Washington, D. C.

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

600

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Dear Mr. Laurence:

Reference is made to your memorandum dated September 21, 1953, concerning the subject Operator's failure to complete the contract.

Enclosed are two copies of a memorandum from the Chief Counsel, DMEA, wherein he suggests possible procedures in dealing with the Operator. Since you and the Field Team have had personal contact with the Operator and have knowledge of his failings, and having the benefit of the Chief Counsel's suggestions, you are in the best position to determine the method of treatment.

However, prior to further action, we will appreciate having your comments and opinion as to the solution you have arrived at, resulting from the suggestions in the enclosed memorandum.

Sincerely yours,

Chairman, Operating Committee

Not sent

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosures 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 600
WASHINGTON 25, D. C.

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Dear Mr. Laurence:

Reference is made to your memorandum dated September 21, 1953, concerning the subject Operator's failure to complete the contract.

Enclosed are two copies of a memorandum from the Chief Counsel, DMEA, wherein he suggests possible procedures in dealing with the Operator. Since you and the Field Team have had personal contact with the Operator and have knowledge of his failings, and having the benefit of the Chief Counsel's suggestions, you are in the best position to determine the method of treatment.

However, prior to further action, we will appreciate having your comments and opinion as to the solution you have arrived at, resulting from the suggestions in the enclosed memorandum.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosures 2

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

October 9, 1953

Memorandum

To: The Administrator
Through: Mr. L. G. Houk

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2046 (Mica)
Contract Idm-E444

The subject contract has been referred to this office by memorandum dated October 7, W. C. Anderson, Nonmetallic Minerals Division, to the Chief Counsel, which refers to a memorandum dated September 21 from the Field Team, Region VII, to the Operating Committee. The contract, dated November 13, 1952, is on the short form, is for mica, in the sum of $7,370, Government participation $6,633. It appears from the correspondence that the Operator discontinued work; the completion date was extended to November 13, 1953; the Government's contribution up to the time of discontinuance amounts to $2,853; the work has not been resumed; the Operator apparently has abandoned the work, cannot be located, and his mailing address is unknown.

The Field Team recommends that the contract be terminated and proceedings instituted to collect from the Operator the amount that the Government has contributed. At the same time, the Field Team comments: "It will do no good to send him a 'mutual agreement' termination notice as we have no address for him."

The quoted comment from the Field Team seems to indicate that if the Operator could be located they would be willing to enter into a termination of the contract by mutual agreement. Such a termination, presumably, would not involve the repayment of money to the Government. If the Field Team would be willing to terminate by agreement without return of the money, I do not know why it would not be well, likewise, to terminate the contract for default of the Operator without requiring return of the Government's contribution.

Whether the Government should endeavor to recover its contribution in cases of default by the Operator depends upon the facts in each case. Presumably, if an Operator abandons the project, he does not think there is much prospect of making a discovery. In many cases, the Government is quite as willing to abandon the project before completion as is the Operator. Return of the Government's contribution should be sought only in cases where there is no justification for the discontinuance of the work, and the Government believes that it would be beneficial to prosecute it to completion and to spend the money necessary to do so.

This office does not have before it the facts necessary to make such a determination, and it is of course an administrative matter anyhow. If you determine that this is a case for terminating the contract without recovery from the Operator, the file should simply be closed with a note in the file to that effect. If you determine that an attempt should be made to recover from the Operator, please so advise this office, and we will prepare a submission to the Comptroller General for your signature.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund:ep

Copy to: Mails & Files
Admr. Reading File
Mr. Houk
Mr. Anderson
(Prepared for Reg. VII—2)
Mr. Hofflund
Mr. Kane
Chron.

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

October 9, 1953

Memorandum

To: The Administrator
Through: Mr. L. G. Houk

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

The subject contract has been referred to this office by memorandum dated October 7, W. C. Anderson, Nonmetallic Minerals Division, to the Chief Counsel, which refers to a memorandum dated September 21 from the Field Team, Region VII, to the Operating Committee. The contract, dated November 13, 1952, is on the short form, is for mica, in the sum of $7,370, Government participation $6,633. It appears from the correspondence that the Operator discontinued work; the completion date was extended to November 13, 1953; the Government's contribution up to the time of discontinuance amounts to $2,853; the work has not been resumed; the Operator apparently has abandoned the work, cannot be located, and his mailing address is unknown.

The Field Team recommends that the contract be terminated and proceedings instituted to collect from the Operator the amount that the Government has contributed. At the same time, the Field Team comments: "It will do no good to send him a 'mutual agreement' termination notice as we have no address for him."

The quoted comment from the Field Team seems to indicate that if the Operator could be located they would be willing to enter into a termination of the contract by mutual agreement. Such a termination, presumably, would not involve the repayment of money to the Government. If the Field Team would be willing to terminate by agreement without return of the money, I do not know why it would not be well, likewise, to terminate the contract for default of the Operator without requiring return of the Government's contribution.

Whether the Government should endeavor to recover its contribution in cases of default by the Operator depends upon the facts in each case. Presumably, if an Operator abandons the project, he does not think there is much prospect of making a discovery. In many cases, the Government is quite as willing to abandon the project before completion as is the Operator. Return of the Government's contribution should be sought only in cases where there is no justification for the discontinuance of the work, and the Government believes that it would be beneficial to prosecute it to completion and to spend the money necessary to do so.

This office does not have before it the facts necessary to make such a determination, and it is of course an administrative matter anyhow. If you determine that this is a case for terminating the contract without recovery from the Operator, the file should simply be closed with a note in the file to that effect. If you determine that an attempt should be made to recover from the Operator, please so advise this office, and we will prepare a submission to the Comptroller General for your signature.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

October 9, 1953

Memorandum

To: The Administrator
Through: Mr. L. O. Houk

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

The subject contract has been referred to this office by memorandum dated October 7, W. C. Anderson, Nonmetallic Minerals Division, to the Chief Counsel, which refers to a memorandum dated September 21 from the Field Team, Region VII, to the Operating Committee. The contract, dated November 13, 1952, is on the short form, is for mica, in the sum of $7,370, Government participation $6,633. It appears from the correspondence that the Operator discontinued work; the completion date was extended to November 13, 1953; the Government's contribution up to the time of discontinuance amounts to $2,853; the work has not been resumed; the Operator apparently has abandoned the work, cannot be located, and his mailing address is unknown.

The Field Team recommends that the contract be terminated and proceedings instituted to collect from the Operator the amount that the Government has contributed. At the same time, the Field Team comments: "It will do no good to send him a 'mutual agreement' termination notice as we have no address for him."

The quoted comment from the Field Team seems to indicate that if the Operator could be located they would be willing to enter into a termination of the contract by mutual agreement. Such a termination, presumably, would not involve the repayment of money to the Government. If the Field Team would be willing to terminate by agreement without return of the money, I do not know why it would not be well, likewise, to terminate the contract for default of the Operator without requiring return of the Government's contribution.

Whether the Government should endeavor to recover its contribution in cases of default by the Operator depends upon the facts in each case. Presumably, if an Operator abandons the project, he does not think there is much prospect of making a discovery. In many cases, the Government is quite as willing to abandon the project before completion as is the Operator. Return of the Government's contribution should be sought only in cases where there is no justification for the discontinuance of the work, and the Government believes that it would be beneficial to prosecute it to completion and to spend the money necessary to do so.

This office does not have before it the facts necessary to make such a determination, and it is of course an administrative matter anyhow. If you determine that this is a case for terminating the contract without recovery from the Operator, the file should simply be closed with a note in the file to that effect. If you determine that an attempt should be made to recover from the Operator, please so advise this office, and we will prepare a submission to the Comptroller General for your signature.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund:ep

Copy to: Mails & Files
Admr. Reading File
Mr. Houk
Mr. Anderson
(Prepared for Reg. VII—2)
Mr. Hofflund
Mr. Kane
Chron.

October 9, 1953

Memorandum

To: The Administrator
Through: Mr. L. G. Houk

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-8444

The subject contract has been referred to this office by memorandum dated October 7, W. C. Anderson, Nonmetallic Minerals Division, to the Chief Counsel, which refers to a memorandum dated September 21 from the Field Team, Region VII, to the Operating Committee. The contract, dated November 13, 1952, is on the short form, is for mica, in the sum of $7,370, Government participation $6,633. It appears from the correspondence that the Operator discontinued work; the completion date was extended to November 13, 1953; the Government's contribution up to the time of discontinuance amounts to $2,653; the work has not been resumed; the Operator apparently has abandoned the work, cannot be located, and his mailing address is unknown.

The Field Team recommends that the contract be terminated and proceedings instituted to collect from the Operator the amount that the Government has contributed. At the same time, the Field Team comments: "It will do no good to send him a 'mutual agreement' termination notice as we have no address for him."

The quoted comment from the Field Team seems to indicate that if the Operator could be located they would be willing to enter into a termination of the contract by mutual agreement. Such a termination, presumably, would not involve the repayment of money to the Government. If the Field Team would be willing to terminate by agreement without return of the money, I do not know why it would not be well, likewise, to terminate the contract for default of the Operator without requiring return of the Government's contribution.

Whether the Government should endeavor to recover its contribution in cases of default by the Operator depends upon the facts in each case. Presumably, if an Operator abandons the project, he does not think there is much prospect of making a discovery. In many cases, the Government is quite as willing to abandon the project before completion as is the Operator. Return of the Government's contribution should be sought only in cases where there is no justification for the discontinuance of the work, and the Government believes that it would be beneficial to prosecute it to completion and to spend the money necessary to do so.

This office does not have before it the facts necessary to make such a determination, and it is of course an administrative matter anyhow. If you determine that this is a case for terminating the contract without recovery from the Operator, the file should simply be closed with a note in the file to that effect. If you determine that an attempt should be made to recover from the Operator, please so advise this office, and we will prepare a submission to the Comptroller General for your signature.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund:ep

Copy to: Mails & Files
Admr. Reading File
Mr. Houk
Mr. Anderson
(Prepared for Reg. VII—2)
Mr. Hofflund
Mr. Kane
Chron.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 23 1953

September 21, 1953

Memorandum

To: Chairman, Operating Committee, D M E A - Washington

From: Field Team, D M E A - Region VII

Subject: DMEA-2646, Idn-E 444, Robert Baker, Operator, Zinniman Mine (mica)

On September 15, 1953 we sent a registered letter to Mr. Baker, reminding him that less than two months remain in which to complete the subject exploration contract. Today the letter was returned marked "moved, left no address."

We have heard that Mr. Baker is now working in Gastonia, N. C. A letter sent to Gastonia also was returned by the Post Office.

Mr. Baker simply abandoned this job last February after having been paid for all work done up to that time. He did not notify us then, but later signed an amendment extending the completion date to November 13. Since then, all efforts to contact him have failed. Mr. Teague and Mr. Shirley report that no work has been done at the mine since February.

It is obvious that Mr. Baker has no intention of completing this project. It is our opinion the contract should be terminated and he should be required to return the $2,853.00 which the Government paid him for work done. Of course, it will be necessary to locate him in order to do that. It will be no good to send him a "mutual Agreement" termination notice as we have no address for him.

Executive Officer, DMEA
Field Team-Region 7

Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

RSL/am

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

September 15, 1953

Mr. Robert Baker
Route 1, Box 109
Toecane, North Carolina

(REGISTERED, return receipt requested)

Re: DMEA-2646, Idm-E444 (mica)
Zinniman Mine

Dear Mr. Baker:

This is to remind you that the subject exploration contract, as amended, requires completion of the exploratory work at the Zinniman Mine before November 13, 1953. So far as we can learn, you have done no work at the mine since March. As the work remaining to be done will require about two months, and it is now less than two months to the completion date, it is obvious that work on the project should be resumed immediately.

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 contract. Such a suspension is a default on your part, and if the default continues, the Government may demand repayment of all contributions made at the cost of this work, which in this case is a total of $2,853.00.

Please give this matter your immediate attention. Operation of the project should be resumed at once. Please notify this office when you will resume work.

Very truly yours,

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

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

(A copy sent to
Mr. Baker at Gastonia, N. C. also).

140

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

JUL 9 1953

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

Subject: Docket No. DMEA-2646 (Mica)
Robert Baker
Zimmman Mine
Mitchell County, North Carolina

Contract No. Idm-2444

Dear Mr. Laurence:

Reference is made to your memorandum of June 29 in the above-entitled matter. This contract was executed on November 13, 1952, and the project was to be brought to completion in six months. Subsequently, on April 27, 1953, the time for completion was extended six months to November 13, 1953. It appears that the Operator worked for approximately three months and now there remains only about 11 feet of a shaft to be sunk and 100 feet of drifting to be done. Since this work could be done in about two months, and according to the contract the time for completion is four months away, it seems somewhat premature at this time to demand repayment of the Government's contribution and to cause suit to be instituted therefor, as has been suggested.

The fact that on June 23 a registered letter to the Operator was returned marked "Moved. Left no address." does not prove that the Operator has no intention of completing the contract. If by September 11, the Operator has not resumed operations, then it is suggested that this matter be again called to our attention for such action as then may be decided upon.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hodges
Member, Bureau of Mines

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

AEKane/ema/7-7-53
cc: Mails & Files
Adm. R. File
Op. Comm.
Mr. Thayer
Mr. Hodges
L.G.Houk
J.L.Hofflund
A.E.Kane
Chron. Pending

May 11, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 1 - Docket No. DMEA-2646 - Mica
Robert Baker
Zinnman Mine
Mitchell County, North Carolina

Purpose: To amend Article 3 of the contract to allow 12 months instead of 6 months for completion of the work.

Justification: Inadequate pumping facilities have made progress slower than anticipated.

Recommendation: The Nonmetallic Minerals Division concurs with the Field Team and recommends approval of the amendment as executed in the field April 27, 1953.

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 5/11/53

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

Mr. Fitler

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 30 1953

April 28, 1953

Registered Mail

Mr. Robert Baker
General Delivery
Spruce Pine, North Carolina

Re: DMEA-2646, Idm-Ehhh (mica)

Dear Mr. Baker:

We understand that no progress has been made on your exploration contract since the 27th of February and that you have apparently abandoned the project. The completion date on this contract is May 13, 1953, and it is now obviously impossible to complete the project by that time.

There is enclosed 6 copies of an amendment extending the time for completion another 6 months. Please sign all six, keep one copy and return the original and 4 copies to this office.

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 contract. Such a suspension is a default on your part, and justifies the Government in making no further contributions to the costs of operations including work already performed. If the default continues, the Government could demand repayment of all contributions previously made.

Please give this your immediate attention and advise this office when you expect to resume operations.

Very truly yours,

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

WAB/[illegible]
cc:
Beck
Lynch
Laurence
Opr. Com.

$28530.00

Govt Expend.

Waiting for action by
Lawrence Reg VII
SF 5/11/53

INTERIM REPORT

IMEA-2646 Idm-R444 (mica) SINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 airline miles N 40° W of Spruce Pine, Mitchell County, North Carolina, 1.6 airline miles due north of Penland and 0.57 miles due south of Bear Creek Church.

No work has been accomplished on this project since March 27, 1953. The Field Examiners have not been able to contact the operator either at residence or mine during last two consecutive visits. Measurements indicate that the shaft has raveled slightly and filled about 1 additional foot since April 7, 1953. A letter from the operator dated April 6, 1953 indicated that work could not be continued because labor was not available to work this mine. It is the Field Examiners' opinion that a breach of contract has been made and steps should be taken to either force the operator to complete the project, or recover money which has been expended.

D. M. Larrabee, Commodity Specialist, U. S. Geological Survey, accompanied the Examiners on this visit to the mine.

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

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

April 21, 1953

noted 5/11/53

Mr Fiettler

INTERIM REPORT

IMEA-2646 Idm-E444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, North Carolina.

LOCATION: 3.8 miles airline N 40° W of Spruce Pine, Mitchell County, North Carolina. 1.6 miles airline due north of Penland and 0.57 miles due south of Bear Creek Church.

Shaft sinking has been halted temporarily on this project, no work having been accomplished since last visit on March 27. A total measured depth of 89 feet indicated that some raveling had occurred during this period, losing about 4 feet of shaft work already accomplished. Operator contends that it is impossible for him to hire miners who will work under present conditions, but the Field Examiners believe that if the operator will procure a pump and keep the water down, no particular problems will be involved concerning labor or further shaft sinking.

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

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

April 7, 1953

Noted 4/22/53 SF

Mr. Feitler

INTERIM REPORT

DMEA-2646 Idn-5444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, Mitchell County, North Carolina, 1.8 miles airline due north of Penland and 0.57 miles due south of Bear Creek Church.

Shaft sinking on this project continues and is now at 93 feet, an advance of 1.5 feet since the last Interim Report of March 1, 1953. Due to heavy rains in the area the shaft has been drawing several feet of water, which has necessitated time losses because of failure on the operators part to secure a pump. Operator was advised to procure a pump immediately. Some pegmatite material is reported in the bottom.

Mr. W. A. Beck, a member of the Field Team, Region VII, accompanied the Field Examiners on this visit to the mine.

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

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

March 27, 1953

noted
4/10/53
SF

Mo Feeth

INTERIM REPORT

IMEA-3646 Idm-3444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, North Carolina, 1.6 miles airline due north of Penland and 0.57 miles due south of Bear Creek Church in Mitchell County, N. C.

Shaft sinking on this project has advanced to 91.5 feet. The soft material zone referred to in report of February 27, 1953 has been passed and hard material picked up again. This section was cribbed and back filled in places where raveling occurred. The presence of water has hampered recent progress. The operator plans to have a power line run to the mine and obtain an electric power pump to alleviate water conditions. Procurement of an air pump with present compressor setup was not advisable. 13.5 feet of shaft remains to be sunk under contract.

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

March 9, 1953

Noted
3/24/53
SF

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

Mr. Feitler

129

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ATTACHED ON VOUCHER AND SCHEDULE OF PAYMENTS NOR - 47

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1953 Docket No. DMEA 2046 Contract No. TEM-E-1444
Operator's Name Robert Baker Minerals
Address Spruce Pine N.C.
Contract Amount, $ 1,37.00 Government Participation: 90 % Amount, $ 1,233.00

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~~ Remodeling Shop	~~[illegible]~~	920.00	920.00		920.00	920.00
Bulldozing						
Crosscutting						
~~Drifting~~ Grading Shop	1500.00	750.00	2250.00	1,500.00	750.00	2,250.00
(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	1500.00	1670.00	3170.00	1,500.00	1,670.00	3,170.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-25-3 *Payee Robert Baker
Per Title Operator

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

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

(Instructions on reverse)

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

$ 1,350.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date MAR 10 1953 Vou. No. 129
(See other side)

150.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E444 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date March 2, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date MAR 4 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 18 1953

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

Month of Feb. 1953 Docket No. DMEA 2644 Contract No. IDM-2444
Operator's Name Robert Baker Minerals Mica
Address Spruce Pine N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	FT	1500.00	~~[illegible]~~ 30	2550.00	64	50.00	59	50.00
~~Winzes~~ Pennsylvania Shaft FT								
Drilling: Core				920.00	46	20.00	46	20.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1500.00		3170.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 March 2 Operator Robert Baker

Per ..... Title Operator

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

REMARKS:

(Instructions on reverse)

(For Government use only)

59/5/29 [illegible]/29

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

Operators monthly progress
report for the month of
February 1953 IDM-E 444

Work accomplished

Trimid Shaft worked on man way bought
one case of powder one Box of Exploders. and
bgone sinking on on remonder of 44 F ~~from~~ of
~~Remainder of Preceed~~ Preceed 105 F.T.

Daily notes

2-2-53 Trimed Shaft

2-3- Trimed Shaft drilled 6 holes and
blasted used 12 sticks of powder

2-4 mucked in Shaft ~~and~~ trimed sides

2-5 mucked drilled and blasted

2-6 Drilled 8 holes and blasted used 20 sticks
of powder

2-7- mucked in Shaft

2-10 drilled and blasted used
35 sticks of powder

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MAR 4 1953
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

Oiley Notes

2-12-52 Drilled and mucked

2-14 mucked out Shaft & blasted used 40 Sticks of powder.

2-17 mucked & drilled

2-18 blasted & mucked used 25 Sticks of Powder.

2-19 mucked in Shaft Struck water two Stream coming in one south west one N East in corner of Shaft

2-23 Pulled water and mucked

2-25 mucked worked on manway and Pulled out water

2-26 Pulled water & mucked

2-27 Pulled water & mucked

2-28 Pulled water & mucked

RECEIVED
MAR 4 1953
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

Mr. Fritter

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 1 1953

INTERIM REPORT

DMEA-2646 Idn-2444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, N. C., 1.6 miles airline due north of Penland and 0.67 miles due south of Bear Creek Church in Mitchell County, N. C.

Shaft sinking continues on this project and is now down to 88 feet. Only 17 feet of shaft remains to be sunk under the contract, at which time drifting will begin. A mica zone was picked up at 72' which was about 3 feet wide and extended to the 78' mark in the shaft. All of the mica recovered contained flat "A" structure and much of it was green in color. Operator reported that about 4 feet of water was in the shaft when work began on the day of this visit. An air sump pump is being obtained. Material is essentially the same as that reported February 9, 1953 with increased amounts of kaolinized feldspar. Material in the bottom has been getting progressively softer with depth and cribbing is necessary. Operator plans to crib the shaft solid until he passes through this weathered section.

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

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

February 27, 1953

Noted 3/16/53 SF

Mr. Feitler

INTERIM REPORT

DMRA-2648 Idm-2444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.8 miles airline N 40° W of Spruce Pine, 1.8 miles airline due north of Penland and 0.87 miles due south of Bear Creek Church in Mitchell County, N. C.

Shaft sinking has advanced 8 feet since January 30 report and is now at 39 feet. Material is principally pegmatite consisting of quartz and kaolinized feldspar. Some mica has been recovered from last few feet of shaft sinking, but it is non-ruby and although other characteristics are good, it is not of strategic grade. The mine was not in operation on day of visit because of labor difficulties.

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

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

February 9, 1953

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FEB 24 1953
U. S. BUREAU OF MINES
DEPT. MIN. ADM.
Knoxville, Tennessee

SF 3/5/53

RECEIVED
FEB 24 1953
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

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

Mr. Feitler

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
VOUCHER AND SCHEDULE OF PAYMENTS NO. 106
FEB 11 1953
43

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Jan. 31, 1953 Docket No. DMEA 2646 Contract No. IDM-E-444
Operator's Name Robert Boles Minerals Mica
Address Spruce Pine N.C.
Contract Amount, $ 7,370.00 Government Participation: 90 % Amount, $ 6,633.00

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~~ Shafting	750.00		750.00	750.00		750.00
Crosscutting						
Drifting						
Remodeling Shaft	300.00	620.00	920.00	300.00	620.00	920.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1050.00	620.00	1670.00	1050.00	620.00	1670.00

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

Date Jan. 31, 1953 *Payee Robert Boles
(E.S.)

Per _____ Title Operator

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

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

(Instructions on reverse)

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

$ 945.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date FEB 9 1953 Vou. No. 106

(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-E444 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Feb. 2, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date FEB 5 - 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 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
FEB 11 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Jan 31 1953 Docket No. DMEA 2646 Contract No. I-DM-E444
Operator's Name Spruce M. C.
Address Robert Baker
Minerals Mica

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	FT	750.00	15	750.00	15	50.00	59	50.00
Winzes Remodeling Shaft	FT	300.00	15	920.00	46	20.00	46	20.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1050.00		1670.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS ~~1050.00~~		1050.00		1670.00				

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 Feb. 1 - 1953 Operator Robert Baker

Per _____ Title Operator

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".

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GPO 83-38475

operators monthly
progress report
for the month of
January 1953

IDM-E444

Bought 2000, FT 2" shaft timber and started to timbering and trimming shaft to an addition of 15 FT to complete the the 46 FT of remodeling shaft.

Dailey notes

1-1-53 trimed and timbered shaft
1-5-53 worked on hoist, hoist broke down on Jan, 3-53 trimed and timbered some on shaft.
1-6-53 timbered and trimed shaft.
1-7-53 worked on hoist engine and timbered shaft.
1-8-53 mucked out 10-ft of Shaft
1-13-53 Remodeling Shaft Completed Started Sinking
1-14 Sinking Shaft

Oo[illegible]ey Notes

1-15-53 Remodeled mon way to comply with N.S. State mining law

1-16 Sinking Shaft & Moving Compressor

1-21- Drilled 6 holes and mucked out Shaft

1-24 Drilled and Shot 6 holes used 18 Sticks of Powder

1-25- Drilled & Shot mucked out Shaft used 18 Stick of Powder

1-27-53 Drilling & Shooting

1-28 - Mucking & drilling

1-29 - mucking and Drilling

1-30 Drilling & Shooting used 18 Sticks of Powder

<u>Note</u> Used one case of Powder in Jan. 1953

Bartelle

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 11 1953

INTERIM REPORT

DMEA-2046 Idn-2444 (mica) ZIMMERMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, 1.6 airline miles due north of Penland and 0.87 miles due south of Bear Creek Church in Mitchell County, North Carolina.

Progress on this project is satisfactory. The "Baker Shaft" has been trimmed to 5' x 7' in cross-section, making a two compartment separate manway with staggered ladders where timbered. Existing shaft is down to 61'. It has been cribbed with 2" x 6" oak timber to a depth of 49'. No timber has been required from the 49' depth. A barren pegmatite zone was picked up at 51', which consisted of weathered feldspar and quartz. No mica was recovered and shaft sinking continues in pegmatitic material and country rock. Approximately 47' of shaft remains to be sunk.

A safety inspection visit was made to this mine on January 14, 1953. Several suggestions made by the Safety Engineer have been corrected. Operators monthly reports are satisfactory and efficiency of operation is good.

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

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

1/13/53
SF

January 30, 1953

Mr. Fitler

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 31 1952

INTERIM REPORT

IMEA-2646 Idm-5444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, R.F.D. # 1, Box 109, Toe Cane, N. C.

LOCATION: 3.6 airline miles N 40° W of Spruce Pine, 1.6 airline miles due north of Penland and 0.57 miles due south of Bear Creek Church in Mitchell County, North Carolina.

Operator was not at project at time of visit and was contacted at his residence. Project began on November 26, 1952. The 46 foot circular shaft has been trimmed to 5 x 7 feet and cribbed for 17 feet. The operator has an air compressor and gasoline hoist at mine site. Progress on this project has been good, Considering time lost due to bad weather and time consumed in getting set up to start actual shaft work.

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

December 19, 1952

noted 1/22/53 SF

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

Mrs. Leitter

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
JAN 8 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Dec & Nov, 1952 Docket No. DMEA 2646 Contract No. DMA-E446
Operator's Name Robert Baker 2646 Minerals Mica
Address Spruce Pine N.C.
Contract Amount, $ 7370.00 Government Participation: 90 % Amount, $ 6633.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
~~Drifting~~ Remodeling ~~[illegible]~~ & Mopt	620.00		620.00	620.00		620.00
(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	620.00		620.00	620.00		620.00

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

Date Dec 31-952 *Payee Robert Baker

Per _____ Title Operator

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

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

(Instructions on reverse)

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

$ 558.00

Signature _____
(Authorized Certifying Officer)

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

62.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E44 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date Jan. 5, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title Executive Officer Date Jan 5, 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 8 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov-Dec 1952 Docket No. DMEA 2646 Contract No. DMEC 4414
Operator's Name Robert Baker Minerals Mica
Address Spruce Pine N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
~~Raising~~								
Shafts Redrilling Shaft	Ft.	620.00	31	620.00	31	20.00	46	20.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		620.00	31	620.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		620.00		620.00				

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

Date 1-1-53 Operator Robert Baker

Per ..... Title Operator

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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GPO 83-38475

Operator monthly Progress Report for the months of November + December 1952

Contract No. TDM-E444

Work accomplished

Constructed Roads moved in machinery hired 4 workmen for day shift only timbered and trimed shaft for a total of 31. ft

Daily Notes 11-25-5-2 Constructed road
11-26-5-2 Constructed Road

11-27-52 moving compressor and hoist 11-29-52 moving machinery 11-29-5-2 moving machinery 12-1-5-2 Setting up hoist 12-2-5-2 setting up hoist 12-3-52 hoist broke down worked on hoist moved lumber and trimed shaft 12-8 5-2 Bought 1000 FT 2" shaft lumber and 500 FT-1" Rough lumber

12-12-5-2 Trimming shaft 12-13-5-2 trimming shaft 12-16-5-2 timbering shaft 12-18-5-2 timbering shaft 12-29-5-2 trimming shaft 12-30-5-2 trimming shaft 12-31-5-2 timbering shaft

Robert Baker

November 7, 1952

Memorandum

To: Chairman, Operating Committee

From: Nonmetallic Minerals Division

Subject: Review of Docket No. DMEA-2646 - Mica
Robert Baker
Zinnimon Mine
Mitchell County, North Carolina

8/11/52 Received application dated August 1, 1952.
8/19/52 Memo from U.S.B.M. requests more information.
9/3/52 Memo from U.S.B.M. recommends field examination.
9/10/52 Memo from U.S.G.S. recommends field examination if mica samples are strategic.
9/15/52 Referred to Region VII for field report.
10/17/52 Received report of field examination, dated Oct. 14, 1952, recommending exploration program in amount of $7,370.00.
10/23/52 Memo from U.S.B.M. concurs in field team's recommendation.
11/4/52 Memo from U.S.G.S. concurs in field team's recommendation.

Laurance F. Hearne
Nonmetallic Minerals Division

LFHearne:gad

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

600

NOV 13 1952

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and six 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 Field Team, 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,

Frank E. Johnson

Chairman, Operating Committee

Approved:

E. H. Hedges

Member, Bureau of Mines

E. J. McKnight

Member, Geological Survey

LFHearne:gad 11/7/52
Copy to: Adm. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Enclosures: 7

P.S. Please explain to the operator that this is a firm contract and that he is obligated under the terms of the contract to complete the work outlined.