Audited 3/24/55 [redacted]RK ANALYSIS SHEET - DMEA PROJE[redacted]

☐ Actual Cost

☐ Certified

Analysis as of 12/15/55

Incl. Voucher for Jan. 55

☑ Agreed Unit Cost

Name South Toe Mining Co

Docket No. 3248

State North Carolina

Commodity Mica

Idm-E No. 705

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	140	4900.00	88½	3097.50	3097.50
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		4900.00		3097.50	3097

Prepared by [signature]

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

South Toe Mining Company, Inc.
Burnsville, North Carolina

pertaining to Exploration Project Contract No. Idm-E705, Docket No. DMEA-3248, including Amendment No. 1, for the months of October, 1954, to January, 1955, inclusive, covering a project for the exploration of mica on property, known as the Carson Rock Mine, located in Yancey County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of 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:

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

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

Total cost as billed by Contractor		$3,097.50
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Herewith	- 0 -	-0-
Total Accepted Cost		$3,097.50

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two thousand three hundred twenty-three and 12/100 Dollars

$2,323.12

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

E. D. Talbert

E. D. Talbert, Auditor

March 24, 1955

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1955

March 10, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville, Tennessee

Subject: Termination Agreement - Idm-E705, DMEA-3248 (mica)
South Toe Mining Company, Burnsville, N. C.

Transmitted are three signed copies of the subject termination agreement.

The usual distribution of the other signed copies has been made by this office.

Robert A. Laurence

ZM.
cc:
Lynch
Shirley
Opr. Com.
Finance Office
Files

Division Copy

TERMINATION AGREEMENT

It is agreed this 28 day of February 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and South Toe Mining Company, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-5705, Docket No. DMEA-3048, dated September 9, 1954, hereinafter called the "Contract," that:

1. Effective February 4, 1955, the Contract and all obligations of the parties thereunder shall be and are hereby terminated.

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

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

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

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

THE UNITED STATES OF AMERICA

By W. A. Beck
ACTING Executive Officer, DMEA
Field Team, Region V

SOUTH TOE MINING COMPANY, INC.

By Albert Jeans
Treas.

Robert Hoffhund
Anderson
Hoyt
Selfridge
Mattendy

Division Copy

DEPARTMENT OF THE INTERIOR
Bureau of Mines Minerals
RECEIVED
2 4 1955

EXPLORATION PROJECT CONTRACT
SOUTH TOE MINING CO.
DOCKET NO. DMEA-3248

AMENDMENT NO. 1

WITNESSETH:

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and South Toe Mining, Company, Inc., hereinafter called the "Operator," are parties to Exploration Project Contract Idm-E705 (Docket No. DMEA-3248), dated September 9, 1954, hereinafter called the "Contract." Exhibit "A" of the Contract provided for not to exceed 40 feet of crosscut and not to exceed 100 feet of drift. In late November the Operator had performed the 40 feet of crosscut without striking the main pegmatite zone, as expected, although some pegmatite was showing in the heading. In advance of performing any further crosscutting, the Operator was authorized by the Field Team, over the phone, to continue the crosscut until the main pegmatite was cut, but not to exceed 60 feet of crosscutting. The additional crosscutting was to be taken care of by deleting footage from the drifting. A mica-bearing pegmatite was intersected between 41 to 45 feet in the pegmatite, but as the Operator did not consider this to be the main pegmatite, he crosscut an additional 10 feet beyond the 40 foot point, or a total of 50 feet, as was informally authorized. Subsequently the Field Team examiners visited the mine and determined that the main pegmatite had been reached between 41 and 45 feet, and advised the Operator to begin the drift from that point. The purpose of this amendment is to formalize the allowance of the additional 10 feet of crosscutting, informally authorized by the Field Team.

NOW THEREFORE, it is agreed that effective September 9, 1954, the contract is amended as follows:

In Exhibit "A" of the Contract, paragraphs numbered 1 and 2 are deleted and the following new paragraphs numbered 1 and 2 are substituted:

1. From the 60 foot level in the existing slope, crosscut to the northwest, not more than 50 feet, to intersect the pegmatite.

2. Drift on the pegmatite not more than 90 feet.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

Orthiz
Hoffman
"Appd. Sol. Off."
Anderson
Hoch
Talbot
Selfridge

SOUTH TOR MINING COMPANY, INC.

By [illegible]
PRES.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3248

COMMODITY Mica

IDM - E 705

Division copy

Defense Minerals Exploration Administration
RECEIVED
OCT - 7 1954

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 9th day of September, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] South Toe Mining Company, Inc., a North Carolina Corporation, Burnsville, North Carolina

hereinafter called the "Operator," ~~as follows~~ as set forth in Annexes I and II, attached hereto and made a part hereof, and 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 Yancey, described as ~~follows~~ set forth in Annex I.

the Operator represents and undertakes:[4]

[redacted] the following [redacted]:

(*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 60 days from the date of this contract shall commence work on a project of exploration for[5] Mica

in or upon the described land; and shall bring the project to completion within a period of Six (6) 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 75 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 3,675.00, which is 75 percent of $ 900.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final 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. **See Annex II substituted for Article 6**

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* **That part of the second sentence in Article 7 beginning with the word "Provided" is deleted.**

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

South Toe Mining Company, Inc.
(Operator)

By [signature]

By [signature]
Administrator, Defense Minerals Exploration Administration

Burton
Youk
Anderson
Chandler

I, ROBERT J. LEVIN, certify that I am the secretary of the corporation named as Operator herein; that ROBERT MOOS, who signed this contract on behalf of the Operator, was then PRESIDENT 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.

[signature] [CORPORATE SEAL]

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

DEPARTMENT OF THE INTERIOR
Defense Materials Administration
OCT 7 1954

EXPLORATION PROJECT CONTRACT
SOUTH TOE MINING COMPANY, INC.
DOCKET NO. DMEA-3248

ANNEX I

The land referred to in Article 2 of the contract and in Annex II is known as the Carson Rock Mica Mine, and was leased for mining purposes to the South Toe Mining Company, Inc. for a period of three years with option to renew for an additional three years by Frank Bowditch and wife, Edna Bowditch, and Ruth C. Gibbs and husband Lawrence Gibbs by an instrument dated December 21, 1953. The Carson Rock Mica Mine is 11.0 miles south of Micaville on North Carolina Highway 80 in Pisgah National Forest. The lease is recorded in Deed Book 112, page 169, Public Registry of Yancey County, North Carolina, and the property is described as follows:

> "BEGINNING on a white oak marked with three hacks and a nail and bottle cap, standing on the East bank of South Toe River; thence N. 35 degrees 55 minutes E. 257 feet to a large hemlock marked with three hacks; thence S. 63 degrees 30 minutes E. 278 feet to a large twin hemlock marked with three hacks; thence S. 20 degrees 45 minutes W. 396 feet, crossing Highway and South Toe River, to a pile of stones and stake on West bank of said river; thence downstream with the meanders of the West Bank of said river 400 feet, more or less to a stake on said bank, a straight line course between points being N. 57 degrees 00 W. 379 feet; thence crossing said river N. 35 degrees 55 minutes E. 99 feet to the BEGINNING, being a part of the lands described and conveyed by a deed from D. E. Hudgins, et al, to John A. Bowditch, recorded in Book 38, page 33, Registry of Yancey County, containing 2.8 acres, more or less."

EXPLORATION PROJECT CONTRACT
SOUTH TOE MINING COMPANY, INC.
DOCKET NO. DMEA-3248

ANNEX II

The following provisions are in lieu of Article 6 :

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

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

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

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

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

EXPLORATION PROJECT CONTRACT
SOUTH TOE MINING COMPANY, INC.
DOCKET NO. DMEA-3248

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the attached map entitled "Sketch of Carson Rock Mine, Yancey Co., N.C DMEA-3248 (mica)," as follows:

1. From the 60-foot level in the existing stope, crosscut to the northwest, not more than 40 feet, to intersect the pegmatite.

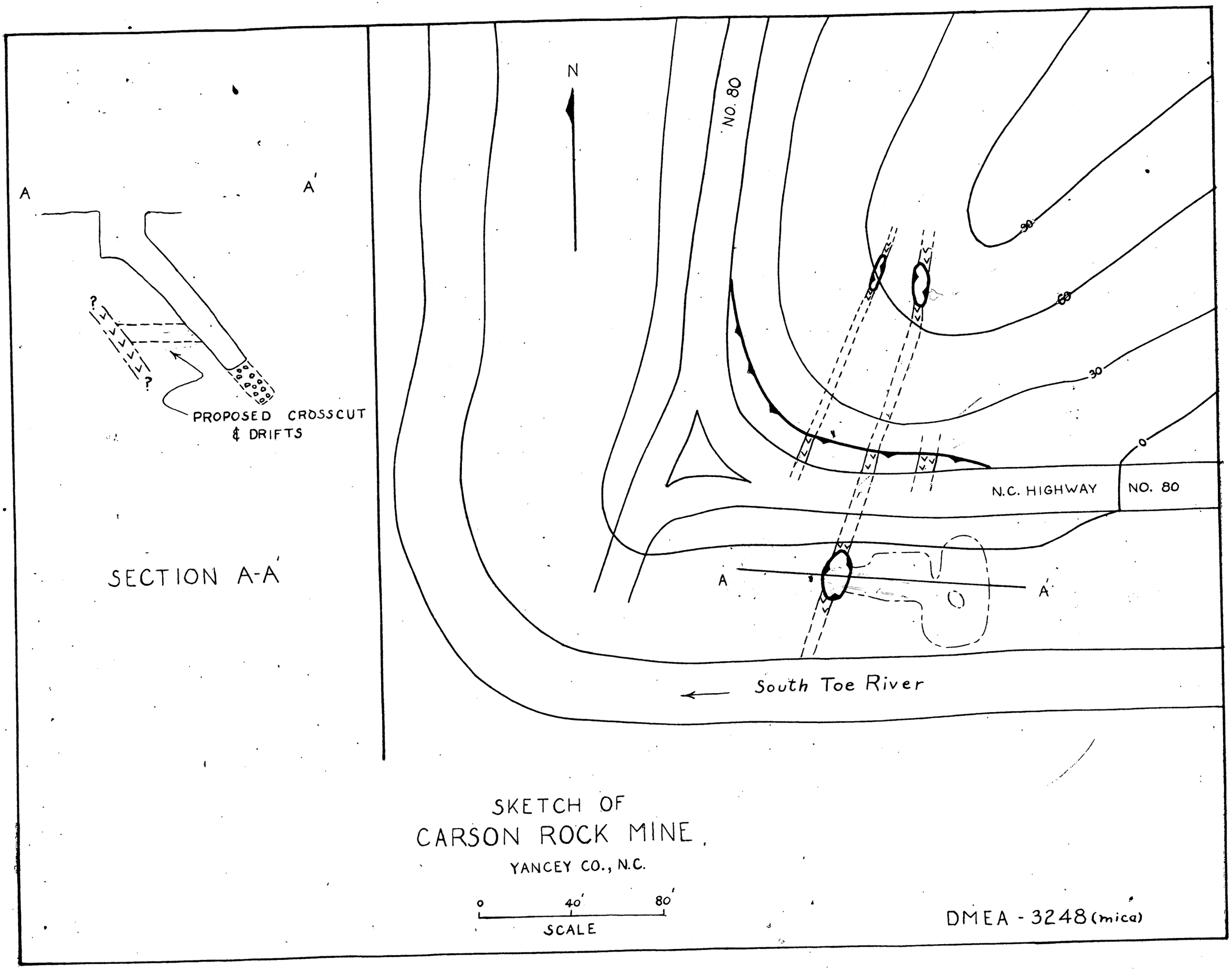
2. Drift on the pegmatite not more than 100 feet.

The crosscut and/or drifts shall be timbered where necessary and shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber.

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

Agreed Unit Costs

Driving 140 feet of crosscut and/or drift @ $35.00/ft.	$4,900.00	
AGREED ESTIMATED TOTAL COST OF PROJECT		$4,900.00
GOVERNMENT PARTICIPATION @ 75%		$3,675.00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& DRIFTS
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South Toe River
SKETCH OF
CARSON ROCK MINE.
YANCEY CO., N.C.
0
40'
80'
SCALE
DMEA - 3248 (mica)

MF-203
(Revised July 1, 1954)

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 Yancey, described as follows: 1/ In a lease recorded in Deed Book 112, page 169, Public Registry of Yancey County, North Carolina. Lease dated December 21, 1953.

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

2/

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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 production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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.

(OVER)

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.

4. Changes and added provisions _____

Dated this 18th day of September, 1957.

Frank W. Bowditch	[Seal]	Address Hamlick, N.C.
Edna Bowditch	[Seal]	Hamlick N.C.
Ruth Gibbs	[Seal]	Burnsville N.C.
Lawrence Gibbs		Rt. 2.

IN REPLY REFER TO:

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

RECEIVED
JUL 5 - 1956

July 3, 1956

Re: DMEA 3248, Idm-8705
South Tee Mining Co.,
Carson Rock Mine
Yancey Co., N. C.
Approved $4,900.00
Expended 3,097.50
Mica

Memorandum

To: L. C. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final Report

The contract approved the expenditure of $4,900 for exploration of one of three pegmatites by crosscutting from a stope in the "middle" pegmatite to a parallel northwesterly pegmatite and drifting on the latter.

The middle pegmatite has produced considerable mica through the past 60-70 years. The work had shown the middle or main pegmatite to change dip and strike causing "bellies". Less appears to have been known of the southeast and northwesterly pegmatites, but little or no production of mica is credited to them.

A crosscut was driven from the stope and intersected 5 pegmatites. Four are narrow. The fifth regarded as the target is 2 to 4.5 feet thick in the crosscut but fingers out 7 or 8 feet to the southwest of the crosscut. It was followed about 25 feet northeast of the crosscut and some "mine-run" mica was produced but due to 'pitch' it could not be followed upward on account of a highway.

The work was stopped, $3,097.50 of the approved $4,900 having been expended. Reserves of strategic mica revealed by the work completed are negligible, and the examiners and Field Team recommend that no certificate of discovery be issued.

I concur with the recommendation.

N.E.Nelson

N. E. Nelson

NENelson:btr
G 7/3/56
cc: W. F. Dietrich,3061
Director's reading file (4212)
Branch reading file (4212)
DMEA (3)
Chron file
Docket file

SEP 1 5 1955

Mr. Robert Moss, President
South Toe Mining Company, Inc.
226 South 16th Street
Philadelphia, Pennsylvania

Re: Docket No. DMEA-3244 - Mica
South Toe Mining Company, Inc.
Carson Rock Mica Mine
Yancey County, North Carolina
Contract No. Idm-8705

Dear Mr. Moss:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 9/14/55
Copy to: Mr. Frank W. Bowditch and Mrs. Edna Bowditch, Hamrick, N. C.
Mr. Lawrence Gibbs and Mrs. Ruth Gibbs, Route 2, Burnsville, N. C.
Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Mr. Chambers

Project Summary Report

By: Walter C. Anderson September 14, 1955

1. Docket No. DMEA-3248 - Mica
Contract No. Idm-M705
Carson Rock Mine
Yancey County, North Carolina

Application: Form MF-103 (April 1952) received February 3, 1954.
Work proposed: 75 ft. of incline shaft and 225 ft. of drifts.
Amount requested: $12,312.60.

Operator: South Toe Mining Company, Inc.
Burnsville, North Carolina

Operator's property rights:
Mining lease for three years on the Frank Bowditch property comprising 2.8 acres, dated December 21, 1953.
Owner's Consent to Lien, dated December 22, 1953.

2. Contract: Form MF-200(A)(February,1952), dated September 9,1954.

Work authorized:

140 ft. of crosscuts and/or drifts @ $35.00/ft.	$4,900.00
Estimated total cost of project	$4,900.00
Government participation @ 75%	$3,675.00

Amendments - none

Work completed:

88.5 ft. of crosscuts and/or drifts @ $35.00/ft.	$3,097.50
Total accepted cost	$3,097.50
Government participation	$2,323.12

Work began on October 14, 1954, and was terminated by mutual consent on February 28, 1955.
Final Field Team report received March 11, 1955.
Operator's Final report received March 11, 1955.
Field Team reports that about 500 pounds of "mine-run" mica was produced during project, value unknown. As this contract had royalty provisions regardless of certification, an effort was made to arrive at an estimate of the value agreeable to the Operator. Operator says the results of shooting were so poor that no sale could be made.
No equipment was purchased under the contract.

3. Audit: Report of Review issued March 24, 1955.

Accepted cost	$3,097.50
Government participation	$2,323.12

4. Certification of Discovery - none issued.

5. Comments:

How conducted - all of the work in which the Government participated was acceptable.

Operation - good.

Engineering - Only as much work was done as was necessary to establish that no concentrations of mica existed in this deposit. Operator submitted satisfactory reports.

Geological premise - The premise that a mica-rich pegmatite exposed at the surface would be encountered by a crosscut at depth was not proven.

Geological criteria upon which work was based:

1. Zoned pegmatite 10 feet thick, enclosed in muscovite-kyanite schist and gneiss.
2. Books of mica up to 12 inches in diameter and 10 inches thick.
3. Past production - $8,000 worth of mica.

Criteria developed during project:

1. Pegmatite - 5 unzoned pegmatites, all enclosed in biotite gneiss, and ranging in thickness from 1.6 to 4.5 feet.
2. Mica - poor quality, reserves negligible.

Future possibilities - None because of poor quality of mica and sparse occurrence.

Recommendations: The Nonmetallic Minerals Division concurs in the Field Team's recommendation not to issue a certification. The commodity members of the Bureau of Mines and Geological Survey agree.

WCAnderson:gad 9/14/55

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

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

July 26, 1955

Memorandum

To: Operating Committee, DMEA-Washington

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

Subject: Royalty Payments: DMEA-3248, Idm-E705 (mica) and DMEA-2909, Idm-E524 (mica)

Reference is made to your letter of June 27, inquiring about royalty payments due on mica produced during exploratory work on the two above completed non-certified projects.

Enclosed are letters from the Operators in response to our inquiry about this production. It would appear that no sales have been made, and that the value of mica on hand is negligible. If any further action on our part is required, please let us know.

Robert A. Laurence
Executive Officer
DMEA Region V

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

HASSETT MINING COMPANY, INC.
Burnsville, N.C.

July 21st. 1955.

(DMEA 3248)

Mr. Robert A. Laurence,
DMEA, Field Team, Region V,
Post Office Bldg.,
Knoxville 2, Tenn.

Dear Mr. Laurence:-

In reply to your letter to Mr. Moos, of the South Toe Mining Co., this note is to clarify the question of mica sales from the Carson Rock Mine.

The quantity of block mica referred to in my report proved to be much too high. It was necessary to cob this down considerably before having it sheeted, and results of the sheeting were so disappointing that in the end we paid the sheeting bill, turned the few pounds of small sheet mica over to the Lessees, Bowditch, et al. and have no record of its sale, if it in fact proved salable.

If it is your wish to pursue this further, I will try to find how much the mica brought (it must of necessity have been sold with mica from another mine) and arrange to pay your office the five percent.

Yours truly,

Hassett Mining Co.,

by /s/Ralph M. Adair

SOUTH TOE MINING CO.
c/o Superior Zinc Corp.
121 North Broad St.
Philadelphia 7, Penna.

(DMEA-3248)

July 13, 1955

Mr. Robert A. Laurence
DMEA, Field Team, Region V
Post Office Bldg.
Knoxville 2, Tennessee

Dear Mr. Laurence:

I have just received your letter of July 6, 1955 in connection with the royalty which might be due the Government from sales of less than four pounds from the Carson Rock Mine. I do not recall where the proceeds from such a sale was ever thndered to this Company and the $15.00 grade which you mention is surprising in view of the low grade which was encountered in our exploratory work.

Certainly if we owe you anything in royalties such will be paid you promptly. I have referred your letter to our Mr. Ralph Adair in Burnsville, N.C. and I am sure that he will immediately look into the matter and advise you promptly.

If we have overlooked sending you anything that might be due, I am truly sorry to have inconvenienced you.

Very truly yours,

SOUTH TOE MINING COMPANY

/s/ R. A. MOOS, Pres.

Received July 15, 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 SHINGLE POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUL - 8 1955

July 6, 1955

Mr. Robert Moos, President
South Toe Mining Co., Inc.
226 South 16th Street
Philadelphia, Penna.

Re: Docket No. DMEA-3248 (mica)
Contract No. Idm-E705
Carson Rock Mica Mine
Yancey County, N. C.

Dear Mr. Moos:

Under item (b) of Annex II to the subject contract you are obligated to pay the Government a royalty on all minerals mined or produced from the land "regardless of any certification of discovery or development, from the date of the contract until the lapse of time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first;" According to the Final Report present by Mr. Ralph Adair, about 400 pounds of block mica was recovered from which less than four pounds of pattern mica of possibly $15.00 grade was sheeted.

If this mica and any other has been sold it would be appreciated if you would send this office a check for the Government's royalty which in the case of mica would be 5 percent. The check should be made payable to the Defense Minerals Exploration Administration and should be accompanied by certified copies of the sale slips.

Please give this matter your earliest attention so that we may close close our records on this contract.

Very truly yours,

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

WAR/mm
cc:
R. Adair
Lynch
Opr. Com.
Files

JUN 27 1955 600

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

Dear Mr. Laurence:

Reference is made to a number of uncertified projects which have been completed or terminated, but no closing letters have been written because of the unsettled situation with regard to royalties.

Under the following contracts, having royalty provisions regardless of certification, the Field Team reported production, either of known or unknown values:

Docket No.	Contract No.	Value of production during project
DMEA-2909	Idm-E524	Unknown
DMEA-3248	Idm-E705	Unknown
DMEA-3329	Idm-E714	$70.00
DMEA-3356	Idm-E711	Unknown
DMEA-3391	Idm-E704	$40.00
DMEA-3402	Idm-E702	Unknown

In order to close out these contracts it will be appreciated if you will take whatever action you deem appropriate for collection of these royalties. It is suggested in the case of unknown values of production during the project that an estimate be made agreeable to the Government and the Operators.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:gad 6/22/55

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

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

March 23, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3248 (mica)

Applicant: South Toe Mining Company

Name and Location of Property: Carson Rock Mine
Yancey County, North Carolina

Contract Number: Idm-E-705

Date of Field Team Final Report: March 10, 1955

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: March 15, 1955

Field Team Recommendation:

1. No certification of discovery or development.

Comments:

1. About 500 pounds of mine-run mica were recovered. The mica was of poor quality.

2. Expenditures -

Total approved	$4,900.00
Total cost	3,097.50
Gov't. share of cost	2,323.12
Value of production during operation	?

Recommendation:

I concur with the field team recommendation to not issue a certificate of discovery or development on this project.

Sig

W. F. Dietrich

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

March 23, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3248 (mica)

Applicant: South Toe Mining Company

Name and Location of Property: Carson Rock Mine
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Contract Number: Idm-E-705

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Date Rec'd. by Br. of Ceramic & Fertilizer Materials: March 15, 1955

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Total cost	3,097.50
Gov't. share of cost	2,323.12
Value of production during operation	?

Recommendation:

I concur with the field team recommendation to not issue a certificate of discovery or development on this project.

W. F. Dietrich

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

March 23, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3248 (mica)

Applicant: South Toe Mining Company

Name and Location of Property: Carson Rock Mine
Yancey County, North Carolina

Contract Number: Idm-E-705

Date of Field Team Final Report: March 10, 1955

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: March 15, 1955

Field Team Recommendation:

1. No certification of discovery or development.

Comments:

1. About 500 pounds of mine-run mica were recovered. The mica was of poor quality.

2. Expenditures - Total approved $4,900.00
Total cost 3,097.50
Gov't. share of cost 2,323.12
Value of production during operation ?

Recommendation:

I concur with the field team recommendation to not issue a certificate of discovery or development on this project.

W. F. Dietrich

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

COPY

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

March 10, 1955

Memorandum

TO: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3248, Idm-E705 (mica) South Toe Mining Co. Carson Rock Mine, Burnsville, Yancey County, N.C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject contract, which was terminated by mutual consent. We are in agreement with the recommendation that certification should not be issued.

/s/ ROBERT A. LAURENCE
Robert A. Laurence
EXECUTIVE GEOLOGIST
DMEA REGION V

/s/ V. J. LYNCH
V. J. LYNCH, Member
DMEA Field Team
U. S. Bureau of Mines

Received by
DMEA Operating Co.
3-16-55

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

MAR 11 1955

FINAL REPORT

D. M. E. A. Field Team, Region V

On

DMEA-3248, CARBON ROCK MINE (mica)
Yancey County, N. C.

BY

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

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

March 7, 1955

Reviewed by
DMEA OPERATING COMMITTEE
3-16-55
(date)

MAR 7 1955

EXPLORATION PROJECT CONTRACT

FINAL REPORT
On
DMEA-3248, Ida-8704 CARSON ROCK MINE
(mica)

Operator: South Toe Mining Company, Burnsville, North Carolina

Location: 11.0 miles south of Micaville, Yancey County, North Carolina on N. C. Highway No. 80 in Pisgah National Forest.

Work completed under this contract consisted of driving a 50-foot crosscut and a total of 38.5 feet of drifts. As the small amount of mica discovered by this work was mostly not of strategic quality, the contract was terminated by mutual agreement effective February 4, 1955. No certification of discovery should be issued. Additional exploratory work on this property is not warranted because of the poor quality of the mica.

Work began on October 14, 1954 and ended February 2, 1955. A 50-foot crosscut was driven in a N. 45° W. direction from the 60-foot level of an existing stope. A total of 38.5 feet of drifts were driven from this crosscut as follows: (1) 30 feet in a N. 30° E. direction from a point 41 feet from the portal of the crosscut, (2) 6 feet in a S. 30° W. direction from the same point, and (3) 2.5 feet in a northeast direction from a point 27.5 feet from the portal of the crosscut.

A total of five pegmatites were intersected by the crosscut. They are:

(1) 1.6-feet thick pegmatite 9 feet from the portal,
(2) 2.5 to 3-feet thick pegmatite 17 feet from the portal,
(3) 1.7-feet thick pegmatite 27.5 feet from the portal,
(4) 2-feet thick pegmatite 32.5 feet from the portal,
(5) 2 to 4.5 feet thick pegmatite 41 feet from the portal.

All are conformable to the enclosing wall rock, biotite gneiss, and none show any apparent zoning. The pegmatite strike N. 30-50° E. and dip 50-65° to the southeast. They consist of plagioclase, quartz, perthite, muscovite and garnet, in varying amounts. In addition, clots of kyanite are abundant in pegmatites (1) and (5); minor amounts of sulphides (pyrite and chalcopyrite) occur in pegmatites (2) and (5); and tourmaline is present in pegmatite (3). Pegmatite (5) in the southwest drift plunges about 30° to the southwest and "fingers-out" in the head of the drift driven in this direction.

About 500 pounds of "mine-run" mica were recovered by work done under the contract, most from the northeast drift on pegmatite (5). It was considerably cracked and heavily mineral-stained; little was of strategic quality. The mica in pegmatite (5) occurs in poorly-defined shoot which

rules about 30° to the southwest. Any future work northeast up the shoot would come up under the state highway (see attached map).

Reserves of strategic mica revealed by the work completed under this contract are negligible.

Expenditures:

(a)	Total approved	$4,900.00
(b)	Total cost of project	3,097.50
(c)	Government's share of cost	2,323.12
(d)	Government's share unexpended	1,351.88
(e)	Value of production during expr.	?

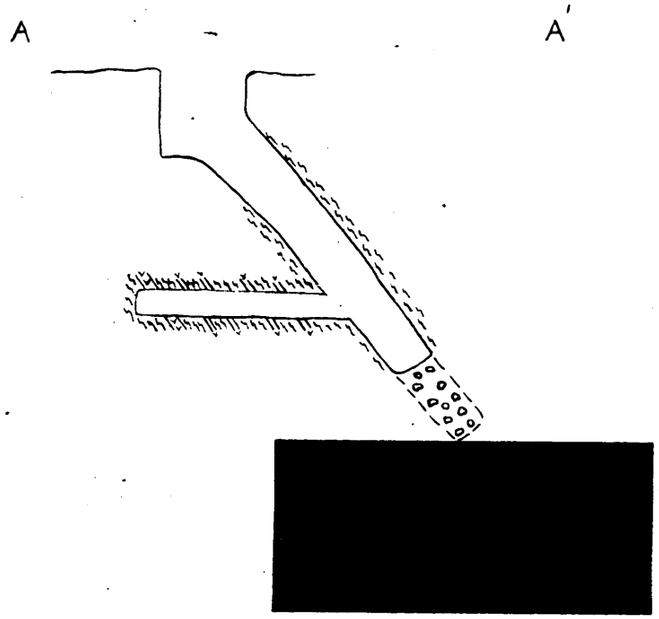
The work was done in an efficient and satisfactory manner.

No equipment was purchased under the contract.

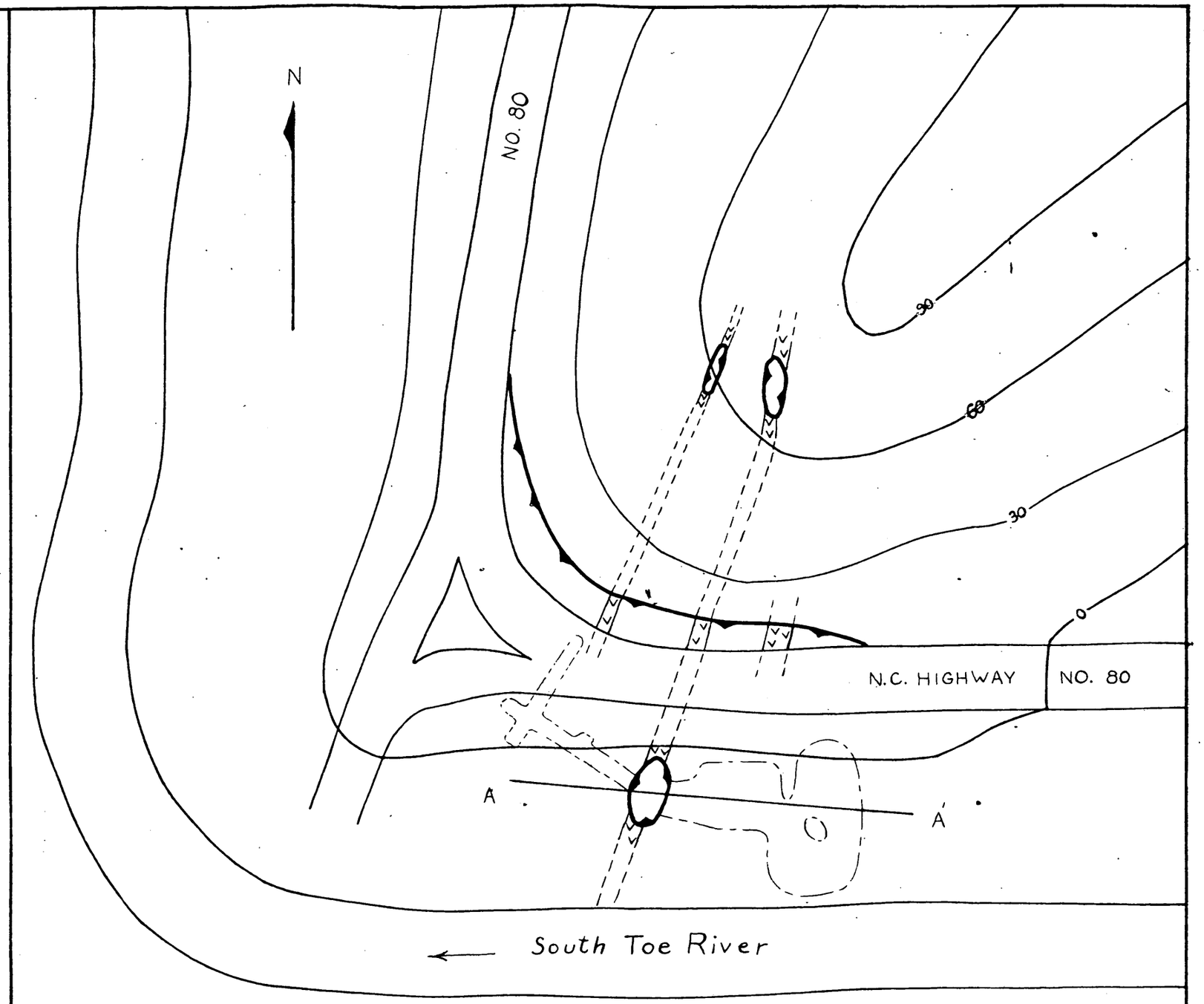
March 7, 1955.

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

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



SECTION A-A'



SKETCH OF
CARSON ROCK MINE
YANCEY CO., N.C.

0 40' 80'
SCALE

DMEA - 3248 (mica)

Anderson

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3/14

REFERRED TO:

1. 600
2.
3.
4.

FOR:

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

REMARKS: Royalty on it
whether Dec 1 or not

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1031 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1955

March 10, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3248, Idm-E705 (mica) South Toe Mining Co. Carson Rock Mine, Burnsville, Yancey County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject contract, which was terminated by mutual consent. We are in agreement with the recommendation that certification should not be issued.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
DMEA Field Team,
U. S. Bureau of Mines

RAL/sm
cc:
Lynch
Shirley
Files
Allsman

SOUTH TOE MINING COMPANY

Burnsville, N. C.
Feb. 1th. 1955

Defense Minerals Administration
MAR 1 1 1955

Defense Minerals Exploration Administration,
Knoxville, Tenn.

No. DMEA-3248 IDM-E 705
Mica. Carson Rock Mine.

Gentlemen:-

Work on the subject contract terminated on February second, 1955.

The following work was completed and measured by your examining engineer:

50 Feet of Crosscut from present or old workings to intercept parallel dykes, with particular reference to a dyke outcropping above the road.

36½ Feet of Drifting on the dyke cut by this crosscut.

2 Feet of Drift on a parallel dyke.

The drift encountered small block mica (A) for a distance of twenty feet. The ore-shoot in the dyke was found to be dipping steeply to the south, and the drift passed under it to the north and over it to the south. Since the dip and plunge of this orebody would have brought it up under the highway, and since the quality of the mica was so poor, it was agreed that further work on it was not justified.

Some 400 lbs. of rough block mica was recovered from this drift. This sheeted out less than four pounds of pattern mica of possibly $15.00 grade. After paying for the sheeting, this will yield very little. No sale has been made of pattern, punch or scrap.

Yours truly,

SOUTH TOE MINING COMPANY

by R B Adair
Ralph Adair, Manager.

RECEIVED
FEB 1 4 1955

RECEIVED
FEB 14 1955
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

600

FEB 2 8 1955

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

Subject: Docket No. DMEA-3248 - Mica
South Toe Mining Company, Inc.
Carson Rock Mica Mine
Yancey County, North Carolina
Contract No. Idm- 1705

Dear Mr. Laurence:

Reference is made to Field Team memorandum of February 7, 1955, recommending termination of the subject contract by mutual agreement.

Please find herewith the original and five copies of this Termination Agreement. If it meets with your approval please sign it in behalf of the Government and present it to the Operator for approval and signature.

After execution of the Termination Agreement, the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 6

WCAndersen:ad 2/24/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

February 16, 1955

Memorandum

To: Mr. John L. Hofflund, Acting Assistant Soliciter

From: Lawrence G. Houk, Chief, Nonmetallic Minerals Division

Subject: Termination Agreement - Docket No. DMEA-3248 - Mica
South Toe Mining Company, Inc.
Carson Rock Mica Mine
Yancey County, North Carolina
Contract No. Idm-E705

Pursuant to the Field Team's recommendation in its interim report of examination of the subject mine on February 4, 1955, please prepare a termination agreement for the signature of the Executive Officer, DMEA Field Team, Region V.

WCAnderson:gad 2/16/55
Copy to: Admr. R. File
Docket
Mr. Houk

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 36

OPERATOR'S MONTHLY REPORT AND VOUCHER

IDM-E 705

Month of January 1955 Docket No. DMEA 3248 Contract No. Mica
Operator's Name South Toe Mining Co Minerals
Address Burnsville, N. C $3675
Contract Amount, $ $4900 Government Participation: 75 % Amount, $

DEPARTMENT OF THE INTERIOR Defense Minerals Administration RECEIVED FEB 10 1955

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 10' @ $35	$350.	$1400	$1750			
Drifting 15½' @ $35	$542.50	$ 805	$1347.50			
(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	$892.50	$2205.00	$3097.50	892.50	2205.50	3097.50

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

Date Feb. 5th/55 Payee South Toe Mining Co

Per R B Adair R.B.Adair Title Manager

*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:

$ 669.37

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 2-9-55 Vou. No.
(See other side)

223.13

(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-E705 in accordance with the terms of the contract.

Signature Henry H. Amos Title Geologist-USGS Date Feb. 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date FEB 8 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form DMF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1955 Docket No. DMEA 3248 Contract No. IDM-E 705

Operator's Name South Toe Mining Co. Minerals MICA

Address Burnsville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	$528.50	15½	$1347.50	38½	$35.00	140	$35.00
Crosscutting	Feet	$350.00	10	$1750.00	50	$35.00	50	$35.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$892.50	25½	$3097.50	88½			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$892.50		$3097.50				$4900.00

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. 4th, 1955 Operator South Toe Mining Co.

Per R. Adair Title Manager
Ralph Adair

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

SOUTH TOE MINING COMPANY

Monthly Report of Progress

January, 1955.

Date Work Began 10-8-54
DMEA No. 3248 IDM-E 705

Work Accomplished

Extended current drift six and a half feet south, and seven feet north.

Drove two feet of exploratory drift on parallel dyke.

Overhauled compressor, engine-end.

Drove twelve feet of exploratory heading in south end of main vein. This work not covered by the terms of DMEA contract.

DAILY NOTES

Jan. 3rd. through 8th. Drilled and blasted two rounds, North heading.

Jan. 10th. through 14th. " " " " " South heading.

Jan. 17th. through 21st. " " " round on parallel dyke.

Jan 24th. to end of month repairs to compressor and uncontracted work.

None of the drifting disclosed values in sheet mica, and went to prove that the length of the ore-shoot at this horizon was too short to be of economic value.

MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 36

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED FEB 10 195

Month of December 195 4 Docket No. DMEA 3248 Contract No. IDM-E 705
Operator's Name South Toe Mining Co., Inc. Minerals
Address Burnsville, N. C.
Contract Amount, $ 4900.00 Government Participation: 75 % Amount, $ 3675

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		1400.00	1400.00			
Crosscutting 23 ft. @ $35.00	$805.00		805.00			
Drifting						
(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	$805.00	$1400.00	$2205.00	805.00	1400.00	2,205.00

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

Date Jan. 28 *Payee South Toe Mining Co. Inc.

Per [signature] Title Manager.

*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:

$ 603.75

Signature Helen R. Mullin
(Authorized Certifying Officer)

Date 2-9-55 Vou. No. 131
(See other side)

201.25

(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. Tdm-E705 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Feb. 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date FEB 8 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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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.

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Form MET-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195 4 Docket No. DMEA 3248 Contract No. IDM-E 705

Operator's Name

Minerals Mica

Address

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	Feet	$805	23	$2555	73	$35 ~~140~~	140	$35
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$805	23	$2555				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		~~$805~~		~~$2555~~				
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 Jan.6th 1955 Operator South Toe Mining Co.,

Per R. B. Adair Title Manager

R. B. Adair

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

SOUTH TOE MINING COMPANY

Monthly Report of Progress

December, 1954.

Date Work Began 10-8-54
DMEA No. 3248, IDM-E 705

Work Accomplished

Replaced hoisting boom, guy wires, incline shaft skid poles, and prepared for hoisting development muck.

Drilled, blasted and mucked seven rounds for an advance of 23 feet during the month. This advance was in the form of a drift following the pegmatite intersected last month in the crosscut.

Repairs to compressor, rings and springs in air end. Kept mine pumped out, requiring weekend work in addition to regular mining hours.

Daily Notes

Dec. 1st. through 3rd. Cutting and shaping new hoisting boom.

Dec. 6th. through 10th. Installing new hoisting boom, replacing guys and hoisting cable, installing skid poles in shaft, moving stull, and preparing to hoist muck.

Dec. 13th. through 17th. Drilled and blasted three rounds, and removed muck.

Dec. 20 through 23rd. Drilled and blasted two rounds and removed muck.

Dec. 27. through 31st. Drilled and blasted two rounds and removed muck.

Note. In these first five rounds and increasing amount of block mica was reocvered, of A form, but relatively clear of color specks. The last two rounds yielded little or no saleable mica, and last face exposed was barren, but contained coarsely crystalline kyanite in some quanitity. A total of possibly 400 lbs. of crude block mica was removed, much of which was of no value.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 305 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 8 1955

February 7, 1955

Memorandum

To: Operating Committee, DMEA- Washington

From: Field Team, DMEA - Region V - Knoxville, Tennessee

Subject: DMEA-3248, Idm-E 705 (mica) South Toe Mining Co. Inc., Carson Rock Mine.

Our field examiners report that drifting on the most promising pegmatites cut in the crosscut has progressed far enough to indicate that a significant body of strategic mica does not exist there. The Operator is in agreement with this and has suspended work pending your decision as to whether it should be terminated.

We recommend termination of this contract by mutual agreement. We do not intend to recommend certification.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

RAL/sm
cc:
Lynch
Shirley
Allsman
Files

Mr. Anderson

INTERIM REPORT
(Mica)

DMEA-3248, Idm-E705, CARSON ROCK MINE

Operator: South Toe Mining Company, Burnsville, North Carolina

Location: 11.0 miles south of Micaville, Yancey County, N. C. It is on N. C. Highway No. 80 in the Pisgah National Forest.

A total of 38.5 feet of drift has been driven on this contact; 30 feet in a N. 30° E. direction and 5 feet S. 30° W. on the pegmatite intersected 41 feet from the portal of the crosscut and 2.5 feet to the northeast on the pegmatite cut at 27.5 feet in the crosscut. Mica in both bodies is sparse, small, cracked and very badly mineral-stained. None is of strategic quality. It is recommended that the contract be terminated by mutual agreement. The Operator is agreeable.

Examined: February 4, 1955.

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

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

C O P Y

February 10, 1955

Mr. R. B. Adair, Mgr.
South Toe Mining Co.
P. O. Box 417
Burnsville, N. C.

Re: Docket No. DMEA-3248, Idm-E705
(mica) Carson Rock Mine
Yancey County, N. C.

Dear Mr. Adair:

We have requested our Washington office to grant permission to terminate the subject contract by mutual agreement, as our examiners report that additional work does not appear justified. It is our understanding that you are in agreement with this decision.

As we have no reason to believe that Washington will not grant this request, may we suggest that you render your final geological and engineering report in quintuplicate as specified in Article 5 (b) and (d) of the contract form. This report should give the date of completion, summarize the work completed, give a statement of the pounds of block mica recovered, and an estimate of the value when sheeted, also a record of any sales made to the Mica Buying Depot or anyone else. This also includes punch, scrap, feldspar or any other sales from the property covered in the contract.

Very truly yours,

Robert A. Laurence
Executive Officer
DMEA Region V

C O P Y

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

INTERIM REPORT
(mica)

DMEA-3248, Idm-E705, CARSON ROCK MINE

Operator: South Toe Mining Company, Burnsville, North Carolina

Location: 11.0 miles south of Micaville, Yancey County, N. C. It is on N. C. Highway No. 80 in the Pisgah National Forest.

Drifting continues on this contract and now totals 35 feet; 30 feet in a N. 30° E. direction and 5 feet S. 30° W. A pegmatite 1-2 feet thick with scattered books of mica is present in the head of the northeast drift. The Operator was advised to discontinue the northeast drift but to pull one more heading in the southwest and to pull two headings on the pegmatite intersected 32.5 feet from the portal of the crosscut.

Examined: January 21, 1955.

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

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Mica

DEPARTMENT OF ...
Defense Minerals ...
RESEARCH
JAN 26 1955

INTERIM REPORT

DMEA-3248, Idm-E705, CARSON ROCK MINE (mica)

Operator: South Toe Mining Company, Burnsville, N. C.

Location: 11.0 miles south of Micaville on N. C. Highway No. 80 in Pisgah National Forest.

Drifting continues on this contract and is now at 24.5 feet. The drift continues to follow a body of varying thickness composed of massive quartz surrounded by narrow zones of pegmatite containing small blocks of muscovite mica. Occasional pods of biotite gneiss are contacted in the heading. In the roof area on the southeast side of the drift a large mass of bladed kyanite has been followed for about 6 feet. The Operator was advised to pull at least one additional heading being drilled at the time of this visit, and then start a new drift to the southwest.

Progress on this contract is satisfactory.

January 6, 1955

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

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

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Defense Minerals Administration
RECEIVED

January 21, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V - Knoxville

Subject: DMEA-3248, Idm-E705 (mica) South Toe Mining Co. Amendment No. 1

Transmitted are three signed copies of the subject amendment.

The usual distribution of the other copies has been made from this office.

Wm. A. Beck

ZM
cc:
Beck
Shirley
Finance Office
Files

Mr. Anderson

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1955

INTERIM REPORT

DMEA-3248, Idm-E 705, CARSON ROCK MINE (mica)

Operator: South Toe Mining Co. Burnsville, North Carolina

Location: 11.0 miles South of Micaville on N. C. Highway No. 80 in Pisgah National Forest.

Drifting continues on this contract and is now at 16 feet. The foreman was advised to continue drifting in this direction until another visist can be made.

Material encountered is pegmatite, which varies in thickness from 1 foot at the top of the face, to 3 feet in the floor of the drift. The body strikes N.30° E and dips 50° Southeast, and is composed of quarts feldspar and muscovite mica, some of which is badly stained. Progress on this contract is satisfactory.

Mr. Robert A. Laurence, Executive Officer, DMEA-Region VII accompanied the Examiners on this visist to the mine.

December 16, 1954.

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

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

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Bureau of Mines, Administration
RECEIVED
DEC 28 1954

December 27, 1954

Mr. Robert Beck, President
Pocahontas Mining Company
c/o Superior Mine Shop,
[illegible] Fifth Avenue
Pittsburgh 19, Pennsylvania

Re: [illegible], Inc. [illegible]
Pocahontas Mine (Inlet)
Tazewell County, Va.

Dear Mr. Beck:

This is in reply to your letter of December 24, concerning the check for your December royalty.

It was necessary to submit an amendment to the contract to provide for the payment of royalties beyond 20 days, as the contract, which expires Jan. 1, 1955, is a [illegible] of contract to the contract and more than 20 days [illegible]. We have requested this amendment and have been informed by [illegible] it will be processed. We hope it is prepared and forwarded to you soon. We expect payment of more than 20 days for accounting.

I have discussed this by Mr. Bailey and have his [illegible] as soon as the amendment is received, he may then check the approval [illegible] in excess of 20 days on the next regular monthly payment.

Very truly yours,

Robert A. Lagrange
Executive Officer
[illegible] Field Zone, Region VII

RAL/mg
cc
Beck
Lynch
Joe Bailey
Division File-DMM
Operating Committee
Files

600

JAN 1 1 1955

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

Subject: Docket No. DMEA-3248 - Mica
South Tee Mining Company, Inc.
Carson Rock Mica Mine
Yancey County, North Carolina
Contract No. Idm-X705

Dear Mr. Laurence:

Reference is made to your memorandum of December 29, 1954, recommending an amendment to the subject contract to provide for 50 feet of crosscut and 90 feet of drifting.

Please find herewith the original and five copies of Amendment No. 1, prepared pursuant to recommendation. If it meets with your approval please sign it and present it to the Operator for his approval and signature.

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 6

WCAnderson:md 1/6/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

600

December 31, 1954

Memorandum

To: Mr. J. L. Hoffland, Acting Assistant Solicitor

From: Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3248 - Mica
South Toe Mining Company, Inc.
Carson Rock Mica Mine
Yancey County, North Carolina
Contract No. Idm-2705

Pursuant to the field team's recommendation in memorandum of December 23, 1954, please prepare Amendment No. 1 to the subject contract for the signature of the Executive Officer, DMEA Region VII, to provide the following:

In Exhibit "A" under Description of Work, change crosscutting to "not more than 50 feet" and drifting on the pegmatite to "not more than 90 feet."

There is no change in the total cost of the project.

Walter G. Anderson
Nonmetallic Minerals Division

WCAnderson:ad 12/31/54
Copy to: Admr. R. File
Docket
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 27 1954

December 23, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3248, Idm-E 705 (mica). South Toe Mining Co., Inc. Carson Rock Mine, Yancey County, N. C.

Please refer to interim report of December 2, 1954 and Operator's November voucher and narrative report.

Late in November, Mr. Joe Bailey, Supt., telephoned this office and stated that the crosscut was at 40 feet, had intersected some pegmatite stringers but had not hit the main pegmatite zone; some pegmatite was showing in the heading. He was advised to continue the crosscut until the main pegmatite was cut, but not to exceed 60 feet if that distance was reached before our next visit.

A mica-bearing pegmatite, 1 to 3 feet thick according to the Operator's measurements, and 2 to 4.5 according to our geologists' measurements was intersected at 41 to 45 feet in the crosscut. Mr. Bailey did not consider this to be the main pegmatite, and extended the crosscut an additional 5 feet for a total length of 50 feet. When our examiners visited the mine on Dec. 2, they advised the Operator to drift on the pegmatite at 41 to 45 feet.

In authorizing the Operator to continue beyond 40 feet, it was our intention to prepare an amendment authorizing the necessary amount of crosscutting in excess of 40 feet by reducing the drift footage a corresponding amount. The only alternative would have been to shut down the project until an amendment was approved. It is the Operator's opinion that conditions are sufficiently different from the predicted conditions that the full 50-feet of crosscutting was justified, and we are inclined to agree that, on an exploration job of this kind, it is not possible to adhere precisely to a pre-supposed set of conditions; in other words although hindsight indicates that 5 feet was driven into foot wall,

it was not so clear when the heading stood at 45 feet and the Operator has that point in his favor.

On December 20, we wrote the Operator explaining the deletion from his voucher, and offering an amendment providing for 45 feet of cross-cutting. The Operator refused to sign this amendment, and after a conference with Mr. Bailey, we are satisfied that he was acting in good faith and following what he thought was our instruction.

Therefore, we recommend approval of an amendment providing for 50 feet of crosscut and 90 feet of drifting. If you agree, please prepare the amendment and forward it to us.

Robert A. Laurence
Executive Officer, DMEA
Region VII

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

RAL/mg (lastpage typed by mg)
cc:
Beck
Shirley
Files
Operating Committee

(Rev.)
(2)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 29

OPERATOR'S MONTHLY REPORT AND VOUCHER

Department of Defense Minerals Exploration Administration RECEIVED DEC 22 1954

Month of November, 1954 Docket No. DMEA 3248 Contract No. IDM-E 705
Operator's Name South Toe Mining Co., Inc. Minerals MICA
Address Burnsville, N.C.
Contract Amount, $ 4900 Government Participation: 75% Amount, $ 3675

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	$1050	$700	$1750			
Drifting						
(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	$700	$1750	700.00	700.00	1400.00

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

Date Dec. 3, 1954 Payee South Toe Mining Co.

Per Joe W. Bailey Title Supt.

*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:

$525.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date DEC 22 1954 Vou. No. 1082

(See other side)

2

$175.00

(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 E-705 in accordance with the terms of the contract.

Signature Wesley H. Amos Title Geologist-USGS Date DEC 14 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date DEC 14 1954

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.

MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1954 Docket No. DMEA 3248 Contract No. IDM-E 705
Operator's Name
Minerals MICA
Address

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	Feet	$1050	30	$1750	50	$35	140	$35
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1050	30	$1750				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1050		$1750				$4900

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 Dec. 3, 1954 Operator South Toe Mining Co.

Per Joe W. T. Bailey Title Supt.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

SOUTH TOE MINING COMPANY

Monthly Report of Progress
November, 1954

Date Work Began - 10-8-54
DMEA No. 3248, Idm-E 705

Work Accomplished

Completed complying with safety recommendations,; drilled, blasted, and mucked 9 rounds for total advance of 30 feet during month. Two men worked one shift per day; pumper when required on weekends.

Daily Notes

Nov. 1st thru Nov. 6th Drilled, blasted, and mucked 3 cross-cut headings, alternate quartz and schist stringers.

Nov. 7th through Nov. 14th, Pumping and repairing, waiting for dust cards from N.C. State Board of Health for workment

November 15th through Nov. 30th, Drilled, blasted and mucked 6 rounds of cross-cut. Last 5 feet in schist, and drilled 6 ft. test hole in heading in schist. Intersected mica-bearing pegmatite at 45 ft., 1 to 3 ft. thick.

RECEIVED
DEC 14 1954
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Defense Mine
DEC 22 1954

December 20, 1954

Mr. Joe W. Bailey, Supt.
South Toe Mining Co., Inc.
P.O. Box 221
Murphy, North Carolina

Re: DMRA-3248, Idm-R 705 (mica)
Carson Rock Mine,
Yancey County, N. C.

Dear Mr. Bailey:

The November "Operator's Monthly Report and Voucher" on the subject contract is being sent to the Finance Office for processing with a deletion of $350. This deletion is necessary because the contract allows only 40 feet of crosscutting and you have claimed 50 feet, thus it is necessary to disallow 10 feet on this voucher.

Under separate cover we are sending you an amendment increasing the amount of crosscutting from 40 feet to 45 feet. The additional 5 feet may be claimed in a subsequent voucher when the amendment is signed.

Very truly yours,

Robert A. Laurence

RAL/sm
cc:
Beck
Lynch
Finance Office
Files

INTERIM REPORT

PRGA-3348 IAm-5706 (mica) CARBON ROCK MINE

OPERATOR: South Tee Mining Company, Burnsville, N. C.

LOCATION: 11.0 miles south of Micaville on N. C. Highway No. 80 in Pisgah National Forest.

Crosscutting on this contract is complete. Instructions were given the mine foreman for turnoff to the northeast at a point 40 feet from crosscut beginning and discussions were held with the operators representatives concerning future work.

Upon request, the walls of the crosscut were washed down and several narrow pegmatite bodies were revealed; at 3 feet a body with an average thickness of 1.6 feet composed of quartz, kyanite and small muscovite mica; at 17 feet a body 2.5 to 3.0 feet in thickness, composed of feldspar, quartz and narrow veinlets of sulphides; at 27.5 feet a body 1.7 feet in thickness, composed of quartz containing tourmaline, feldspar and small mica; at 32.5 feet a 2.0 ft. thickness composed of quartz, feldspar and disseminated garnets; at 45.0 feet a body varying in thickness from 2.5 to 4.5 feet, composed of quartz, feldspar, occasional sulphides and good hard muscovite mica in variable sizes, some of which contained black specks. At 50 feet the crosscut terminates in hard biotite schist. The examiners are of the opinion that the best material is contained in the body at the 40-ft. point in the crosscut and the operators were advised to start a drift at this point. The average strike of this body is N 40° E and dips 55-60° SE. It is conformable with the strike of the country rock.

This operation has been conducted very satisfactorily and safely to date.

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

K. H. Teague & D. H. Ames, Geologists
U. S. Geological Survey

December 2, 1954

Anderson

INTERIM REPORT

DMRA-5948 Idn-5706 (Indan) CARBON ROCK MINE

OPERATOR: South Tee Mining Company, Burnsville, N. C.

LOCATION: 11.0 miles south of Micaville on N. C. Highway 80 in Pisgah National Forest.

Crosscutting continues on this contract and is now at 24 ft. The mine foreman was advised to continue driving in the same direction until another visit can be made.

Material encountered consists of feldspathic pods or stringers containing occasional small blocks of mica associated with quartz, and country rock, a biotite gneiss. The crosscut is being driven in a N 66° W direction and an advance of 8 feet has been made since November 8, 1954.

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

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

November 18, 1954

Form 4-104 (Rev.) April 1952)

Budget Bureau No. 42-R1036.5

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

Month of October, 1954 Docket No. DMEA 3246 Contract No. IDL-E 705
Operator's Name South Toe Mining Company, Inc. Minerals Mica
Address Burnsville, N. C.
Contract Amount, $ 4,900 Government Participation: 75 % Amount, $ 3,675

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	$700.00	0	$700.00			
Drifting						
(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	$700.00	0	$700.00	700.00	—	700.00

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

Date 11-10-54 *Payee South Toe Mining Co., Inc.

Per Joe W. Bailey Title Supt.

*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:

$ 525.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date NOV 23 1954 Vou. No. 80

(See other side)

1st S 10/8/54 175.00

(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. Idu-E705 in accordance with the terms of the contract.

Signature Vernon H. Ruos Title Geologist-USGS Date Nov. 10, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date NOV 15 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form [illegible]-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1954 Docket No. DMEA 3248 Contract No. [illegible]-E 705
Operator's Name South Toe Mining Company, Inc. Minerals Mica
Address Burnsville, 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	Feet	0700.00	20	0700.00	20	035.00	140	035.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		0700.00	20	0700.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		0700.00		0700.00				04900.00

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 11-10-54 Operator South Toe Mining Co., Inc.

Per Joe W. Bailey Title Supt.

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

SOUTH TOE MINING COMPANY
MONTHLY REPORT OF PROGRESS
FOR OCTOBER, 1954

Date Work Began- 10-8-54
MSHA NO. 3848, IGm-B 705

Work Accomplished

Unwatered mine opening, assembled machinery, stulled back over incline, drilled, blasted and mucked 6 rounds for total advance of 20 feet. Two men working one shift per day, pumper on weekends.

DAILY NOTES

October 8th thru Oct. 11 Pumping out mine

Oct. 12 Moving and installing compressor, complying with safety recommendations, assembling supplies

Oct. 13th Timbering back over incline - set 5 stulls under slabby ground. approved by Mine Inspector

October 14th Drilled and blasted first round on bench from which to start cross-cut

October 15th thru Oct. 18 Repairing compressor, waiting for parts

October 19th through Oct 23 Completed squaring up bench in footwall of incline from which to start crosscut.

Oct. 24th through Oct. 31 Drilled, blasted, and mucked 3 cross-cut headings. First quartz struck at 14 ft. Alternate stringers of pegmatite material and schist from 14 to 20, mica very small and quantity negligible.

INTERIM REPORT

DMMA-3248 Am-2705 (mica) CARSON ROCK MINE

OPERATOR: South Toe Mining Company, Burnsville, N. C.

LOCATION: 11.0 miles south of Micaville on N. C. Highway 80 in Pisgah National Forest.

Crosscutting continues on this contract from the 80-foot stope level and is now at 21 feet. The mine was not working at the time of this visit because of severe winter weather. Crosscutting will continue until another examination can be made.

Material encountered in the last 11 feet of advance consists of country rock, a biotite gneiss, and some pegmatite material. The present face and northeast wall show a 2-foot zone of quartz containing small blocks of muscovite mica and chalcopyrite in abundance. No change was noted in the country rock.

Handrails have been installed along the inclined ladderway and is an asset for access to the working level. Progress on this contract is satisfactory.

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

K. K. Yeager & D. K. Jones, Geologists
U. S. Geological Survey

November 5, 1954

INTERIM REPORT

DMMA-3246 Idm-8705 (mica) CARSON ROCK MINE

OPERATOR: South Tee Mining Company, Burnsville, N. C.

LOCATION: 11.0 miles south of Micaville on N. C. Highway 80 in Pisgah National Forest.

Starting date on this contract is October 17, 1954. Unwatering of the mine is complete and crosscutting from the 60 ft. level in the existing stope is underway. An advance of 10 feet in biotite gneiss in a N 47° W direction has been made.

Some new ladder sections have been installed to the present working level. The foreman was advised to repair old ladders, especially handrailings, and tie down and install handrails on the new sections. Progress on this contract is satisfactory.

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

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

October 22, 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 ASH POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OCT - 7 1954

October 6, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Signed Contract: DMEA-3248, Idm-E 705, South Toe Mining Co., Inc. (mica) Yancey County, N. C.

Transmitted are three signed copies of the subject contract. The usual distribution of the other copies has been made.

Robert A. Laurence

RAL/sm
cc:
Beck

Lynch
Finance Office
Files

SEP 9 1954

Mr. Robert A. Laurence
Executive Officer, DMA
Middle Tenn., Region III
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. [illegible]-3443 - Mica
South Toe Mining Company, Inc.
Carson Rock Mica Mine
Yancey County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown. It is subject to the attachment of Owner's Consent to Lien on the form revised July 1, 1954. A copy of a memorandum from the Legal Division, dated August 26, 1954, is enclosed.

If the contract meets with your approval present it to the Operator for approval and signature. Please explain to the Operator that the contract, when executed, is a firm commitment under the terms of which it is obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated March 23, 1954, and from the Bureau of Mines, dated April 2, 1954, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 11

WCAnderson:gad 9/3/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5227
Mr. Houk

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

August 26, 1954

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: South Toe Mining Company, Inc., Docket No. DMEA-3248 (Mica)

Attached is a contract covering the above-described project in satisfactory legal form for execution, subject to the attachment of a new Owners' Consent to Lien on the form revised July 1, 1954.

/S/ Henry C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments 7

HCRubin:ep

Copy to: Solicitor's Docket
DMEA Docket
Mr. Houk (2)
Mr. Hofflund
Mr. Rubin
Chron.

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

August 26, 1954

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: South Toe Mining Company, Inc., Docket No. DMEA-3248 (Mica)

Attached is a contract covering the above-described project in satisfactory legal form for execution, subject to the attachment of a new Owners' Consent to Lien on the form revised July 1, 1954.

/S/ Henry C. Rubin
For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments 7

HCRubin:ep

Copy to: Solicitor's Docket
DMEA Docket
Mr. Houk (2)
Mr. Hofflund
Mr. Rubin
Chron.

September 2, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII - Knoxville

Subject: DMEA-3248, (mica) South Toe Mining Co. Yancey County, N. C.

Today we had a telephone call from Joe Bailey, a representative of the subject Company requesting information as to the status of their application. They are anxious to get started on the job as it is costing them money for they must pay a minimum monthly royalty to hold their lease.

Robert A. Laurence

WAB/xm
cc:
Beck
Lynch
Files

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

August 11, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region VII

Subject: DMEA-3248, Carson Rock Mine, South Toe Mining Co., Applicant
Yancey County, N. C.

Attached is a copy of an agreement between the North Carolina State Highway and Public Works Commission and the subject Mining Company which allows the Company to carry on mining operations below the surface of the highway.

Wm. A. Beck

WAB/xm

100

JUL 14 1954

Mr. Albert J. Levin, President
South Tee Mining Company
226 S. 16th St.,
Philadelphia, Pennsylvania

Re: Docket No. DMRA-3248 - Mica
South Tee Mining Company
Carson Rock Mica Mine
Yancey County, North Carolina

Dear Mr. Levin:

On May 12, 1954, the Executive Officer, DMRA Field Team, Region VII, wrote Mr. Joe Bailey with regard to your application for assistance in exploring the Carson Rock Mica Mine. A copy of the letter is enclosed. To date no answer to this letter has been forwarded to this office.

In the interest of expediting the Defense Minerals Program, it will be appreciated if you will provide us promptly with the requested information.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

/CAnderson:mg 7/13/54
Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 14 1954

May 12, 1954

Mr. Joe Bailey
Bailey & Van Hoyn
Box 222
Murphy, North Carolina

Subject: Docket No. DMA-3245 -mica
Nantahala Tan Mining Company
Cotton Rock Mica Mine, Yancey Co., N.C.

Dear Mr. Bailey:

We have received a letter from our Washington office requesting additional information on the subject application.

One of the things they would like to have is, "Information on the easement rights of the State of North Carolina, which will have a bearing on the size of mining operations that can be carried on in the area." Would it be possible for you to get a statement from the State Highway Department giving you permission to conduct mining operations in the area?

Very truly yours,

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

RAL/ch
cc:
Book
Lynch
Opr. Com.
Div. Files
Files

Bureau Mines, Washington
RECEIVED
MAY 17 1954

May 14, 1954

Memorandum

To: Operating Coordinator, BMM - Washington

From: Field Team, BMM - Region VII

Subject: [illegible]-yield, [illegible] Mine (adit) South Bay Mining Co.
Burnsville, North Carolina

In requested in your letter of May 6, we submit the following breakdown of estimated costs:

Driving the [illegible] accessory and/or drift (60 shifts)

Labor and Supervision

2 laborers @ $1.00/hr.	$960.00
1 [illegible] @ $1.25/hr.	600.00
1 [illegible]-foreman @ $1.25/hr	600.00

Operating Materials & Supplies

Explosives	600.00
Gas and [illegible]	500.00
Drill [illegible]	200.00
Small tools & supplies	100.00

Operating Equipment

Compressor, [illegible] and hammer, rental @ $[illegible]/hr.	720.00
Hoist, rental @ $50/hr.	150.00

Miscellaneous

Insurance, Soc. Sec., repairs, etc	250.00
Contingencies	250.00
Total	$[illegible]

We have written the applicant, requesting that he provide a statement from the North Carolina Highway Department granting permission to work under the highway.

The map submitted by the applicant with the application shows all property corners and boundaries, accurately surveyed. These corners can be readily transferred to the sketch map which accompanies the field examination report by use of points common to both maps, but we suggest that, instead, the applicant's map be used as the contract map, with pertinent data for the contract added to it.

The headframe and skids were included in the original field report because there is no present equipment for hoisting in the old incline. However, considering that much of the muck can probably be disposed of in the old stopes, we believe the headframe can be omitted, and adequate provision for hoisting is made in the above cost estimated.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

RAL/mm
cc:
Beck
Lynch
Opr. Gen. Div. File
DDocket File

Bureau of Mines
Bureau of Mines Administration
Division
MAY 14 1974

May 12, 1974

Mr. Joe Bailey
Bailey & Van Horn
Box 221
Murphy, North Carolina

Subject: Docket No. BMRA-3248 -mine
South Toe Mining Company
Garvey Rock Mica Mine, Yancey Co., N.C.

Dear Mr. Bailey:

We have received a letter from our Washington office requesting additional information on the subject application.

One of the things they would like to have is, "information on the easement rights of the State of North Carolina, which will have a bearing on the size of mining operations that can be carried on in the area." Would it be possible for you to get a statement from the State Highway Department giving you permission to conduct mining operations in the area?

Very truly yours,

Robert A. Lawrence, Executive Officer
BMRA Field Team, Region VII

WAB/sm
cc:
Rock
Lynch
Spr. Gen.
Div. Files
Files

600

MAY 3 1954

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

Subject: Docket No. DMEA-3248 - Mica
South Toe Mining Company
Corunna Rock Mica Mine
Yancey County, North Carolina

Dear Mr. Lawrence:

Reference is made to your memorandum of April 20, 1954, concerning our alternate proposal for exploring the subject mine.

A study of the map attached to the field team report reveals that the area of proposed mining is not very extensive, being limited by the State highway and flood hazards of the South Toe River. Before making a decision on proposed exploration we would like to have more information.

The map does not show the relationship of property lines to the proposed exploration work. Kindly furnish us a map with property lines or corners placed thereon.

Also we would like to have information on the easement rights of the State of North Carolina, which will have a bearing on the size of mining operations that can be carried on in this area.

At the same time, please submit unit costs broken down to the items of supervision, labor, materials, equipment and supplies. Why is a headframe recommended in this case?

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Philip W. Guild

Member, Geological Survey

WCAnderson:ag 5/3/54

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, 0-232 GSA Bldg.
Mr. Houk

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

April 20, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: DMEA-3248, South Toe Mining Co. (mica) Carson Rock Mine - Yancey County, North Carolina

Reference is made to your letter of April 12.

The plan proposed in the examination report of March 17 was selected as the only one feasible, largely because of the close proximity of the road, river, and steep slope above the road. The proposed bulldozing would be in the floodplain, practically at river level and a large open cut there would greatly increase inflow into a shaft located on the pegmatite there, especially in time of flood stage on the river.

It would also be difficult to sink on the west pegmatite from a point above the road, as there would be no place to dump muck, and work might interfere with traffic on the highway.

For these reasons, we agree with the field examiners that the best way to explore the west pegmatite would be from the old workings. The strong showing of the west pegmatite in the road cut is regarded as favorable evidence for its continuity.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

RAL/mm
cc:
Beck
Lynch
Files

APR 12 1954

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

Re: Docket No. [illegible]-3248 (Mica)
South Tee Mining Company
Carson Rock Mica Mine
Yancey County, North Carolina

Dear Mr. Laurence:

Reference is made to the Field Team's report of examination of March 17, 1954, on the subject property.

The examiners' proposal is to explore by driving a crosscut from an existing stope in the middle pegmatite for a distance of about 40 feet to intersect the west pegmatite, then drive not more than 100 feet of drift in the pegmatite. Based upon the information in your report, it appears that crosscutting in the country rock as proposed might not be the most expedient means for exploring the west pegmatite. As an alternate proposal, which would confine the exploration work to the northwest pegmatite, it is suggested that consideration be given to bulldozing so as to expose the pegmatite on the surface and then sink a 5' x 7' incline on the pegmatite for the desired depth from which point drifting would be done if the pegmatite continued.

If you concur in our proposal, please have the Field Team submit a supplemental proposal embodying the above suggestion. Unit costs should be broken down to the items of supervision, labor, materials, equipment, and supplies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

D. M. Larrabee

Member, Geological Survey

WCAnderson/FJJohnson/gad/bih
4/9/54

cc to: Docket
Admr. Reading File
Operating Committee
Region VII
Messrs. Dietrich - Room 3061
Larrabee - Room G-232 USA
Houk
Selfridge - FJJohnson

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

Subject: Docket No. DMEA-3248 - Mica
South Tee Mining Company
Carson Rock Mica Mine
Yancey County, North Carolina

Dear Mr. Lawrence:

Reference is made to the field team's report of examination of March 17, 1954, on the subject property.

The examiners' proposal is to explore by driving a crosscut from an existing stope in the middle pegmatite for a distance of about 40 feet to intersect the west pegmatite, then drive not more than 100 feet of drift in the pegmatite. It is our opinion that crosscutting in the country rock as proposed is not good exploration. Please recommend an alternate proposal which will confine the exploration to the northwest pegmatite. Bulldoze to expose the pegmatite on the surface and sink a 5'x7' incline on the pegmatite for the desired depth from which point drive drifts if pegmatite continues.

If you concur in our proposal, please have the field team submit a supplemental proposal embodying above suggestion. Unit costs should be broken down to the items of labor, materials and supplies.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

WGAnderson:gad 4/8/54
Copy to: Admr. R. Wile
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 2 1954

April 2, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3248

Applicant: South Toe Mining Company

Name and Location of Property: Carson Rock Mine
Yancey County, North Carolina

Date of Field Team's Report: March 19, 1954

Date Rec'd. by Ceramic & Fertilizer Materials Branch: March 29, 1954

Field Team's Recommendation:

1. Exploration program is justified on the southwestern extension of the northwest pegmatite dike.

Comments:

1. No previous effort has been made to explore the southwestern extension of the northwest pegmatite dike.

2. The pegmatite has been exposed and appears to be about 10 feet thick containing mica.

3. Proposed exploration by 40-foot crosscut and 100-foot drift is consistent with good engineering practices.

Recommendation:

I concur in the field team's recommendation for an exploration project in the amount of $5,400.

Signed

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CNM

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

March 23, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3248 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: South Toe Mining Company
Name of property: Carson Rock Mine.
Location of property: Pisgah National Forest, Yancey County, N. C.
Date of field team report: March 17, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. M. Amos.
Field team's recommendation:

1. No work justified on "middle" pegmatite.
2. Exploration to be on northwest pegmatite.
3. 40' crosscut and 100' drift

$5400

Comments:

1. Set up in 2 stages, with crosscut first.
2. Some pegmatites containing abundant sulfides also contain sulfides interlayered with mica sheets in the books (Tilley mine, when examined by D. M. Larrabee and E. Wm. Heinrich, was such an example).

ACTION RECOMMENDED:

Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
3/23/54

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

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Room 13, Post Office Bldg.
Knoxville 2, Tenn.

March 19, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Field Examination Reports:
DMEA-3244, Denson Mine, Pickens Co., Ga. (mica)
DMEA-3248, Carson Rock Mine, Yancey County, North Carolina

Enclosed are four copies each of the subject examination reports, with 6 extra copies of the map accompanying each report.

The Field Team agrees with the examiners' conclusions that these deposits show sufficient promise to merit exploration, and recommend adoption of the exploration plans as outlined in the reports.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
3-26-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-3248, CARSON ROCK MINE (mica)
Pisgah National Forest
Yancey County, N. C.

By

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

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

Dewey H. Ames, Geologist
U. S. Geological Survey

March 17, 1954

Reviewed by
DMEA OPERATING COMMITTEE
3-26-54
(date)

FIELD EXAMINATION REPORT

on

DMEA-3248, CARSON ROCK MINE (Mica)

Applicant: South Toe Mining Company, c/o Albert J. Levin, President
226 S. 16th St. Philadelphia, Penna.

Some work appears justified on this deposit, but no work is warranted on the "Middle" pegmatite which has been extensively worked in the past. Work is recommended on the northwest pegmatite.

The property was examined on March 12, 1954. Messrs. Joe Bailey and Ralph Adair accompanied the examiners on the inspection which required two hours.

The Carson Rock mine is 11.0 miles south of Micaville on N. C. Highway 80 in Pisgah National Forest. The mine extends from the South Toe River across the highway and slightly beyond the crest of the adjacent ridge. Area covered in the lease is adequate for the proposed project.

The workings consist of a partly caved, inaccessible stope extending from slightly north of the crest of the ridge to the highway; a pit or enlarged shaft about 20 feet deep connected to a stope about 80 feet deep between the highway and the river; and a gently sloping incline just south of the crest of the ridge and west of the upper stope. The stope north of the road is reported to have been worked a maximum of about 14 feet below the road level.

The country rock is mainly muscovite-kyanite schist and gneiss containing local concentrations of graphite. Graphite is most concentrated in schist containing no kyanite. Near the east side of the area there is a layer of fine-grained hornblende-quartz amphibolite about 2.5 feet wide; all the country rock contains considerable fine grained sulfides. The country rock strikes uniformly N. 10-50° E. and dips 45-75° S.E. A moderate number of joints are found in the vicinity of the mine, most of which strike northwest and dip northeast. The joints range in strike from N. 55° E. to N. 30° W. and dip from 55° to 85° N. E., S. E., and S. W.

At least three sill-like pegmatite bodies striking northeast and dipping steeply southeast are exposed at the mine, only two of which have been exploited. The central pegmatite has been mined in the upper and south stopes. It is about 6 feet wide near the bottom of the south stope and about 13 feet wide in the stope that opens at the highway and at the south end of the south stope. The pegmatite body appears to pitch gently southward. Very few inclusions were noted in the pegmatite. One inclusion in the lower stope graded at one end into a concentration of sheet mica in the pegmatite. The pegmatite is fine to medium grained and is composed essentially of plagioclase and quartz with muscovite. Sulfide minerals are abundant.

Three zones are distinguished in this pegmatite, namely a quartz core, a wall zone, and a border zone. The quartz core in the lower stope is about 4 feet thick at the southwest end and pinches out 5-6 feet from the northeast end. Its thickness in the upper stope is indeterminate as most of it has been mined out. The wall zone is composed of plagioclase and quartz with sheet mica. The hanging wall part of the wall zone in the lower stope contains more sheet mica than the footwall part, and the southwest heading is richer than the narrower northeast heading. The footwall contains curved streaks of fine grained scaly sericitic muscovite. The hanging wall side of the wall zone is 1.5 to 2 feet wide at the ends of the lower stope, but widens in the center and south end. The footwall side is 2 feet wide at the northeast end of the lower stope and widens to an indeterminate thickness near the southwest end. The border zone is about 4 to 5 inches thick and consists of fine grained plagioclase and small (1 inch and less) books of muscovite with random orientation. The footwall portion of the border zone contains fewer of these books than the hanging wall side.

West of the main pegmatite a pegmatite body is exposed for about 19 feet in the road cut. This is probably the same pegmatite body mined in the incline near the crest of the ridge. The top of the pegmatite body is exposed in the road cut indicating a moderate steep pitch to the south. This pegmatite is also composed of plagioclase, quartz, some microcline, and muscovite with abundant fine grained sulfide minerals. Some graphic texture was noted. The sheet mica in this pegmatite is a maximum of about 12 inches in diameter.

East of the main pegmatite body is another exposed for about 35 feet in the road cut. At 10 to 15 feet above the road level the country rock rolls over the pegmatite with wedge shaped protrusions into it. The pegmatite crosscuts the country rock in places along the top and impregnates the gneiss for several inches at such places. The composition of this pegmatite is the same as the other two, but the muscovite appears to be all scrap.

The mica in the middle pegmatite is ruby colored "A", some being slightly iron stained. The maximum diameter of the blocks in the south stope was 18 inches, but the average size is about 6 inches. Other defects are: wedge shaped blocks, reeves, ruling, biotite inclusions, and iron sulfide (pyrite) sheets in the cleavage planes.

During the current mica program considerable work has been carried on in the stope in the middle pegmatite south of the highway. The stope has been enlarged and is now about 50 feet long and 30-50 feet on the dip of the pegmatite. Reports indicate that $8,000 worth of mica was sold from this operation. The examiners believe that further work on the middle pegmatite

would be more nearly development than exploration.

There has been no effort to explore the southwestern extension of the northwest pegmatite. The only work on it has been at the northeastern end. Recently the State Highway Department has widened the highway and benched the north bank of the road in the pegmatite. It is well exposed, being about 10 feet thick and contains considerable mica. Books of mica up to 18 inches in diameter and 10 inches thick are exposed. This pegmatite is 30 feet northwest of the middle one.

The examiners believe that exploration is justified on the northwest pegmatite. This work can best be conducted from the existing stope by driving a crosscut to the northwest from about the 60 feet level. A crosscut not more than 40 feet long should intersect the pegmatite if it is present. After the pegmatite is intersected, not more than 100 feet of laterals should be driven on the pegmatite. Before this work could begin, it would be necessary to install a headframe on the surface and skids in the incline.

Estimated Cost:

Install skids and construct headframe	$500.00
40 feet crosscut @ $35/ft.	1400.00
100 ft. drift @ $35/ft.	3500.00
Estimated total cost.....	$5400.00

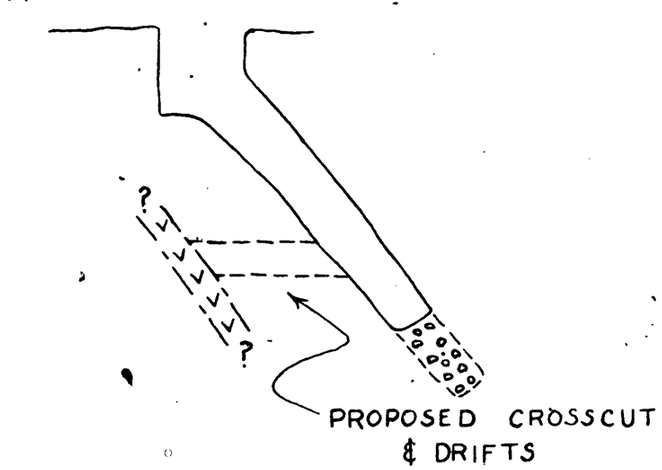
Estimated time required --5 months

K. H. Teague and D. H. Amos, Geologists
U. S. G. S.

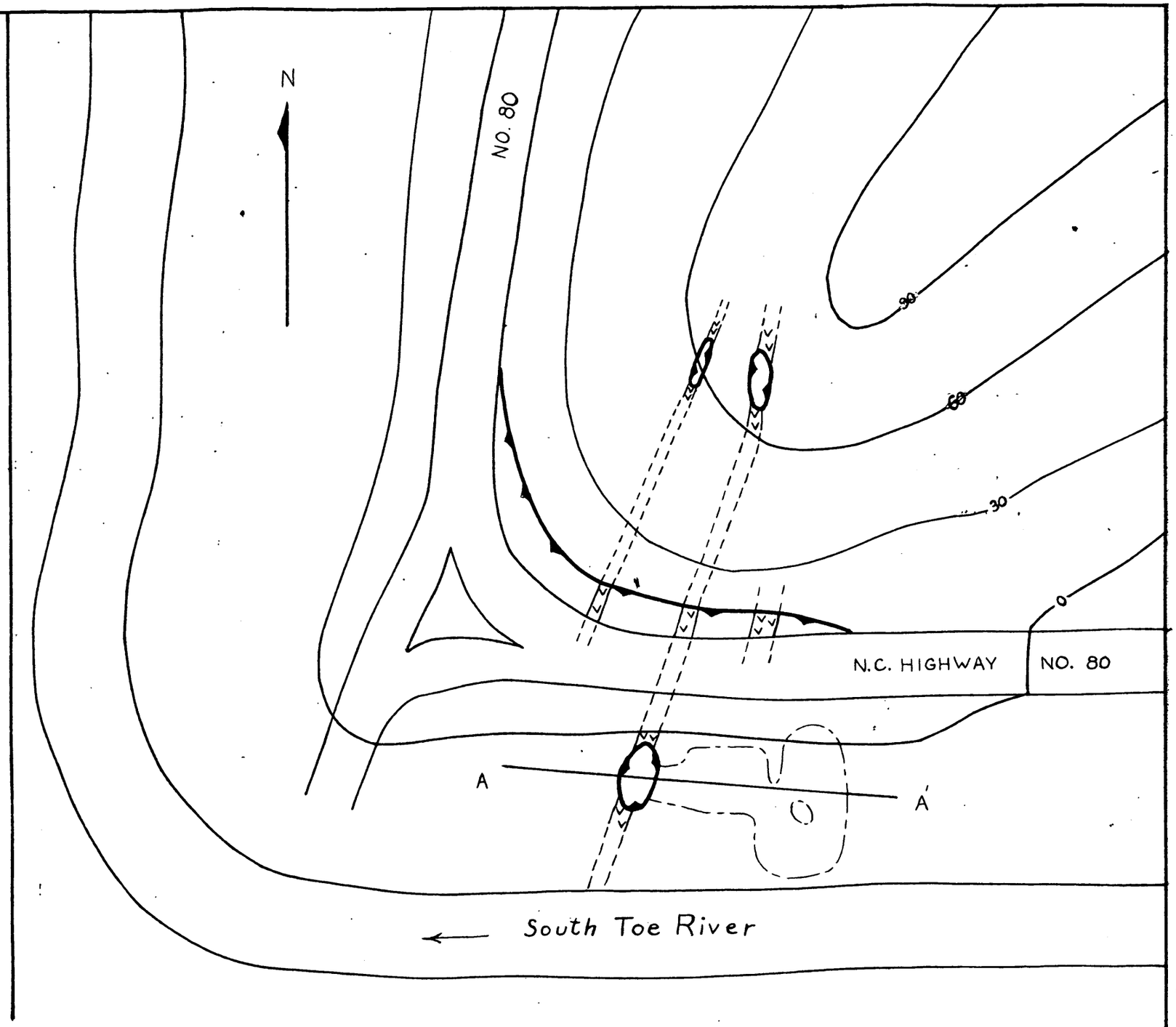
L. E. Shirley, Mining Engineer
U. S. B. M.

March 12, 1954.

zm



SECTION A-A'



SKETCH OF
CARSON ROCK MINE
YANCEY CO., N.C.

0 40' 80'
SCALE

DMEA - 3248 (mica)

600

FEB 15 1954

Mr. Albert J. Levin, President
South Tee Mining Company
226 S. 16th St.,
Philadelphia, Pennsylvania

Re: Docket No. DMEA-3248 - Mica
South Tee Mining Company
Carson Rock Mica Mine
Yancey County, North Carolina

Dear Mr. Levin:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

G. O. Mittendorf

Administrator

WCAnderson:mg 2/12/54

Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3326
Mr. Lawrence, 8-232, GSA Bldg.
Mr. Houk

FEB 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-3248 - Mica
Smith Tee Mining Company
Stream Rock Mica Mine
Yancey County, North Carolina

Dear Mr. Lawrence:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated February 4, 1954, and from the Bureau of Mines, dated February 8, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Philip W. Guild

Member, Geological Survey

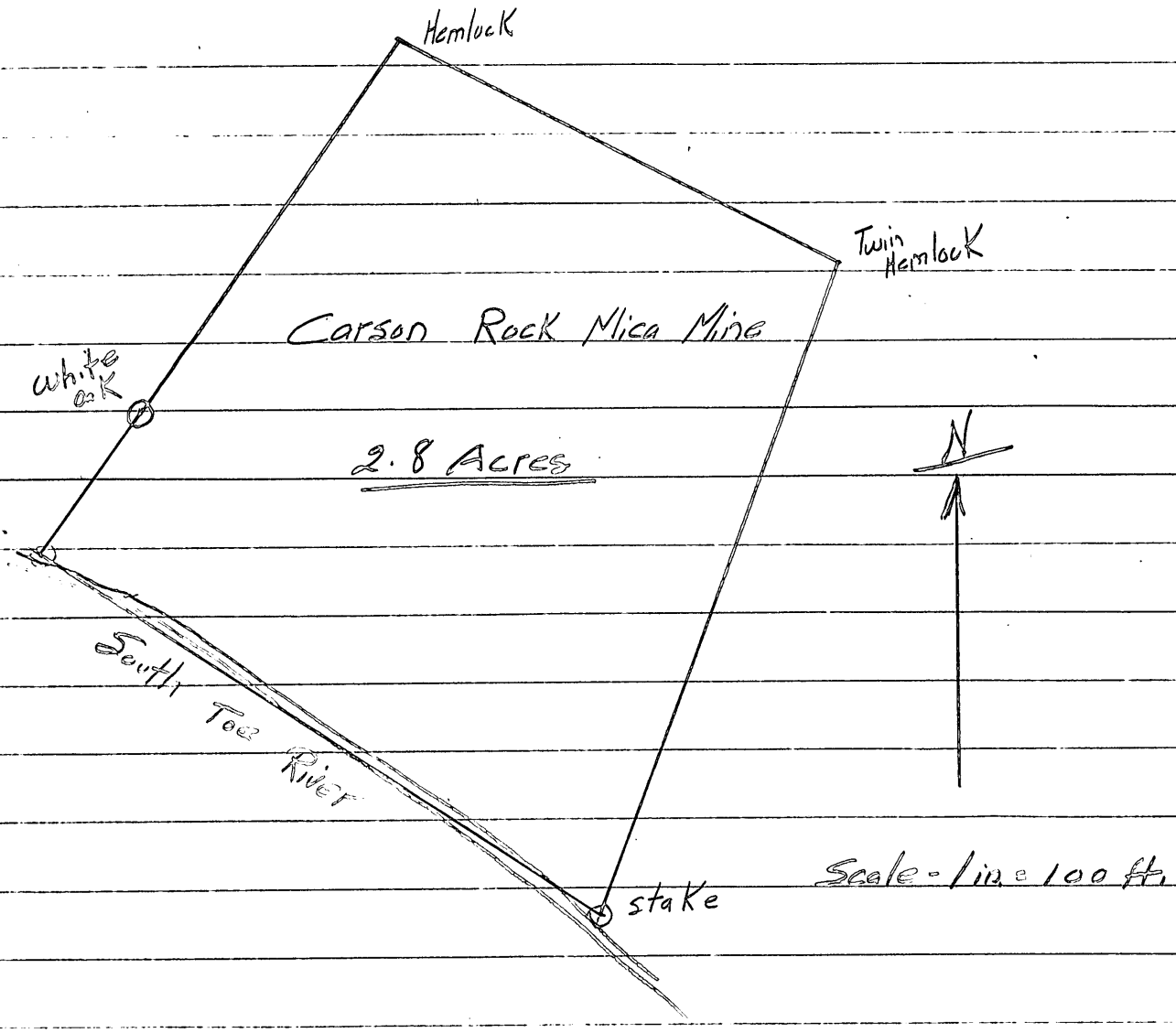
Enclosures 4

WCAnderson:ag 2/12/54

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232
GSA Bldg.
Mr. Henk

DMEA-3248

South Toe Mining Company



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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 9 1954

February 8, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3248

Applicant: South Toe Mining Company

Name and Location of Property: Carson Rock Mica Mine
Yancey County, North Carolina

Application Rec'd by Ceramic & Fertilizer Mats. Br.: February 3, 1954

Comments:

1. Up to August 20, 1953, a total of 949 pounds of full-trimmed mica from this mine were sold to the GSA Mica Purchasing Depot.

2. Estimated cost of project - $16,075.35.

Recommendation:

It is suggested the field team be requested to visit this property when a member of the field team is in the vicinity to ascertain if an exploration program is justified. Some of the costs appear to be considerably higher than those allotted for other projects in North Carolina.

Signed

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNK

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

Memorandum

February 4, 1954

REVIEW OF APPLICATION DMEA-3248 (MICA)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. A. Brobst, U. S. Geological Survey
Applicant's name and address: A. J. Levin, 226 S. 16th St., Philadelphia, Pennsylvania; R. J. Oberfield (same address).
Name of property: Carson Rock Mine.
Location of property: Along N. C. highway 80, about 1.7 mi. N. of Busick, Yancey County.
Summary of applicant's proposal:

A. Extend main 6' x 6' inclined shaft 75' farther down dip.
B. 150' of 6' x 6' drift from extension of shaft.
C. 75' of 6' x 6' adit on westernmost peg. of property.
Total cost: $16,075.35.

Sources of information on applicant's property:

A short, undated report in the file indicates that the mica is of good quality. The mine has a long history. During World War II, 1,532 pounds of mica were sold to the Colonial Mica Corporation for $9,446. The main peg. contains 3 zones; sheet mica occurs in the wall zone, and more in the hanging than foot wall of the body. The SW. heading of the main working is considered richer than the NE heading.

Comments:

1. The cost of this project is about twice what it should be when compared to other contracts for similar work in the area. (See letter 2/1/54 by A. A. Laurence.)

2. The descriptive geology of the main working is very detailed considering that the hole is full of water. The applicants, incidentally, are willing to dewater the mine for the field team to inspect it. What is the source of this geologic information. The wall rock also includes graphitic mica schist, according to our report.

3. Previous miners have had trouble with water seeping in from the river. This trouble may persist.

RECOMMENDATION: Have the field team examine the property. At that time the matter of high cost should be discussed. It would be wise to have the mine de-watered prior to the visit, if the applicants are still willing to do it.

Brobst:jeh
2/4/54
cc: Director's reading file 4212 D. A. Brobst
Branch " " "
DMEA 3
Brobst G-230