UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
NATIONAL FORESTS IN NORTH CAROLINA
ASHEVILLE, N. C. 28802

Box 731

IN REPLY REFER TO

2820
May 14, 1964
Your ref.: 4/16
DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania Co.,N.C
Contract Idm-E830

Office of Minerals Exploration
U.S. Department of the Interior
Washington 25, D.C.

Attention: George Fumish, Jr.

Gentlemen:

Ranger Seely tells us there has been no mineral production from the property since April 6, 1962.

Sincerely yours,

PETER J. HANLON
Forest Supervisor

By W. E. Howell

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Ida-8830, Docket DMEA-3265 (mica), dated June 28, 1955, with

Mines & Mining, Inc.
P. O. Box 8184
Asheville, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Farlow Gap Mine located in Transylvania County, North Carolina, during the period July 2, 1959, through June 22, 1962.

In accordance with a December 5, 1956, Termination Agreement, Amendment No. 1, and Article 7 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 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. A Report of Review dated June 11, 1957, indicated accepted costs under the exploration contract amounting to $1,353.00 with the Government's contribution on a 75 percent basis being $1,014.75.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through July 1, 1959. Accordingly, as of June 22, 1962, the royalty account of this project was found to be:

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

E. D. Talbert
E. D. Talbert, OME Auditor

July 25, 1962

Idm-8850 Mines & Mining, Inc. DMEA-3265

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The Termination Agreement obligates the Operator, as principal if the producer or as surety if not the producer, to pay to the Government a percentage royalty on all minerals produced from the land under the contract. The land consists of 14 acres, more or less, located on Shuck Branch in the Pisgah National Forest. At the time the contract was executed the Operator was in possession by virtue of a March 10, 1954, assignment by Marvin Owen, Route 2, Brevard, N. C., of a 5-year mineral lease (No. ELM-A 021533) granted by the Bureau of Land Management on August 1, 1952. In consideration of the waiver of the requirement for an Owner's Consent to Lien, a Guaranty of Payment of Royalty was executed on June 9, 1955, by Wm. S. McCrady, 2 West Jordan Street, Brevard, N. C., but the contract contains no reference thereto.

Exploration work under the contract was recessed for the winter on December 7, 1955, and never resumed. Production during the exploration period consisted of an estimated 1,200 pounds of poor quality mica, which the DMEA Field Team reported "was not worth the expense of hauling to town and preparing for sale".

Inspections of the property, conferences with Forest Service employees, and checks of the G.S.A. Mica Purchase Depot's records by DMEA and OMR regional representatives have disclosed no further production from the property through July 1, 1959. Furthermore, it appears that the Operator abandoned the property shortly after discontinuance of the exploration work.

In an April 6, 1962, reply to an inquiry, the Forest Supervisor advised that there was no production subsequent to July 1, 1959, and that the lease file had been closed on July 8, 1958. An examination by a representative of the Contract Administration and Audit Division during the week ending June 22, 1962, of the records of the Spruce Pine Depot did not disclose any sales of production from this property.

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

(1) The files contain no evidence of any sales of production from the property under this contract; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

JUL 2 6 1962

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, CMK

Subject: DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-2830

Enclosed for your files is the original of a Report of Royalty Review on the subject contract.

George C. Selfridge

Enclosure
GCSelfridge/hb (7/26/62)
cc to: Docket DMEA-3265
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Region IV, w/cy of Report of Royalty Review dtd 7/23/62 & orig. cy of memo dtd 7/25/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

JUL 25 1962

Memorandum

To: Chief, Division of Field Operations

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMRA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-EE50

Enclosed are the original and two copies of a Report of Royalty Review covering the subject Region IV contract. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary; and

(b) Two copies to Region IV files.

This report is for OME record purposes only; therefore, no copy has been provided for the Operator.

As evidence of your concurrence, a copy of your memorandum transmitting the original of the report to the Department's Fiscal Section should be furnished this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 7-25-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

E 830 6/28/55 DMEA-3265 Miner and Mining, Inc.

Transylvania County, N.C. Farlow Gap Mine

Last reported Depst sale None

Other known parties of possible interest:

Marvin Owen Holder of mineral lease Roger A. Grant, Jr. sec

William S. McCrady Cassi, Incorporated

Dean S. Hasbrouck Pres De Witt Hasbrouck

Fred Wilson

On National Forest land. Under date of 4/6/62, Forest Supervisor, Asheville, N.C. advised he had no knowledge of any mineral production from the property since 7/1/59.

No record noted of any purchases by L.P. Depst.

EF 6/21/62

Pseudo

A

MME Form 7
(10-58)

Date	Initials	Amount
6/26		800
		500
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

Subject: Check of Spruce Pine Mica Purchase Depot Records, June 18 - 22, 1962

During the period of June 18 to 22, 1962, I examined the purchase records of the G.S.A. Mica Purchase Depot at Spruce Pine, North Carolina, for the purpose of ascertaining any unreported production under DMEA exploration project contracts. My examination did not disclose any unreported production subject to royalty under the following contracts:

Contract No.	Docket No.	Operator	Mine Names
[illegible] 694	3244	Alex Teague	Old Denson (Denison)
687	[illegible]	Glenn C. Rathburn	Fox, Busby Creek
692	3260	Sam L. Phillips	[illegible] McKinney, McKinney No. 1
694	3293	[illegible] Chrisawn	[illegible] (W. H.) Westall
712	3410	[illegible] Mining Company	[illegible]
737	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible] Phillips, et al.	Cedar Cove, Ralph
762	[illegible]	Keller Mining Co.	[illegible]
805	3720	Alvin White, et al.	Howard
830	[illegible]	Miles and Mining, Inc.	Farlow Gap
835	341	T. L. Vance	Shuffle Vance, Red, Charlie Burleson
840	379	[illegible] R. Beam	Bennett, Mica Field
865	[illegible]	Ed Stone	[illegible] Rock
[illegible]	[illegible]	[illegible] Beam & John Phillips	Little Ray, Pat
891	[illegible]	Buchanan Minerals, Inc.	Buchanan, Dream
900	[illegible]	[illegible] Smith	Joe Hill, Sam Smith
962	4[illegible]	Sam L. Phillips	Old Buchanan
1035	4[illegible]	John Phillips	Robby (Robby)
1038	4[illegible]	John Phillips	John (John's) Brown
1037	4[illegible]	Murphy Mining Co.	Murphy, Murphy Rock
1042	[illegible]	Clifton D. Buchanan	[illegible], Phillips
1049	4[illegible]	Sam L. Phillips	[illegible] Mountain

Director's Reading File
GSA Division
Region IV Files (2)

63683

OFFICE OF MINERALS EXPLORATION
CON RACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed he files of the Office of Minerals Exploration, Washington, D. C , pertaining to Contract No. Idm-E830, Docket No. DMEA-3265 (Mica) dated June 28, 1955, with

Mines & Mining, Inc.
P. O. Box 8184
Asheville, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on s les of minerals from property referred to as Farlow Gap Mine locate in Transylvania County, North Carolina, during the period June 28, 1955, through July 1, 1959.

In accordance w th Amendment No. 1 of the contract and Article 4 of Termination Agr ement dated December 6, 1956, royalty is payable on all minerals mi ed or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until he total net amount contributed by the Government without intere , is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated June 11, 1957, indicated accepted costs under the exploration contract amounting to $1,353.00 with the Govern ent's contribution, on a 75 percent basis, being $1,014.75.

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

(1) The exploration work was discontinued and the contract was terminated before the target area was reached or any saleable mica was encountered;

(2) Inspection reports by field representatives of the Government and other information in the files indicate that during the period covered by this review there has not been any saleable production from the property subject to the contract; and

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

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

November 18, 1960

UNITED STATES
D PARTMENT OF THE INTERIOR
)FFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

November 22, 1960

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, OME

Subject: DMEA-3 55 (Mica)
Minex Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Attached for your files is the original of a Report of Royalty Review on the subject contract.

George C. Selfridge

George C. Selfridge
Chief, Division of Field Operations

Attachment

LCHouk:gad 11/2 /60
Copy to: Region IV (With copy of Review)
Docket
CA&A
Dir. Chr. File
Mr. Houk

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mines and Mining, Inc.
P. O. Box 5184
Asheville, North Carolina

pertaining to Exploration Project Contract No. Idm-5530, Docket No. DMEA-3265, including Amendment No. 1 and a Termination Agreement dated December 5, 1956, for the months of July 1955 to November 1955, inclusive, covering a project for the exploration of mica on property, known as the Parlor Gap Mine located in Transylvania 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 correspondence, and a determination of the reasonableness and propriety of the costs.

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

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

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

Total cost as billed by Contractor		$1,629.25
Exceptions:		
By DMEA Finance Officer (unauthorized shaft 6½' @ $42.50)	$276.25	
Herewith	-0-	276.25
Total Accepted Cost		$1,353.00

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 One thousand fourteen and 75/100 Dollars

$1,014.75

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

June 11, 1957

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 17 1957

DATE	INITIALS	CODE
6/17	C	220
		800

June 14, 1957

Memorandum

To: Mr. Jay L. Chambers, Chief - Contract Administration and Audit Division - DMEA - Washington, D. C.

From: Executive Officer - DMEA Field Team - Region V

Subject: DMEA-3265, Idm-E830 (Mica)
Mines and Mining, Inc., Asheville, North Carolina
Farlow Gap Mine, Transylvania County, North Carolina

Reference is made to your letter of June 11.

The facts as stated in the Report of Review are in agreement with our data, and we have distributed the copies.

The matter of construction of an exploder magazine is confusing. It is my understanding that one was built, and removed at about the time work was recessed in December 1955. Work was never resumed after that, and as the Operator did not show the exploder magazine on his voucher, no payment was made.

As to the 1200 pounds of mica reportedly recovered, it was of very poor quality and, so far as we can determine, has not been sold and is not salable. Nothing was produced after December 1, 1955, and it is my opinion that nothing of value was recovered during the project and therefore no royalty is due. The Operator was reminded (letter, December 5, 1956) of his obligation to pay royalty on any production after June 28, 1955 and in his final report, submitted on April 1, 1957, he stated that nothing of value was recovered.

Robert A. Laurence

Robert A. Laurence

86.6

Mr. Robert A. Lawrence
Executive Officer
DMEA Field Team, Region V
Room 14, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-3265 (Mica)
Mines and Mining, Inc.
Parlee Gap Mine
Transylvania County, N. C.
Contract No. Idm-2830

Dear Mr. Lawrence:

Enclosed are the original and two copies of a Report of Review in lieu of a final audit of the referenced project. If you concur with the facts stated therein, the original and one copy should be forwarded to the regional finance officer and the other copy should be retained in your files. If for any reason you do not concur please return the original and both copies to this Division.

Your memorandum of June 6, 1957, confirming the project work acceptably performed, indicates that an exploder magazine was constructed. However, the fixed unit cost of $13.00 for this item of work was not claimed on the forms MF-104 and the Operator's final narrative report does not list this item among those claimed to have been completed. Also, the Field Team's Interim Report of October 6, 1955, states "The operator was advised **** to build a cap magazine." Therefore, no allowance has been made for this magazine.

During this review it was noted that, although no royalty on production has been paid to the Government, approximately 1,200 pounds of mica were produced by the exploration work prior to November 17, 1955, and that probably additional production occurred subsequent to that date. Accordingly, it is suggested that the Operator be requested to account for any sales of this production and pay the royalty due.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

DTalbert/wb 6/11/57

cy to: Docket
Admr. Reading File
Helen R. Miller
Mr. Chambers
Mr. Talbert

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1310 FED. BLDG.
KNOXVILLE 2, TENN.

June 6, 1957

OFFICIAL FILE COPY
D M E A
RECEIVED JUN 10 1957

DATE		CODE
6/10	C	220
		800

Memorandum

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

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

Subject: DMEA-3265, Idm-E830-mica. Mines & Mining Inc., Asheville, N.C. Farlow Gap Prospect, Transylvania County, N.C.

The subject contract was terminated by mutual consent, effective October 1, 1956.

The following units of work were acceptably performed as verified by our Field Examiners:

1- 30 hrs of bulldozing on access road
2- Cleaned out old shaft and prepared portal
3- Sank shaft 16 ft.
4- Constructed - toolhouse-bunkhouse, powder magazine and exploder magazine.

A final engineering and geologic report has been received.

The November 1955 voucher, which proved to be the final voucher, was paid.

Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA-Region V

V. J. Lynch
V. J. Lynch, Member
Bureau of Mines

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
DEC 19 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ....., 195 5 Docket No. DMEA 3266 Contract No. 830

Operator's Name Nev. Mines & Mining Inc. Minerals Mica

Address Box 8184 Asheville, N. C.

Contract Amount, $ 5136 Government Participation: ....% Amount, $ 3852

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 Road		360.00	360.00		360.00	360.00
Drifting						
				233.75	446.25	680.00
(2) Labor and Supervision: Shaft(s)	255.00	701.25	956.25			
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation magazine		25.00	25.00		25.00	25.00
(5) Initial Rehabilitation and Repairs					128.00	128.00
(6) New Bldgs., Improvements, etc.		128.00	128.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
cleaning out hole		160.00	160.00		160.00	160.00
TOTALS	255.00	1374.25	1629.25	233.75	1119.25	1353.00

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

Date Dec 1955 *Payee Mines & Mining Inc.

Per Roger A. Grant Jr. Title Sec Treas

*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:

$175.~~00~~ 31

Signature Helen R. Miller
(Authorized Certifying Officer)

Date DEC 15 1955 Vou. No. 38

(See other side)

4

58.44

(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. E830 in accordance with the terms of the contract.

Signature W. T. Beck Title Mining Engr. USBM Date DEC 14 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date DEC 14 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 MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
DEC 19 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 1955 195 55 Docket No. DMEA 3265 Contract No.

Operator's Name Mines & Mining Inc. Minerals 830 Mica

Address Box 8184 Asheville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	ft.	255.00	6	956.85	22.5	42.50	50	42.50
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
				360.00	30	12.00	50	12.00
TOTAL DISTRIBUTED COSTS		255.00		1316.85				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				160.00				
				153.00				
TOTAL COSTS		255.00		1629.25				

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

REMARKS:

Date Dec 1955 Operator mines & mining inc.

Per Roger A. Grant Jr. Title Sec. Treas.

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

COPY

RECEIVED
DEC 19 1956

Mines & Mining Inc.
Boc 8184 Asheville, N. C.

Mr. Robert E. Lawrence
Room 12 Post office Bldg.
Knoxville, Tenn

Dear Mr. Lawrence,

We enjoyed very much your visit by Mr. Lynch. I dont know what he learned other than what I had already outlined in my previous letter to you. I am filling out this report and am carrying foreward my last month report as I had originally submitted it to you. If you have to make cany changes on it I guess it can be done there. I still maintain that Teague and Shirley advised us to do what we did. There is only one way I can see it. We sank a ~~[illegible]~~ 6ft shaft and were paid for it. We moved to another shaft as per inst. sank 16 feet of shaft and to date have been paid for four. I am sure we will receive our 255 dollars for our 6ft. this month however we feel that we are still due our 6ft. from last month making 10 ft. instead of just credit for the 4 ft we received credit on. We dont feel that the govt would pay us at all if this work had not been authorized.

Mines & Mining Inc

s/ Roger A. Grant, Jr.

Sec. Treas.

Copied by zm.

3- finance office
Lynch
Shirley
Files

C O P Y

RECEIVED
DEC 19 1955

Daily Report on Farlow Gap Mining Operation Month of Nov.

Nov. 1 mucking
" 2 "
3 drilling
4 drilling
5 mucking
6 Sunday
7 mucking
8 weather
9 weather
10 drilling
11 mucking
12 off
13 Sunday
14 drilling
15 setting up hoist
16 " " "
18 drilling
19 mucking
20 "
21 Sunday
22 weather
23 "
24 drilling
25 drilling
26 mucking
27 "
28 Sunday
29 mucking

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

RECEIVED
DEC 19 1955

December 14, 1955

Mr. Roger A. Grant, Jr.
Secretary-Treasurer
Mines & Mining, Inc.
P.O. Box 8184
Asheville, N. C.

Re: DMEA-3265, Idm-2830 (mica)
Farlow Gap Mine
Transylvania County, N. C.

Dear Mr. Grant:

Your November voucher has been forwarded for payment of $175.31 which is 75% of $233.75. This represents payment for 5.5 feet of inclined shaft at $42.50 per foot.

Our field examiners measured 16 feet of shaft on December 1, and through October, we have paid for 10.5 feet. This leaves an advance of 5.5 feet for November. Your letter accompanying the voucher confirms the examiners' measurement of 16 feet total depth of the approved shaft.

Please correct your totals to read:

Monthly totals	$ 233.75
Totals previously reported	$1119.25
Total to date	1352.00

No payment is made or can be made on the additional six feet of shaft which you claimed. The Government did not, as you state, pay for six feet of shaft at a site from which you moved. We approved only footage at the site authorized, and we cannot pay for footage duplicated by moving from one site to another. Including the present voucher we have approved payment for 16 feet at the authorized site.

We have asked our Washington office to prepare an amendment to the contract authorizing recessing the project for the winter, to be resumed not later than May 1, 1956 and completed not later than September 30, 1956. These papers will be forwarded for signature when we receive them.

Very truly yours,

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

RAL/sm
cc:
Finance Office-3
Lynch
Shirley
Files

RECEIVED
NOV 28 1955

November 17, 1955

Mr. Roger Grant, Jr.
P.O. Box 8184
Asheville, N. C.

Re: DMEA-3265, Idm-8830 (mica)
Mines & Mining, Inc.
Farlow Gap Mine

Dear Mr. Grant:

After your telephone call yesterday, I carefully checked all our records on the Farlow Gap contract, and also discussed the situation with Mr. Shirley, and with Mr. Lynch.

It is clear that a total of 10.5 feet of shaft has been sunk in accordance with the contract, and therefore the amount approved on your October voucher, which was forwarded for payment on November 14, is correct. Mr. Shirley correctly insisted that you return to the original shaft site and continue sinking on the pegmatite there.

It would not be efficient exploration to sink shallow shafts at several sites along the strike of the pegmatite. The contract clearly calls for 50 feet of inclined shaft with drifts to be driven from the shaft, and any unapproved deviation from that plan cannot be paid for with Government funds.

There is no point in your refusing to accept the check for your October work when it arrives. If you want to re-claim the amount which was deducted, that may be done on your November voucher, but it must be accompanied by proof that you actually completed that amount of work at the approved site.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/sm
cc:
Finance Office
Lynch
Shirley
Files

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
PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
NOV 21 1955

Month of October, 1955 Docket No. DMEA3265 Contract No. 830
Operator's Name Mines & Mining Inc. Minerals Mica.
Address Box 8184 Asheville, N. C.
Contract Amount, $ 5136 Government Participation: 75 % Amount, $ 3852.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing Road		360.00	360.00		360.00	360.00
Crosscutting						
Drifting						
Shaft (10.5)	446.25	255.00	701.25	191.25	255.00	446.25
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase Magazine		25.00	25.00		25.00	25.00
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		128.00	128.00		128.00	128.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify): Cleaning out hole		160.00	160.00		160.00	160.00
TOTALS	446.25	928.00	1374.25	191.25	928.00	1119.25

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

Date Nov. 4, 1955 *Payee Mines & Mining Inc.

Per Roger A. Grant Jr. Title Sec & Treas

*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:

$ 143.44

Signature Helen R. Melin
(Authorized Certifying Officer)

Date NOV 24 1955 Vou. No. 137
(See other side)

3

47.81

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

Signature Alfred R. Taylor Title Geologist, USGS Date NOV 10 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING Title EXECUTIVE OFFICER DMEA REGION V Date NOV 10 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.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
NOV 21 1955

Month of Oct. 1955 Docket No. DMEA 3265 Contract No. 830
Operator's Name Mines & Mining Inc Minerals Mica
Address Box 8184 Asheville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	ft	446.25	10.5	701.25	16.5	42.50	50	42.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				360.00	30	12.00	30	12.00
TOTAL DISTRIBUTED COSTS		446.25		1061.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				160.00				
New Buildings, Improvements, etc.				153.00				
TOTAL COSTS		446.25		1374.25				

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

REMARKS:

Date Nov 4, 1955 Operator Mines & Mining Inc.
Per Roger W. Huntsman Title Sec. & Treas

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)

Footage reported for the month is total footage to date. Corrected on MF 104

V. J. Lynch

Alfred R. Taylor
Geologist

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

RECEIVED
NOV 21 1955

Daily Report Farlow Gap Mining Operations

Oct 1 Mucking Mine
" 2 Off Sunday
" 3 Mucking Drilling
" 4 Drilling
" 5 Mucking
" 6 Working on tools
" 7 Mucking Mine
" 8 Off Day
" 9 Sunday
" 10Drilling
" 11 Drilling
" 12 Mucking
" 13 Mucking
" 14 Bad Weather
" 15 Off
" 16 Sunday
" 17 Bad Weather
" 18 Drilling
" 19 Drilling
" 20 Mucking
" Repairing Jeep
" 22 Off
" 23 Sunday
" 24 Mucking
" Drilling
" 26 Mucking
" Bad Weather
" 28 Mucking
" 29 Off
" 30 Sunday
" 31 Drilling

RECEIVED
NOV 21 1955

November 14, 1955

Mr. Rodger Grant, Jr.
P.O. Box 8184
Asheville, N. C.

Re: DMEA-3265, Idm-E830 (mica)
Parlow Gap Mine, N. C.

Dear Mr. Grant:

It has been necessary to correct the MF-104 and MF-104A, Monthly Report & Voucher forms for October 1955, submitted by you recently.

The 10.5 feet advance in shaft which you reported for the month is the total footage to date. The advance for October was 4.5 feet and for September 6.0, a total of 10.5 feet. Therefore, the footage on your voucher for October was changed from 10.5 feet and $446.25 to the 4.5 feet and $191.25.

Please make this change on your copies of the October MF-104 and MF-104A forms.

Very truly yours,

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

VJL/sm
cc:

Finance Office
Lynch
Files-Shirley

Form [illegible]-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

3 RECEIVED
OCT 20 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1955 Docket No. DMEA 3265 Contract No. 830
Operator's Name Mines & Mining Inc. Minerals
Address Box 6184 Asheville, N. C. Mica
Contract Amount, $ 5136.00 Government Participation: 75 % Amount, $ 3,852.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road		360.00	360.00			
Crosscutting						
Drifting						
Shaft 6	255.00		255.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation Magasine		25.00	25.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		128.00	128.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Cleaning out hole		160.00	160.00			
TOTALS	255.00	673.00	928.00	255.00	673.00	928.00

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

Date Oct. 1 1955 *Payee Mines & Mining Inc.
Per Roger Grosch Title Sec Treas

*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:

$ 191.25

Signature Helen R. Mullin
(Authorized Certifying Officer)

Date [illegible] Vou. No. 85
(See other side)

63.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. F830 in accordance with the terms of the contract.

Signature W. J. Lynch Title Mining Eng. Date 10/17/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date OCT 17 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 MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 30 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 55 Docket No. DMEA 3265 Contract No. 830

Operator's Name Mines & Mining Inc. Minerals

Address Box 8184 Asheville N. C. Mica

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	ft.	255.00	6 ft.		6	42.50	50	42.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails Dozing	hr.			360.00	30	12.00	30	12.00
TOTAL DISTRIBUTED COSTS		255.00		615.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				160.00				
New Buildings, Improvements, etc.				153.00				
TOTAL COSTS		255.00		928.00				

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.

REMARKS:

Date Oct. 1, 1955 Operator Mines & Mining Inc.

Per Ralph Gold Title Sec. & Treas.

→ 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)

V. J. Zynek
Mining Eng.
Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED

Interview on: Progress [illegible] Strongly [illegible] County, W. C. OCT [illegible]

[illegible] No. 9269
[illegible]

Month of September, 1935 Date Work Began, September 19, 1935

[illegible]:

September 19 Cleaned muck from lower part of mine.
" 20 Cleaned muck on lower end of mine.
" 21 Cleaned out lower end of mine.
" 22 Cleaned out prepared middle section of mine for drilling and shooting.
" 23 Drilling and shooting.
" 24 Cleaning muck and cobbing mine out.
" 25 Sewer - Sunday
" 26 Cleaning mine.
" 27 Drilling and shooting
" 28 Cleaning mine.
" 29 Cleaning mine.
" 30 Drilling and shooting, cleaning mine.

Signed: [illegible]
Mine Superviser

October 18, 1955
P. O. Box 217

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Assistant, Electrotechnical Experiment Station, Region V, Norris, Tennessee

Subject: Monthly report and voucher

We are enclosing two copies of the following monthly report and voucher:

Idm-E-830 Mines and Mining, Inc.
Docket No. DMEA-3265
2nd Payment - month of September
Amount $191.25

Helen R. Miller

Attachments
/hbm
Copies to V. J. Lynch
R. A. Laurence
Norris files
Day Files

MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED OCT 3 0 1955

Month of September, 195 55 Docket No. DMEA 3285 Contract No. 220

Operator's Name Mines & Mining Inc. Minerals Mica

Address Box 8184 Asheville, N. C.

Contract Amount, $ 5156.00 Government Participation: 75 % Amount, $ 3,852.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road		360.00	360.00			
Crosscutting						
Drifting						
Shaft 6	255.00		255.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation Magazine		25.00	25.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		128.00	128.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Cleaning out hole		160.00	160.00			
TOTALS	255.00	673.00	928.00	255.00	673.00	928.00

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

Date Oct. 1 1955 *Payee Mines & Mining Inc.

Per [signature] Title Sec Treas

*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:

$ 191.25

Signature Helen R. Melin
(Authorized Certifying Officer)

Date [illegible] Vou. No. 85
(See other side)

63-75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E830 in accordance with the terms of the contract.

Signature [illegible] Title Mining Eng. Date 10/17/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. [illegible] Title EXECUTIVE OFFICER DMEA REGION V Date OCT 17 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 MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
OCT 3 0 1955

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

Month of September 195 55 Docket No. DMEA 3265 Contract No.

Operator's Name Mines & Mining Inc. Minerals 850

Address Box 8184 Asheville, N. C. Mica

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes	ft.	255.00	6 ft		6	42.50	50	425 50
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Dozing	hr.			360.00	30	12.00	30	12.00
TOTAL DISTRIBUTED COSTS		255.00		615.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				160.00				
New Buildings, Improvements, etc.				153.00				
TOTAL COSTS		255.00		928.00				

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.

REMARKS:

Date Oct. 1 1955 Operator Mines & Mining Inc.

Per [signature] Title Sec & Treas

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)

W. J. Lynch
Mining Eng.
Bureau of Mines

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
OCT [illegible]

Narrative Work Progress [illegible] , Greenbrier County, W. V.

D. [illegible] No. 9265
Idn-[illegible] 830

Month of September, 1955 Date Work Began, September 19, 1955

[illegible]:

September 19 Cleaned muck from lower part of mine.
" 20 Cleaned muck on lower end of mine.
" 21 Cleaned out lower end of mine.
" 22 Cleaned and prepared middle section of mine for drilling and shooting.
" 23 Drilling and shooting.
" 24 Cleaning muck and sobbing mine out.
" 25 No work - Sunday
" 26 Mucking mine.
" 27 Drilling and shooting
" 28 Mucking mine.
" 29 Mucking mine.
" 30 Drilling and shooting, mucking mine.

Signed: [illegible]
Mine Supervisor

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

9

Month of July, 1955 Docket No. DMEA 3265 Contract No. Idm-E830
Operator's Name Mines & Mining, Inc. RECEIVED Minerals Mica
Address 2 W. Jordan St. - Brevard N.C. AUG 8 1955
Contract Amount, $ 5136.00 Government Participation: 75% Amount, $ 3852.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road	$360.00	None	$360.00			
Crosscutting						
Drifting						
Cleaning out old hole	160.00	"	160.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase powder magazine	25.00	"	25.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) ~~New~~ Bldgs., ~~Improvements, etc.~~ Tool Bunkhouse	128.00	"	128.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$673.00		$673.00	673.00		673.00

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

Date Aug. 1-55 *Payee Mines & Mining, Inc.

Per Wm. S. McCrady Title Agent

*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:

$ 504.75

Signature Helen R. Miller (Authorized Certifying Officer)

Date AUG 4 1955 Vou. No.

(See other side)

5 7/21 168.25

(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. E-830 in accordance with the terms of the contract.

Signature Kepton H. Teague Title Geologist, U.S.G.S. Date 8/3/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 3 1955

MONTHLY REPORT OF OPERATOR

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(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.

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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".

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
AUG - 8 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA 3265 Contract No. Idm-E830
Operator's Name Mines & Mining Inc. Minerals Mica
Address 2 W. Jordan St. - Brevard, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads ~~and Trails~~		$360.00	None	$360.00				$360.00
Cleaning out old hole		160.00	"	$360.00				160.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Powder Magazine Operating Equipment Purchased		25.00	"	25.00				$25.00
Initial Rehabilitation and Repairs								
~~New~~ Buildings, ~~Improvements, etc~~								
Tool-Bunk House		128.00	"	128.00				128.00
TOTAL COSTS		$673.00		$673.00				$673.00

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 Aug. 1-55 Operator Mines & Mining Inc.

Per Wm. S. McCrady Title Agent

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) Keyton H. Teague, Geologist

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.

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GPO 872894

RECEIVED

AUG - 8 1955

Narrative Work Progress FARLOW GAP MICA MINE, Transylvania, County, N.C.

D.M.B.A.No.3265
Idn-3 830

Month of July, 1955 Date Work began, July 21, 1955

WORK ACCOMPLISHED:

July 2, Hauled Bulldozer from Brevard to Gloster Gap
" 22 Walked Bulldizer from Gloster Gap to Farlow Gap Five (5) miles-commenced Road to Mine-Cut & removed many large trees from roadway
25 Bulldozed Road
26 " "
27 Cleaned out old hole and prepared site (graded) for Tool-Bunk House
28 Excavated & Hauled to Dump old waste bank which had been dumped in to old workings
29 Purchased & hauled to site prepaiud therefor Toll-Bunk House, 2½ miles
30 Additional work cleaning out old hole
Number of men worked THREE (3) -

Signed: Wm S. McCrady
Contractor form & Agent Mines & Mining, Inc

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

Mr. B. S. Hambrook, President
Mines and Mining, Inc.
P. O. Box 3164
Asheville, North Carolina

Re: Docket No. DMEA-3361 (Mine)
Mines & Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. [illegible]

Dear Mr. Hambrook:

Reference is made to the subject contract, which was terminated by mutual agreement on December 5, 1956.

By the terms of the Termination Agreement, all production of minerals from the land described in the Exploration Project Contract from June 28, 1955, is subject to the Government's percentage royalty as set forth in the contract until the sum of $1,014.75 is paid or until June 28, 1966, whichever first occurs. If, during this period, your Company should not be the producer, it nevertheless remains liable as surety for payment of said royalty if the actual producer does not pay it.

Royalty payments should be made to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 11, Post Office Building, Knoxville 2, Tennessee, and checks should be drawn payable to the Defense Minerals Exploration Administration.

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

Sincerely yours,

C. O. Fairchild

Administrator

LGHook/HCRubin/cmd
7/2/57

Copy to: DMEA Docket
Adm. R. File
Op. Committee
J. L. Chambers
L. G. Hook
Field Team, Reg. V (2)
R. P. Dwyer
H. C. Rubin
chron.

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

Mr. William S. McCrady
2 West Jordon Street
Brevard, North Carolina

Re: Docket No. DMEA-3265 (Mines)
Mines & Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-E830

Dear Mr. McCrady:

In an agreement dated December 5, 1956, terminating an Exploration Project Contract dated June 28, 1955, between the Government and Mines and Mining, Inc., the Company agreed to pay royalty to the Government, as provided in the contract, on any production beginning June 28, 1955, ~~up~~ until the sum of $1,014.75 is paid or until June 28, 1966, whichever occurs first. As you know, your Guaranty of Payment of Royalty dated June 9, 1955, assured to the Government royalty payments due it upon any production of minerals from the subject property according to the provisions of the contract, or any amendment or assignment thereof. Accordingly, if there is production and royalty is not received by the Government, the Government may look to you for payment.

Sincerely yours,

C. D. Wheadon

Administrator

LGBeuk/HCRubin/cmd
Copy to: DMEA Docket
Adm. R. File
Operating Committee
J. L. Chambers
L. G. Beuk
Field Team, Reg. V (2)
R. F. Dwyer
H. C. Rubin
Chron.

Government's copy

RECEIVED DEC 1956

TERMINATION AGREEMENT

It is agreed this 6th day of December, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mines and Mining, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E830 (Docket No. DMEA-3265), dated June 28, 1955, hereinafter called the "Contract," that:

1. Effective October 1, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

4. All rights of the Government provided for in the Contract with respect to percentage royalty and liens for its payment, records, audits, and recovery of any overpayment, are preserved. 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 the royalty on production provided for in the Contract, in the same manner and amount, and for the same period, and subject to the same conditions provided in the Contract, as if certification of discovery or development had been made, such certification being hereby waived by the Operator.

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

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

THE UNITED STATES OF AMERICA

By Robert A. Ramenos
Executive Officer
DMEA Field Team, Region V

MINES & MINING, INC.

By Roger A. Smith Jr.

Title Sec. & Treas.

Government's Copy

RECEIVED
MAR 12 1956

EXPLORATION PROJECT CONTRACT
MINES & MINING, INC.
DOCKET NO. DMEA-3265

Amendment No. 1

It is agreed this 5th day of March, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Mines & Mining, Inc., parties to Exploration Project Contract Idm-E830 (Docket No. DMEA-3265), dated June 28, 1955, that the Contract is amended to read as follows, effective December 1, 1955:

1. Work under the Contract shall be suspended during the period beginning November 30, 1955, and ending not later than May 1, 1956.

2. The time for completion of the work, specified in Article 3 of the Contract, is extended from December 1, 1955, to September 30, 1956.

3. The maximum period for royalty payments and lien to secure the payment thereof, specified in the Contract as "ten years from the date of the Contract" is hereby extended to June 28, 1966.

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 fixed 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
Executive Officer
DMEA Field Team, Region V

MINES & MINING, INC.

By Dean S. Hebrach

Title Pres.

DMEA Form 14

Contract No. Idm-E 830

Docket No. 3265

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
June 28, 1955	V	North Carolina	Mica

Name and Address of Operator: Mines & Mining, Inc.
Box 8184
Asheville, North Carolina

	Reserve	Obligation
Prior Amount	0	03,852.00
Increase	0	0
Decrease	0	2,837.25
Revised Amount	0	01,014.75

Remarks:

ALLEN S. DAKAN
(Name)

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

Date Delivered to Bureau of Mines, Washington 6/19/57

16418

Docket No. DMEA - 3265

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 630

Date of Contract ~~or Amendment:~~ June 28, 1955

Name and Address of Operator:

Mines and Mining, Inc.
P. O. Box 8184
Asheville, North Carolina

Amount of Government participation $ 3,852.00

Percent of Government participation 75 %

Region: V State: North Carolina

(Name)
J. L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 6/28/55

54458

Government's copy

RECEIVED JUL -5 1955

RECEIVED JUN 16 1955

MF-200A
(Revised June 1954)

Docket No. DMEA - 3265

Commodity Mica

Contract No. Idm-E 830

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 28th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Mines & Mining, Inc.

whose mailing address is P. O. Box 8184
Asheville, North Carolina,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of North Carolina, County of Transylvania, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] unrecorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: none

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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70616-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica. The work to be performed is described in Exhibit "A." The Operator on or before Aug. 15, 1955 shall commence the work, and on or before Dec. 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,136.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,852.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 crude 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 (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

MINES & MINING, INC.
(Operator)

By Dean L. Weatherwax
President

THE UNITED STATES OF AMERICA

By O. O. Mittendorf
Administrator, Defense
Minerals Exploration
Administration

I, Roger L. Smith Jr., certify that I am the Asst. Secretary of the corporation named as Operator herein; that Dean L. Weatherwax 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.

Roger L. Smith Jr.

[CORPORATE SEAL]

Ro Byers Leal

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

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JUN 16 1955

EXPLORATION PROJECT CONTRACT
MINES & MINING, INC.
DOCKET NO. DMEA-3265

ANNEX I

The land referred to in Article 2 of the contract form is known as the Farlow Gap Mine and was leased for mining purposes to Marvin Owen for a period of five years by the United States of America, Bureau of Land Management, by an instrument dated August 1, 1952. Said lease was assigned by Marvin Owen for the remainder of the term to Mines & Mining, Inc., by an instrument dated March 10, 1954. The Farlow Gap Mine is located 11.5 airline miles N 14° W of Rosman, Transylvania County, North Carolina, in the Pisgah National Forest, and is described in the lease as follows:

> A quadrangle containing 14 acres, more or less, located in the Shuck Ridge Branch drainage, a tributary of Davidson River, in Transylvania County, North Carolina. All distances are recorded in direct surface measures.
>
> Beginning at the intersection of the Farlow Gap Trail and Shuck Branch, proceed up Shuck Branch to the first fork above the trail. Immediately above this fork and between the two converging streams is an outcropping rock. Inscribed in the rock is "X" which designates the beginning corner and is referenced as follows: 17.00" DBH, Basswood, N 35° 00' E, 7.5 links. Thence S 35° 30' W, 10.00 chains to a 12" bridge spike referenced as follows: Red Maple 10.0" DBH, S 33° 00' W; center line of trail, S 35° 30' W, 67 links. Thence S 54° 30' E, 2.00 chains to a 12" bridge spike referenced as follows: Northern Red Oak 5.0" DBH, S 45° 00' W, 7 links; crotched stump of Silverbell N 30° 00' E. 17 links. Thence S 35° 30' W, 75 links to a 12" bridge spike in the centerline of the trail referenced as follows: Chestnut snag 14.0" DBH, S 35° 00' W, 7 links; Chestnut snag 13.5" DBH, N 65° 00' E, 11 links. Thence following the trail S 43° 30' E, 1.68 chains; S 10° 00' E, 82 links; S 34° 00' W, 4.00 chains; S 30° 30' W,

2.00 chains. Thence leaving the trail S 27° 30' W, 8.36 chains to a 2.0" metal pipe 30.0" long driven flush with the ground and referenced as follows: TVA B. M. #AKW 225, S 24° 00' E, 1.31 chains. Thence N 35° 30' W, 6.00 chains to a wooden stake referenced as follows: Northern Red Oak 16.0" DBH, N 9° 00' E, 12 links; Northern Red Oak 32.0" DBH, N 66° 30' W, 55 links. Thence N 22° 00' E, 24.80 chains to a rock outcrop with "X" chiseled in top; rock outcrop located equidistant between two streams of running water. Thence S 54° 30' E, 6.00 chains to beginning corner.

RECEIVED
JUL - 5 1955

RECEIVED
JUN 16 1955

EXPLORATION PROJECT CONTRACT
MINES & MINING, INC.
DOCKET NO. DMEA-3265

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the attached map entitled "Pegmatites of the Cashiers and Zirconia Districts, North Carolina, Farlow Gap Mine DMEA-3265 (mica)," as follows:

1. Construct:

(a) A toolhouse-bunkhouse, minimum dimensions 12 feet by 20 feet by 7 feet high.

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

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

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

The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood; and shall be braced at all corners. Lumber for these two boxes shall be smooth on the inside of boxes. No metal shall be exposed; and the lids shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

2. Repair ¼ mile access road and prepare shaft site with a D-7 bulldozer.

3. Clean muck out of open pit and construct a portal for incline shaft.

4. Sink on the pegmatite 50 feet of inclined shaft with partitioned manway.

5. Explore the pegmatite by driving from the inclined shaft 75 feet of drifts and/or crosscuts.

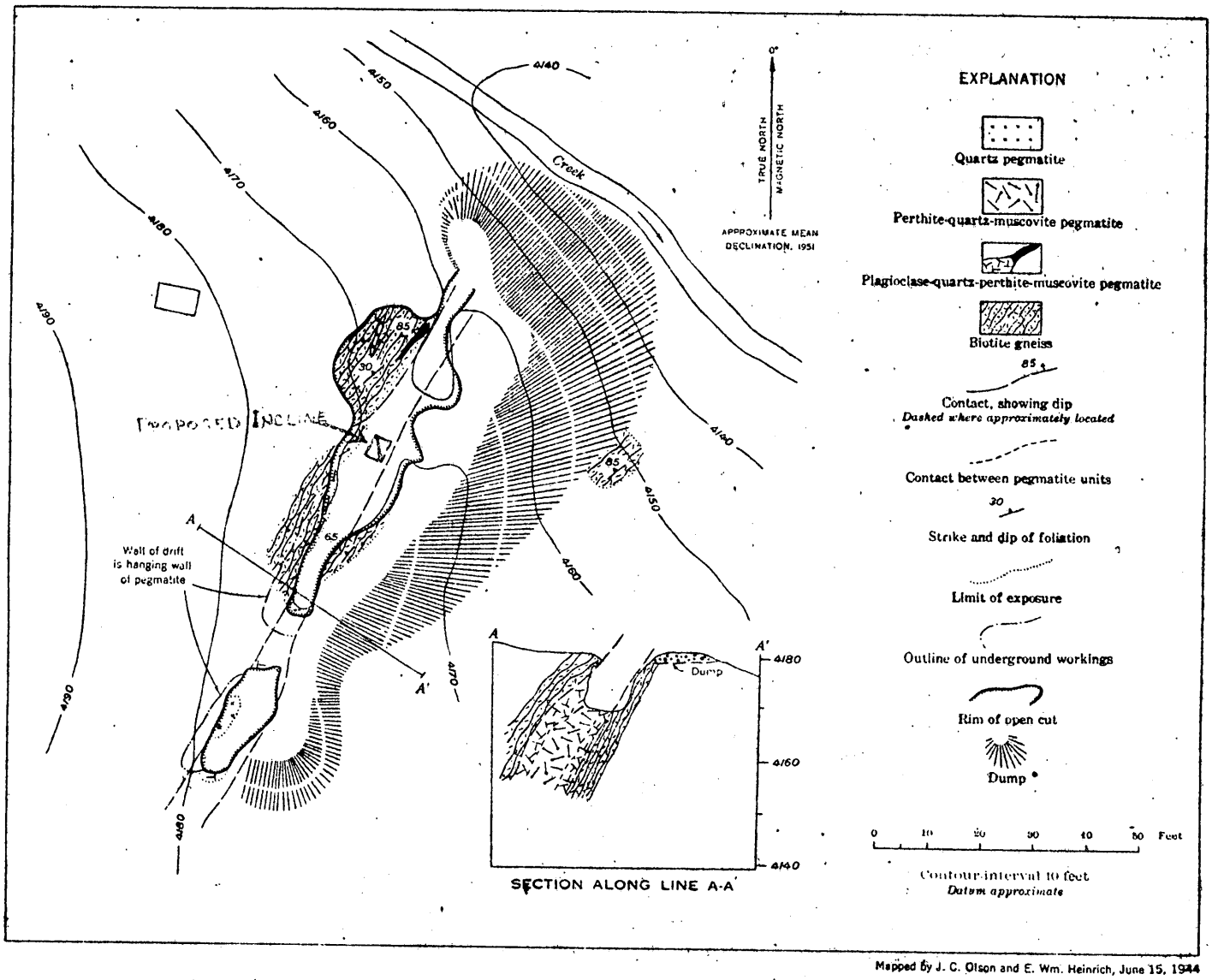
The inclined shaft and drifts and/or crosscuts shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs

Constructing -	Toolhouse-bunkhouse 1/	$ 128.00	
	Powder magazine 1/	25.00	
	Exploder magazine 1/	13.00	
Bulldozing - 30 hours @ $12.00/hr.		360.00	
Cleaning muck and constructing portal 1/		160.00	
Sinking 50 feet of incline @ $42.50/ft.		2,125.00	
Driving 75 feet of drift and/or cross-cut @ $31.00/ft.		2,325.00	
	Estimated Total Cost of Project		$5,136.00
	Government participation @ 75%		$3,852.00

1/ The completed work constitutes the unit.



Mapped by J. C. Olson and E. Wm. Heinrich, June 15, 1944

FARLOW GAP MINE

DMER-3265 (mica)

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JUL - 5 1955 RECEIVED

JUN 16 1955

GUARANTY OF PAYMENT OF ROYALTY

In consideration of the waiver by the United States of America of the requirement of the Owner's Consent to Lien referred to in Article 2 of a certain Exploration Project Contract, to be entered into by and between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Mines & Mining, Inc., a corporation, a copy of which contract is attached hereto, the undersigned hereby guarantees the payment to the United States of America of any royalties that may fall due to it under the provisions of said exploration contract or any amendment or assignment thereof, notice of any such amendment or assignment being hereby waived.

Dated June 9, 1955

W. E. S. McCrady

Guarantor