DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 691

DMEA NO. 3543

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [x] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [x] Certification of Discovery
- [x] Closing Letter
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [ ] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____ : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [x] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. 1 : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

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 Idm-8891, Docket DMEA-3543 (mica), dated October 28, 1955, with

Buchanan Minerals, Inc.
Box 503
Sylva, 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 Buchanan (Dream) Mine located in Jackson County, North Carolina, during the period October 28, 1955, through April 28, 1961.

A certification of discovery or development was issued on September 14, 1956, and, in accordance with 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 10 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 July 2, 1956, indicated accepted costs under the exploration contract amounting to $7,155.00 with the Government's contribution on a 75 percent basis being $5,366.25.

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

This review established the total sales subject to the Government's royalty for the period to be $2,124.89. Royalty payable to the Government at the rate specified in the contract is $106.24.

As of April 28, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$106.24
Total Royalty Paid	-0-
Balance of Royalty Due	$106.24

E. D. Talbert

February 9, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

At the time this contract was entered into the Operator (a North Carolina corporation organised by H. E. Buchanan, Marcellus Buchanan, and Francis A. Buchanan) was in possession of the mineral rights in the land thereunder by virtue of mining leases dated October 1, 1954, and February 1, 1955, covering tracts of .78 acres and 80 acres, more or less. The lease of the small tract for ten years was granted by the landowner, Laura Belle Buchanan, Sylva, North Carolina. The lease of the large tract was for a period of five years only and was executed by J. R. Buchanan and Anne L. Buchanan, Sylva, North Carolina, owners in fee except for a two-thirds undivided interest in the mineral rights, and most of the numerous owners of undivided interests in the two-thirds interest.

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay the Government's percentage royalty on all mineral production from the land thereunder. In consideration of the contract an Owner's Consent to Lien on the small tract was executed on October 1, 1954, by Laura Belle Buchanan. Furthermore, as the owners of the large tract were unwilling to grant a lien to the Government, a Guaranty of Royalty was executed on September 21, 1955, by Belle Buchanan, one and the same person as Laura Belle Buchanan.

The exploration work under the contract was completed on June 13, 1956. During the course of the exploration and a three-month period thereafter the Operator produced mica on which aggregate proceeds were received as follows:

Type	Pounds	Proceeds
Sheet	68.49	$ 618.28
Hand-cobbed	6,605.00	1,369.86
Punch	316.00	70.68
Scrap	4,405.00	66.07
	11,394.49	$2,124.89

Subsequent examinations of the property by OME field personnel have disclosed no indications of activity since the cessation of work in September 1956. The last such inspection was made on April 28, 1961. In reply to an inquiry, J. R. Buchanan stated on March 2, 1961, that the leases had "expired" prior to July 7, 1959.

During a March 18, 1957, inspection of the property, a representative (Carl Buchanan) of the Operator promised payment by the end of the month of the $106.24 royalty due the Government. A similar promise was made during an examination on January 24, 1958. Despite these oral promises, payment was not received and letters dated April 19, August 2, September 16, November 22, 1957, and February 13, 1958, addressed to the Operator, with a copy in some cases to the Guarantor (Laura Belle Buchanan), were not acknowledged.

The matter of this indebtedness was referred on April 7, 1958, to the Attorney General of the United States for such action as deemed appropriate. On May 28, 1958, the case was closed by the Department of Justice with the comment that the matter appeared properly for reporting to the Claims Division of the General Accounting Office. Accordingly, referral as an administratively uncollectible debt was made to that office by letter dated August 15, 1958.

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

(1) Examinations of the property have indicated that all production has been reported;

(2) The property has been inactive since September 1956; 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 additional royalty which might be disclosed.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Buchanan Minerals, Inc.
Box 503
Sylva, North Carolina

pertaining to Exploration Project Contract No. Idm-E891, Docket No. DMEA-3543, including Amendment Nos. 1, 2 and 3, for the months of December 1955, to June 1956, inclusive, covering a project for the exploration of mica on property, known as the Buchanan (and Dream) Mine located in Jackson County, North Carolina.

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

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

all of the costs incurred were under a contract provision for payment by the Government on the basis of 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		$7,155.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$7,155.00

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 Five thousand three hundred sixty-six and 25/100 Dollars

"$5,366.25"

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, Auditor

July 2, 1956

Docket Copy
Surname:

Hopkins
Houk
Docket
Land
Kilsgaard
Selfridge

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

Mr. Houk (Certification File)
Laura Belle Buchanan, Owner of land

Field Team, Region V
Finance Office
Mr. Kilsgaard, 5222
Mr. Frank D. Lamb, 3649
Mr. Houk
Mr. Hopkins

JHopkins:gad 9/7/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. F. E. Johnson
Mr. Chambers
Mr. Fredell, EPS, GSA

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

To: Buchanan Minerals Incorporated
Box 503
Sylva, North Carolina

Pursuant to the provisions of Exploration Project Contract No. [illegible], dated October 28, 1955, Docket No. DMEA-[illegible], hereinafter called the "contract", between Buchanan Minerals Incorporated, a corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Shaft sinking and subsequent drifting at the 69-foot level exposed strategic mica in a conformable zoned pegmatite enclosed in biotite gneiss. The work furnished sufficient data to calculate indicated and inferred mica reserves.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

Dated September 14, 1956

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selinger	120
		110
		220

Buchanan Minerals, Inc.
Box 503
Sylva, North Carolina

Re: IMRA-2543 (Mica)
Buchanan Minerals, Inc.
Buchanan (Green) Mine
Jackson County, North Carolina
Contract Ida-2891

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated September 16, 1956, all minerals mined or produced from October 28, 1955, to October 28, 1965, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MMerrithew/mm (2/8/66)
cc: Director's Reading File
Division File
Economic Geology File
OME Docket
Laura Belle Buchanan, Synva, N.C.
120M
R. A. Laurence w/cy of incoming 63
OME Reading File
Branch of Budget and Finance. Rm 5408
CA&A

23263

DMEA 3543

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION — DATE RECEIVED 10-21-54

2. CONTRACT — DATE 10-28-55

3. TERMINATION AGREEMENT: — DATE

   a. Mutual (with/without repayment provision).
   b. Unilateral.
   c. Amendment with automatic termination clause and with/without repayment provision.

4. CERTIFICATION — DATE 9-14-56

5. AUDIT REPORT — DATE

6. AMENDMENTS - NUMBERS — DATE

1	12-22-55
2	2-20-56
3	4-23-56

DOCKET COPY

EXPLORATION PROJECT CONTRACT

DMEA-3543, Idm-E891, DREAM MINE (mica)

AMENDMENT No. 3

Contract Idm-E 891, Docket No. DMEA-3543, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Buchanan Minerals, Inc., a North Carolina Corporation, dated October 28, 1955, be further amended as follows:

Article 3, is further amended to read...." the Operator on or before July 30, 1956 complete the work," instead of April 30, 1956 as written in Amendment No. 2 to this contract.

April 23, 1956

This amendment is necessary due to inclement winter weather.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay, under the provisions of Article 5 of the contract form.

BUCHANAN MINERALS, Inc.

Buchanan Inc

UNITED STATES OF AMERICA

By Robert A. Laurence

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

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APR 30 1956

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EXPLORATION PROJECT
CONTRACT

DMEA-3543, Idm-E891, DREAM MINE (mica)

AMENDMENT No. 2

Contract Idm-E891, Docket No. DMEA-3543. between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Buchanan Minerals, Inc., a North Carolina Corporation, dated October 28, 1955, be further amended as follows:

Article 3, is further amended to read...." the Operator on or before April 30, 1956 complete the work," instead of February 29, 1956 as was first written in the contract.

February 20, 1956

THE UNITED STATES OF AMERICA

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

BUCHANAN MINERALS CORPORATION

By H. E. Buchanan
H. E. Buchanan, President

Docket copy

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DEC 30 1955

EXPLORATION PROJECT CONTRACT

AMENDMENT No. 1

DMEA-3543, Idm-E891 (Mica) BUCHANAN (DREAM) MICA MINE

Contract Idm-E891, DMEA-3543, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Buchanan Minerals, Inc., Box 503, Sylva, North Carolina, dated October 28, 1955, is amended as follows:

1. Article 3 is amended to read ".....The Operator, on or before December 10, 1955 shall commence the work...." instead of December 1, 1955, as originally stated in contract.

Dated: December 22, 1955

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the cost which the Government may be obligated to pay, under the provisions of Article 5 of the contract form.

BUCHANAN MINERALS, INC.

By T. M. Buchanan
Sec.

UNITED STATES OF AMERICA

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

g

Docket Copy

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NOV 23 1955

MF-200A
(Revised June 1954)

Docket No. DMEA [redacted]

Commodity [redacted]

Contract No. Idm-E 891

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

It is agreed this OCT 28 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] [redacted], whose mailing address is [redacted], 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 [redacted]

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 [redacted], County of [redacted], and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] [redacted] of [5] [redacted] in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] [redacted], [7] ..... recorded 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: [redacted]

(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: [redacted]

[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—70618-1

(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 [illegible] The work to be performed is described in Exhibit "A." The Operator on or before DEC 1 1955 shall commence the work, and on or before [illegible] (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 $[illegible] The Government will contribute [illegible] percent of the fixed unit costs as work is performed, in a total sum not in excess of $[illegible]: *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.

THE UNITED STATES OF AMERICA

[redacted]
(Operator)

By Frank E. Johnson

ACTING [redacted]

By H. E. Buchanan, Pres

Chambers "Appd. Sol. Off."

I, Hamilton Buchanan, certify that I am the secretary of the corporation named as Operator herein; that H. E. Buchanan 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.

Hamilton Buchanan

[CORPORATE SEAL]

Selfridge

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1954

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Jackson, described as follows:1/

In a lease dated October 1st. 1954 recorded in Book 198, at page 553 Official Records of said county. See Annex on reverse side.

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

2/ Buchanan Minerals, Inc.

hereinafter called the "Operator"; and

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

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

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

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

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

(OVER)

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

4. Changes and added provisions _____

_____

_____

_____

Dated this 1 day of October, 1954.

Laura Belle Buchanan [Seal]

_____ [Seal]

_____ [Seal]

~~Re: Docket No.# 3543 - Mica~~
~~Buchanan (Dream) Mine~~
~~Clarification of legal description of land in the above contract.~~
~~Beginning: On a stake which stands East 60 ft. from the proposed shaft, also shown on Map which is marked "Exhibit B" and in the Buchanan property line and runs with said line S. 10 W. 100 ft. to a stake; thence leaving the property line and runs West 170 ft. to a stake; thence N. 10 E. 200 ft. to a stake; thence S. 10 W. 100 ft. to the BEGINNING.~~

Re: Docket No. DMEA-3543 - Mica
Buchanan (Dream) Mine

Beginning on a stake which stands east 60 feet from the proposed shaft, also shown on map which is marked "Exhibit B" and in the Buchanan property line and runs with said line S 10° W 100 feet to a stake; thence leaving the property line and runs west 170 feet to a stake; thence N 10° E 200 feet to a stake; thence 170 feet east to a stake in the Buchanan property line; thence S 10° W 100 feet with said line to the beginning, containing .78 acres more or less.

11-18-55 Laura Belle Buchanan

EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3543
BUCHANAN MINERALS, INC.

GUARANTY OF ROYALTY

WHEREAS, negotiations are now pending between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Buchanan Minerals, Inc., hereinafter called the "Operator," for an Exploration Project Contract relating to certain land in the State of North Carolina, County of Jackson, described as follows:

> BEGINNING on a large white oak on top of Panther Knob Mountain in first gap South of Panther Branch, in the line of the Jarvis Sellers tract, and runs N. 66 deg. W. with Sellers line 54 poles to a locust in said line; thence South 70 deg. West 110 poles to the N.E. corner of the R. D. Cowan tract; thence S. 42 deg. E. 240 poles to a chestnut on the South side of Locust Ridge; R. D. Cowan's S.E. corner; thence West with R. D. Cowan's line 16 poles to East Fork Creek 134 poles with the meanders of said creek to a stake; in the H. Buchanan's 640 acre tract; thence N. 32 deg. E. with the line of H. Buchanan's tract 390 poles to a black oak in Jarvis Sellers line; thence N. 66 deg. W. 20 poles to the BEGINNING. Containing 30 acres, more or less.

NOW, THEREFORE, in consideration of the waiver by the Government of the requirement of a Consent to Mine referred to in said contract, and in lieu thereof, the undersigned hereby guarantees the payment to the United States of America of any royalties that may fall due under the provisions of said contract or any amendment or assignment thereof, notice of any such amendment or assignment being hereby waived. If the records of any sales or other disposition of the production upon which any such royalties may accrue, whether the production is by the Operator or by others, are not made available to the Government for the computation of said royalties, the undersigned agrees that the amounts thereof may be determined according to the best estimates that can reasonably be made; and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or his successor, or by his representative authorized for that purpose, shall be final and binding upon the undersigned.

Dated September, 1955.

Belle Buchanan (SEAL)
BELLE BUCHANAN

Sworn to and subscribed before me this 21 day of September, 1955.

Belle Kirk Jones
Notary Public

My commission expires:

September 2, 1957

EXPLORATION PROJECT CONTRACT
BUCHANAN MINERALS, INC.
DOCKET NO. DMRA-3543

ANNEX I

The land referred to in Article 2 of the contract form consists of two tracts of land, known as the Buchanan Mine, as follows:

Tract No. I is described in a lease dated October 1, 1954, from Laura Belle Buchanan, Jackson County, North Carolina, and in the Consent to Lien of the owner attached to the contract, as follows:

> Beginning on a stake which stands east 60 feet from the proposed shaft, also shown on map which is marked "Exhibit F" and in the Buchanan property line and runs with said line S 16° W 100 feet to a stake; thence leaving the property line and runs west 170 feet to a stake; thence N 16° E 200 feet to a stake; thence 170 feet east to a stake in the Buchanan property line; thence S 16° W 100 feet with said line to the beginning, containing .78 acres more or less.

Tract No. II is described in a lease dated February 3, 1955, from J. R. Buchanan and wife Annie L, et al., as follows:

> Beginning on a large white oak on top of Panther Knob Mountain in first gap South of Panther Knob, in the line of the Marve Sellers tract, and runs N. 66° W with Sellers line 56 Poles to a locust in said line; thence South 78° West 110 poles to the N.E. corner of the R.D. Gowan tract; thence S. 16° W. 300 poles to a chestnut on the south side of Locust Lick Ridge; R. D. Gowan's S. E. corner; thence West with R. D. Gowan's line 16 poles to East Fork Creek 134 poles with the meanders of said creek to a stake; in the M. Buchanan's 64.6 acre tract; thence N. 32° E. with the line of M. Buchanan's tract 390 poles to a black oak in Marve Sellers line; thence N. 66° W. 28 poles to the Beginning, containing 80 acres, more or less.

The Buchanan Mine is 6.5 airline miles and 11.3 road miles southwest of Sylva, Jackson County, North Carolina.

EXPLORATION PROJECT CONTRACT
SOUTHERN MINERALS, INC.
DOCKET NO. DMMA-3543

EXHIBIT "A"

Description of the Work

The approximate location of the exploration project is shown on the map entitled, "Bachelor (Brown) Mica Mine, Jackson County, North Carolina, DMMA-3543 (mica)" attached hereto.

The work consists of the following:

1. With a Model D-8 caterpillar tractor w/dozer or equivalent unit, prepare a shaft site. This will involve removing approximately 400 cubic yards of dump and weathered rock.

2. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.

(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 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 bound on all sides; shall be made from 2-inch hardwood or 3-inch softwood lumber; and shall be bound at the corners. No metal shall be exposed; and the lids or doors shall be equipped with the equivalent of a 5-tumbler jarproof lock.

3. Sink a 75-foot, two compartment shaft. The shaft shall be vertical until the pegmatite is penetrated, and then inclined along the pegmatite.

4. Drive 100 feet of drifts from the shaft on the pegmatite.

The shaft and drifts shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All workings shall be timbered as necessary.

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

Final Bid Costs

1.	Excavating 400 cubic yards @ $.525/cu. yd.	$ 210.00
2.	Construct:	
	Toolhouse 1/	75.00
	Powder magazine 1/	86.00
	Exploder magazine 1/	14.00
3.	Sink 75 feet of shaft @ $45.00/ft.	3,375.00
4.	Drive 100 feet of drifts @ $35.00/ft.	3,500.00
	Estimated Total Cost of Project	$7,200.00
	Government Participation @ 75%	$5,400.00

1/ Not completed work constituting the unit.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1050 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUN - 8 1955

June 6, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V, Knoxville, Tenn.

Subject: DMEA-3543 (mica) Buchanan Minerals Inc. Sylva, N. C.
Buchanan(Dream) Mine, Jackson County, N. C.

Enclosed is a copy of the lease on land adjoining that originally included in the subject application. The letter from the applicant indicates that a copy of his letter of June 2 to me has been sent to Mr. Mittendorf.

Owner's Consent to Lien was not enclosed, because of the large number of owners and their widely scattered locations, it may be difficult or impossible for the applicant to get all the signatures on a consent to lien.

Robert A Laurence

Robert A. Laurence

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

June 6, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V, Knoxville, Tenn.

Subject: DMEA-3543 (mica) Buchanan Minerals Inc. Sylva, N. C.
Buchanan(Dream) Mine, Jackson County, N. C.

Enclosed is a copy of the lease on land adjoining that originally included in the subject application. The letter from the applicant indicates that a copy of his letter of June 2 to me has been sent to Mr. Mittendorf.

Owner's Consent to Lien was not enclosed, because of the large number of owners and their widely scattered locations, it may be difficult or impossible for the applicant to get all the signatures on a consent to lien.

Robert A. Laurence

RAL/zm
cc:
Lynch
Shirley
Files

RECEIVED
JUN - 8 1955

NORTH CAROLINA)
JACKSON COUNTY)

M I N I N G L E A S E

THIS CONTRACT, made and entered into this the 3rd day of February, 1955 by and between J. R. BUCHANAN and his wife ANNE L. BUCHANAN, of Jackson County, State of North Carolina (Owners of the fee title to the within described property, excepting a Two-thirds (2/3) undivided interest in and to the mineral rights thereon), and CLAUDE PARRIS DILLS, of the City of Washington, District of Columbia, (Owner of a One-third (1/3) undivided interest in and to the mineral rights thereon), JOE W. RHIENHARDT and his wife KATE M RHIENHARDT, of Jackson County, State of North Carolina (Owners of a One-fifteenth (1/15) undivided interest in and to the mineral rights on the within described property), MRS. ALVA COWARD, of Jacksonville, State of Florida, (Owner of a One-fifteenth (1/15) undivided interest in and to the mineral rights on the within described property), W. J. RHIENHARDT and his wife KATE RHIENHARDT, of Bluefield, State of West Virginia, (Owners of a One-fifteenth (1/15) undivided interest in and to the mineral rights on the within described property), MRS. ANNE DEE COPE and her husband JESS COPE of Jackson County, State of North Carolina, (Owners of a One-fifteenth (1/15) undivided interest in and to the mineral rights on the within described property), A N D the heirs of the Late MRS. JOHN DILLARD of Jackson County, State of North Carolina, (Owners of a One-fifteenth (1/15) undivided interest in and to the mineral rights on the within described property), parties of the first part, and BUCHANAN MINERALS INCORPORATED, a corporation organized and existing under the laws of the State of North Carolina, and with its principle Office in Sylva, Jackson County, North Carolina, party of the first part.

W I T N E S S E T H:

That subject to the terms and conditions hereinafter set forth, the parties of the first part have let and leased out said party of the second part the exclusive right and privilege to mine, dig, mill, process, and remove all minerals ores, clays, earths, and stones now in, under, or upon a certain tract of land lying and being more particularly described as follows:

BEGINNING on a large white oak on top of Panther Knob Mountain in first gap South of Panther Knob, in the line of the Harve Sellers tract, and runs N. 66 deg. W. with Sellers line 56 Poles to a locust in said line; thence South 78 deg. West 110 poles to the N.E. corner of the R.D.Cowan tract; thence S. 10 deg. W. 200 poles to a chestnut on the South side of Locust Lick Ridge; R.D.Cowan's S.E. corner; thence West with R.D. Cowan's line 16 poles to East Fork Creek 134 poles with the meanders of said creek to a stake; in the M. Buchanan's 640 acre tract; thence N. 32 deg E. with the line of M. Buchanan's tract 390 poles to a black oak in Harve Sellers line; thence N. 66 deg. W. 20 poles to the BEGINNING. Containing 80 acres, more or less.

BEING AND COMPREHENDING the same property described and conveyed by a Deed of Conveyance dated 20 July, 1922 from W. W. Rheinhardt, et ux, et al, to Alma Buchanan, which deed is duly recorded in the office of the Register of Deeds of Jackson County, North Carolina, in Deed Book 89, at Page 267, to which record reference is made.

The Terms and Conditions of this LEASE are as follows:

This Lease shall run and continue for a period of Five (5) years from the date hereof, that is until the 3rd day of February, 1960.

As rental, the party of the second part shall pay to the parties of the first part, in accordance with their respective interest in the mineral rights on said property, a royalty of Twelve and One-half (12½%) per cent of the gross receipts from the sale of any and all minerals.

All royalty shall be paid on or before the 15th day of each and every calendar month for all minerals sold during the preceeding month.

Party of the second part shall keep a correct and itemized record of all operations and transactions under this lease and such records may be at any time inspected by the party of the first part or his agents.

Party of the second part shall have the right to use the surface of said land to the full extent necessary or convenient in mining, digging, milling, processing or removing said minerals, ores, clays, earths, and stones.

The party of the second part agrees that they will conduct mining operations upon said Leased Premises for a period of not less than Eight (8) months of each calendar year.

The party of the first part shall have the right to construct and place upon said lands buildings and machinery and to remove the same.

Party of the second part shall have the right to cut and to use upon said land, for mining purposes, any timber standing thereon, and the right to dam, divert, and use the water in any stream in said land, provided however that no merchantible saw timber shall be cut or removed from said land.

Party of the second part shall have the right to construct and maintain roads in such location as the party of the second part may deem necessary and convenient.

It is expressly understood and agreed between the parties that the lessees, BUCHANAN MINERALS INCORPORATED shall have the right and privilege to take, for tax purposes, the depletion on said mine and mineral interests as fully and completely as the Grantors could do if the said Grantors operate said mine and utilize said mineral interests.

It is understood and agreed by the parties hereto that each of the parties of the first part who sign and execute this Lease shall be bound thereby to the extent of their respective interest in and to the mineral rights irrespective of the signature of any of the other parties of the first part to execute this Lease, and the obligations of this Lease has imposed upon the parties of the first part who sign and execute this Lease shall not depend upon the signature or signatures of any of the other parties of the first part.

IN TESTIMONY WHEREOF, the said parties of the first part have set their hands and seals and said party of the second part has caused this instrument to be signed in its corporate name by its President and attested by its Secretary, and sealed with its corporate seal, all on the day and year first above written.

J. T. Buchanan (SEAL)

Annie L. Buchanan (SEAL)

W. J. Rhinehardt (SEAL)

Kate Rhinehardt (SEAL)

Mrs Alva Lewart (SEAL)

Claude P. Gillespie (SEAL)

Joe W. Rhienhart (SEAL)

Mrs. Joe W. Rhienhart (SEAL)

Annie Lee Cope (SEAL)

his
X Jess Cope (SEAL)
mark

BUCHANAN MINERALS INCORPORATED

BY _____
PRESIDENT

ATTEST:

_____
SECRETARY

NORTH CAROLINA)

JACKSON COUNTY)

I, Katie McKee Nicholson, Notary Public of Jackson County, State of North Carolina, do hereby certify that J.R. BUCHANAN and wife ANNE L. BUCHANAN each personally appeared before me this day and acknowledged the due exection by them of the foregoing Mining Lease for the purposes therein stated.

Witness my hand and notarial seal this 3rd day of February, 1955.

Katie McKee Nicholson
NOTARY PUBLIC

My Commission Expires:
Sept. 13, 1956

NORTH CAROLINA)

JACKSON COUNTY)

I, L W Burnsamer, Notary Public of Jackson County, North Carolina, do hereby certify that JOE W. RHIENHARDT and his wife KATE M. RHIENHARDT, each personally appeared before me this day and acknowledged the due execution by them of the foregoing Mining Lease for the purposes therein stated.

Witness my hand and notarial seal this 23 day of ~~February~~ April, 1955.

L W Burnsamer
NOTARY PUBLIC

MY COMM. EXPIRES:
12-21-56

Atlantic COUNTY)

STATE OF New Jersey

I, Otis A. A. Mosley, Notary Public of Atlantic COUNTY, STATE OF New Jersey, do hereby certify that CLAUDE PARRIS DILLS personally appeared before me this day and acknowledged the due execution by him of the foregoing Mining Lease for the purposes therein stated.

Witness my hand and notarial seal this 24th day of February, 1955.

Otis A. A. Mosley
NOTARY PUBLIC

My Commission Expires:
July 1. 1957

Duval COUNTY)

STATE OF FLORIDA)

I, Dorothy G. Kimbrell, Notary Public of Duval COUNTY, STATE OF FLORIDA, do hereby certify that MRS. ALVA COWART personally appeared before me this day and acknowledged the due execution by her of the foregoing Mining Lease for the purposes therein stated.

Witness my hand and notarial seal this 14 day of ~~February~~ March, 1955.

Dorothy G. Kimbrell
NOTARY PUBLIC

My comm. expires:
June 14-1957

Mercer COUNTY)

STATE OF WEST VIRGINIA)

I, Lois Hoyd, Notary Public of Mercer COUNTY, STATE OF WEST VIRGINIA do hereby certify that W. J. RHIENHARDT and his wife KATE RHIENHARDT, each personally appeared before me this day and acknowledged the due execution by them of the foregoing Mining Lease for the purposes therein stated.

Witness my hand and notarial seal this the 28 day of February, 1955.

Lois Hoyd
NOTARY PUBLIC

My Commission Expires:
Jan. 13-1965

NORTH CAROLINA)

JACKSON COUNTY)

I, L. W. Bumgarner, Notary Public of Jackson County, North Carolina, do hereby certify that JESS COPE and his wife ANNE DEE COPE, each personally appeared before me this day and acknowledged the due execution by them of the foregoing Mining Lease for the purposes therein stated.

Witness my hand and notarial seal this 5 day of ~~February~~ May, 1955.

L. W. Bumgarner
NOTARY PUBLIC

My Commission Expires:
12-21-56

NORTH CAROLINA)

JACKSON COUNTY)

I, _____, Notary Public of Jackson County, North Carolina, do hereby certify that Marcellus Buchanan, who being by me duly sworn, says that he knows the common seal of BUCHANAN MINERALS INCORPORATED and is acquainted with H. E. Buchanan who is president of said corporation, and that he, Marcellus Buchanan, is the Secretary of said corporation and saw the said president sign the foregoing instrument and that he, Marcellus Buchanan, secretary, as afore said, afixed said seal to said instrument, and that he, the said Marcellus Buchanan who signed his name in attestation of the execution of said instrument in the presence of said corporation.

Witness my hand and notarial seal this the _____day of February, 1955.

My commission expires:

_____

_____
NOTARY PUBLIC

NORTH CAROLINA)

JACKSON COUNTY)

I, MARGARET W. HENSON, Clerk of the Superior Court of Jackson County, State of North Carolina, do hereby certify that the foregoing certificate of _____, _____, _____, _____, _____, _____, and _____, Notary Public of said county and state, duly authenticated by _____notarial seal thereto affixed are by me this day adjudged to be correct, in due form, and according to law.

Therefore let said instrument with said certificates and this certificate be registered.

Witness my hand this _____day of February, 1955.

_____
CLERK SUPERIOR COURT, JACKSON COUNTY,
NORTH CAROLINA.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPT. OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
RECEIVED
OCT 21 1954

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3543
Metal or Mineral MICA
Date Received
Estimated Cost $5,750
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

Buchanan Minerals, Incorporated
Sylva, North Carolina Box 503

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Lease is attached as Exhibit A.

(*b*) State any mine name by which the property is known. Buchanan (Dream) Mine

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you will to explore .....

.....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated October 5, 1954

Buchanan Minerals, Incorporated
(Applicant)
By H. E. Buchanan, President

Marcellus Buchanan III, Sec& Treas.

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.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

BUCHANAN MINERALS INCORPORATED

DEPARTMENT OF THE INTERIOR
Lease Minerals Administration
RECEIVED
OCT 21 1954

1. (a) Buchanan Minerals Incorporated, Sylva, North Carolina.

(b) Corporation, Incorporated in North Carolina.

(c) H. E. Buchanan, President of Hendersonville, N. C.

Francis Buchanan, Vice-President of Sylva, N. C.

Marcellus Buchanan, Secretary & Treasurer of Sylva, N. C.

2. See other reference.

3. (a) Leased property (lease is attached)

(b) Buchanan(Dream) Mine

(c) Lessee

(d) Lease is attached as Exhibit A.

(e) Not owner (no liens or encumbrances on mineral rights and privileges owned by lessor)

(f) (None)

4. (a) Physical work set forth on map attached as Exhibit B, except Buchanan Cross Cut was extended 125 feet beyond point shown.

(b) This mine was discovered in July 1944 and operation was commenced in August, by Buchanan Mining Company, who at that time was operating the Jasper, Jessie and Big East Fork Mines in adjoining territory. Owners and personnel of Buchanan Mining Company is practically the same as listed above in Buchanan Minerals, Incorporated, production from this mine from August 1944 through March 1945 was 109,970 pounds. Sales $21,597.22 majority of which was sold to Colonial Mica Company. This is an average of approximately 20¢ per pound, Mine run in Book form. The quality of this mica is of an excellent grade of Ruby Mica. At least 50% of this mica will trim out 1½ X 2 and larger, with a good percentage running 3 X 5 and larger. Books of Mica weighing 50 to 100 pounds not uncommon.

(c) This Mine was first worked as an open cut, then as mine got deeper it was operated by tunnels. Three tunnels were used, dropping down 20-25 feet for each, and working up to the one above. This mine was closed down in March 1945 when the Colonial Mica Company ended their buying program. At the time the mine was opened it was thought the property line to be the fence as shown on map but

after a survey by both property owners it was located some 80 feet West. This established line is 60 feet East and above the proposed shaft. The best mica found in this mine was on the West end and South side of Mica vein. This mica vein is dipping South-West with approximately 45 degrees dip, with exception of two access tunnels this mine has not been explored on property covered by attached lease. The reason for showing production and past workings on property above is to substantitate our belief and reasoning that there may be a substantial deposit of ruby mica adjacent and extending from the Buchanan (Dream) Mine.

(d) This mine is located 8 miles Souht of Sylva, a good road leads to within 100 yards of mine.

(e) Thereis ample expierenced manpower available as approximately 75% of Mica Mining in this County has been within a radius of 5 miles from this mine. Plenty of water available, electricity within a few hundred yards. Applicant owns ample supply of equipment. Buildings will be moved from mine near-by.

5. (Ruby Mica)

(b) See Map (Exhibit B) It is proposed to sink a shaft 50 feet, at this point we should contact the main vein. Then it is proposed to DRIFT 100 feet in the mica vein.

(c) Work will start as soon as this contract is approved and work should be completed in 6 months or less.

(d) H. E. Buchanan, President, Buchanan Minerals Incorporated has successfully operated Mica Mines periodically for the past 40 years.

The following are references:

W. J. Fisher, Vice-President & Cashier
Jackson County Bank
Sylva, North Carolina

W. B. Hodges, President
State Trust Company
Hendersonville, North Carolina

S. W. Enloe Sr., President
Harris Clay Company
Dillsboro, North Carolina

Competent and expierenced persons will be used in this exploration project.

6. Estimate of Costs

(a) None

(b) We would prefer to explore this deposit on a unit cost basis as estimated below.

Sink a 5 X 7 Shaft 50 feet @ $45.00	$2,250.00
Drift 100 feet @ $35.00 foot	3,500.00
	$5,750.00

7. Applicant will pay in money, his required amount of cost.

Permit 3543-M.
October 26, 1954
Buchanan Mining Company
Jackson County, N.C.

NORTH CAROLINA)

JACKSON COUNTY)

Mining Lease

This contract, made and entered into this 1st day of October, 1954 by and between LAURA NELLE BUCHANAN of Jackson County, North Carolina, party of the first part, and BUCHANAN MINERALS INCORPORATED, a corporation organized and existing under the laws of the State of North Carolina, and with its principle Office in Sylva, Jackson County, North Carolina, party of the second part,

WITNESSETH:

That subject to the terms and conditions hereinafter set forth, the party of the first part has let and leased out said party of the second part the exclusive right and privilege to mine, dig, mill, process, and remove all minerals ores, clays, earths, and stones now in, under, or upon a certain tract of land lying and being in Jackson County, North Carolina, and more particularly described as follows:

BEGINNING on a small Hemlock tree near the mouth of a small branch and runs East 7 poles to a small chestnut tree; thence N. 78° E. 85 poles to a stake; thence S. 10° W. 200 poles to a chestnut tree; thence W. 80 poles to a small chestnut oak on top of middle ridge; thence North with the meanderings of said ridge 140 poles to a double hickory tree; thence N. 10° W. 50 poles to a black gum tree; thence East 38 poles to the BEGINNING, Containing 100 acres more or less, (Being same lands conveyed to R. D. Cowan by W. H. Higdon on the 25th day of March 1903 and registered in Book FF at page 99 in Office of the Register of Deeds for Jackson County.)

This contract covers only that portion of the above lease which constitutes and covers the Buchanan (Dream) Mine and only the Mica bearing pegmatite vein directly connected with this mine. This mine is more accurately pin pointed on the original map made by U. S. Dept. of Interior Geological Survey by R. W. Lemke & Wm. Henrich December 18-20, 1944--- (Map is attached). Lessee's property line and proposed shaft is also shown on this original map which was made by A. E. Brown Registered Surveyor, Tuckaseigee, North Carolina.

Being and comprehending a part of the same lands and premises described in and conveyed by a deed dated January 18, 1910 from R. D. Cowan and wife Jane A. Cowan to M. Buchanan, whcih deed is duly recorded in the Office of the Register of Deeds of Jackson County in Book 196 at page 144.

The terms and conditions of this lease are as follows:

This lease shall run and continue for a period of ten years from the date hereof, that is until the 1st day of October, 1964.

As rental, the party of the second part shall pay to the party of the first part a royalty of twelve and one half percent (12½%) of gross receipts from the sale of any and all minerals, ores, clays, earths, and stones removed from said mine, the said royalty to be made to the party of the first part within ten days after each sale.

Party of the second part shall keep a correct and itemized record of all operations and transactions under this lease and such records may be at any time inspected by party of the first part or his agents.

Party of the second shall have the right to use the surface of said land to the full extent necessary or convenient in mining, digging, milling, processing or removing said minerals, ores, clays, earths, and stones.

Party of the second part shall have the right to construct upon said lands buildings, and machinery and to remove the same.

Party of the second part shall have the right to cut and to use upon said land, for mining purposes, any timber standing thereon, and the right to dam, divert, and use the water in any stream in said land.

Party of the second part shall have the right to construct and maintain roads in such location as the party of the second part may deem necessary and convenient.

It is expressly understood and agreed between the parties that the lessees, BUCHANAN MINERALS INCORPORATED, shall have the right and privileges, to take, for tax purposes, the depletion on said mine and mineral interests as fully and completely as the Grantors could do if the said Grantors operate said mine and utilize said minerals interests.

In testimony whereof said party of the first part has set her hand and seal and said party of second part has caused this instrument to be signed in its corporate name by its President and attested by its Secretary, and sealed with its corporate seal, all on the day and year first above written.

Laura Belle Buchanan (SEAL)

BUCHANAN MINERALS INCORPORATED

By /s/ H. E. Buchanan
President

ATTEST:

/s/ Marcellus Buchanan Secretary

NORTH CAROLINA)

JACKSON COUNTY)

I, Wilma A. Jones, Notary Public of said County and State do hereby certify that Laura Belle Buchanan personally appeared before me this day and acknowledged the due execution by her of the foregoing mining lease for the purposes therein stated.

Witness my hand and notarial seal this 14th day of October, 1954.

My Commission Expires:

Oct. 15, 1954

Wilma A. Jones
Notary Public

NORTH CAROLINA)

JACKSON COUNTY)

This 14th day of October, 1954, personaly called before me Wilma A. Jones, Notary Public of said county and State, Marcellus Buchanan, who being by me duly sworn, says that he knows the common seal of BUCHANAN MINERALS INCORPORATED and is acquainted with H. E. Buchanan who is President of said corporation, and that he, Marcellus Buchanan, is the Secretary of said corporation and saw the said president sign the foregoing instrument and that he, Marcellus Buchanan, Secretary, as afore said, affixed said seal to said instrument and that he, the said Marcellus Buchanan, signed his name in attestation of the execution of said instrument in the presence of said corporation.

Witness my hand and notarial seal this the 14th day of October, 1954.

My Commission Expires:

October, 15, 1954

Wilma A. Jones
Notary Public

NORTH CAROLINA)

JACKSON COUNTY)

I, Margaret W. Henson, Clerk of the Superior Court of Jackson County, do hereby certify that the foregoing certificate of Wilma A. Jones, Notary Public of said County and State, duly authenticated by her notarial seal thereto affixed are by me this day adjudged to be correct in due form, and according to law. Therefore let said instrument with said certificate be registered.

Witness my hand this 14th day of October, 1954.

/s/ Margaret W. Henson
Clerk of Superior Court

STATE OF NORTH CAROLINA
JACKSON COUNTY

Office of Register of Deeds filed for registration on the 14th day of October 19 54, at 9 O'clock A. M. and duly registered in said office, this 14 day of October 19 54 in Book 198 Page 553

Glenn Hughes
Register of Deeds

Recorded and Verified

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Jackson, described as ~~follows:~~ 1/

In a lease dated October 1st, 1954 and recorded in Book 198, page 553 official records of said County.

RECEIVED
OCT 21 1954

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

2/ BUCHANAN MINERALS INCORPORATED

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

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

Dated this 1st day of October, 195 4.

Laura Belle Buchanan [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease ~~[or contract, deed, or other document]~~ dated Oct., 1st, 1954 and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Jackson, described as ~~follows:~~ 1/

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2/ BUCHANAN MINERALS INCORPORATED

hereinafter called the "Operator"; and

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

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

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

Dated this 1st day of October, 1954.

Laura Belle Buchanan [Seal]

_____ [Seal]

_____ [Seal]

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

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

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MF-203

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2/ BUCHANAN MINERALS INCORPORATED

RECEIVED OCT 21 1954

hereinafter called the "Operator"; and

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

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

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Dated this 1st day of October, 195 4.

Laura Belle Buchanan [Seal]

_____ [Seal]

_____ [Seal]

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MF-203

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hereinafter called the "Operator"; and

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Dated this 1ST day of October, 195 4.

Laura Beck Buchanan [Seal]

_____ [Seal]

_____ [Seal]

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

C E R T I F I C A T E O F I N C O R P O R A T I O N

O F

BUCHANAN MINERALS INCORPORATED

OF THE INTERIOR
Minerals Administration
RECEIVED
OCT 21 1954

THIS IS TO CERTIFY, that we, the undersigned, do hereby associate ourselves into a Corporation under and by virtue of the Laws of the State of North Carolina, as contained in Chapter 55 of the General Statutes of North Carolina, entitled "Corporation", and do severally agree to take the number of shares of capital stock in the said corporation set opposite our respective names, and to that end and to herebyset forth:

I.

The name of this Corporation is BUCHANAN MINERALS INCORPORATED.

II.

The location of the principal office of the Corporation in this State is at Sylva, Jackson County, State of North Carolina, but it may have one or more branch offices and places of business out of the State of North Carolina as well as in said State.

III.

The objects for which this corporation is formed are as follows:

1. To engage in any and all kinds of mining operations for the removal of any and all kinds of minerals, ores, clays, earths, stones, and other substances from the ground:

2. To process, fabricate, refine, mill, or otherwise change or alter the character, shape, size or quality of any and all kinds of minerals, ores, clays, earths, and other substances mined by or in any way of manner acquired by the Corporation:

3. To deal in, purchase, in any manner acquire, process, fabricate, refine, mill, or otherwise change or alter the character, shape, size or quality of any and all kinds of minerals, ores, clays, earths, stones or substances removed from the ground, and to sell, trade, barter, or in any manner dispose of any kind and all kinds of minerals, ores, clays, earths, stones, or substances removed from the ground and acquired by the Corporation.

4. To purchase, lease, or otherwise acquire, hold mortgage, convey, and otherwise dispose of all kinds of property, both real and personal, both in this state and in all other States, Territories and dependencies of the United States;

5. To purchase or otherwise acquire the business, goodwill, and all other property of any individual, firm, or corporation as a going concern, and to assume all of its debts, contracts, and obligations, provided said business is authorized by the powers contained herein;

6. To construct, equip, maintian and repair buildings, works, factories, and plants, and to install, maintain and operate all kinds of machinery and appliances and to operate the same by hand, steam, water, electric or other motive power, and to generally perform all acts which may be deemed necessary or expedient for the proper and successful prosectuion of the objects and purposes for which the Corporation is created.

IV.

The total authorized capital stock of this Corporation is One Hundred Thousand Dollars ($100,000.00), divided into one thousand (1000) shares of the par value of One Hundred Dollars ($100.00) each.

V.

The names and post office addresses of the subscribers for stock, and the number of shares subscribed for by each, the aggregate of which being the amount of capital stock with which the corporation will commence business, are as follows:

NAME	POST OFFICE ADDRESS	NO. SHARES
H. E. BUCHANAN	Hendersonville, N. C.	1
MARCELLUS BUCHANAN	Sylva, N. C.	1
FRANCIS A. BUCHANAN	Sylva, N. C.	1

VI.

The period of existence of this Corporation is unlimited.

VII.

The Board of Directors of this Corporation shall have power by vote of a majority of all the Directors, and without the assent or vote of the Stockholders to make, alter, amend and rescind the by-laws of this Corporation.

In Testimony Whereof, We have hereunto set our hands and affixed our seals this 25th day of May, A. D., 1953.

(signed) H. E. Buchanan (SEAL)

(signed) Marcellus Buchanan (SEAL)

(signed) Francis A. Buchanan (SEAL)

Witness to signature of H. E. Buchanan:

Witness to signature of Marcellus Buchanan:

(signed) Mrs. John R. Jones

Witness to signature of Francis A. Buchanan:

(signed) Barbara Cox

NORTH CAROLINA)
WAKE COUNTY)

Certificate

This is to certify that on the 28th day of May, A. D., 1953, before undersigned Clara Eastman Nichels, aNotary Public of Wake County, State of North Carolina, personally appeared H. E. Buchanan, who, I am satisfied is a person named in and who executed the foregoing Certificate of Incorporation of BUCHANAN MINERALS INCORPORATED, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his own voluntary act and deed, for the uses and purposes therein expressed.

In testimony whereof, I have hereunto set my hand and affixed my notarial seal this 28th day of May, A. D., 1953.

My Commission Expires:

1-8-55

(signed) Clara Eastman Nichels
Notary Public

NORTH CAROLINA)

JACKSON COUNTY)

This is to certify that on the 25th day of May, A. D., 1953, before undersigned Belle Kirk Jones, a Notary Public of Jackson County, State of North Carolina, personally appeared BARCELLUS BUCHANAN, who, I am satisfied is a person named in and who executed the foregoing certificate of Incorporation of BUCHANAN MINERALS INCORPORATED, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed, and delivered the same as his own voluntary act and deed, for the uses and purposes therein expressed.

In testimony whereof, I have hereunto set my hand and affixed my notarial seal this 25th day of May, A. D., 1953.

My Commission Expires:

Aug. 29, 1953

(signed) Belle Kirk Jones
Notary Public

NORTH CAROLINA)

ORANGE COUNTY)

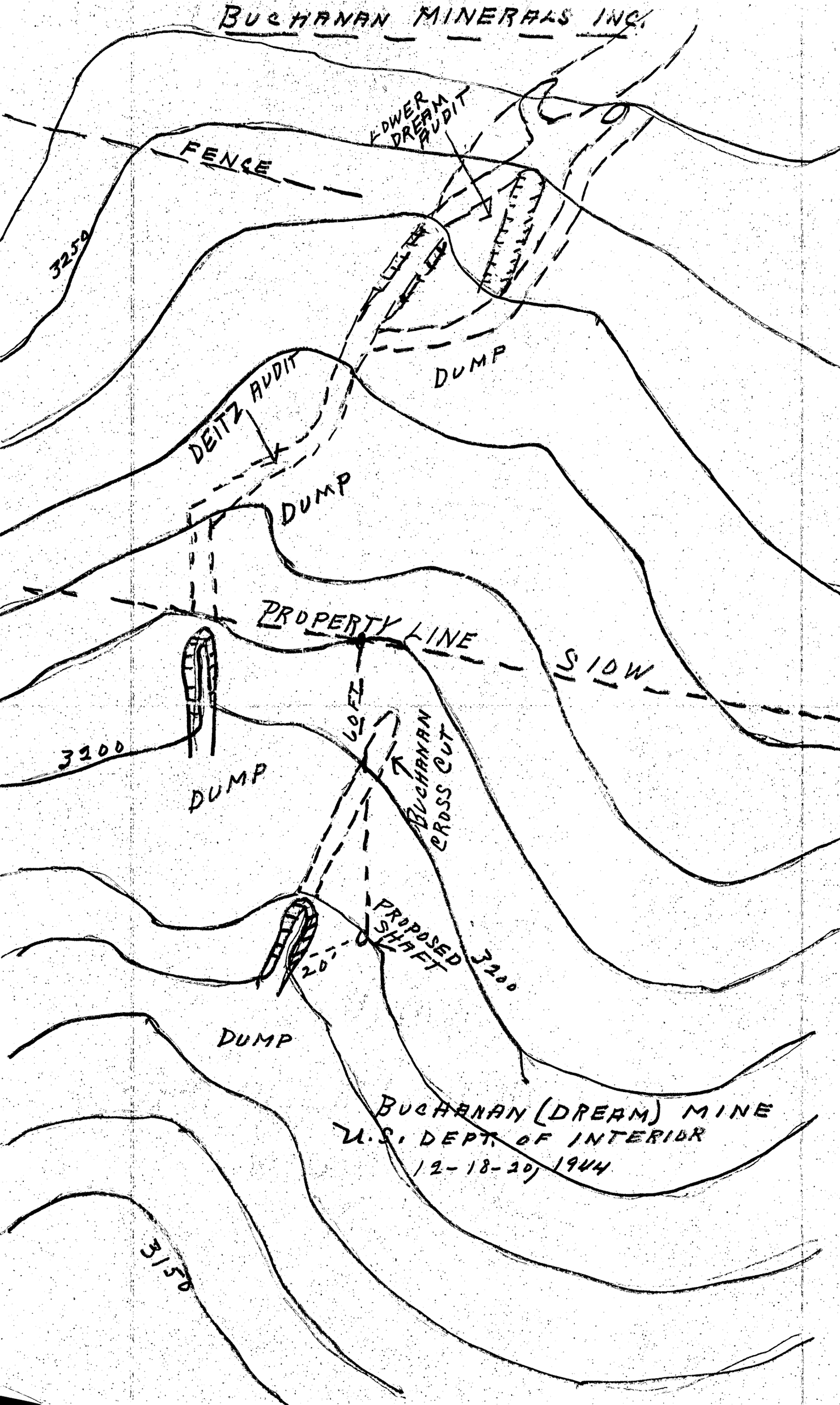
This is to certify that on the 27th day of May, A. D., 1953, before under signed Paul H. Robertson , a Notary Public of Orange, State of North Carolina, personally appeared FRANCIS A. BUCHANAN, who, I am satisfied is a person named in and who executed the foregoing certificate of Incorporation of BUCHANAN MINERALS INCORPORATED, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed, and delivered the same as his own voluntary act and deed, for the uses and purposes therein expressed.

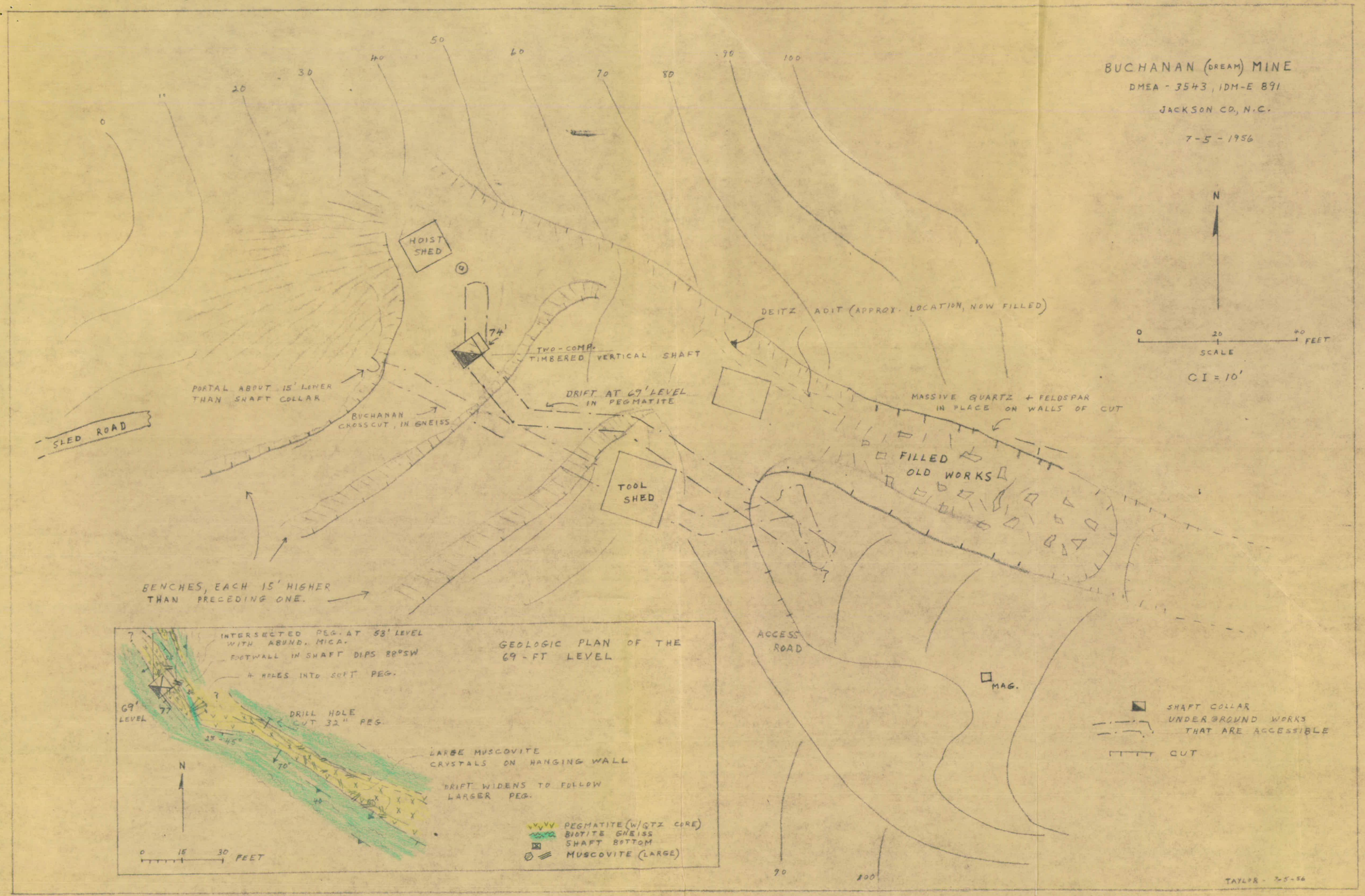
In Testimony Whereof, I have hereunto set my hand and affixed my notarial seal this 27th day of May, A. D., 1953.

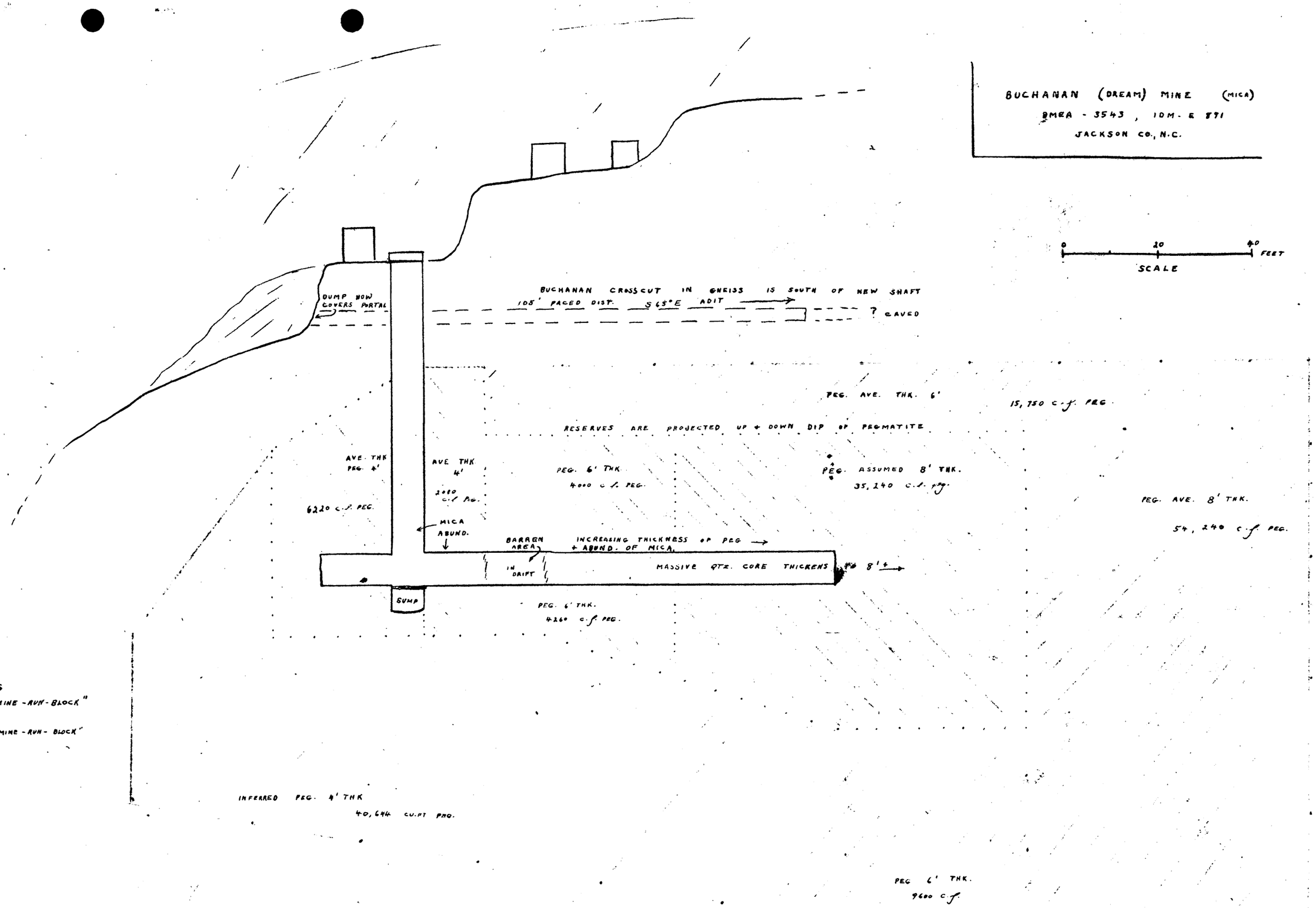
My Commission Expires:

9-13-54

(signed) Paul H. Robertson
Notary Public


BUCHANAN MINERALS INC.
FENCE
LOWER DREAM AUDIT
3250
DUMP
DEITZ AUDIT
DUMP
PROPERTY LINE
S 10 W
3200
DUMP
60 FT
BUCHANAN CROSS CUT
PROPOSED SHAFT
20
3200
DUMP
BUCHANAN (DREAM) MINE
U.S. DEPT. OF INTERIOR
12-18-20, 1944
3150


BUCHANAN (DREAM) MINE
DMEA - 3543, IDM-E 891
JACKSON CO., N.C.
7-5-1956
N
0 20 40 FEET
SCALE
CI = 10'
0
10
20
30
40
50
60
70
80
90
100
HOIST SHED
74'
TWO-COMP. TIMBERED VERTICAL SHAFT
DEITZ ADIT (APPROX. LOCATION, NOW FILLED)
PORTAL ABOUT 15' LOWER THAN SHAFT COLLAR
BUCHANAN CROSSCUT, IN GNEISS
DRIFT AT 69' LEVEL IN PEGMATITE
MASSIVE QUARTZ + FELDSPAR IN PLACE ON WALLS OF CUT
SLED ROAD
FILLED OLD WORKS
TOOL SHED
BENCHES, EACH 15' HIGHER THAN PRECEDING ONE.
ACCESS ROAD
MAG.
SHAFT COLLAR
UNDERGROUND WORKS THAT ARE ACCESSIBLE
CUT
GEOLOGIC PLAN OF THE 69-FT LEVEL
INTERSECTED PEG. AT 53' LEVEL WITH ABUND. MICA.
FOOTWALL IN SHAFT DIPS 88°SW
4 HOLES INTO SOFT PEG.
69' LEVEL
77
DRILL HOLE CUT 32" PEG.
35-45°
70°
LARGE MUSCOVITE CRYSTALS ON HANGING WALL
DRIFT WIDENS TO FOLLOW LARGER PEG.
N
0 15 30 FEET
PEGMATITE (W/QTZ CORE)
BIOTITE GNEISS
SHAFT BOTTOM
MUSCOVITE (LARGE)
TAYLOR - 7-5-56



INDICATED RESERVES
= 30,000 LB. "MINE-RUN-BLOCK"

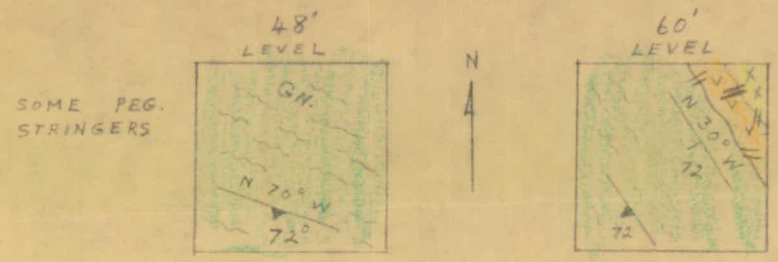
INFERRED RESERVES
= 70,000 LB. "MINE-RUN-BLOCK"

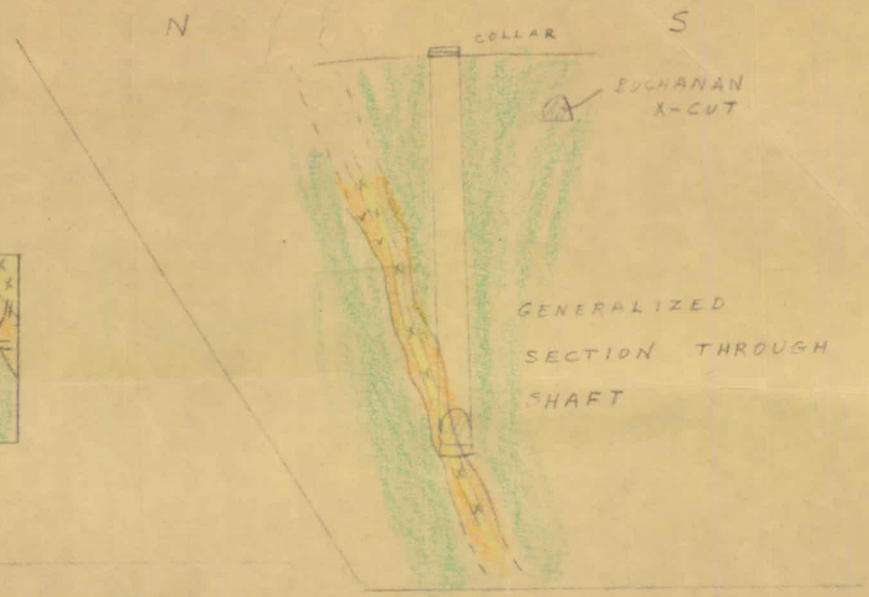
SECTION THROUGH SHAFT + DRIFT SHOWING RESERVES (AREA ENCLOSED BY CLOSE-SPACED DOTS IS INDICATED)

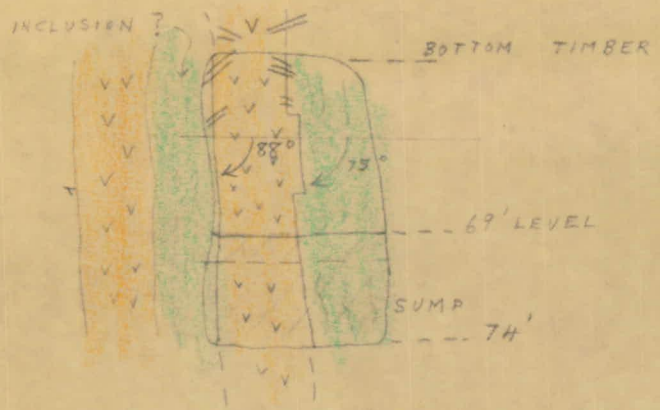
TAYLOR, A.R.: 7-5-1956

BUCHANAN (BREAM) MINE (MICA)
DMEA 3543
JACKSON CO., N.C.
6-5-56

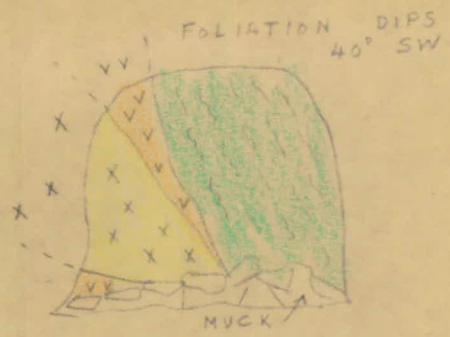
PLAN SHAFT SECTIONS







SECT. OF DRIFT TO SE, AT SHAFT
69' LEVEL



HEAD. AT 80' POINT
IN SE DRIFT
(69' LEVEL)

HEAD. AT 95' POINT
IN SE DRIFT
(69' LEVEL)

PRODUCTION INCREASES
TOWARD SOUTHEAST

TAYLOR, A.R.

OFFICIAL BUSINESS

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

11
6 3urm
1954
COLO.

12 CENTS 12

DEFENSE MINERALS EXPLORATION ADMINISTRATION
U. S. DEPARTMENT OF INTERIOR
INTERIOR BUILDING
WASHINGTON 25, D. C.

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

August 30, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3543-mica
Buchanan (Dream) Mine
Jackson County, North Carolina

Application: dated November, 1954
Operator: Buchanan Minerals, Incorporated
Box 503
Sylva, North Carolina
Operator's Property rights:
Owner of 1/3 of property. Lessee of remaining 2/3.

2. Contract: dated October 28, 1955

Work authorized:

1.	Bulldozing to prepare shaft site	$ 210.00
2.	Building construction	115.00
3.	Sink 75-foot shaft @ $45.00/ft.	3,375.00
4.	Drive 100 feet drifts @ $35.00/ft.	3,500.00
	Estimated Total Cost	$7,200.00

Work completed:

1.	Bulldozing to prepare shaft site	$ 210.00
2.	Building construction	115.00
3.	Shaft sinking 74 feet @ $45.00/ft.	3,330.00
4.	Drifting 100 ft. @ $35.00/ft.	3,500.00
	Total Cost of Project	$7,155.00
	Government participation @ 75%	$5,366.25

Amendments:

No. 1 - changes starting date from December 1, 1955 to December 10, 1955.
No. 2 - changes completion date from February 29, 1956 to April 30, 1956.
No. 3 - changes completion date from April 30, 1956 to July 30, 1956.

Work under the contract began December 5, 1955 and was completed on June 13, 1956.

About 2,500 pounds of "mine-run" block, ruby mica was recovered during the project work. About 35 pounds of processed mica have been sold to the Spruce Pine, GSA Depot on which final settlement has not yet been made.

3. Audit:

Report of Review dated July 2, 1956	
Total Cost as billed by contractor	$7,155.00
Exceptions	none
Total Accepted Cost	$7,155.00
Government participation @ 75%	$5,366.25

4. Certification issued _____

Ore Reserves

Indicated:	
Cubic feet of pegmatite	51,800 cu. ft.
Recovery @ .58#/cu. ft. (block mica)	30,000 pounds
Trimmed mica @ 4%	1,200 pounds
Estimated recovery of punch	2,880 pounds
Scrap	25,920 pounds
Inferred:	
Cubic feet of pegmatite	120,234 cu. ft.
Recovery (block mica) .58#/cu. ft.	70,000 pounds
Trimmed Recovery @ 4%	2,800 pounds
Punch and Scrap	67,200 pounds
Total Value of Reserves.	$68,000.00

5. Comments:

The project work was carried out under severe weather conditions and frequent equipment failures; was conducted in a very efficient manner.

No particularly difficult engineering work was involved.

Geological Premise upon which work was based:

This mine was extensively worked during World War II. It produced and sold to the Colonial Mica Corporation 2,789.59 pounds of trimmed sheet and 3,062.42 pounds of punch valued at $20,258.86.

Production came from three different levels and a crosscut down to a depth of 60 feet.

This project was established to explore a well-zoned pegmatite below the old workings. The pegmatite had been worked over a strike length of more than 100 feet and averaged 10 feet in width with a solid massive quartz core 3' to 5' thick. Mica occured abundantly along the sides of the core.

A plunge to the northwest by the pegmatite was indicated by the examination of the old workings and a shaft was proposed to penetrate the pegmatite on the projected plunge.

This thesis was proven correct by subsequent work.

Geological Criteria developed during the project:

The shaft sunk in country rock, intersected the target pegmatite at the 53-foot level, but was in pegmatite stringer material from the 20-foot level.

Drifting was started on the 69-foot level. The pegmatite in the first 13 feet of the drift may be a apophysis from the larger body. The drift was turned to pick up the larger body

5. Comments: (continued)

which was found to be 7' to 10' thick, and zoned with a 3' to 5' quartz core with the muscovite generally on the hanging wall side of the core.

The pegmatite will average .58 pounds of "mine-run" block per cu. ft. which will yield 4% trimmed mica.

Future possibilities:

The pegmatite has been satisfactorily and adequately explored. No further exploration work is required as the work has resulted in a very significant discovery of strategic mica reserves.

Future possibilities are excellent.

Recommendations:

The Field Team recommends that a certification of discovery be issued. The Nonmetallic Minerals Division concurs in the recommendation. The Commodity Divisions of the Geological Survey and Bureau of Mines also concur in the recommendation.

James Hopkins
Nonmetallic Minerals Division

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	

Mrs. Laura Belle Buchanan
Sylva
North Carolina

Re: DMEA-3543 (Mica)
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract Idm-E891

Dear Mrs. Buchanan:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Owner's Consent to Lien signed by you on October 1, 1954, and the Guaranty of Royalty signed by you as Belle Buchanan in September 1955, as notarized September 21, 1955.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
DMEADocket
OME-Reading File
Region IV, R. A. Laurence
Branch of Budget and Finance
Mr. Selfridge
120M

GCSelfridge/mm (2/9/66)

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 26, 1966

Mr. J. R. Buchanan

Sylva, North Carolina

Re: DMRA-3543 (Mica)
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, N. C.
Contract Idm-E891

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 7 1966

INITIALS	CODE
	110
	120
	120

only 1 cy rec'd

Dear Mr. Buchanan:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This inquiry relates to our letter to you of October 15, 1964, copy enclosed.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

MME Form 63
Revised 7-65

DMEA-3543
Idm-E891

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

1. ~~Since~~ From October 1964, to October 28, 1965, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. ~~Since~~ From October 1964, to October 28, 1965, has there been any production from the land subject to the contract? Yes ☐ No ☑

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since through workings (see of contract), has any production been transported Yes ☐ No ☑

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name J K Beechover Title

Address Sylva, N.C. Date Feb 4, 1966

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
10/15	Johnson	110
10/	[illegible]	100
		220

OCT 1 5 1964

Mr. J. R. Buchanan

Sylva, North Carolina

Re: DMEA-3543 (Mica)
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract Idm-E891

Dear Mr. Buchanan:

Thank you for returning the copies of MME Form 63 sent you on October 5, 1964.

Under law, we would not be able to close out our records on the subject contract as you suggest. Although you have no financial responsibility under the contract, there remains a financial obligation on any production from the land until October 28, 1965, at which time the contract can be closed. We hope you will bear with us in the meantime while we are carrying out our obligation inherited from the Defense Minerals Exploration Administration.

Sincerely yours,

George Fumich, Jr.

Acting Director

GCSelfridge/mm
10/15/64
cc: Director's Reading File
R. A. Laurence w/cy of incoming Form 63
Docket
Mr. Selfridge
Code 120M

23263

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

October 5, 1964

Re: DMEA-3543 (Mica)
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, N. C.
Contract Idm-E891

Mr. J. R. Buchanan

Sylva, North Carolina

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 13 1964

DATE	INITIALS	CODE
10/13		800
10-14		100
10/13		110
		120
		~~120~~

MME Form 63
Revised 3-62

DMEA-3543
Idm-E891

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since November 1963, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since November 1963, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since, has any production been transported through workings (see of contract)? Yes ☐ No ☑

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name J.C. Buchanan Title Owner of land

Address Sylvan H.C. Date 10-9-64

Please note:
I, as owner of the land, have never had any responsibility for Buchanan Minerals, Inc. or Buchanan Dream Mine. All operations were under a lease which has been expired for many years. Suggest you close out your records on this transaction.

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

October 31, 1963

Re: DMEA-3543 (Mica)
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, N. C.
Contract Idm-E391

Mr. J. R. Buchanan

Sylva, North Carolina

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

63 for 1964 sent J R B - because of property over [illegible] even though lease cancelled

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 6 1963

DATE	INITIALS	CODE
11/6	[illegible]	800
		~~120~~
		~~100~~
11/6	[illegible]	~~110~~
~~11/7~~	~~Murphy~~	~~500~~
		320

FMM

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since July 27, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

No change in ownership – Lease has expired.

2. Since July 27, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☑

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name J. R. Buchanan Title Owner

Address Sylva, N.C. Date 11-4-63

4512

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

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 31 1962

DATE	INITIALS	CODE
7/31		800
7-31		100
7/31		110
7/31		500
8/2	Hoff S.P.H.	500
		220

JUL 25 1962

Re: ~~OMEX-3543 (Mica)~~
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, N. C.
Contract IDM-1691

Mr. and Mrs. J. R. Buchanan

Sylva, North Carolina

Dear Mr. and Mrs. Buchanan:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since March 2, 1961, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since March 2, 1961, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑
   No production in recent years

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name J. C. Buchanan Title Owner

Address Sylva, N.C. Date 7-27-62

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6-26	[illegible]	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 [illegible] 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]	3244	Alex Beaque	[illegible]erson (Denison)
687	3256	Glenn C. Rathbun	[illegible], [illegible]sby Creek
692	3260	Sam L. Phillips	[illegible] McKinney, McKinney [illegible] 1
694	3190	[illegible] B. Chrisawn	[illegible] D. [illegible] H.) Westall [illegible]
712	3410	[illegible] Mining Company	[illegible]
737	[illegible]	[illegible] ward	[illegible]ure
[illegible]	[illegible]	[illegible] Phillips, et al.	[illegible]ar [illegible]ove, Ralph
762	[illegible]	[illegible]ller Mining Co.	[illegible]
805	3726	[illegible]lvin White, et al.	[illegible]
830	[illegible]	[illegible]ines and Mining, Inc.	[illegible]ow [illegible]ap
835	[illegible]	T. [illegible] Vance	[illegible] Vance, Red, [illegible]leson
840	3799	[illegible] R. Beam	[illegible]ett, [illegible] Field
865	[illegible]	[illegible] Boone	[illegible]ck
[illegible]	3922	[illegible] Beam & John [illegible]	[illegible] Ray, Pat
[illegible]	[illegible]	Buchanan Mine[illegible], Inc.	[illegible]an, Dream
[illegible]	3946	[illegible] Smith	[illegible]ill, Sam Smith
[illegible]	4147	[illegible] Phillips	[illegible]
[illegible]	[illegible]	[illegible] Phillips	[illegible] [illegible]oy)
[illegible]	[illegible]	John Phillips	[illegible] [illegible]n's) Brown
[illegible]	[illegible]	[illegible]urphy Mining [illegible]	[illegible], Murphy Rock
[illegible]	[illegible]	[illegible]ilton D. Buchanan	[illegible], Phillips
[illegible]	[illegible]	Sam L. Phillips	[illegible]ntain

cc: Docket
Director's Reading File
CA & A Division
Region IV Files (2)

CEFisher/ama
6-26-62

63683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/12	[illegible]	120
		220

FEB 12 1962

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-3543 (Mica)
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract Idm-K891

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

/s/ George C. Selfridge

(GCS)

Enclosure

GCSelfridge/hb (12/12/62)
cc to: Docket DMEA-3543
Director's Reading File
CA&A Division
GCSelfridge
RALaurence, Reg. IV, w/cy of Report of Royalty Review dtd 2/9/62 & orig. cy of memo dtd 2/9/62 to Chief, Div. of Field Operations from CA&A Div.
V.J.Lynch, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

43683

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

OFFICIAL FILE COPY
IN REPLY REFER TO:
O. M. E
RECEIVED MAY 22 1961

DATE	INITIALS	CODE
5/22	gad	220
	W Lesure	~~120~~
5/23	[illegible]	800
"	[illegible]	500
		220

May 18, 1961

Report of inspection of certified project

Buchanan Minerals

Buchanan (Dream) mine, Jackson County, N. C.
DMEA 3543 E 891

Nowork is being done at the Buchanan mine and all equipment has been removed. The DMEA shaft is open and in good condition. No work has been done for at least 3 to 4 years.*

Frank G. Lesure

Date Inspected

28 April 1961

* Matter of royalty due on 1957 production referred to Gab 8/15/58.
Talbert
5/23/01

ME Form 18
10-60

OFFICE OF MINERALS EXPLORATION

ANALYSIS OF ANNUAL REPORT
OF CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

Division of Minerals prepares in duplicate, files original in official docket, and sends copy -

To: (1) Code 110 (for verification or adjustment)
(2) Code 210

Docket No.	Operator	Report Period To 5-1-61
3543	Buchanan Minerals, Inc	Contract No. E891

ORE ESTIMATES	Original DMEA or OME (From Final Report)	Revised DMEA or OME	Found by Operator after DMEA-OME work
Analysis			
~~Tons~~ Found	100,000# block	mica	
Tons Produced (Ore or Concentrate)			
Previously Reported	11,394#		
This Period			
~~Tons~~ Lbs. Remaining	88,606		

Comments of Analyst:

No royalty paid on production, referred to GAO 8/15/58.

Inactive at present

Prepared by W R Truswell Date 5/26/61

82444-60

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: Chief, Division of Field Operations
~~Field Operations, OME~~
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Date: February 27, 1961

Concerning:
Docket No. DMEA-3543 (Mica)
Property Buchanan (Dream) Mine
Buchanan Minerals, Incorporated
Location Jackson County, North Carolina
Contract Idm-E891

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 6 1961

DATE	INITIALS	CODE
3-6	gad	VVO
3/6	[illegible]	800
"	[illegible]	500
		220

J. R. Buchanan and
Annie L. Buchanan
Sylva, North Carolina

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return ~~one copy to this office~~ two copies with copies of any pertinent documents.

George C. Selfridge
~~Field Operations~~
Chief, Division of Field Operations

1. Since July 1, 1959, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☑

No existing leases - All have expired prior to 1-7-59

2. Since July 1, 1959, has there been any production from the property?* Yes ☐ No ☑

A. If so and it was shipped, give name and address of purchaser?

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

Submitted by:

Name J R Buchanan Title Owner

Address Sylva, N.C. Date 3-2-61

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

Cy to Reg. IV

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: Chief, Division of Field Operations
~~Xxxxxx Xxxxxxxxx, OME~~
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Date: February 27, 1961

Concerning:
Docket No. DMEA-3543 (Mica)
Property Buchanan (Dream) Mine
Buchanan Minerals, Incorporate
Location Jackson County, North Carolina
Contract Idm-E891

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 6 1961

DATE	INITIALS	
3-6	gad	VVO
3/6		800
"	Hoeft	100
		220

Mrs. Laura Belle Buchanan

Sylva, North Carolina

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return ~~xxxxxxxx~~ two copies to this office with copies of any pertinent documents.

George C. Selfridge
~~Xxxxxxx Xxxxxxx~~
Chief, Division of Field Operations

1. Since July 1, 1959, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☑

2. Since July 1, 1959, has there been any production from the property? *Yes ☐ No ☑

A. If so and it was shipped, give name and address of purchaser?

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

Submitted by:

Name Carl Buchanan — also, agent for Operator.. Talbert

Address Sylva N. C.

Title Agent

Date 3-2-61

MME Form 63 8-60 * Property means land subject to the contract. Cy to Reg IV 79340-60

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

FEB 9 - 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-3543 (Mica)
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract Idm-E891

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 2-9-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 21 1959

DATE	[illegible]	[illegible]
9-24	[illegible]	

Inactive projects since last report

Reporting Period January 1, 1952 to July 1, 1959

DMEA	Number	Mine Name	Operator	Inspected
1140	87	Mary	Pitt [illegible] Company	9/2/59
1700	116	[illegible]	[illegible]	9/2/59
2150	456	Reid	Reid & Hooker	
2277	412	Burke John	Burke John Mica Miners	
2293	[illegible]	[illegible]	[illegible] Minerals Inc.	
2327	[illegible]	[illegible]	[illegible]	
2579	[illegible]	[illegible]	[illegible] Industries	
2582	[illegible]	[illegible]	[illegible]	
2610	[illegible]	[illegible]	[illegible]	
2875	[illegible]	[illegible]	[illegible]	
2926	514	[illegible]	[illegible] Inc.	
3000	[illegible]	[illegible]	[illegible]	
3265	830	Marlow	[illegible] Mining Inc.	
3287	[illegible]	[illegible]	[illegible] Phillips, et al.	
3469	737	[illegible]	[illegible]	
3543	[illegible]	[illegible]	[illegible] Minerals Inc.	
3720	[illegible]	[illegible]	[illegible]	

Official

SEMI-ANNUAL REPORT ON CERTIFIED OR PSEUDO CERTIFIED PROJECTS

INACTIVE SINCE LAST INSPECTION

7/2 C 220 60c

Commodity : Mica

Reporting Period: January 1, 1958 to July 1, 1958

DMEA No.	Idm-E	Operator & Mine	Date Inspected		
1140X	87	Pitt Mica Corp (Mary Mine)	June	25,	1958
1700X	116	Fred Cabe (Cabe No.1 Mine)	"	"	"
2150	456	Reid & Hooker (Reid Mine)	"	"	"
2277	412	Burke John Mica Mines (Burke John Mine)	"	"	"
2293	393	Dixie Minerals Inc. (D.H. Stephens Mine)	"	24	"
2327	476	Andrew M. Reid (May Mine)	"	25	"
2582	461	Zeb Angel (Kasson Mine)	"	24	
2610	431	Dixie Minerals Inc. (Shell Ridge Mine) Pseudo	"	24	"
2687	425	Sam Phillips, et al (Iotla Bowers Mine)	"	25	"
2875	613	Latt Young (Cox Mine)	"	24	"
2926	516	The Moodmica Mining Co. (Engle Cope Mine)	"	24	"
3000	557	B.T.R. Mining Co.(Terrill Bryson mine)	"	25	"
3265	830	Mines & Mining Inc.(Farlow Gap)	"	26	"
3287	674	Sam Phillips, et al (Mud Cut & Tallent Mines)	"	25	"
3469	737	A Ward(Elmore Mine)	"	24	"
3720	805	Alvin White, et al(Coward Mine)	"	24	"
✓3543	891	Buchanan Minerals Inc(DREAM Mine)	"	24	"

Wm. A. Beck, Mining Engineer, USBM (DMEA)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Fisher	800
8-12	Chambers	800
8/12	Hook	600
8/14	Long	140
8/14	Dwyer	140
8/15	Appt. Sol. Off.	100
"	[illegible]	~~220~~
8/15	N. G.	220

AUG 15 1958

Claims Division
U. S. General Accounting Office
Washington 25, D. C.

INTERIOR DEPT.
AUG 13 1958
SOLICITOR

Re: Docket No. DMEA-3543 (Mica)
Buchanan Minerals, Inc.
Contract No. Idm-E891

Gentlemen:

There is referred to you herewith the matter of $106.24 due to the Government by Buchanan Minerals, Inc., Box 503, Sylva, North Carolina, representing royalty on the value of mica produced and sold by that Company in connection with Buchanan (Dream) Mine which was the subject of Defense Minerals Exploration Project Contract Idm-E891 (Docket No. DMEA-3543) between that Company and the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration.

This is the case mentioned in the Comptroller General's letter B-136448, July 31, 1958, as having been returned to this Department by the Department of Justice with the comment that the matter appeared to be one for reporting to your office. The material transmitted herewith consists of two copies of our letter dated April 7, 1958, to the Attorney General, together with copies of the various enclosures referred to in that letter.

We trust that these enclosures will be acceptable as compliance with the regulations included in 4 GAO 5000 pertaining to debts due to the United States which have been administratively determined to be uncollectible.

RECEIVED
AUG 13 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Attachs.
CEFisher/GMcC
August 12, 1958

cc: Docket
Admr. Read. File
Field Team, Region V (2)
Mr. Chambers
Mr. R. P. Dwyer

8623

The National Cyan
Secretary of Defense

COPY

COMPTROLLER GENERAL OF THE UNITED STATES
Washington 25

B-156448 July 31, 1958

DMER-3543

Dear Mr. Secretary:

Reference is made to a letter dated June 11, 1958, from the Administrative Assistant Secretary, requesting that claims due the United States for delinquent royalties on all production realized by reason of Defense Minerals Exploration Administration contracts be specifically excepted from the debt reporting requirements of General Regulations No. 129, now 4 GAO 5000.

It is reported that such claims have been reported directly to the Department of Justice for appropriate collection action after reasonable administrative efforts have been exhausted. However, that Department has recently returned the latest delinquent royalty claim referral with the comment that the matter appeared to be one for reporting to the Claims Division of our Office. The Administrative Assistant Secretary advises that informal discussions with the Department of Justice disclose that the present referral procedure would be acceptable to that Department provided an exception to the reporting requirement in accordance with 4 GAO 5050.30(g) is specifically authorized by our Office.

While not specifically stated in the letter of June 11, 1958, representatives of your Department informally expressed the view that the present practice should continue because these particular cases were different from the usual run of debt cases; prompt action was of particular importance because of the nature of the debt, the type of debtor involved and the possible lack of financial responsibility of many of the debtors; the Department of Justice was giving excellent service and was very successful in its collection efforts; and because United States Attorneys were in a position to make a personal investigation of a debtor's financial responsibility.

4 GAO 5000 prescribes the procedures for reporting to the General Accounting Office, pursuant to 31 U. S. Code 71, debts determined to be uncollectible through administrative means, except in those instances where specific exemptions are granted under paragraph 5050.30(g) of that title or where specific statutory authority exists in an agency for the compromise, waiver, release, or reduction to judgment of such debts.

We do not believe that the class of debts here involved is essentially different from other contract debt matters or that these debts

involve such unique or distinctive characteristics which would justify the granting of an exemption under 4 GAO 5050.30(g). Neither are we aware of any final settlement authority vested in your Department with respect to this class of debts.

Accordingly, and in the absence of convincing justification to support the granting of an exemption under 4 GAO 5050.30(g), we are of the view that this class of debts determined to be administratively uncollectible should be reported to this Office for further collection action in accordance with the provisions of 4 GAO 5000.

Sincerely yours,

/s/

COMPTROLLER GENERAL
OF THE UNITED STATES

The Honorable
The Secretary of the Interior

C
O
P
Y

JUN 1 1 1958

Dear Mr. Campbell:

Under the authority of the Defense Production Act of 1950, as amended, (50 U.S.C. App., 1952 edition, Sections 2061-2166), the Defense Minerals Exploration Administration of the Department of the Interior enters into project contracts with individuals, partnerships, and corporations in the search for undeveloped deposits of strategic and critical minerals necessary for the national defense. Briefly, the contracts provide: (1) that the Government will contribute to the necessary costs of the exploration projects; (2) that if the project is successful, the Government will issue a certificate of discovery or development, and the operator (contractor) will repay the Government's contribution by means of a percentage royalty on all production for a period of ten or more years as specified in the contract; (3) that the operator grants the Government an unrecorded lien upon the land and the production of any minerals therefrom or, in an instance where the operator is a lessee and the landowner refuses to execute a consent to a lien, a performance bond is obtained from the operator to secure the payment of the royalty.

Attached are copies of the contract forms currently in use, Forms M-200 (Revised June 1954) and MF-200A (Revised April 1956), and the Consent to Lien and Subordination Agreement, Form MF-203 (June 1956). In use exhibits and annexes are attached to the printed contract form to provide the description of the land, specifications of the work to be performed, estimates of the costs, and any required changes in or added contract provisions.

Occasionally the operators, of their successors, fail to pay some or all of the percentage royalty properly due the Government under these contracts. In such a case the Administration's appropriate regional office makes timely and vigorous requests upon the operator for payment of the debt. Such requests, if not successful, are followed by aggressive demands by the Administrator for either full payment or the submission of a plan for an orderly liquidation by periodical payments. The final demand advises the operator that, unless payment is made or a satisfactory proposal for payment is submitted within a specified time, the matter will be referred to the Attorney General of the United States for appropriate action.

Since January 1955 the Department has referred to the Attorney General a total of 17 cases involving royalty delinquencies aggregating $37,564.43. The delinquent royalty ranged from $106.24

to $12,172.95, but regardless of the amount, due to the very nature of the indebtedness and the possible lack of financial responsibility on the part of the operator, time is of the essence and prompt, forcible collection action is necessary.

The Attorney General, acting through the appropriate U. S. Attorney, has given each of these claims prompt and judicious handling, whether the requirement is merely formal demand upon the debtor, suit for judgment, writ of execution, or proof of claim against an estate or in bankruptcy. This prompt and effective action has resulted in an unexpected high rate of collection. To date only one of these claims for royalty has been determined to be uncollectible, whereas full payment of $21,373.48 has been received on six cases and an additional $1,663.19 has been collected under three agreements for periodical payments. Also, as of this date, proofs of claim have been filed for $1,900.00 on an estate and $3,215.00 in bankruptcy, and two complaints involving $2,444.57 are docketed in U. S. District Courts.

The Assistant Attorney General, Civil Division, however, has recently returned the Department's latest referral with the comment that the matter seems to be one which should be properly reported to the Claims Division of your office. Informal discussions with a representative of the Assistant Attorney General's staff disclosed that continuation of our past effective procedure in handling these indisputable royalty claims is acceptable provided that an exception in accordance with Sec. 5f, Part I, of General Regulations No. 129 is specifically authorized.

The matter has been discussed with representatives of the Claims Division of your office. At their suggestion, and because the Department believes that the direct referral to the Attorney General of the United States of such claims is in the best interests of the Government, request is hereby made for a specific exception of claims for delinquent royalty from the reporting requirements of General Regulations No. 129.

Sincerely yours,

/s/

Administrative Assistant Secretary

Hon. Joseph Campbell
Comptroller General of the
United States
Washington 25, D. C.

Enclosures

UNITED STATES DEPARTMENT OF JUSTICE

rrc

WASHINGTON, D. C.

May 28, 1958

Address Reply to the
Division Indicated,
and Refer to Initials and Number

77-68-216

Department of the Interior
Washington 25, D. C.

Attention: Solicitor

CLOSING NOTICE

Re: Buchanan Minerals, Inc.
Sylva, North Carolina
Defense Minerals Exploration
Project Contract Idm-E891
(Docket No. DMEA-3543)

Dear Sirs:

This is to advise that the Department of Justice file in the above-entitled case is being marked "Closed" as of this date.

Very truly yours,

GEORGE COCHRAN DOUB
Assistant Attorney General

Form No. CV-40
(Ed. 11-5-56)

600

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

MAY 26 1958

Memorandum

To: ADMINISTRATOR, DMEA
Attention: Director, Contract Admin. and Audit Division

From: Associate Solicitor, Div. of Mineral Resources

Subject: Buchanan Minerals Inc., Idm-E891, Docket No. DMEA-3543--Claim for unpaid royalty

The attached file has been returned by the Justice Department with the letter of April 28, 1958, signed by George F. Foley.

The matter has been subsequently discussed, by phone, with the Justice Department and with representatives of the General Accounting Office on May 13, 1958, at a meeting in the office of Mr. Arthur B. Alley, at which your office was represented by Mr. Dallas Talbert.

As a result of these discussions it is deemed advisable to hold the attached claim pending further clarification of procedures by the General Accounting Office.

Robert P. Dwyer

Attachment

RECEIVED
MAY 27 1958
DMEA

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

APR 7 1958

Honorable William P. Rogers
The Attorney General
Department of Justice
Washington 25, D. C.

Dear Mr. Attorney General:

On October 28, 1955, Buchanan Minerals, Inc., a North Carolina Corporation, Box 503, Sylva, North Carolina, entered into Defense Minerals Exploration Project Contract 24m-2891 (Docket No. [illegible]-3543) with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration.

In general the contract provided that: (a) Buchanan Minerals, Inc. (hereinafter referred to as the Operator) would explore for deposits of mica as outlined in Exhibit "A" of the contract and amendments thereto; (b) the Government would pay to the Operator 75 percent of the accepted costs of completed exploration work; and (c) under provisions of Article 7(b)(2), if the Government certified that a discovery or development resulted from the exploration work, the Operator or its successor in interest would pay to the Government a percentage royalty on minerals produced from the land described in Article 2 of the contract within a period of 10 years from the date of the contract, or until the total net amount contributed by the Government is fully repaid, whichever occurs first. Attached to and made part of the contract were: (a) Owners' Consent to Lien, executed by Laura Belle Buchanan, which granted to the Government a lien upon a portion of the land referred to in Article 2 to secure the payment to the Government of its percentage of royalty on production; and (b) a Guaranty of Royalty executed by Belle Buchanan by which she guaranteed the payment of royalty due the Government resulting from production from the remaining land described in Article 2. Laura Belle Buchanan and Belle Buchanan are one and the same person (Enclosure No. 1).

The exploration work under the contract was performed between December 5, 1955, and June 13, 1956. The accepted exploration cost totaled $7,155.00 and the

Government's contribution computed at 75 percent equaled $3,366.25. A certification of discovery of development was issued by the Government on September 14, 1956 (Enclosure No. 2).

On March 18, 1957, William A. Beck, mining engineer, DMEA Region V, Knoxville, Tennessee, obtained from a representative of the Operator copies of settlement sheets on sales of mica from the property. These sales aggregated $2,124.89 on which royalty, at the rate of 5 percent is due to the Government in the amount of $106.24. By letter dated April 19, 1957, the Executive Officer, DMEA Region V, requested payment by the Operator of the latter amount (Enclosure No. 3). In letters dated August 2 and September 16, 1957, to the Operator, the Executive Officer again requested payment (Enclosures Nos. 4 and 5).

In a letter dated November 22, 1957, the Administrator, DMEA, requested payment of the royalty due from the Operator and by letter dated February 13, 1958, the Administrator advised the Operator that unless a substantial payment was made within 30 days the matter would be referred to you. Copies of each of these letters were sent to Laura Belle Buchanan, Sylva, North Carolina (Enclosures Nos. 6 and 7).

The royalty due the Government has not been paid and no reply has been received to any of the above-mentioned letters. Therefore, it is requested that your department take such action as you deem appropriate to recover the amount of $106.24.

The enclosures furnished with this letter are either photostats or copies of the original documents. If the United States Attorney to whom this case is assigned requires additional information, it may be obtained from either Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, or C. G. Mittendorf, Administrator, Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D.C.

Sincerely yours,

Elmer F. Bennett

Solicitor

Enclosures

RWLong/eal - 4/4/58

Copy to: Solicitor's Docket (2)
DMEA Docket
Adm. Reading file
Mr. Chambers, DMEA
Mr. Fisher, DMEA
Field Team, Reg. V (2)
R. P. Dwyer
R. W. Long
chron
pending

m 7

OFFICIAL FILE COPY

Date	Surname	Code
2/11	Houk	600
2-11	Chambers	800
	Long	140
	Kenyon	140
2/13	Johnson	110
	Mittendorf	100
	C	220
		600

600

FEB 13 1958

INTERIOR DEPT.
FEB 11 1958
SOLICITOR

Mr. H. E. Buchanan, President
Buchanan Minerals, Inc.
Sylva, North Carolina

Re: Docket No. DMEA-3543-Mica
Buchanan Minerals, Incorporated
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract No. Idm-2891

Dear Mr. Buchanan:

As we have not received a reply to our letter of November 22, 1957, our fourth request for royalty payment of $106.24 on mica sales under the cited contract, we are referring the case to the United States Attorney General. Preparation of the case will require about three weeks. In the meantime prompt payment of the royalty may save you any possible court fees.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Copy to: Mrs. Laura Belle Buchanan
Sylva, North Carolina

LGHouk:gad 2/7/58
Rewritten
GCSelfridge:gad 2/11/58
Copy to: Admr. R. File
Mr. Selfridge
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V
Mr. Houk

RECEIVED
FEB 11 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

DMEA EXPLORATION PROJECT

SEMI-ANNUAL REPORT ON CERTIFIED PROJECT

DMEA-3543, Idm-E891,(mica) DREAM MINE
Jackson County, N. C.

Reporting Period: July 1, 1957 to January 1, 1958

Operator: Buchanan Minerals, Inc., c/o H. E. Buchanan, P.O. Box 503, Sylva, North Carolina

The writer conferred with Carl Buchanan, one of the partners in the organization January 24, 1958. He stated no one has operated the mine since they quit. When asked when we could expect payment of the $106.24 royalty due the Government, he said they were about to sell some equipment and royalty would be forth coming within a month.

Wm. A. Beck, Mining Engineer
Bureau of Mines, (DMEA).

2/5/58

z

DMEA
RECEIVED FEB 7 1958

2/10	C Com	200 100

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/15	Houk	600
11/19	Chambers	800
	Long	140
	Dietrich	140
		~~100~~
11/21	Johnson	110
	Mittendorf	100
		220
		600
		225

NOV 22 1957 Rewritten

Mr. H. E. Buchanan, President
Buchanan Minerals, Inc.
Sylva, North Carolina

Re: Docket No. DMEA-3543-Mica
Buchanan Minerals, Incorporated
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract No. Idm-E891

Dear Mr. Buchanan:

By letter dated September 16, 1957, signed by the Executive Officer of DMEA Field Team, Region V, your corporation was requested to pay the Government the sum of $106.24 representing royalty due as a result of sales of mica from the subject mine. Similar letters had been previously sent on April 19, 1957, and August 2, 1957.

It is not within the authority of this Administration to postpone indefinitely such action as may be necessary to collect the amounts properly due the Government. Accordingly, I must advise you that unless a substantial payment on account is received within thirty days from the date of this letter this Administration will take such action as it deems necessary to effect the collection of the royalty due.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

CC: Mrs. Laura Belle Buchanan, Sylva, N.C.

LGHouk/RWLong:md
11/19/57

CC: DMEA Docket
Administrator's Reading File
Operating Com.
JLChambers
LGHouk
W. F. Dietrich
RPDwyer
HCRubin
Field Team, Region V
Chron
pending
Mr. Kiilsgaard, 5222

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 15 1957

DATE	INITIALS	CODE
11/15	gb	220
11-15	[illegible]	600
		225

November 13, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3543, Idm-E891 (mica) Buchanan Minerals, Inc.
Buchanan (Dream) Mine, Jackson County, N.C.

Reference is made to your letter of November 6.

No reply to our letter of September 16 has been received. No payment has been made toward the $106.24, which is still due.

We suggest that you take appropriate action.

Robert A. Laurence

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

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

orm 7
6)

OFFICIAL FILE COPY

Date	Surname	Code
11/6	Fisher	800
11-6	Chambers	800
11/6	Anderson	600
11/9	Houk	600
11/6	GCS	130
"	Johnson	110
11/10	gb	220
		225

NOV 6 1957

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

Re: Docket No. DMEA-3543 (Mica)
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract No. Idm-E891

Dear Mr. Laurence:

Reference is made to your letter dated September 16, 1957, to Buchanan Minerals Corporation, wherein request was made for prompt payment of $106.24 royalty due to the Government under provision of the subject contract.

Will you please advise the present status of your efforts at collection of this amount and whether the matter is to be referred to this office for appropriate action.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

Frank D. Lamb (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

CEFisher/wb 11/6/57

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Dietrich, USBM
Mr. Chambers
Mr. Houk

8623

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

September 16, 1957

Buchanan Minerals Corporation
P.O. Box 503
Sylva, North Carolina

Re: DMEA-3543, (mica)
Buchanan (DREAM) mine
Jackson County, N.C.
Contract Idm-E891

Dear Sirs:

On April 19, 1957 and again on August 2, I wrote you requesting prompt payment of $106.24 due the Government as royalties on mica produced at the Buchanan or Dream Mine. Payment has not been received, and no reply to my letters has been received.

We cannot postpone indefinitely the collection of such payments. If payment is not received within 30 days of the date of this letter, the matter will be referred to our Washington office for appropriate action. To avoid this, please send me your check for that amount by return mail.

-oct 18

Very truly yours,

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

RAL/zm
cc
Opr. Com-2
Lynch
Files

9/18 C 220
9/18 800
9/19 600

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/12	Houk	600
9/12	Talbert	800
9/13	Selfridge	130
"	Johnson	110
9/18	[illegible]	220
		225

600

SEP 13 1957

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

Re: Docket No. DMEA-3543-Mica
Buchanan Minerals, Incorporated
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract No. Idm-E891

Dear Mr. Laurence:

Reference is made to the Semi-Annual Report of September 5,1957, by Mr. William A. Beck, and your letters of April 19, and August 2, 1957, on delinquent royalties.

We presume that no royalty has been received and suggest that you give the Operator a follow-up letter as recommended in Operating Committee Minutes of July 30, 1954, Special Notice No. 398. If the Operator does not pay the delinquent royalty within 30 days after receipt of the letter, we will endeavor to effect the collection in Washington.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Approved:

A. D. McMahon (HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (HB)
Member, Geological Survey

LGHouk:gad 9/12/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 9 1957

DATE	INITIALS	CODE
9/10	Hmb	600

DMEA EXPLORATION PROJECT
SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

DMEA-3543, Idm-E891, DREAM MINE (mica)

Reporting Period: 1-1-57 to 7-1-57

Operator: Buchanan Minerals, Inc, c/o H. E. Buchanan, Sylva, N. C.

Location: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson County, North Carolina.

This mine was visited by the writer August 20, 1957. Water was within 40 feet of the surface in the shaft. The buildings and timber in the shaft were in good condition but there was no equipment of any kind on the property. It appeared that no work had been done since the last inspection of March 18, 1957.

The Government has not received any royalty on mica produced since the start of the contract. The Operator was advised by letter on March 18, 1957 and again August 2, 1957 that $106.24 was owed the Government in royalties. No reply to these letters has been received.

Wm. A. Beck, Mining Engineer
Bureau of Mines

z

9/5/57

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 9/9

Referred to:

1. Mr. ~~Mitsunaga~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. ~~Docket Control Mails and Files~~
5. ~~Non Metallic Minerals Division~~
6. Docket Control Mails and Files

Note comments in report regarding:

1. Follow up on royalty due.
2.
3.
4.

and take appropriate action.

- - - - - - -

Action taken by Division:

9/12/57 Letter prepared for Oper. Committee requesting Region V to write follow-up letter giving Operator 30 days to pay delinquent royalty.

Robert L. Adams

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

August 2, 1957

FILE COPY
DMEA
AUG 5 1957

DATE	INITIALS	CODE
8/5	B.K.	220
8/5	E.E.F.	800
		225

Mr. Marcellus Buchanan, III, Esq.
Post Office Bldg.
Sylva, North Carolina

Re: Docket No. DMEA-3543-mica
Buchanan Minerals, Inc.
Buchanan(Dream) Mine
Jackson County, N.C.

Dear Mr. Buchanan:

E 891

On March 18, 1957, Wm. A. Beck, one of our engineers, called on Carl Buchanan, a partner in your organization. Mr. Buchanan gave him copies of settlement sheets on all sales of mica from the subject mine. The total of these sales was $2,124.89. The Government's royalty on this amount at 5 percent is $106.24.

On April 19, 1957, Mr. H. E. Buchanan, President of your organization was advised by letter of this obligation. To date we have not received payment. As this account is long past due, we are again requesting your check in settlement at your earliest convenience. Checks should be made payable to the Defense Minerals Exploration Administration.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/zm
xc
Opr. Com.-2
Lynch
Files

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 22 1957

DATE		CODE
4/22	C	220
4/22	EEP	800
		225

April 19, 1957

Mr. H. E. Buchanan, President
Buchanan Minerals Corporation
P. O. Box 503
Sylva, North Carolina

Re: DMEA-3543, Idm-E891 (Mica)
Dream Mine, Jackson Co., N. C.

Dear Mr. Buchanan:

On March 18, 1957, Wm. A. Beck, one of our engineers, called on Carl Buchanan, a partner in your organization. He was given copies of settlement sheets on all the sales of mica from the subject mine. The total of these sales was $2,124.89. To date the Government has not received its royalty in the amount of $106.24 or 5 percent of these sales.

Please favor us with your check in settlement of this account at your earliest convenience.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

WAB/as
cc
Opr. Com. 2
Lynch
Shirley
Files

DMEA EXPLORATION PROJECTS

Semi-Annual Report of Certified Projects

Reporting Period 7/1/56 to 1/1/57 Date of Examination: March 18, 1957

Operator: Buchanan Minerals, Inc., c/o H. E. Buchanan, P. O. Box 503, Sylva, N. C.

Mine Name: Dream Mine

County: Jackson State: North Carolina

DMEA-3543 Contract No. Idm-E891 Commodity: Mica

Date of Contract: October 28, 1955 Date of Certification: September 14, 1956

Expiration Date of Royalty Payments: October 28, 1965

Total Amount of Contract: $7,200.00

Total Expenditures under contract: $7,155.00

Amount of Government Participation at 75% $5,366.55

Royalty Payments this Period: None

Previous Royalty Payments: None

Total Royalty paid to Date: None

Percent Government Participation Repaid: 0.00%

Royalty Due on Production to Date: $106.24

Royalty Remarks: The operator promised that the above royalty would be paid by the end of March.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 29 1957

DATE	INITIALS	CODE
4/1	C	220
4/10	[illegible]	100
4/3	[illegible]	100

Original Estimate of DMEA Reserves (From Field Team Final Report)

Indicated 30,000 pounds of block mica which will yield an indicated 1,200 pounds of trimmed mica, 2,880 pounds of punch mica and 25,920 pounds of scrap mica.

4-1

Mr. McCleave Division

Reconciliation of ore reserves?

No change at this time.

D.E.J.

Action taken by Divisions

Robert C. Adams

Inferred 70,000 pounds of block mica which will yield 2,800 pounds of trimmed mica.

Production DMEA Ore this period:

Type	Pounds	Value
Sheet	68.49	$ 618.28
Hand Cobbed	6,605.00	1,369.86
Punch	316.00	70.68
Scrap	4,405.00	66.07
Total	11,394.49	$2,124.89

Previous DMEA Production: None

Total DMEA Production to Date: Same as production this period

Production Remarks: Work under the DMEA contract was completed on June 13, 1957. The operator continued to work at the property until early in September. Mr. Carl Buchanan, one of the partners in the company, stated that they drifted about 175 feet after the contract was completed. 75 feet of this was on the 57 foot level and 50 feet on the 46 foot level.

The mica recovered was not of the best quality and did not bring much when processed. One lot of 1250 pounds of hand cobbed mica sold under the "A-B" program did not even pay enough to cover the cost of rifting and trimming. In fact the operator had to pay the Government $21.13 to make up the cost.

Other Remarks: On March 18th Mr. Buchanan gave the writer sales slips on all sales made by the company. These totaled $2,124.89. Royalty on this amount at 5 percent is $106.24. Mr. Buchanan stated that we could expect a check in this amount by the end of the month.

There is no operation at the mine at the present time.

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

Inspected: March 18, 1957

WAB/as

DOCKET COPY
Surname:

Houk
Talbert
Lamb
Kilsgaard
Selfridge

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

Mr. Clarence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
7th and D Streets, S. W.
Washington, 25, D. C.

SEP 24 1956

Re: Docket No. DMEA-3543-mica
Buchanan Minerals, Incorporated
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract No. Idm-E891

Dear Mr. Fredell:

I am enclosing one copy of a certification of discovery or development relating to the subject contract.

The exploration contract was signed on October 28, 1955, with the Government participating to the extent of 75 percent of $7,200.00 or $5,400.00. The project was started on December 5, 1955, and completed on June 13, 1956, after the expenditure of $7,155.00, which is the total net accepted cost according to the Audit Review. The Government paid 75 percent of the total accepted cost or $5,366.25.

The work performed on this project consisted of sinking a 74-foot, two compartment, vertical shaft and driving 100 feet of drifts on the 69-foot level.

About 2,500 pounds of "mine-run" block, ruby muscovite was recovered under the contract. The project work furnished sufficient data to calculate the following types and quantities of strategic mica reserves:

Indicated - 30,000 pounds "mine-run" block mica
Inferred - 70,000 pounds "mine-run" block mica

The DMEA concurs in the Field Team's evaluation of the work performed and has, therefore, certified that a discovery or development has resulted from the work under the contract.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosure

Mr. Kilsgaard, 5222
Mr. Lamb, 3649
Mr. Houk
Mr. Hopkins
Admr. R. File
Certification File

JHopkins:ms 8/30/56
Copy to: Docket
Operating Committee
Mr. Johnson
Mr. Chambers
Field Team, Region V

RGS.

DOCKET COPY
Surname:
Hopkins
Houk
Dietrich
Lamb
Kilsgaard
Selfridge

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

SEP 14 1956

Miss Laura Belle Buchanan

Sylva, North Carolina

Re: Docket No. DMEA-3543-mica
Buchanan Minerals, Incorporated
Buchanan (Dreem) Mine
Jackson County, North Carolina
Contract No. Idm-E891

Dear Miss Buchanan:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract.

The property set forth in the contract is the same property referred to in the Owner's Consent to Lien, dated October 1, 1954, signed by you as "Laura Belle Buchanan", covering a tract of land leased by you to Buchanan Minerals, Incorporated and in a Guaranty of Royalty, dated September, 1955(notarized September 21, 1955), executed by you as "Belle Buchanan", covering a tract of land leased by J. R. Buchanan and his wife Anne L., et al. to the same operator.

Also enclosed is a copy of our letter to Mr. H. E. Buchanan of Buchanan Minerals, Incorporated.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosures: 2

JHopkins:ms 9/11/56
Copy to: Docket
Operating Committee
Mr. Johnson
Mr. Chambers
Field Team, Region V

Mr. Kilsgaard, 5222
Mr. Lamb, 3649
Mr. Houk
Mr. Hopkins
Admr. R. File
Certification File

DOCKET COPY
Surname:

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

600

SEP 14 1956

Mr. H. E. Buchanan
Buchanan Minerals, Incorporated
Box 503
Sylva, North Carolina

Re: Docket No. DMEA-3543-mica
Buchanan Minerals, Incorporated
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract No. Idm-E891

Dear Mr. Buchanan:

Transmitted herewith is a certification of discovery or development under Contract No. Idm-E891 on the Buchanan (Dream) Mine, Jackson County, North Carolina.

By the terms of the Exploration Project Contract and of the certification, all production from the date of the Exploration Project Contract, October 28, 1955, is subject to the Government's percentage royalty as set forth in the contract until the sum of $5,366.25 is paid or until October 28, 1965, whichever occurs first.

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

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

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

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosure

Laura Belle Buchanan (landowner)
Mr. Killsgaard, 5222
Mr. Lamb, 3649
Mr. Houk
Mr. Hopkins
Admr. R. File
Certification File

JHopkins:ms 8/29/56
Copy to: Docket
Operating Committee
Mr. Johnson
Mr. Chambers
Field Team, Region V

Houk
Lindsay 9/4/56
Skinner
Appleby
Talbut
Talbut
Lamb
Killsgaard
Selfridge

IN REPLY REFER TO:

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

August 30, 1956

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of Final Field Team Report, DMEA 3543, Idm-E891, (Mica), Buchanan Minerals, Inc., Dream Mine, Jackson County, N. C.

The examining team report that exploration work under DMEA Contract Idm-E891, at the above-referenced property has resulted in the discovery of significant reserves of strategic mica in a well developed pegmatite.

The examining team estimates that the discovery amounts to an indicated 30,000 pounds of block mica, which will yield an indicated 1,200 pounds of trimmed mica, 2,880 pounds of punch mica, and 25,920 pounds of scrap mica. Total value of the estimated indicated reserves is $17,620. Estimated total inferred reserve value is $40,645.

Because the project has been successful in establishing new ore reserves I recommend that the Operator be issued a Certification of Discovery.

W. P. Williams

W. P. Williams

RECEIVED
AUG 30 1956

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

August 20, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Branch of Ceramic and Fertilizer Materials

RECEIVED
AUG 21 1956

Subject: DMEA-3543 (mica)

Applicant: Buchanan Minerals Inc.

Name and Location of Property: Dream (Buchanan) Mine, Jackson County, N. C.

Contract Number: Idm-E 891

Date of Field Team Report: 8/7/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/14/56

Field Team Recommendation: Recommend certification of discovery.

Comments:

1. About 2,500 pounds of mine-run-block muscovite was recovered from 74 feet of shaft and 100 feet of drift.
2. The total value of reserves is estimated to be $68,000.00.
3. Expenditures -

Total approved	$7,200.00
Total cost	7,155.00
Gov't. share of the cost	5,366.25
Value of production during operation	Unknown

Recommendation:

I concur with the field team's recommendation for certification of discovery.

W. F. Dietrich

W. F. Dietrich

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

August 7, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Report - DMEA-3543, Idm-E801 (mica) Buchanan Minerals, Inc., Sylva, N. C. Dream (Buchanan)Mine, Jackson County, N. C.

Transmitted are four copies of the subject final report with three copies each of three maps attached.

The Field Team concurs with the Field Examiners in their recommendation for certification of this project.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
8-13-56
(date)

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Field Team Final Rpt

ACTION ON REPORT
FROM FIELD TEAM REPORT
Date 8-14

Referred to:

1. ~~Mr. Mitchell~~
2. ~~Mr. Johnson~~
3. ~~Mr. Crumpler~~
4. ~~Docket Control Mails and Files~~
5. Non-Metallic Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Recommended Certification
2.
3.
4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Will be Certified

Robert L. Adams

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-3543, Idm-E891 (mica) BUCHANAN (DREAM) MINE
Jackson County, North Carolina

By

A. R. Taylor, Geologist
U. S. Geological Survey

and

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

8-13-56

August 7, 1956

EXPLORATION PROJECT

FIELD TEAM FINAL REPORT, REGION V

On

DMEA-3543, Idm-E891 (mica) (BUCHANAN) DREAM MINE

Operator: Buchanan Minerals, Inc., Box 503, Sylva, North Carolina

Summary

About 2,500 pounds of "mine-run-block" muscovite was recovered from a 74-ft vertical shaft, and a 100-ft drift in a zoned pegmatite. On June 14, 1956, 35.94 pounds of trimmed muscovite was sold to the government, but no settlement has been made to date. The Operator plans to develop the mine along strike on the same level, along strike with a new drift at a higher level, and then deepen the shaft to drift from a lower level. Substantial reserves are both indicated and inferred. The total value of reserves is estimated to be $68,000.00.

No further exploration is warranted. The mine can now be developed. It is the recommendation of the field examiners that a certificate of discovery be issued.

Introduction

Location

The Buchanan (Dream) mine is 6.5 airline miles and 11.3 road miles southwest of Sylva, Jackson County, N. C., 3.75 airline miles S. 56° W. of the center of Western Carolina Teachers College at Cullowhee, N. C., and .65 airline miles S. 58° W. from Panther Knob (Cullowhee, Jackson County, N. C., TVA Quadrangle, 175-SW, 1/24,000, 1946).

History 1/

Considerable strategic muscovite was recovered from this mine during World War II. It was discovered in July 1944. Work began in August 1944 and continued until the Colonial Mica Corporation ended its buying program in 1945.

Previous sales, according to the records of the Colonial Mica Corp., amounted to 2789.59 pounds of trimmed sheet mica and 3062.42 pounds of punch worth $20,258.86.

Work done previous to the present DMEA contract, consisted of a large open cut, three adits, and a crosscut.

Pegmatite was intersected in the Buchanan crosscut at the 116-ft point. The Upper Dream and the Lower Dietz Adits were driven entirely in pegmatite, while in the Dietz Adit pegmatite was encountered at the 50-ft point.

The workings exposed a zoned pegmatite 10 ft thick which strikes N. 45° W. and dips southwest. The hanging wall, with broad, gently curving rolls, exhibits slip planes, slickensided, parallel with the strike of the pegmatite and dipping steeply northeast with a moderate plunge to the southeast.

Mineralogically and texturally, the pegmatite consists of a 3 to 5-ft thick massive white quartz core flanked by zones of intergrown medium-grained, kaolinized feldspar and quartz, with a 1-ft contact zone of fine-grained feldspar and quartz.

Greenish-amber, hard, free-splitting, 8 to 14 inch wide books of muscovite adjacent to the core seemed to be especially abundant along the roll crests. Black inclusions and a green mottling were the chief defects with minor fractures, reeves, clay staining and a faint "A" structure also in some books.

Operator, Equipment, and Facilities

Mr. Carl Buchanan, representing Buchanan Minerals, Inc. conducted a very efficient project in a workmanlike manner. He constructed an excellent, timbered shaft, and cooperated fully with the field examiners; he is to be commended for a fine job.

Equipment present includes an air compressor, a gasoline-powered, single-drum hoist with conventional boom pole and bucket, air drill, sump pump, and necessary hand tools. Electrical blasting equipment is used.

Facilities include two tool houses and a hoist shed, each about 10' x 8' x 7', a powder magazine, and an exploder magazine.

No equipment was purchased by the government under the contract.

Work Under Contract

Work under the contract began on December 5, 1955 and was completed on June 13, 1956. A tool house, 10' x 8' x 7', a powder magazine, and an exploder magazine were built under the terms of the contract.

Three parallel trenches, trending northeast, were made by a bulldozer during four days of work that included (at the operator's expense) the building of one-fourth mile of access road and improving 1½ miles of existing road. The trenches, forming benches, are 60' x 15' x 10' deep (each). Thus about 1000 cubic yards of overburden and muck was removed for a safe shaft site. The operator estimated that he spent $50.00 in excess of the amount allowable for bulldozing in the contract.

A solidly timbered, 2-compartment, vertical shaft (5' x 7' inside dimensions clear of timber) was sunk to a total depth of 74 ft. It was cribbed solid with 2 x 6 inch oak to the 60-ft level. A 5-ft covered sump was left and a turn-off (drift) made to the SE from the 69-ft level was made.

A total of 110 ft of drift (timbered where necessary) was driven (10 ft at operator's expense) to the north and southeast. From the 69-ft level the drift extends 16' S. 40° E., thence 23' S. 85° E., thence 56' S. 55° E., a total of 95 ft. The north drift from the 69-ft shaft level extends 15 ft due north. All the drift work was conducted in pegmatite. The drift is wider (8' to 10') than the minimum allowable of 5' x 7', in crosssection, in the southeastern end, due to the thickening of the pegmatite.

A moderate flow of ground water flowing through fractures has been controlled by the 5-ft sump and a pump.

The operator installed a track and a flat car. The bucket is unhooked from the hoist cable and rolled into the drift, and back to be re-hooked when loaded.

Geology

Pegmatite

The shaft sunk on country rock, intersected the target pegmatite at the 53-ft level, but was in pegmatite stringer material from the 20-ft level.

The dike in the shaft was generally about 3 ft thick and zoned with abundant muscovite books up to 4 x 6 inches wide and 4 inches thick. At the 69-ft level the body strikes N. 30° W. and dips 72° SW.

The thickness of the pegmatite in the southeast drift ranges from 3 ft at the shaft to 10 ft in the last 45 ft or roughly from the 50-ft point to the 95-ft point.

From the shaft to the 13-ft point in the SE drift the pegmatite is 3 ft thick, but it narrows abruptly to a thin stringer. That stringer was followed for 12.5 ft, then 4 percussion drill holes, each 4 ft in length, were drilled from the horizontal to -12° to the northeast from the drift. The first 1 ft encountered was biotite gneiss, but the next 3 ft were soft pegmatite. The pegmatite in the first 13 ft of the drift (see sect. 69' level shaft) may be an apophysis from the larger body. The drift was turned to pick up the larger body (geologic plan 69-ft level of drift).

The larger body encountered at the 32-ft drift station SE, is 7 to 10 ft thick, and zoned with a 3 to 5 ft thick quartz core with the muscovite generally on the hanging wall side of the core. The conformable pegmatite is composed of plagioclase, some medium-grained potash feldspar, massive white quartz, muscovite and sericite.

The footwall was not cut by the drift at the 32-ft station, but a drill hole at that point cut 32 in. of pegmatite. The hanging wall was followed from that point to the 95-ft point; at intervals the footwall of the dike was encountered.

The strike on the main body is N. 55 - 80° W. and the dip is generally 70° SW with three exceptions; at the 32-ft point the bottom part exposed in the drift dips 45° SW, the middle is vertical, and the top is 25° SW, and at the 45-ft point the dip on the hanging wall is 35° SW; and at the 95-ft point the strike of the hanging wall is N. 70° W. and the dip is 38° SW.

Country Rock

The country rock, a biotite gneiss, is weathered down to the 53-ft level in the shaft and at a few places in the drift.

At the 48-ft level the foliation strikes N. 70° W. and dips 72° SW; at the 60-ft level it strikes N. 15° E. and dips 65° SE; at the north heading of the 69-ft level the strike is due N. and the dip is west. The foliation in the southeast drift strikes and dips essentially with the pegmatite, which is N. 55 - 80° W., and 35° to vertical.

Muscovite

About 2500 pounds of "mine-run-block" ruby muscovite was recovered under the contract.

Ruby muscovite in large cyrstals was recovered generally on the hanging-wall side of the pegmatite, from the feldspar zone adjacent to the quartz core. Some minor production came from the footwall side of the core whenever a barren hanging-wall side was encountered. Many of the larger books were up to 12 x 4 inches.

The muscovite recovered from the shaft and first half of the southeastern drift was bent, ruled, and cracked, but the grade gradually became better as the pegmatite thickened to the southeast.

At the 60-ft level muscovite books 4 x 6 inches were aligned parallel with the quartz core. The drift started under the main mica zone from the 69-ft level and encountered a relatively barren zone. Muscovite recovery increased in the large body at the 32-ft point in the southeastern drift. From a 4-ft heading at the 32-ft point about 150 pounds of good muscovite was recovered on the hanging wall. To this point the total production was 800 pounds of block muscovite.

About 1700 pounds of block muscovite of good quality was recovered from the last drift work, 1250 pounds of which came during the last two weeks of contract work mostly from the hanging wall. The latter muscovite-rich zone starts at the 72-ft point and continues to the present heading (95-ft station). Three 25-pound blocks of muscovite were recovered from within the quartz core near the 75-ft point, one of which yielded 3½ pounds of good stained.

In the one rich footwall zone near the 72-ft point, 35 books measuring 4 x 6 inches were in the feldspar.

It is probable that as the pegmatite continues to thicken to the southeast the rich hanging wall will contain the most muscovite.

Reserves

Significant reserves of muscovite are both indicated and inferred in this strong pegmatite. The estimated cubic feet of pegmatite indicated is 51,800. At a recovery of approximately .58 lb. mica/cu ft pegmatite the total indicated block muscovite is approximately 30,000 pounds. Therefore, 30,000 pounds at 4% trimmed mica will probably yield 1200 pounds of trim, which at an average Spruce Pine Depot price of $14/lb. is estimated to be worth $16,800. The punch at an estimated recovery of 10% x 28,800 (at 8¢/lb.) is an estimated 2,880 pounds worth an estimated $230.00. The remaining scrap of 25,920 pounds at 1.5¢/lb. is about $389.00. The total value of the estimated indicated reserves therefore would be $17,620.00.

The inferred reserves on the same basis of estimation are about 120,234 cu. ft/pegmatite at .58 mica/ c f peg.= 69,735 or 70,000 lb. block mica, which at 4% yields 2800 lb. trim with an estimated value of $39,200.00.

The total estimated value of punch and scrap is $1445.00; this brings the total inferred reserve value to $40,615.00.

The operator is presently developing the mine, and plans to work on the present level, an upper and a lower level by sinking the shaft deeper.

Conclusions

It is recommended that the mine be certified as a discovery since significant reserves have been discovered in a strong pegmatite. The project was very well conducted in spite of equipment breakdowns and bad weather. The operator plans to fully develop the mine.

Expenditures

(a)	Total amount of Contract	$7,200.00
(b)	Total Spent	7,155.00
(c)	Government's participation	5,366.25
(d)	Government's share unexpended	33.75
(e)	Value of production	?
(f)	Royalty to date	None

August 7, 1956

A. R. Taylor, Geologist
U. S. Geological Survey

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

1/ Ref: 1. Examination Report, Nov. 18, 1954.

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

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AUG - 1 1956

July 31, 1956

Memorandum

To: Operating Committee - DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Operator's Final Report. DMEA-3543, Idm-F891 (mica)
Buchanan Minerals, Inc.

Operators Final Rpt.

Transmitted are four copies of the subject report.

The Field Team's final report is in preparation.

Robert A. Laurence

Robert A. Laurence

FINAL REPORT AND SUMMARY

BUCHANAN MINERALS, INC.
DMEA # 3543
IDM-E-891
JUNE 20, 1956

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We started work December 5, 1955. The first four days were spent in buldozing and working on road to mine, building ¼ mile and improving 1½ miles--We did no work for next two weeks except overhaul machinery and hire a crew.

We resumed work on December 26th, built tool house, powder and explodive magazine, compressor shed, toilet and hoist building. We then set up hoisting rig and installed machinery. We next sank a shaft 5 x 7 ft. to a depth of 74 ft. and timbered same with greem oak 2x6 with a 2ft. ladder way partitioned off to a depth of 64 ft. Hard rock was hit at 55 ft. also mica and water at 52 ft. We hit pegmatite on the N.E. corner of shaft at 52 ft. and at the 74 ft. level it was in center of shaft and 3 ft. wide but no mica for last 10 ft. We next started drifting on the mica vein and found some mica in top of drift for approximately 15 ft., then played out. We drifted for the next 15 ft. in country rock then picked up the vein and have followed it in a S.E. direction for approximately 100 ft. The quartz core and pegmatite for last 70 ft. has run from 5-7 ft. in width-We struck some fair mica at 35-45 ft. then it was very thin until we got 82 ft. then it started on the foot wall. From then on it has been steady and getting larger and better in quality. For the past 10 ft. we have been getting more mica on the hanging wall; where in the past the majority of the best mica was obtained. In May we explored the North end from shaft approximately 15 ft. but this did not look too promising this was done at same level as other drift. This work has been discontinued for present time but will be explored later. We finished our Contract two weeks ago but are continuing to explore as we feel it is justified if we can meet our payrools and expenses. Through May 6, we had gotten approximately 800-1000 lbs mica since then we have gotten 1200-1500 lbs Mica. The qualify and quantity is not up to previous workings but it is improving in both.

On June 14, we sold 35.94 lbs of trimmed Mica to Government at Spruce Pine. Under the present buying procedure, Mica is not bought but is estimated and after the mica is processed the seller is then issued invoices when final settlement is made; therefore, it will be necessary for us to wait until we receive invoices on final settlement before we can remit royalty.

In summing up we wish to state that we believe that there is definately a big Mica deposit where we are working according to the old workings the deposit goes approximately 50 ft. farther S. E. We are 50 ft. under the old works, and no knowledge of how much deeper it goes, nor how far in a N. W. direction. We intend to explore farther as long as we are able financially.

INTERIM REPORT

DMEA-3543, Idm-E891 (Mica) DREAM MINE

Operator: Buchanan Minerals, Inc., Box 503, Sylva, North Carolina

Location: 6.5 Airline miles and 11.3 miles by road southwest of Sylva, Jackson County, North Carolina

This contract has been completed satisfactorily. The operator reports that drifting at his own expense will continue to the southwest for an undetermined distance. Some stoping will be attempted from at least two drift levels, and another drift will be driven from the shaft at a higher level in the near future.

The following work was completed under contract: A shaft site was prepared by bulldozer, a tool house, powder magazine and exploder magazine was built, a vertical two compartment shaft was sunk to a total depth of 74 feet, and 100 feet of drift was driven from the shaft bottom along the strike of the body. The shaft bottomed in a pegmatite about 3 feet thick. Approximately 300 pounds of mine-run mica was recovered from the combined last 15 feet of shaft and first 5 feet of drift. The operator reports a sale of 35 pounds of processed mica to the Spruce Pine, North Carolina, GSA Depot, on which a final settlement has not been made, and approximately 1400 pounds of mine-run mica on hand at this time. About 2000 pounds of mica resulted from drifting.

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All of this work was completed in accordance with contract terms. The shaft is in excellent shape and was cribbed solidly from top to bottom. The drift, in most places, exceeded the cross-section dimensions of the contract. The operator is in a very good position to do extensive work from the present level and drive additional levels from the shaft.

The Field Examiners are of the opinion that sufficient reserves exist to recommend certification. The Final Operators report and royalty payment was discussed with the operator.

L. E. Shirley / by A. R. Taylor
L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

A. R. Taylor
A. R. Taylor, Geologist
U. S. Geological Survey

June 18, 1956

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P. O. Box 217
June 25, 1956

Memorandum

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

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

Subject: Monthly reports and vouchers

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

Idm-F-891 Buchanan Minerals, Inc.
Docket No. DMEA-3543
7th and final payment - month of June
Completion Date: 6-13-56
Amount $459.38

Helen R. Miller

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

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 195 6 Docket No. DMEA 35 Contract No. IDM-E-891

RECEIVED JUN 27 1956

Operator's Name Buchanan Minerals, Inc. Minerals Mica

Address Sylva, N. C.

Contract Amount, $ 7200.00 Government Participation: 75% Amount, $ 5400.00

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 Contracts: Excavating	-	210.00	210.00			
Drilling						
Bulldozing						
Crosscutting	612.50	2887.50	3500.00			
Drifting Shafting	-	3330.00	3330.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental Tool House	-	75.00	75.00			
Purchase Pwd. & Detonator Hrs.	-	40.00	40.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	612.50	6542.50	7155.00	612.50	6542.50	7155.00

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

Date 6-20-56 *Payee Buchanan Minerals, Inc.

Per M Buchanan Title Sec.

*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:

$ 459.38

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUN 25 1956 Vou. No. 318
(See other side)

153.12

(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-891 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist Date June 22, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date JUN 22 1956

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
JUN 27 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA 3543 Contract No. IDM-E-891
Operator's Name Buchanan Minerals, Inc. Minerals Mica
Address Sylva, 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	ft	612.50	17.5	3500.00	100	35.00	100	35.00
Crosscutting								
Raising								
Shafts	ft	-	-	3330.00	74	45.00	75	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavating Cu. Yds		-	-	210.00	400	.525	400	.525
TOTAL DISTRIBUTED COSTS				7040.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
Tool house				75.00				
New Buildings, Improvements, etc.								
Powder & Exp. Magazine				40.00				
TOTAL COSTS				~~7155.00~~				~~7200.00~~

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 6-20-56 Operator Buchanan Minerals, Inc

Per J. M. Buchanan Title Secy.

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

REMARKS: FINAL REPORT. We have drifted S.E. 100 ft. and have been getting better and more Mica for last 18 ft.--looks good at present. Approximately 7 ft. Mica vein with 3 ft. quartz core

(Instructions on reverse)

(For Government use only)

Alfred R. Taylor
Geologist, USGS

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
JUN 27 1956

BUCHANAN MINERALS, INCORPORATED
MONTH OF JUNE, 1956
DMEA #3543
I.D.M-E-891

DATE WORK BEGAN: 12-5-55

WORK ACCOMPLISHES:

We have finished our Contract having drifted North 15 feet and S. E. 95 feet. Mica started coming in at 82 feet S. E. on the foot wall and has gradually increased on the hanging wall. We have a 6-7 foot Mica Vein with a 3 foot quartz core--at present Mica is showing in both sides and in blocks up to 15 inches in diameter and weighing up to 35 lbs. We have discontinued for the present time, work on the North end and doing all work on the S. E. end of drift.

June 1- Shot and drilled in heading.

June 4- No work, crew sick

June 5- Mucked, very little mica

June 6- Shot in heading

June 7- Mucked--got 200 lbs Mica, not so good

June 8- Mucked and shot, 100 lbs Mica.

June 11- Mucked and shot, 250 lbs Mica, better Mica.

June 12- Mucked and shot, 100 lbs Mica.

June 13- Mucked and Shot, got 200 lbs Mica--better grade.

Finished contract but continuing.

INTERIM REPORT

DMEA-3543, Idm-E891 (mica) DREAM MINE

OPERATOR: Buchanan Minerals Inc., Box 503, Sylva, N. C.

RECEIVED
JUN 15 1956

LOCATION: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson Co., N. C.

Drifting continues on this contract and now totals 93 feet. Eighty feet have been driven to the southeast, and 13 feet have been driven due north from the shaft bottom. Drift work to the southeast has followed a fairly consistent pegmatite body 9 to 10 feet thick composed of a quartz core and flanking feldspar-mica zones. Work to the north has followed an extension of the same body, but the present face exhibits three narrow pegmatites from 6 inches to 3 feet thick. The most significant body is shown near the west wall and is 3+ feet thick and contains a quartz core about 1 foot thick. It strikes N45°W and dips 55° SW. Only small, scattered mica was observed in this body.

In the last 15 feet of drift driven to the southeast, three large books of mica, averaging about 25 pounds each, have been recovered from 5 foot intervals. Only occasional small books of mica were removered in between, with the remainder being quartz core and feldspar. The Operator was advised to expend remaining 7 feet of drift to the southeast in an effort to produce strategic mica. Progress on this contract is satisfactory.

?

L. E. Shirley

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

A. R. Taylor

A. R. Taylor, Geologist
U. S. Geological Survey

June 4, 1956

P. O. Box 217
June 5, 1956

RECEIVED
JUN - 7 1956

Memorandum

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

From: Administrative Assistant, Electrotechnical Experiment Station, Morris, Tennessee (Bureau of Mines, Region V)

Subject: Monthly report and voucher

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

Idm-E-891 Buchanan Minerals, Inc.
Docket No. DMEA-3543
6th payment - month of May
Amount $840.00

Helen R. Miller

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED JUN - 7 1956

Month of May, 1956 Docket No. DMEA Contract No. IDM-E-891
Operator's Name Buchanan Minerals, Inc. Minerals Mica
Address Sylva, N. C.
Contract Amount, $ 7200.00 Government Participation: 75 % Amount, $ 5400.00

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 Contracts: Short Form						
Excavating						
Drilling		210.00	210.00			
Bulldozing						
Crosscutting						
Drifting (32 ft)	1120.00	1767.50	2887.50			
Shafting		3330.00	3330.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Tool House		75.00	75.00			
Depreciation						
Powder Magazine		40.00	40.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1120.00	5422.50	6542.50	1120.00	5422.50	6542.50

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5-31-56 *Payee Buchanan Minerals, Inc.
Per T. Buchanan Title Sec.

*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:

$ 840.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUN 5 1956 Vou. No.
(See other side)

280.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Am E891 in accordance with the terms of the contract.

Signature W. T. Beck Title Mining Engr. U.S.B.M. Date JUN 4 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date JUN 4 1956

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
OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
JUN - 7 1956

Month of May 1956 Docket No. DMEA 3543 Contract No. IDM-E-891
Operator's Name Buchanan Minerals Incorporated Minerals Mica
Address Sylva, 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	ft	1120.00	32	2886.50	82.5	35.00	100	35.00
Crosscutting								
Raising								
Shafts	ft			3330.00	74.0	45.00	75	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavating				210.00				
Total Distributed Costs		1120.00	32	6427.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
Tool House								
New Buildings, Improvements, etc.				75.00				
Powder Magazine				43.00				
Total Costs				[illegible]				

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 5/31/56 Operator Buchanan Minerals, Inc.

Per [illegible] Title [illegible]

Remarks: We have a good mica vein approximately 7 feet wide but very little mica

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)

Costs to date for drifting should be $2887.50 instead of $2886.50.

W. A. Beck

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
JUN 7 1956

BUCHANAN MINERALS INCORPORATED

MONTH OF MAY, 1956

DMEA #3543
IDM-R-891

DATE WORK BEGAN: 12-5-1955

Work Accomplished:

We have drifted 32 feet in opposite directions from shaft. Very little Mica has been obtained-- We have a 7 foot vein on north east end of drift but very little mica.

May 1, Mucked and put in steel rail for traw.

May 2, Shot and timbered

May 3, Mucked out and shot, very little mica

May 4, Mucked

May 7, Mucked and shot

May 8, Mucked and shot

May 9, Timbered and mucked

May 10, Shot in heading and s. w. side of shaft

May 11, Shot in heading and shaft

May 14, Shot in heading and shaft

May 15, Mucked

May 17, Mucked. Hoist trouble

May 18, Shot in heading and shaft

May 21, Foreman out no work except pump water

May 22, Shot in shaft approximately 75 lbs Mica

May 23, Shot in shaft approximately 75 lbs Mica.

May 24, Shot in shaft approximately 75 lbs Mica

May 25, Shot in shaft approximately 10 lbs Mica

May 28, No work pump broke down

May 29, Drilled and shot in heading. No mica

May 30, Drilled and shot in heading, 50 lbs. mica.

May 31, Mucked and shot in heading--no mica

RECEIVED
MAY 18 1956

INTERIM REPORT

DMEA-3543, Idm-E891 (mica) DREAM MINE

Operator: Buchanan Minerals, Inc., Box 503, Sylva, North Carolina

Location: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson County, North Carolina

Drifting continues on this contract and now totals 57 feet; 35 feet has been driven S80°E and 22 feet S50°E. The body as exposed in the present face is composed of a 5 foot quartz core flanked by feldspathic-mica zones 1 to 2 feet thick. In the roof area at the 57 foot point more than 7 feet of core can be observed. The body strikes N50°W and dips 35°SW along the hanging wall contact. The operator estimates a total mica recovery of 800 pounds of "mine-run" block to date. In the drift about 150 pounds of good quality block was recovered at 38 feet and one large block 6" x 8" x 2" thick was recovered at 53 feet.

The operator was advised to continue the drift to the southeast for the present. The examiners have recommended some future drift work to the northwest, which will probably begin in the very near future. Suggestions concerning additional timbering in the drift were made during this inspection.

Progress on this contract is satisfactory.

L. E. Shirley

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

A. R. Taylor

A. R. Taylor, Geologist
U. S. Geological Survey

May 7, 1956

Form [illegible]-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
MAY 10 1956

Month of April, 1956 Docket No. DMEA 3543 Contract No. IDM-E-391
Operator's Name Buchanan Minerals, Inc. Minerals Mica
Address Sylva, North Carolina
Contract Amount, $ 7200.00 Government Participation: 75 % Amount, $ 5400.00

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:						
Excavating		210.00	210.00			
Bulldozing						
Crosscutting						
Drifting (34 ft.)	1190.00	577.50	1767.50			
Shafting		3330.00	3330.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Tool house Depreciation		75.00	75.00			
(5) Powder magazine Initial Rehabilitation and Repairs		40.00	40.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1190.00	4232.50	5422.50	1190.00	4232.50	5422.50

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

Date 4-30-56 *Payee Buchanan Minerals, Inc.

Per T. Buchanan Title Secy

*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:

$ 892.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date MAY 3 1956 Vou. No.
(See other side)

297.50

(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-891 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist Date May 3, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date MAY 3 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form [illegible]-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 10 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1956 Docket No. DMEA 3543 Contract No. [illegible]
Operator's Name Buchanan Minerals, Inc. Minerals Mica
Address S.C., North Carolina

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	ft.	1190.00	34	1767.50	50.5	35.00	100	35.00
Crosscutting								
Raising								
Shafts	ft.			3330.00	74	45.00	75	65.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bunkering				210.00				
Total Distributed Costs		1190.00	34	5307.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Tool Boxes				75.00				
Powder Magazine				40.00				
Total Costs		1190.00		5422.50				

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 4-30-56 Operator Buchanan Minerals, Inc.

Per W. Buchanan Title Supt.

Remarks: We have been getting some good mica for past two weeks but not in large quantities.

→ 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)

Alfred R. Taylor
Geologist, USGS

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

BUCHANAN MINERALS, INCORPORATED

Month of April, 1956

DMEA No. 3543

IBM-E-891

Date Work Began: 12-5-55

Work Accomplished:

We drifted 34 ft., most of the time in the Mica vein--for ten days we have been getting some good mica, above the average i not in quantity. We now have a vein 6 to 7 ft. in width and it i more promising. We have put in a steel traw line, permanent pump and air and water pipes.

April 2: Drilled and shot in drift.

April 3: Drilled and shot in drift and mucked.

April 4: Put in traw way and mucked.

April 5: Drilled and Mucked

April 6: Drilled and Mucked

April 9: Drilled and Mucked

April 10: No work--weather, 3 inches snow.

April 11: Drilled and shot.

April 12: Drilled and shot and struck vein.

April 13: Mucked, got some mica.

April 16: Drilled and shot some mica.

April 17: Hoist broke down.

April 18: Drilled and shot, some mica.

April 19: Drilled and shot--some mica.

April 20: Drilled and shot--some mica.

April 23: Drilled and shot. Some mica.

April 24: Drilled and shot. Some mica.

April 25: Drilled and shot--some mica.

April 26: Drilled and shot--some mica.

April 27: Drilled and shot--some mica.

April 30: Worked on traw way, drilled and shot.

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

May 7, 1956

Memorandum

To: Catherine Curtin, Statistics and Control Division, DMEA

From: Hazel Berry, Operating Committee, DMEA
by 257

Subject: Amendment to Contract

Attached is the following docket copy of an amendment to a contract which has been reviewed and approved by the commodity division and the Audit Division. This amendment does not require clearance by the Legal Division.

Buchanan Minerals, Inc., DMEA-3543, Idm-E891,
Amendment No. 3.

Attachment-1

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

MAY 2, 1956

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 3 - Docket No. DMEA-3543-mica
Buchanan Minerals, Inc.
Dream Mine
Jackson County, North Carolina
Contract No. Idm-E891

The Nonmetallic Minerals Division concurs in Amendment No. 3 to the subject contract as written in the field. This Amendment changes the completion date to July 30, 1956 instead of April 30, 1956 as written in Amendment No. 2 to this contract.

Amendment No. 3 is necessary due to inclement winter weather delaying the project work.

James Hopkins
Nonmetallic Minerals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 45 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

April 26, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville, Tenn.

Subject: Amendment No.3, Idm-E891, DMEA-3543, Buchanan Minerals, Inc. (mica) North Carolina.

Transmitted are three signed copies of the subject Amendment No.3.

Distribution of the other copies has been made by this office.

Robert A. Laurence

Robert A. Laurence

RECEIVED
APR 30 1956

INTERIM REPORT

DMEA-3543, Idm-E891 (mica) DREAM MINE

OPERATOR: Buchanan Minerals, Inc., Box 503, Sylva, N. C.

LOCATION: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson Co., N. C.

Drifting continues on this contract and now totals 38 feet, an advance of 12.5 feet in the past two work weeks. Drift work is being conducted in a pegmatite body about 9 feet in thickness, consisting of a 4 ft. quartz core flanked by feldspathic-mica zones 2 to 3 feet thick. Mica recovery has increased, and several medium to large-sized blocks of excellent quality have been recovered in recent work. The Operator was advised to continue drifting in the present direction, pulling the pegmatite for its entire thicknsss, wall to wall. Recent progress on this contract is satisfactory.

L. E. Shirley

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

A. R. Taylor

A. R. Taylor, Geologist
U. S. Geological Survey

April 24, 1956

RECEIVED
MAY 3 - 1956

INTERIM REPORT

RECEIVED
APR 13 1956

DMEA-3543, Idm-E891 (mica) DREAM MINE

Operator: Buchanan Minerals, Inc., Box 503, Sylva, N. C.

Location: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson Co., N. C.

Drifting continues on this contract, and now totals 25.5 feet, an advance of 9 feet. Pegmatite in the form of a parallel stringer, has been followed from 13 feet. This stringer is barren of mica, and no production has resulted in the last 12.5 feet of work. The Operator was advised to pull one more heading in an effort to place himself on the original body, and if unsuccessful, to return to 13 feet and slab the southwest side of the drift in pegmatite, and remain with this body while drifting to the northwest.

Recent progress on this contract has been slow.

Mr. V. J. Lynch, Bureau of Mines Member of the Field Team, Region V, accompanied the Examiners on this visit to the mine.

L. E. Shirley

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

A. R. Taylor

A. R. Taylor, Geologist
U. S. Geological Survey

April 9, 1956

RECEIVED
APR 11 1956

P. O. Box 217
April 9, 1956

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 reports and vouchers

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

Idm-E-891 — Buchanan Minerals, Inc.
Docket No. DMEA-3543
4th payment - month of March
Amount $601.87

Idm-E-912 — Howard Boone
Docket No. DMEA-4021
3rd and final payment - month of March
Completion Date: 3-23-56
Amount $1486.88

Idm-E-918 — Harry Moses
Docket No. DMEA-4002
2nd payment - month of March
Amount $870.75

Idm-E-920 — A. T. Harland & S. B. Lacy
1st and final payment - month of March
Docket No. DMEA-4067
Starting Date: 3-1-56
Completion Date: 3-12-56
Amount $375.00

Idm-E-931 — B. M. Holland
Docket No. DMEA-4023
1st payment - month of March
Starting Date: 3/19/56
Amount $772.12

Attachments

Helen R. Miller

Copies to (1) Lynch; (2) Laurence
(3) Files and (4) day

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

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS

RECEIVED

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

APR 5 - 1956

Month of March, 1956 Docket No. DMEA 354 RECEIVED Contract No. IDM-E-391

Operator's Name Buchanan Minerals, Inc. Minerals Mica

Address Sylva, N. C. APR 11 1956

Contract Amount, $ 7200.00 Government Participation: 75 % Amount, $ 5400.00

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 Contracts: Short Form Excavating						
Drilling		210.00	210.00			
Bulldozing						
Crosscutting						
Drifting (16.5)	577.50		577.50			
Shafting (5)	225.00	3105.00	3330.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		75.00	75.00			
(6) New Bldgs., Improvements, etc.		40.00	40.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	802.50	3430.00	4232.50	802.50	3430.00	4232.50

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

Date 3-31-56 *Payee Buchanan Minerals, Inc.

Per J M Buchanan Title Secretary

*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:

$ 601.87

Signature Helen R. Miller (Authorized Certifying Officer)

Date APR 9 1956 Vou. No.

(See other side)

4

200.63

(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 891 in accordance with the terms of the contract.

Signature A. L. Peyton Title Mining Engineer Date 4/2/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date APR 3 1956

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
APR 11 1956

RECEIVED
APR 5 - 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March, 1956 Docket No. DMEA 3543 Contract No. IDM-3391
Operator's Name Buchanan Minerals, Inc. Minerals Mica
Address Sylva, 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	ft.	577.50	16.5	577.50	16.5	35.00	100	35.00
Crosscutting								
Raising								
Shafts	ft.	225.00	5	3330.00	74	45.00	75	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavating				210.00				
TOTAL DISTRIBUTED COSTS		802.50	21.5	4117.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
Boolhouse New Buildings, Improvements, etc				75.00				75.00
Powder Magazine				40.00				40.00
TOTAL COSTS				115.00				115.00

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

Date 3-31-56 Operator Buchanan Minerals, Inc.

Per M Buchanan Title Secretary

REMARKS: Lost several days work due to sickness of crew. We have a good crew of men now and are in good position to go ahead with work.

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)

A. L. Peyton
U. S. 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
APR 5 - 1956

BUCHANAN MINERALS, INCORPORATED

March 31, 1956

MONTH OF MARCH, 1956
DMSA #3543
IDM-S-291
DATE WORK BEGAN: 12-5-55

WORK ACCOMPLISHED:

Sank 5 feet water hole. Had bad luck in the beginning and shot out covering timber two times, drifted 16½ feet. We now have a good crew of men and hope to accomplish something in next month.

March 1, 1956: Shafted

March 2, 1956: No work--short crew

March 3, 1956: Shafted water hole

March 6, 1956: Shafted. Crew short

March 7, 1956: Shafted. Crew short

March 8, 1956: Shafted. Crew Short

March 9, 1956: Timbered water hold

March 12, 1956: Started drift 30 lbs. mica.

March 13, 1956: Drilled and shot in drift also shot out timber covering water hole.

March 14, 1956: Re-timbered water hole.

March 15, 1956: Drilled and shot in water hole, also shot out timber in water hole.

March 16, 1956: Mucked and re-timbered water hole.

March 19, 1956: Drilled and shot in drift--no mica.

March 20, 1956: New work crew sick.

March 21, 1956: No work crew sick.

March 22, 1956: Pumped out water and mucked(short crew)

March 23, 1956: No work, crew sick.

March 26, 1956: Drifted, no mica.

March 27, 1956: Drifted, no mica and no pegmatite.

March 28, 1956: Drifted, no mica and no pegmiatite.

March 29, 1956: Strick pegmatite North side of drift. Ran steel 4 ft. through pegmatite at an angle.

March 30, 1956: Mucked out and drilled and shot in heading.

RECEIVED
APR 9 - 1956

INTERIM REPORT

DMEA-3543, Idm-E891 (mica) DREAM MINE

Operator: Buchanan Minerals, Inc., P.O. Box 503, Sylva, N. C.

Location: 6.5 airline miles and 11.3 miles by road SW of Sylva, Jackson County, N. C.

The drift was extended for 11.5 feet this period making a total of 16 1/2 feet of drift. The pegmatite showing in the back of the drift at the start pinched out at 13 feet. Pegmatite is exposed in the lower half of the left wall starting at 11 feet. Mica recovery for this period was practically nothing. Apparently the mica zone lies above the back of the drift. The Operator was instructed to continue drifting keeping with the pegmatite showing in the left wall.

Progress is satisfactory.

Inspected; March 29, 1956

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

A. R. Taylor, Geologist
Geological Survey

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

March 16, 1956

Memorandum

To: Miss Curtin, Statistics and Control Division, DMEA

From: Hazel Berry, Operating Committee, DMEA

Subject: By 457 Amendments to Contracts

Attached are the following docket copies of amendments to contracts which have been reviewed and approved by the Commodity Divisions and the Contract Administration and Audit Division. These amendments did not require clearance by Legal.

Buchanan Minerals, Inc., DMEA-3543, Idm-E891, Amendment No. 2.

Harold R. Hogan, et al., DMEA-3668, Idm-E811, Amendment No. 1.

Klondike Uranium, Inc., DMEA-3732, Idm-E873, Amendment No. 1.

Attachments-3

INTERIM REPORT

DMEA-3543, Idm-E891 (mica) DREAM MINE

Operator: Buchanan Minerals Inc. Box 503 Sylva, North Carolina

Location: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson County, N. C.

Progress for the past two weeks include 5 feet of shaft and 5 feet of drift. The drift runs with the pegmatite to the southeast from the 69 foot level. Drifting will continue to the southeast for the present.

The drift heading discloses a 3 foot pegmatite dipping about 80° northeast. The quartz core noted in the shaft above is visible only in the back of drift. The muscovite observed is also in the back of the drift. Approximately 300 pounds of mica was recovered from 15 feet of shaft and 5 feet of drift. The muscovite is a fair grade of ruby showing some imrpovement over the first recovered.

Progress is satisfactory.

March 15, 1956, Inspected.

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

A. R. Taylor

S. C. Bergman and A. R. Taylor, Geologists
Geological Survey

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

March 6, 1956

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 2 - Docket No. DMEA-3543-Mica
Buchanan Minerals, Inc.
Buchanan(Dream) Mine
Jackson County, North Carolina
Contract No. Idm-E891

The Nonmetallic Minerals Division concurs in Amendment No. 2 to the subject contract, as written and executed in the field. This amendment changes the completion date from February 29, 1956 to April 30, 1956.

Amendment No. 2 is necessary because the work was delayed by inclement weather.

James Hopkins
Nonmetallic Minerals Division

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

RECEIVED MAR - 9 1956

Month of February, 1956 Docket No. DMEA 3543 Contract No. IIM-E-891
Operator's Name Buchanan Minerals, Inc. Minerals Mica
Address Sylva, N. C.
Contract Amount, $ 7200.00 Government Participation: 75 % Amount, $ 5400.00

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:						
Excavating						
Drilling		210.00	210.00			
Bulldozing						
Crosscutting						
Drifting						
Shafting (26)	1170.00	1935.00	3105.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Tool House Initial Rehabilitation and Repairs		75.00	75.00			
(6) Bunk House New Bldgs., Improvements, etc.		40.00	40.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1170.00	2260.00	3430.00	1170.00	2260.00	3430.00

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

Date 3-1-56 *Payee Buchanan Minerals, Inc.

Per T. Buchanan Title Secretary

*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:

$ 877.50

Signature Helen R. Miller (Authorized Certifying Officer)

Date MAR 7 1956 Vou. No. 32

(See other side)

292.50

(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. E891 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng. Date 3-5-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date MAR 5 1956

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
MAR - 9 1956

Month of February 195 6 Docket No. DMEA 3543 Contract No. IDM-E-891
Operator's Name Buchanan Minerals, Inc. Minerals Mica
Address Sylva, 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 26 ft.		1170.00	26	3315.00	69	45.00	75	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				220.00	400	.525	400	.525
Dewatering on job								
Total Distributed Costs		1170.00	26	3315.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								75.0
New Buildings, Improvements, etc. Tool House				75.00				40.0
Tool magazine				40.00				115.0
Total Costs				3430.00				

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

Date 3-1-56 Operator Buchanan Minerals, Inc.

Per J. Buchanan Title Secretary

Remarks: Lost several days on account of equipment break down also weather has been a handicap.

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. Lynch
Bureau of Mines
3-5-56

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

BUCHANAN MINERALS, INCORPORATED

Month of February, 1956
DMEA No. 3543
IDM-E-891

Date Work Began: 12-5-55

WORK ACCOMPLISHED:

Sank shaft an additional 26 feet; struck hard rock at 55 feet, approximately 3 feet below where we struck the Mica vein; Mica vein is now in center of shaft, approximately 2-3 feet wide. We are now blasting out a 4-5 feet water hole.

DAILY NOTES:

February 1, Shafting

February 2, Shafting

February 3, Shafting. Stnuck water at 50 ft.

February 6, No work on account of weather.

February 7, Shafting

February 8, Shafting hit pegmatite--53 feet.

February 9, Shafting hit pegmatite

February 10, Shafting. Got 15 lbs. Mica, about 10 inches pegmatite.

February 13, Shafting

February 14, Hoist broke down

February 15, No work.

February 16, Pumped water

February 17, Shafted got 30 lbs. mica, good size.

February 20, Shafted

February 21, Some mica

February 22, Shafted, lots of water.

February 23, Shafted, some mica.

February 24, Shafted

February 27, No work, weather and part of crew sick

February 28, Shafted, partiof crew sick

February 29, Shafted, part of crew sick. Some mica.

INTERIM REPORT

DMEA-3543, Idm-E891, DREAM MINE
(mica)

Operator: Buchanan Minerals, Inc., P.O. Box 503, Sylva, N. C.

Location: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson County, North Carolina

Shaft sinking totals 69 feet making an advance of 9 feet in the past two weeks. This is 6 feet short of the contract limit for shaft footage. The last ten feet discloses a 30-inch pegmatite with a strike of N 30° W and dipping to the southwest at 72°. The Operator states that about 200 pounds of mica has been recovered from the last 16 feet of shaft. Approximately 25 pounds inspected during this visit discloses considerable cracks and waves.

The Operator was instructed to complete the shaft to 75 feet, then start drifting to the southeast from the 70-foot level.

Inspected: March 1, 1956.

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

A. R. Taylor
A. R. Taylor, Geologist
Geological Survey

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

RECEIVED
MAR - 2 1956

February 29, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville, Tenn.

Subject: Amendment No.2, DMEA-3543, Idm-E891, Buchanan Minerals Corp. Sylva, North Carolina

Transmitted are three signed copies of the subject contract amendment No. 2. The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

RECEIVED
FEB 27 1956

INTERIM REPORT

DMEA-3543, Idm-E891, DREAM MINE
(mica)

Operator: Buchanan Minerals, Inc., P.O. Box 503, Sylva, North Carolina

Location: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson County, North Carolina

The Operator has advanced 12 feet in the past two weeks making a total of 60 feet in the shaft. At 53 feet the shaft cuts the target pegmatite. The exposure indicates a pegmatite with a [redacted] quartz core and a 2-foot soda feldspar zone between quartz and hanging wall. A few books of good muscovite up to 6 x 4 inches could be seen in the pegmatite. Shaft sinking will continue through the pegmatite, then drifting to the southeast will begin. Progress is satisfactory.

Inspected: February 17, 1956

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

S. C. Bergman
S. C. Bergman and A. R. Taylor, Geologists
Geological Survey

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RECEIVED
FEB 13 1956

INTERIM REPORT

DMEA-3543, Idm-E891 (mica) DREAM MINE

Operator: Buchanan Minerals, Inc., Box 503, Sylva, North Carolina

Location: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson County, N. C.

A total of 48 feet of shaft has been sunk in a soft, weathered, dark yellow brown mica gneiss which trends N 70° W 72° SW. This represents an advance of 33 feet since the last inspection. The shaft and manway has been cribbed solid with sawed 2 x 8 timber, within a few feet of the bottom and is in excellent shape. The Operators have complied with previous suggestions on safety, equipment, etc., and have cooperated with the field examiners to the fullest degree.

Shaft sinking will continue until pegmatite is intersected or a maximum footage reached, whichever comes first.

Inspected: February 3, 1956

S. C. Bergman

S. C. Bergman, Geolgosit
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

A. R. Taylor, Geologist
Geological Survey

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

January 20, 1956

Memorandum

To: Miss Curtin, Statistics and Control Division, DMEA

From: Hazel Berry, Operating Committee, DMEA

Subject: Amendments to Contracts

Attached are the following docket copies of amendments to contracts which have been reviewed and approved by the Commodity Divisions, Contract Administration and Audit Division, and the Legal Division. The official dockets are also attached.

Buchanan Minerals, Inc., DMEA-3543, Idm-E891, Amendment No. 1.

W. Hugh Allen, DMEA-3916, Idm-E897, Amendment No. 1.

Attachments-2

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

January 16, 1956

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3543 - Mica
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina
Contract No. Idm-E891

The Nonmetallic Minerals Division concurs in Amendment No. 1 to the subject contract as written and executed in the field. This amendment changes the starting date from December 1, 1955 to December 10, 1955. No change has been made in the completion date.

Amendment No. 1 is necessary because the work was delayed by the Operator until December 5, 1955.

James Hopkins
Nonmetallic Minerals Division

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED FEB 13 1956

Month of January, 1956 Docket No. DMEA 3549 Contract No. IDM-E-891
Operator's Name Buchanan Minerals Inc. Minerals Mica
Address Sylva, N. C.
Contract Amount, $7200.00 Government Participation: 75 % Amount, $5400.00

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:						
Excavating		210.00	210.00			
Bulldozing						
Crosscutting						
Drifting						
Shafting (39)	1755.00	180.00	1935.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
Tool House (5) Initial Rehabilitation and Repairs		75.00	75.00			
Powder Mag. (6) New Bldgs., Improvements, etc.		40.00	40;00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1755.00	505.00	2260.00	1755.00	505.00	2260.00

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

Date ..... *Payee Buchanan Minerals, Inc.

Per M Buchanan Title Sec

*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:

$ 1316.25

Signature Helen R. Mellie
(Authorized Certifying Officer)

Date FEB 10 1956 Vou. No. 71

(See other side)

438.75

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

Signature S. C. Bergman Title Geologist USGS Date 2/8/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamen Title EXECUTIVE OFFICER DMEA REGION V Date FEB 9 1956

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 ME-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
FEB 13 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1956 Docket No. DMEA 3543 Contract No. IDM-E-891
Operator's Name Buchanan Minerals Inc. Minerals Mica
Address Sylva, 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 39	ft.	1755.00	39	1935.00	43	45.00	75	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavating	Cu. yds.			210.00	400	.525	400	.525
TOTAL DISTRIBUTED COSTS		1755.00	39	2145.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
Tool House								
New Buildings, Improvements, etc.				75.00				75.00
Pwd. and cap magazine				40.00				40.00
TOTAL COSTS				115.00				115.00

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 2-1-56 Operator Buchanan Minerals, Inc.

Per W. Buchanan Title Secy

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

REMARKS: Weather has been bad also lost approximately one week on account of bursted block in air compressor.

(Instructions on reverse)

(For Government use only)

S. C. Bergman - Geologist USGS 2/8/56

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

JANUARY 1956

DMEA #3543
IDM-E-891

Date Work Began: 12-5-55

WORK ACCOMPLISHED:

Sank shaft 39 ft. through medium to semi-hard rock. Timbered with green 2 x 6 green oak all the way; had to put new block in motor of Air Compressor. Built Air Compressor shed. Worked on road leading to mine.

DAILY NOTES:

January 2, Set up hoist.

January 3, Shafting

January 4, Shafting

January 5, Shafting

January 6, Shafting. Completed 10 ft. this week.

January 9, Partitioned 15 ft. of ladder way and shafted.

January 10, No work on account of weather.

January 11, Built compressor shed.

January 12, Shafted and employed another hand.

January 13, Shafted. Approximately 9 ft. this week.

January 16, Shafting.

January 17, Shafting

January 18, Closed down on account of air compressor through 23.

January 24, Shafting

January 25, Shafting

January 26, Shafting

January 27, Shafting and worked on road to mine.

January 30, Shafting and worked on road to mine.

January 31, Shafting and worked on road to mine.

INTERIM REPORT

RECEIVED
JAN 13 1956

DMEA-3543, Idm-E891 (mica) DREAM MINE

OPERATOR: Buchanan Minerals, Inc., Box 503, Sylva, N. C.

LOCATION: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson Co., N. C.

Vertical shaft sinking is underway on this contract after completion of preliminary bulldozing and is now at a depth of 15 feet. Material encountered is weathered biotite gneiss containing occasional granitic stringers, two of which were observed on the east end of the shaft near the bottom. The Operator was advised to continue shafting until another visit can be made.

Equipment at the mine site consists at the present of a gasoline powered hoist with conventional hoisting frame and necessary hand tools. An air compressor owned by the Operator is undergoing repairs and will be pressed into use as soon as repairs are complete. The shaft has been cribbed solid with 2 inch by 6 inch sawed oak timbers to near bottom. One ladder section has been installed, and a separated manway will be installed as soon as practicable. A tool house, powder magazine and exploder magazine have been built and are now in use. Progress on this contract has been good in spite of severe winter weather.

L. E. Shirley

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

S. C. Bergman

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

January 6, 1956

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

RECEIVED
DEC 30 1955

December 28, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: DMEA-3543, Idm-E891 (Mica), Buchanan (Dream) Mica Mine
Buchanan Minerals, Inc., Amendment No. 1

Transmitted are the original and two copies of the subject amendment.

The usual distribution of the other copies has been made.

L. E. Shirley
L. E. Shirley, for V. J. Lynch

Enclosures 3

RECEIVED
DEC 27 1955

INTERIM REPORT

DMEA 3543, Idm-E891 (mica) DREAM MINE

Operator: Buchanan Minerals, Inc. Box 503, Sylva, N. C.

Location: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson County, North Carolina

The starting date on this contract is December 5, 1955. Excavation for preparation of a shaft site has been completed, the shaft has been spotted and sinking is expected to begin in the near future. Material moved was weathered country rock and loose muck from a previous operation. The work consisted of establishing three parallel benches, trending essentially east-west, each 60' x 15' x 10' deep. This places the shaft location in a much safer position for future work and sinking will begin in country rock. The Operator estimated that the bulldozing cost about $50.00 in excess of the figure allowable for this work under Exhibit "A" of the contract.

Inspected: December 16, 1955

L. E. Shirley

L. E. Shirley, Mining Engineer
Bureau of Mines

and

S. C. Bergman and A. R. Taylor, Geologists
Geological Survey.

z

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

Month of December, 1955 Docket No. DMEA 3543 RECEIVED Contract No. TDM-E891
Operator's Name Buchanan Minerals, Inc. Minerals Mica
Address Sylva, North Carolina JAN 11 1956
Contract Amount, $ 7200.00 Government Participation: 75 % Amount, $ 5400.00

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						
Excavating (400 cu. yds)	210.00	None	210.00			
Bulldozing						
Crosscutting						
Drifting						
Shafting (4)	180.00	None	180.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Tool House Depreciation	75.00					
(5) Initial Rehabilitation and Repairs	40.00					
Powder and explosive (6) New Bldgs., Improvements, etc. Magazines						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	505.00	None	505.00	505.00	—	505.00

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

Date 1-1-56 *Payee Buchanan Minerals, Inc.

Per Marshall Buchanan Title Agent and Secretary

*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:

$ 378.75

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JAN 5 1956 Vou. No. 16
(See other side)

126.25

(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. E891 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng. Date 1-4-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

EXECUTIVE OFFICER

Signature Robert A. Lawrence Title DMEA REGION V Date JAN 4 1956

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.

[redacted]IF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 11 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1955 Docket No. DMEA 3543 Contract No. DMA-3691
Operator's Name Buchanan Minerals, Inc. Minerals Mica
Address Sylva, North Carolina

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 4	ft.	180.00	4	180.00	4	45.00	75	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Excavating	Cu. Yds.	210.00	400	210.00	400	.525	400	.525
Total Distributed Costs		390.00		390.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
Tool House New Buildings, Improvements, etc.		75.00		75.00				
Powder and Cap Magazine		40.00		40.00				
Total Costs		115.00		115.00				585.00

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 January 1, 1956 Operator Buchanan Minerals, Inc.

Per Marcellus Buchanan III Title Agent and Secretary

Marcellus Buchanan, III

Remarks: Weather has been exceedingly bad to start.

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.

RECEIVED
JAN 1 1953
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

GPO 872894

RECEIVED
JAN 11 1956

Month of December, 1955

DMEA No. 3543

IDM-E 891

Date Work Began 12-5-'55

Work Accomplished:

Bulldoized old dump for shaft site, dumping ground, site for buildings and ½ mile of road to Mine. Worked on and improved 1 mile of road leading to mine. Erected the following buildings: Powder and explosive magazine (mostly underground), tool house and dressing room, Toilet and shed for hoist. Sank shaft 4 ft., including collar built out of 12 inch green hickory and oak timber, 12 ft. long.

DAILY NOTES:

December 5, Bulldozing

December 6, Bulldozing

December 7, Bulldozing

December 8, Working on road.

Did not work for next two weeks on account of weather-except to hire a crew of men to overhaul machinery.

December 26, Dug out and started work on powder and explode magazines.

December 27, Started Tool House.

December 28, Finished above Buildings.

December 29, Started work on hoisting rig and collar for shaft.

December 30, Went down on shaft 4 ft. and did some work on road.

RECEIVED
DEC 27 1955

INTERIM REPORT

DMEA 3543, Idm-E891 (mica) DREAM MINE

Operator: Buchanan Minerals, Inc. Box 503, Sylva, N. C.

Location: 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson County, North Carolina

The starting date on this contract is December 5, 1955. Excavation for preparation of a shaft site has been completed, the shaft has been spotted and sinking is expected to begin in the near future. Material moved was weathered country rock and loose muck from a previous operation. The work consisted of establishing three parallel benches, trending essentially east-west, each 60' x 15' x 10' deep. This places the shaft location in a much safer position for future work and sinking will begin in country rock. The Operator estimated that the bulldozing cost about $50.00 in excess of the figure allowable for this work under Exhibit "A" of the contract.

trenches?

Inspected: December 16, 1955

L. E. Shirley, Mining Engineer
Bureau of Mines

and

S. C. Bergman and A. R. Taylor, Geologists
Geological Survey.

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
DEC 30 1955

December 28, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: DMEA-3543, Idm-E891 (Mica), Buchanan (Dream) Mica Mine
Buchanan Minerals, Inc., Amendment No. 1

Transmitted are the original and two copies of the subject amendment.

The usual distribution of the other copies has been made.

L. E. Shirley , for V. J. Lynch

mc
Enclosures 3
cc: - Operating Committee
Mr. Lynch
Finance Office
Mr. Shirley
Files

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

November 21, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA- Region V

Subject: Signed Contracts - Idm-E891, DMEA-3543, Buchanan Minerals, Inc. (mica) Jackson County, N. C.

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

Robert A. Laurence

Robert A. Laurence

RECEIVED
NOV 23 1955

DOCKET FILE
Surname:

Hylin
F. Hamm
Chambers
Selfridge
Johnson

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

600

OCT 28 1955

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

Subject: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Laurence:

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

It is apparent that the Buchanan property line is common to both land tracts and terminates at the northeast and southeast corners of the R. D. Cowan tract. However, before presenting the contract to the Operator for signature show on the map attached to each copy of the contract the name and relative location of each of these corners to the point of beginning of Tract No. 1, i.e., distance and direction from this point to each corner. In addition, have the landowner, Laura Belle Buchanan, initial the corrected land description added by this office to each copy of the Consent to Lien, and attach a copy to each copy of the contract.

The Acting Administrator has waived Owner's Consent to Lien from the heirs of Mrs. John Dillard to cover their 1/15 interest in the land, therefore, no formal notice to these landowners will be required.

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

DCS.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda dated December 17, 1954, and January 11, 1955, by E. L. Newcomb, USGS, and W. F. Dietrich, USBM, respectively, relating to the project are enclosed. In addition, copies of a memorandum dated October 19, 1955, from the Associate Solicitor are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Approved:

/s/ O. M. Bishop (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

Enclosures 12

JHopkins:ad 10/24/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

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

OCT 19 1955

Memorandum

To: The Administrator, DMEA
Attention: Chief, Rare and Miscellaneous Metals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-3543, (mica), Buchanan Minerals, Inc.

As requested in reference slips dated September 26 and October 3 from Mr. Knouse, we have prepared the attached contract, in satisfactory legal form for execution subject to the following:

1. The supplementary legal description for Tract I, contained in the Consent to Lien submitted omits one "call." Thus, either a new Consent to Lien, or a correction of the one submitted, properly initialed by the owner, is required.

Ordinarily, we would require an amendment of the lease, as this is the more appropriate method of correcting a land description covered by the lease; however, as this case has been about a year in the processing we shall not make this additional requirement.

2. The lease covering Tract II recites that the heirs of Mrs. John Dillard own a 1/15th interest in the land, but they did not join in the lease. However, as the Operator holds 14/15ths of the interest, the 1/15th interest may be waived.

3. Although it is a curiosity that Laura Belle Buchanan, lessor of Tract I, and Belle Buchanan, signer of the Guaranty of Royalty for Tract II, are the same person, from the evidence before us, there is no legal significance to be attached to the fact that the signatures are different.

Robert P. Dwyer

Robert P. Dwyer

Attachment

Docket Copy
Surname:
FLKnouse
Mittendorf

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

SEP 26 1955

Mr. Marcellus Buchanan
Buchanan Minerals, Inc.
Post Office Building
Sylva, North Carolina

Re: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Buchanan:

This will acknowledge receipt of your letter addressed to Mr. C. O. Mittendorf, dated September 21, 1955, with the enclosed Guaranty of Royalty and Financial Statement of Guarantor.

The receipt of these documents will enable us to proceed with the processing of your application. We will contact you if we require additional information.

Sincerely yours,

SIGNED

Frederick L. Knouse, Acting Chief
Nonmetallic Minerals Division

FLKnouse:gad 9/26/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Knouse
Mr. Houk

FINANCIAL STATEMENT

SYLVA, NORTH CAROLINA

NAME: Belle Buchanan

ADDRESS: Sylva, North Carolina

BUSINESS:

To obtain credit from time to time, I furnish the following, which I declare to be a true and accurate statement of my financial condition on the 15th day of September, 1955.

R E S O U R C E S:

Cash on Hand and in Bank	$2,740.20
Money Due Me	1,500.00
Accounts Receivable (Current)	None
Accounts Receivable (Delinquent)	None
Bonds and Stocks (See schedule A.)	6,000.00
Real Estate (See Schedule B.)	39500.00
Personal Properties	None
Automobiles	None
Other Assets	None
TOTAL ASSETS	$49,740.20

LIABILITIES

Accounts Payable	None
Notes Payable	None
Loans from Banks	None
Mortgages on Real Estate	None
Loans from Friends or Relatives	None
Other Obligations	None
TOTAL OBLIGATIONS	None
NET WORTH	$49,740.20

I certify that the above statement is correct and true.

Belle Buchanan
Signature

15 September, 1955.

BONDS AND STOCKS

Schedule A:

No. Shares or Face Value	Description	Market Value
	U. S. Government Bonds	$6,000.00

REAL ESTATE

Schedule B:

	Title in Whose Name	Fair Market Value	Mortgage
Orange Grove, Lake County, Fla.	Mine	22,000.00	None
Home and 20 Acres near Sylva, N. C.	Mine	7,500.00	None
Lots and Acreage in Sylva, N. C.	Mine	4,000.00	None
One-half Interest in Mica Mine in Macon County	Mine	5,000.00	None
Other Acreage and Mineral Interests	Mine	1,000.00	
Number Acres In Cultivation		39,500.00	

Have you any past due indebtedness? No

Have you indorsed notes for anyone? Yes Amount $1600.00

Life Insurance payable to my estate, Amount $ None

Are you connected with any Company? No.

How much Fire Insurance do you carry? $5000.00

Give names of all banks where accounts have been kept and amount of credit given by each and method of borrowing: Jackson County Bank--Do not borrow.

References: W. J. Fisher, Vice-President, Jackson County Bank, Sylva, N. C.

W. B. Hodges, President, State Trust Company, Hendersonville, N.C.

Dan K. Moore, Superior Court Judge, Sylva, North Carolina

OFFICE BUILDING

TELEPHONE 271

MARCELLUS BUCHANAN III
ATTORNEY AT LAW
SYLVA, NORTH CAROLINA

RECEIVED
SEP 3 1955

21 September, 1955

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration,
U. S. Dept. of the Interior,
Washington 25, D. C.

Re: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Mittendorf:

Reference is made to your letter to me bearing date of 23 August, 1955 regarding the above loan application. After considering both a Surety Company Bond and the Bond of an Individual Guarantor, we have come to the conclusion that it would be preferable to use the latter. I am enclosing herewith such a Bond in original and five copies executed by Mrs. Belle Buchanan of Sylva, N. C. I am also enclosing an executed Financial Statement for the Guarantor. I trust that this Bond, accompanied by the Financial Statement, will be sufficient for the purpose of our loan.

I would very greatly appreciate it if this Loan could be expedited in order that we may begin work on the project before cold weather sets in. If you could notify me of the status of this Loan as soon as you have received this communication it would be most helpful.

Sincerely yours,

BUCHANAN MINERALS INC.
BY:
Secretary

MB:dww
encs.

140

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

Robin Hoffland
Hopkins
F. I. Kearns
Talbutt

AUG 23 1955

Marcellus Buchanan III, Esq.
Post Office Building
Sylva, North Carolina

Re: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Buchanan:

This responds to your letter dated August 8 concerning the subject application for an exploration project contract.

Your letter states that with respect to the lease dated February 3, 1955, a Consent to Lien from the lessors is unobtainable. Your letter requests, therefore, that as there are two different parcels of land involved, and as the proposed project work would be performed essentially on the parcel covered by the October 1, 1954, lease from Laura Belle Buchanan for which a Consent to Lien has been furnished, that a performance bond in an amount less than the full amount of the Government's portion (75 percent) of the proposed project ($5,400) be accepted for the parcel covered by the February 3, 1955, lease, or a bond in an amount of $2,700.

Ordinarily, the Government does not accept an apportionment of responsibility for the payment of royalty when more than one landowner is involved, requiring unlimited Consents to Lien from all landowners covering all production from the land from which the Government is entitled to royalty. Similarly, where a surety company's performance bond is accepted, in lieu of the Consent to Lien of the owner, the bond covers the full amount of the Government's contribution. However, as no work is proposed for the land covered by the lease dated February 3, 1955, we would accept a surety company's performance bond in the amount of $2,700, in lieu of Consent to Lien from the lessors, and copies of the Government Standard Form 25 are enclosed, as you requested.

However, the bond of an individual guarantor in an amount less than the full amount of the Government's contribution would not be acceptable. In cases where the guaranty of a third party is accepted in lieu of a Consent to Lien we have devised the enclosed guaranty form which, you will note, applies only to the Government's royalty and does not relate to performance of the work. Therefore, you may find this guaranty form more satisfactory for your purposes if you choose to submit a third-party guaranty instead of a surety company's bond, in lieu of the Consent to Lien.

Sincerely yours,

E. O. Mittendorf

Administrator

Enclosures

HCRubin/emd
8/17/55

Copy to: DMEA Docket
Adm. R. File
Field Team, Reg. V (2)
J. L. Hofflund
L. G. Houk
Operating Committee
H. C. Rubin
Mr. Dietrich, B.M.
Mr. Kiilsgaard, GS
chron.
pending

POST OFFICE BUILDING

TELEPHONE 271

MARCELLUS BUCHANAN III
ATTORNEY AT LAW
SYLVA, NORTH CAROLINA

8 August, 1955

RECEIVED
AUG 10 1955

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration,
Department of the Interior,
Washington 25, D. C.

Re: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Mittendorf:

Reference is made to your letter of August 4, 1955 to Mr. Harry E. Buchanan, President of Buchanan Minerals, Inc. Mr. Buchanan has referred your letter to me for answer.

At the time of our original application for a loan Buchanan Minerals, Inc. secured a lease and a Consent to Lien from Mrs. Belle Buchanan the owner of the tract of land on which we intended to explore for mica. Subsequent to the acquisition of this lease and Consent to Lien, and to our application for a loan, Mr. Teague of your Knoxville, Tennessee office inspected this property and recommended the granting of a loan of $7200.00. After Mr. Teague had submitted his recommendations to your office we were advised by him that your office would require that we secure a lease on an adjoining tract of land in the event that it was determined that the mine should be operated across the property line. We went to considerable time and expense in securing this Lease which we submitted in accordance with your request approximately two months ago. These property owners were not willing to execute a Consent to Lien. Mr. Teague then advised us that it would be necessary to give a performance bond in lieu of such Consent. He stated that in view of the fact that we have a Consent on the first tract of land on which we feel all operations will be conducted, that it would be necessary for us to execute a performance bond only in an amount equal to 50% of 75% of the total cost of $7200.00. Computed upon Mr. Teague's figures the amount of the bond would be $2700.00. This Mr. Teague felt would be a fair and equitable division.

RECEIVED
AUG 11 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

PO[illegible]ICE BUILDING

TELEPHONE 271

MARCELLUS BUCHANAN III
ATTORNEY AT LAW
SYLVA, NORTH CAROLINA

It is our thinking that it would be inequitable to require us to post a performance bond in the amount suggested in your letter referred to above when we already have an accepted Consent to Lien on the lands which we feel will be explored with this loan.

We would appreciate it if you would send to us, through my office all necessary forms for the execution of a performance bond by both a Surety Company and by an individual Surety. I refer again to your letter in which you say that the Government will accept a guaranty from "an acceptable third party", and to paragraph two of the instructions on the reverse side of Standard Form 25 which states that where individual sureties are used it is required that two execute this Bond. I would appreciate it if you would advise me, whether or not one acceptable surety would be sufficient or whether two would be required.

Thanking you for your prompt attention to this matter, I remain.

Very truly yours,

BUCHANAN MINERALS, INC.
By Marcellus Buchanan
Secretary

MB:dw

Docket Copy
Surname: Hopkins
Zikmund
Hopkins
Talbert

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

AUG - 4 1955

Buchanan Minerals, Inc.
C/o Mr. Harry E. Buchanan
Hendersonville, North Carolina

Re: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina

Gentlemen:

Reference is made to our telephone conversation, July 26, 1955, on the subject application.

Since you are unable to obtain an acceptable Consent to Lien from the lessors of the additional land you have recently acquired and have expressed an interest in furnishing a Performance Bond, we suggest that you have the enclosed Performance Bond form executed by a Surety Company and return it to this office. The Penal sum of the Bond will be $5,400.00, which is the amount of the Government participation in an exploration project on the property, the total cost of which will be $7,200.00. For your information we enclose a copy of the form on which the contract will be written.

As explained to you over the telephone the Government would accept a guaranty from an acceptable third party in lieu of a Surety Company's Performance Bond and Consent to Lien. Such a guaranty form is prepared in our Washington office. Acceptability of a third party guarantor must be established by a proper certified statement of assets and liabilities of the third party. Upon receipt of the Bond properly executed, we will continue processing your application.

Sincerely yours,

C. O. Mittendorf (for w)

Administrator

Enclosures 2

JHopkins:gad 8/2/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk
Mr. Hopkins

R.C.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 51 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUL 29 1955

July 28, 1955

Memorandum

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

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

Subject: DMEA-3543 (mica)
Buchanan Minerals, Inc., Sylva, North Carolina
Buchanan (Dream) Mine, Jackson County, North Carolina

Reference: Mr. Hopkins' phone call, July 27.

We consider the proposal advanced in the Field Team report of November 18, 1954 to be preferable to the alternate proposal of sinking a winze from the Buchanan crosscut. In the area of proposed exploration, there is not much cover over the crosscut and it is not good ground. It should be simpler and cheaper to sink a new shaft from the surface.

Regarding the bond by a third party. Mr. Buchanan owns the land in the original application, but is leasing the additional land, for which he was unable to obtain Consent to Lien. Should he obtain a third-party guaranty of the entire amount, or of a pro-rata amount based on the respective acreages?

The estimate of $14 per hour for D-8 or equivalent bulldozer is based on information from the applicant. Actually, this type of dozer costs $18 in the Spruce Pine district but we have no first-hand information on rental rates in the Sylva area.

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

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

2 June 1955

RECEIVED
JUN - 6 1955

Mrs. Linta of Congressman Shuford's Office called

Mr. Robert A. Laurence
Executive Officer,
DMEA Region V.,
U.S. Dept. of the Interior,
Defense Minerals Exploration Ad.,
Knoxville 2, Tennessee

Re: DMEA-3543 (mica)
Buchanan (Dream) Mine
Jackson County, N. C.

Dear Mr. Laurence:

Reference is made to your letter of March 22, 1955 regarding application for loan on above Mine in Jackson County, North Carolina.

Enclosed you will find executed copy of the Lease on certain land adjoining the property described in the application heretofore filed. The original of this Lease is now being recorded in the office of the Register of Deeds of Jackson County, state of North Carolina.

It is hoped that the acquisition of this additional property under Lease will permit approval of this Loan.

Sincerely yours,
BUCHANAN MINERALS, INC.

By: Marcellus Buchanan
Secretary

MB:dw
Enc: Lease
Copy to:
Mr. C. O. Mithendorf, Administrator
Defense Minerals Exploration Ad.,
Washington 25, D. C.

Henry E. Buchanan
Box 1057
Hendersonville N. C.

Mr. Harry E. Buchanan
C/o Buchanan Minerals Inc.
Hendersonville
North Carolina

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[illegible]
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DOCKET FILE
Surname:

Hopkins
Houk

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

MAY 13 1955

Mr. H. E. Buchanan
Buchanan Minerals, Inc.
Box 503
Sylva, North Carolina

Re: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Inc.
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Buchanan:

Reference is made to the subject application dated October 5, 1954, and the Field Team's letter dated March 22, 1955, advising you that the area for repayment described in your application was inadequate to support the proposed work.

A reply to that letter has not been received and we assume that you no longer desire to proceed with the application. We wish to cooperate with you in the matter of allowing ample time, but if a reply has not been received by June 11, 1955, we will then consider the docket closed.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ad 5/12/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

March 22, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 5, Knoxville, Tenn.

Subject: DMEA-3543 (mica) Buchanan Minerals Inc. (Dream Mine)
Jackson County, N. C.

Reference is made to your letter of March 11.

We attempted to contact the applicant by telephone twice last week but were unsuccessful. Accordingly, I am writing for the desired information.

Robert A. Laurence

Robert A. Laurence

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

March 22, 1955

Buchanan Minerals Inc.
c/o H. E. Buchanan
Box 503
Sylva, N. C.

Re: DMEA-3543 (mica)
Buchanan (Dream) Mine
Jackson County, N. C.

Dear Mr. Buchanan:

Further action on the subject application is being delayed because the area included was insufficient to justify the work. We understand that you were going to get a lease on the land adjoining the property, as discussed with you by Mr. Teague.

Please let me know if you have obtained this lease, and if so, please submit a copy of it, so that we may proceed with the processing of your application.

Very truly yours,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RAL/nm
cc:
Opr. Com. -2
Lynch
Shirley
Files

DOCKET COPY
Surname:

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

Hopkins
Hood
Martin
Whitteudorf

MAR 11 1955

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

Subject: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Incorporated
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Laurence:

Reference is made to your memorandum on subject application, dated January 10, 1955.

May we suggest that you again contact the applicant regarding his attempts to get a lease on adjoining land in order that you may promptly submit an alternate proposal along the lines suggested in our letter dated December 20, 1954.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

JHopkins:ad 3/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RJ

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

RECEIVED

January 11, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3543 (mica)

Applicant: Buchanan Minerals, Inc.

Name and Location of Property: Buchanan (Dream) Mine

Date of Field Team Report: December 9, 1954

Date Rec'd. by Br. of Ceram. & Fert. Mat.: December 16, 1954

Field Team Recommendation:

1. Approval of project.

Comments:

1. Proposed exploration is consistent with good engineering practices.

2. Costs are in line with other DMEA projects.

Recommendation:

I concur in the field team's recommendation for an exploration project in the amount of $7,198.

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON OFFICE BLDG.
ROOM 2516
KNOXVILLE 2, TENN.

January 10, 1955

Defense Minerals Administration
RECEIVED
JAN 12 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII - Knoxville, Tenn.

Subject: DMEA-3543 (mica) Buchanan Minerals, Inc. Dream Mine, Jackson County, N. C.

Reference is made to your letter of December 20, 1954.

The applicant is attempting to get a lease on the adjoining land. We will contact him again next week, and will submit our recommendation after that.

Robert A. Laurence

Robert A. Laurence

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEC 23 1954

December 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-3543 (mica) Buchanan Minerals, Inc. Buchanan (Dream)Mine, Jackson County, N. C.

Reference is made to your letter of December 20, on the subject application.

We will contact the applicants and discuss the suggested alternate method and also suggest that they acquire additional land to the east of the present tract. We will advise you after that.

Kofton H. Teague
for Robert A. Laurence

IN REPLY REFER TO:

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

Department of Defense Library
DEC 17 1954

December 17, 1954

Re: DMEA-3543
Buchanan Minerals Inc.
(Dream Mine)
Jackson Co., N. C.
$7,198 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Recommendation for approval

The Field Team has recommended a modest program be approved to explore the northwest part of the Dream pegmatite.

The proposed 75-foot shaft and 100 foot drift should be more than sufficient to test the target area.

I concur with the Field Team's favorable recommendation.

E. L. Newcomb

E. L. Newcomb

Docket Copy
Surname:

Hopkins
Houk
Selfridge
Johnson
McKinney

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

DEC 20 1954

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

Subject: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Incorporated
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Laurence:

Reference is made to your memorandum, dated December 9, 1954, together with copies of the subject examination report and map.

It is quite apparent that additional reserves of mica may remain in the unmined portion of the pegmatite immediately adjacent to the old workings on the adjoining property. The proposed program would make this mica accessible to the adjoining owner without any benefit to the Government. The proposal of sinking a 75-foot shaft in the country rock in a rather restricted area on the thesis of intersecting a plunging pegmatite involves a certain risk that is not at all proportionate to the size of the target nor is it good exploration practice on pegmatites.

It seems to us that the most practical and economical method of exploration would be to utilize the Buchanan crosscut tunnel to drift to the northwest on the pegmatite and then to sink a winze at the most favorable point. In order to carry on this proposed work it would be necessary for the applicant to secure a lease on approximately 2/3 of an acre or an area of 145 feet by 200 feet immediately east of the present tract.

We do not believe that the present small area of .78 acre warrants Government participation in the applicant's proposed work. However, we will be willing to consider an alternate proposal along the lines we have suggested if the applicant acquires additional land. May we suggest that you contact the applicant and discuss this with him.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

C. H. JOHNSON
Member, Bureau of Mines (CHJ)

Thor H. Kiilsgaard
Member, Geological Survey (THK)

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

JHopkins:gad 12/17/54

R.C.H.

FILE COPY
Surname:

Hopkins
Houk
Kiilsgaard
Johnson
Martin
JK Johnson

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

DEC 1 0 1954

Mr. H. E. Buchanan
Buchanan Minerals, Inc.
Box 503
Sylva, North Carolina

Re: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Incorporated
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Buchanan:

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

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

Sincerely yours,

O. Mittendorf (for)

Administrator

JHopkins:ad
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region VII
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

DOCKET COPY
Surname:

Hopkins
Houk
Martin
Johnson

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

DEC 1 0 1954

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

Subject: Docket No. DMEA-3543 - Mica
Buchanan Minerals, Incorporated
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda from the Geological Survey, dated October 26, 1954, and from the Bureau of Mines, dated November 9, 1954, are enclosed for your information.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (SHB)

Approved:

C. H. JOHNSON
Member, Bureau of Mines (SHB)

Thor H. Kiilsgaard
Member, Geological Survey (SHB)

Enclosures 4

JHopkins:ad 12/8/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1954

December 9, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Field Examination Report - DMEA-3543 (mica) Buchanan Minerals Inc., Sylva, N. C. Buchanan (Dream) Mine.

Enclosed are four copies of the subject examination report, and six extra copies of the map. The property was examined without field referral because the examiners were in the vicinity on other inspections.

We agree that the Buchanan mine merits exploration, and recommend approval of a contract for the work recommended in the report, on a unit-cost basis.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

Reviewed by
DMEA OPERATING COMMITTEE
12-15-54
(date)

On-Site Exam Rept

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT, REGION VII

On

DMEA-3543, BUCHANAN (DREAM) MINE (mica)
Jackson County, N. C.

BY

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

and

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

November 18, 1954

Reviewed by
DMEA OPERATING COMMITTEE
12-15-54
(date)

FIELD EXAMINATION REPORT
On
DMEA-3543, BUCHANAN (DREAM) MINE (mica)

Applicant: Buchanan Minerals, Inc. Sylva, North Carolina

Considerable mica of strategic quality was produced from this mine during World War II. The possibility of the discovery of a commercial deposit of mica northwest of past operations appears good; therefore, the applicants' proposed program of exploration with slight modifications is recommended.

The Buchanan Mine is 6.5 airline miles and 11.3 miles by road southwest of Sylva, Jackson County, N. C.

A description of the deposit is given in two unpublished U. S. G. S. reports by Richard W. Lemke, dated October 1944 and December 1944. Much of the following information is taken from these two reports.

The mine was discovered in July 1944 and operation began in August of the same year. Operation was continuous until the Colonial Mica Corporation ended their purchasing program in 1945.

Mining has been conducted from three adits, and a crosscut (see map). The Buchanan Crosscut is the only opening now accessible. Pegmatite was intersected 116 feet from the portal of this crosscut and a drift was driven 35 feet S. 10° W. along the body. The Upper Dream Adit and the Lower Dream Adit were driven in pegmatite throughout their entire length. In the Dietz Adit the body was intersected 50 feet from the portal.

The pegmatite body exposed by the workings average 10 feet in thickness, strikes N. 45° W. and dips moderately to steeply southwest. The hanging wall contact is characterized by broad, gently curving rolls. Slip planes, most of which are slickensided, are common along the hanging-wall contact. These strike parallel with the body, dip steeply to the northeast, and pitch at a moderate angle to the southeast.

The body is distinctly zoned. The core, which is massive quartz, is 3 to 5 feet thick and is flanked by zones that consist of an intergrowth of medium-grained kaolinized feldspar and quartz. A 1-foot rind of a distinctly finer-grained feldspar-quartz rock lies along the margins of the body.

The thick quartz core persists for the entire length of the Lower Dream Adit, but pinches out at the portal. In the Deitz Adit the core is exposed for the entire length of the workings. This indicates that the core may plunge moderately to the northwest; the pegmatite mass may also plunge in this direction.

Mica appears to be especially concentrated in the crests of the rolls. Mica is sparse in the headings of the Upper Dream Adit and the Deitz Adit;

these headings may be southeast of and below the limits of a mica shoot whose probable plunge is northwest, in conformity with the plunge of the core.

Muscovite mica occurs abundantly along the sides of the core. Books as much as 14 inches across were noted, and books 8 x 10 inches are common. The mica is greenish amber in color, relatively hard and free splitting. Black inclusions and a green nottling are the chief defects. Fractures, reeves, clay staining, and a faint "A" structure are also present in some of the books.

Records of the Colonial Mica Corporation show sales of 2789.59 pounds of trimmed sheet mica and 3062.42 pounds of punch worh $20,258.86.

The applicants propose to sink a 50-foot shaft 60 feet west of the property line, and about 20 feet southeast of the portal of Buchanan Crosscut. This location is satisfactory, although it would be better if the applicants held the property to the east under lease, as part of the unmined pegmatite occurs on this property. Although the dip is to the southwest, it is steep, thus the shaft should be located nearer the pegmatite outcrop and be deeper than the one proposed by the applicant.

The examiners recommend the following exploration program: Prepare shaft site, construct magazines and toolhouse, sink 75-foot shaft and drive 100 feet of drift on pegmatite. The shaft should be sunk vertically until pegmatite is intersected, then inclined on the body.

Estimated Cost:

Shaft Site Preparation: This will involve removing approximately 400 cu. yds. of dump and weathered rock.

D-8 Bulldozer, 15 hrs. @ $14.00/hr.	$ 210.00
Toolhouse	75.00
Poder Magazine	25.00
Exploder "	13.00
Sink 75-foot, 2-compartment shaft, in part vertical and in part inclined, and cribbed where necessary (50 shifts)	
Labor:	
1 - Miner @ $1.50/hr.	600.00
1 - Hoistman @ $1.25/hr.	500.00
1 - Laborer @ $1.00/hr.	400.00
Equipment (rental)	
1 - Compressor, drill, & pump (2 Mo.) @ $240/Mo.	480.00
1 - Hoist @ $50/Mo.	125.00

Supplies:

Explosives	$300.00	
Gasoline and oil	200.00	
Drill steel	175.00	
Timber, 4000 b.f. @ $65/M.	260.00	
Small tools and pipe	125.00	
Miscellaneous	60.00	
Insurance and Social Security	150.00	$3,375.00

Drive 100 feet drift (40 shifts)

Labor:

1 - Miner @ $1.50/hr.	480.00	
1 - Hoistman @ $1.25/hr.	400.00	
2 - Laborers @ $1.00/hr.	640.00	

Equipment (rental):

Compressor, pump, drill and jackleg @ $250/Mo.	500.00	
Hoist @ $50/Mo.	100.00	

Supplies:

Explosives	350.00	
Gasoline and oil	250.00	
Drill steel	250.00	
Small tools and pipe	150.00	
Miscellaneous	200.00	
Social Security and Insurance	180.00	$3,500.00

Estimated Total Cost..... $7,198.00

Examined November 18, 1954.

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

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

Hopkins

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 = 1954

November 9, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3543, Mica

Applicant: Buchanan Minerals, Inc.

Name and Location of Property: Buchanan (Dream) Mine
Jackson County, North Carolina

Date Application Rec'd. by Ceram. & Fert. Mat. Br.: Oct. 22, 1954

Comments:

1. The Bureau of Mines records show that monthly average of $921 worth of mica was sold to the Colonial Mica Corp. over the period of May to September 1944.

2. Proposed work consists of sinking a 50 foot shaft and drifting 100 feet at the point where the vein may be contacted.

3. Costs are in line with other projects in this area.

Recommended:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1954

October 26, 1954

Re: DMEA-3543
Buchanan Minerals, Inc.
(Buchanan Mine)
Jackson Co., N. C.
$5,750 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The proposed exploration will consist of sinking a 50-foot shaft and then drifting 100 feet along trend of the pegmatite.

The applicant's map has been traced from the map in the Survey open-file report, "Buchanan (Dream) Mica Mine, Jackson County, North Carolina", (Dec., 1944) by R. W. Lemke. According to this report, the pegmatite exposed by the workings averages 10 feet in thickness, strikes N. 45° W. and dips 50°-70° SW. It is a sill-like body which is conformable to the foliation of the enclosing biotite gneiss. An important point made in this report is the change in thickness of the pegmatite between the upper drift and the lower drift. In the upper drift the pegmatite is 11 feet thick, but at the portal of the lower drift it has thinned to 3.5 feet. It is possible that this thinning of the pegmatite also continues into the area of the Buchanan crosscut.

The Buchanan pegmatite is well zoned and contains a pronounced quartz core 3-5 feet thick. Mica occurs mainly on the hanging wall side of the core and is concentrated in the crests of "rolls."

Unless the dip of the pegmatite has steepened considerably in the Buchanan crosscut, the proposed shaft does not need to be 50 feet deep. Exploration development in the past has been limited to 20-25 foot vertical intervals. It is quite possible a shaft should be located farther east or northeast of its presently proposed location. Also, a new adit might be considered from a lower elevation to develop "backs" between the new adit and the Buchanan crosscut.

I recommend this application be referred to the Field Team for an examination report.

E. L. Newcomb

E. L. Newcomb

POST OFFICE BUILDING

TELEPHONE 271

MARCELLUS BUCHANAN III
ATTORNEY AT LAW
SYLVA, NORTH CAROLINA

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

1 January, 1954

Mr. Lawrence G. Houk, Chief
U. S. Dept. of the Interior,
Washington 25, D. C.

Re: Docket No. DMEA-3543-Mica
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Houk:

As requested in your letter of November 17, we are enclosing five copies of the new form of owners consent to lien duly executed by the land owners, also on the reverse side we have included a Clarification of the Legal Description of the Buchanan Dream Mine. We are also returning copy of Strategic Minerals investigations preliminary Map marked "Exhibit B" in this Contract. On this Map we have had a registered Surveyor to plot the boundaries of this Mine. You may retain this Map in your files if you so desire.

We hope this information is sufficient but if not please advise and we will be glad to furnish you with any additional information you may desire.

Sincerely yours,

BUCHANAN MINERALS, INC.
By: Marcellus Buchanan,
Secretary & Treasurer

MB:w

Enc:

Docket Copy
Surname:

Lawrence G. Houk

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

600

NOV 17 1954

Mr. H. E. Buchanan
Buchanan Minerals, Inc.
Box 503
Sylva, North Carolina

Re: Docket No. DMEA-3543 - Mica
Buchanan (Dream) Mine
Jackson County, North Carolina

Dear Mr. Buchanan:

This will acknowledge receipt of your application for exploration assistance on the Buchanan (Dream) Mine.

Your mining lease dated October 1, 1954, contains an adequate description of a tract of land consisting of 100 acres more or less. However, it is further stated that: "This contract covers only that portion of the above lease which constitutes and covers the Buchanan (Dream) Mine and only the mica bearing pegmatite vein directly connected with this mine."

Your map shows but one property line and its bearing. Before we can process your application we will require a legal description of the land that covers only the Dream Mine, together with its area and boundaries, tied to a permanent and identifiable landmark.

We are returning your copy of Strategic Minerals Investigations Preliminary Map marked Exhibit "B". We are also enclosing six copies of the new form of Owner's Consent to Lien to be executed by the landowner.

Sincerely yours,

SIGNED
Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 7

JHopkins:gad 11/15/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

R.G.H.

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

Buchanan Minerals, Inc.
Box 503
Sylva, North Carolina

October 22, 1954
Subject: DMEA-3543
Re: Exploration Assistance
Buchanan (Dream) Mine

Gentlemen:

The receipt of your application dated October 5, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3543 and referred to the Non-Metallic Minerals Division.

Kindly identify all future correspondence relating to your application by this docket number.

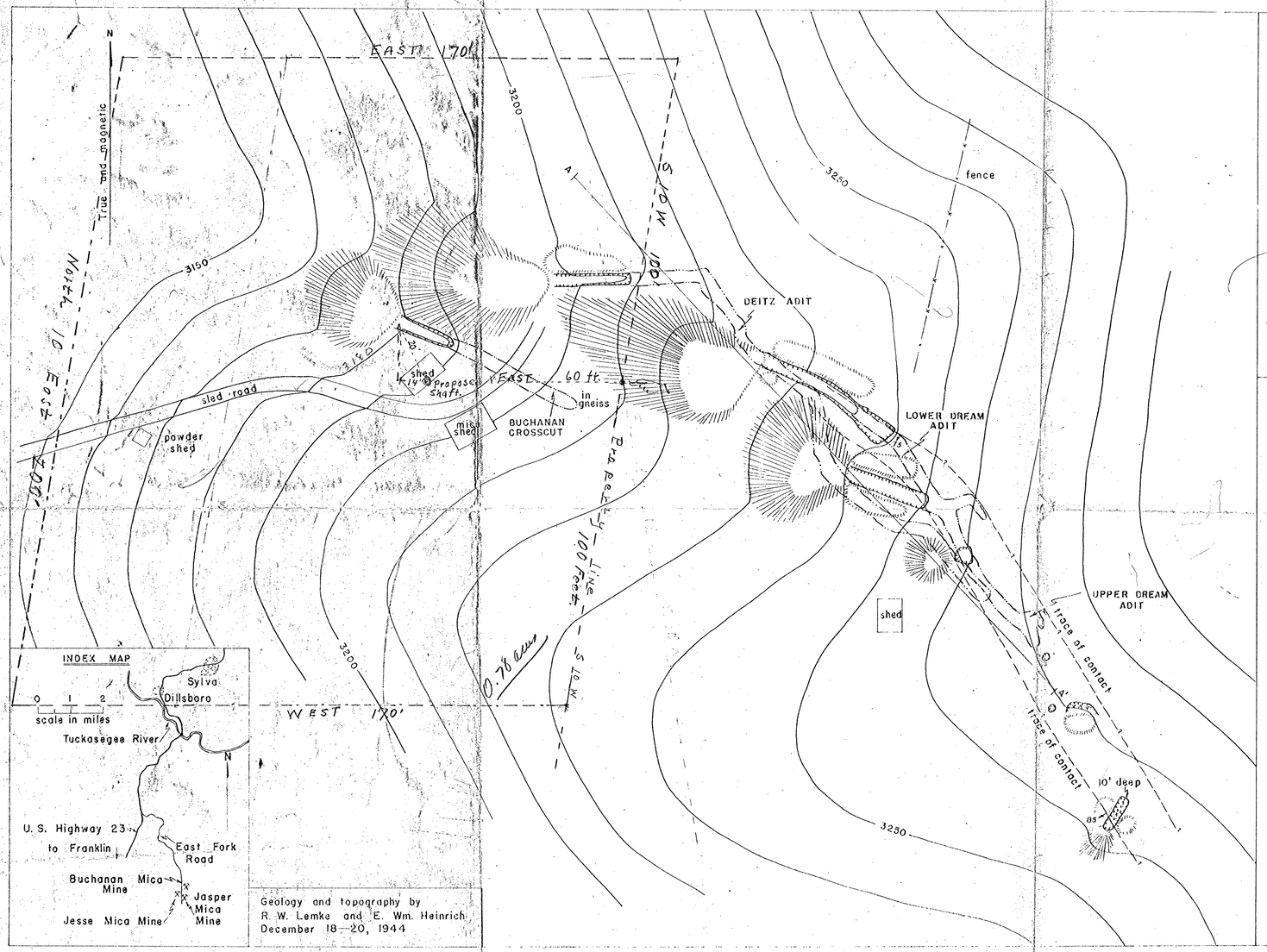
Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

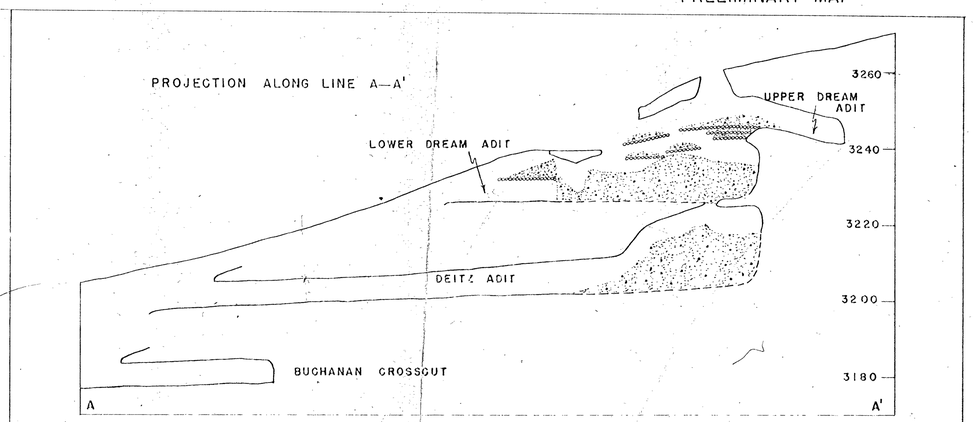
60932

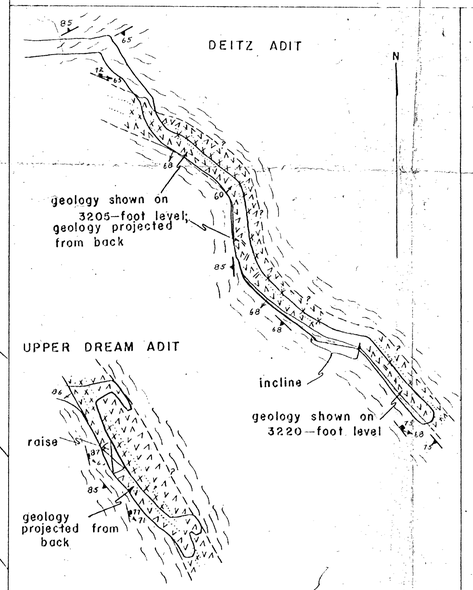
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP



Geology and topography by
R. W. Lemke and E. Wm. Heinrich
December 18–20, 1944





GEOLOGIC PLANS OF UNDERGROUND WORKINGS
(Geology shown on a plane 3.5 feet above floor)

EXPLANATION

- Backfill
- Feldspar—quartz pegmatite
- Sheet mica
- Massive quartz
- Biotite gneiss
- Contact, location accurate, showing dip
- Contact, location approximate
- Attitude of foliation
- Strike and dip of slip plane, showing attitude of slickenside
- Contact between pegmatite units
- Projected outline of underground workings
- Lagging
- Rim of open cut or pit
- Dump

Surface mapped by plane table and stadia methods
Underground mapped by tape and compass methods

Contour interval 10 feet; datum assumed

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

R.W.L.

PROPERTY OF BUCHANAN MINERALS INC.
SYLVA, N.C.

EXHIBIT B

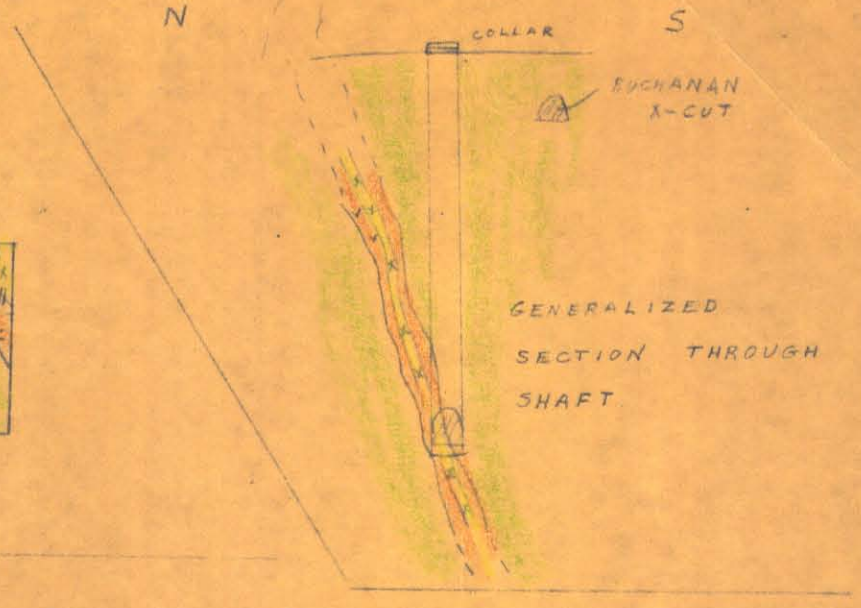
(N.B.) ~~ELDG RETURNED~~

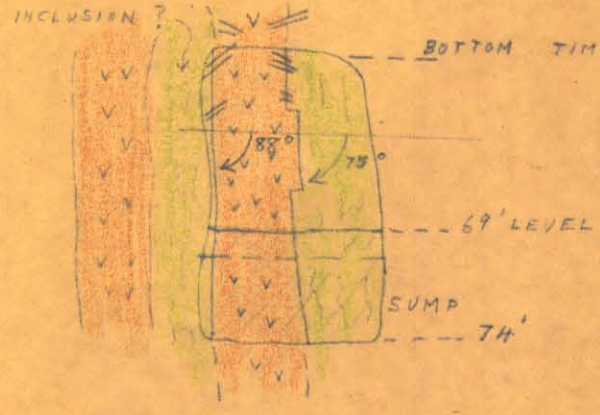
BUCHANAN (DREAM) MICA MINE, JACKSON COUNTY, NORTH CAROLINA

0 10 20 40 60 80
scale in feet

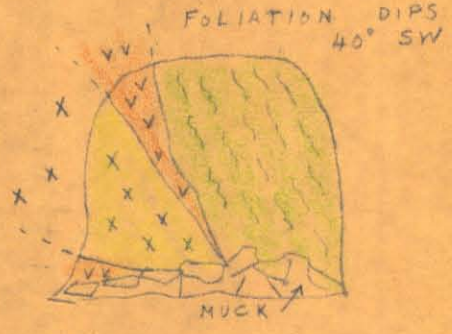
BUCHANAN (BREAM) MINE (MICA)
DMEA 3543
JACKSON CO., N.C.
6-5-56

PLAN SHAFT SECTIONS

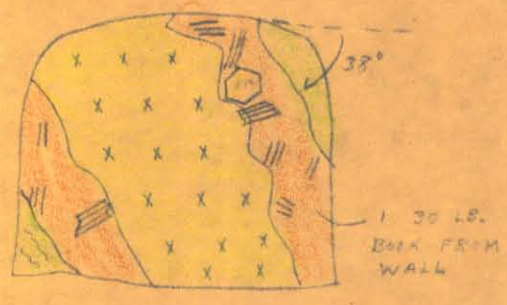




SECT. OF DRIFT TO SE, AT SHAFT
69' LEVEL



HEAD. AT 80' POINT
IN SE DRIFT
(69' LEVEL)

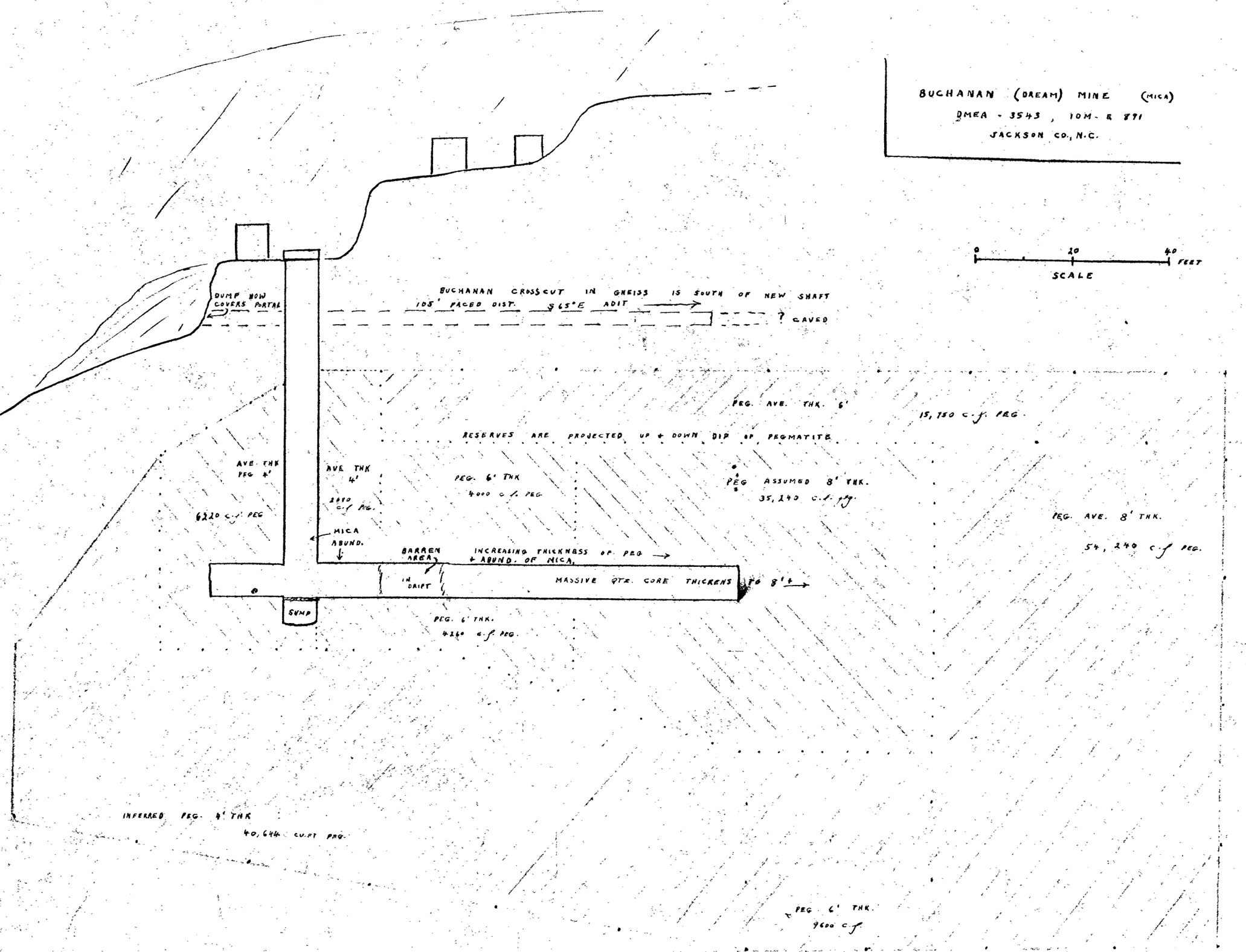


HEAD. AT 95' POINT
IN SE DRIFT
(69' LEVEL)

PRODUCTION INCREASES
TOWARD SOUTHEAST

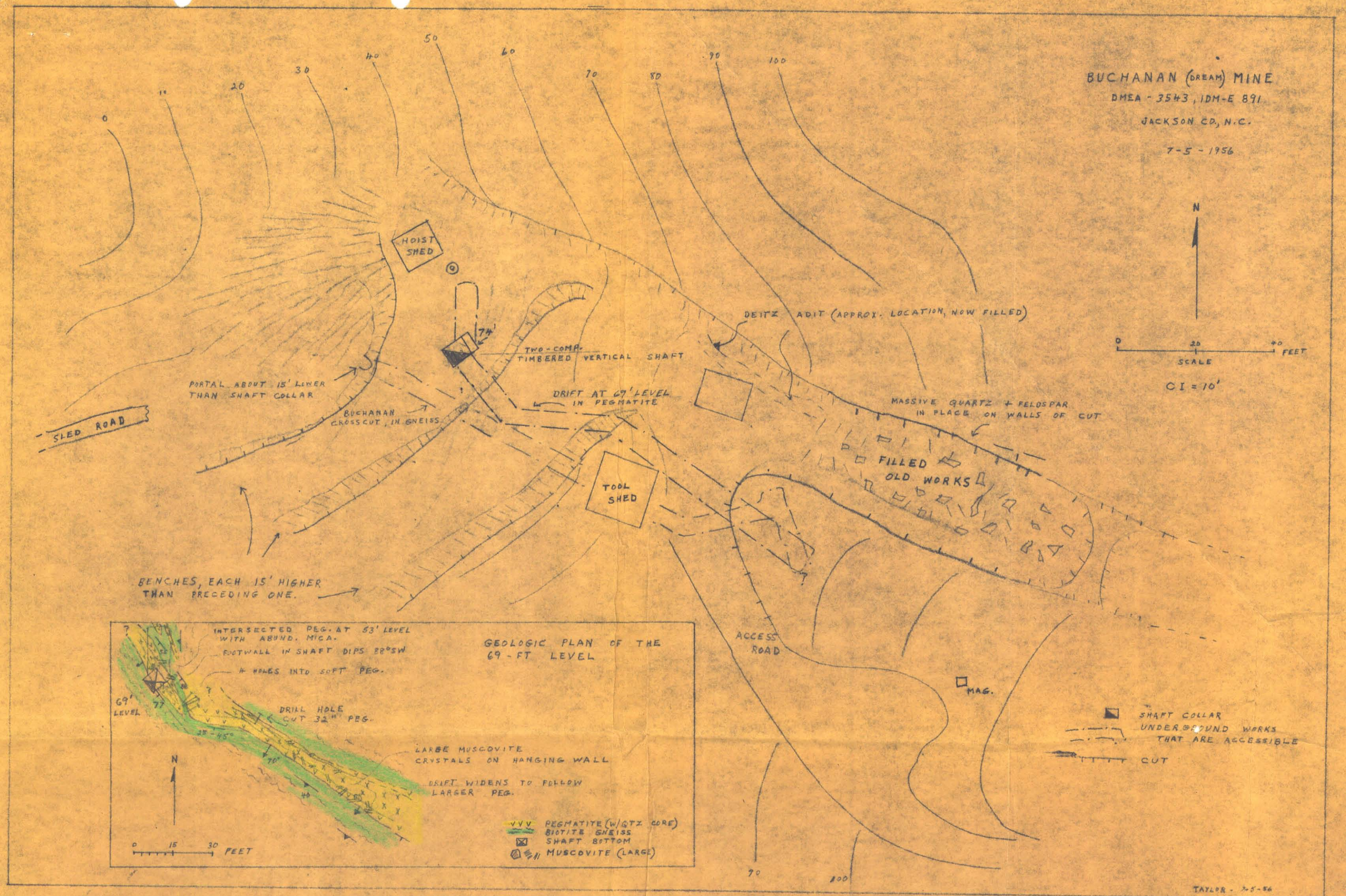
TAYLOR, A.R.

8



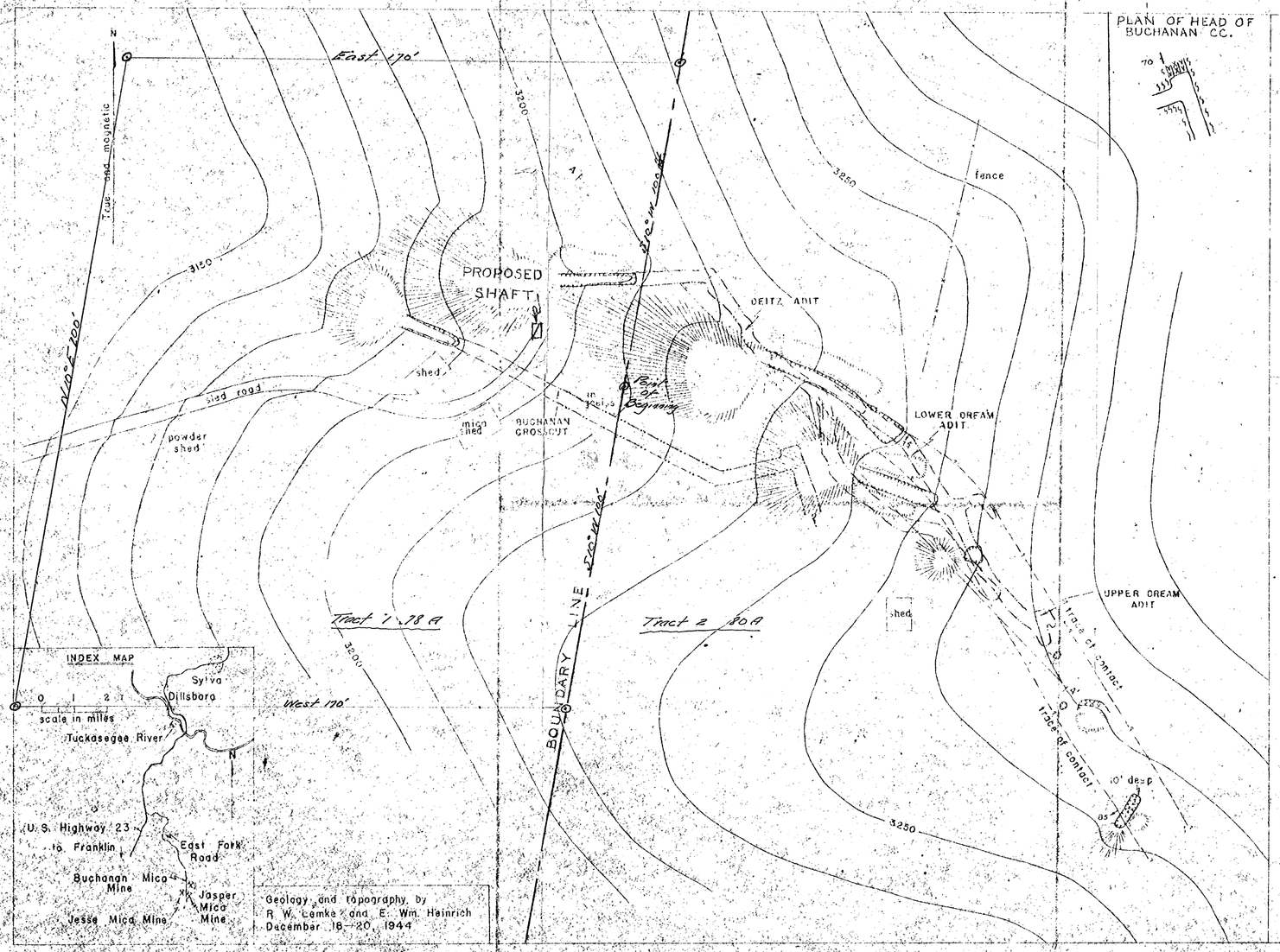
SECTION THROUGH SHAFT + DRIFT SHOWING RESERVES (AREA ENCLOSED BY CLOSE-SPACED DOTS IS INDICATED)

TAYLOR, A.R. : 7-5-1956


BUCHANAN (DREAM) MINE
DMEA - 3543, IDM-E 891
JACKSON CO, N.C.
7-5-1956
N
0 20 40 FEET
SCALE
CI = 10'
0
10
20
30
40
50
60
70
80
90
100
HOIST SHED
74'
TWO-COMP. TIMBERED VERTICAL SHAFT
DEITZ ADIT (APPROX. LOCATION, NOW FILLED)
PORTAL ABOUT 15' LOWER THAN SHAFT COLLAR
BUCHANAN CROSSCUT, IN GNEISS
SLED ROAD
DRIFT AT 67' LEVEL IN PEGMATITE
MASSIVE QUARTZ + FELDSPAR IN PLACE ON WALLS OF CUT
FILLED OLD WORKS
TOOL SHED
BENCHES, EACH 15' HIGHER THAN PRECEDING ONE.
ACCESS ROAD
MAG.
SHAFT COLLAR
UNDERGROUND WORKS THAT ARE ACCESSIBLE
CUT
INTERSECTED PEG. AT 53' LEVEL WITH ABUND. MICA.
FOOTWALL IN SHAFT DIPS 88°SW
4 HOLES INTO SOFT PEG.
69' LEVEL
77
DRILL HOLE CUT 32" PEG.
35-45°
70°
40
LARGE MUSCOVITE CRYSTALS ON HANGING WALL
DRIFT WIDENS TO FOLLOW LARGER PEG.
N
0 15 30 FEET
PEGMATITE (W/QTZ CORE)
BIOTITE GNEISS
SHAFT BOTTOM
MUSCOVITE (LARGE)
GEOLOGIC PLAN OF THE 69-FT LEVEL
TAYLOR - 7-5-56

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP



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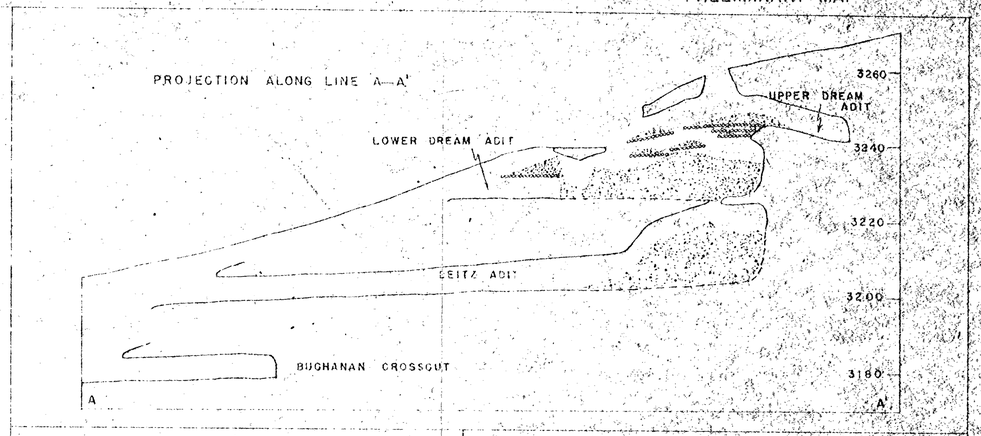

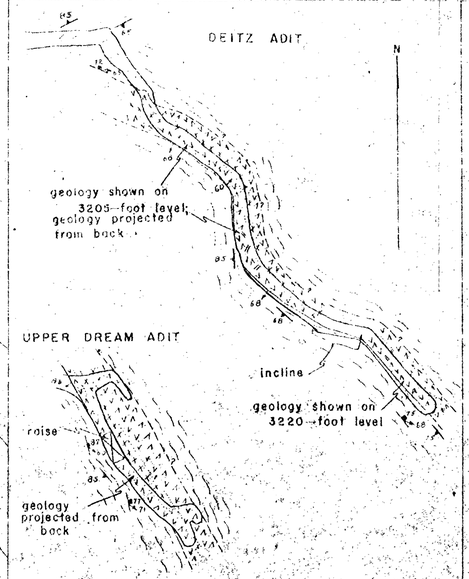

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Surface mapped by plane table and stadia methods
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Contour interval, 10 feet; datum assumed

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

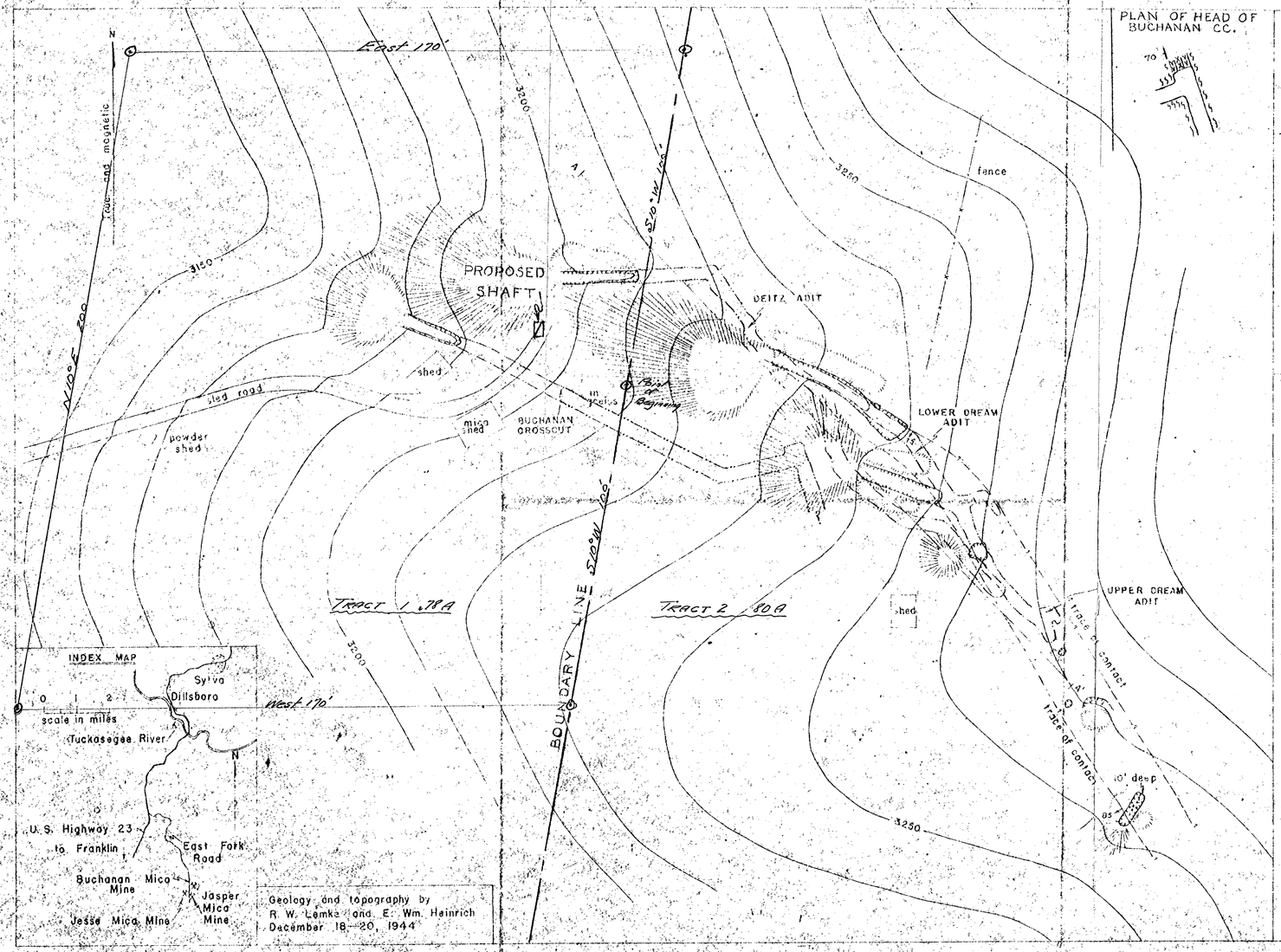
DMEA-3543 (mica)

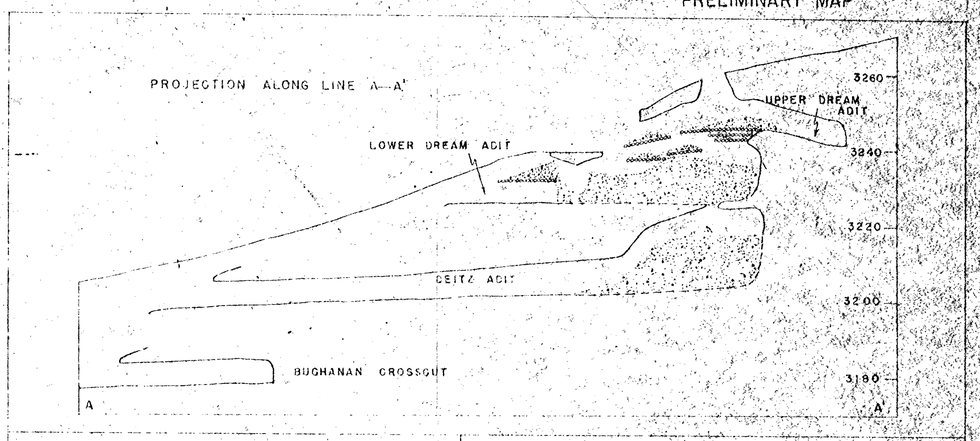
BUCHANAN (DREAM) MICA MINE, JACKSON COUNTY, NORTH CAROLINA

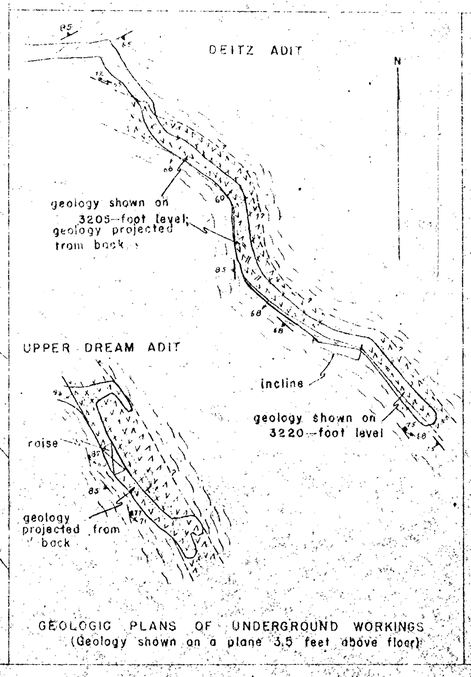
0 10 20 40 60 80
scale in feet

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP







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BUCHANAN (DREAM) MICA MINE, JACKSON COUNTY, NORTH CAROLINA

0 10 20 40 60 80
scale in feet

DMEA-3543 (mica)