DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 757

DMEA NO. 3559

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [x] Royalty Audits
- [x] Certification of Discovery
- [x] Closing Letter
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] 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)
- [x] Work Comoleted analysis (final)

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

- [x] 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
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [x] 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._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

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-R757, Docket DMEA-3559 (mica), dated January 10, 1955, with

C. R. Phillips, Ed Haskins, and Sherrill Haskins
c/o Sherrill Haskins
Route 3
Bakersville, 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 Sugar Dave and Ralph Mine located in Mitchell County, North Carolina, during the period April 18, 1959, through December 12, 1962.

A certification of discovery or development was issued on August 3, 1955, 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 June 29, 1955, indicated accepted costs under the exploration contract amounting to $5,321.00 with the Government's contribution on a 75 percent basis being $3,990.75.

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

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through April 17, 1959, to be $4,833.30. The royalty account as of April 17, 1959, was:

Total Royalty Payable	$241.67
Total Royalty Paid	241.67
Balance of Royalty Due	$ -0-

As of December 12, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$241.67
Total Royalty Paid	241.67
Balance of Royalty Due	$ -0-

E. D. Talbert

December 17, 1962

E. D. Talbert, OME Auditor

Idm-8757 Phillips, Huskins, and Huskins DMEA-3559

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of a 500' x 500' plot located 1.4 miles N 21° E of Bonsford. At the time the contract was executed the Operator-Partnership was in possession by virtue of a November 1, 1954, lease granted by Sherrill G. Huskins, one of the partners. An Owner's Consent to Lien was executed by the lessor on November 1, 1954.

Exploration work under the contract was completed on June 13, 1955. Production during the exploration period resulted in the sale of 64.62 lbs. of trimmed, 27,698 lbs. of hand-cobbed, and 24,275 lbs. of scrap mica in the name of Sugar Bave Mining Company. These sales, on which proceeds aggregated $4,617.41, are covered by a Report of Royalty Review dated February 1, 1956.

The property remained idle from the completion of the contract work until the spring of 1958, when Grover Grindstaff and Sherrill G. Huskins worked another portion of the property. This work resulted in one sale of 1,075 lbs. of hand-cobbed mica in the name of Huskins and Boone. The $215.89 proceeds are covered by a Report of Royalty Review dated April 21, 1959.

Subsequent examinations of the property, inquiries, and checks of the GSA Mica Purchase Depot's records at Spruce Pine, North Carolina, through June 15, 1960, by DMEA and GSA regional representatives disclosed no further production. A check of the Depot's records during June 1962 by a representative of this Division likewise disclosed no further sales and, in a December 12, 1962, reply to a GSA Form 63 inquiry, Sherrill G. Huskins stated that neither production nor change in property status had occurred since June 15, 1960.

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

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Division of Nonmetallic Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-8757, Docket No. DMEA-3559 (Mica), dated January 10, 1955 with

C. R. Phillips, Ed Huskins and Sherrill Huskins
Route 3
Bakersville, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of mica from property referred to as Sugar Dave Mine located in Mitchell County, North Carolina, during the period January 27, 1956, through April 17, 1959.

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

My review established the total sales of mica for this period to be $215.89. Royalty due the U. S. Government at the contract rate of 5 percent is $10.79. A prior report of royalty review for the period January 10, 1955, to January 26, 1956, stated the sales of mica to be $4,617.41 and the royalty at the contract rate of 5 percent to be $230.88. The auditor stated the royalty account as follows:

Total Royalty Due	$230.88
Total Royalty Paid	230.88
Balance of Royalty Due	$ -0-

As of April 17, 1959, the royalty account of this project was found to be:

Total Royalty Due	$241.67
Total Royalty Paid	241.67
Balance of Royalty Due	$ -0-

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

April 21, 1959

C. R. PHILLIPS, ED HUSKINS AND SHERRILL HUSKINS

Contract No. Idm-E757 Docket No. DMEA-3559

STATUS OF PROJECT, DESCRIPTION
OF REVIEW AND REASONS THEREFOR

A certification of discovery or development was issued on August 3, 1955, and, in accordance with Article 7 of the contract, royalty is payable on the net value of production from the land described in Article 2 during a period of 10 years from the date of the contract or until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first. A Report of Review in lieu of final cost audit dated June 29, 1955, indicated accepted costs under the exploration contract amounting to $5,321.00 with the Government's contribution, on a 75 percent basis, being $3,990.75.

My review consisted of a verification of the settlement data furnished by the Executive Officer, OME Field Team, Region V, pertaining to royalty received subsequent to January 26, 1956, and reconciliation of such receipt with copy of deposit slip furnished by the regional finance office. The only receipt of royalty included in this report related to a sale of 1,075 pounds of hand cobbed mica sold to Mica Purchase Depot, Spruce Pine, North Carolina, on February 7, 1958, on which Government royalty amounting to $10.79 was deposited in Hamilton National Bank, Knoxville, Tennessee, on October 30, 1958, being included in Deposit No. 14-23-070-34.

The review was made in lieu of an on-site audit of the accounts and records for the following reasons:

(1) Periodic investigations by a representative of the Field Team, Region V, have failed to disclose any production and sales from the property during the period covered by this review other than that sold on February 7, 1958; and

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

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Phillips and Huskins

Address c/o Sherrill Huskins

R#3, Bakersville, North Carolina

Exploration Contract No. Idm-E757 Docket No. 3559

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		✓
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		✓
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		✓
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	✓	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	✓	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	✓	
7.	Does the Operator buy from or sell to other Operators?		✓
8.	Comment on any item 2 (b) to 6 if answer is No.		

APR 17 1959
Date

Original signed
Wm. A. Beck
Mining Engineer

53362

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region V, Knoxville, Tennessee, pertaining to Contract Idm-2757, Docket No. DMEA-3599, dated January 10, 1955, with

C. R. Phillips, Ed Hankins and Sherrill Hankins
Route 3
Bakersville, North Carolina

for the purpose of determining the amount of royalties due the United States Government on sales of mica from property referred to as Sugar Dave Mine located in Mitchell County, North Carolina, during the period January 10, 1955, to January 26, 1956.

A certificate of discovery or development was issued on August 3, 1955, and, in accordance with the contract, royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract. A Report of Review in lieu of final cost audit dated June 29, 1955, indicated accepted costs under the exploration contract amounting to $5,321.00 with the Government's contribution, on a 75 percent basis, being $3,990.75.

My review included a verification of the royalty paid in connection with the sale of 64.62 pounds of trimmed, 27,698 pounds hand cobbed, and 24,275 pounds of scrap mica recovered during the exploration period. In addition, a conference was held with Mr. William A. Beck, Mining Engineer, Knoxville, Tennessee, who is thoroughly familiar with the project.

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

(a) The production involved was incidental to the exploration operations.
(b) The property has been idle since completion of the exploration work.
(c) 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.

The review established the total sales of mica to be $4,617.41. Royalty due the United States Government at the contract rate of 5 percent is $230.86. The royalty paid and balance due are as follows:

Total Royalty Due	$230.86
Total Royalty Paid	230.86
Balance of Royalty Due	$ -0-

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

February 1, 1956

Docket Copy
Surname:
Anderson
F.R. Kenne
Hoffland
"Appd. Sol. Off."
Talbot
Kilsgaard
Geehan
Martin
F.E. Johnson

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

600

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

To: C. R. Phillips, Ed Huskins and Sherrill Huskins
C/O Sherrill Huskins
Route 3
Bakersville, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-5757, dated January 10, 1955 (Docket No. DMEA-3559), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its lien thereon 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:

The project work exposed strategic mica concentrations in an unnamed pegmatite that is conformable to the enclosing interlayered hornblende gneiss and mica schist. As a result of this work, sufficient data were obtained to calculate indicated and inferred reserves of mica.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals
Exploration Administration

Dated AUG 3 1955

WCAnderson:gad 7/26/55
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Geehan, 3608
Mr. Houk
Mr. Anderson
Mr. Chambers
Operating Committee
Finance Office
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Clarence A. Fredell, EPS, GSA

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/12	Murphy	120 M
	Selfridge	120
1/19	J Mann	110
		100
		220

JAN 19 1965

C. R. Phillips, Ed Huskins and
Sherrill Huskins, Partners
c/o Mr. Sherrill Huskins
Route #3
Bakersville, North Carolina

Re: DMRA-3559 (Mica)
C. R. Phillips, Ed Huskins
and Sherrill Huskins
Sugar Dave Mine
Mitchell County, North Carolina
Contract Idm-8757

Gentlemen:

By the terms of the subject Exploration Project Contract and the certification of discovery or development dated August 3, 1955, all minerals mined or produced from January 10, 1955, to January 10, 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,

George Fumich, Jr. (gla)

Acting Director

MMerrithew/mm (1/19/65)
cc: Director's Reading File
R. A. Laurence, Knoxville, Tenn w/cy of incoming 63 dated 1/11/65
CA&A Division
Docket
Code 120M

23263

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

C. R. Phillips, Ed Huskins & Sherrill Huskins
Route 3
Bakersville, North Carolina

pertaining to Exploration Project Contract No. IGm-E757, Docket No. DMEA-3559, for the months of February 1955 to June 1955, inclusive, covering a project for the exploration of mica on property, known as the Sugar Dave Mine located in Mitchell County, North Carolina.

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

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

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

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

Total cost as billed by Contractor		$5,321.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,321.00

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 Three thousand nine hundred ninety and 75/100 Dollars

$3,990.75

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

E. D. Talbert

E. D. Talbert, Auditor

June 29, 1955

Docket Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 3559

Commodity Mica

Contract No. Idm-E - 757

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

It is agreed this 10th day of January, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] C. R. Phillips, Id Huskins and Sherrill Huskins, Partners, whose mailing address is c/o Sherrill Huskins Route 3, Mocksville, North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] 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: None

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

[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."

(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 Rice. The work to be performed is described in Exhibit "A." The Operator on or before FEB 10 1955 shall commence the work, and on or before July 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,016.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,762.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

C. R. Phillips (Partner)
C. R. Phillips

By E. J. Huskins (Partner)
Ed Huskins

Sherrill G. Huskins (Partner)
Sherrill Huskins

THE UNITED STATES OF AMERICA

By C. W. Mittendorf

Administrator, Defense Minerals Exploration Administration

Appd. Sol. Off.

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

.....

[CORPORATE SEAL]

Selfridge
Y. Johnson

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

RECEIVED
JUN 6 1955

EXPLORATION PROJECT CONTRACT
C. R. PHILLIPS, ED HUSKINS AND SHERRILL HUSKINS, PARTNERS
DOCKET NO. DMEA-3559

ANNEX I

The land referred to in Article 2 of the contract form is known as the Sugar Dave Mine and was leased for mining purposes by Sherrill Huskins to C. R. Phillips, Ed Huskins and Sherrill Huskins for a period of five years. It is located 1.4 airline miles N. 21° E. of Boonford, Mitchell County, North Carolina and is described as follows:

> Beginning at the old shaft of the Sugar Dave Mine, this shaft being 150 yards S.E. of a Locust Tree at the Fortner - Huskins corner on the top of Big Ridge Mountain; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West.

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
JAN 26 1955

EXPLORATION PROJECT CONTRACT
C. R. PHILLIPS, ED HUSKINS AND SHERRILL HUSKINS, PARTNERS
DOCKET NO. DMEA-3559

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the attached map entitled "Sketch of Sugar Dave Mine, Mitchell Co., N. C. DMEA-3559 (mica)," in two stages as follows:

Stage I

With a D 6 bulldozer, strip the eastern pegmatite southward from the existing open cut over a distance of approximately 50 feet. This will require a trench approximately 6 feet deep by 15 feet wide by 75 feet long.

Stage II

If approved in advance by the Government, after examination of the work under Stage I, Stage II shall be undertaken as follows:

1. Construct:

(a) 200 yards of access road, using a D-6 bulldozer.

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

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

(d) 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 boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood; and shall be well braced at the corners. Lumber for these two boxes shall be smooth on the inside of the boxes.

No metal shall be exposed; and the lids or doors shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

2. Sink a 2-compartment shaft on the pegmatite, not more than 60 feet in depth.

3. Explore the pegmatite by driving from the shaft, not more than 80 feet of drifts and/or crosscuts.

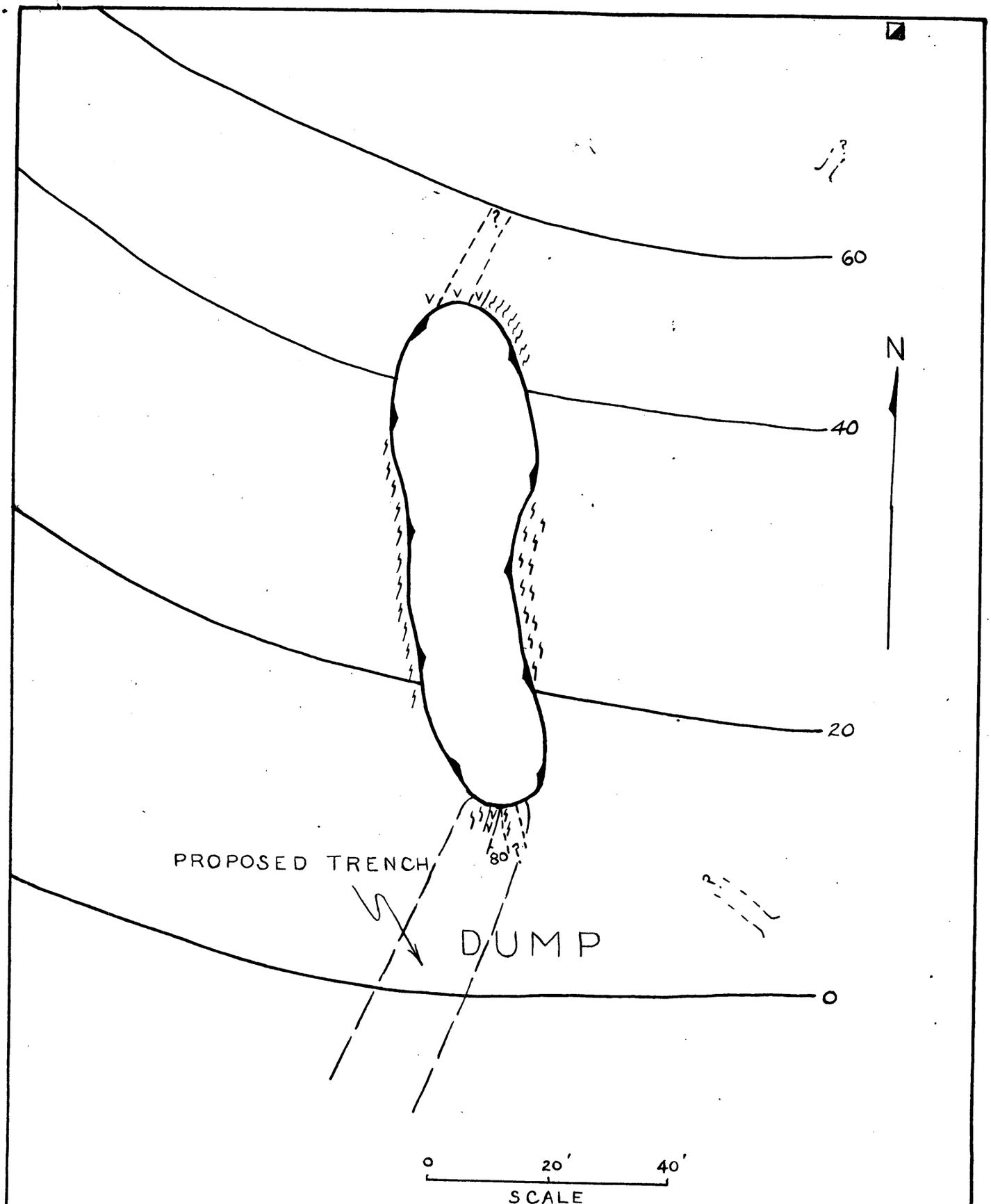
The shaft and the drifts and/or crosscuts shall be timbered as necessary and shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs

Stripping, D-6 bulldozer, 10 hours @ $10.00/hr.	$ 100.00	
Constructing - Access road, D-6 bulldozer, 10 hours @ $10.00/hr.	100.00	
Toolhouse 1/	78.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	13.00	
Sinking 60 feet of shaft @ $45.00/ft.	2,700.00	
Driving 80 feet of drifts and/or crosscuts @ $35.00/ft.	2,800.00	
Estimated total cost of project		$5,816.00
Government participation @ 75%		$4,362.00

1/ The completed work constitutes the unit.



SKETCH OF
SUGAR DAVE MINE
MITCHELL CO., N.C.

DMEA-3559 (mica)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1955

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 Mitchell, described as follows:1/

Beginning at the old shaft of the Sugar Bave Mine, this shaft being 150 yds. S. E. of a Locust Tree at the Fortner-Huskins corner on top of Big Ridge Mountain; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to point of beginning. This property lying in Mitchell Co., N.C. and owned by Sherrill Huckins.

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/ C. R. Phillips, Ed Huskins and Sherrill Huckins
all of Bakersville, Rt. 3, N. C.

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 1st day of November, 1954.

(Signed) Sherrill G. Kushing [Seal] Bakersville, Rt. 3, N. C.

_____ [Seal]

_____ [Seal]

MINING LEASE

Division of Mines
Dept. of Conservation & Development
Mineral Resources Section
RECEIVED
JAN 26 1955

State of North Carolina Mitchell County:

This indenture made this 1st day of November, 1954, 1953,

between Sherrill Huskins

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and G. B. Phillips, Ed Huskins and Sherrill Huskins

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the party of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

Beginning at the old shaft of the Super Dove Mine, this shaft being 150 yards S. E. of a Locust Tree at the Porter-Huskins corner of the top of Big Ridge Mountain; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to the point of beginning. This property lying in Mitchell County, N. C. and owned by Sherrill Huskins.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 10%

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness: (Seal)

(Signed) Sherrill G. Huskins (Seal)

(Seal)

(Seal)

Kenneth R. McKinney, Notary Public
My Comm. Expires 8-11-55

DMEA-3559, Sugar Dave Mine. Contract for $5,816.00 for bulldozing, sinking 60 ft. of shaft and 80 ft. of drift. 49 ft. of shaft has been completed. The Field Team instructed the operator to turn off at 45 ft. The mica here is green and the pegmatite is fairly rich in mica. Approximately 6 to 7 tons of block have been recovered to date. The pegmatite pinched at the bottom.

The attached picture shows a typical scene around the collar of a mica shaft.

Looking N. at old cut and at site that was bulldozed for shaft. Also surface plant.

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

November 3, 1954
Subject: DMEA-3559
Re: Exploration Assistance
Sugar Dave Mine Prospect

Mr. C. R. Phillips, et al.
c/o Sherrill Huskins
Route 3
Bakersville, N. C.

Gentlemen:

The receipt of your application dated November 1, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3559 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

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

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. 3559
Metal or Mineral MICA
Date Received
Estimated Cost $6,200
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: C. R. Phillips, Ed Huskins and Sherrill Huskins
Route 3, Bakersville, N. C.
c/o Sherrill Huskins, Rt. 3, Bakersville, N. C.
Partnership

(*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 Legal description given on attached lease.

(*b*) State any mine name by which the property is known. Sugar Dave Mine Prospect

(*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. Lease attached.

(*e*) If you own the land, describe any liens or encumbrances on it Not owner

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. None

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. See attached sheet.

(*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 wish to explore Mica

(*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. See attached sheet.

(*c*) The work will start within 30 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. C.R.Phillips on file; others attached.

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: See sheet

(*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)? Yes. Will furnish required 25%.

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

[x] 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 November 1, 1954

C. R. Phillips, Ed Huskins &
Sherrill Huskins (Applicant)

By C. R. Phillips
Partner

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

DEPARTMENT OF THE INTERIOR
Defense Minerals
RECE
NOV 2 - 1954

Mf-103 Continuation Sheet

4. (a) No old works or previous mining.

(b) None.

(c) We believe by exploring this prospect we may find deposits of high quality ruby mica.

(d) Project is accessible to roads, shipping, etc.

(e) Manpower, materials, supplies and equipment available and power within 2000'.

5. (b) We propose to bulldoze a trench 200' long, 10' deep and 12' wide; sink shaft at best location to 60' depth; then drift with vein 40' each way.

(d) Applicants operating experience, etc. on separate sheet attached.

6. Estimate of Costs:

Bulldozing trench 200' x 10' x 12' 40 hours bulldozing @ $10.00	$ 400.00
Sinking Shaft 60' @ $50.00 ft.	3000.00
Drifting 80' with vein @ $35.00 ft.	2800.00
Total Estimated Cost	$ 6200.00

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

Ed Huskins

Ed Huskins was born in Mitchell County and has lived here all his life. He is now 42 years old.

Mr. Huskins was graduated from the Bowman High School at Bakersville, N. C. and has worked in mica and feldspar mining most of his life since that time.

He is a reputable man and well known and liked in his community.

Sherrill Huskins

Sherrill Huskins is now 39 years old, was born and brought up in Mitchell County. He finished high sbhool at Bowman High in Bakersville, N. C. and has worked at mining in different minerals most of hislife.

Mr. Huskins has been employed by the Deer Park Mining Company five years; has worked at the Poll Hill Mine during the Colonial Mica Program and has worked at various other mines and for himself in mica.

He is respected and has a good reputation in this area.

COPY

Spruce Pine, N.C.
November 30, 1954

Mr. C. O. Mittendorf
Department of the Interior, DMEA
Washington, D. C.

Re: DMEA-3559, Mica
Sugar Dave Mine Prospect
Mitchell County, N. C.

Dear Mr. Mittendorf:

In reply to your letter of November 19, 1954, we are giving below a new legal description for the leased land on the above application. Please attach this description to the lease and proper files.

"Beginning at the old shaft of the Sugar Dave Mine, this shaft being 150 yards S.E. of a Locust Tree at the Fortner - Huskins corner on the top of Big Ridge Mountain; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to point of beginning. This property lying in Mitchell County, N. C., owned by Sherrill Huskins.

I believe this will be a satisfactory description. If further information is necessary, please contact us.

Very truly yours,

/s/
C. R. Phillips

P/b

O.K. to attach this
the leave and CCL's
according to Hoffland -
12/14/54 - WZA

Alice - May I have 4 copies
of this, please - Charlie

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

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

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

Beginning at the center of what is known as the Sugar Dave Mine Prospect and running North 250'; thence West 250'; thence South 500'; thence East 500'; thence North 500'; thence West 250' to the beginning. This property in Mitchell County, N. C. and owned by Sherrill Huskins.

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/ C. R. Phillips, Ed Huskins, and Sherrill Huskins
all of Bakersville, Rt. 3, N. C.

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 1st day of November, 1954.

Shirrell G. Hudson [Seal] Bakersville, Rt. 3, N. C.

_____ [Seal]

_____ [Seal]

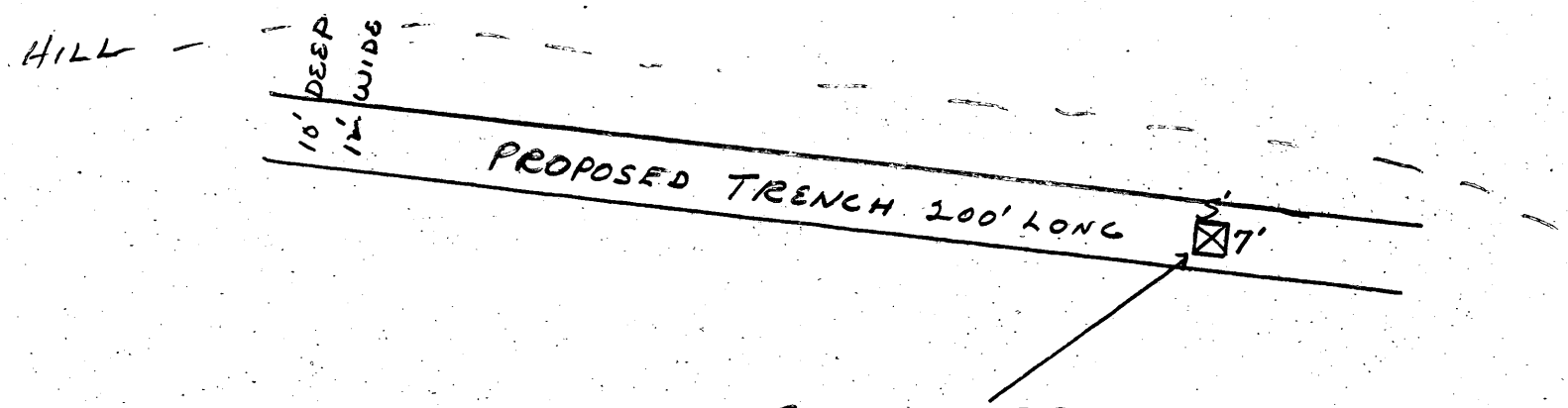
BUREAU OF MINES
Postoffice Box #431
Joplin, Missouri

OFFICIAL BUSINESS

AIR MAIL

DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

SUGAR DAVE MINE PROSPECT



SHAFT TO BE SUNK AT
BEST LOCATION IN TRENCH

THEN PROPOSED DRIFT TO
RUN 40' EACH WAY.

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

Project Summary Report

By: Walter C. Anderson July 20, 1955

1. Docket No. DMEA-3559 - Mica
Contract No. Idm-E757
Sugar Dave Mine
Mitchell County, North Carolina

Operators: C. R. Phillips, Ed Huskins and Sherrill Huskins
C/o Sherrill Huskins
Route 3, Bakersville, North Carolina

Application: Form MF-103 (April 1952) received November 24, 1954.
Work proposed: Bulldoze a trench 200 feet by 10 feet by 12 feet, 60 feet of shaft and 80 feet of drifts.
Amount requested: $6,200

Operators' property rights:
Mining lease on Huskins property covering 6 acres more or less for 5 years, dated November 1, 1954.
Owner's Consent to Lien dated November 1, 1954.

2. Contract: Form MF-200A (June 1954) dated January 10, 1955.
Work authorized:

Bulldoze a trench 75 feet by 15 feet by 6 feet 10 hours @ $10.00/hr	$ 100.00
Construct access road	100.00
Construct toolhouse, powder and exploder magazines	116.00
Sink 60 feet of shaft @ $45.00/ft	2,700.00
Drive 80 feet of drifts and/or crosscuts @ $35.00/ft	2,800.00
Estimated total cost of project	$5,816.00
Government participation @ 75%	$4,362.00

Amendments - None

Work completed:

Bulldozed trench	$ 100.00
Constructed access road	100.00
Constructed Toolhouse, powder and exploder magazine	116.00
49 feet of shaft @ $45.00/ft	2,205.00
80 feet of drifts and/or crosscuts @ $35.00/ft	2,800.00
Total accepted cost	$5,321.00
Government participation	$3,990.75

Work began on January 31, 1955 and was completed on June 13, 1955.

Value of production during the operation is unknown, but royalties received during that time amounted to $141.37.
Final Field Team report received June 27, 1955.
Operator's final report received June 27, 1955.
No equipment purchased under the contract.

3. Audit: Report of Review issued June 29, 1955.
Accepted cost $5,321.00
Government participation $3,990.75

4. Certification of discovery issued Aug. 3, 1955

Reserves - Indicated: 80 tons "mine-run" mica
Inferred: 40 tons "mine-run" mica

5. Comments:

How conducted: All of the work in which the Government participated was conducted in a most satisfactory manner.

Operation: Good

Engineering: Reporting by Operators was good. The final report gave a well detailed and accurate account of the work.

Geological Premise: The premise that considerable strategic mica would be present in the pegmatite below the old workings was substantiated by the project work.

Geological Criteria upon which work was based:

1. Several thin pegmatites conformably enclosed by interlayered mica schist and hornblende gneiss.
2. Mica - abundant, brown to greenish brown in color, hard, generally flat, some show "A" structure and some show slight mineral staining.
3. Past production - World War II production, 188.67 pounds, sold for $972.04.

Criteria developed during project:

1. Unzoned, conformable pegmatite averaging 3½ feet thick, maximum 6 feet. At least 90 feet long.
2. Mica - hard, flat and brown colored.
3. Sales of mica during project.

Future possiblilites - Mining operations are planned by the Operators. No additional exploration is necessary at this time.

Recommendations - The Nonmetallic Minerals Division concurs in Field Team's recommendation that a certification of discovery or development should be issued. The mica commodity committee members of the Geological Survey and Bureau of Mines also concur with the Field Team recommendations.

Walter C. Anderson

Walter C. Anderson, Mining Engineer

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

January 11, 1965

Re: DMEA-3559 (Mica)
C. R. Phillips, Ed Huskins,
and Sherrill Huskins
Sugar Dave Mine
Mitchell County, N. C.
Contract Idm-B757

Mr. Sherrill Huskins
Route #3
Bakersville, North Carolina

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 18 1965

INITIALS	CODE
ama	800
	~~100~~
JJ	~~110~~
	120 m
	~~120~~

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

DMEA-3559
Idm-E757

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. ~~Since~~ **From February 1964, to January 10, 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 February 1964, to January 10, 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)? Yes ☐ No ☑

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

Disposition of Material	Quantity	Value

Submitted by:

Name Kenneth G. Huskens Title Owner

Address Bakersville, N.C. Rt 3 Date Jan. 13, 1965

4511

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Mrs Sherrill Huskens

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED	ADDRESS WHERE DELIVERED *(only if requested in item #1)*
2/24/62	Mrs Sherrill Huske

C55—16—71548-4 GPO

3559

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

FEB 24 PM

RECEIVED

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
598196	DEPT OF INTR (MIN EXPL)
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
	18th C.ST N.W.
INSURED NO.	CITY, ZONE AND STATE
	WASH 25 D.C.

POD Form 3811 Jan. 1958

C55—16—71548-4

Inserted
220

DMEA 3559

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

February 20, 1964

Re: DMEA3559 (Mica)
C. R. Phillips, Ed Huskins,
and Sherrill Huskins
Sugar Dave Mine
Mitchell County, N. C.
Contract Idm-E757

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Sherrill Huskins
Route #3
Bakersville, 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,

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 27 1964

DATE	INITIALS	CODE
2/27		800
		100
2/27		~~110~~
		500
		220

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since December 12, 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 ☒

2. Since December 12, 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 Sherrill Hastings Title Land Owner

Address Route 3 Bakersville NC Date Feb 24, 1964

4511

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

September 4, 1963

Re: MEA-3559 (Mica)
C. R. Phillips, Ed Huskins,
and Sherrill Huskins
Sugar Dove Mine
Mitchell County, N. C.
Contract Ion-2757

Mr. Sherrill Huskins
Route 03
Bakersville, 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

Repeat registered mail

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since December 12, 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 ☐

2. Since December 12, 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 _____ Title _____

Address _____ Date _____

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/20	GCS	120
		220

DEC 2 0 1962

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-3559 (Mica)
Phillips, Huskins, and Huskins
Sugar Dave Mine
Mitchell County, North Carolina
Contract Idm-E757

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

George C. Selfridge (gla)

Enclosure

GCSelfridge/gla (12-20-62)
cc to: Docket DMEA-3559
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 12/17/62 and orig. of memo dtd 12/18/62 to Chief, Div. of Field Operations from CA&A Division,
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

December 18, 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-3559 (Mica)
Phillips, Muskins, and Muskins
Sugar Dave Mine
Mitchell County, North Carolina
Contract Idm-E757

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 12-18-62

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

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/5	Murphy	500
12/6	Faldet	800
	Selfridge	120
12/6	Johnson	110
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DEC 6 1962

Mr. Sherrill Huskins
Route #3
Bakersville, North Carolina

Re: DMEA-3559 (Mica)
C. R. Phillips, Ed Huskins,
and Sherrill Huskins
Sugar Dave Mine
Mitchell County, North Carolina
Contract Idm-E757

Dear Mr. Huskins:

Enclosed are the two copies of MME Form 63 which you returned to this office. Will you kindly sign these forms under the words "Submitted by" and mail them to this office as soon as possible.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

Enclosures

FMMurphy/mm
12-5-62
cc: Director's Reading
Code 500
✓Docket

43683

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

November 21, 1962

Re: DMEA-3559 (Mica)
C. R. Phillips, Ed Huskins,
and Sherrill Huskins
Sugar Dave Mine
Mitchell County, N. C.
Contract Idm-E757

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Sherrill Huskins
Route #3
Bakersville, North Carolina

Dear Mr. Huskins:

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

rct. 12/17/62

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 4 1962

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12/17		~~110~~
~~12/18~~		~~500~~

MME Form 63
Revised 3-62

DMEA-3559
Idm-E757

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **June 15, 1960**, 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 **June 15, 1960**, 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 Sherrill Hutchins Title Owner

Address Rt 3 Bakersville NC Date Dec 12 - 62

4511

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Grover Willis

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

3559

DATE DELIVERED	ADDRESS WHERE DELIVERED *(only if requested in item #1)*
11/26/62	

C55—16—71548-4 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

BAKERSFIELD
NOV 26
4 PM
1962

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
598453	DEPT OF INTR(MIN EXPL)
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
	18th AND C ST.N.W.
INSURED NO.	CITY, ZONE AND STATE
	WASHINGTON 25.D.C.

POD Form 3811 Jan. 1958

C55—16—71548-4

~~Mr. Murphy~~
~~8001~~
220

3559

OME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26		800
		500
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June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

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

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

Contract No.	Docket No.	Operator	Mine Names
E- 684	3244	Alex Teague	Old Denson (Denison)
687	3256	Glenn C. Rathburn	Fox, Busby Creek
692	3260	Sam L. Phillips	W. A. McKinney, McKinney No. 1
694	3199	W. B. Chrisman	R. D. (W. H.) Westall
712	3410	Rock Mining Company	Rock
737	3469	A. Ward	Elmore
757	3559	C. R. Phillips, et al.	Sugar Dave, Ralph
762	3577	Keller Mining Co.	Oyster
805	3720	Alvin White, et al.	Howard
830	3265	Mines and Mining, Inc.	Barlow Gap
835	3813	T. B. Vance	Shuffle Vance, Red, Charlie Burleson
840	3799	J. R. Beam	Bennett, Mica Field
865	3860	Ed Boone	Rocky Rock
882	3924	J. R. Beam & John Phillips	Little Ray, Pat
891	3543	Buchanan Minerals, Inc.	Buchanan, Dream
900	3942	Sam G. Smith	Low Mill, Sam Smith
962	4147	Sam L. Phillips	Old Buchanan
1005	4239	John Phillips	Roby (Robby)
1008	4332	John Phillips	John (John's) Brown
1037	4268	Murphy Mining Co.	Murphy, Murphy Rock
1042	4449	Clifton D. Buchanan	Jolene, Phillips
1089	4554	Sam L. Phillips	Black Mountain

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

CEFisher/am
6-26-62

63603

[illegible]-annual report on [illegible] projects, North Carolina

Idn#	Operator	Date of Inspection
[illegible]	[illegible] & Jarrett (Marah Putnam)	June 13 thru 15, '60
[illegible]	A. Ward (Elmore Mine)	
[illegible]	C. R. Phillips (Sugar Dave Mine)	
[illegible]	Keller Mining Co. (Royster Mine)	
[illegible]	Roy Grindstaff (Conley Mine)	
[illegible]	E. B. Vance (Shuffle Vance Mine)	
[illegible]	Ed Boone (Goog Rock Mine)	
[illegible]	J. E. Beam & J. Phillips (Little Ray Mine)	
[illegible]	Sam Smith (Moe Hill Mine)* Royalty due-$27.04	
[illegible]	Sam Phillips (Old Buchanan)	
[illegible]	[illegible] Phillips (Boby Mine)	
[illegible]	John Phillips (John Prospect)	
[illegible]	Hawk Mining Co. (Hawk Mine)	
[illegible]	Clifton D. Buchanan (Boone Prospect)	
[illegible]	[illegible] D. Phillips (Black Mountain Pros)	

[illegible] projects were checked at the [illegible] Surface Mines [illegible] [illegible] inquiring [illegible] and [illegible]

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 25 1959

DATE	INITIALS	CODE
11-25	gad	[illegible]
"	[illegible]	[illegible]
11/30	[illegible]	[illegible]
" "	glc	[illegible]
		[illegible]

OFFICE OF MINERALS EXPLORATION

Semi-Annual Report on Certified Projects

INACTIVE SINCE LAST INSPECTION

Commodity: Mica

Reporting Period: July 1, 1959 to December 30, 1959

The following certified projects in the Spruce Pine, North Carolina area were checked at the Government Purchasing Depot, or by contacting the Operators, either directly or by telephone. They were checked during the first two weeks of November 1959 and found to be inactive since the last inspection report.

DMEA-No.	Idm-E	Operator	Mine Name
1676	181	Yancey Mica Mines, Inc.	Cattail
2375	349	Robinson & West	Swannanoa
2764	519	Twiggs, Glen & Green	Sam Hopkins Mine
3008	560	Murphy Mining Co.	Bennett Red
3154	636	Ellis & Grindstaff	Byrd
3199	694	W.B. Chrisawn	Westall
3247	664	Buchanan & Cook	Johnson
3255	662	Non-Metallic Minerals	White Face
3256	667	Brown & Rathburn	Fox Mine
[illegible]	712	Rock Mining Co.	Rock
3452	734	Boone & Jarrett	Marsh Putnam
3550	757	C. R. Phillips	Sugar Dam
3700	814	Roy Grindstaff	Conley
3924	882	J.R. Beam & John Phillips	Little Ray
4147	962	Sam Phillips	Old Buchanan

V. J. Lynch, Mining Engineer
Bureau of Mines--OME

Nov. 23, 1959

DMEA EXPLORATION PROJECT

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

DMEA-3559-Idm-E757- mica

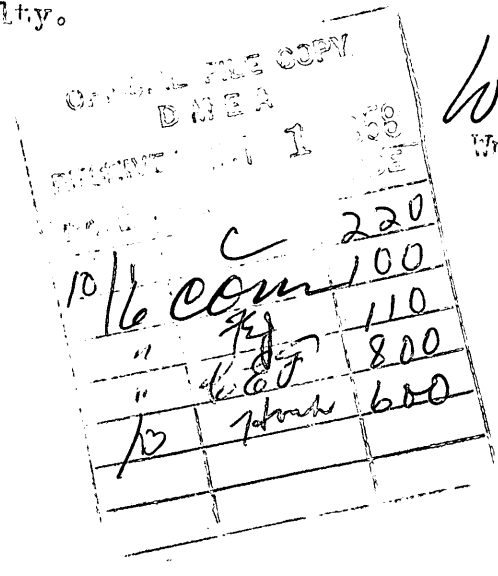
SUGAR DAVE MINE, Mitchell County, N. C.

Reporting Period: 1-1-58 to 7-1-58. Examined: 9-16-58

Operator: C. R. Phillips, Ed Huskins and Sherrill Huskins, Ptnrs.
c/o Sherrill Huskins, R.3, Bakersville, N.C.

Accompanied by Charlie Boone and Grover Grindstaff, the writer visited the subject mine, September 16, 1958. Mr. Grindstaff said he and Sherrill Huskins operated in the north end of the open cut last spring. He sold his share of the mica to George Boone for $25 and Boone got $100.00 for it.

The records at the Mica Depot show a sale of 1075 lbs. of hand cobbed mica under the name of Sherril Huskins and Boone for which $215.89 was paid. This mica was sold by George Boone and was reported to have come from the Ralph Mine. Mr. Huskins was written and asked to advise the Field Team whether this mica came from the Sugar Dave and if so to remit the Governments royalty.



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

☑ Audited 6/29/55 WORK ANALYSIS SHEET - DMEA PROJECT ☐ Actual Costs

☑ Certified Analysis as of 6/29/55 ☑ Agreed Unit Costs

Incl. Voucher for June 55

Name C. R. Phillips, Ed + Sherrill Huskins Docket No. 3559

State North Carolina Commodity Mica Idm-E No. 757

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	80	2,800.00	80	2800.0	2800.00
Raising					
Shafts	60	2,700.00	49	2205.00	2205.00
Winzes					
Drilling (Specify)					
Surface Excavation		100.00		100.00	100.00
Underground Excavation					
Roads and Trails		100.00		100.00	100.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		116.00		116.00	116.00
Other (Specify)					
Totals		$5816.00		5321.00	5321.00

Prepared by Walter C. Anderson

71626

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

October 29, 1958

Memorandum

To: Operating Committee, OME - Region V - Norris, Tenn.

From: Executive Officer, OME - Region V - Knoxville

Subject: Royalty Payment - DMEA-3559, Idm-E757 (mica)
C. R. Phillips, Ed Huskins and Sherrill Huskins,
Bakersville, N.C.
Sugar Dave Mine, Mitchell County, N.C.

Transmitted is a check in the amount of $10.79 for royalty due on production from the subject contract.

Attached is the transmittal which accompanied the check.

Robert A. Laurence

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 31 1958
DATE | INITIALS | FILE
10/31 | | 220
4/61 | Cash | 600

Enc. Check No. 45
dated Oct. 27, 1958

cc
Lynch
Files
Acting Director

I am sorry I cannot send the settlement sheet. It has been misplaced or lost.

(signed) Sherrill G. Huskins

(copied SIC
by zm)

DMEA-3559, Idm-E757(mica) Sugar Dave Mine
Mitchell County, N.C.

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 15 1958

DATE	INITIALS	CODE
10/15	C	220
		600

October 13, 1958

Mr. Sherrill Huskins
Route #3
Bakersville, N. C.

Re: DMEA-3559, Idm-E757-mica
C. R. Phillips, Ed Huskins,
and Sherrill Huskins
Sugar Dave Mine,
Mitchell County, N.C.

Dear Mr. Huskins:

We are sorry you did not realize the property covered by the subject contract still had a Government lien on it. By the terms of the Exploration Project Contract and the Certification, all production from the date of the contract, January 10, 1955, is subject to the Government's percentage royalty as set forth in the contract until the sum of $3,990.75 is paid or until January 10, 1965, whichever occurs first.

This was explained to you in a letter dated August 4, 1955, by C. O. Mittendorf, Administrator of the Defense Minerals Exploration Administration. This letter transmitted the certification of discovery or development.

For your information $230.88 of the above $3,990.75 has been repaid leaving a balance of $3,759.87.

Very truly yours,

Robert A. Laurence
Executive Officer, OME

WAB/zm
cc
Opr. Com. 2

RECEIVED
OCT 8 - 1958
U. S. [redacted]
DE[redacted]
Knoxville, Tenn.

Sherrill Huskins
Bakersville, N.C.
Rt 3.
Oct. 6, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 15 1958

DATE	INITIALS	CODE

Mr Robert A. Laugerence
Executive Officer, OME
Field Team, Region V

Dear Sir:

In regard to the letter I received from you about the sale of mica George Boone and I made sometime ago from the name of the "Ralph Mine", we did make a sale of $215.89. It was not from the place you helped us mine about 3 yrs ago, called the "Sugar Dam mine". It is covered by your contract though. I'm sorry about it, but I never had a thought about it being still covered

since it has been so long since you stopped working it. The upper end that we get this mica from is definitely called the "Ralph mine". We did not mine the shaft called the "Sugar Dane mine" that you helped to sink.

How much longer is this contract in effect and when can I get it released from you?

I am working away from home and only have one night a week at home. I haven't seen George Bohn but I'll see him and send you the $10 Royalty by the last of this week and as soon as possible.

Sincerely,

Sherrill Huskins

September 29, 1958

10/1 C 220
10/1 Hold 600

Mr. Sherrill Huskins
Route #3
Bakersville, North Carolina

Re: DMEA-3559, Idm-E757-mica
C.R. Phillips, Ed Huskins and
Sherrill Huskins
Sugar Dave Mine
Mitchell County, N. C.

Dear Mr. Huskins:

One of our engineers recently visited the subject mine and reports that some work has been done on the property covered by the above contract.

The records at the Government Purchasing Depot show that George Boone made a sale of 1,075 pounds of hand cobbed mica on February 7, 1958 under the name of Sherrill Huskins and Boone. This mica was reported as having been produced from the "Ralph Mine" and after being processed brought $215.89. If this mica came from the property above mentionned, the Government is entitled to its royalty of $10.79.

Please advise this office if the above mica was from the Sugar Dave mine and if so please remit the royalty together with a copy of the settlement sheet.

Very truly yours,

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

WAB/sm
cc
Opr. Com-2
Lynch
Files

11/12 C 220
13 Com 100

INTERIM REPORT

Semi-Annual Report of Certified Project

DMEA-3559, Idm-E757(mica) SUGAR DAVE MINE
Mitchell County, North Carolina

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

Operators: C. R. Phillips, Ed Huskins and Sherrill Huskins, Ptnrs.
c/o Sherrill Huskins, Rt.#3, Bakersville, N.C.

This mine has not been operated since completion of the contract according to C. R. Phillips' statement to the writer on October 24, 1957.

Wm. A. Beck, Mining Engineer
Bureau of Mines

z

SEMI-ANNUAL REPORT OF CERTIFIED
PROJECT

Reporting Period: To 1-1-57. Date of Examination: 4-10-57

Operator: C. R. Phillips, Ed Huskins & Sherrill Huskins, Ptnrs.
c/o Sherrill Huskins, R#3, Bakersville, N. C.

Mine Name: Sugar Dave. County: Mitchell. State: North Carolina.

Docket No. DMEA-3559. Contract No. Idm-E757

Date of Contract: January 10, 1955. Commodity: Mica

Date of Certification: August 4, 1955.

Date of Expiration of Royalty Payments: January 10, 1965

Total Amount of Contract: $5,816.00

Total Expenditures under Contract: $5,321.00

Amount of Government Participation at 75% - $3,990.75

Royalty Payments this Period: $230.88

Previous Royalty Payments: None

Total Royalty Paid to Date: $230.88

Percent Government Participation Repaid::$: 5.785

Royalty Due on Production to Date: None

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 16 1957

DATE	INITIALS	CODE
5/16	ZWD	220
17	Com	100

REMARKS: Mine has not been in production since completion of contract.

Original Estimate of DMEA Reserves(Field Team Final Report)
80 tons of indicated "mine-run mica above 49-ft level over the drifts.

40 tons of inferred "mine-run" mica north-east and above the head of the northeast drift.

Production: DMEA Ore (Previous)

Type	Pounds	Value
Sheet	64.62	$354.14
Hand Cobbed	27,698.00	$3,899.15
Scrap	24,275.00	364.12
Total		$4,617.41

Production DMEA Ore (Todate) Same as previous.

REMARKS: The writer talked with C. R. Phillips, one of the Operators on this contract, April 10, 1957. He stated the mica was of such poor quality that they could not operate at a profit, therefore ceased work at the termination of the contract. He said no one has worked the mine since.

Wm. A. Beck, Mining Engineer
Bureau of Mines

z

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

RECEIVED

September 27, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer, Region V

From: Acting Executive Officer, DMEA - Region V

Subject; Royalty checks on DMEA Projects - Region V

Transmitted are bills-of-sale and royalty checks on the following:

Idm-E374, DMEA-2359, Old Dominion Manganese Company, Inc., check forwarded from the Department of Justice No. 127, in the amount of $1,000.

Idm-E757, DMEA-3559, Phillips, Huskins & Huskins, Spruce Pine, N. C., sales in the amount of $261.19, and a check No. 101 in the amount of $13.06 representing 5% royalty. ✓

Idm-E757, DMEA-3559, Phillips, Huskins & Huskins, Spruce Pine, N. C., sale of scrap mica in the amount of $364.12, and a check No. 106 in the amount of $18.21 representing 5% royalty. ✓

V. J. Lynch

ZM.
cc:
Lynch
Shirley
Lawrence
Mittendorf

COPY

GENERAL SERVICES ADMINISTRATION

WARRANTY, ACCEPTANCE AND INVOICE - HAND COBBED MICA

MICA PURCHASING DEPOT, SPRUCE PINE, N. C.

DATE 9-2-55

ACCEPTANCE NO. BO-4 91(a)

CERTIFICATE AUTHORIZATION NO.	LOT NO.	VOUCHER NO.
EPS-4- 78B	SPB- 91 (a)	

RUBY ☐ NON-RUBY ☒	TOTAL LBS. PURCHASED	LBS. OF G.S. & BETTER MICA	LBS. OF STAINED MICA	TOTAL VALUE
TOTAL PAYMENT	4167.00	12.19	37.56	485.92
	Cost of rifting and trimming			49.72
LESS INITIAL PAYMENT - VOUCHER NO. 47 Sch.399		11.00	80.00	366.86
AMT. DUE GOVERNMENT ☐ SELLER ☒				69.54

THIS LOT OF MICA, LOT NO. SPBO-91, IS ACCEPTED FOR THE GOVERNMENT SUBJECT TO ALL PERTINENT REGULATIONS AND LAWS GOVERNING THE DOMESTIC MICA PROCUREMENT PROGRAM.

GENERAL SERVICES ADMINISTRATION

BY

SIGNATURE

TITLE

THE UNDERSIGNED WARRANTS THAT THIS LOT OF MICA, LOT NO. 91, MEETS THE REQUIREMENTS OF ALL PERTINENT REGULATIONS AND LAWS GOVERNING THE MICA PROGRAM AND THAT THIS INVOICE IS CORRECT AND JUST AND THAT PAYMENT THEREFOR HAS NOT BEEN RECEIVED.

SELLER Sugar Dave Mining Co.

DATE 9-2-55

ADDRESS Spruce Pine, N. C.
DMEA-3559, Idm-E757

BY Phillips, Huskins and Hus

TITLE

Form R4-T30, June 1955

COPY

GENERAL SERVICES ADMINISTRATION

WARRANTY, ACCEPTANCE AND INVOICE - HAND COBBED MICA

MICA PURCHASING DEPOT, SPRUCE PINE, N. C.

DATE 9-14-55

ACCEPTANCE NO. B04 - 12 (a)

CERTIFICATE AUTHORIZATION NO.	LOT NO.	VOUCHER NO.
78B	SPB- 12 (a)	

RUBY [ ] NON-RUBY [X]	TOTAL LBS. PURCHASED	LBS. OF G.S. & BETTER MICA	LBS. OF STAINED MICA	TOTAL VALUE
TOTAL PAYMENT	2964.00	13.00	38.56	511.67
LESS INITIAL PAYMENT - VOUCHER NO. 12 Sch. 107	Cost of rifting and trimming	8.00	50.00	53.37 266.65
AMT. DUE GOVERNMENT [ ] SELLER [X]				191.65

THIS LOT OF MICA, LOT NO. _____, IS ACCEPTED FOR THE GOVERNMENT SUBJECT TO ALL PERTINENT REGULATIONS AND LAWS GOVERNING THE DOMESTIC MICA PROCUREMENT PROGRAM.

GENERAL SERVICES ADMINISTRATION

BY

SIGNATURE

TITLE

THE UNDERSIGNED WARRANTS THAT THIS LOT OF MICA, LOT NO. _____, MEETS THE REQUIREMENTS OF ALL PERTINENT REGULATIONS AND LAWS GOVERNING THE MICA PROGRAM AND THAT THIS INVOICE IS CORRECT AND JUST AND THAT PAYMENT THEREFOR HAS NOT BEEN RECEIVED.

SELLER Sugar Dave Mine
Phillips, Huskins & Huskins

DATE 9-14-55

ADDRESS
DMEA-3559, Idn-E757

BY

TITLE

Form R4-T30, June 1955

C O P Y

ENGLISH MICA COMPANY

RECEIVED
SEP 29 1955

Spruce Pine, N. C. Aug. 19, 1955

Bought from Sugar Dave Mining Co.	13205 Lbs. scrap mica	@ $30/ton	$198.07
" " " " " "	11070 " " "	@ $30/ton	166.05
			$364.12

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

RECEIVED
SEP - 6 1955

~~August~~ September 1, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer - Region V

From: Acting Executive Officer, DMEA Field Team, Region V

Subject: Royalty payment on- Idm-8757, DMEA-3559, Phillips, Huskins and Huskins, Sugar Dave Mine, North Carolina

Transmitted are bills-of-sale for mica on the subject mine. Two of the invoices show an overpayment (60 (a) and 62 (a)), therefore the overpayment was taken from invoice 84(a) which leaves at total of $119.36 . A check in the amount of $5.97 is enclosed for the 5% royalty due the Government.

V. J. Lynch
By:

Zula Martin

ZM.
cc:
Lynch
Mittendorf
Shirley
Laurence

COPY

GENERAL SERVICES ADMINISTRATION

8-5-55

Warranty, Acceptance and Invoice - Hand Cobbed Mica

Certificate Authorization No. ECS-4-78B

Lot No. SPB-0-60(a)

Acceptance No. B04-60 (a)

Non-ruby X	Total Lbs. Purchased	Lbs. of G. S. & Better	Lbs. stained	Total Value
Total Payment	3884.00	12.25	66.63	606.64
Less Initial payment →	Cost of rifting and trimming			139.93
	15.7302			524.34

57.63

Seller: Phillips, Huskins & Huskins, Bakersville, N. C.

Mine: Sugar Dave (mica)

DMEA-3559, Idm-757

RECEIVED

SEP - 3 1955

Copy

RECEIVED
SEP - 6 1955

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 78 B Acceptance No. 62(a) Date: 8-5-55

Seller: Phillips, Huskins & Huskins

Mine: Sugar Dane DMEA No. 3559, Admt E 757

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No. 3 & larger	Total 4207				$70.00	
No. 4 and 5					$40.00	
No. 5½ and 6					$15.00	
Stained No.3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00			$ 8.00	
No. 5½ and 6		$ 3.00			$ 5.00	
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00			$ 6.00	
No. 5½ and 6		$ 2.00			$ 3.00	
LOT TOTALS		//////			//////	
TOTAL		//////			//////	35.04

Final Settlement

~~Initial Payment~~

$809.72
774.68
35.04

* Total Value $774.68
Initial Payment − 567.97
Cost of ruffling and trimming 241.75
$809.72

6-3-55

Copy

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. 78B Acceptance No. B04-84(a) Date: 8-25-55

Seller: Phillips, Huskins & Huskins Bakersville, N.C.

Mine: Sugar Dane DMEA No. 3559, Adm-I 757

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No. 3 & larger	Total 4580				$70.00	
No. 4 and 5					$40.00	
No. 5½ and 6					$15.00	
Stained						
No.3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00			$ 8.00	
No. 5½ and 6		$ 3.00			$ 5.00	
Heavy Stained						
No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00			$ 6.00	
No. 5½ and 6		$ 2.00			$ 3.00	
LOT TOTALS		//////			//////	
TOTAL		/////			/////	212.03

Final Payment

Docket Copy
Surname:
Anderson
I Ikuma
Talbert
Kilsgaard
Geehan
Martin
Johnson

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

Mr. Sherrill Huskins
Route 3
Bakersville, North Carolina

AUG - 4 1955

Re: Docket No. DMEA-3559 - Mica
C. R. Phillips, Ed Huskins
and Sherrill Huskins
Sugar Dave Mine
Mitchell County, North Carolina
Contract No. Idm-E757

Dear Mr. Huskins:

Transmitted herewith is a certification of discovery or development under Contract No. Idm-E757 on the Sugar Dave Mine, Mitchell 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, January 10, 1955, is subject to the Government's percentage royalty as set forth in the contract until the sum of $3,990.75 is paid or until January 10, 1965, whichever occurs first.

Payments should be made to Mr. Robert A. Laurence, Executive Officer, Defense Minerals Exploration Administration 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 the royalties from the amount due on each shipment and forward check 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,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:gad 7/26/55

Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Kilsgaard, 5222
Mr. Geehan, 3608
Mr. Houk

R.S.

Docket File
Surname:
Anderson
Elkinson
Talbert
Killgaard
Gehan
Martin
Johnson

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

AUG - 4 1955

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

Re: Docket No. DMEA-3559 - Mica
C. R. Phillips, Ed Huskins
and Sherrill Huskins
Sugar Dave Mine
Mitchell County, North Carolina
Contract No. Idm-E757

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 January 10, 1955, with the Government participating to the extent of 75% of $5,816.00 or $4,362.00. The project was started on January 31, 1955 and completed June 13, 1955, after the expenditure of $5,321.00 which is the total net accepted cost according to the Audit Review. The Government paid 75% of the total accepted cost, or $3,990.75.

The work performed on this project consisted of bulldozing a trench; constructing an access road, toolhouse, and powder and exploder magazines; sinking 49 feet of shaft; and driving 30 feet of drifts and/or crosscuts from the shaft. The shaft and drifts were confined to pegmatite. The project work exposed a pegmatite 90 feet long with an average thickness of 3½ feet. The project work furnished sufficient data to enable the calculation of the following reserves:

Indicated: 80 tons "mine-run" mica
Inferred: 40 tons "mine-run" mica

The DMEA is of the opinion that the project work was of definite benefit to the property and, therefore, we have certified that a discovery or development resulted from the work.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:pk 7/26/55
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Killsgaard, 5222
~~Mr. Dietrich, 9061~~
Mr. Houk
Mr. Anderson

R.C.H.

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

RECEIVED
JUL 1 3 1955

July 15, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer

From: Executive Officer, DMEA Field Team Region V - Knoxville

Subject: Royalty payment on - Idm-E757, DMEA-3559, Phillips, Huskins and Huskins. Sugar Dave Mine, Mitchell County, N.C.

Transmitted is a bill-of-sale in the amount of $266.65 for mica, and a check for 5 percent of the sale in the amount of $13.33, royalty due the Government on the sale.

Robert A. Laurence

ZM.
cc:
Hittondrof
Lynch
Shirley
Files

COPY

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. EPS-4-78B SPBO-12 Acceptance No. B04-12 Date: 7-6-55

Seller: Phillips, Huskins & Huskins (Sugar Dave Mining Company)
R#3 Bakersville, N. C. & Sherrill Huskins

Mine: Sugar Dave Mine DMEA No. 3559, Idm-E757
Mitchell County, N. C.

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb	Amount
Good Stained & Better Grades No. 3 & larger				8.00	$70.00	
No. 4 and 5					$40.00	
No. 5½ and 6					$15.00	
Stained No.3 and larger		$12.00		50.00	$18.00	
No. 4 and 5		$ 5.00			$ 8.00	
No. 5½ and 6		$ 3.00			$ 5.00	
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00			$ 6.00	
No. 5½ and 6		$ 2.00			$ 3.00	
LOT TOTALS		//////			//////	
TOTAL		/////		2964.00	/////	266.65

Royalty Check No. 86.....$13.33

IN REPLY REFER TO:

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

July 8, 1955

Re: DMEA 3559, Idm-E757
C. R. Phillips, Ed Huskins,
Sherrill Huskins
Sugar Dave Mine
Mitchell Co., N. C.
$5,816.00 - Mica

Memorandum

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

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

Subject: Review of Final Report of Field Team

I concur with the Field Team recommendation that a discovery was made at the Sugar Dave mine and a certificate of discovery be issued.

N. E. Nelson

N. E. Nelson

RECEIVED
JUL 11 1955

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

RECEIVED
JUL - 6 1955

July 5, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3559 (mica)

Applicant: C. R. Phillips, E. Huskins, S. Huskins

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

Contract Number: Idm-E 757

Date of Field Team Report: June 23, 1955

Date Rec'd by Br. of Ceramic and Fertilizer Materials: June 30, 1955

Field Team Recommendation: Recommend issuance of certification of discovery

Comments:

1. Mica was recovered during DMEA exploration

2. Expenditures - Total Approved $5,816.00
Total cost 5,111.00
Gov't. share of the cost 3,833.25
Value of production during operation unknown - but royalties received up to June 23, 1955 totaled $141.37

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

Final Report

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 June, 1955 Docket No. DMEA 3559 Contract No. Ion-E 757
Operator's Name C. R. Phillips, Ed Huskins & Sherrill Huckins Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 5816.00 Government Participation: 75 % Amount, $ 4362.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road Access		100.00	100.00			
Crosscutting						
6' Drifting 35.00 ft.	210.00	2590.00	2800.00			
Shaft		2205.00	2205.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Stripping		100.00	100.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse		73.00	73.00			
Pouder & Exploder Mags.		38.00	38.00			
(8) Contingencies (specify):						
TOTALS	210.00	5111.00	5321.00	210.00	5111.00	5321.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 6-14-55 *Payee C. R. Phillips et al

Per C. R. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 157.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 6-23-55 Vou. No.
(See other side)

52.50

(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. Idm-E957 in accordance with the terms of the contract.

Signature Clemency H. Amos Title Geologist-USGS Date June 20, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

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 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1955 Docket No. DMEA 3559 Contract No. Idm-B 757
Operator's Name C. R. Phillips, Ed Huskins, & Sherrill Huskins Minerals Mica
Address Route 3, Bakersville, 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
6' Drifting @ 35.00	Ft.	210.00	6	2800.00	80	35.00	80	35.00
Crosscutting								
Raising								
Shafts				2205.00	49	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				100.00				
Stripping				100.00				
Total Distributed Costs		210.00		5205.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				78.00				
Powder & Exploder Mags.				38.00				
Total Costs		210.00		5321.00				

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 6-14-55 Operator C. R. Phillips et al.

Per C. R. Phillips Title Partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

Henry H. Amos
Geologist, USGS
June 20, 1955

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

OPERATOR'S
MONTHLY REPORT OF PROGRESS

June, 1955

DMEA-3559

Idm-E 757

Work Accomplished:

We completed the final 6' of drift called for in the contract, working in the same type material. We are continuing to work for the time being, hoping the quality of the mica may improve.

June 1 - 3: Pumped water, drilled, shot and mucked. Recovered some mica.

June 6 -13: Completed the final footage of the drift, repeating same operations. Vein material remains the same, still recovering some poor quality mica.

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

RECEIVED
JUL - 5 1955

June 30, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer - Knoxville-Norris

From: Executive Officer, DMEA Field Team, Region 5, Knoxville, Tenn.

Subject: Royalty payment: Idm-E757, DMEA-3559 (mica)
C. R. Phillips, Ed and Sherrill Huskins, Mitchell Co., N. C.

Transmitted is a bill-of-sale No. SPBO-91 initial payment, in the amount of $366.66, and a check No. 73, for 5 percent royalty in the amount of $18.33 on the subject contract.

Robert A. Laurence

ZM.
cc:
Lynch
Hittendorf
Shirley
Files

COPY

RECEIVED
JUL - 5 1955

GENERAL SERVICES ADMINISTRATION, REGION IV
MICA PURCHASE DEPOT, Spruce Pine, N. C.

Authorization No. EPS-4-78B Acceptance No. SPBO-91 Date 6-23-55

Seller: Sugar Dave Mining Co. (C. R. Phillips, Ed and Sherrill Huskins)
R#3, Bakersville, N. C. c/o Sherrill Huskins

Mine: Sugar Dave
Mitchell County, N. C.

DMEA No. 3559, Idm-E757 (mica)

Quality of Mica	HALF TRIM			FULL TRIM		
	Pounds	Price/Lb.	Amount	Pounds	Price/Lb.	Amount
Good Stained & Better Grades No. 3 & larger					$70.00	
No. 4 and 5					$40.00	
No. 5½ and 6					$15.00	
Stained No. 3 and larger		$12.00			$18.00	
No. 4 and 5		$ 5.00			$ 8.00	
No. 5½ and 6		$ 3.00			$ 5.00	
Heavy Stained No. 3 & larger		$ 8.00			$13.00	
No. 4 and 5		$ 4.00			$ 6.00	
No. 5½ and 6		$ 2.00			$ 3.00	
LOT TOTALS		//////			//////	
TOTAL		/////	Initial Payment		/////	366.66

Sam L. Phillips, Partner

Royalty check No. 73. $18.33

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

RECEIVED
JUN 29 1955

June 27, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer - Knoxville

From: Executive Officer, DMEA - Region 5, Knoxville, Tenn.

Subject: Royalty payment - Idm-E757, DMEA-3559, Phillips, Huskins and Huskins. Route #3, Bakersville, N. C.

Transmitted is a bill-of-sale in the amount of $412.18, and a check no.70, in the amount of $20.61, representing 5% due the Government on the sale.

Robert A. Laurence

ZM.
cc
Lynch
Mittendorf
Laurence

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, North Carolina

WARRANTY, ACCEPTANCE AND INVOICE

DATE: 6-20-55

ACCEPTANCE NUMBER: B04-84 Initial Payment

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
EPS-4-78B	SPBO-84	

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sugar Dave Mining Co.	SIGNATURE:
STREET ADDRESS: Box 35	NAME *(Type or print)*: Sam L. Phillips
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: partner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$70.00	
GRADES NO. 4 AND 5					$40.00	
GRADES NO. 5½ AND 6					$15.00	
STAINED						
GRADES NO. 3 AND LARGER		$12.00			$18.00	
GRADES NO. 4 AND 5		$ 5.00			$ 8.00	
GRADES NO. 5½ AND 6		$ 3.00			$ 5.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00			$ 6.00	
GRADES NO. 5½ AND 6		$ 2.00			$ 3.00	
TOTALS						
LOT TOTALS						

PROGRAM B - HAND-COBBED MICA

TOTALS	Initial Payment			4580.00	$ 0.30	412.18

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed S. Burleson		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $ 412.18

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

SELLER *(Type name)*	DATE
Sugar Dave Mining Co. (DMEA-3559, Idm-E757)	6-20-55
BY *(Signature)*: Sam L. Phillips	NAME AND TITLE *(Type)*: Partner

GSA-WASH DC 53-3094

COPY

GSA FORM 1013
September 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~

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

June 24, 1955

Memorandum

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

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

Subject: Final Reports, DMEA-3559, Idm-E757 (mica)
C. R. Phillips, Ed Huskins and Sherrill Huskins
Sugar Dave Mine, Mitchell County, North Carolina

Enclosed are four copies each of the Operator's and Field Team reports on the subject exploration contract.

We recommend issuance of a certificate of discovery.

/s/ Robert A. Laurence
Executive Officer

/s/ V. J. Lynch, Member
U. S. Bureau of Mines

Enclosures 8

Reviewed by
DMEA OPERATING COMMITTEE
7-1-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JUN 27 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT BY FIELD TEAM
DMEA REGION V

On

DMEA-3559, SUGAR DAVE MINE (mica)
Boonford, Mitchell County, N. C.

Final Field Team Rpt.

By

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

and

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

June 23, 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-1-55
(date)

FINAL REPORT

On

SUGAR DAVE MINE, DMEA-3559 (mica)

Contract Idm-E757

Operators: C. R. Phillips, Ed Huskins, and Sherrill Huskins all of Route 3, Bakersville, North Carolina

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E. of Boonford, Mitchell County, North Carolina

The work conducted under this contract revealed considerable reserves of strategic and sub-strategic mica. Mining operations are planned by the Operators. It is recommended that a certification of discovery be issued. Additional exploratory work is not warranted at the present time.

Under Stage I of the contract a trench trending north-south and about 75' x 20' x 6' deep was bulldozed. Stage II work consisted of constructing a toolhouse, powder magazine, exploder magazine and 200 yards of access road; sinking a 49-foot vertical shaft 5' x 7' in cross section; and driving 80 feet of drifts from the shaft bottom. One drift was driven 22 feet in a S. 30° W. direction from the shaft bottom and another 58 feet to the northeast (the first 38 feet in a N. 10° E. direction and the remainder N. 25° E.).

A pegmatite that averages about 3½ feet thick and has a maximum thickness of 6 feet is exposed in the shaft and the laterals. It strikes N. 10-25° E. and dips 60-75° to the southeast and is conformable to the enclosing interlayered hornblende gneiss and mica schist. The body pinches out in the bottom of the shaft and in the head of the southwest drift. This may only be a local pinch-out. The pegmatite is composed of plagioclase, quartz, muscovite, garnet and apatite. No zoning is apparent except for a tendency for the muscovite to be concentrated along the contacts. Locally mica constitutes up to 50 - 60% of the pegmatite.

About 15 tons of "mine-run" mica were recovered from the work performed under the contract. It is hard, flat, and brown-colored. Some is "tied" by inclusions of quartz and most contains variable amounts of mineral stain. Mica recovered to date has just met minimum quality standards under the current cobbed mica program.

To date, mica worth in excess of $2,827.25 has been sold to the Spruce Pine GSA Depot fro which royalities totaling $141.37 have been received. This includes 16,341.14 pounds of cobbed mica for which only partial payment has been received and 64.62 pounds of trimmed mica. Considerable "mine-run" mica has not been sold yet.

Reserves revealed by the work done under the contract are estimated to be 80 tons of indicated "mine-run" mica above the 49-foot level over the drifts and 40 tons of inferred "mine-run" northeast and above the head of the northeast drift.

Expenditures:

(a)	Total approved	$5,816.00
(b)	Total cost of project	5,111.00 — 5,321
(c)	Government's share of cost	3,833.25
(d)	Government's share unexpended	528.75
(e)	Value of production during operation	?
(f)	Royalties received to date	141.37

The work was performed in a most satisfactory manner. The Operators are to be commended for the workmanlike and efficient manner in which the operation was conducted.

No equipment was purchased under the contract.

June 24, 1955

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

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

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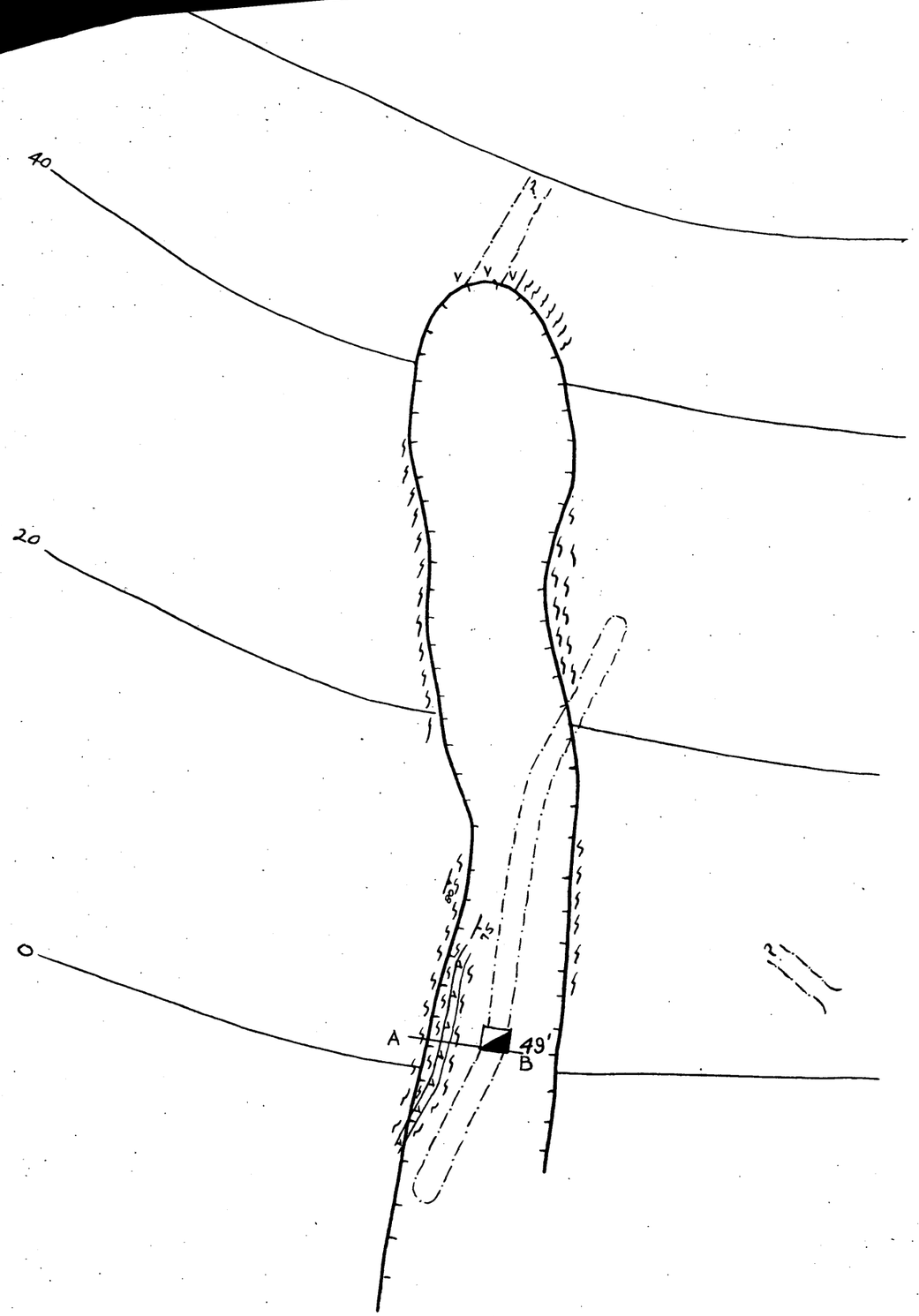
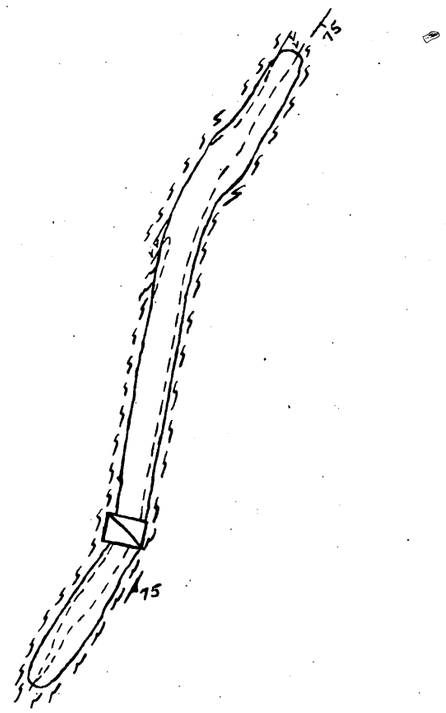
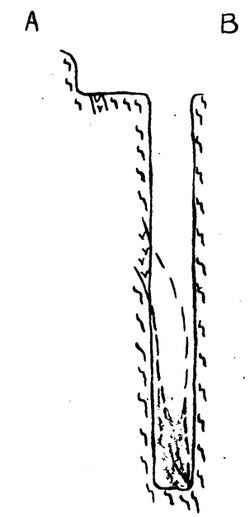




PLAN OF 49'-LEVEL



SECTION A-B

LEGEND

- ~~ mica gneiss & hornblende gneiss
- v v pegmatite
- contact
- cut
- outline of underground works
- strike & dip of foliation
- strike & dip of contact
- shaft

0 20' 40'
scale

SKETCH OF
SUGAR DAVE MINE
MITCHELL CO., N.C.

DMEA-3559 (mica)

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

RECEIVED
JUN 27 1955

June 24, 1955

Memorandum

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

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

Subject: Final Reports, DMEA-3559, Idm-E757 (mica)
C. R. Phillips, Ed Huskins and Sherrill Huskins
Sugar Dave Mine, Mitchell County, North Carolina

Enclosed are four copies each of the Operator's and Field Team reports on the subject exploration contract.

We recommend issuance of a certificate of discovery.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 8

RECEIVED
JUN 27 1955

Spruce Pine, North Carolina
June 14, 1955

Mr. Robert A. Laurence, Executive Officer
DMEA, Region VII, P.O. Building
Knoxville, Tennessee

Re: DMEA-3559, Idm-E 757 (Mica)
Sugar Dave Mine, Final Report
Mitchell County, N. C.

Open. Final Rpt.

Dear Mr. Laurence:

Work on the above project began in January, 1955 and was done in two stages. The first stage consisted of bulldozing the Eastern pegmatite S.W. from the existing open cut a distance of approximately 50'. This required a trench about 6' deep, 15' wide and 75' long. After the bulldozing was done, we uncovered vein material at which time the field team was willing to begin stage two of the contract.

In a weeks time we had constructed tool house, powder and exploder magazines, and had set up hoist, boom and mask poles. We then began to sink the shaft, and went down on the vein approximately 50'. In the sinking of the shaft, we recovered about two tons of mica which was not the best quality. From the bottom of the shaft we drifted a total distance of 80' in vein and recovered approximately five additional tons of mica which was still low grade and spotted. We hoped that the quality of the mica would improve, but to date there has been little change. We are continuing to operate for the time being. Contract work was completed June 13.

We wish to thank the field team for their assistance and cooperation on the Sugar Dave project. If further details of the operation are necessary, please contact us.

Very truly yours,

C. R. Phillips

C. R. Phillips

P/b

covering memo
H B to copy
6 27

RECEIVED
JUN 16 1955
Knoxville, Tenn.

RECEIVED
JUN 23 1955

INTERIM REPORT

DMEA-3559, Idm-E757 (mica) SUGAR DAVE MINE

Operator: C. R. Phillips, et al., c/o Sherrill Huskins, Route 3, Bakersville, N. C.

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E. of Boonford, Mitchell County, N. C.

Work outlined under this contract has been completed. A deposit rich in poor quality mica was discovered. The Operator plans to continue mining operations from openings made under the contract.

A trench about 75' x 20' x 6' deep was bulldozed along the strike of the pegmatite. A 200 yard access road, toolhouse, and two magazines were constructed. From the trench a 49-foot vertical shaft 5' x 7' in crosssection was sunk. A total of 80 feet of drift were driven from the bottom of this shaft; 22 feet to the southwest and the remainder to the northeast.

About 15 tons of "mine-run" mica were recovered from the work done under the contract. It just meets minimum quality standards under the present block mica purchase program.

The work was conducted in a most satisfactory manner.

Date of Examination: June 16, 1955

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

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

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

RECEIVED
JUN 17 1955

June 15, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer

From: Executive Officer, DMEA Field Team, Region V -Knoxville

Subject: Royalty payment on- Idm-E757, DMEA-3559 (mica)
Phillips, Huskins & Huskins, Sugar Dave Mine, North Carolina

Transmitted is a sale voucher, BO4-10(a) Final Settlement in the amount of $305.70, and a royalty check No. 58, in the amount of $15.29 on the subject contract.

Robert A. Laurence

ZM.
cc;
Lynch
Mittendorf
Allsman
Files

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

6-8-55

ACCEPTANCE NUMBER
B04 -10(a) Final Settlement

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
EPS-4-78B	SPBO-10(a)	

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME Sugar Dave Mineing Co.	SIGNATURE
STREET ADDRESS	NAME *(Type or print)* Sam L. Phillips
CITY, ZONE AND STATE	TITLE *(Type or print)* Partner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$70.00	
GRADES NO. 4 AND 5					$40.00	
GRADES NO. 5½ AND 6					$15.00	
STAINED						
GRADES NO. 3 AND LARGER		$12.00			$18.00	
GRADES NO. 4 AND 5		$ 5.00			$ 8.00	
GRADES NO. 5½ AND 6		$ 3.00			$ 5.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00			$ 6.00	
GRADES NO. 5½ AND 6		$ 2.00			$ 3.00	
TOTALS						
LOT TOTALS						
PROGRAM B - HAND-COBBED MICA						
TOTALS	Final Settlement				$ 0.30	305.70

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed S. Buchanan		Buyer

INVOICE

TO
General Services Administration, Region IV

FOR	$
Mica delivered as indicated above	305.70

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

SELLER *(Type name)*	DATE
(Sugar Dave Mine) DMEA-3559, Idm-E757)	6-8-55
BY *(Signature)*	NAME AND TITLE *(Type)*

GSA-WASH DC 53-3094

GSA FORM 1013
September 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM POST OFFICE BLDG.
KNOXVILLE 2, TENN.
June 9, 1955

RECEIVED
JUN 13 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer - Knoxville-Norris

From: Executive Officer, DMEA - Region 5, Knoxville, Tennessee

Subject: Royalty payment: Idm-E757, DMEA-3559, (mica) Sugar Dave Mine-Phillips, Huskins & Huskins. Spruce Pine, N. C.

Transmitted are vouchers for sale of mica in the amount of $1,092.31 (initial payment) and a check number 53, in the amount of $54.62, Government royalty on the sale.

Robert A. Laurence

ZM.
cc:
Mittendorf
Lynch
Shirley
Files

109.v.31/010
546155

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

DATE: 6-3-55

ACCEPTANCE NUMBER: B04-62 Initial Payment

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
EPS-4-78B	SPBO-62	

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER (*Type or print*)	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sugar Dave Mining Co.	SIGNATURE:
STREET ADDRESS: (Phillips, Huskins & Huskins)	NAME (*Type or print*): Mary P. Banner
CITY, ZONE AND STATE: Box 35, Spruce Pine, N.C.	TITLE (*Type or print*): Agent

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$70.00	
GRADES NO. 4 AND 5					$40.00	
GRADES NO. 5½ AND 6					$15.00	
STAINED						
GRADES NO. 3 AND LARGER		$12.00			$18.00	
GRADES NO. 4 AND 5		$ 5.00			$ 8.00	
GRADES NO. 5½ AND 6		$ 3.00			$ 5.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00			$ 6.00	
GRADES NO. 5½ AND 6		$ 2.00			$ 3.00	
TOTALS						
LOT TOTALS						

PROGRAM B - HAND-COBBED MICA

TOTALS	Initial Payment	4207.00	~~xxxxx~~ 567.97

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY (*Type name*)	SIGNATURE	TITLE
Ed Burleson		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $567.97

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

SELLER (*Type name*)	DATE
Sugar Dave Mining Co. (Sugar Dave Mine)DMEA-3559)	6-3-55

BY (*Signature*)	NAME AND TITLE (*Type*)
	Mary P. Banner, Agent

GSA-WASH DC 53-3094

GSA FORM 1013
September 1952

COPY

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N. C.

WARRANTY, ACCEPTANCE AND INVOICE

DATE: 6-3-55

ACCEPTANCE NUMBER: B04-60 Initial Payment

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
EPS-4-78B	SPB0-60	

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sugar Dave Mining Company (Phillips, Huskins & Huskins)	SIGNATURE:
STREET ADDRESS: Box 35	NAME *(Type or print)*: Mary P. Banner
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: Agent

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$70.00	
GRADES NO. 4 AND 5					$40.00	
GRADES NO. 5½ AND 6					$15.00	
STAINED						
GRADES NO. 3 AND LARGER		$12.00			$18.00	
GRADES NO. 4 AND 5		$ 5.00			$ 8.00	
GRADES NO. 5½ AND 6		$ 3.00			$ 5.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00			$ 6.00	
GRADES NO. 5½ AND 6		$ 2.00			$ 3.00	
TOTALS						
LOT TOTALS						

PROGRAM B - HAND-COBBED MICA

TOTALS	Initial Payment	3884.00	$ xxxx	524.34

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed S. Burleson		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $524.34

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

SELLER *(Type name)*	DATE
Sugar Dave Mining Co. (Surgar Dave Mine) DMEA-3559	6-3-55
BY *(Signature)*	NAME AND TITLE *(Type)*

COPY

RECEIVED
JUN - 9 1955

INTERIM REPORT

DMEA-3559, Idm-E757 (mica) SUGAR DAVE MINE

Operator: C. R. Phillips, et al, c/o Sherrill Huskins, R#3, Bakersville, N. C.

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E. of Boonford, Mitchell County, N. C.

Drfiting continues on this contract and now totals 74 feet leaving 6 feet of drift remaining to be completed on the contract. Work done since the last interim report, dated May 18, 1955, was submitted, consists of advancing the northeast drift 14 feet in a N. 25° E. direction. The pegmatite is thinning northeastward and is about 3 feet thick in the present head. It also contains numerous inclusions of wall rock at this location but still contains considerable mica.

The Operator was advised to use the remaining footage to advance the northeast lateral.

Progress and the work completed to date is satisfactory.

Date of Examination: June 2, 1955.

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

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

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 60

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED JUN - 9 1955

Month of May 1955 Docket No. DMEA 3559 Contract No. Idm-E 757
Operator's Name C.R. Phillips, Ed Huskins & Sherrill Huskins Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 5816.00 Government Participation: 75% Amount, $ 4362.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road Access		100.00	100.00			
Crosscutting						
36' Drifting @ 35.00 ft.	1260.00	1330.00	2590.00			
Shaft		2205.00	2205.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Stripping		100.00	100.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		78.00	78.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Magazines		38.00	38.00			
(8) Contingencies (specify):						
TOTALS	1260.00	3351.00	5111.00	1260.00	3851.00	5111.00

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

Date 6-3-55 *Payee C. R. Phillips, et al.

Per C. R. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 945.00

Signature Helen R. Mellw
(Authorized Certifying Officer)

Date 6-7-55 Vou. No.
(See other side)

315.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E-757 in accordance with the terms of the contract.

Signature Henry H. Lemos Title Geologist-USGS Date June 6, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lorenzen Title DMEA REGION V EXECUTIVE OFFICER Date JUN 6 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
JUN - 9 1955

Month of May 195 55 Docket No. DMEA 3559 Contract No. Idm-E 757
Operator's Name C.R.Phillips, Ed Huskins & Sherrill Huskins Minerals Mica
Address Route 3, Bakersville, 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
36' Drifting 35.00 ft.	Ft.	1260.00	36	2590.00	74	35.00	80	35.00
Crosscutting								
Raising								
Shafts				2205.00	49	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				100.00				
Stripping				100.00				
Total Distributed Costs		1260.00		4995.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				73.00				
Powder & Exploder Magazines				38.00				
Total Costs		1260.00		5111.00				

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 6-3-55 Operator C.R.Phillips et al.

Per C.R. Phillips Title Partner

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

Remarks:

(Instructions on reverse)

(For Government use only)

Henry H. Amos
Geologist, USGS
June 6, 1955

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 - 9 1955

OPERATOR'S

Monthly Report of Progress

May, 1955

DMEA-3559

Idm-E 757

Work Accomplished:

We completed 36' of drift during May, leaving only 6' left on the contract. We have recovered about two tons of mica, poor quality. Vein has narrowed, but otherwise remains much the same. No particular difficulties encountered in the month's operations.

Daily Notes:

May 2 - 6: Pumped water, drilled, shot and mucked. Continuing one shift with 3 men working.

May 9 -13: Worked with drift in same direction, recovering some poor quality mica, much the same as previously recovered. Pumped water, did some drilling and shooting; then mucked.

May16-20: Vein material remains about the same, still recovering some mica. Pumped water in mornings, repeated drilling shooting and mucking operations.

May 23-31: Continued to use 3 men in same operations, recovering some mica. Reached 74' with the drift, leaving only 6' on the contract. Mica still not good quality.

INTERIM REPORT

DMEA-3559, Idm-E757 (mica) SUGAR DAVE MINE

Operator: C. R. Phillips, et al, c/o Sherrill Huskins, R#3, Bakersville, N.C.

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E. of Boonford, Mitchell County, North Carolina

Drifting continues on this contract and now totals 60 feet; 38-feet in a N. 10° E. direction and 22 feet S. 30° W. The pegmatite thins southwestward from the shaft to about 6 inches in the head of the level. In the northeast drift it is 3 - 5 feet thick, strikes N. 10° E. and dips 60 - 70 degrees to the southeast.

An estimated 15 tons of "mine-run" mica has been recovered to date. It is a borderline case as far as strategic quality is concerned because of heavy mineral staining. The most recent mica recovered from the northeast drift is larger in size and contains slightly less mineral stain.

The Operator was advised to continue to advance the northeast lateral until another visit by the field examiners can be made.

The progress and work completed is satisfactory.

Date of examination - May 18, 1955.

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

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

May 12, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer - Knoxville-Norris

From: Executive Officer, DMEA Field Team, Region 5-Knoxville

Subject: Royalty Payments.

Transmitted are bill-of-sales and royalty checks on the following:

Idm-E742, DMEA-3477, E. K. Sparks, sales in the amount of $15.48, and a check for 5% royalty in the amount of .77¢

Idm-E757, DMEA-3559, C. R. Phillips, Sugar Dave Mine, sales in the amount of $440.04, and a check for 5% royalty in the amount of $22.00 due on the sale.

Robert A. Laurence

ZM.
cc:
Mittendorf
Lynch
Shhirley
Files

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, North Carolina

WARRANTY, ACCEPTANCE AND INVOICE

4-25-55

ACCEPTANCE NUMBER
BO4-2(a) Final settle

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
EPS-78B	SPBO-2(a)	

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sugar Dave Mining Company	SIGNATURE:
STREET ADDRESS: Box 35	NAME *(Type or print)*: Mary P. Banner
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: Agent

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$70.00	
GRADES NO. 4 AND 5					$40.00	
GRADES NO. 5½ AND 6					$15.00	
STAINED						
GRADES NO. 3 AND LARGER		$12.00			$18.00	
GRADES NO. 4 AND 5		$ 5.00			$ 8.00	
GRADES NO. 5½ AND 6		$ 3.00			$ 5.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00			$ 6.00	
GRADES NO. 5½ AND 6		$ 2.00			$ 3.00	
TOTALS						
LOT TOTALS						

PROGRAM B - HAND-COBBED MICA

TOTALS Final Settlement on above hand-cobbed lot		$ ~~[illegible]~~	83.09

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed S. Burleson		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $ 83.09

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

SELLER *(Type name)*	DATE
Sugar Dave Mining Company (Sugar Dave Mine)	4-25-55
BY *(Signature)*	NAME AND TITLE *(Type)*: Mary P. Banner, Agent

GSA-WASH DC 53-3094

COPY COPY

GSA FORM 1013
September 1952

COPY

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, North Carolina

5-6-55

WARRANTY, ACCEPTANCE AND INVOICE

ACCEPTANCE NUMBER: B04-6(a) Final Settlement

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER	LOT NUMBER	RECEIPT AND WEIGHT TICKET NUMBER
EPS-4-78B	SPBO-6(a)	

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER *(Type or print)*	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sugar Dave Mining Company	SIGNATURE:
STREET ADDRESS: Box 35	NAME *(Type or print)*: Sam L. Phillips
CITY, ZONE AND STATE: Spruce Pine, N. C.	TITLE *(Type or print)*: Partner ~~xxxxx~~

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA

QUALITY	HALF TRIM			FULL TRIM		
	POUNDS	PRICE PER LB.	AMOUNT	POUNDS	PRICE PER LB.	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$70.00	
GRADES NO. 4 AND 5					$40.00	
GRADES NO. 5½ AND 6					$15.00	
STAINED						
GRADES NO. 3 AND LARGER		$12.00			$18.00	
GRADES NO. 4 AND 5		$ 5.00			$ 8.00	
GRADES NO. 5½ AND 6		$ 3.00			$ 5.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 8.00			$13.00	
GRADES NO. 4 AND 5		$ 4.00			$ 6.00	
GRADES NO. 5½ AND 6		$ 2.00			$ 3.00	
TOTALS						
LOT TOTALS						

PROGRAM B - HAND-COBBED MICA

TOTALS	Final settlement		$ ~~xxxx~~	356.95

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation dated March 12, 1952 (17 F.R. 2279), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY *(Type name)*	SIGNATURE	TITLE
Ed S. Burleson		Buyer

INVOICE

TO: General Services Administration, Region IV

FOR: Mica delivered as indicated above — $356.95

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

SELLER *(Type name)*	DATE
Sugar Dave Mining Company	~~xxxx~~ 5-6-55
BY *(Signature)*	NAME AND TITLE *(Type)*: Sam L. Phillips, Partner

INTERIM REPORT

DMEA-3559, Idm-E757 (mica) SUGAR DAVE MINE

Operator: C. R. Phillips, Ed Huskins and Sherrill Huskins, Bakersville, N. C.

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E. of Boonford, Mitchell County, N. C.

Drifting continues on this contract and is now estimated at about 40 feet. The workings could not be examined because of recent blasting. The Operator states that considerable mica continues to be recovered and that the richness of mica in the pegmatite has not declined. The quality of the mica examined on the surface from recent work has not improved and continues to suffer from quartz inclusions and mineral staining. If the quality of the mica could improve, the quantity of production would make this a paying mine.

Progress on this contract is satisfactory.

May 5, 1955.

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

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

z

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

May 4, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Re; Your Memo of May 2. Idm-E757, DMEA-3559, C. R. Phillips and Sherrill Huskins. Sugar Dave Mine Prospect (mica) N. C.

Transmitted herewith is copy of royalty payment on the subject contract in the amount of $8.57, as requested.

V. J. Lynch

171.4 0 510/8.57 0

DMEA-3559, Idm-E757. [redacted]llips, Huskins & Huskins

3-14-55

Authorization No. 78B. Acceptance No. B04-2 (Partial payment).

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 6 - 1955

Sugar Dave Mining Co.
R#3 Bakersville, N. C.

1,714.00 lbs. cobbed mica at 10¢ per lb. $171.40

3/7/55 paid $8.57 (partial payment)

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

March 21, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer - Knoxville

From: Executive Officer, DMEA - Region 5 - Knoxville, Tennessee

Subject: Royalty payment on Contract Idm-E757, DMEA-3559 (mica)
Phillips, Huskins & Huskins

Transmitted is a bill-of-sales in the amount of $171.40, for cobbed mica on the subject contract, and a check in the amount of $8.57 which is a partial payment.

Robert A. Laurence

RAL/mm

Shirley
Mittendorf
Lynch
Files

Docket Copy
Surname:
Houk
Chandler
Selfridge
Jackson
Mitchell

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

MAY - 2 1955

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

Subject: Docket No. DMEA-3559 - Mica
C. R. Phillips, Ed Huskins
and Sherrill Huskins
Sugar Dave Mine Prospect
Mitchell County, North Carolina
Contract No. Idm-E757

Dear Mr. Laurence:

Reference is made to Certificate of Deposit No. 83, dated March 22, 1955, giving royalty repayment of $8.57 on the subject contract.

In order to complete our records may we have a copy of the settlement sheet covering the royalty repayment?

Sincerely yours,

George C. Selfridge
by 257

Chairman, Operating Committee

Approved:

/s/ Robert W. Gecklam by 257
Member, Bureau of Mines

Thor H. Kiilsgaard by 257
Member, Geological Survey

LGHouk:gad 4/26/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE
PAYMENTS K- 62

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April 195 5 Docket No. DMEA 3529 Contract No. [illegible] 757
Operator's Name C. B. Phillips, Ed Dudine & Sherrill Dudine Minerals Mica
Address Route 3, Siler City, N.C.
Contract Amount, $ 5316.00 Government Participation: 75% Amount, $ 4362.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road Access		100.00	100.00			
Crosscutting						
38' Drifting 35.00 ft.	1330.00		1330.00			
Cart		2205.00	2205.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Stripping		100.00	100.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Bonds		70.00	70.00			
Powder & Exploder Tag.		33.00	33.00			
(8) Contingencies (specify):						
TOTALS	1330.00	2521.00	3851.00	1330.00	2521.00	3851.00

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

Date 5-2-55 *Payee C. B. Phillips, et al.

Per C. R. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 997.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 5-16-55 Vou. No.
(See other side)

332.50

(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. Dm-E751 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date May 9, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date MAY 10 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 17 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1955 Docket No. DMEA 3599 Contract No. [illegible] 757
Operator's Name C. R. Phillips, Ed Buckins & Sherrill Buckins Minerals Mica
Address Route 3, Dahlonegah, Ga.

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
33' Drifting @ 35.00	Ft.	1330.00	38	1330.00	38	35.00	60	35.00
Crosscutting								
Raising								
Shafts				2205.00	49	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				100.00				100.00
Stripping				100.00				100.00
Total Distributed Costs		1330.00		3735.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				76.00				
New Buildings, Improvements, etc.				40.00				
Powder & Exploder Magazines				40.00				
Total Costs		1330.00		3951.00				

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 5-2-55 Operator C. R. Phillips, et al.

Per C R Phillips Title Partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

Laurence E. Shirley - May 9, 1955
U.S.B.M.

INSTRUCTIONS

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

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

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

GPO 83-38475

RECEIVED
MAY 2 7 1955

OPERATOR'S

Monthly Report of Progress

April, 1955

DMEA-3559, Idm-E757

Work Accomplished:

We completed 38 feet of drift during the month, recovering approximately 4 ton of poor quality mica. The mica has improved slightly, however. Considerable water continues, but no other serious difficulties.

Daily Notes:

April 4 - 8: Drilled and shot, then mucked. Recovered some mica.

April 11-15: Pumped water, drilled and shot. Mica vein beginning to narrow slightly, mica about the same. Mucked and recovered mica.

April 18-22: Pumped water. Resumed drilling and shooting operations. Continued to recover some mica.

April 25-29: Continued with drift in same direction. Vein narrowing and quality of mica improving slightly. Drilled, shot and mucked. Recovered about 4 tons of mica during the month. 3 men working full time.

INTERIM REPORT

DMEA-3559, Idm-E757 (mica) SUGAR DAVE MINE

Operator: C. R. Phillips, et al, c/o Sherrill Huskins, R#3, Bakersville, N. C.

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E. Boonford, Mitchell County, North Carolina

Drifting is in progress at this mine and now totals 20 feet; 14 feet to the southwest and 6 feet to the northeast. A pegmatite which averages about 5 feet thick, strikes N. 45° E. and strikes 75° to the southeast. It consists of 30-50 percent green muscovite, quartz, and minor feldspar. The mica is mineral-stained and the Operators are currently having difficulty in meeting strategic grade requirements.

Progress is satisfactory.

Date of Examination: April 20, 1955.

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

and

V. J. Lynch, Mining Engineer
U. S. Bureau of Mines

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

Defense Minerals Administration
RECEIVED
APR 22 1955

April 20, 1955

Memorandum

To: Helen Miller, Ass't Admin. Officer - Region 5, Knoxville

From: Executive Officer, DMEA - Region 5, Knoxville, Tenn.

Subject: Royalty Payment ON - Idm-E757, DMEA-3559, Phillips, Huskins & Huskins, Bakersville, N. C.
Sugar Dave Mine (mica)

Transmitted is a sale slip for initial payment in the amount of $223.13, and a check for $11.16 on the subject contract, which represents the Government's 5% royalty.

Robert A. Laurence

ZM.
cc:
Lynch
Shirley
Files
Sherrill Huskins
Mittendorf

Copy DMEA 3559

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N.C.

WARRANTY, ACCEPTANCE AND INVOICE - NONRUBY

DATE: 4-11-55

ACCEPTANCE NUMBER: B04-10 Initial Payment

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER: EPS-4-78B

LOT NUMBER: SPB0-10

RECEIPT AND WEIGHT TICKET NUMBER:

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER (Type or print)

NAME: ~~Phillips, Hawkins & Hawkins~~ Sugar Dave Mining Company

STREET ADDRESS: Box 35

CITY, ZONE AND STATE: Spruce Pine, N C

SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER:

~~SIGNATURE~~: Route #3, Bakersville, N.C.

NAME (Type or print): Sam L. Phillips

TITLE (Type or print): Partner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA - NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$56.00	
GRADES NO. 4 AND 5					$32.00	
GRADES NO. 5½ AND 6					$12.00	
STAINED						
GRADES NO. 3 AND LARGER		$ 9.60			$14.40	
GRADES NO. 4 AND 5		$ 4.00			$ 6.40	
GRADES NO. 5½ AND 6		$ 2.40			$ 4.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 6.40			$10.40	
GRADES NO. 4 AND 5		$ 3.20			$ 4.80	
GRADES NO. 5½ AND 6		$ 1.60			$ 2.40	
TOTALS						
LOT TOTALS						

PROGRAM B - HAND-COBBED MICA - NONRUBY

TOTALS	Initial Payment		2975.00	.075 ~~$ 8.24~~	223.13

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation (Revision 2), dated July 22, 1953 (18 F.R. 4377), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY (Type name): Ed. S. Burleson

SIGNATURE: Signed Ed S. Burleson

TITLE: Buyer

INVOICE

TO: General Services Administration, Region 1 ✓

FOR: Mica delivered as indicated above

$ 223.13

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

SELLER (Type name): Sugar Dave Mining Company (Sugar Dave Mine)

DATE: 4-11-55

BY (Signature):

NAME AND TITLE (Type): Sam L. Phillips, Partner

GSA-WASH DC 54-2285

GSA FORM 1136
September 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 11 1955

April 8, 1955

Memorandum

To: Mrs. Helen Miller, Assistant Administrative Officer
Knoxville, Tennessee

From: Acting Executive Officer, DMEA Field Team, Region V
Knoxville, Tennessee

Subject: Royalty payment on Contract Idm-5757, DMEA-3559 (Mica)
Phillips, Huskins and Huskins
Sugar Dave Mine, Mitchell County, North Carolina

Transmitted is a check in the amount of $29.73 as the Government's royalty on the sale of $594.67 worth of mica from the subject project. There is also enclosed the sales slips which accompanied the check.

Please note that on Lot Number SPAO-1257, 5.88 pounds of mica valued at $70.05 was Empire mica and was not produced from the Sugar Dave Mine and that lot SPBO-6 is hand cobbed mica for which partial payment has been received.

V. J. Lynch

EAB/mg
Enclosures
cc - Mr. Lynch
Mr. Shirley
Mr. Mittendorf
Sugar Dave Mining Co., Box 35,
Spruce Pine, N. C.
Files

Copy

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N.C.

WARRANTY, ACCEPTANCE AND INVOICE - NONRUBY

DATE: 3-31-55

ACCEPTANCE NUMBER: A04-1257

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER: EPS-4-1549A

LOT NUMBER: SPAD-1257

RECEIPT AND WEIGHT TICKET NUMBER:

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER (Type or print)	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sugar Dave Mining Company	SIGNATURE: Signed Sam L. Phillips
STREET ADDRESS: Box 35	NAME (Type or print): Sam L. Phillips
CITY, ZONE AND STATE: Spruce Pine, N.C.	TITLE (Type or print): Partner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA - NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER	5.88				~~$56.00~~ 70.00	
GRADES NO. 4 AND 5				.12	~~$30.00~~ 40.00	4.80
GRADES NO. 5½ AND 6				13.55	~~$15.00~~ 15.00	203.25
STAINED						
GRADES NO. 3 AND LARGER		$ 9.60			$14.40	
GRADES NO. 4 AND 5		$ 4.00		1.13	$ 6.40	7.23
GRADES NO. 5½ AND 6		$ 2.40		46.46	$ 4.00	185.84
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 6.40			$10.40	
GRADES NO. 4 AND 5		$ 3.20		.37	$ 4.80	1.78
GRADES NO. 5½ AND 6		$ 1.60		8.87	$ 2.40	21.29
TOTALS						
LOT TOTALS				70.50		424.19

5.88 lb. - $70.05 was from other mines than Sugar Dave

PROGRAM B - HAND-COBBED MICA - NONRUBY

TOTALS	~~5.88~~ 64.62	$ 0.24	~~70.05~~ 354.14

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation (Revision 2), dated July 22, 1953 (18 F.R. 4377), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY (Type name)	SIGNATURE	TITLE
Ed S. Burleson	E S Burleson	Buyer

INVOICE

TO: General Services Administration, Region

FOR: Mica delivered as indicated above — $ 424.19

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

SELLER (Type name)	DATE
Sugar Dave Mining Company (Sugar Dave Mine)	3-31-55

BY (Signature)	NAME AND TITLE (Type)
Sam L. Phillips	Sam L. Phillips, Partner

GSA-WASH DC 54-2285

GSA FORM 1136
September 1953

Copy

GENERAL SERVICES ADMINISTRATION
Mica Purchase Depot - Spruce Pine, N.C.

WARRANTY, ACCEPTANCE AND INVOICE - NONRUBY

DATE: 4-1-55

ACCEPTANCE NUMBER: B04-6

ISSUED UNDER CERTIFICATE OF AUTHORIZATION NUMBER: EPS-4-78B

LOT NUMBER: SPB0-6

RECEIPT AND WEIGHT TICKET NUMBER:

WARRANTY

The undersigned, a participant in the Mica Program, warrants that the mica included in this lot of mica is of domestic origin, is not material owned previously by the Government, was not purchased from others prior to December 14, 1951, and is owned by the person or firm whose name appears below (herein referred to as "Seller").

NAME AND ADDRESS OF SELLER (Type or print)	SELLER OR PERSON AUTHORIZED TO SIGN THIS WARRANTY FOR SELLER
NAME: Sugar Dave Mining Company	SIGNATURE: Sam L. Phillips
STREET ADDRESS: Box 35	NAME (Type or print): Sam L. Phillips
CITY, ZONE AND STATE: Spruce Pine, N.C.	TITLE (Type or print): Partner

EVALUATION AND SETTLEMENT DATA

PROGRAM A - BLOCK OR FILM MICA - NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER					$~~56.00~~ 70.00	
GRADES NO. 4 AND 5					$~~30.00~~ 40.00	
GRADES NO. 5½ AND 6					$~~20.00~~ 18.00	
STAINED						
GRADES NO. 3 AND LARGER		$ 9.60			$14.40	
GRADES NO. 4 AND 5		$ 4.00			$ 6.40	
GRADES NO. 5½ AND 6		$ 2.40			$ 4.00	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		$ 6.40			$10.40	
GRADES NO. 4 AND 5		$ 3.20			$ 4.80	
GRADES NO. 5½ AND 6		$ 1.60			$ 2.40	
TOTALS						
LOT TOTALS						

PROGRAM B - HAND-COBBED MICA - NONRUBY

TOTALS	Partial Payment		3207.00	.075 $ 0.24	240.53

ACCEPTANCE

Subject to the terms and conditions of the Mica Regulation (Revision 2), dated July 22, 1953 (18 F.R. 4377), establishing the Government's Purchase Programs for Domestic Mica, the Government accepts the number of pounds of mica (as hereinabove identified), delivered by the Seller to the Government for which payment in the total amount set forth hereinabove will be made by the Government.

GENERAL SERVICES ADMINISTRATION

BY (Type name)	SIGNATURE	TITLE
Ed S. Burleson	Ed S. Burleson	Buyer

INVOICE

TO: General Services Administration, Region

FOR: Mica delivered as indicated above — $ 240.53

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

SELLER (Type name)	DATE
Sugar Dave Mining Company (Sugar Dave Mine)	4-1-55
BY (Signature): Sam L. Phillips	NAME AND TITLE (Type): Sam L. Phillips, Partner

GSA-WASH DC 54-2285

GSA FORM 1136
September 1953

Form [illegible]4 (Rev.)
([illegible]1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

FIELD OFFICE OF THE INTERIOR
Minerals Administration
RECEIVED
APR 13 1955

Month of March 1955 Docket No. DMEA 3559 Contract No. Idm-E 757

Operator's Name C. R. Phillips, Ed Huskins & Sherrill Huskins Minerals Mica

Address Route 3, Bahorsville, N.C.

Contract Amount, $ 5816.00 Government Participation: 75 % Amount, $ 4362.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road Access		100.00	100.00			
Crosscutting						
Drifting						
19' Shaft @ 45.00 ft.	855.00	1350.00	2205.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Stripping		100.00	100.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse		73.00	73.00			
Powder & Exploder Magazines		38.00	38.00			
(8) Contingencies (specify):						
TOTALS	855.00	1666.00	2521.00	855.00	1666.00	2521.00

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

Date 4-1-55 *Payee C. R. Phillips, et al.

Per C. R. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 641.25

Signature Helen R. Nuckles
(Authorized Certifying Officer)

Date 4-11-55 Vou. No.
(See other side)

213.75

(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. Idm-E757 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date April 6, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: ACTING EXECUTIVE OFFICER

Signature V. J. Lynch Title DMEA REGION V Date APR 7 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form [illegible]04A
([illegible]52)

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

[illegible] OF THE INTERIOR
[illegible] Minerals Administration
RECEIVED
APR 13 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 195 5 Docket No. DMEA 3559 Contract No. Idm-F 757
Operator's Name C. R. Phillips, Ed Huskins & Sherrill Huskins Minerals Mica
Address Route 3, Bakersville, 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								
19' Shafts @ 45.00	Ft.	855.00	19	2205.00	49	45.00	60	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				100.00				100.00
Stripping				100.00				100.00
TOTAL DISTRIBUTED COSTS		855.00		2405.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
Tool House								
New Buildings, Improvements, etc.				78.00				
Powder & Exploder Magazines				38.00				
TOTAL COSTS		855.00		2521.00				

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 4-1-55 Operator C. R. Phillips, et al.

Per R. Phillips Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

OPERATOR'S
Monthly Progress Report

March, 1955

DMEA-3559

Idm-E 757

Work Accomplished:

We completed 19' of Shaft during March, hampered some by water. We recovered about 3,000# of mica, of a poor quality. We trimmed for sale about 1 ton of this mica, which, when sold at the U.S. Govt. Depot, ran about 14% good stained. The bottom of the shaft is out of vein material, and we are going to drift back to the vein. So far we have been able to handle the water with a sump pump. Three men working full time.

Daily Notes:

March 1 - 4:	Pumped water, timbered, drilled and shot.
March 7 -12:	Pumped water, mucked, timbered. Continued down with shaft, recovering several bags mica.
March14- 18:	Sold approximately 1700# mica in block form under new regulation. Pumped water, drilled, shot and mucked. Continued to recover some mica.
March 21-25:	Pumped water, sank shaft few feet, timbering as we went down. Repeated drilling and shooting operations.
March 28-31:	Sold a sale of trimmed mica, which ran about 14% good stained. Reached 49' level with shaft.

3 men worked full time all during March.

Department of the Army
Rocky Mountain Arsenal
Denver

INTERIM REPORT

DMEA-3559, Idm-E757 (mica) SUGAR DAVE MINE

Operators: C. R. Phillips, et al; c/o Sherrill Huskins, R#3, Bakersville, N. C.

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E. Boonford, Mitchell County, North Carolina

Vertical shaft sinking is nearing completion on this contract and is now at 49 feet. Instructions were given for turning off at the 45-foot shaft level, leaving a 4 foot sump.

The pegmatite appears to bottom, with evidence of narrow stringers from the main body continuing downward. The body continues to be rich in green muscovite mica and quartz, with a minor percentage of feldspar. An estimated 6 to 7 tons of mine-run block mica has been recovered to date.

Lawrence G. Houk and Thor H. Killsgaard accompanied the Examiners on this visit to the mine.

March 28, 1955-visited.

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

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

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[illegible]

INTERIM REPORT

DMEA-3559, Idm-E757 (mica) SUGAR DAVE WILLIS MINE

Operators: Phillips, Huskins & Huskins - c/o Sherrill Huskins, R#3, Bakersville, North Carolina

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E of Boonford, Mitchell County, N. C.

Vertical sinking continues on this contract and is now at 37.5 feet. At this depth the body strikes N. 45° E. and continues to dip steeply southeast. Material encountered is pegmatite, rich in green muscovite mica and quartz, with small amounts of feldspar. The mica continues to be stained and most of the blocks contain quartz inclusions. Recently, a sale of several hundred pounds of mine-run block mica was made to the GSA Mica Depot, Spruce Pine, N. C. Figures on this sale were not available at the time of the report.

Some additional cribbing and ladder work had been accomplished in the shaft since the previous visit. Progress on this contract is satisfactory.

Inspected: March 16, 1955

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

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

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INTERIM REPORT

ON

DMEA-3559, Idm-E757 (mica) Sugar Dave (Willis) Mine

Operator: Phillips, Huskins and Sherrill Huskins, c/o Sherrill Huskins
Route # 3, Bakersville, N. C.

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E of Boonford, Mitchell County, North Carolina

Vertical shaft sinking continues on this contract and is now at 30 feet. The body, at this depth, strikes N. 20° E. and dips 75° SE. Material encountered is pegmatite, rich in green muscovite mica, some of which is heavily stained and "locky" or tied. It is estimated that in one round of sinking holes pulled, approximately 1000 pounds of mine-run block was recovered. Shaft sinking will continue to a total depth of 60 feet.

No additional timbering, from that already reported, has been accomplished because delivery to the mine has been held up. The foreman states that cribbing will resume within the coming week. It was suggested that all under ground workers wear safety hats. Progress on this contract is satisfactory.

Inspected March 2, 1955

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

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

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For[redacted]F-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 49

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 195 5 Docket No. DMEA 3559 Contract No. Idm-E 757
Operator's Name C. R. Phillips, Ed Huckins & Sherrill Huskins Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 5816.00 Government Participation: 75 % Amount, $ 4362.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road Access	100.00		100.00			
Crosscutting						
30' Shaft @ 45.00 ft.	1350.00		1350.00			
~~Drifting~~ Stripping, 'Dozer	100.00		100.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse	78.00		78.00			
Powder & Exploder Mags.	38.00		38.00			
(8) Contingencies (specify):						
TOTALS	1666.00		1666.00	1666.00		1666.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-15-55 *Payee C. R. Phillips, et al.
Per C. R. Phillips Title Partner

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1249.50
Signature Helen R. Miller
(Authorized Certifying Officer)
Date 3-22-55 Vou. No.
(See other side)

446.50

(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. Dm-E 757 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date March 18, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title DMEA EXECUTIVE OFFICER REGION V Date MAR 21 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form [illegible]T-104A
([illegible]1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1955 Docket No. DMEA 3559 Contract No. IdmM-757
Operator's Name C. R. Phillips, Ed Huskins, Sherrill Huskins Minerals Mica
Address Route 3, Bekersville, 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								
30' Shafts @ $45.00 ft.	Ft.	1350.00	30	1350.00	30	$45.00	60	$ 45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails		100.00		100.00				
Bulldozing Stripping		100.00		100.00				
TOTAL DISTRIBUTED COSTS		1500.00		1550.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Toolhouse		73.00		73.00				
Powder & Exploder Magz.		33.00		33.00				
TOTAL COSTS		1666.00		1666.00				

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 3-15-55 Operator C. R. Phillips, et. al.

Per C. R. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Progress Report

February,1955

DMEA-3559

Idm-E757

Work Accomplished:

We bulldozed off the overburden during the last part of January and uncovered a pegmatite. The field team recommended a continuation of the work and we then bulldozed a road access, moved in timber, hoist and air compressor. We set up mask pole and boom pole, and began to lower the shaft. We timbered all the 30' that we went down. We were in vein material and hit mica at about the 18' level. The vein is rich, but the quality of the mica not too good. We recovered about 3000# of mica during the month.

Daily Notes:

Feb. 1 - 4 - Bulldozed road access, moved in timber and equipment.

Feb. 7 - 11 - Set up hoist, compressor, mask and boom pole and began to lower shaft. Timbered.

Feb.14 - 18 - Drilled and shot, mucked. Timbered. In vein material and rock, began to encounter some mica.

Feb. 21- 28 - Continued down with shaft, recovering several bags of mica. Drilled and shot, mucked. Continued to timber.

INTERIM REPORT

On

DMEA-3559, Idm-E757 (mica) Sugar Dave Dave Mine

Operator: C. R. Phillips, Ed Huskins and Sherrill Huskins
c/o Sherrill Huskins, R#3, Bakersville, N. C.

Location: On the southeast side of Big Ridge, 1.4 airline miles N. 21° E. of Boonford, Mitchell County, N. C.

Shaft sinking is underway on this contract and is now at 11 feet. The bottom of the shaft shows mostly granitic stringer material enclosed by mica gneiss. The Operator was advised to continue sinking until another examination can be made.

This vertical shaft has been cribbed to the present depth with notched 2" x 6" sawed oak timber, which has been anchored satisfactorily at the surface. Ladder, landings and a separated partition have been installed. A straight leg and boom pole for hoisting, a toolhouse and magazines have been constructed.

Progress on this contract is good.

Inspected: Feb. 16, 1955.

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

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

z

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 11 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

INTERIM REPORT

DMEA-3559, Idm-E757, SUGAR DAVE MINE
(mi.ca)

Operator: C. R. Phillips, Ed. Huskins and Sherrill Huskins, Bakersville, N. C.

Location: 1.4 airline miles N. 21° E. of Boonford, Mitchell County, N. C.

The starting date on this contract is January 31, 1955. Stage I of the contract has been completed. A north-south trending trench ~~of~~ about 75' x 20' x 6' was bulldozed. A conformable pegmatite about 1-2 feet thick was exposed by this work. It appears to thicken down the dip. The body contains abundant mica of small sizes. It is recommended that Stage II of this contract be undertaken.

Date of Examination: February 3, 1955.

K. H. Teague D. H. Amos

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1955

January 24, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract, Idm-E757, DMEA-3559, C. R. Phillips, Ed Huskins and Sherrill Huskins, Partners (mica) N. C.

Transmitted are three copies of the subject contract signed by the three partners, and copies of the new mining lease and new Owner's Consent to Lien attached thereto.

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

Wm. A. Beck

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

Defense Minerals Administration
RECEIVED
JAN 14 1955

January 12, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII - Knoxville

Subject: DMEA-3559 (mica) C. R. Phillips, Ed Huskins and Sherrill Huskins. Sugar Dave Mine, Mitchell County, N. C.

Reference is made to your letter of January 10, transmitting the subject contract for approval and signature by the Operator. We will get the new Owner's Consent to Lien and new lease next week.

The contract is satisfactory to us, except for one minor item. The contract specifies, in four places, the use of a D-6 bulldozer. As the term D-6 refers to a specific manufacturer's product, we think the wording should be "D-6 or equivalent." This does not seem to be of sufficient importance to warrant returning the contract, and if you approve we could correct it by inserting and initialing the copies. In fact, this Operator will probably use a D-6 anyway.

I would also suggest use of the wording "or equivalent" in future contracts.

Robert A. Laurence
Robert A. Laurence

Docket Copy
Surname: Anderson
Houk
Tallant
Selfridge
Fehrman
Matthews

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

600

JAN 10 1955

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

Subject: Docket No. DMEA-3559 - Mica
C. R. Phillips, Ed Huskins
and Sherrill Huskins
Sugar Dave Mine Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government. They are subject to the attachment of new Owner's Consent to Lien with the correct land description as furnished by Mr. C. R. Phillips in his letter of November 30, 1954. Two copies of this letter are enclosed.

We require a corrected land description on a new lease. The old lease and six copies of Owner's Consent to Lien are returned herewith together with a copy of Legal Division's memorandum of December 31, 1954.

If the contract meets with your approval present it to the Operators for their approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are 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 Operators and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memorandum from the Geological Survey, dated December 17, 1954, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (2/B)

Approved:

J. H. Hedges
Member, Bureau of Mines (2/B)

Thor H. Kiilsgaard
Member, Geological Survey (2/B)

Enclosures 20

WCAnderson:gad 1/4/55

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

P.S. Copies of memorandum from the Bureau of Mines, dated January 5, 1955, are enclosed.

R.C.J.
c.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN - 6 1955

January 5, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3559 (mica)

Applicant: C. R. Phillips, and Ed and Sherill Huskins

Name and Location of Property: Sugar Dave Willis Mine
Mitchell County, North Carolina

Date of Field Team Report: December 9, 1954

Date Rec'd. by Branch of Ceramic & Fert. Mtls.: December 16, 1954

Field Team Recommendation:

1. Approval of a two-stage contract.

Comments:

1. Proposed exploration is consistent with good engineering practices.

2. Estimated cost for Stage I is $100. Total cost for Stage II is estimated at $5,713.

Recommendation:

I concur in the field team's recommendation for a two-stage exploration project in the amount of $5,813.

W. F. Dietrich

W. F. Dietrich

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

DEC 31 1954

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: DMEA-3559, Phillips & Huskins (Sugar Dave Willis Mine) Mitchell Co., N. C. (Mica)

As requested on a reference slip dated December 21 from Mr. Houk, we have prepared a contract covering the subject project.

The description of the land in the copy of the lease furnished to DMEA was unsatisfactory and a new description was submitted in a letter dated November 30, 1954, from Mr. C. R. Phillips to the Administrator. The new description appears in Annex I. A new Owner's Consent to Lien was submitted with Mr. Phillips' letter, but it contains the old land description of the lease. This method of correcting the land description and the Owner's Consent to Lien are unsatisfactory. As Mr. Sherrill Huskins, one of the partners, is the lessor, correction of the matter should not be difficult.

We require, therefore, that a corrected description in a new lease and an Owner's Consent to Lien with the new description be furnished by the applicant prior to execution of the contract.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
DEC 17 1954

December 17, 1954

Re: DMEA 3559
Phillips & Huskins
(Sugar Dave Willis
Mine)
Mitchell Co., N. C.
$5,813 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Concurrence with Field Team recommendation for approval

The Field Team has recommended a two-stage project be approved.

A thorough reappraisal of this project should be made at the end of the trenching phase (Stage I). The 140 feet of underground work should be done only if significant evidence is disclosed by the trenching.

I recommend a two-stage project be approved.

E. L. Newcomb

E. L. Newcomb

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

December 9, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report, DMEA-3559 (mica)
Sugar Dave Willis Mine, Mitchell County, N. C.

Enclosed are four copies of the subject examination report, and six extra copies of the map.

We recommend approval of a two-stage contract, as outlined in the report, with unit costs of $45.00 per foot for the shaft-sinking and $35.00 per foot for the drift and/or crosscut.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

On-site Exam. Rpt.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION BY FIELD TEAM

On

DMEA-3559, SUGAR DAVE WILLIS MINE (mica)
Mitchell County, North Carolina

BY

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey
and
Lawrence E. Shriley, Mining Engineer
U. S. Bureau of Mines

December 1, 1954

FIELD EXAMINATION REPORT
ON
DMEA-3559, SUGAR DAVE WILLIS MINE (mica)

Applicants: C. R. Phillips, Ed Huskins, and Sherill Huskins, Route #3, Bakersville, North Carolina

Mica of strategic grade occurs at this deposit. More than one pegmatite is present on the property, although the southeastern most one appears to contain more mica than the rest. Work is recommended on it.

The property was examined December 1, 1954. Messrs. C. R. Phillips and Sherill Huskins accompanied the examiners on the inspection which required two hours.

The Sugar Dave Willis Mine is on the southeast side of Big Ridge, 1.4 airline miles N. 21° E. of Boonford, Mitchell County, North Carolina. Access is possible at all times by 4-wheel drive jeep or truck to within 200 yards of the mine. A road will be required for this distance.

The applicants appear competent to conduct the proposed work. The examiners were informed by the applicants that a new Owner's Consent to Lien had been prepared with the correct land description and sent to Washington prior to the examination.

The workings of the Sugar Dave Willis mine extend 200 feet N. 25° E. up the south side of a small ridge. The lowest opening is a 30-foot tunnel in a pegmatite body 4 feet thick. Thirty feet higher two tunnels are said to have been driven slightly east of north from a small caved open cut. The mouth of another old tunnel can be seen 60 feet northeast of the cut, and a small shaft lies 25 feet beyond.

Several relatively thin pegmatite bodies are conformably enclosed by interlayered mica and hornblende gneisses. The country rock foliation strikes N. 25° E., and dips 85° ESE. The pegmatites, which are said to be a part of the same group worked in the Sidney mine, consist cheifly of plagioclase, quartz, microcline, and mica. The mica is abundant. It is brown in color.

The upper openings seem to be in a large mica-lean pegmatite, while the lowest adit, open cut, and incline from the open cut are in a thin (4 (?)ft.) richer one. The examiners are of the opinion that the thinner pegmatite offers the best possibilities for the discovery of a worthwhile mica deposit.

During World War II this mine was operated for a short time by one of the applicants (Sherrill Huskins). A total of 188.67 pounds of mica was sold for $972.04, to the Colonial Mica Corporation. About 50 percent of

that sold was classified as Nos. 1 and 2. Mica in the dump is hard, generally flat, and brown to greenish brown in color. Some "A" structure is present and some of the books exhibit slight mineral staining. Small books of mica in the dump are very thick.

The examiners recommend the following program of exploration to be conducted in stages: Stage I, should consist of stripping the eastern pegmatite southward from the open cut over a distance of approximately 50 feet. This will require a trench 6' x 15' x 75'. If results from Stage I are satsifactory, Stage II should consist of the construction of 200 yards of access road, tool house, 2 magazines, 60 feet of shaft and 80 feet of drift. Position of the proposed work is shown on the attached sketch.

Estimated Cost:

Stage I		
Strip area 6' x 15' x 75'		
Bulldozer (D-6), 10 hrs. @ $10/hr.		$100.00
Stage II		
Construct 200 yards of road.		
Bulldozer (D-6) 10 hrs. @ $10/hr.		100.00
Toolhouse		75.00
Powder Magazine		25.00
Exploder Magazine		13.00
Sink 60 feet, 2-compartment shaft on pegmatite (probably inclined) and timber where necessary (40 shifts)		
Labor:		
1 - Miner @ $1.50/hr.	$480.00	
1 - Hoistman @ $1.25/hr.	400.00	
1 - Laborer @ $1.00/hr.	320.00	
Equipment (rental)		
Compressor, drill and pump, 1 1/2 Mo. @ $240/Mo.	360.00	
Hoist @ $50/Mo.	100.00	
Supplies:		
Explosives	175.00	
Gasoline and oil	140.00	
Drill steel	100.00	
Timber, 3000 b.f. @ $65/M	195.00	
Small tools and pipe	150.00	
Miscellaneous	125.00	
Social Security and insurance	155.00	$2,700.00

Drive 80 feet of drift (35 shifts)

Labor:		
1 - Miner @ $1.50/hr.	$420.00	
1 - Hoistman @ $1.25/hr.	350.00	
2 - Laborers @ $1.00/hr.	560.00	
Equipment (rental)		
Compressor, pump, drill and jackleg @ $250/Mo.	437.50	
Hoist @ $50/Mo.	87.50	
Supplies:		
Explosives	240.00	
Gasoline and oil	150.00	
Drill steel	100.00	
Small tools and pipe	150.00	
Miscellaneous	125.00	
Insurance and Social Security	180.00	$2,800.00
Estimated Total cost of project.....		$5,813.00

December 1, 1954.

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

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

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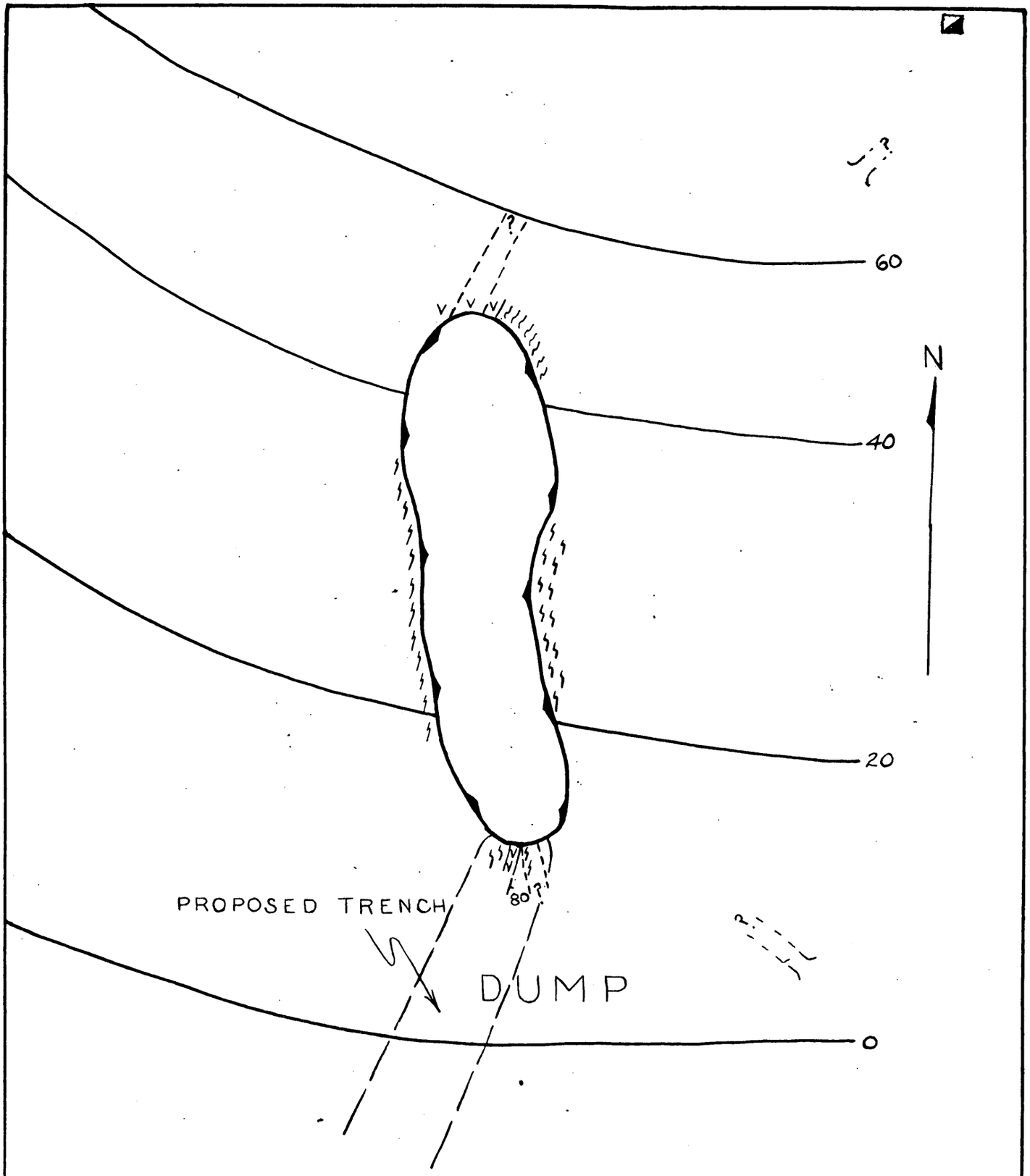

SKETCH OF
SUGAR DAVE MINE
MITCHELL CO., N.C.

DMEA-3559 (mica)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1954

Spruce Pine, N. C.
November 30, 1954

Mr. C. O. Mittendorf
Department of the Interior, DMEA
Washington, D. C.

Re: DMEA-3559, Mica
Sugar Dave Mine Prospect
Mitchell County, N. C.

Dear Mr. Mittendorf:

In reply to your letter of November 19, 1954, we are giving below a new legal description for the leased land on the above application. Please attach this description to the lease and proper files.

"Beginning at the old shaft of the Sugar Dave Mine, this shaft being 150 yards S.E. of a Locust Tree at the Fortner - Huskins corner on the top of Big Ridge Mountain; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to point of beginning. This property lying in Mitchell County, N. C., owned by Sherrill Huskins.

I believe this will be a satisfactory description. If further information is necessary, please contact us.

Very truly yours,

C. R. Phillips

C. R. Phillips

P/b

Docket Copy
Surname:
Anderson
Houk
Selfridge
Johnson

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

600

NOV 19 1954

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

Subject: Docket No. DMEA-3559 - Mica
C. R. Phillips, Ed Huskins
and Sherrill Huskins
Sugar Dave Mine Prospect
Mitchell 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 November 4, 1954, and from the Bureau of Mines, dated November 9, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge (by EST)
Chairman, Operating Committee

Approved:

J. H. Hedges by EST
Member, Bureau of Mines

E. L. Newcomb by EST
Member, Geological Survey

Enclosures 4

WCAnderson:gad 11/15/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

P.S. In the event the field team recommends a contract, it will be necessary to have a new Owner's Consent to Lien filled in with corrected land description.

R.C.G.

Docket Copy
Surname:
Anderson
Houk
Newcomb
Hedges
Selfridge
Zeigman

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

600

NOV 19 1954

Mr. C. R. Phillips, et al.
c/o Mr. Sherrill Huskins
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3559 - Mica
C. R. Phillips, Ed Huskins
and Sherrill Huskins
Sugar Dave Mine Prospect
Mitchell County, North Carolina

Gentlemen:

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.

Your attention is called to the land description given in the lease. The use of the center of the property as a reference point does not definitely establish the location of the property you propose to explore. Please incorporate in the description and submit to this office a reference to a permanent and identifiable landmark, natural or artificial, as the center of a shaft, adit, building, benchmark, etc.

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,

C. O. Mittendorf (for)

Administrator

WCAnderson:gad 11/15/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S.

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

November 9, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 - 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3559, Mica

Applicant: Sherrill Buskins

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

Date Application Rec'd. by Ceram. & Fert. Mat. Br.: Nov. 3, 1954

Comments:

1. No data available on this property.

2. Proposed exploration consists of buldozing a 200' x 10' x 12' trench, sinking a 60 foot shaft, and drifting 80 feet.

3. It is difficult to determine from the data submitted by the applicant if an exploration project is justified or if the above plan would be the best way of exploring this property.

Recommendation:

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.

RECEIVED

November 4, 1954

Re: DMEA-3559
Phillips & Huskins
(Sugar Dave Prospect)
Mitchell Co., N. C.
$6,200 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The applicants plan to bulldoze a 200 foot trench to a depth of 10 feet, then sink a 60-foot shaft and drift 80 feet along the pegmatite.

We have no available information on this prospect. However, mica files in the Survey office at Knoxville undoubtedly contain data which is pertinent to the consideration of this application.

Inasmuch as this is a new and undoubtedly untested prospect, it is possible that exploration should be limited to trenching. However, if exposures of pegmatite are available for examination, a two-stage project may be in order with preliminary trenching as stage I.

I recommend the application be referred to the Field Team. An examination may be warranted, but this matter should be left to the discretion of the Field Team. It is entirely possible that sufficient information is available in Knoxville to prepare a recommendation without an on-site examination.

E. L. Newcomb

E. L. Newcomb