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-8805, Docket DMEA-3720 (mica), dated June 2, 1955, with

Alvin White, Lee White, and Miss Florence Harris
c/o Alvin White
Ingalls Rural Station
Newland, 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 Coward Mine located in Jackson County, North Carolina, during the period April 18, 1959, through June 22, 1962.

In accordance with a May 16, 1956, Termination Agreement and Article 8 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 August 6, 1956, indicated accepted costs under the exploration contract amounting to $4,580.12 with the Government's contribution on a 75 percent basis being $3,435.09.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through April 17, 1959, to be $481.77. The royalty account as of April 17, 1959, was:

| | |
|---|---|
| Total Royalty Payable | $24.09 |
| Total Royalty Paid | 24.09 |
| Balance of Royalty Due | $ -0- |

As of June 22, 1962, the royalty account of this project was found to be:

| | |
|---|---|
| Total Royalty Payable | $24.09 |
| Total Royalty Paid | 24.09 |
| Balance of Royalty Due | $ -0- |

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

July 24, 1962

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Article 5 of the Termination Agreement 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 under the contract. The land under the contract consists of 12.7 acres, more or less, owned by Mrs. Davie Coward Sutton, Cullowhee, North Carolina. At the time the contract was executed Alvin White was in possession by virtue of a January 17, 1955, lease from the owner, who, in consideration of the contract, executed a Consent to Lien on June 9, 1955.

Due to lack of funds by the Operator, exploration work under the contract was discontinued during December 1955 and formally terminated by an agreement dated May 16, 1956. Production during the exploration period resulted in sales of 42.44 pounds of sheet mica to the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, and commercial sales of 58 pounds of punch and 1,425 pounds of scrap mica. Sales were made in the name of Alvin White and Charles White.

The property later was leased to Louis H. Goodman, Maggie, North Carolina, who operated the property during the spring of 1957 and made one sale of 10.44 pounds of sheet mica to the Spruce Pine Depot and commercial sales of an unknown quantity of punch and scrap. The landowner collected $15.00 royalty on a 12½% basis and remitted $6.00 as the Government's 5% royalty on these sales of production by Mr. Goodman. All of the foregoing production is covered by a prior Report of Royalty Review.

Inspections of the property (the last on May 1, 1961), checks of the Depot records, and inquiries by DMEA and OME regional representatives have disclosed no production since 1957. Replies by the landowner to MME Form 63 inquiries have advised that neither production nor change in property status has occurred since July 1, 1959. Examination by a Contract Administration and Audit Division representative of the Mica Purchase Depot records during the week ending June 22, 1962, did not disclose any unreported sales.

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 indicate that all sales of production have been accounted for and proper royalty thereon paid; 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.

E 805 1/2/55 DMSA-3720 Alvin White, et al Authorization 1202.A

Jackson County, N.C. Coward Mine

Last reported Depot sale 3/11/57 Lot 1378 $82.03 Louis H. Goodman

Other known parties of possible interest:

Les White Partner Lew (Lou) H. Goodman subsequent lessee.

Florence Harris do

Earl + Davie C. Sutton owner

The last sale located at S.P. Depot was lot 1378, Louis H. Goodman 3/11/57

C.E.P. 6/19/62

Report of Royalty Received 9/27/62

No Pseudo

Davie Coward Sutton 3/29/62

JUL 25 1962

Memorandum

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

From: Chief, Division of Field Operations, OMM

Subject: DMEA-3720 (Mica)
Alvin White, et al.
Cantrell Mine
Jackson County, North Carolina
Contract Idm-2805

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

George C. Selfridge

Enclosure

GCSelfridge/hb (7/25/62)
cc to: Docket DMEA-3720
Director's Reading File
CA&A Division ✓
G. C. Selfridge
R. A. Laurence, USGS, Region IV, w/cy of Report of Royalty Review dtd 7/24/62 & Orig. cy of memo dtd 7/24/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Reed, USBM, Region IV, w/cy of ea. item sent to Mr. Laurence.

JUL 24 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-3720 (Mica)
Alvin White, et al.
Coward Mine
Jackson County, North Carolina
Contract Idm-5805

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 OMS record purposes only; therefore, no copy has been provided for the Operator.

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

Enclosures

EDTalbert/ama 7-24-62

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

OME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Recordings | Code |
|---|---|---|
| 6/26 | | 800 |
| | | 500 |
| | | 120 |
| | | 110 |
| | | 100 |
| | | 220 |
| | | |
| | | |
| | | |

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

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

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

| Contract No. | Docket No. | Operator | Mine Names |
|---|---|---|---|
| E- 684 | 3244 | Alex Teague | Old Denson (Danison) |
| 687 | 3256 | Glenn C. Rathburn | Fox, Busby Creek |
| 692 | 3260 | Sam L. Phillips | W. A. McKinney, McKinney No. 1 |
| 694 | 3199 | W. B. Chrisawn | 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. | Royster |
| 805 | 3720 | Alvin White, et al. | Coward |
| 830 | 3265 | Mines and Mining, Inc. | Farlow Gap |
| 835 | 3813 | T. B. Vance | Shuffle Vance, Red, Charlie Burleson |
| 840 | 3799 | J. R. Beam | Bennett, Mica Field |
| 865 | 3860 | Ed Boone | Goog Rock |
| 882 | 3924 | J. R. Beam & John Phillips | Little Ray, Pat |
| 891 | 3543 | Buchanan Minerals, Inc. | Buchanan, Dream |
| 900 | 3942 | Sam G. Smith | Joe Hill, 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 | Boone, Phillips |
| 1089 | 4554 | Sam L. Phillips | Black Mountain |

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

CEFisher/amm
6-26-62

63603

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-E805, Docket No. DMEA-3720 (Mica), dated June 2, 1955, with

Alvin White, Lee White and Miss Florence Harris
Ingalls Rural Station
Newland, 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 Coward Mine located in Jackson County, North Carolina, during the period June 2, 1955, 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 to be $481.77. Royalty due the U. S. Government at the contract rate of 5 percent is $24.09. The royalty paid and balance due are as follows:

| | |
|---|---|
| Total Royalty Due | $24.09 |
| Total Royalty Paid | 24.09 |
| Balance of Royalty Due | $ -0- |

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

April 21, 1959

WHITE, WHITE AND HARRIS

Contract No. Idm-E805 Docket No. DMEA-3720

STATUS OF PROJECT, DESCRIPTION
OF REVIEW AND REASONS THEREFOR

A Termination Agreement dated May 16, 1956, waived the issuance of Certification of Discovery or Development and provided that the Operator, as principal or as surety, shall pay to the Government the royalty on production provided for in the contract. Also the land-owner agreed to incorporate in any future lease of the land a clause to insure collection of any royalty due the Government. Thus royalty, computed as outlined in Article 8 of the contract, is payable on the net value of production from the land described in Article 2 of the contract 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 August 6, 1956, indicated accepted costs under the exploration contract amounting to $4,580.12 with the Government's contribution, on a 75 percent basis, being $3,435.09.

My review consisted of a verification of the settlement data furnished by the Executive Officer, OME Field Team, Region V, pertaining to royalty received and reconciliation of such receipts with copies of deposit slips furnished by the regional finance office. The last receipt of royalty included in this report was in the amount of $6.00 received from the land-owner and deposited in Hamilton National Bank, Knoxville, Tennessee, on August 28, 1957, being included in Deposit No. 14-23-070-19.

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

(1) Investigation by a representative of the Field Team, Region V, indicates that royalty has been received by the Government on all sales of mica produced from the property during the period covered by this review; 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 Alvin White, et al

Address Ingalls Rural Station

Newland, N.C.

Exploration Contract No. Idm-E805 Docket No. 3720

| | | 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

W. A. Beck
Mining Engineer

53362

E-805

For Certificate of Deposit No. 71, dated February 1, 1956, giving royalty repayment of $18.09, see E-410.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1) Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Oak Ridge, Tennessee

For credit of 5369 Br. Troy. Regional Office, Oak Ridge, Tennessee 8/28/57
(Name, title, and disbursing or oth[illegible]entification symbol of accountable officer) ([illegible]sent)

DEPOSIT NO. 14-23-070-19

deposited with Hamilton National Bank, Knoxville, Tennessee
(Name and location of depositary)

$ 6.00

for accounts listed below. SCHEDULE NOS.

| ACCOUNT SYMBOL | TITLE OF ACCOUNT TO BE CREDITED | AMOUNT |
|---|---|---|
| 14X4401 | Idm-E805 Lee & Alvin White (Coward Mine) (Royalty Payment) | $6.00 |

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
Bureau of Mines, Dept. of Interior
Helen R. Miller, Personal Assistant
P. O. Box 217
Norris, Tennessee

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

## REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Alvin White, Lee White and Miss Florence Harris, partners
Ingalls Rural Station
Newland, North Carolina

pertaining to Exploration Project Contract No. Idm-E805, Docket No. DMEA-3720, for the months of July 1955, to December 1955, inclusive, covering a project for the exploration of mica on property, known as Coward Mine located in Jackson County, North Carolina.

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

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

(a) a major portion ($4,407.51) of the accepted costs were covered by an Interim Audit Report and Certificate issued by this auditor on February 16, 1956;
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract; and
(c) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible additional disallowances thereunder.

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

| | | |
|---|---|---|
| Total cost as billed by Contractor | | $4,569.31 |
| Exceptions: | | |
| During Interim Audit | $61.81 | |
| Less: Certifying Officer's disallowances reinstated | 72.62 | |
| Herewith | -0- | 10.81 |
| Total Accepted Cost | | $4,580.12 |

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 four hundred thirty-five and 09/100 Dollars

**$3,435.09**

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.

C. E. Fisher

C. E. Fisher, Auditor

AUG 6 1956

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

AUG - 8 1956

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

Re: Docket No. DMEA-3720 (Mica)
Alvin White, Lee White and
Miss Florence Harris
Jackson County, North Carolina
Contract No. Idm-E805

Dear Mr. Laurence:

By letter dated March 12, 1956, returning the original December 1955 Form MF-104 and supporting documents, I advised you that the issuance of a Report of Review in lieu of a final audit was being held in abeyance pending termination or amendment of the contract.

Inasmuch as a Termination Agreement was executed on May 16, 1956, terminating the contract effective December 31, 1955, the Report of Review may now be released. Accordingly, the original and two copies are enclosed for distribution within the Region V offices as prescribed by Sec. 3 of Supplement No. 4 to DMEA Circular 19 dated October 9, 1952.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
August 8, 1956

Copyto: Docket
Admr. Reading File
Mrs. Miller
Mr. Chambers

Form MEE-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 DEC 1955 Docket No. DMEA 3720 Contract No. 805
Operator's Name Alvin White Minerals MICA
Address INGALLS RURAL STA NEWLAND N.C.
Contract Amount, $ 4940. Government Participation: 75 % Amount, $ 3705.

| 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 | 0 | 50.00 | 50.00 | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 99.60 | 2500.10 | 2599.70 | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 38.74 | 238.24 | 276.98 | | | |
| Pipe | | | | | | |
| ~~Track~~ FUEL + OIL | 30.93 | 208.52 | 239.45 | | | |
| SUPPLIES OTHER | 3.35 | 323.53 | 326.88 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | 910.00 | 910.00 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | 116.00 | 116.00 | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | 50.30 | 50.30 | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 172.62 | 4396.69 | 4569.31 | | | |

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1-7-56 *Payee Alvin White
Per _____ Title OPERATOR

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 137.58
Signature Helen R. Miller
(Authorized Certifying Officer)
Date AUG 2 1956 Vou. No. 27
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-805 in accordance with the terms of the contract.

Signature W. F. Lynch Title Mining Eng. Date 8/19/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

EXECUTIVE OFFICER

AUG 10 1956

AUG 1 0 1956

Signature Robert A. Kamenno Title DMEA REGION V 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

RECEIVED
AUG 1 - 1956

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of DEC 1955 Docket No. DMEA 3720 Contract No. 805
Operator's Name Alvin White Minerals Mica
Address Ingalls Rural Sta Newland 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 | | | 10 | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | Ft | 172.62 | 3 | 4403.31 | 45 | 97.85 | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | 50.00 | | | | |
| TOTAL DISTRIBUTED COSTS | | | | | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | 116.00 | | | | |
| TOTAL COSTS | | 172.62 | 13 | 4569.31 | | | | |

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

Date 1-7-56 Operator Alvin White

Per _____ Title OPERATOR

REMARKS:

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

(Instructions on reverse)

(For Government use only)

V. J. Lynch
Bureau of Mines
8/10/56

## INSTRUCTIONS

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

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

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

GPO 872894

DNIEA 3720

COWARD and CULLHER INC.

TIME FOR DEC. 1955

RECEIVED
AUG 17 1956

| | ALVIN WHITE | ROY PEARSON | HOMER ROGERS | MILLARD TATE |
|---|---|---|---|---|
| WEEK ENDING 12-10-55 | 29 hrs | 29 hrs | 21.5 hrs | 21.5 hrs |
| RATE | 1.35 | 1.35 | 1.00 | 1.00 |
| AMOUNT | 39.15 | 39.15 | 21.50 | 21.50 |

alvin White

DNIEA 3720

COWARD MINE CULLOHEE N.C.
REPORT FOR DEC. 1955

RECEIVED
AUG 1 1956

WEEK ENDING 12-10 1955

STARTED WORK ON WEDNESDAY DRILLED 11 holes IN Bottom USED 36 sticks POWDER GOT PARTLY MUCKED OUT. DRILL MAN 8 HRS MUCKERS 4.5 HRS

THURSDAY FINISHED MUCKING OUT DRILLED REST OF DAY 13 HRS FOR DRILL MAN 9 HRS FOR MUCKERS

FRIDAY FINISHED 15 holes IN HEADING FOR LEVEL TUNNEL USED 56 JOINTS POWDER PULLED ABOUT 2 FEET 8 hours FOR DRILL MAN AND MUCKERS. DIDN'T GET ALL MUCK OUT.

IN ADDITION TO ABOVE WE HAVE WORKED A TOTAL OF 248 MAN hours Which HAS ADVANCED THE TUNNEL 8 OR 9 Ft. THE ONLY ITEM OF EXPENSE ENTERED AGAINST THIS IS THE GAS + OIL BILL FOR 18.93 DATED 12/27

Alvin White

MAR 2 6 1956

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

Re: Docket No. DMEA-1207X (Copper)
Calumet and Hecla, Inc.
Centennial Mine, et al.
Keweenaw and Houghton
Counties, Michigan
Contract No. Idm-298

Dear Mr. Lawrence:

Reference is made to the Field Team's memorandum of March 20, 1956, in reply to the Contract Administration and Audit Division's letter of March 12, 1956, relative to the deduction and suspension of $948.37 from the amount claimed on the Operator's December 1955, MF-104.

Your letter of February 3, 1956, to the Operator stated that the deduction was being made to bring the accepted costs of Project 11 down to the allowable maximum cost per foot provided by the contract and that such action was in accordance with the advice of our auditors. The purpose of the Contract Administration and Audit Division's letter of March 12, 1956, was to inform you that the reason given for the suspension was invalid under the terms of the contract. Furthermore, no representatives of the Contract Administration and Audit Division suggested the suspension action.

This contract, including the Amendment No. 7 specifically referenced in your letter to the Operator, provides no allowable maximum for either the costs of units of work or the costs of the several projects. In fact, the only maximum stipulated is the aggregate total amount of the Government's contribution. Insofar as Project 11 is concerned, the contract provides only for an estimated 6,661 feet of drifting to cost an estimated $206,691.60. The contract, however, does provide that the costs to which the Government will contribute are limited to the necessary, reasonable, direct costs of performing the exploration work.

This Committee concurs with the findings of the Contract Administration and Audit Division that the Field Team's disallowance in this instance can be maintained only upon a determination that the Operator's claimed costs are in fact unreasonable. Accordingly, you

should review this case and make a definite determination (in accordance with section 3 of Operating Committee Memorandum No. 11, dated October 17, 1952) of the reasonableness of the charges. The Operator then should be advised as to either a valid reason for the suspension or the removal of the suspension.

In connection with your consideration of the reasonableness of the claimed costs averaging $31.2266 a foot through December 1955, for this Project 11 drifting on the Kearsarge lode on the 18th level, it should be noted that costs averaging $34.8039 were accepted as being reasonable for the completed Project 12 drifting on the Kearsarge lode on the 26th level. The final Project 12 costs, which are shown in the Exhibits "B" attached to the first, second, and third interim audit reports covering this contract, were accepted by audit with the concurrence of the Field Team.

Your memorandum of March 20, 1956, indicates that your action in this case was based on your experience with the Coward Mine (DMEA-3720, Idm-2805). These two cases hardly seem comparable. In this case the claimed costs averaged $31.2266 a foot of drift as compared to an estimated average cost of $31.0301, an excess of 19.65 cents a foot or considerably less than 1%, whereas in the Coward case the claimed costs averaged $132.54 a foot of winze compared to an estimated average cost of $45.00 per foot, an excess of $87.54 a foot or almost 200%.

In the last paragraph of your memorandum you ask if unspent amounts allotted to other projects may be used for Project 11. Inasmuch as the costs for the several projects, as indicated in Exhibit "A" of the contract as amended, were estimates only, it follows that any balance remaining from other projects is available for completion of the Project 11 work. It should be noted, however, that the estimated costs, as set forth in Amendment No. 7, for all projects except Project 11 were the accepted and final costs, except for subsequent proceeds from the salvage of project property.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Pennington, USBM
Mr. Killsgaard, USGS
Mr. Griswold
Mr. Chambers

Member, Bureau of Mines

Member, Geological Survey

EDTalbert/wb
March 23, 1956

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

MAR 12 1956

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

Re: Docket No. DMEA-3720 (Mica)
Alvin White, Lee White and
Mica Fluorspar Harris
Jackson County, North Carolina
Contract No. Idn-8895

Dear Mr. Laurence:

Returned herewith are the original Forms MF-104 and MF-104A, the Operator's narrative report and various supporting documents, covering the December 1955 operations of the referenced project, as forwarded to Mr. Fisher by your memorandum of March 6, 1955.

These documents have been reviewed by Mr. Fisher and the costs claimed ($172.62) for the month of December 1955 have been found to be acceptable. However, the issuance of a Report of Review in lieu of a final audit is being held in abeyance pending a determination as to whether the project will be terminated or amended to provide additional funds for completion of the work.

It is suggested that payment of this December 1955 Form MF-104 be withheld until either release of a Report of Review or the start of work under an authorizing amendment.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb 3-12-56

Copy to: Docket
Admr. Reading File
Helen R. Miller
Mr. Houk
Mr. Chambers
Mr. Fisher

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

RECEIVED
MAR - 8 1956

March 6, 1956

Memorandum

To: C. E. Fisher, Auditor, Contract Admin., and Audit Division

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

Subject: Contract No. Idm-E805, DMEA-3720, Alvin and Lee White, and Florence Harris, Jackson County, N. C.

We have your Interim Audit Certificate for the subject contract, known as the Coward Mine in Jackson County, North Carolina. The audit covers the project from July 1 through November 30, 1955.

There are enclosed the MF-104, MF-104A forms, the Operator's narrative report and various invoices for December 1955. We will appreciate having you audit this contract to include December 1955. This will probably be the final report, as the Operator has indicated that he will be unable to do any further work on the contract.

Please return the enclosed data when you have finished with them.

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

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

INTERIM AUDIT CERTIFICATE

I have examined the records of

Alvin White, Lee White and Miss Florence Harris, partners
Ingalls Rural Station
Newland, North Carolina

pertaining to Exploration Project Contract No. Idm-E805, Docket No. DMEA-3720, dated June 2, 1955, covering a project for the exploration of mica on property known as the Coward Mine located in Jackson County, North Carolina, for the period July 1 to November 30, 1955, inclusive.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

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

| | | |
|---|---|---|
| Total cost as billed by contractor | | $4,396.70 |
| Exceptions (see audit report for details): | | |
| Prior to this audit | $ -0- | |
| During this audit | 61.81 | |
| Less: Reinstatement of certifying officer's disallowances | 72.62 | 10.81 |
| Total Accepted Costs | | $4,407.51 |

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 three hundred five and 63/100 Dollars,

**$3,305.63**

is valid and proper.

This certificate is issued on the provision 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.

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

February 16, 1956

# INTERIM AUDIT REPORT

## I. INTRODUCTION

On January 26, 1956, an interim audit (covering operations for the period July 1 to November 30, 1955) was made of the records and transactions pertaining to Exploration Project Contract No. Idm-E805, Docket No. DMEA-3720, dated June 2, 1955, with:

Alvin White, Lee White and Miss Florence Harris, partners
Ingalls Rural Station
Newland, North Carolina

covering a project for the exploration of mica on property known as Coward Mine located in Jackson County, North Carolina.

The original records under this contract were maintained by Mr. Lee White who met this auditor at Beam's Motel located approximately 8 miles east of Spruce Pine, North Carolina, on highway U. S. 19E.

Mr. William A. Beck, Mining Engineer, DMEA Field Team, Region V, Knoxville, Tennessee, accompanied the auditor.

## II. GENERAL INFORMATION ON RECORDS

The accounting records consisted of a memorandum book in which pencil notations were made pertaining to the work performed, cancelled checks, Federal income and withholding tax returns, and copies of paid invoices. No cash book or other bookkeeping records were maintained.

The Operator's Monthly Report and Voucher Forms MF-104 were prepared by Mr. Lee White and were signed by Mr. Alvin White. The original MF-104's were found to be adequately supported by copies of paid invoices and payroll summaries, with exception of the costs pertaining to category (6) New Buildings, Improvements, etc. The major portion of the interim audit work consisted of the review of such documentation supporting MF-104's and a determination of actual incurrence of the costs claimed.

## III. SCOPE OF AUDIT AND FINDINGS

The interim audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date" column of the Form MF-104, Operator's Monthly Report and Voucher, for the month of November 1955.

The interim audit disclosed a considerable amount of improper distribution of charges to the "Items of Cost" shown on the Form MF-104. Therefore, the audit findings presented below are those resulting after correction of the cost distribution.

(1) Independent Contracts

The claimed and accepted costs under this category amounted to $50.00 covering 5 hours of bulldozer rental at $10.00 per hour from J. R. Watson Company.

(2) Labor and Supervision

The basic record for labor costs consisted of a time book maintained by Mr. Alvin White, one of the partners, who devoted full time to the exploration project as a miner and working foreman. Verification of all wages paid was made during the audit.

This contract does not provide for any costs of supervision or technical services but does specify maximum hourly rates of pay for labor, such maximum rates to include liability insurance and Social Security taxes. The maximum rates provided by the contract and the rates per hour actually paid are as follows:

| Labor | Contract Rate (incl. of taxes & ins.) | Actually Paid (excl. of taxes & ins.) |
|---|---|---|
| Miners | $1.50 per hour | $1.35 per hour |
| Hoistman | 1.25 " " | 1.10 " " |
| Laborers | 1.00 " " | .90 " " |

The Operator did not carry liability insurance. Social Security taxes included in costs covered only Federal old age benefit taxes based on 2 percent of wages paid. Thus, hourly labor costs were well within the maximums provided by the contract.

Labor costs, determined by audit to be allowable, are shown in the following summary:

| Class | Hourly Rate | Allowed by Certifying Officer | | Allowed by Audit | |
|---|---|---|---|---|---|
| | | Hours | Amount | Hours | Amount |
| Miners | $1.35 | 1,136.5 | $1,525.37 | 1,122.5 | $1,515.36 |
| Hoistman | 1.10 | 753.5 | 822.18 | 733.5 | 806.85 |
| Laborers | .90 | 169.5 | 152.55 | 149.5 | 134.55 |
| Totals | | 2,059.5 | $2,500.10 | 2,005.5 | $2,456.76 |

The following audit adjustments were made in determining the amount of allowed costs in the above summary:

(a) An amount of $15.56 disallowed by the certifying officer representing 2 percent of $778.12 claimed for wages on November 1955, MF-184 was reinstated in costs. Allowable costs for wages should be based on gross amounts of wages paid rather than net wages after deduction of old age benefit taxes withheld from employees; and

(b) An amount of $58.90 was transferred to (6) New Buildings, Improvements, etc., covering 54 hours of labor applicable to construction of bathhouse, powder magazine and exploder magazine.

(3) Operating Materials and Supplies

The Operator purchased materials and supplies for use as needed. All purchases were made locally and were paid for either by check or by cash. Original receipted invoices were filed in support of Forms MF-104 and were verified during the course of the audit. Material and supply costs, determined by the audit to be allowable, are shown in the following summary:

| Item | Allowed by Certifying Officer | Allowed by Audit |
|---|---|---|
| Explosives | $238.24 | $241.59 |
| Gasoline and oil | 208.52 | 209.02 |
| Drill steel | -0- | 200.60 |
| Other | 323.53 | 390.16 |
| Totals | $770.29 | $841.37 |

The following audit adjustments were made in determining the amount of allowed costs in the above summary:

(a) Transfer of $77.52 was made from (6) New Buildings, Improvements, etc., representing value of material and supplies used in exploration operations included under that category on July 1955, MF-104;

(b) Reinstatement was made to acceptable costs of the following items which had been disallowed by the Certifying Officer:

| Month | Item | Amount |
|---|---|---|
| July 1955 | Gunter Machine Co. Sharpening pick | $ .60 |
| August 1955 | Painter & Company Sharpen drill steel | 3.00 |
| Do | Explosives Supply Co. Sharpening bits | .75 |
| | Total | $4.35 |

(c) Disallowance of $10.79 was made of amount claimed on July 1955, MF-104, but not supported by copies of paid invoices or other evidence of incurrence of the cost.

The Other supplies and materials allowed by this audit consisted of the following:

| | |
|---|---|
| Work clothes | $ 55.23 |
| No. 6 T.W. Wire | 49.89 |
| 150' 4" downspout | 26.11 |
| Carbide and lamps | 15.55 |
| Hand tools and various supplies | 43.38 |
| Total | $190.16 |

(4) Operating Equipment

(a) Rental

The contract authorized charges under this subcategory for rental of equipment to be used in the exploration project as follows:

1 Compressor, Drill & Pump @ $230.00/mo.
1 Jackleg @ $10.00/mo.
1 Hoist @ $50.00/mo.
Total rental allowance $916.00

The number of each object to be rented, the rates of rental and the total of this subcategory were expressly designated as maximums allowable for Government participation.

The equipment used was owned by Mr. Ray White, brother of two of the partners who are parties to the exploration contract. Rental payments were included in project costs during each of the five months covered by this audit. Such payments were substantiated by receipts signed by the owner of the equipment. The rental paid was based on periods of time during which the equipment actually was used, no rental being charged during times the equipment was not in use. The charges included in the exploration costs, as accepted by this audit, are within the maximums provided in the contract.

(b) Purchase
(c) Depreciation

These subcategories of cost are not applicable to this contract.

(5) Initial Rehabilitation and Repairs

This item of cost is not applicable to this contract.

(6) New Buildings, Improvements, etc.

The accepted costs under this category amount to $116.00. The contract provided for estimated costs applicable to each item of construction with the total estimate for the category being the maximum allowable as follows:

| | |
|---|---|
| 1 Toolhouse | $ 76.00 |
| 1 Powder Magazine | 26.00 |
| 1 Exploder Magazine | 14.00 |
| Total (Maximum) | $116.00 |

The Operator claimed costs on July 1955, MF-104, under this category in the amount of $168.71 representing the value of certain materials and supplies purchased, many of which related to the shaft sinking operations and have been stated in this audit report under category (3) Operating Materials and Supplies. The certifying officer disallowed $52.71, being the amount claimed in excess of the contract maximum.

The following audit adjustments were made by this auditor:

(a) The disallowance of $52.71 made by the certifying officer was reinstated;

(b) Transfer of $77.52 was made to (3) Operating Materials and Supplies representing value of material used in shaft sinking;

(c) Transfers of $58.90 and $.80 representing cost of 54 hours labor constructing the toolhouse, powder magazine and exploder magazine plus 2 percent old age benefit taxes was transferred from (2) Labor and (7) Payroll Taxes; and

(d) Disallowance of $34.89 was made representing amount of adjusted costs in excess of allowable maximum provided by the contract.

(7) Miscellaneous

Payroll Taxes

Costs claimed under this item amounted to $50.31 and represented 2 percent Federal old age benefit tax applicable to wages paid. Accepted costs amounted to $33.38 after the following audit adjustments:

(a) Transfer of $.80 was made to (6) New Buildings, Improvements, etc., applicable to wages of Charlie White and Thomas White while constructing toolhouse, powder magazine and exploder magazine; and

(b) Disallowance of $16.13 was made representing oldage benefit taxes claimed on wages of Alvin White which are not includable in costs for Government participation as he is one of the partners under the terms of the contract.

## IV. CONCLUSIONS

The interim audit disclosed that all costs charged to this project, after reinstatement of items previously disallowed by the certifying officer amounting to $72.62 and disallowances aggregating $61.81 made as a result of this audit as itemized in the preceding section of this report, were reasonable and proper under the terms of the contract.

The adjustments between "Items of Cost" as shown on the November 1955, Form MF-104, the additional allowances and disallowances, and the accepted costs as disclosed by this audit are summarized below:

| | Totals Nov.MF-104 | Corrected Distribution | Allowances & (Disallowances) | Accepted Costs |
|---|---|---|---|---|
| (1) Independent Contracts: | | | | |
| Bulldozing | $ 50.00 | $ 50.00 | $ | $ 50.00 |
| (2) Labor & Supervision: | | | | |
| (a) Labor | 2,500.10 | 2,441.20 | 15.56* | 2,456.76 |
| (3) Oper. Mat'ls. & Supp.: | | | | |
| Explosives | 238.24 | 241.59 | | 241.59 |
| Gasoline and oil | 208.52 | 209.02 | | 209.02 |
| Drill steel | -0- | 200.60 | | 200.60 |
| Other | 323.53 | 196.60 | 4.35* (10.79) | 190.16 |
| (4) Operating Equipment: | | | | |
| (a) Rental | 910.00 | 910.00 | | 910.00 |
| (6) New Bldgs.,Improv.,etc. | 116.00 | 98.18 | 52.71* (34.89) | 116.00 |
| (7) Miscellaneous: | | | | |
| Payroll Taxes | 50.31 | 49.51 | (16.13) | 33.38 |
| Totals | $4,396.70 | $4,396.70 | $10.81 | $4,407.51 |

*Reinstatement of certifying officer's disallowances.

The contract contained numerous items, the estimated costs of which were indicated as being maximums for contribution by the Government. The hourly wage rates for labor provided by subcategory (2) (a) and the number of each item of rented equipment, the rate of rental, and the total of subcategory (4) (a) claimed by the Operator were all within such allowable maximums. In addition, audit adjustments have been made in this report to bring the accepted costs for toolhouse, powder magazine, and exploder magazine within the allowable maximum provided by category (6).

At the conclusion of the audit the findings were discussed with Mr. Lee White. On January 30, 1956, the findings were discussed with Mr. R. A. Lawrence, Executive Officer, DHEA Field Team, Region V.

C. E. Fisher

C. E. Fisher, Auditor

February 16, 1956

C
O
P
Y

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

February 27, 1956

Memorandum

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

From: C. E. Fisher, Auditor

Subject: Analysis of costs under contracts for exploration for mica.

Cost audits have been made and audit reports issued pertaining to the following "actual cost" contracts covering exploration for mica in the State of North Carolina:

| Idm | DMEA | Operator | Mine | Type of Audit |
|---|---|---|---|---|
| E805 | 3720 | White, White and Harris | Coward | Interim |
| E814 | 3740 | Grindstaff, Thomas and Boone | Conley | Final |
| E815 | 3731 | Huskins and Gage | Randolph | Final |

From the information developed during these audits, determination has been made of average unit costs per foot of shaft work accomplished and per foot of advance by drifting and/or crosscutting. Also hours of labor per foot of such work accomplished and average labor costs per hour, including OAB taxes and employer's liability insurance, have been determined for each contract as shown in the following tabulation:

| | Shafts | | | Drifts | |
|---|---|---|---|---|---|
| | E805 | E814 | E815 | E814 | E815 |
| Average Costs per foot | | | | | |
| Labor | $76.77 | $20.82 | $15.36 | $16.97 | $13.12 |
| OAE taxes | 1.04 | .42 | .18 | .34 | .16 |
| Liability insurance | -0- | 1.87 | -0- | 1.53 | -0- |
| Total labor costs | $77.81 | $23.11 | $15.54 | $18.84 | $13.28 |
| Material & Supplies: | | | | | |
| Timber | $ -0- | $ -0- | $ 2.67 | $ -0- | $ -0- |
| Explosives | 7.55 | 6.32 | 5.40 | 8.77 | 4.65 |
| Drill steel | 6.27 | 4.82 | 2.69 | 2.32 | .19 |
| Gasoline and oil | 6.53 | 1.78 | 1.97 | 2.27 | 1.75 |
| Other supplies | 5.94 | 2.29 | .97 | .60 | 1.56 |
| Total Mat. & Sup. | $26.29 | $15.21 | $13.70 | $13.96 | $ 8.15 |

| | Shafts | | | Drifts | |
|---|---|---|---|---|---|
| | E805 | E814 | E815 | E814 | E815 |
| Operating Equipment: | | | | | |
| Rental | $28.44 | $ 2.40 | $ 9.67 | $ 1.09 | $ 7.25 |
| Depreciation | -0- | 2.40 | -0- | 1.31 | -0- |
| Total Oper. Equip. | $28.44 | $ 4.80 | $ 9.67 | $ 2.40 | $ 7.25 |
| Totals | $132.54 | $43.12 | $38.91 | $35.20 | $28.68 |
| Man/hours per foot of advance | 62.67 | 20.82 | 12.76 | 16.03 | 10.50 |
| Average costs per man/hour | | | | | |
| Labor | $ 1.24 | $ 1.11 | $ 1.22 | $ 1.18 | $ 1.26 |
| Mat. & Sup. | .42 | .73 | 1.07 | .87 | .78 |
| Equipment | .45 | .23 | .76 | .15 | .69 |
| Total | $ 2.11 | $ 2.07 | $ 3.05 | $ 2.20 | $ 2.73 |

Total accepted costs disclosed by the interim audit of contract Idm-E805 amounted to $4,407.51 with the Government's proportion on a 75 percent basis being $3,305.63. These amounts were within $532.49 and $399.37, respectively, of total costs and Government participation contemplated by the contract. The remaining work under the contract terms amounted to 8 feet of winze sinking and 80 feet of drifting. The remaining funds are obviously inadequate to complete the contract. The unit costs developed under this contract are so far out of line as to be of little or no value in any analysis to determine what may be fair and reasonable unit costs of shaft sinking and drifting in connection with mica exploration projects in North Carolina.

Contracts E814 and E815 have been completed and the costs appear to be somewhat in line with what may be considered fair and reasonable. It is noted that there are substantial differences between the over-all unit costs under these contracts and that some of the differences are more striking when the various elements entering into the over-all costs are compared. It is possible that these differences may be explained to a large extent by such factors as operating conditions, such as type of ground, or by the efficiency and skill of the operators. These matters are not deemed to be proper for discussion by the auditor and this report will deal with a consideration of the various elements included in costs from an auditing standpoint.

The total accepted costs under E814 were approximately 12.5 percent <u>in excess</u> of the amount provided by the contract and such excess has been disallowed in computing the Government's contribution to the cost. In contrast, the total accepted costs under E815 were approximately 15.5 percent <u>less</u> than the amount allowed as the estimated total cost of the project.

Discussion of the various elements included in the unit costs follows:

Labor

Both contracts provided for maximum wages as follows:

| | |
|---|---|
| Miners | $1.50 |
| Hoistmen | 1.25 |
| Laborers | 1.00 |

The Operator under E814 paid its employees at the rate of $1.00 per hour, except when a hoistman was used in connection with the drifting operations, he was paid $1.25 per hour; whereas, the Operator under E815 paid its employees the maximum rates provided by the contract.

OAB taxes

These amount to 2 percent of wages paid. One of the partners under E815 worked on that project and the OAB tax was not applied as a cost of the project in connection with his wages.

Liability insurance

Both contracts provided that employer's liability insurance premiums would be an allowable cost of the project. Such insurance was not carried in connection with E815, but amounted to 9 percent of the wages paid under E814.

Total labor costs
Hours per foot of advance
Average labor costs per hour

The total labor costs per foot of shaft sinking or drifting was approximately 50 percent higher under E814 than under E815, although the average per hour cost under the latter contract was slightly higher than under E814. The principal differences in the unit costs are explained by the very substantial variations in the hours of labor required for each foot of advance under the two contracts. This is not a matter for accounting interpretation but interposes a question to be answered by the inspecting engineer who may be in possession of information indicating reasons for such discrepancies.

Timber

There were no costs for timber claimed in connection with E814 although the contract provides, "The inclined shaft, and the drifts and/or crosscuts shall be timbered as necessary." The reason for omission of charge for timber was not ascertained during the audit.

All lumber purchased under E815 was procured during the shaft sinking operations and was charged to that operation. It is possible that some portion of the timber cost under this contract was applicable to the drifting costs.

Explosives
Drill steel

The unit costs under E814 are substantially in excess of those under E815 for these items. It was noted that both operators purchased these supplies at about the same time and at similar prices. Thus the differences are due primarily to differences in quantities used for each foot of advance. The explanation of the difference in cost experience would appear to relate to such factors as type of rock in the two projects or the relative efficiency of the operators.

Gasoline and oil
Other supplies

No comments.

Operating equipment

Both contracts provided allowable maximum charges for use of operating equipment and the maximum allowable amount was claimed in each instance. The amount under E814 was $432.50 for sinking 50 feet of 2 - compartment inclined shaft and 80 feet of drifts and/or crosscuts. The allowance under E815 was $1.160.00 for sinking a 60 foot 2 - compartment shaft and 80 feet of drifts. Thus the allowance under E815 was $727.50 greater than the allowance under E814 whereas the additional work consisted only of 10 feet of 2 - compartment shaft. As a result, the claimed and accepted unit costs under E815 were more than twice those under E814.

Similar equipment was used in both projects. The difference in the allowed costs was due primarily to the contract provisions which made substantially higher allowances for use of equipment rented from other parties over the depreciation allowance for similar equipment owned by the Operator. All of the equipment used in connection with E815 was rented by the Operator, whereas, the Operator under E814 received a depreciation allowance for a compressor, drill and hoist owned by the Operator and rental allowance only in connection with a jackleg and pump.

It would seem that, in computing a fair unit cost, any allowance for use of equipment should be based on the type of equipment used and the period during which it is needed rather than upon who may happen to be the owner of the equipment. This is especially true with respect to these mica exploration projects where the items of required equipment are very well established and where the equipment is apt to be rented from a partner in the project or from a near relative.

In the case of E815 the equipment rental accounted for approximately 25 percent of the accepted costs, whereas, under E814 the charge for use of equipment was slightly less than 10 percent of the costs. Mr. Sam Phillips and Mr. John Phillips were partners with the Operators under E815. This partnership was known as Randolph Mining Company whose sole activity was the exploration under this contract. The equipment used in the exploration was rented from Cecil Phillips.

The jackleg and pump rented and used in E814 were owned by Mr. B. G. Thomas, one of the partners under that contract.

/s/ C. E. Fisher
C. E. Fisher, Auditor

CEFisher/wb
February 27, 1956

C
O
P
Y

Form ME-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 Nov. 1955 Docket No. DMEA 372 Contract No. 805 W
Operator's Name Alvin White Minerals Mich
Address Ingalls Rural Sta. Newland
Contract Amount, $ Government Participation: % Amount, $

RECEIVED DEC 16 1955

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | 50.00 | 50.00 | | 50.00 | 50.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 778.12 | 1737.54 | 2515.66 | 762.56 | 1737.54 | 2500.10 |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 46.73 | 191.51 | 238.24 | 46.73 | 191.51 | 238.24 |
| Pipe AIR DUCT | | 26.11 | 26.11 | | 26.11 | |
| Track FUEL OIL | 74.42 | 134.10 | 208.52 | 74.42 | 134.10 | 208.52 |
| SUPPLIES OTHER | 58.94 | 243.38 | 302.32 | 58.94 | 238.48 | 323.53 |
| TOTAL | 180.09 | 595.10 | 775.19 | | | 770.29 |
| (4) Operating Equipment: | | | | | | |
| Rental | 110.00 | 800.00 | 910.00 | 110.00 | 800.00 | 910.00 |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | 116.00 | 116.00 | | 116.00 | 116.00 |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | 14.80 | 29.60 | 44.40 | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 15.56 | 34.75 | 50.31 | 15.56 | 34.74 | 50.30 |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 1098.51 | 3362.99 | 4461.50 | 1068.21 | 3328.48 | 4396.69 |

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 12-5-55 *Payee Alvin White
Per Title OPERATOR

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 775.28
Signature Helen R. Miller
(Authorized Certifying Officer)
Date DEC 13 1955 Vou. No.
(See other side)

($1068.21 less disallowances on Sept., Aug., Oct. and November vouchers in amt. of 34.50 = 1033.71)
See letter attached

5

(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. IDME-805 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist USGS Date Dec. 9, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date DEC 12 1955

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
DEC 16 1955

# OPERATOR'S UNIT COST AND PROGRESS REPORT

805

Month of Nov 1955 Docket No. DMEA 3720 Contract No. MICA
Operator's Name Alvin White Minerals
Address Ingalls Rural Sta. Newland N.C.

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | Ft | 1098.57 | 10 | 4295.56 | 32 | 134.24 | 120 | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | 50.00 | | | | |
| | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | | | 4345.56 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | 116.00 | | | | |
| | | | | | | | | |
| TOTAL COSTS | | | | 4461.56 | | | | |

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 12-5-55 Operator Alvin White

Per Title OPERATOR

REMARKS:

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

(Instructions on reverse)

(For Government use only) Alfred R. Taylor - Geologist

## INSTRUCTIONS

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

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

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

GPO 872894

DMEA 3720

COWARD MINE Colloiee N.C.

NARRIATVE REPORT FOR NOV. 1955

RECEIVED
DEC 16 1955

WEEK ENDING 11-12

VERRY POOR PROGRESS, TROUBLE GETTING WATER OUT. USED CASE OF POWDER ONLY MADE 2 FEET, PUMP HAD TO BE REPAIRED.

WEEK ENDING 11-19

FIRST ROUND OF holes FAILED TO PULL PUTTING BOTTOM IN VERRY BAD SHAPE. HARD TO GET IN SHAPE FOR NEXT ROUND. LET DRILL MAN GO. GOT TWO GOOD ROUNDS AFTER CLEANING UP FAILURE.

WEEK ENDING 11-26

PROGRESS FAIR TROUBLE with COMPRESSOR

GOT THREE ROUNDS DOWN AND CLEANED.

WEEKENDING 12-3

PROGRESS GOOD GOT TWO ROUNDS DOWN AND CLEANED THIRD ROUND DOWN.

This month PRODUCED ABOUT 150 POUNDS OF MICA OF All GRADES. VEIN HARDER AND LESS MICA. MEASURMENT TO THIS REPORT 32 FEET.

P. O. Box 217
December 13, 1955

Mr. Alvin White
Ingalls Rural Station
Newland, North Carolina

Re: Idm-B-805, DMEA-3720

Dear Mr. White:

An adjustment of $64.86 has been made on your November voucher, reducing your approved monthly total to $1033.71. It is necessary to delete the following items from your August, September, October and November vouchers, because the contract does not allow for repairs and maintenance of operating equipment, etc.:

**August Voucher**

| | | |
|---|---|---|
| 8/1/55 | Western Auto Supply Company<br>Spindle Belt Set and fuel pump | $ 4.90 |
| 8/8/55 | Painter & Company<br>Sharpen drill steel | 3.00 |
| 8/23/55 | Hooper Motor Company<br>Steam clean air tank | 2.50 |
| 7/23/55 | Explosive Supply Company<br>Bits sharpened | 0.75 |

**September Voucher**

| | | |
|---|---|---|
| 9/13/55 | Mitchell Distributing Company<br>Repair Ingersoll-Rand Pump | 1.75 |

**October Voucher**

| | | |
|---|---|---|
| 10/4/55 | Mitchell Distributing Company<br>Vanes and housing gaskets | 3.40 |
| 10/19/55 | Johnson Electric Company<br>Pulley and batteries | 8.27 |
| 10/26/55 | Marion Machine Company<br>Bronze bushings and lathe time | 6.18 |

October Voucher cont.

| | | |
|---|---|---|
| 10/20/55 | Gunter Machine Company<br>Repair forge and pipe | 3.75 |

November Voucher

| | | |
|---|---|---|
| 11/28/55 | Mitchell Distributing Company<br>Repair Ingersoll-Rand Pump | 14.80 |
| | In addition to the above, your labor (November Voucher) in the total amount of $775.12 includes payroll taxes, therefore the additional amount of $15.56 claimed under "Payroll Taxes" must be deleted from your voucher | 15.56 |
| | Total | $ 64.86 |

Your voucher is being processed today in the amount of $775.28, which represents 75% of the approved monthly total in amount of $1033.71. The approved totals to date are as follows:

| | |
|---|---|
| Bulldozing | $ 50.00 |
| Labor | 2,500.10* |
| Explosives | 238.24 |
| Fuel Oil | 208.52 |
| Supplies, other | 323.53 |
| Rental of Equipment | 910.00 |
| New Bldgs., Improvements, etc. | 116.00 |
| Payroll Taxes | 50.30* |
| Total | 4,396.69 |

*Combined ($2500.10 plus $50.30) represents total Gross Salaries

Very truly yours,

Helen R. Miller
Administrative Assistant

Copies to V. J. Lynch
R. A. Laurence
Jay L. Chambers, IMEA, Washington Office (2 copies)
Files
Day files

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

Budget Bureau No. 42-R1036.5

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

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 5

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Oct. 1955 Docket No. DMEA 3[illegible] APPROVED Contract No. F 805
Operator's Name Alvin White Minerals Mica
Address Incalls Rural Sta. Newland N.C. NOV 21 1955
Contract Amount, $ 4940.00 Government Participation: 75% Amount, $ 3705.00

| 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 | | 50.00 | 50.00 | | 50.0 | 50.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 137.79 | 1599.75 | 1737.54 | 137.79 | 1599.75 | 1737.54 |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 0 | 191.51 | 191.51 | | 191.51 | 191.51 |
| Pipe AIR DUCT | 26.11 | 0 | 26.11 | 26.11 | | 26.11 |
| ~~Track~~ FUEL | 22.00 | 112.10 | 134.10 | 22.00 | 112.10 | 134.10 |
| SUPPLIES OTHER | 121.33 | 123.80 | 245.13 | 121.33 | 122.05 | 243.38 |
| (4) Operating Equipment: | | | | | | |
| Rental | 105.00 | 695.00 | 800.00 | | 695.00 | 800.00 |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | 197.83 | 197.83 | | | |
| (6) New Bldgs., Improvements, etc. | | 116.00 | 116.00 | | 116.00 | 116.00 |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | 21.60 | 8.00 | 29.60 | 21.60 | 8.00 | 29.60 |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 2.76 | 31.99 | 34.75 | 2.75 | 31.99 | 34.75 |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 436.59 | 3125.98 | 3562.57 | 436.59 | 2926.40 | 3362.99 |

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

Date 11-8-55 *Payee Alvin White

Per Lee W. White 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:

$ 327.44

Signature Helen R. Miller (Authorized Certifying Officer)

NOV 14 1955

Date ..... Vou. No. .....

(See other side)

109.15

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

Signature Kepton H. Teague Title Geologist, U.S.G.S. Date 11-10-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING Title EXECUTIVE OFFICER DMEA REGION V Date NOV 10 1955

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
NOV 21 1955

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct 1955 Docket No. DMEA 3720 Contract No. E 805
Operator's Name Alvin White Minerals Mica
Address Ingalls Rural Sta. Newland N.C.

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | ft | 436.57 | 2 | 2564.21 | 22 | 116.55 | 120 | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | 500 | 50.00 | | | | | |
| TOTAL DISTRIBUTED COSTS | | | | | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | [illegible] | 116.00 | | | | | |
| TOTAL COSTS | | | | | | | | |

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

Date 11-8-55 Operator Alvin White

Per Lee White 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) Keptan H. Teague, Geologist

## INSTRUCTIONS

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

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

DMEA 3220

Cowanc [illegible] Collieries
Oct 1955

RECEIVED
NOV 21 1955

10-13 Pumped water out 3 holes

10-14 Worked out using blocks at top of [illegible]

10-15 Got 4 holes [illegible] up on [illegible]

10-20 Pumped water out holes

10-25 Worked out started bolts [illegible]

Had blower at head of Winze but [illegible] Sufficiently. Need small [illegible] get enough fresh air. We have requested a power blower to be installed.

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

Budget Bureau No. 42-R1036.5

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

PAID ON VOUCHER & SCHEDULE OF PAYMENT 25

RECEIVED OCT 7 - 1955

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of SEPT., 1955 Docket No. DMEA 3720 Contract No. E-805
Operator's Name ALVIN WHITE Minerals MICA
Address INGALLS RURAL STA. NEWLAND NC.
Contract Amount, $4940.00 Government Participation: 75% Amount, $3705.00

| 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 | | 50.00 | 50.00 | | 50.00 | 50.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 526.54 | 1073.21 | 1599.75 | 526.54 | 1073.21 | 1599.75 |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 54.90 | 136.61 | 191.51 | 54.90 | 136.61 | 191.50 |
| ~~Pipe~~ FUEL | 32.00 | 80.10 | 112.10 | 32.00 | 80.00 | 112.10 |
| Track | | | | | | |
| SUPPLIES OTHER | 49.25 | 74.75 | 123.80 | 47.50 | 74.75 | 122.05 |
| SERVICE | 1.75 | 6.25 | 8.00 | 1.75 | 6.25 | 8.00 |
| (4) Operating Equipment: | | | | | | |
| Rental | 210.00 | 485.00 | 695.00 | 210.00 | 485.00 | 695.00 |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | 116.00 | 116.00 | | 116.00 | 116.00 |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 10.53 | 21.46 | 31.99 | 10.53 | 21.46 | 31.99 |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 884.97 | 2043.18 | 2928.15 | 883.22 | 2043.18 | 2926.40 |

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

Date 10-3-55 *Payee Alvin White

Per _____ Title OPERATOR

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

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

(Instructions on reverse)

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

$ 662.42

Signature Helen R. Miller
(Authorized Certifying Officer)

Date OCT 5 1955 Vou. No. 64
(See other side)

220.80

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 805 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng. Date 10/4/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date OCT 4 1955

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 7 - 1955

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of SEPT 1955 Docket No. DMEA 3720 Contract No. E 805
Operator's Name Alvin White Minerals MICA
Address INGALLS RUR. STA. NEWLAND N.C.

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | Ft | 884.97 | 6 | 2127.62 | 20 | 106.38 | 120 | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | | | | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | 884.97 | 6 | 2127.62 | | | | |

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 10-3-55 Operator Alvin White

Per _____ Title OPERATOR

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

(Instructions on reverse)

Remarks:

(For Government use only)

N. Lynch
Mining Eng.
Bureau of Mines

## INSTRUCTIONS

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

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

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

GPO 872894

ALVIN WHITE
C[redacted]ARD MINE CULLOHEE N.C.

DMEA 3720

NARRATIVE REPORT
SEPT. 1955

RECEIVED
OCT 7 - 1955

SEPT 1st TO 3RD — PROGRESS OK. 21 HOLES, 72 JOINTS POWDER WORKED 26 HRS.

SEPT 6-10 — EVERY THING WENT GOOD. 28 HOLES 106 JOINTS POWD. WORKED 40 HRS.

SEPT 12-17 — MON AND TUE GOOD DAYS. WED. JUMPER BIT CHIPPED RUINED 2nd STEEL ONLY GOT 2 HOLES. 18 HOLES FOR WEEK 54 JOINTS POWDER.
MEN CAME OUT TIRED AFTER SHORT MUCKING PERIODS. WORKED 31.5 HRS. QUIT ON ACCOUNT OF STEEL.

SEPT 19-24 — TUE. PUMPED HOLE MUCKED. WED 8 HOLES. THU ONLY GOT HOLE MUCKED. MEN COMPLAINING WITH HEAD ACHE. COULDN'T STAND LONG PERIOD. FRIDAY 7 HOLES. ONLY 15 HOLES FOR WEEK, 50 JOINTS POWDER. VERRY SLOW THIS WEEK. WORKED 39 HRS

SEPT 26-30 — TUE. WORKED 8 HRS ONLY 3 HOLES, MEN TOO ILL TO FINISH MUCKING HOLE OUT. THE WEATHER HUMID. WILL FIX COMPRESSOR INTAKE TO GET AIR AT DISTANCE FROM " SOME FUMES PROBLY BEING PUMPED IN. MAY HAVE TO INSTALL FAN OR ABANDON MORE DEPTH. ONLY ABOUT 200 LBS. MICA FOR PERIOD NONE SOLD.

10-3-55

Alvin White

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

Budget Bureau No. 42-R1036.5

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

PAID VOUCHER & SCHEDULE OF PAYMENTS

RECEIVED SEP 12 1955

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of AUG, 1955 Docket No. DMEA-3720 Contract No. E-805

Operator's Name Alvin White Minerals MICA

Address Ingalls Rural Sta Newland N.C.

Contract Amount, $ 4940.00 Government Participation: 75% Amount, $ 3705.00

| 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 | | 50.00 | 50.00 | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 420.40 | 652.81 | 1073.21 | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 81.04 | 55.57 | 136.61 | | | |
| Pipe | | | | | | |
| ~~Track~~ SERVICE | 6.25 | | 6.25 | | | |
| STEEL ETC | 74.55 | | 74.55 | | | |
| FUEL | 42.00 | 38.10 | 80.10 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | 210.00 | 275.00 | 485.00 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | 116.00 | 116.00 | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 8.41 | 13.05 | 21.46 | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 842.65 | 1200.53 | 2043.18 | 842.65 | 1200.53 | 2043.18 |

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

Date 9-5-55 *Payee Alvin White

Per _____ Title _____

*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.

2 (Instructions on reverse)

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

$ 631.99

Signature Helen R. Miller (Authorized Certifying Officer)

Date SEP 9 1955 Vou. No. 52 (See other side)

210.66

(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 E805 in accordance with the terms of the contract.

Signature Chesney H Clemons Title Geologist-USGS Date SEP 8 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 12 1955

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of AUG 1955 Docket No. DMEA 3720 Contract No. F-805
Operator's Name ALVIN White Minerals MICA
Address INGALLS RURAL STA. NEWLAND N.C.

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | Ft | 842.65 | 10 | 1242.65 | 14 | 88.76 | 120 | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 842.65 | | 1242.65 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc | | | | | | | | |
| TOTAL COSTS | | 842.65 | | 1242.65 | | | | |

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 9-5-55 Operator ALVIN White

Per ..... Title .....

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. Lewis
Geologist, USGS
Sept. 8, 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

Narrative Report - August 1955 - COWARD MINE

8-2-55 Worked in shaft - difficulty with bits fouling.

8-3-55 Worked in shaft - had to have bits sharpened.

8-4-55 Worked in shaft - lost one bit due to threads.

8-5-55 Worked in shaft - lost one bit and fouled another.

Recovered 200 pounds mica all types this week.

8-8-55 No work done this week.

8-15-55 Fixed platform to dump muck from.

8-16-55 Finished platform and hung blocks - spent 3 hours in shaft.

8-17-55 Worked in shaft - new chizel bits worked better - less fouling.

8-18-55 Worked in shaft - made good progress.

8-19-55 Worked in shaft - made good progress.

Recovered 50 pounds mica all types this week.

8-22-55 Worked in bunk house and on road-3 hours not charged on report.

8-23-55 Moved hoist, boiled air tank with lye - still not clean so had to take to shop and have steam cleaned.

8-24-55 Worked in shaft.

8-25-55 Worked in shaft - trouble with water feed to drill.

8-26-55 Worked in shaft 7 hours - progress fair.

Shaft sunk for the month approximately 10'.

Mica recovered for the month approximately 275 pounds -

| | | | |
|---|---|---|---|
| 8-18 | Good Stained | 3.88 lbs. | 63.70 |
| | Stained | 6.20 " | 32.50 |
| | Heavy Stained | .94 " | 3.18 |
| Mica sold August - 30 | | 11.02 | |
| | Good Stained | 3.62 " | 55.80 |
| | Stained | 7.24 " | 36.56 |
| | Heavy Stained | .51 " | 1.71 |
| | | 11.37 | |

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 ... 15

# OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED AUG 29 1955

Month of July, 1955 Docket No. DMEA -37 Contract No. E-805
Operator's Name Alvin White Minerals Mica
Address Ingalls Rural Station, Newland, N.C.
Contract Amount, $4,940.00 Government Participation: 75 % Amount, $3,705.00

| 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 | 50.00 | | 50.00 | 50.00 | | 50.00 |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 727.12 | | 727.12 | 727.12 | | 727.12 |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 55.57 | | 55.57 | 55.57 | | 55.57 |
| Pipe | | | | | | |
| Track | | | | | | |
| Gasoline | 38.10 | | 38.10 | 38.10 | | 38.10 |
| (4) Operating Equipment: | | | | | | |
| Rental | 275.00 | | 275.00 | 275.00 | | 275.00 |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | 168.71 | | 168.71 | 116.00 | | 116.00 |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | 33.00 | | 33.00 | – | | – |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 14.54 | | 14.54 | 14.54 | | 14.54 |
| Liability Insurance | 72.71 | | 72.71 | 72.71 | | 72.71 |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 1,434.75 | | 1,434.75 | 1349.04 | | 1349.04 |

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8/4/55 *Payee Alvin White
Per ____ Title Operator

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 900.40 #
$ ~~1011.38~~
Signature Helen R. Miller (Authorized Certifying Officer)
Date AUG 25 1955 Vou. No. 38
(See other side)

337.26 # see letter attached

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature Kenton H. Teague Title Geologist, U.S.G.S. Date 8/18/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING Title EXECUTIVE OFFICER DMEA REGION V Date AUG 18 1955

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

RECEIVED
AUG 29 1955

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 5 1955 Docket No. DMEA -3720 Contract No. E-805

Operator's Name Alvin White Minerals Mica

Address Ingalls Rural Station, Newland, N. C.

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | 4 | 400.00 | 4 | 400.00 | 4 | 100.00 | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | 450' | 50.00 | 1 | 50.00 | | | | |
| Cut old works clean out sump | | 868.75 | | 868.75 | | | | |
| Total Distributed Costs | | | | | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | 116.00 | | 116.00 | | | | |
| | | 1,434.75 | | 1,434.75 | | | | |
| Total Costs | | | | | | | | |

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

8/4/55 Alvin White

Date ..... Operator ..... Operator

Per ..... Title .....

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)

Remarks:

(For Government use only) Kepton H. Teague, Geologist

Deductions of $52.71 from new Buildings and $33.00 from misc. repairs brings the total spent during the month to $1349.04

## INSTRUCTIONS

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

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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

MRS No. - 3720

RECEIVED

AUG 29 1955

MONTHLY PROGRESS REPORT
for the

Month of July 1955

Alvin White, Lee White and Miss. Florence Harris.

Hired dozer and constructed access road. Labor on road, digging ditch and installing tile across road required 23 man hours.
Constructing buildings and magazines required 74 man hours.

Timbering offold adit was time consuming due to the amount of timber required and difficulty in getting it placed. This also with erecting head frame which required some blasting we spent about 300 man hours.
The rest of the time was spent on setting the equipment and working on winze.
Approximately 850 lbs. of mica including scrap was recovered. No mica was scibbed or trimed this month

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

RECEIVED
AUG 29 1955

August 18, 1955

Mr. Alvin White
Ingalls Rural Station
Newland, N. C.

Re: Contract Idm-E805 (mica)
DMEA3720 Coward Mine

Dear Mr. White:

It was necessary to make the following deductions from your July Operators Monthly Report and Voucher, form MF-104, to conform to the contract:

| | |
|---|---|
| New Buildings | $52.71 |
| Misc. Repairs | 33.00 |
| Total | $85.71 |

This makes a total of $1,349.04 spent during July. Please change your copy of form MF-104 to conform to the above figures.

Very truly yours,

V. J. Lynch, Acting
Executive Officer, DMEA
Field Team, Region V

VJL
ZM

cc:
Finance Office-3
Lynch
Shirley
Miles

Alvin White
Ingalls Rural Station
Newland, North Carolina
August 24, 1955

RECEIVED
AUG 29 1955

Re: DMEA-3720 - E805 Mica

Dear Mr. Lynch:

In reply to your letter of August 22, following is the time worked to July 31, 1955.

| | | |
|---|---|---|
| Alvin White | 175.5 hours at $1.35 hr. | $ 236.925 |
| Ray Ingram | 136.5 hours at $1.35 hr. | 244.275 |
| Charles White | 168.5 hours at $1.10 hr. | 185.350 |
| Thomas White | 168.5 hours at $0.90 hr. | 151.650 |
| | 649.0 | |
| | | 818.200 |
| | Social Security | 16.36 |
| | | 834.56 |
| Time Spent on Road and Bunk House: | Less | 107.50 |
| | | $ 727.06 |

| | | |
|---|---|---|
| Alvin White | 32 hrs at $1.35/hr. | $43.20 |
| Charles White | 32 hrs at $1.10/hr. | 35.20 |
| Thomas White | 30 hrs at $0.90/hr. | 27.00 |
| | 94 | |
| | | 105.40 |
| Social Security | | 2.10 |
| | | $ 107.50 |

These figures show a difference of 6 cents but this is the correct amount to the best of my knowledge. No insurance was used in this report as we were not covered during this period. I will file for insurance as soon as I receive the check for July.

I am verry sorry to have caused so much inconvenience:

Respectfully yours,

/s/ Alvin White

C
O
P
Y

RECEIVED

AUG 29 1955

P. O. Box 217
August 25, 1955

Mr. Alwin White
Ingalls Rural Station
Newland, North Carolina

Dear Mr. White:

Reference is made to Mr. V. J. Lynch's letter to you dated August 18th, regarding deductions made from your July Operators Monthly report and voucher, Form WP-304. In addition to the $85.71 deleted from your July report and voucher, the following deductions have been made:

Item (2) Labor and Supervision

| | |
|---|---|
| Labor | $74.31 |

Item (7) Miscellaneous

| | |
|---|---|
| Payroll Taxes | 1.49 |
| Liability Insurance | 72.71 |
| $ 148.51 | Total deletions |

Under Item (2) an error was made in computing salary payment for Ray Ingram. Your records show a total of 136.5 hours work at the rate of $1.35/hour in the total amount of $184.275 - the correct amount is $184.28. Under item (7), Payroll Taxes, you claim a total of $14.54 - the correct total is $13.05, and under Insurance, you claim a total of $72.71, whereas you have stated that "No insurance was used in this report as we were not covered during this period".

The voucher is being passed for payment in the amount of $900.40, which represents 75% of the total of $1200.54.

Sincerely,

Helen R. Miller
Administrative Assistant

/hbm
Copies to R. A. Laurence
V. J. Lynch
Jay L. Chambers
Norris files
Day files

OCT 2 0 1965

Alvin White, Lee White,
and Miss Florence Harris
c/o Alvin White
Ingalls Rural Station
Newland, North Carolina

Re: [illegible]-9720 (Cica)
Alvin and Lee White and
Florence Harris
Coward Mine
Jackson County, North Carolina
Contract 14s-[illegible]

Dear Sirs and Madam:

By the terms of the subject Exploration Project Contract and the royalty agreement in Paragraph 5 of the Termination Agreement, dated May 16, 1956, all minerals mined or produced from June 2, 1955, to June 2, 1965, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Morrithew/ma (10/20/65)
cc: Director's Reading File
Division File
Economic Geology File
Budget & Finance Br., 5408
R. A. Laurence, Knoxville, Tenn. 12DM
Mrs. Davis C. Sutton Box 374, Cullowhee, N.C. 28723
OSE Reading File
OSE Docket
C. Curtin
Mr. Selfridge

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

MAY 8 1957

Messrs. Alvin White, Lee White
and Miss Florence Harris
c/o Mr. Alvin White
Ingalls Rural Station
Newland, North Carolina

Re: Docket No. DMEA-3720-Mica
Alvin White, et al.
Coward Mine
Jackson County, North Carolina
Contract No. Idm-1805

Gentlemen:

Reference is made to the subject contract, which was terminated by mutual agreement on May 16, 1956.

By the terms of the Exploration Project Contract and the Termination Agreement all production of minerals from the land described in the contract from June 2, 1955, is subject to the Government's percentage royalty, as set forth in the contract until the sum of $3,435.09 is paid or until June 2, 1965, whichever occurs first. Therefore, even if you are not the producer, you remain liable as surety for payment of royalty on any production.

Royalty payments should be made to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, and checks should be drawn payable to the Defense Minerals Exploration Administration.

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:rsi 4/24/57
Rewritten
WCAnderson 4/29/57
Copy to: Admr. R. File
Operating Committee
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

600

Mr. and Mrs. Earl Sutton
c/o Mrs. Davie Sutton
Cullowhee, North Carolina

Re: Docket No. DMEA-3720-Mica
Alvin White, et al.
Coward Mine
Jackson County, North Carolina
Contract No. Idm-8805

Dear Mr. and Mrs. Sutton:

In an agreement executed May 16, 1956, with the Government, Messrs. Alvin White and Lee White agreed to pay royalty to the Government, as provided in the contract, on all production of minerals from the land described in said contract, beginning June 2, 1955, until the sum of $3,435.09 is paid or until June 2, 1965, whichever occurs first. You understand that the Consent to Lien, received in this office on May 2, 1955, and signed by you, granted to the Government a lien upon said land and upon any production of minerals therefrom to secure any royalty due the Government.

You are requested to notify Mr. Laurence of any change in the lease status that affects the Government's right to royalty. In this regard, we understand that your present lease to Alvin White of the property in question expires January 17, 1960, with the option of extension for an additional five years from the date of its present termination.

In the event production is made and royalty is not received by the Government, the Government may look to you for payment.

Sincerely yours,

Administrator

WCAnderson:rsi 4/24/57
Rewritten
WCAnderson:rsi 5/3/57
Copy to: Admr. R. File
Operating Committee
Mr. Chambers
Field Team, Region V
Mr. Killaguard, 5222
Mr. Dietrich, 3061
Mr. Houk

Government Copy

# TERMINATION AGREEMENT

It is agreed this 16th day of May, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Alvin White, Lee White, and Miss Florence Harris, partners, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E805, Docket No. DMEA-3720, dated June 2, 1955, hereinafter called the "Contract," that:

1. Effective December 31, 1955, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date; and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and settlement actions provided for in the Contract, including (a) the preservation and disposal of property to the cost of which the Government has contributed, and (b) the making and rendering of reports and accounts.

3. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, except as otherwise provided in this termination agreement, shall be for the sole account of the Operator without contribution by the Government.

4. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (a) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and (b) the rendering of the final report and final account.

5. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount and for the full time and subject to the same conditions provided in the Contract, as if certification of discovery or development had been made, such certification being hereby waived.

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

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

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

Alvin White
Alvin White (Partner)

Lee White
Lee White (Partner)

Florence Harris
Florence Harris (Partner)

I PROMICE TO PROTECT THE ABOVE AGREEMENT BY INCORPORATEING IN ANNY FUTURE LEASE A CLAUSE TO COLLECT ~~[illegible]~~ 5% ABOVE THE ROYALTY TO TAKE CARE OF THE AMMOUNT DUE THE GOVERNMENT

Mrs. Davie C. Sutton

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

600

MAR 22 1956

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

Re: Docket No. DMEA-3720-Mica
Alvin White, et al.
Coward Mine
Jackson County, North Carolina
Contract No. Ldm-2805

Dear Mr. Lawrence:

Reference is made to our letter of January 6, 1956, deferring the final decision on granting additional funds until after an audit.

Costs of this project as disclosed by the audit indicate the Operator's inability to perform the work under the contract efficiently and economically.

Based upon the size of the target and the results of the work to date, the approval of additional funds to complete the work outlined in the contract is not justified. It is not felt that the Operator will perform more efficiently under a unit cost contract. The target area has been partially explored and our question is whether a significant discovery has been made. We will prepare a mutual termination agreement of the contract as of December 31, 1955, however, the Field Team's recommendation on termination would be appreciated.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

LGHouk:ms 3/19/56

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

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

W. P. Williams
Member, Geological Survey

Contract No. Idm-E 005

Docket No. 3720

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

| Date of Contract | Region | State | Commodity |
|---|---|---|---|
| June 2, 1955 | V | North Carolina | Mica |

Name and Address of Operator: Alvin White, et al.
Ingalls Rural Station
Newland, North Carolina

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | 0 | 03,705.00 |
| Increase | 0 | 0 |
| Decrease | 0 | 269.91 |
| Revised Amount | 0 | 03,435.09 |

Remarks:

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

Date Delivered to Bureau of Mines, Washington 9/27/56

98963

Docket No. DMEA - 3720

Commodity Mica

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 805

Date of Contract June 2, 1955

Name and Address of Operator:
Alvin White, et al.
Ingalls Rural Station,
Newland, North Carolina

Amount of Government participation 3,705.00 per memo 6/16/55 from Hawk. ~~$3,612.00~~

Percent of Government participation 75 %

Region: V State: North Carolina

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

(Title)

Date Delivered to Bureau of Mines, Washington. 6/2/55

54458

Government's Copy

RECEIVED
JUN 29 1955

MF-200
(Revised June 1954)

Docket No. DMEA-3720

Commodity Mica

Contract No. Idm-E 805

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

## EXPLORATION PROJECT CONTRACT[1]

It is agreed this 2nd day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Alvin White, Ingalls Rural Station, Newland, N. C. Lee White, Route # 2, Spruce Pine, N. C. and Miss Florence Harris, Dillsboro, North Carolina, partners, whose mailing address is c/o Alvin White, 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-200), 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 Jackson, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

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

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[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."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consent to Lien of lessor.

(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 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica. The work to be performed is described in Exhibit "A." The Operator on or before JUL 15 1955 shall commence the work, and on or before Dec. 15, 1955 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *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.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of ~~$4,816.00~~ 4940.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of ~~$3,612.00~~ 3705.00: *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 or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(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. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

*Subcategory (a)—Supervision.*—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

*Subcategory (b)—Technical services.*—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

*Subcategory (c)—Labor.*

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

*Subcategory (a)—Rental.*—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

*Subcategory (b)—Purchases.*—The estimated total of this subcategory is a maximum.

*Subcategory (c)—Depreciation.*—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

*Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).*—The estimated total of this subcategory is a maximum.

*Subcategory (b)—Initial rehabilitation and repairs of operating equipment.*—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. 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. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved 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 detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and 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 related costs incurred.

(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 8. *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 7) 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 therof 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 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *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: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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.

(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: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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 10 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 11. *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 12. *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 13. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

ALVIN WHITE, LEE WHITE, FLORENCE HARRIS
(Operator) (Partners)

By Florence Harris
(Partner)

By Alvin White
(Partner)

By Lee White
(Partner)

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

.....

[ CORPORATE SEAL ]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

RECEIVED

JUN 2 9 1955

EXPLORATION PROJECT CONTRACT
ALVIN WHITE, LEE WHITE AND FLORENCE ~~HARRIS~~
DOCKET NO. DMEA-3720

ANNEX I

The land referred to in Article 2 of the Contract is described in a deed dated February 1939, from Charlie W. Davis, and wife Laura Bell, to Davie Sutton, recorded in Book 132 at page 245, in office of Register of Deeds for Jackson County, N. C., as follows:

Beginning at a stake on the South bank of road; and running thence N. 89 W. 9 poles to a stake in the center of said road thence N. 46 degs. 15' W. 32 poles to a stake in the center of a branch; thence up and with said branch as follows: N. 65½ W. 2.8 poles to a stake; N. 63 degs. 45' W. 13.6 poles to a stake; N. 55 degs. 15' W. 11½ poles to an alder on the N.E. bank of said branch; at the forks of said branch; thence up and with the right hand prong of said branch as follows: N. 14 degs. 15' W. 15.8 poles to a black walnut; N. 11½ W. 23 poles to a poplar; thence N. 25 degs. 45' W. 11.3 poles to a black oak (said black oak is N. 60 W. 1.4 poles from a spring): thence N. 30 E. 4.6 poles to a stake, formerly a large hickory corner in the N. boundry line; thence with said boundry line as follows: S. 46 degs. 9' E. 40 poles to a stake; S. 84 degs. 9' E. 10 poles to a black oak; and S. 66 degs. 9' E. 12 poles to a stake, formerly a red oak, corner in said boundry line; thence S. 35 degs. 45' E. 60½ poles to the beginning, containing 12.7 acres, more or less.

RECEIVED

JUN 2 9 1955

EXPLORATION PROJECT CONTRACT
ALVIN WHITE, LEE WHITE AND FLORENCE HARRIS
DOCKET NO. DMEA-3720

EXHIBIT "A"

Description of the Work

The location of the work is shown, in part, on the attached map entitled, "Sketch of Coward Mine, Jackson County, N. C., DMEA-3720 (mica)." The work consists of the following:

1. Construct 450 feet of access road with a D-6 or equivalent bulldozer.

2. Construct:

A toolhouse, minimum dimensions, 8 feet by 10 feet by 7 feet.

A powder magazine, minimum dimensions, 4 feet by 3 feet by 2½ feet.

An exploder magazine, minimum dimensions, 2 feet by 1½ feet by 1 foot.

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

The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood; and shall be braced at the corners. No metal shall be exposed, and the lids shall be securely locked with the equivalent of a 5-tumbler jar-proof lock.

3. Crib off old works in the Painter Adit and clean out an 8-foot sump.

4. Sink a 40-foot, two compartment, timbered, winze on the pegmatite.

5. From a point 5 feet above the bottom of the winze drive 80 feet of drifts on the pegmatite.

The drift shall be timbered as necessary, and the drift and winze shall be approximately 5 feet by 7 feet in the clear of timber.

## ESTIMATED COSTS OF THE PROJECT

Category (I) Independent Contracts

| | |
|---|---|
| Bulldozing access road, 5 hrs. @ $10.00/hr. (the price per hour includes transporting bulldozer and all costs of bulldozing whatsoever) | $ 50.00 |

Category (II) Personal Services

(a) Supervision
None

(b) Technical Services
None

(c) Labor (the rate per hour includes liability insurance and Social Security)

| | |
|---|---|
| Miners @ $1.50/hr. | |
| Hoistmen @ $1.25/hr. | |
| Laborers @ $1.00/hr. | $2,650.00 |

Category (III) Operating Materials and Supplies

| | |
|---|---|
| Miscellaneous, other than for bulldozing | $1,208.00 |

Category (IV) Operating Equipment

Rental

| | |
|---|---|
| 1 Compressor, Drill & Pump @ $230.00/mo. | |
| 1 Jackleg @ $10.00/mo. | |
| 1 Hoist @ $50.00/mo. | |
| | $ 916.00 |

Category (V) Initial Rehabilitation and Repairs

None

Category (VI) New Buildings, Fixtures & Installations (Exclusive of Mine Workings)

| | |
|---|---|
| 1 Toolhouse | $ 76.00 |
| 1 Powder Magazine | 26.00 |
| 1 Exploder magazine | 14.00 |
| | $ 116.00 |

Category (VII) Miscellaneous - None

| | |
|---|---|
| Estimated Total Cost of Project | $4,940.00 |
| Government Participation @ 75% | $3,705.00 |

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

RECEIVED
JUN 29 1955

To the United States of America:

Referring to that certain land in the County of Jackson, State of North Carolina, described as follows:1/

Being the lands described in, and conveyed by a deed dated February 1939, from Laura Bell Davis and husband Charlie M. Davis, to Davie Sutton, duly recorded in the office of the Registar of Deeds for Jackson County, North Carolina, in book 132 at page 245 to which reference is had.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

none

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 9th day of June, 1955.

Davie Sutton [Seal]

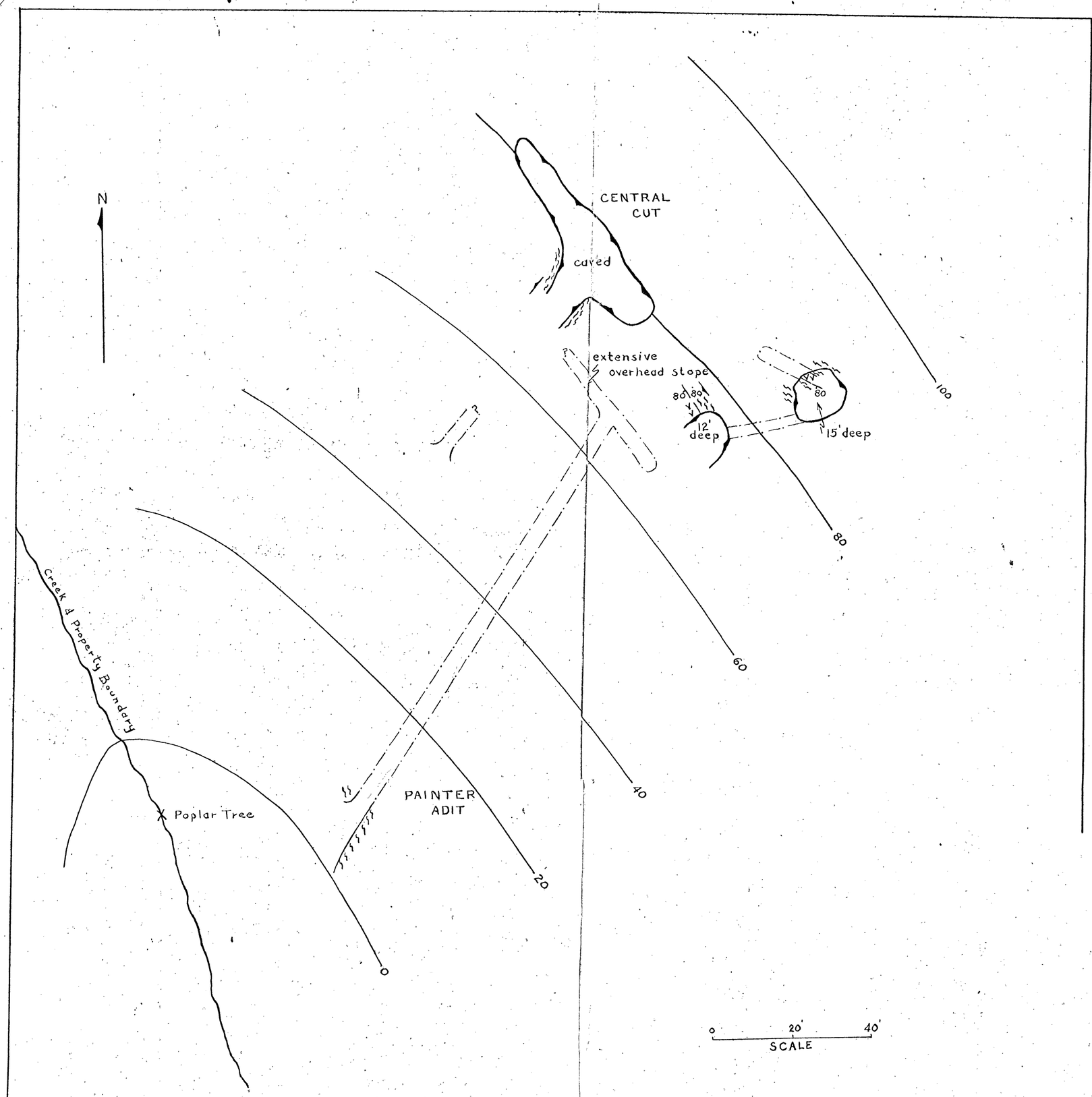
Earl Sutton [Seal]

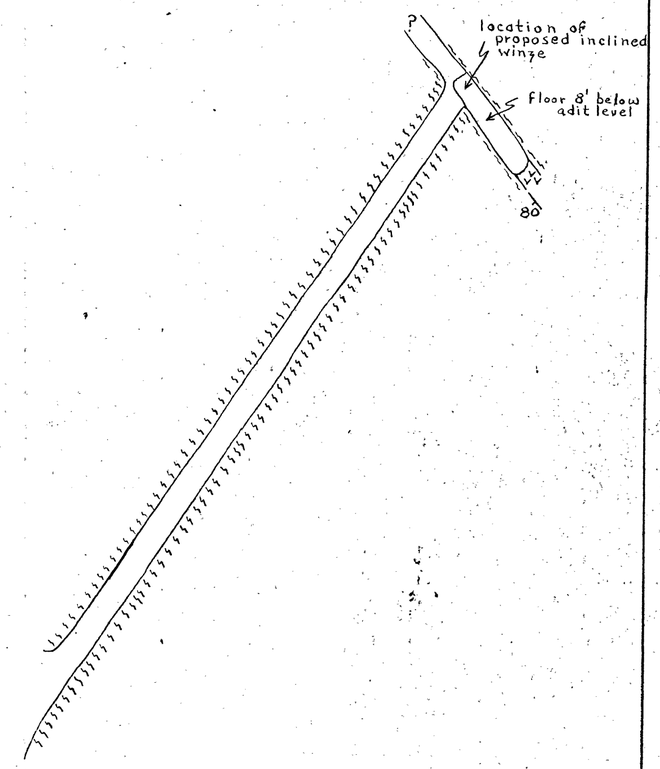
_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]




PLAN OF PAINTER ADIT

~~biotite gneiss
vvpegmatite
strike & dip of foliation
strike & dip of contact
— contact
cut
-·- outline of underground workings

0 20' 40'
SCALE

SKETCH OF
COWARD MINE
JACKSON CO., N.C.

DMEA-3720 (mica)

April 18, 1955