For Certificate of Deposit No. 95, dated April 23, 1957, giving royalty payment of $26.65, see E-98.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Lloyd Stevenson, Ted Stevenson,
Oakley Woody, & Frank W. Phillips
d/b/a Stevenson Mine
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. IDM-2902, Docket No. DMEA-3906, including Amendment Nos. 1 and 2, and a Termination Agreement dated January 7, 1957, for the months of February 1956 to September 1956, inclusive, covering a project for the exploration of mica on property, known as the Joe Stevenson or W. C. Burleson Mine located in Mitchell County, North Carolina.

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

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

(a) the Monthly Reports were supported by documentary proof of the costs incurred under the contract; and
(b) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further 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 | | $5,582.11 |
| Exceptions (schedule attached): | | |
| By DMEA Finance Officer | $ -0- | |
| Herewith | 406.46 | 406.46 |
| Total Accepted Cost | | $5,175.65 |

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 eight hundred eighty-one and 74/100 Dollars

**$3,881.74**

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

E. D. Talbert

April 9, 1957

E. D. Talbert, Auditor

## SCHEDULE OF EXCEPTIONS

IAm-2902 STEVENSON MINE DMEA-3908

| | | |
|---|---|---|
| (A) | Supplies delivered on September 14, 1956, the last day of project work: | |
| | Explosives Supply Company, Inc.: | |
| | Invoice E-2355 (explosives) | $ 38.73 |
| | Tri-County Oil Company, Inc.: | |
| | Delivery Ticket E-19381 (gasoline) | 32.34 |
| (B) | Gasoline and oil, apparently duplicate charges of deliveries claimed on Tri-County Oil Company delivery invoices, not included in amount of "paid" receipt of Mitchell Lumber Company (delivery agent of Operator) submitted in response to Certifying Officer's letter of 9/17/56: | |
| | Mitchell Lumber Company: | |
| | Invoice 19823 5/15/56 | 66.71 |
| | " 18660 2/4/56 | 33.01 |
| | " 19811 5/14/56 | 15.00 |
| (C) | Documented costs underclaimed on forms MF-104, as follows: | |
| | July, 1956 | -2.50 |
| | August, 1956 | -2.43 |
| | September, 1956 | -1.79 |
| (D) | Costs claimed for toolhouse and magazines not supported by documentation (exclusive of $7.00 for hasps, hinges, locks and roofing erroneously charged to Operating Matls. & Supplies) | 116.00 |
| (E) | Costs claimed for installation of electric pumping facilities not authorized under the contract: | |
| | Johnson Electric Company, Inc.: | |
| | Invoices 5/11/56 and 5/31/56 | 24.87 |
| | Spruce Pine Electric Company: | |
| | Invoices 5/9/56 and 5/31/56 | 19.90 |
| (F) | Costs claimed for equipment repairs not authorized by the contract: | |
| | Mitchell Distributing Company, Inc.: | |
| | Invoice K-1521 3/31/56 | .40 |
| | " K-2072 5/14/56 | 24.29 |
| | " K-2480 6/18/56 | 26.90 |

| | | |
|---|---|---|
| (G) | F.I.C.A. (Social Security) taxes claimed on partners' (Oakley Woody, Lloyd Stevenson, and Ted Stevenson) wages, such being personal taxes and not allowable costs | 47.51 |
| | Sub-total | 439.03 |
| (H) | Reinstatement of excess costs, disallowed by Field Team letter 9/19/56 to Operator, the total acceptable costs of $5,175.65 not being in excess of the contractual maximums for sinking and drifting for work performed, i. e., 50% @ $53.30 and 80' @ $40.00, respectively, or $5,865.00 | -32.57 |
| | | $406.46 |

APR 9 - 1957

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

Re: Docket No. DMEA-3908 (Mine)
Stevenson Mine
Mitchell County, N. C.
Contract No. IGm-3902

Dear Mr. Lawrence:

In accordance with your memorandum of April 5, 1957, to E. D. Talbert, the DMEA auditor to whom the referenced project was assigned for review in lieu of a final audit, a Report of Review has been completed to include all exceptions as listed in his letter of January 13, 1957, to the regional Finance Officer.

The original and two copies of the Report of Review are enclosed. If you concur with the facts as stated therein, one copy should be retained in your files and the original and one copy should be forwarded to the Finance Officer. If you do not concur, please return the original and both copies to this Division with your comments.

Our records indicate that the Operator heretofore has been paid an aggregate of $3,763.36 and, inasmuch as the Report of Review certifies payment of $3,881.74 as being valid and proper, there remains a balance of $118.36 due the Operator. It has been noted, however, that the Operator's final report states that $142.61 was received from a sale of mica on May 18, 1954, $215.87 was realized from a subsequent sale, and additional production, as then anticipated, had an estimated value of $150.00. Our records do not disclose receipt of the Government's percentage royalty on these amounts.

Accordingly, unless the royalty due has been received, it is suggested that the amount of such royalty be deducted from the balance of $118.36 due the Operator for the Government's contribution to project costs. In such case, the Finance Officer should be requested to issue two checks, i. e., one payable to Defense Minerals Exploration Administration for the amount of the royalty due and one payable to the Operator for the net balance due.

The Finance Officer's files on this project, which were submitted to this Division by memorandum of March 28, 1957, are being returned to Mrs. Miller with a copy of this letter.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb 4-9-57

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

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

EXTRA COPY
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RECEIVED APR 8 1957

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April 5, 1957

Memorandum

To: E. D. Talbert, DMEA Auditor, Contract Administration and Audit Division, Washington, D. C.

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

Subject: DMEA-3908, Idm-E902 (Mica), Stevenson Mine, Mitchell Co., N. C.

Reference is made to your letter of April 2 to Mrs. Helen R. Miller.

We have repeatedly tried to explain to this Operator the need for proper documentation. We doubt that he can now supply documentation to cover the construction of the toolhouse and magazines, and we think that writing to the Operator would only cause more delays and would produce nothing.

Therefore, we recommend that a Report of Review in lieu of final audit be issued with all the excepting listed in the Tentative Schedule of Exceptions sent by you on January 23, 1957. We will then recommend approval of the Final voucher in accordance with that review.

Robert A. Laurence
Executive Officer, DMEA

V. J. Lynch, Member
Bureau of Mines

RAL/as
cc
Opr. Com. 2
Finance Office
Lynch
Shirley
Files

APR 2 - 1957

Mrs. Helen R. Miller
Administrative Assistant
Bureau of Mines, Region V
P. O. Box 217
Norris, Tennessee

Re: Docket No. DMEA-3908 (Mica)
Stevenson Mine
Mitchell County, North Carolina
Contract No. Ich-2902

Dear Mrs. Miller:

By memorandum dated March 28, 1957, addressed to Mr. Chambers, you enclosed your applicable files and requested the issuance of a Report of Review in lieu of a final audit of the referenced project. However, a Report of Review issued on the basis of your present submission necessarily would include all of the exceptions listed in the Tentative Schedule of Exceptions enclosed with my letter to you under date of January 23, 1957.

The Operator's affidavit that the cost of the toolhouse and magazines was $116.00 (the exact amount of the contractual maximum for contribution by the Government) is not acceptable documentary evidence. To relieve all or a part of this exception it will be necessary for the Operator to submit a certified transcript of the applicable payroll and either the original or certified exact copies of all pertinent invoices or delivery tickets.

This is the normal documentation requirement for evidence of actual costs incurred. In this case it is especially necessary because of instances of duplication of costs claimed by this Operator. For example, charges for roofing, hasps, hinges, and locks included in the $116.00 for Category (6) were claimed also under Category (3). Possibly the same applies to lumber costs. Also, within Category (3) gas and oil charges of $114.72 were duplicated.

It is suggested that you discuss this matter with the Executive Officer and determine whether the Field Team desires to request further documentation for Category (6) or to let the indicated exception of $116.00 stand, together with all other exceptions listed in my January 23 letter. Pending further advice from you the issuance of a Report of Review and return of your files will be held in abeyance.

Sincerely yours,

EDTalbert/wb
April 1, 1957

(Signed) E. D. Talbert

E. D. Talbert
DMEA Auditor

Copy to: Docket
Admr. Reading File
R. A. Laurence, Reg. V
Mr. Houk
Mr. Chambers
Mr. Talbert

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

ELECTROTECHNICAL LABORATORY — NORRIS, TENNESSEE

P. O. Box 217
March 28, 1957

Memorandum

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

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

Subject: Docket No. DMEA-3908 (Mica); Stevenson Mine, Mitchell County, North Carolina, Contract No. Idm-E902

Reference is made to your January 23rd letter regarding our request for issuance of a Report of Review in lieu of a final audit covering the above contract.

We are enclosing the original documents covering this contract together with the Executive Officer's memorandum of March 27th regarding the completion of the contract, and, as requested in your January 23rd letter, documentation by the Operator for the construction of the toolhouse and magazine. Issuance of a formal Report of Review in lieu of final audit is hereby requested.

Helen R. Miller
Helen R. Miller

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 1 1957

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 1 1957

| DATE | INITIALS | CODE |
|---|---|---|
| 4/1 | C | 220 |
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March 27, 1957

Memorandum

To: Jay L. Chambers, Chief Contract Admin. and Audit Div.

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

Subject: Completion of DMEA-3908, Idm-E902 (mica)
Frank W. Phillips, Spruce Pine, N.C.
Stevenson Mine, Mitchell County, N.C.

Work on the subject contract has been completed.

The following units of work have been acceptably performed, as verified by our field examiners:

1. Construction of toolhouse, powder and explosive magazines.

2. Shaft sinking--50 feet

Drifting 80 feet

An adequate final geological and engineering report has been received.

There was no salvagable material on hand as of the completion date of September 15, 1956, other than that previously disallowed.

Final report of review is now in order.

Robert A. Laurence

Robert A. Laurence

Mr. Chambers

JAN 23 1957

Mrs. Glen C. Miller
Administrative Assistant
Bureau of Mines, Region V
P. O. Box 217
Morris, Tennessee

Re: Project No. [illegible]-2008 (Mica)
Stevenson Mine
Mitchell County, North Carolina
Contract No. [illegible]-002

Dear Mrs. Miller:

Enclosed is your Certifying Officer's file, which you submitted by memorandum dated January 15, 1957, requesting the issuance of a Report of Review in lieu of a final audit covering the referenced project.

The findings of the review are indicated in the attached audit review summary and schedule of exceptions. These findings are tentative, being subject to possible adjustment for:

(a) the allowance of additional costs (not to exceed $109.00), upon submission of acceptable documentation by the Operator, for the construction of the toolhouse and magazine;

(b) any inventory of materials and supplies on hand as of September 14, 1956, the last day of work on the project (but exclusive of the deliveries on that day of explosives and gasoline disallowed by this review); and

(c) an assessment against the Operator if he fails to submit a final geological and engineering report and such requirement is not waived.

By copy of this letter, together with a copy each of the tentative audit review summary and schedule of exceptions, the Executive Officer, DPA Field Team, Region V, is being advised of these audit findings and requested to take such action as may be required for the determination and submission of the information indicated in the above paragraph.

Issuance of a formal Report of Review in lieu of a final audit will be held in abeyance pending settlement of these matters and receipt by this auditor of the communication from the Executive Officer required by a memorandum, subject: Instructions on the Release

of Audits and Reports of Review, dated January 9, 1957, copies of which were forwarded by the Operating Committee's letter of January 17, 1957, to the Executive Officer for compliance.

No exceptions have been taken in this case to some inappropriate certifications to the copies of payrolls and invoices, viz., "I certify that the above time record is correct", "I certify that the above time is correct for the Stevenson Line for the month of July, 1956", "I certify that this time record is correct", and "I certify that the above bill is correct and just and that payment therefor has not been received". For your future guidance, however, you are advised that:

(a) Exact copies of payrolls should be endorsed over the Operator's signature with "Certified true copy" and transcripts of payrolls (or combinations of time and pay records) should be endorsed "Certified true transcript"; and

(b) Original invoices, receipts, delivery tickets, etc., need not be certified, but copies thereof should be endorsed "Certified true copy".

Sincerely yours,

L. D. Talbert
TVA Auditor

Attachment

LDTalbert/wb
January 22, 1957

Copy to: Docket
Admr. Reading File
Mr. Laurence, Region V
Mr. Houk
Mr. Chambers
Mr. Talbert

## Tentative Audit Review Summary

## Ida-1902, DRA-3908, Stevenson Mine

| | Totals Sept. MF-104 | Corrected Distribution | Exceptions | | Accepted Costs |
|---|---|---|---|---|---|
| (2) Labor & Supervision: | | | | | |
| Labor | $2,645.87 | $2,645.87 | - | | $2,645.87 |
| (3) Operating Materials & Supplies: | | | | | |
| Timber | - | 87.11 | - | | 87.11 |
| Explosives | 616.55 | 711.30 | 38.73 | (D) | 672.57 |
| Fuel & Lubricants | 327.40 | 416.84 | 147.06 | (A)(E) | 269.78 |
| Drill Steel & Bits | - | 181.57 | -4.93 | (C) | 186.50 |
| Other Supplies (Tools & Hdwe.) | 582.47 | 42.32 | -1.70 | (C) | 44.02 |
| (4) Operating Equipment, Rental | 1,257.50 | 1,257.50 | - | | 1,257.50 |
| (6) New Bldgs., Fixtures & Installations: | | | | | |
| Toolhouse & Magazines | 116.00 | 123.00 | 116.00 | (E) | 7.00 |
| Electric Pumping Facilities | - | 44.77 | 44.77 | (E) | - |
| (7) Miscellaneous: | | | | | |
| Repairs to Equipment | - | 51.59 | 51.59 | (E) | - |
| Payroll Taxes | 52.81 | 52.81 | 47.51 | (G) | 5.30 |
| Excess Costs | -32.57 | -32.57 | -32.57 | (H) | - |
| Totals | $5,582.11 | $5,582.11 | $406.46 | | $5,175.65 |

## Tentative Schedule of Exceptions

### Idp-1502, DAI-3908, Stevenson Mine

(A) Supplies delivered on September 14, 1956, the last day of project work:

| | |
|---|---|
| Explosives Supply Company, Inc.: | |
| Invoice I-2355 (explosives) | $ 38.73 |
| Tri-County Oil Company, Inc.: | |
| Delivery Ticket I-19381 (gasoline) | 32.34 |

(B) Gasoline and oil, apparently duplicate charges of deliveries claimed on Tri-County Oil Company delivery invoices, not included in amount of "paid" receipt of Mitchell Lumber Company (delivery agent of Operator) submitted in response to Certifying Officer's letter of 9/17/56:

| | |
|---|---|
| Mitchell Lumber Company: | |
| Invoice 19823 5/15/56 | 66.71 |
| " 18660 2/4/56 | 33.01 |
| " 19811 5/14/56 | 15.00 |

(C) Documented costs undercharged on form ES-104, as follows:

| | |
|---|---|
| July, 1956 | -2.50 |
| August, 1956 | -2.49 |
| September, 1956 | -1.70 |

(D) Costs claimed for toolhouse and magazines not supported by documentation (exclusive of $7.00 for hasps, hinges, locks and roofing erroneously charged to Operating Matls. & Supplies) 116.00

(E) Costs claimed for installation of electric pumping facilities not authorized under the contract:

| | |
|---|---|
| Johnson Electric Company, Inc.: | |
| Invoices 5/11/56 and 5/31/56 | 24.87 |
| Spruce Pine Electric Company: | |
| Invoices 5/9/56 and 5/31/56 | 19.90 |

(F) Costs claimed for equipment repairs not authorized by the contract:

| | |
|---|---|
| Mitchell Distributing Company, Inc.: | |
| Invoice K-1521 3/31/56 | .10 |
| " K-2072 6/14/56 | 24.29 |
| " K-2180 6/18/56 | 26.90 |

| | | |
|---|---|---|
| (G) | F.I.C.A. (Social Security) taxes claimed on partners' (Oakley Woody, Lloyd Stevenson, and Ted Stevenson) wages, such being personal taxes and not allowable costs | 47.51 |
| | Sub-total | 439.03 |
| (H) | Reinstatement of excess costs, disallowed by Field Team letter 9/19/56 to Operator, the total acceptable costs of $5,175.65 not being in excess of the contractual maximum for sinking and drifting for work performed, i. e., 50' @ $53.30 and 80' @ $40.00, respectively, or $5,865.00 | -32.57 |
| | | $406.46 |

## Itemization of Costs

## Idm-[illegible], DHM-[illegible], Stevenson Mine

| | | |
|---|---|---|
| **Labor:** | | |
| 807½ hrs. @ 1.25 | $1,009.37 | |
| 1,636½ " @ 1.00 | 1,636.50 | $2,645.87 |
| **Timber:** | | |
| 2 pc. 2x6x12 rough | 2.13 | |
| 72 " 2x6x12 " | 57.84 | |
| 25 " 2x6x10 " | 16.74 | |
| 100 bd. ft. 1" " | 6.69 | |
| 2 pc. 2x6x14 dressed pine | 2.59 | |
| 12 bd. ft. T. & G. roofers | 1.12 | 87.11 |
| **Explosives:** | | |
| 1,100 lbs. 40% gelatin | 254.64 | |
| 600 " 60% " | 153.90 | |
| 500 ea. 6 ft. caps | 84.62 | |
| 650 " 8 " " | 167.11 | |
| 5 sp. connecting wire | 6.70 | |
| 1,600 ea. tamping bags | 5.60 | 672.57 |
| **Fuels & Lubricants:** | | |
| 926 gals. gasoline | 240.86 | |
| 18 " SAE-20 oil | 18.17 | |
| 5 lbs. cup grease | .80 | |
| 10 " carbide | 1.95 | 269.78 |
| **Drill Steel & Bits:** | | |
| 6 pc. steel carbide bits | 134.60 | |
| 3 " steel retipped w/bits | 46.75 | |
| 12 ea. steels resharpened | 4.20 | |
| 1 ea. shank reworked | .75 | 186.50 |
| **Tools & Hardware:** | | |
| 1 ea. hammer handle | 1.03 | |
| 1 " 7x1x1 grinding wheel | 3.50 | |
| 1 " 14" stillson | 4.65 | |
| 2 " #4 shovels | 9.27 | |
| 1 " pick handle | 4.63 | |
| 1 " breaking hammer | 6.18 | |
| 1 " garden hose | 6.95 | |
| 1 " ¾" nipple | | |
| 1 " ¾" gate valve | | |
| 1 " 3/4" bushing ..... | 3.87 | |
| 1 " 3/4" reducer | | |
| 25 lbs. common nails | 3.61 | |
| 1 " pallet nails | .33 | 44.02 |
| **Equipment Rental:** | | |
| 4½ mos. compressor, drill, pump & hoist | 1,232.50 | |
| 2½ " jackleg | 25.00 | 1,257.50 |

| | | |
|---|---|---|
| **Toolhouse & Magazines:** | | |
| 2 ea. 4" hasps | .93 | |
| 1 " roll roofing | 2.58 | |
| 2 pr. 4" hinges | .92 | |
| 2 ea. padlocks | 2.57 | 7.00 |
| **Payroll Taxes:** | | |
| F.I.C.A. (Social Security) | | 5.30 |
| Total Acceptable Costs for: | | |
| 50 ft. of incline shaft @ $52.05/ft.* | | 5,168.65 |
| 80 ft. of drift/crosscut @ $32.08/ft.* | | ~~5,175.65~~ |
| **Exceptions (per ltr. 1/23/57 to Certifying Officer):** | | |
| **Explosives:** | | |
| 150 lbs. 60% gelatin | 36.08 | |
| 500 ea. tamping bags | 1.75 | |
| **Fuels & Lubricants:** | | |
| 316 gals. gasoline | 140.83 | |
| 6 " oil | 6.23 | |
| **Drill Steel & Bits:** | | |
| Underclaimed | -4.99 | |
| **Tools & Hardware:** | | |
| Underclaimed | -1.70 | |
| **Toolhouse & Magazines:** | | |
| Unsupported | 116.00 | |
| **Electric Pumping Facilities:** | | |
| 1 ea. 8203 HGW base | .63 | |
| 1 " WP socket | .31 | |
| 1 " 1½x4 nipple | .45 | |
| 300 ft. #12 TW wire | 9.85 | |
| 75 " #8 TW sol. | 5.21 | |
| 75 " #8 TW SOR | 7.72 | |
| 1 ea. service board | 10.00 | |
| 1 " 60 pl. SW-SN | 9.50 | |
| 2 " 60 amp. fuse | .40 | |
| **Repairs to Equipment:** | | |
| 1 ea. A56 JA55 chuck nut | 17.45 | |
| 1 " C64 J50 rifle nut | 9.45 | |
| 4 " B14110D springs | .40 | |
| 15 ft. 1½" type C1 hose | 19.50 | |
| 1 ea. 1½" foot valve | 4.79 | |
| **Payroll Taxes:** | | |
| F.I.C.A. (Social Security) | 47.51 | |
| **Deduction for Excess Costs:** | | |
| Reinstated | -22.57 | 106.46 |
| Total Claimed by Operator (Sept. '56 [illegible]) | | 5,502.11 |

* Estimated (see audit work paper) 2

Exceptions by Field Team, accepted and adjusted by Operator in final claim:

| | | |
|---|---|---|
| **Labor:** | | |
| 1 hr. @ $1.25 | 1.25 | |
| Underclaimed | -1.75 | |
| **Equipment Rental:** | | |
| Compressor | 32.50 | |
| **Repairs to Equipment:** | | |
| 1 ea. 144-25 seal | 16.40 | |
| 1 " 145-25 gasket | .90 | 51.55 |
| 1½ hrs. labor | 5.25 | 61.05 |

Talbert
1/24/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Region V

ELECTROTECHNICAL LABORATORY — NORRIS, TENNESSEE

P. O. Box 217
January 15, 1957

Memorandum

To: Jay L. Chambers, Chief, Contract Administration and Audit Division, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

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

Subject: Report of Review in lieu of final audit - Docket No. DMEA-3908, Contract Idm-E902, Stevenson Mine, Frank W. Phillips

We are enclosing the original documents covering contract Idm-E902, Docket No. DMEA-3908, Stevenson Mine, requesting a Report of Review in lieu of final audit.

All claimed costs have been documented and are enclosed herewith.

Helen Miller
Helen R. Miller

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 16 1957

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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-63

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1956 Docket No. DMEA 3903 Contract No. Idx-3-902
Operator's Name Frank W. Phillips Minerals mica
Address Spruce Pine, N. C.
Contract Amount, $ 6,716.00 Government Participation: 75 % Amount, $ 5037.00

| 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 | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | 330.12 | 2315.75 | 2645.87 | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | 38.73 | 577.82 | 616.55 | | | |
| Track | | | | | | |
| Gas | 64.68 | 272.80 | 337.48 | | | |
| Other supplies | 91.71 | 496.76 | 588.47 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | 32.50 | 1225.00 | 1257.50 | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | [illegible] | 116.00 | 116.00 | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 6.00 | 46.30 | 52.81 | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | -32.57 | -32.57 | | | |
| TOTALS | 566.74 | 5017.84 | 5582.11 | 157.81 | 5017.84 | 5175.65 |

*Voucher scheduled as follows:
To Operator: $91.71
To DMEA: 26.65
(the amount of $26.65 covers royalty due on sales of mica in amount of $532.99, on which payment has not been received)

RECEIVED APR 22 1957 D.M.E.A.

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

Date 1-5-57 *Payee Stevenson Mine

Per Frank W. Phillips Title partner

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

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

(Instructions on reverse)

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

$ 118.36 *

Signature Helen R. Miller
(Authorized Certifying Officer)

Date APR 18 1957 Vou. No. 171 $91.71
(See other side) 172 $26.65

9/15

(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. E-902 in accordance with the terms of the contract.

Signature J. J. Lynch Title U. S. BUREAU OF MINES Date APR 18 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lamm Title EXECUTIVE OFFICER DMEA REGION V Date APR 18 1957

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED APR 24 1957 D.M.E.A.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 196

Docket No. DMEA 3908

Contract No. Idm-E-902

Operator's Name Frank W. Phillips

Minerals mica

Address Spruce Pine, N. C.

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | ft. | 564.54 | 7.5 | 2801.11 | 80 | 35.01 | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | ft. | | | 2665.00 | 50 | 53.30 | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | | | 5466.11 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | 116.00 | | | | |
| Total Costs | | | | 5582.11 | | | | |

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 1-5-57 Operator Frank W. Phillips

Per Frank W Phillips Title partner

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

(Instructions on reverse)

Remarks:

(For Government use only)

V. J. Lynch
MINING ENGINEER
U. S. BUREAU OF MINES

## INSTRUCTIONS

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

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

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

GPO 872894

NARRATIVE STEVA MINE SEPT.

Aug. 27: 4 hours drilling, 4 hours mucking. 9 six-foot

Aug. 28: 3 hours drilling 8 six-foot holes, 2 four-foot holes. 5 mucking.

Aug. 29: 2½ hours drilling 7 six-foot holes, 5½ hours mucking. Vein full of little fine mica, some chuck.

Aug. 30: 3 hours drilling 11 six-foot holes, 3½ hours mucking. Began to rain so we knocked off early.

Aug. 31: 1½ hours drilling 9 six-foot holes, 4½ hours mucking. Knocked off early Light line giving trouble.

Sept. 4: 4 hours drilling 11 six-foot holes. 4 hours mucking.

Sept. 5: Did not work at mine.

Sept. 6: 1½ hours drilling 5 six-foot holes. 5½ hours mucking. Had trouble with drill and light line, worked on them. Vein looks the same, fine mica showing.

Sept. 7: 4 hours drilling 12 six-foot holes, 4 hours mucking.

Sept. 10: 6 hours drilling 10 six-foot holes, 2 four-foot holes. 1 hour mucking, 1 hour sharpening steel.

Sept. 11: 5 hours drilling 11 six-foot holes, 3 hours mucking

Sept. 12: 4 hours drilling 9 six-foot holes, Hoist broke down

Sept. 13: 8 hours drilling 12 six-foot holes.

Sept. 14: 2 hours drilling 6- four foot holes. 6 hours mucking.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 22 1957

| DATE | INITIALS | CODE |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

I certify that the above account is correct.

[illegible] partner

| | August | | | | | | September | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 27 | | 29 | | 31 | | | | | | | | | | Total Hrs | Gross | Tax | Net |
| Ted Stevenson | 8 | 8 | 8 | 6½ | 6 | 1 | | 4 | 8 | 8 | 8 | 8 | 8 | 8 | | [illegible] | [illegible] | [illegible] | [illegible] |
| Lloyd Stevenson | 8 | 8 | 8 | 6½ | 6 | 8 | | 4 | 8 | 8 | | | | | | 64.5 | [illegible] | [illegible] | [illegible] |
| Charles Buchanan | 8 | 8 | 8 | 6½ | 6 | 8 | | 4 | 8 | 8 | 8 | 8 | 8 | 8 | | [illegible] | [illegible] | [illegible] | [illegible] |
| Jimmie Reid | | | | 6½ | 6 | | | 4 | | | | | | | | 16.5 | 16.50 | .33 | 16.17 |
| Joe Stevenson | | | | | | | | | | | 8 | 8 | 8 | 8 | | 32 | [illegible] | .64 | 31.36 |

[illegible]

I certify that the above time record is correct:

Frank [illegible] Phillips partner

STEVENSON MINE DMEA 3908 Idn- E 902

Materials and cost of Tool House and magazine:

| | |
|---|---|
| Lumber | $65.00 |
| Roofing | 5.50 |
| Hinges, hasps, locks | 6.25 |
| Nails, screws and bolts | 3.75 |
| Labor to build | 35.50 |
| | $116.00 |

OFFICIAL FILE COPY
DMEA
RECEIVED APR 22 1957

| DATE | INITIALS | CODE |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

I certify that the above cost of tool house and magazine is correct.

Frank W. Phillips Operator

RECEIVED
MAR 25 1957
Metals Division
Reno, Nev.

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-

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1956 Docket No. DMEA 3908 Contract No.
Operator's Name Frank W. Phillips Minerals Idm-E902
Address Spruce Pine, N.C. Mica
Contract Amount, $ 6,716.00 Government Participation: 75 % Amount, $ 5,037.00

| 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 | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 390.00 | 1925.75 | 2315.75 | 390.00 | 1925.75 | 2315.75 |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 43.22 | 534.60 | 577.82 | 43.22 | 534.60 | 577.82 |
| Pipe | | | | | | |
| Track | | | | | | |
| gas | 127.65 | 145.15 | 272.80 | 127.65 | 145.15 | 272.80 |
| other | 48.17 | 448.59 | 496.76 | 48.17 | 448.59 | 496.76 |
| (4) Operating Equipment: | | | | | | |
| Rental | 32.50 | 1225.00 | 1257.50 | | 1225.00 | 1225.00 |
| 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 | 7.80 | 38.48 | 46.30 | 7.80 | 38.48 | 46.21 |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| | | | | | -32.57 | -32.57 |
| TOTALS | 649.34 | 3276.83 | 4966.93 | 616.84 | 4401.00 | 5017.84 |

RECEIVED DEC 3 1956 D.M.E.A.

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

Date 11-20-56 *Payee Stevenson Mine

Per Frank W. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 462.63

Signature Helen R. Miller
(Authorized Certifying Officer)

Date NOV 29 1956 Vou. No. 84
(See other side)

154.81

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E902 in accordance with the terms of the contract.

Signature N. J. Lynch Title U. S. BUREAU OF MINES Date NOV 29 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date NOV 29 1956

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 3 1956 D.M.E.A.

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

Month of August 195 6 Docket No. DMEA 3908 Contract No. [illegible]
Operator's Name Frank W. Phillips Minerals mica
Address Spruce Pine, 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 | ft. | 649.34 | 32 | 4966.93 | 72½ | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | ft. | | | | 50 | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | 649.34 | 32 | 4966.93 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | 116.00 | | | | |
| Total Costs | | | | 5082.93 | | | | |

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 11-20-56 Operator Frank W. Phillips

Per Frank W. Phillips Title partner

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

(Instructions on reverse)

Remarks:

(For Government use only)

W. J. Lynch
MINING ENGINEER
U. S. BUREAU OF MINES

## INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
DEC 3 1956
D.M.E.E.

Frank W. Phillips

RECEIVED
DEC 3 1956
D.M.E.A.

NARRATIVE FOR STEVENSON MINE FOR AUGUST 1956

August. 1--- 3 hours drilling 7 six ft. holes, 5 hrs. mucking, no mica showing
" 2--- 4 " " 9 " " " 4 " " " "
" 3--- 4 " " 8 " " " , 2 four ft. holes, 4 hrs. mucking
" 6--- 1 hour sharpening steel, 6 hours drilling 10 six ft. holes, 1 hr. mucking
" 7--- 4½ hrs. mucking, 4 hrs. drilling 9 six ft. holes, had trouble with lights
" 8--- 6 hours mucking, had trouble with drill, drilled 2 hrs. Vien looks the same as last week, with just very small mica showing.
" 11--- 6 hours mucking and cleaning out, worked on drill 2 hrs.
" 13--- 5 hours drilling 11 six ft. holes, 3 hrs. mucking.
" 14--- 5 " " 9 " " " " " , trouble with light
" 15--- 2½ " " 7 " " " 7½ " "
" 20--- 4 hours " 3 four ft. holes, 5 six ft. holes, 4 hrs. mucking
" 21--- 5 " " 6 six ft. holes, 2 four foot holes. 5 hrs. mucking
" 22--- 6 " mucking, little mica showing in vein
" 23--- 5 " " had trouble with light line , worked on it, vein looks the same, knocked off early, raining.
" 24--- 2½ hrs. drilling, 6½ hrs mucking. Drilled 7 six ft. holes
" 25--- 4 hrs. mucking, quit early, raining, vein full of little mica

I certify that the above is correct.

Frank W. Phillips

Frank W. Phillips, partner

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR

Bureau of Mines
Electrotechincal Laboratory
Norris, Tennessee
Region V

P. O. Box 217
September 17, 1956

Mr. Frank W. Phillips

Spruce Pine, North Carolina

Dear Mr. Phillips:

Reference is made to your July voucher covering contract Idm-E902, Docket No. DMEA-3908, Stevenson Mine, Mitchell County, North Carolina. There is a discrepancy in the amount of $4.73 between the totals to date, submitted by you, and the approved totals to date, approved by the Government. Payments have been made by the Government as follows:

| | February | March | April | May | June | Totals Thru June |
|---|---|---|---|---|---|---|
| Labor | $207.00 | $ 460.00 | $198.00 | $193.00 | $ 406.25 | $1464.25 |
| Explosives | 131.47 | | | 8.87 | 93.32 | 233.66 |
| Other | 30.45 | 103.93 | 66.71 | 69.06 | 59.24 | 329.39 |
| Rental on Equipment | | 500.00 | 80.00 | 45.00 | 600.00 | 1225.00 |
| New Buildings | 116.00 | | | | | 116.00 |
| Taxes | 4.12 | 9.20 | 3.96 | 3.86 | 8.12 | 29.26 |
| Totals Approved | $489.04 | $1073.13 | $348.67 | $319.79 | $1166.93 | $3397.56 |
| Gov't Part. (75% of above total) | $366.78 | $ 804.85 | $261.50 | $239.84 | $ 875.20 | $2548.17 |

The July voucher is being passed for payment in the amount of $777.01 which is 75 percent of the total claimed - $1036.01. However, it should be pointed out that your attached invoices covering explosives and other supplies total $532.14, whereas you claim $529.64, a difference of $2.50.

To date, we have not received paid receipts covering operating materials and supplies purchased and rental on equipment from the following companies: (1) Explosives Supply Company, (2) Tri-County Oil Company, (3) Mitchell Lumber Company, (4) Mitchell Distributing Company, (5) Spruce Pine Electric Company, and (6) Johnson Electric Company. Unless paid receipts are received covering bills previously submitted with your

February, March, April, May, June and July vouchers, it will be necessary to withhold payment on your next vouchers.

Also attached are copies of your payrolls covering the months of February, March, April, May and June. Please certify and sign these copies and return to this office immediately. Thank you.

Sincerely,

/s/ Helen Miller

Helen R. Miller
Administrative Assistant

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

C
O
P
Y

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 No.

# OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED SEP 24 1956

Month of July, 1956 Docket No. DMEA 3900 Contract No.
Operator's Name Frank W. Phillips Minerals mica 902
Address Spruce Pine, N.C.
Contract Amount, $ 6,716.00 Government Participation: 75% Amount, $ 5,037.00

| 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 | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 461.50 | 1459.50 | 1921.00 | 461.50 | 1,464.25 | 1,925.75 |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 300.94 | 233.66 | 534.60 | 300.94 | 233.66 | 534.60 |
| Pipe | | | | | | |
| Track | | | | | | |
| other supplies | 228.70 | 219.89 | 448.69 | 264.35 | 329.39 | 593.74 |
| gas | 35.65 | 109.50 | 145.15 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | 1225.00 | 1225.00 | | 1,225.00 | 1,225.00 |
| 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 | 9.22 | 29.26 | 38.48 | 9.22 | 29.26 | 38.48 |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| | | | | -32.57 | | -32.57 |
| | | | | 1003.44 | | 4401.00 |
| TOTALS | 1036.01 | 3392.83 | 4428.84 | ~~1,036.01~~ | 3,397.56 | ~~4,433.57~~ |

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

Date 8-14-56 *Payee Stevenson Mine

Per Frank W. Phillips Title partner

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

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

(Instructions on reverse)

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

$ 752.58 ~~4401.00~~

Signature [illegible]
(Authorized Certifying Officer)

Date SEP 21 1956 Vou. No. 4[redacted]
(See other side)

250.86

(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 E902 in accordance with the terms of the contract.

Signature W. H. Beck Title Mining Engr. USBM Date SEP 13 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date SEP 18 1956

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 24 1956

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of _____ 195____ Docket No. DMEA 5908 Contract No. 902

Operator's Nuly 6 Minerals Mica

Address Frank W. Phillips
Spruce Pine, 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 | ft. | | | | | | | |
| Raising | | 1036.01 | 28½ | 4312.84 | 40½ | | | |
| Shafts | | | | | | | | |
| Winzes | ft. | | | | 54 | 45.64 | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | 1036.01 | 28½ | 4312.84 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | 116.00 | | | | |
| Total Costs | | | | 4428.84 | | | | |

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 8-14-56 Operator Frank W. Phillips

Per Frank W. Phillips Title partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

Under "Costs to Date" operator has combined the cost of shaft sinking and drifting.
See letters to Operator by R.A. Laurence dated 9/19/56 & Helen Miller's of 9/17/56

W M Beck

## INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 24 1956

Stevenson Mine

Narrative for July 1956

We had very good progress this month. The equipment all worked well and our holes pulled good. With 60 hours of drilling we were able to keep enough muck to work on. We got about 150 pounds of small block mica that should bring close to $400.00 per ton.

Operator Frank W. Phillips
(signed)

RECEIVED
SEP 24 1956

I certify that the above time is correct for the Stevenson Mine for the Month of July 1956

signed Frank W. Phillips

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

Budget Bureau No. 42-R1036.5

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

# OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
JUL 20 1956

Month of June, 1956 Docket No. DMEA [illegible] Contract No. 902
Operator's Name Frank W. Phillips Minerals mica
Address Spruce Pine, N. C.
Contract Amount, $ 6,716.00 Government Participation: 75 % Amount, $ 5,037.00

| 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 | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 406.25 | 1053.25 | 1459.50 | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 95.32 | 140.34 | 235.66 | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| other supplies | 30.75 | 139.14 | 210.89 | | | |
| gas | 28.49 | 81.01 | 109.50 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | 600.00 | 625.00 | 1225.00 | | | |
| 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 | 8.12 | 21.16 | 29.28 | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 1,169.93 | 2,225.90 | 3,392.83 | 1166.93 | 2230.63 | 3397.56 |

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

Date 7-12-56 *Payee Stevenson Mine

Per Frank W. Phillips Title partner

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

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

(Instructions on reverse)

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

$ 875.20

Signature Helen R. Miller (Authorized Certifying Officer)

Date JUL 18 1956 Vou. No.

(See other side)

291.73

(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. E902 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist, USGS Date 7/16/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date JUL 16 1956

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form DMEA-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 20 1956

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195[illegible] Docket No. DMEA 3906 Contract No. 902
Operator's Name Frank W. Phillips Minerals mica
Address Spruce Pine 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 | foot | | 12 | | 12 | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | foot | 1,169.93 | 15 | 3,276.65 | 54 | 49.65 | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | 1,169.93 | | 3,276.65 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | [illegible] | | 116.00 | | | | |
| Total Costs | | | | 3,392.65 | | | | |

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 7-12-56 Operator Stevenson Mine
Frank W. Phillips
Per Frank W. Phillips Title partner

Remarks:

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

(Instructions on reverse)

(For Government use only)

S. C. Bergman, Geologist, USGS
7/16/56

## 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

RECEIVED
JUL 20 1956

Stevenson Mine Work Detail for June 1956

Work progressed satisfactorily for the days worked.
Having trouble with air compressor and are having repair work done on this piece of equipment.
28 hours of drilling was done.
For the month of June drifting was done for 12 feet.

RECEIVED
JUL 20 1966

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

Budget Bureau No. 42-R1036.5

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

# OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
JUN 22 1956

Month of May, 1956 Docket No. DMEA 3900 Contract No. 962
Operator's Name Frank W. Phillips Minerals mica
Address Spruce Pine, N C.
Contract Amount, $ 6,716.00 Government Participation: 75 % Amount, $ 5,037.00

| 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 | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 193.00 | 861.50 | 1054.50 | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 8.87 | 131.47 | 140.34 | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| other supplies gas | 69.06 | 120.08 81.01 | 189.14 81.01 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | 45.00 | 580.00 | 625.00 | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | 116.00 | 116.00 | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | ~~77.55~~ | ~~77.55~~ | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 3.86 | 17.30 | 21.16 | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| | | | | | 1910.84 | 2,230.63 Corr |
| TOTALS | 319.79 | 1907.36 | 2227.15 | 319.79 | 1906.09 | 2225.88 |

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

Date 6-12-56 *Payee Stevenson Mine

Per Frank W. Phillips Title partner

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

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

(Instructions on reverse)

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

$ 239.84

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUN 22 1956 Vou. No.
(See other side)

79.95

(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. E902 in accordance with the terms of the contract.

Signature A. L. Peyton Title Mining Engineer Date JUN 13 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date JUN 18 1956

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 22 1956

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3908 Contract No. 902
Operator's Name Frank W. Phillips Minerals mica
Address Spruce Pine, 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 | foot | 319.79 | 6 | ~~2227.15~~ 2111.15 | 41 | 51.49 | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 319.79 | | 2111.15 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | 116.00 | | | | |
| TOTAL COSTS | | | | ~~2227.15~~ | | | | |

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

Date 6-12-56 Operator Frank W. Phillips

Per Frank W. Phillips Title partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

A. L. Peyton
U.S. Bureau of Mines

## INSTRUCTIONS

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

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

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

GPO 872894

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
MAY 21 1956

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1956 Docket No. DMEA 3903 Contract No. 8 902
Operator's Name Frank W. Phillips Minerals mica
Address Spruce Pine, N C
Contract Amount, $ 6,716.00 Government Participation: 75 % Amount, $ 5,037.00

| 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 | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | 199.25 | 662.25 | 861.50 | 198.00 ✓ ~~194.04~~ | 662.25 | 856.29 |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | 131.37 | 131.47 | | 131.47 | 131.47 |
| Pipe | | | | | | |
| Track | | | | | | |
| other supplies | | 120.08 | 120.08 | | 120.08 ✓ | 120.08 |
| gas | 66.71 | 14.30 | 81.01 | 66.71 ✓ | 14.30 | 81.01 |
| (4) Operating Equipment: | | | | | | |
| Rental | 80.00 | 500.00 | 580.00 | 80.00 ✓ | 500.00 | 580.00 |
| 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 | 22.55 | | 22.55 | ~~22.55~~ | | 22.50 |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 3.98 | 13.32 | 17.30 | 3.96 ✓ | 13.32 | 17.28 |
| Liability Insurance | | | | | | |
| | | | | | | |
| | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | 348.67 | 1,562.17 | 1910.84 |
| TOTALS | 372.49 | 1557.42 | 1929.91 | ~~367.26~~ | 1557.42 | 1924.68 |

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

Date 5-14-56 *Payee Stevenson Mine

Per Frank W. Phillips Title partner

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

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

(Instructions on reverse)

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

$ 261.50 ~~275.44~~

Signature Helen R. Meeter
(Authorized Certifying Officer)

Date MAY 18 1956 Vou. No.

(See other side)

91.82

(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-902 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist Date May 17, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date MAY 17 1956

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 21 1956

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 196 Docket No. DMEA 3909 Contract No. 902
Operator's Name Frank W. Phillips Minerals mica
Address Spruce Pine, 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 | | | | 1013.91 | | | | |
| Shafts | feet | 372.49 | 7 | 1013.91 | 35 | 61.83 | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | 372.49 | 7 | 1013.91 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | 116.00 | | | | |
| TOTAL COSTS | | 372.49 | | 1129.91 | | | | |

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

Date 5-14-56 Operator Frank W. Phillips

Per Frank W. Phillips Title partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Alfred R. Taylor
Geologist, USGS

## INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
MAY 21 1956

Stevenson Mine Work Detail for month of April

April 4 through 12 Drilling and working on shaft.
Having trouble with water coming into mine, spending much time using pump to take care of water.
April 14 -- 28 pumping water, no drilling done during this time

Dave STEEL CO.
ASHEVILLE, N. C.

Oregonia BRIDGE CO.
LEBANON, OHIO

RECEIVED
MAY 21 1956

P. O. Box 217
May 18, 1956

Mr. Frank W. Phillips
Stevenson Mine
Spruce Pine, North Carolina

Re: Contract Idm-E902
Docket No. DMEA-3908

Dear Mr. Phillips:

Reference is made to your MF-104 and 104A voucher and report covering the month of April 1956. The following adjustments are being made on your voucher:

| | | | |
|---|---|---|---|
| Labor: | $1.25 adjustment | -- | Payroll shows a total of 56 hours for Oakley Woody - you claim 57 hours, therefore approved total is $198.00 instead of $199.25 |
| Miscellaneous: | $22.55 | -- | Invoice in amount of $22.55 covering repairs made to sump pump has been deleted - contract does not cover this category. |

Voucher is being processed in the amount of $261.50, which is seventy-five percent of $348.67.

Sincerely,

Helen R. Miller
Administrative Assistant

/hbm
Copies to R. A. Laurence
V. J. Lynch
DMEA-Washington
Morris 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-

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [redacted], 195..... Docket No. DMEA ..... Contract No. .....
Operator's N[redacted] ..... [redacted] ..... [redacted] Minerals [redacted]
Address [redacted] [redacted]
Contract Amount, $ [redacted] Participation: ..... % Amount, $ [redacted]

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | [redacted] | [redacted] | [redacted] | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | [redacted] | [redacted] | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| [redacted] | [redacted] | [redacted] | [redacted] | | | |
| [redacted] | [redacted] | | [redacted] | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | [redacted] | | [redacted] | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | [redacted] | [redacted] | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | [redacted] | [redacted] | [redacted] | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| | | | | | 489.04 | 1562.17 Ama |
| TOTALS | [redacted] | [redacted] | [redacted] | 1073.13 | 484.29 | 1557.42 |

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

Date [redacted] *Payee [redacted]

Per [redacted] Title [redacted]

*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)

RECEIVED MAY 3 - 1956

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

$ 804.85

Signature Helen R. Miller
(Authorized Certifying Officer)

Date MAY 1 1956 Vou. No. [redacted]
(See other side)

268.28

(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. E902 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist Date APR 27 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date APR 27 1956

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 195 6 Docket No. DMEA 5906 Contract No. 902

Operator's Name Frank W. Phillips Minerals

Address Spruce Pine, N C Mica

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | feet | $1075.13 | 21 | $1442.[illegible] | 26 | $51.64 | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | $1075.13 | 21 | $1442.[illegible] | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | 116.00 | | | | |
| Total Costs | | $1075.13 | | $1557.42 | | | | |

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

Date 4/24/56 Operator Frank W. Phillips

Per Frank W. Phillips Title partner

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

Remarks:

(Instructions on reverse)

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

RECEIVED MAY 3 - 1956

## 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

Stevenson Mine Work Detail for March 1956

Work progressed satisfactorily except for the following:
March 8 - 9 Pump broke down and had to be repaired
March 21 and 23 Difficulty with Air compressor

DAVE STEEL COMPANY, INC. Dave ASHEVILLE, N. C.

STEEL FABRICATORS

THE OREGONIA BRIDGE COMPANY Oregonia LEBANON, OHIO

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 & CERTIFICATE OF PAYMENTS K-

RECEIVED MAR 26 1956

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1956 Docket No. DMEA 5938 Contract No. 902
Operator's Name Frank W. Phillips Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ 6,719.00 Government Participation: 75 % Amount, $ 5,037.50

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | $202.26 | | $202.26 | 207.00 | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | 131.47 | | 131.47 | 131.47 | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Other supplies | 30.45 | | 30.45 | 30.45 | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | 116.00 | | 116.00 | 116.00 | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | 4.12 | | 4.12 | 4.12 | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | $ 489.04 | | $ 489.04 | 489.04 | | 489.04 |

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

Date MAR 26 1956 *Payee Stevenson Mining Co

Per Frank W. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 366.78

Signature Helen R. Miller
(Authorized Certifying Officer)

Date MAR 22 1956 Vou. No. 8

(See other side)

5 2-1 122.26

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

Signature S. C. Berryman Title Geologist, USGS Date 3/21/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING Title EXECUTIVE OFFICER DMEA REGION V Date MAR 21 1956

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAR 26 1956

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1956 Docket No. DMEA 5908 Contract No.
Operator's Name Frank W. Phillips Minerals 902
Address Spruce Pine, N.C. mica

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | foot | $373.04 | 7 | $373.04 | 7 | $53.29 | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | $373.04 | 7 | $373.04 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | $116.00 | | | | | | |
| Total Costs | | $489.04 | | | | | | |

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

Date 3/15/56 Operator Frank W. Phillips

Per Frank W. Phillips Title Partner

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

(Instructions on reverse)

Remarks:

(For Government use only)

S. C. Bergman
Geologist, USGS
3/21/56

## 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

Work Detail:

RECEIVED
MAR 26 1958

February 6 through 17 :

1. Pumped water from mine
2. Trimmed walls
3. Cleaned out muck

February 20 through 29 :

Drilled and mucked out a total of 7 ft. shaft.

No breakdowns.

No trouble other than water caused by heavy rains

Stevenson Mine

HIGH-EARLY STRENGTH
AIR-ENTRAINING
PORTLAND
MASONRY
CEMENTS

White..

Cumberland Cements | Portland Cements | Marquette Cements | Hawkeye Cements | Southern States Cements | Superior Cements

**CUMBERLAND PORTLAND CEMENT COMPANY**

**CHATTANOOGA BANK BUILDING · CHATTANOOGA 2, TENNESSEE**

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

Mr. Frank W. Phillips
Stevenson Mine
Spruce Pine, North Carolina

Re: Docket No. DMEA-3908-Mica
Lloyd Stevenson, Ted Stevenson,
Oakley Woody and Frank W. Phillips
Joe Stevenson (W.C.Burleson) Mine
Mitchell County, North Carolina
Contract No. Idm-E902

Dear Mr. Phillips:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:rsi 11/14/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. and Mrs. Arthur Stevenson
Operating Committee

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

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

Re: Docket No. DMEA-3908-Mica
Lloyd Stevenson, Ted Stevenson,
Oakley Woody and Frank W. Phillips
Joe Stevenson (W.C.Burleson) Mine
Mitchell County, North Carolina
Contract No. Idm-3902

Dear Mr. Laurence:

Enclosed is a letter to be forwarded to the signers of the Consent to Lien under the subject contract.

Kindly complete the address and forward, retaining your copies and returning the remaining copies.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

Frank D. Lamb
Member, Bureau of Mines

W. P. Williams
Member, Geological Survey

Enclosure

WCAnderson:rsi 11/14/57
Copy to: Admr. R. File
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Operating Committee
Mr. Houk

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

Mr. and Mrs. Arthur Stevenson

Re: Docket No. DMA-3608-Ica
Lloyd Stevenson, Tad Stevenson,
Oakley Woody and Frank W. Phillips
Joe Stevenson (W.C.Burleson) Mine
Mitchell County, North Carolina
Contract No. Idm-5902

Dear Mr. and Mrs. Stevenson:

Enclosed is a copy of a self-explanatory letter of today to the Operators under the above-cited contract.

This correspondence relates to the Consent to Lien signed by you on October 28, 1955.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:rsi 11/14/57
Copy to: Admr. R. File
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Government's Copy

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 25 1957

| DATE | INITIALS | CODE |
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| 1·25 | C | 220 |
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TERMINATION AGREEMENT

It is agreed this 7th day of January, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Lloyd Stevenson, Ted Stevenson, Oakley Woody, and Frank W. Phillips, partners, d/b/a Stevenson Mine, hereinafter called the " Operator," parties to that Exploration Project Contract Idm-E902, Docket No. DMEA-3908, dated December 5, 1955, hereinafter called the "Contract," that:

1. Effective September 19, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute 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. All rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and liens for its payment, records, audit, and recovery of any overpayment, are preserved.

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 _____
Administrator, Defense Minerals
Exploration Administration

STEVENSON MINE

By _____
Lloyd Stevenson, partner

By _____
Ted Stevenson, partner

By _____
Oakley Woody, partner

By _____
Frank W. Phillips, partner

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C. HDQ.
KNOXVILLE 2, TENN.

January 23, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Termination Agreement, DMEA-3908, Idm-E902
Stevenson Mine, Spruce Pine, North Carolina
Joe Stevenson (W.C.Burleson) Mine, Mitchell County, N.C.

Enclosed are the original and two copies of the subject termination agreement. The usual distribution has been made by this office.

Robert A. Laurence

mg
Enclosures 3
cc
Operating Committee (2)
Finance Office
Lynch
Shirley
File

Government Copy

RECEIVED NOV 26 1956 D.M.E.A.

EXPLORATION PROJECT CONTRACT

Lloyd & Ted Stevenson
c/o Frank W. Phillips
Spruce Pine, N. C.

DMEA-3908, Idm-E902 - Mica

AMENDMENT No.2

It is agreed this 10th day of September, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Lloyd Stevenson, Ted Stevenson, Oakley Woody, Frank W. Phillips, partners, parties to Exploration Project contract Idm-E902 (Docket No. DMEA-3908) dated December 5, 1955, that the contract is further amended to read as follows:

1. The time for completion of the work, specified in Article 3, and Amendment No. 1, is extended to October 11, 1956, instead of June 11, 1956 as stated in Amendment No. 1.

2. Article 8, b, 2 is changed to read,"if the Government makes a certification of discovery or development, within a period of eleven years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, which ever ocuurs first."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the agreed unit cost of any item, nor the aggregate total amount under any category in exhibit "A" of the contract.

STEVENSON MINE

By Frank W. Phillips
(Partner)

By Lloyd Stevenson
(Partner)

BY Oakley Woody

By Ted Stevenson
(Partner)

UNITED STATES OF AMERICA

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

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EXPLORATION PROJECT CONTRACT

Docket No. DMEA-3908, Contract No. Idm-E 902

Lloyd Stevenson, Ted Stevenson, Oakley Woody
and Frank W. Phillips, partners, d/b/a
STEVENSON MINE

AMENDMENT NO. 1

Contract Idm-E 902, Docket No. DMEA-3908, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Stevenson Mine, dated December 5, 1955, is hereby amended as follows:

Article 3 is amended to read "The Operator ..... on or before September 11, 1956 shall either have completed the work ....." instead of June 11, 1956 as originally stated in the contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the agreed unit cost of any item, nor the aggregate total amount under any category in exhibit "A" of the contract.

Dated: June 11, 1956

THE UNITED STATES OF AMERICA

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

STEVENSON MINE

By Frank W. Phillips
(Partner)

By Lloyd Stevenson
(Partner)

By Ted Stevenson
(Partner)

By Oakley Woody
(Partner)

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Contract No. Idm-E 902

Docket No. 3902

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 |
|---|---|---|---|
| December 5, 1955 | V | North Carolina | Mica |

Name and Address of Operator: Lloyd Stevenson, Ted Stevenson, et al
c/o Frank W. Phillips
Spruce Pine, North Carolina

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | 0 | 65,037.00 |
| Increase | 0 | 0 |
| Decrease | 0 | 1,155.26 |
| Revised Amount | 0 | 63,881.74 |

Remarks:

ALLEN S. DAKAN

(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Title)

Date Delivered to Bureau of Mines, Washington 1/29/57

989

Government's copy

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FEB - 6 1963

MF-200
(Revised June 1954)

Docket No. DMEA 3908

Commodity Mica

Contract No. Idm-E 902

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

## EXPLORATION PROJECT CONTRACT[1]

It is agreed this DEC 5 1955 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Lloyd Stevenson, Ted Stevenson, Oakley Woody, and Frank W. Phillips, partners, d/b/a Stevenson Mine, whose mailing address is c/o Frank W. Phillips, Spruce Pine, North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] recorded in Book 17 of Deeds, page 199, 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 owner

(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 FEB 10 1956 shall commence the work, and on or before June 11, 1956 (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 $6,716.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $5,037.00: *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.*—

The Government will contribute only to the necessary and reasonable costs of the project, but not in excess of 75% of: $53.30 per foot for shaft sinking and $40 per foot for drifting.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

STEVENSON MINE
(Operator)

By Joseph S. Stevenson (Partner)

By Jed L. Stevenson (Partner)

By O. Ashley Woody (Partner)

By Frank W. Phillips (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

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EXPLORATION PROJECT CONTRACT
STEVENSON MINE
DOCKET NO. DMEA-3908

ANNEX I

The land referred to in Article 2 of the contract form is known as the Joe Stevenson (W. C. Burleson) Mine and is situate in Cane Creek Township on the headwaters of Cane Creek on the northeast side of White Rock Ridge, 1.7 miles southeast of Hawk, North Carolina, in Mitchell County, and is more fully described as follows:

> From a point marked "X" on the map referred to in Exhibit "A," and running north 200 feet to the point of beginning, thence west 800 feet, thence south 400 feet, thence east 1600 feet, thence north 400 feet, thence west 800 feet to the point of beginning, containing 15 acres, more or less.

EXPLORATION PROJECT CONTRACT
STEVENSON MINE
DOCKET NO. DMEA-3908

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EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map, entitled "W. C. Burleson Mica Mine, Mitchell County, North Carolina DMEA-3908-mica," attached hereto and made a part hereof, as follows:

1. Divert stream, unwater and clean out existing open cut and 35-foot incline and install a separate manway in the incline.

2. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.
(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by $2\frac{1}{2}$ feet.
(c) An exploder storage magazine, minimum dimensions 2 feet by $1\frac{1}{2}$ feet by 1 foot.

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

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

3. From the bottom of the rehabilitated incline, sink a 2-compartment inclined shaft, following the hanging wall of the pegmatite as closely as possible, for a distance of not more than 50 feet.

4. From the bottom or near the bottom of the inclined shaft, explore the pegmatite by driving not more than 100 feet of drifts and/or crosscuts.

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

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

## Estimated Costs of the Project

(In addition to the maximum set forth in the contract form, an asterisk indicates maximum.)

| | | |
|---|---|---|
| Category (1) | Independent Contracts - None | |
| Category (2) | Personal Services | |
| | (a) Supervision - None | |
| | (b) Technical Services - None | |
| | (c) Labor | |
| | Miners @ $1.50/hour* | |
| | Hoistman @ $1.25/hour* | |
| | Laborers @ $1.00/hour* | $ 3,350.00 |
| Category (3) | Operating Materials and Supplies | 1,542.50 |
| Category (4) | Operating Equipment | |
| | (a) Rental | |
| | 1 Compressor, 1 drill, 1 pump @ $240/mo. | 1,020.00 |
| | 1 Hoist @ $50/mo. | 212.50 |
| | 1 Jackleg @ $10/mo. | 25.00 |
| Category (5) | Initial Rehabilitation and Repairs | |
| | (a) Initial rehabilitation and repairs of existing buildings, fixtures, and installations - None | |
| | (b) Initial rehabilitation and repairs of operating equipment - None | |
| Category (6) | New buildings, fixtures, and installations | |
| | Toolhouse, powder magazine, and exploder magazine 1/ | 116.00 |

Category (7) Miscellaneous - The only allowable items of cost under this heading shall be:

| | |
|---|---|
| Compensation insurance, Unemployment Insurance and Social Security | $ 450.00 |
| Estimated Total Cost of Project | $6,716.00 |
| Government Participation at 75% | $5,037.00 |

1/ The Government retains no interest in the salvage value of these buildings.

MF-203
Revised March 24, 1955

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NOV - 4 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

RECEIVED
FEB - 6 1956

To the United States of America:

Referring to that certain land in the County of MITCHELL, State of NORTH CAROLINA. A certain mica mine in Cane Creek Township, described as follows:1/ and on the Head Waters of Cane Creek, known as the Joe Stevenson mica mine, 800 feet each way from the branch, running with the mica vein and 400 feet wide, so as to include all the mica vein. It is understood and agreed between the grantees herein named that Frank Phillips is to furnish all the equipment gas and explosives for the successful operation of said mine and is to have a one half interest in this lease and a one half interest in the net proceeds derived from the operation thereof.

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/

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 SEPT. 9, 1955, and recorded in book 17 page 199 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 28 day of October, 1955.

Witness:
R. A. Greene, C.S.C.

Arthur his x mark Stevenson [Seal]

Electa Stevenson [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]

[redacted]

OFFICIAL BUSINESS

U. S. GEOLOGICAL SURVEY
SOUTH 157 HOWARD ST.
SPOKANE 4, WASHINGTON

Mr. George C. Selfridge
Chairman, Operating Committee
Defense Minerals Explor. Admin.
Department of the Interior
Washington 25, D. C.

Docket No. 3908

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 902

Date of Contract December 5, 1955

Name and Address of Operator:

Lloyd Stevenson, Ted Stevenson, et al.
c/o Frank W. Phillips
Spruce Pine, North Carolina

Amount of Government participation $5,037.00

Percent of Government participation 75 %

Region: V State: North Carolina

E. R. Talbert
(Name)

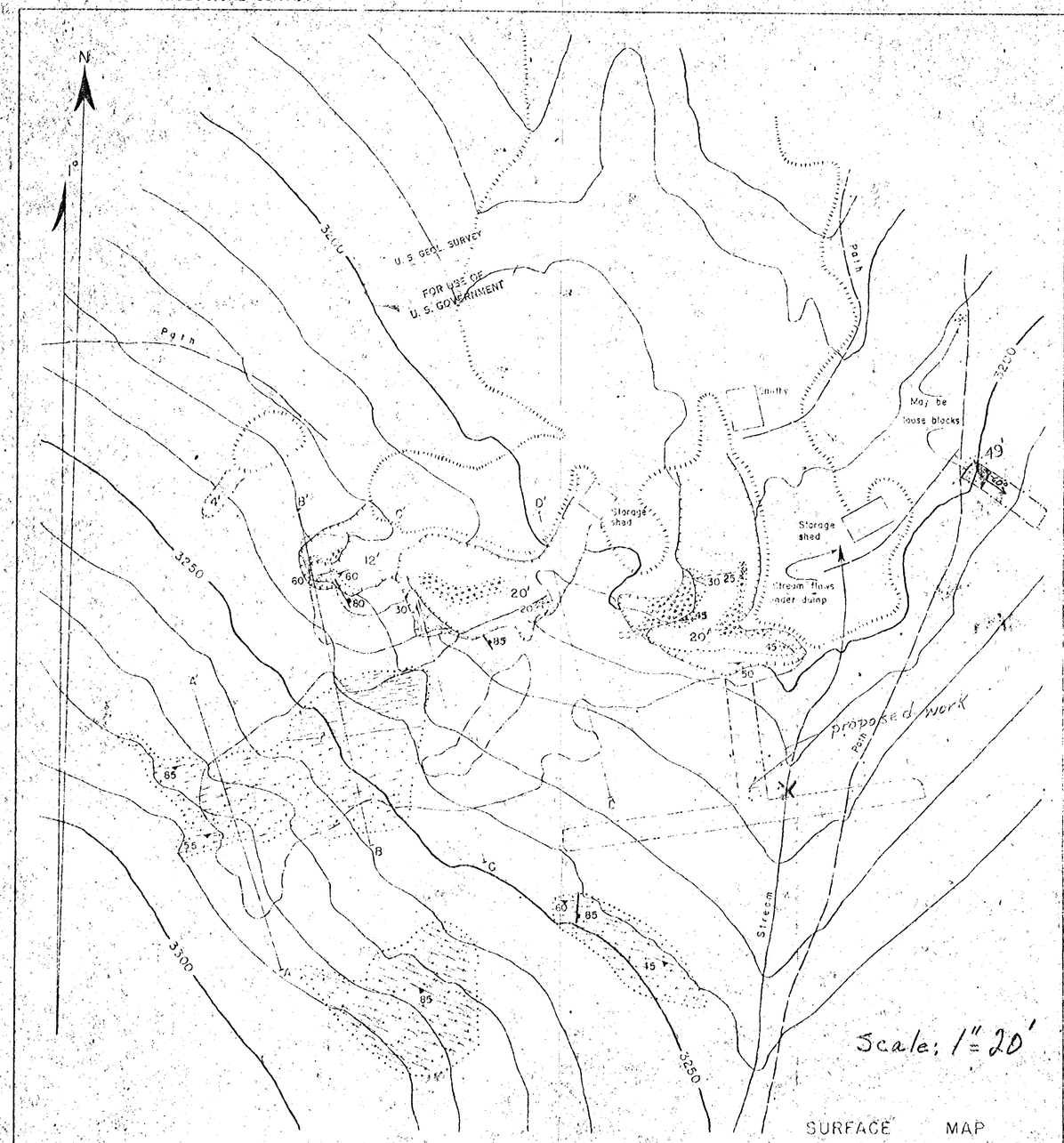
for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 12/5/55

54458

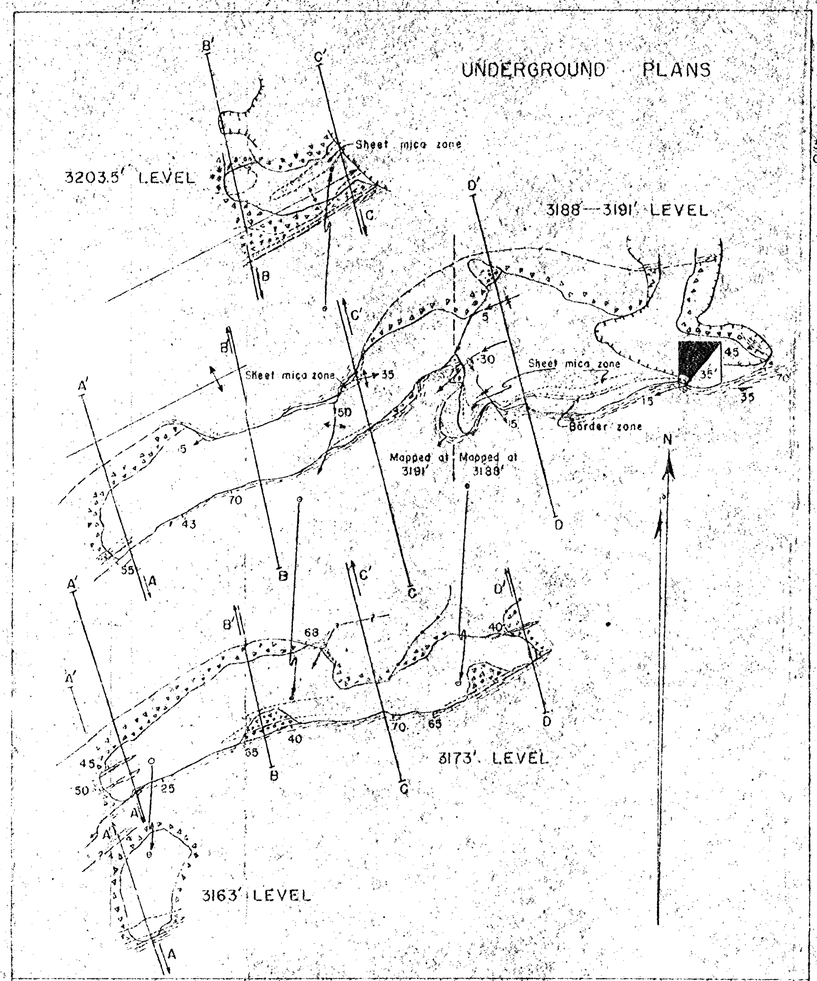
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

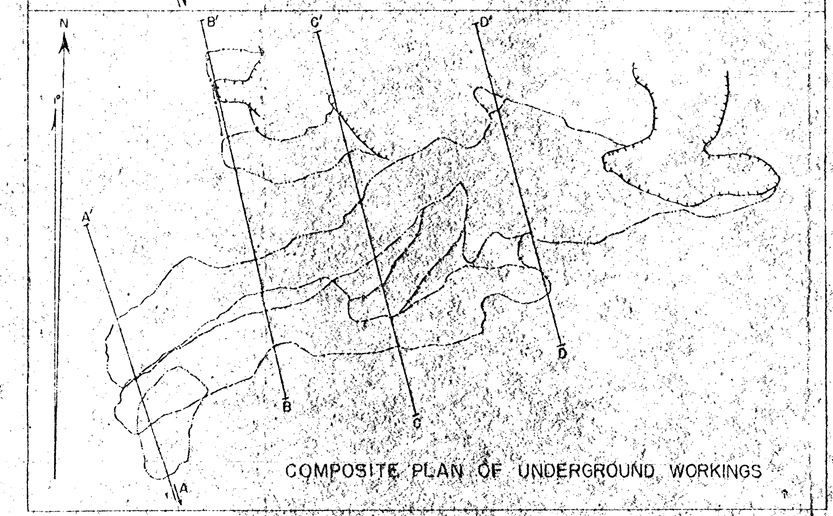
STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP



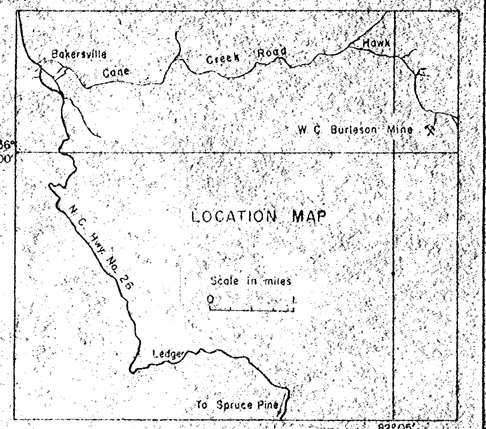

SURFACE MAP

W. C. Burleson Mica Mine




COMPOSITE PLAN OF UNDERGROUND WORKINGS



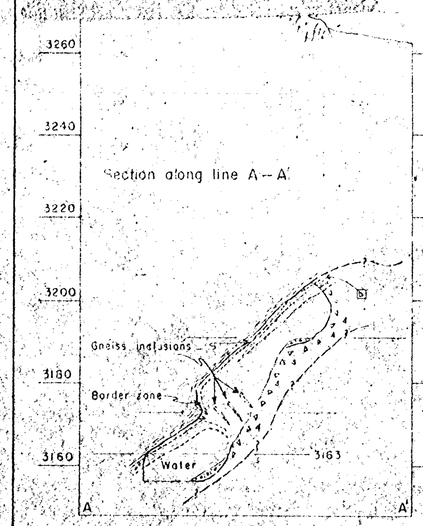

## EXPLANATION

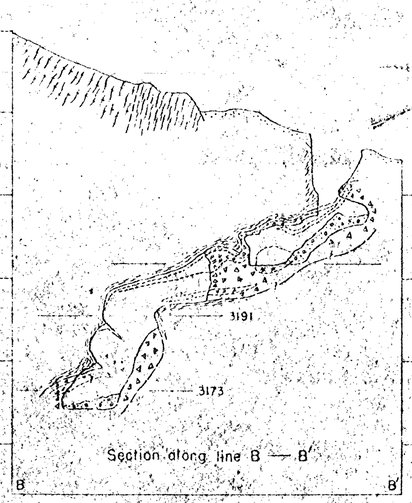
- Muck
- Overburden
- Graphic granite
- Plagioclase – quartz – microcline pegmatite
- Plagioclase – quartz pegmatite containing sheet mica
- Border zone
- Biotite gneiss
- Mica – garnet gneiss
- Hornblende gneiss
- 60 Strike and dip of foliation
- 85 Strike and dip of joint
- 50 Pitch of rail in pegmatite contact
- 50 Axis of minor anticline, showing pitch
- 5 Axis of minor syncline, showing pitch
- 55 Contact, with dip
- Approximate contact
- Inferred contact
- Exposed contact between pegmatite units
- Inferred contact between pegmatite units
- Limit of exposure
- 4' Rim of excavation, showing depth
- Outline of dump
- Outlines of mapped levels:
  - 3163' level
  - 3173' level
  - 3188-3191' level
  - 3203.5' level
- Intermediate levels
- Outer limits of underground workings (surface map)
- Approximate outline of underground workings
- 35' Shaft, showing depth

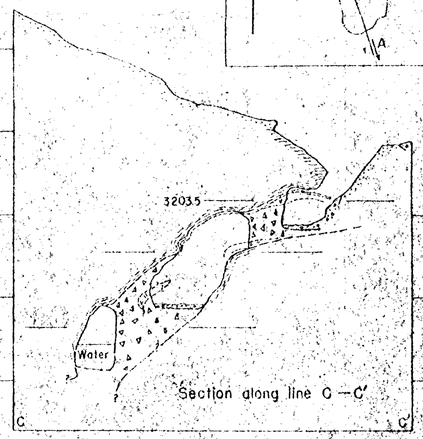
Mapped by: U. S. GOVERNMENT
J. B. Hadley
J. R. Wolfe, Jr.
W. P. Irwin
R. W. Lemke

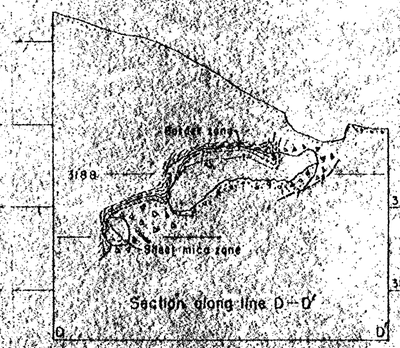
December 1944 and January 1945

Prepared in cooperation with the North Carolina Department of Conservation and Development




Scale in feet
20 10 20 40 60 80 100
Contour interval 10 feet. Datum assumed

DMEA-3908 (mica)

W. C. BURLESON MICA MINE, MITCHELL COUNTY, NORTH CAROLINA