E-918

For Certificate of Deposit No. 41, dated October 10, 1956, giving royalty payment of $8.57, see E-863.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

The Ferguson Mine Company
c/o Harry Moses
Route 5, Franklin, North Carolina

pertaining to Exploration Project Contract No. Idm-2915, Docket No. DMEA-6002, for the months of February 1956, to June 1956, inclusive, covering a project for the exploration of strategic mica on property, known as the Ferguson Mine located in Macon County, North Carolina.

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

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

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

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

Total cost as billed by Contractor		$4,832.00
Exceptions:		
By DMEA Finance Officer	-0-	
Herewith	-0-	-0-
Total Accepted Cost		$4,832.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Three thousand six hundred twenty-four and no/100 Dollars

"$3,624.00"

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

E. D. Talbert, Auditor

July 2, 1956

6/7/56 completed

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 No. 9

RECEIVED JUN 28 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 1956 Docket No. DMEA 4002 Contract No. 920

Operator's Name Harry Moses Minerals Mica

Address R.F.D. 5 Franklin, N. C.

Contract Amount, $ 4832.00 Government Participation: 75 % Amount, $ 3624.00

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	$325.00	$2275.00	$2600.00			
Shafting		$1505.00	$1505.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Old shaft		$610.00	$610.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		$117.00	$117.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$325.00	$4507.00	$4832.00	325.00	4507.00	4832.00

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

Date June 21 *Payee Harry Moses

Per _____ Title Pres.

*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:

$ 243.75

Signature Helen R. Miller (Authorized Certifying Officer)

Date JUN 26 1956 Vou. No. 249

(See other side)

81.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-918 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist, USGS Date June 25, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title ACTING EXECUTIVE OFFICER DMEA REGION V Date JUN 25 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
(Approved)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 28 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 6 Docket No. DMEA 4002 Contract No. 918
Operator's Name Harry Moses Minerals Mica
Address R.F.D. 5 Franklin, 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		$325.00	10 ft.	$2600.00	80 ft.	$2600.00		
Crosscutting								
Raising								
Shafts				$1505.00	35ft.	$1505.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
old 25ft. shaft				$610.00	1	$610.00		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				$117.00				
TOTAL COSTS		$325.00	10 ft.	$4832.00				

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

Date June 21 Operator Harry Moses

Per Title Pres.

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

Mica

RECEIVED
JUN 28 1956

Month of June, 1956

DMEA no. 4002
idm 918
Date work began Feb. 20, 1956

Work Accomplished

Scattered vein on east drift. Mr. Shirley turned us back on s. w. drift, to finish 80 ft. drift as per contract.

Daily notes

June 6- Drilled and blasted full heading.

June 7- Mucked 20 rounds. Drilled and blasted full heading and completed 80 ft. drift.

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 18 1956

Month of May, 1956 Docket No. DMEA 4002 Contract No. 918
Operator's Name Harry Moses Minerals Mica
Address R.F.D. 5 Franklin, N. C.
Contract Amount, $ $4832.00 Government Participation: 75 % Amount, $ 3624.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	$1820.00	$455.00	$2275.00			
Shafting		$1505.00	$1505.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Old Shaft		$610.00	$610.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		$117.00	$117.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1820.00	$2687.00	$4507.00	1820.00	2687.00	4507.00

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

Date June 4 *Payee Harry Moses

Per Harry Moses Title Pres.

*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:

$ 1365.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUN 15 1956 Vou. No. 342

(See other side)

4

4550.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-918 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist Date June 11, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date JUN 11 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
JUN 18 1956

Month of May 1956 Docket No. DMEA 4002 Contract No. 918
Operator's Name Harry Rosen Minerals Mica
Address R.F.D. 5, Franklin, 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		$1820.00	56ft.	$2275.00	70ft.	$2275.00		
Crosscutting								
Raising								
Shafts				$1505.00	35ft.	$1505.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Old 25ft. shaft				$610.00	1	$610.00		
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				$117.00				
Total Costs		$1820.00	56 ft.	$4507.00				

The undersigned company, and the official executing this certificate 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 June 4 Operator Harry Rosen
Harry Rosen
Per Title Pres.

Remarks:

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

(Instructions on reverse)

(For Government use only)

Alfred R. Taylor, Geologist, 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

Mica

Month of May, 1956

DMEA No. 4002
I[illegible] 918
Date work began Feb,20, 1956

Work acomplished

Hired two men for 2nd shift. Completed 40 ft. drift to west. Lacked 10 ft. of completing drift to east. No vein on east drift.

RECEIVED
JUN 1 8 1956

Daily Notes

April 30 Drilled and blasted one round to curve drift w,n.w. into vein following n. wall. two books of mica 6 in. in dia. showing in vein. Mucked 11 rounds. Gained 4 ft. in drift. Hired Ted Higdon and Less Young at 1.25 per hr. To work 2nd. shift.

May 1-2nd. shift mucked 5 rounds. Drilled and blasted in vein.
1st. shift mucked 8 rounds. Drilled all but 3 holes for a full header using 6ft. carboloy crosstip bits. Some mica recovered.

May 2-2nd shift finished drilling header.Blasted one round.
1st shift mucked 3 rounds. Had to quit,dynimate fumes to strong.

May 3-2nd shift mucked 3 rounds because of fumes.
1st shift set up blower. Mucked 11 rounds. started drilling heading.

May 4- 2nd shift finished drilling and blasted one round.
1st shift mucked 18 rounds.

May 7- 2nd shift drilled and blasted 1 round.
1st shift mucked 19 rounds. 10 lbs. no.5½ and larger mica recovered.

May 8- Fixed permanent ladder in bottom of shaft. Fixed timber at bottom of shaft to keep loose rock from falling. Drilled and blasted 1 round into south side of vein. Drift 19½ ft. w. n.w. bearing.

May 9- 2nd shift mucked 16 rounds.
1st shift drilled and blasted to south wall of vein, quartz showing. 10 lbs. of no. 5½ and larger mica recovered. Mucked 12 rounds.

May 10 2nd shift drilled 6 ft. heading and blasted.
1st shift mucked 29 rounds. Vein narrowed to 4½ ft. Mica book showing in Pegmatite. 20lbs. of nO. 5½ and larger recovered.

May 11 2nd shift took night off.
1st shift overhauled jackhammer repaired burst hose. Drilled full heading.

May 14 2nd. shift blasted and mucked 16 rounds.
1st shift mucked 27 rounds. 50lbs. no. 5½ and larger mica recovered. vein following W. n.w. course.

May 15 2nd. shift mucked 16 rounds.
1st. shift drilled 6 ft. heading and blasted.

May 16 2nd shift mucked 7 rounds,fumes bad, quit.
1st shift mucked 22 rounds.

May 17 2nd shift drilled to slab off side of vein, blasted and mucked 5 rounds.
1st shift set up new blower and mucked 16 rounds.

May 18 2nd shift mucked 5 rounds. Drilled and blasted 6 ft. round. Drift 36 ft.
1st shift mucked 12 rounds.

continued--

May 22- Changed night shift to days. Mucked 31 rounds. 50 lbs no.5½and larger mica recovered. Books showing in vein. Vein approx. 4 ft. wide. A stringer of quartz 2in. wide is on north and south walls.Mica has a spotted vegetable stain. Hired mrs. Rice 1.00 per.hr. to sheet mica.

May 28- Took last week off to find good blower.
2nd shift drilled and blasted to finish 40 ft. drift west.
1st shift mucked 27 rounds. 30lbs no. 5½ and larger mica recovered.

May 29- 2nd shift drilled and blasted on east drift.
1st shirt mucked 30 rounds. 40 lbs no. 5½ and larger mica recovered.
Mica shoot on south wall of vein.

May 30- 2nd shift drilled and blasted in east drift. Mucked 17 rounds.
1st shift Mucked 11 rounds. Drilled and blasted in east drift.

May 31- 2nd shift mucked 27 rounds.
1st shift drilled and blasted one round. Mucked 20 rounds.

June 1- 2nd shift drilled and blasted 1 round. Mucked 25 rounds.
1st shift drilled and blasted 1 round. Mucked 26 rounds.

June 2- 2nd shift mucked 40 rounds to clear west drift.
1st shift drilled and blasted 1 round. Mucked 30 rounds. East drift 26 ft.

June 3-4 Layed off 2nd shift.
1st shift mucked 10 rounds drilled and blasted 6 ft. round.

June 4-5 Mucked 10 rounds. Drilled and blasted 6 ft. round in west drift.
Mr. Shirley directed us to finish contract in west drift.No vein showing in east drift. 10 ft. will complete the 80 ft. drift as per contract.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1956 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] *Government Participation: ____% Amount, $[illegible]

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	[illegible]		[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]		[illegible]	[illegible]			
(4) Operating Equipment:		[illegible]	[illegible]			
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS				799.00	1888.00	2687.00

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

Date [illegible] *Payee Harry Mosle

Per _____ Title Pres.

*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.

RECEIVED
MAY 3 - 1956

→ 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:

$ 599.25

Signature Helen R. Miles
(Authorized Certifying Officer)

Date MAY 2 1956 Vou. No. [illegible]
(See other side)

3

199.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 918 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist Date April 30, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA REGION V Date APR 30 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 April 1956 Docket No. DMEA 4002 Contract No. 918
Operator's Name Harry Moses Minerals mica
Address Route 5 Franklin, 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		$455.00	14 ft.	$455.00	14 ft.	$455.00		
Crosscutting								
Raising								
Shafts		$340.00	8ft.	$1505.00	35 ft.	$1505.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Old 25 ft. shaft				$610.00	1	$610.00		
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				$117.00				
TOTAL COSTS		$799.00	22ft.	$2687.00				

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

Date April Operator Harry Moses

Per Title Pres.

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

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

Mica

Month of April, 1956

Dmea No. 4002
Idno 916
Date work begin Feb. 20, 195

Work accomplished

Finished digging 8 ft of shaft to complete 60 ft. shaft as per contract. Overhauled jackhammer, completed 1¼ ft. ladder and landings in shaft. Crosscut vein n.w. bearing. Drift in tunnel 1¼ ft.

Daily notes

April 2 Drilled and blasted 2 rounds. Mucked 10 rounds. sunk shaft 1½ ft. Shaft in country rock. Vein on north side of shaft.
April 3-Bought water tank and fittings for water pressure to jackhammer. Drilled and blasted one round. Mucked 1¼ rounds. Sunk shaft 1 ft.
April 4-Drilled and blasted one round. Mucked 12 rounds. Sunk shaft 1 ft.
April 5-Bought blasting caps. Drilled and blasted 1 round. Mucked 12 rounds. Drilled and blasted one round. Sunk shaft 1½ ft.
April 6-Mucked 11 rounds. Blasted 1 round. Had steelesharpened. Sunk shaft 1 ft. Rained out.
April 9-Drilled and blasted 1 round. Mucked 5 rounds. Drilled and blasted 1 round. Borrowed jack leg.
April10-Drilled and blasted 1 round. Mucked 5 rounds. Talked to field team about tunnel. Bought case of dynamite. Drilled and blasted 1 round. Sunk shaft 2 ft. to complete 60 ft. shaft, as per contract.
April 11- Snowed out.
April 12- Mucked 3 rounds. Drilled and blasted 1 round for tunnel heading. Put back ladder landings and ladder that was blasted out.
April 13- Drilled 1 round for tunnel. Mucked 6 rounds..South wall of vein showing in first ft. of tunnel. Blocks of mica showing.
April 16- Drilled 1 round in tunnel. Mucked 6 rounds. Recovered 3½lbs. no. 5½ mica and larger. Pegmatite is quartz and spar. Mica blocks showing.
April 17- Drilled and blasted 1 round. Mucked 11 rounds for a gain of 3 ft. in tunnel. 2½ lbs. no. 5½ and larger.
April 18- Drilled and blasted one round, to head tunnel. Mucked 6 rounds. Tunnel 6 ft. All pegmatite showing, also some mica blocks. Havent cut to north wall of vein.yet.
April 19- Drilled and blasted full heading. Delay caps shot out of time.blasted again. Set up forge. Mucked 3 rounds. Drilled and blasted by quitting time.
April 20- Mucked 1¼ rounds. Recovered 20 lbs. 5½ mica and larger. Blocks of mica showing in pegmatite. Gained 4 ft. in tunnel. Drilled and shot out center of tunnel.
April 21- Blasted 4 holes. Mucked 8 rounds. Sharpened drills.
April 23- Drilled for tunnel header. Had to replace parts in jackhammer.
April 24- Finished drilling header. Blasted 1 round and cut through vein. Talked to field team. Mr. Shirley measured vein 8½ ft. Mucked 15 rounds. Gained 4 ft in tunnel. 10 lbs. of mica recovered 5½ and larger.

Taking off remainder of week to go sell mica at Spruce Pine, and get supplies.

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-

RECEIVED
APR 5 - 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1956 Docket No. DMEA 4002 Contract No. 918
Operator's Name Harry Moses Minerals Mica
Address Route 5 Franklin, N.C.
Contract Amount, $ 1832.00 Government Participation: 75 % Amount, $ 3584.00

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						
Shafting	$1161.00		$1161.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Old shaft		$610.00	$610.00			
Bldg. etc.		$117.00	$117.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1161.00	$727.00	$1888.00	1161.00	727.00	1888.00

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

Date March *Payee Harry Moses

Per Title Pres.

*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:

$ 870.75

Signature Helen R. Mellen
(Authorized Certifying Officer)

Date APR 9 1956 Vou. No.
(See other side)

290.25

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E918 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng. Date 4-2-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lauman Title EXECUTIVE OFFICER DMEA REGION V Date APR 3 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
APR 5 - 1956

Month of March 1956 Docket No. DMEA [illegible] Contract No. 928
Operator's Name Harry Moses Minerals [illegible]
Address Route 5, Franklin, 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		$1161.00	27 ft.	$1161.00	27 ft.			
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Old 25 ft. shaft (1) [redacted]				$6100	1			
TOTAL DISTRIBUTED COSTS							TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		[redacted]		$127.00				
TOTAL COSTS		$1161.00		[illegible]				

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

Date March 31, 1956 Operator Harry Moses

Per _____ Title Owner

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)

W. J. Lynch
Bureau of Mines
4-2-56

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

Mica

Month of March, 1956

Mine No. 1002
Ida-Ing
Date work began Feb. 20, 1956

RECEIVED
APR 5 - 1956

Work Accomplished

Finished setting up machinery. Bought dynamite, fuse caps, wire and pipe fittings. Drilled and blasted 15 rounds and mucked 21 rounds for a total of 27 feet advanced for the month. Three men on eight hr. shifts.

DAILY NOTES

March 1- Put legs on top of ground to look shaft. Put in one 14 ft. ladder. Put on 8 ft. of slats on ladderway. Put in 10 ft. landing. Set hoist down and locked it in place. Strung cable on boom. Adjusted guy cables. Hung on muck bucket. Mucked 8 rounds.

March 2- Mucked 25 rounds. Reversed cable on hoist.

March 3- Pulled compressor from another location. Mucked 5 rounds.

March 5- Mucked 15 rounds. Sunk shaft 3 ft. Shaft is in pegmatite, recovered 25lbs. mica. Set compressor 125 c.p.m. hooked up pipe, bought water hose, fuse caps, dynamite, wire, and pipe fittings.

March 6- Finished setting compressor. Hooked up water hose to jack hammer. Drilled and blasted first round. Mucked 14 rounds. Sunk 2 ft. in pegmatite. Wall rock on north side. Recovered 2 books of mica 6 in. in diameter, and 30 lbs. of no. 5 mica.

March 7- Drilled and blasted one round. Mucked 17 rounds. Cut and notched 10 rings of timber. Set 6 rings. Sunk shaft 3 ft. Recovered 30 lbs. no. 5 mica. Worked on jack hammer.

March 8- Mucked 3 rounds. Blasted 4 corners 12 ft. down. Cut and put on 8ft. of slats on ladder way. Put in 10 ft. landing. Put in 14 ft. ladder.

March 9- Drilled and blasted one round. Mucked 17 rounds. Cut and notched 8 rings of timber. Put in 4 rings of timber. Sunk 2 ft. in shaft. Shaft in pegmatite. Wall rock coming in on south side. Mica streak shifted from n.e. bearing to due east. 30 lbs. No. 5 and larger mica recovered.

March 12- Drilled and blasted one round. Mucked 19 rounds. Cut and notched 6 rings of timber. Set 4 rings of timber. Nailed on 4 ft. slats on ladder way, raised boom pole. Added another safety cable to boom. Hired Ed Bledsoe $1.00 per hr. to muck for one week. Hired Mrs. Guest to shoot mica. Shaft still in pegmatite. Sunk 3 ft. on shaft.

Continued-

March 13- Drilled and blasted 2 rounds. Mucked 16 rounds. Sunk shaft 6 ft. Cleaned spark plugs on hoist. Wall rock on south side. Vein dipping north.

March 14- Cut and notched three rings of timber. Set 9 rings. Cut 8 ft. of slats for ladder way. Cleated 8 ft. of corners of shaft. Made 14 ft. ladder. Mucked 3 rounds. Got rained out. Shaft 39 ft. down. 36 ft. timbered. Ordered lumber.

March 15- Bought 50 lbs. of nails. Nailed on 6 ft. of slats on ladder way , put in one 10 ft. landing. Put in 14 ft. ladder. Mucked 8 rounds. Got rained out.

March 16- Blasted 2 rounds. Mucked 14 rounds. Talked to field team. Shaft measured 40 ft. 36 ft. timbered. Shaft in pegmatite. Wall rock on south side. Recovered 30 lbs Of no. 5½ mica.

March 19- Bought 50 ft. water hose and pipe fittings . Drilled and blasted one round. Mucked 11 rounds ,sunk shaft 2 ft.

March 20- Cut and notched 11 rings of timber. Set 9 rings. Nailed on 3 ft. of slats on ladder way. Mucked 11 rounds.Sunk shaft 2ft.

March 21- Worked on jackhammer. Drilled and blasted one round. Mucked 6 rounds. Recovered 20 lbs. of no 5½ mica and larger. Wall rock working further north.Shaft still one half pegmatite. Sunk shaft one ft.

March 22- Drilled and blasted one round. Mucked 19 rounds. Sunk shaft 2 ft. Total 47 ft.

March 23- Worked on jackhammer, air shuts off water. Cut and notched 10 rings of timber. Set 8 rings. Talked with Mr. Shirley about operations.

March 24- Set 2 rings of timber. Cleateted 8 ft. of corners. Drilled and blasted 1 round. Mucked 6 rounds.

March26- Drilled and blasted one round. Mucked 21 rounds. Sunk shaft 1 ft. Shaft one third pegmatite. Ordered parts for jackhammer.

March 27- Cut and notched 9 rings of timber. Set 6 rings of timber. Nailed 6 ft. of slats on ladder way put in 10 ft. landing, 14 ft. ladder. Mucke d 12 rounds. Sunk shaft 1 ft. Shaft 51 ft. deep. Timbered 48 ft.

March 28- Drilled and blasted one round. Mucked 9 rounds and made 14 ft. ladder. Sunk shaft 1 ft. in hard rock. Wrong jackhammer parts sent.

March 29- Drilled and blasted one round. Mucked 11 rounds. Set 3 rings of timber. Put in 14 ft. ladder. Shaft in blue granite and pegmatite.Vein dipping north out of shaft. Another vein or leader coming in on S.W. side of shaft.

March 30- Mucked 3 rounds. Discussed vein with field team. Timber in shaft finished by their approval. Shaft 52 ft. do sp. 8 ft.to finish contract depth. Sump will be 4 ft. lower than shaft depth. Stopped work at noon to get jackhammer repaired.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Febfuary, 1956 Docket No. DMEA 4002 Contract No. 918
Operator's Name Harry Moses Minerals Mica
Address Route 5 Franklin, N.C.
Contract Amount, $ 4832.00 Government Participation: 75 % Amount, $ 3624.00

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						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs 25ft. old shaft	$610.00					
(6) New Bldgs., Improvements, etc. 100ft house, powder and cap mag.	$117.00					
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 727.00			727.00		727.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date March 1, 1956 *Payee Harry Moses
Per _____ Title pres.

*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:

$ 545.25

Signature Helen R. Melin
(Authorized Certifying Officer)
Date MAR 7 1956 Vou. No. _____
(See other side)

S 2-20 181.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E918 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng. Date 3-6-56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1956 Docket No. DMEA 4002 Contract No. 918

Operator's Name Harry Moses Minerals Mica

Address Route 5 Franklin, 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~~ Tool house		$76.00	1					
~~Crosscutting~~ Powder mag.		$25.00	1					
~~Raising~~ Cap mag.		$15.00	1					
~~Shafts~~ Shaft rehabilitation								
~~Winzes~~ (existing 25 ft.)		$610.00	25 ft.					
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$727.00						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$ 727.00						

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

Date March 1, 1956 Operator Harry Moses

Per _____ Title Owner

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)

W. J. Lynch
Bureau of Mines
3-6-56

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

Month of February, 1956

OMA No. [illegible]
Idn # 919
Date work Began Feb. 20. 1956.

Work Accomplished

Hired three men including one partner Dale Carter, cut and notched timbers for 25ft. shaft, widened existing shaft one foot, ordered lumber, built powder and fuse cap magazine, built tool house, set up machinery, timbered shaft, made ladders and boxed in ladder wayto complete the 25ft. existing shaft.

DAILY NOTES

Feb. 20- Hired one man, Britt Newman, at $1.00per. hour, also Dale Carter at $1.25 hr. Cut and notche d 180- 2 by 6 for 5 by 7 shaft. Set one ring, ordered rough lumber for tool house.

Feb.21- Hired Hunter Young, drill man, @ $1.25 hr. Out 1ft. by 5 ft. out of existing 25 ft. shaft. Set 5 rings of timber. built tool house 8by 8 by 10 ft. Bought nails, hinges and locks @ Hdwe.

Feb. 22- Ordere d rough lumbe r, roofing paper, finished tool house, built powder magazine 4 ft. by 3 ft. by 2½ ft. , built fuse cap magazine 2 ft. by 1½ ft. by 1 ft., set four rings of timber.

Feb. 23- Out one ft. by 15 ft. out of 6 by 6 ft. shaft, set 16 rings of timber.

Feb. 24.- Worked one hour in rain, out one ft. by 4 ft. out of 6 by 6 ft shaft. Got rained out.

Feb. 27- Set 8 rings of timberin the rain, got rained out.

Feb. 28- Set 13 rings of timberto complete the rings in existing 25 ft. shaft. Cleated four corners of shaft.

Feb. 29- Hired Ted Ht gdon, for one day, to help put up boom pole and rigging. Set 4 rings of timber, put in cleats for ladder way, put in one 10 ft. landing, put on 7 ft. of sixteen ladder way. The existing 25 ft. shaft complete. Put in one 14 ft. ladder.

600

MAR 21 1957

The Ferguson Mine Company
c/o Mr. Harry Moses
Route #3
Franklin, North Carolina

Re: Docket No. DMA-4002-Mica
The Ferguson Mine Company
Harry Moses, Ray Franklin
and Dale Carter
The Ferguson Mine
Macon County, North Carolina
Contract No. Idm-Fy18

Gentlemen:

Reference is made to your completed 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:ms 3/18/57
Copy to: Docket
Agmr. R. File
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V
John C. Ferguson (landowner)
Charles F. Ferguson " "
Rita C. Ferguson " "

Government's Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 4002

Commodity Mica

Contract No. Idm-E 918

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

It is agreed this FEB 14 1956 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] The Ferguson Mine Company, a partnership consisting of Harry Moses, Ray Franklin and Dale Carter, whose mailing address is C/o Harry Moses Route #5, Franklin, North Carolina, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and 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 Macon, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] Mica Mineral Rights only in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty (12½% of gross returns) as specified in Operator's lease.

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

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

16—70618-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Strategic Mica. The work to be performed is described in Exhibit "A." The Operator on or before MAR 31 1956 shall commence the work, and on or before July 31, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $4,832.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,624.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. F. Mitchenoy

Administrator, Defense Minerals Exploration Administration

THE FERGUSON MINE COMPANY
(Operator)

By Harry Moses (Partner)

By Ray Franklin (Partner)

By Dale Carter (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—70618-1

EXPLORATION PROJECT CONTRACT
THE FERGUSON MINE COMPANY
A Partnership Consisting of
Harry Moses, Ray Franklin and Dale Carter
DOCKET NO. DMEA-4002

ANNEX I

The land referred to in Article 2 of the Contract is described as follows:

All that part of the John C. Ferguson Farm lying to the West side of Cat Creek, described in a deed from John C. Ferguson, widower, to Charles Ferguson and wife, Reta Ferguson, dated November 12, 1951, and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book B-6, at page 36. The tract herein leased is described in particular as follows:

BEGINNING at 6 inch sourwood corner, thence N. 25°W. 204 feet to a stake in South boundary line of tract being leased; thence East 132 feet a stake the S. E. corner of lease tract; thence North 500 feet a stake on N. side of ridge; thence West 500 feet to a stake on hillside; thence South 390 feet a stake in old line; thence with old line S. 56 degrees E. 200 feet a stake; thence East 200 feet to BEGINNING. Corner of leased tract. This corner is in line from sourwood corner to mine shaft which bears N. 25 W. 483 feet from said sourwood corner. Containing 5.5 acres, be the same, more or less.

MF-203
Revised March 24, 1955

RECEIVED DEC 15 1956

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

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows:1/ All that part of the John C. Ferguson Farm lying to the West side of Cat Creek, described in a deed from John C. Ferguson, Widower, to Charles Ferguson and wife Rita Ferguson, dated November 12, 1951, and recorded in the office of the Register of Deeds for Macon County, North Carolina in Deed Book B-6, at page 36, The Tract herein leased is described in particular as follows: BEGINNING at a 6" Sourwood Corner, thence N 25 W 204 feet to a stake in South boundary line of tract being leased; thence E. 132 feet a stake the south east corner of lease tract; thence North 500 feet a stake on N. side of ridge; thence West 500 feet to a stake on hillside; thence S.

(CONTINUED ON REVERSE SIDE)

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 _____, and recorded in book B-6 page 36 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: 390 feet to a stake in old line; thence with old line S. 56 deg. E. 200 feet to a stake; thence East 200 feet to BEGINNING. Corner of leased tract, This corner is in line from sourwood corner to mine shaft which bears N. 25 W. 483 feet from sourwood corner. XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX Containing 5.5 acres, be the same, more or less.

Dated this 4th day of November, 1955.

John C. Ferguson [Seal]

Charles J. Ferguson [Seal]

Reta D Ferguson [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]

EXPLORATION PROJECT CONTRACT
THE FERGUSON MINE COMPANY
A Partnership Consisting of
Harry Moses, Ray Franklin and Dale Carter
DOCKET NO. DMEA-4002

Exhibit "A"

Description of the Work

The approximate location of the work is shown on the map entitled "Ferguson Mine DMEA-4002 (Mica)" attached hereto and made a part hereof.

The work consists of the following:

1. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.
(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.
(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

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

The powder and exploder magazines shall be 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.

2. Recondition and enlarge existing 25-foot shaft to two compartments, the shaft to have minimum overall cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

3. Sink shaft an additional 35 feet.

4. From the shaft drive 80 feet of drift and/or crosscut having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary.

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

Fixed Unit Costs

1. Construct:

Toolhouse	$ 76.00	
Powder Magazine	26.00	
Exploder Magazine	15.00	

2. Recondition and enlarge shaft

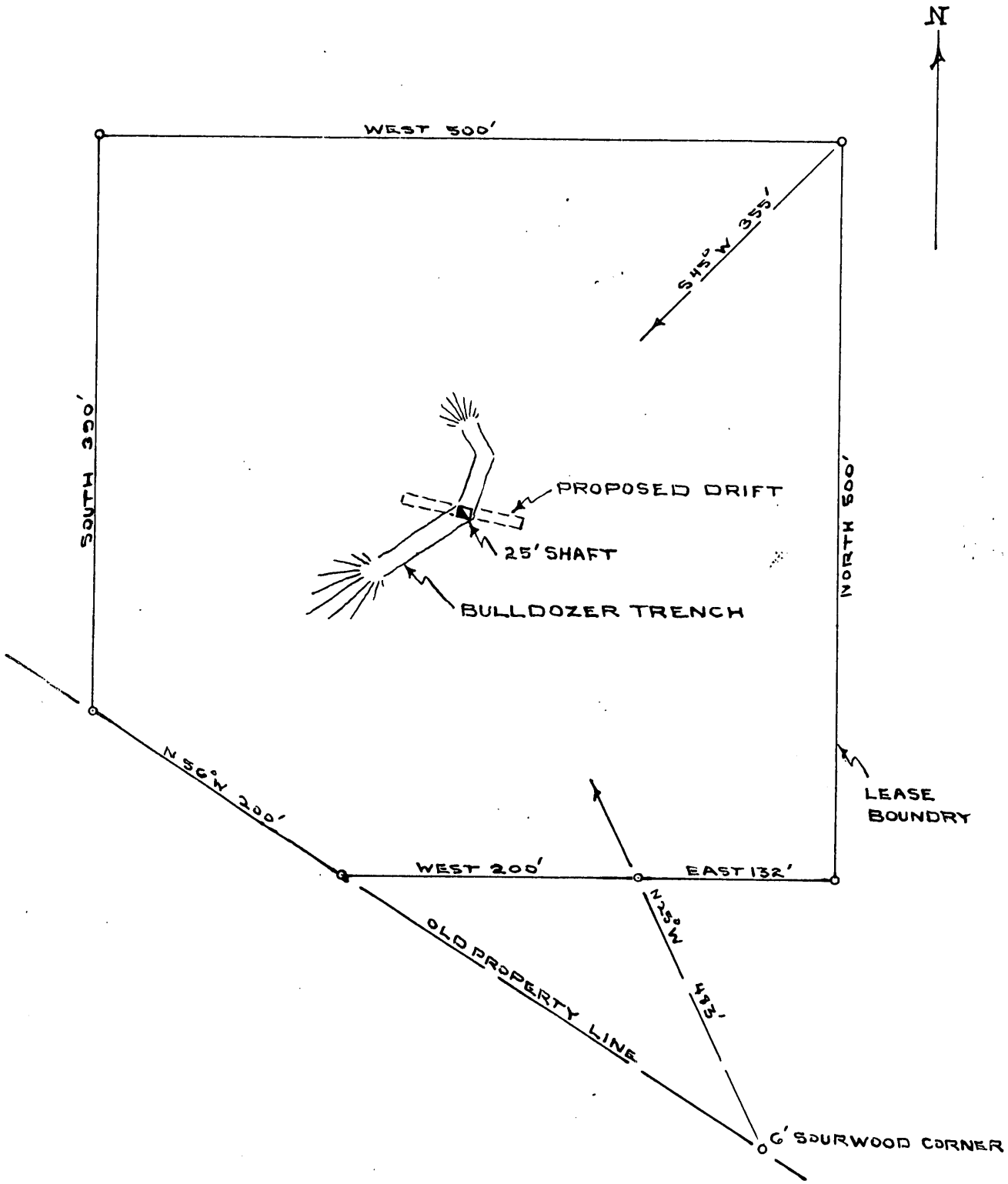
25 feet @ $24.40/ft.	610.00	

3. Shaft sinking

35 feet @ $43.00/ft.	1,505.00	

4. Drifting

80 feet @ $32.50/ft.	2,600.00	
Estimated Total Cost of Project		$4,832.00
Government Participation @ 75%		$3,624.00



FERGUSON MINE
DMEA-4002 (MICA)

SCALE: 1" = 100'

12/55 SCB

Docket No. 4002

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-E918

Date of Contract ~~amendment~~ February 14, 1956

Name and Address of Operator:
The Ferguson Mine Co., a partbership consisting of
Harry Moses, Ray Franklin and Dale Carter
C/O Harry Moses
Route #5, Franklin, North Carolina

Amount of Government participation $3,624.00

Percent of Government participation 75 %

Region: V State: North Carolina

JLC

Jay L. Chamberlin (Name) Chief,
Contract Administration & Audit Div

(Title)

Date Delivered to Bureau of Mines, Washington. 2/14/55

54458

OFFICIAL FILE COPY DMEA RECEIVED APR 3 1957		
DATE	INITIALS	CODE
4/3	C	220
4/3		800
		225

April 1, 1957

Mr. Charles J. Ferguson
Route 4
Franklin, North Carolina

Re: Docket No. DMEA-4002 - Mica
The Ferguson Mine Company
The Ferguson Mine
Macon County, North Carolina
Contract No. Idm-E918

Dear Mr. Ferguson:

Reference is made to the Consent to Lien which you executed in connection with the DMEA contract for an exploration project on your property located in Macon County, North Carolina.

For your information, there is enclosed a copy of our letter of March 21, 1957, to The Ferguson Mine Company, advising that the Government retains no claim or lien against the property described in the contract or any future production therefrom.

Very truly yours,

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

RAL/mg
Enclosure
cc
Operating Committee (3)
Lynch
Shirley
Files