DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sam C. Smith

Ingalls, North Carolina

pertaining to Exploration Project Contract No. Idm-E976, DMEA No. 4127, for the months of August 1956, to January 1957, inclusive, covering a project for the exploration of mica on property, known as the Doe Hill No. 2 Prospect located in Avery County, North Carolina.

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

This review was made in lieu of a final audit of the Operator's accounts and records for the following 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		$5,164.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,164.00

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 eight hundred seventy-three and no/100 Dollars

$3,873.00

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

E. D. Talbert, Auditor

February 15, 1957

Division copy

MF-200A
(Rev. April 1956)

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

RECEIVED
JUL 16 1956

EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4127	Mica	976	Avery	North Carolina

It is agreed JUL 23 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and SAM G. SMITH

whose mailing address is Ingalls North Carolina

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) 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 Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before ....., and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 7 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $5,164.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $3,873.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: none

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

(c) 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. 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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. 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 will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *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 all pertinent books, documents, papers, and records of the Operator.

(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 6. *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 the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), 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, for 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, 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, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(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 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 7. *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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

Sam G. Smith
SAM G. SMITH
(Operator)

By .....

.....

THE UNITED STATES OF AMERICA

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

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: 1956—O-383069

Andrews 6/22/56
Lawyer
"Appd. Sol. Off."
Hopkins
Hirsch
Chambers
Selfridge.

EXPLORATION PROJECT CONTRACT
SAM G. SMITH
DOCKET NO. DMEA-4127

RECEIVED
JUL 15 1983

ANNEX I

The land referred to in Article 2 of the contract is owned by the Operator and is described as follows:

Certain tract of land known as Doe Hill Mine No. 2, in Toe River Township, Avery County, North Carolina, 1.68 airline miles N. 73° E. from the intersection of Highways 19E and 194 at Ingalls, Avery County, North Carolina, with metes and bounds as follows:

Beginning on a 14 inch black gum and running south 82° east for 240 feet to a stake; thence south 1° west for 758 feet to a stake; thence north 84° west for 420 feet to a stake; thence north 4° west for 800 feet to a stake; thence south 82° east for 240 feet to the point of beginning, and containing 8.3 acres more or less.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator [redacted]
Docket No. DMEA-[redacted]
Contract No. Idm-E 976
Contract Date JUL 23 1956

RECEIVED
JUL 16 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of [redacted], State of [redacted], described as follows:1/ [redacted]

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 _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

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

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 12 day of July, 1956.

Sam G. Smith [Seal] Ingalls, N.C.

Bessie Smith [Seal] Ingalls, N.C.

_____ [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]

JUL 10 1953

EXPLORATION PROJECT CONTRACT
SAM G.SMITH
DOCKET NO. DMEA 4127

EXHIBIT "A"

Description of the Work

The approximate location of the exploration work is shown on the attached map No. 1 entitled "Bee Hill No. 2 Prospect, Avery County, North Carolina DMEA-4127 (Mica)." The location of the Bee Hill No. 2 Prospect in relation to Bee Hill No. 1 (which is being explored by the same Operator pursuant to Contract Idm-8900, Docket No. DMEA-3942) is shown on attached Map No. 2.

The work is divided into two stages as hereinafter described. The Operator shall perform the work in Stage I and shall perform as much of the work in Stage II as the Government approves in writing.

Stage I

1. Excavate a portal site as topographically low as possible (see map) having approximate dimensions of 30 feet by 30 feet by 15 feet deep.

Stage II

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 feet.

The toolhouse may be unfloored; shall be made from rough 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 doors shall be securely locked with the equivalent of a 3-tumbler jarproof lock.

2. Drive not more than 150 feet of an adit drift and/or crosscut to explore the contact zone, and crosscut pegmatite to intercept parallel mica structures.

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

All work shall be timbered as necessary.

The adit drift and/or crosscut shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

Fixed Unit Costs

Stage I

1. Preparation of Portal site

Excavate area 30 feet by 30 feet by 15 feet - 833-1/3 cu. yds. @ $0.30/cu. yd.		$ 250.00

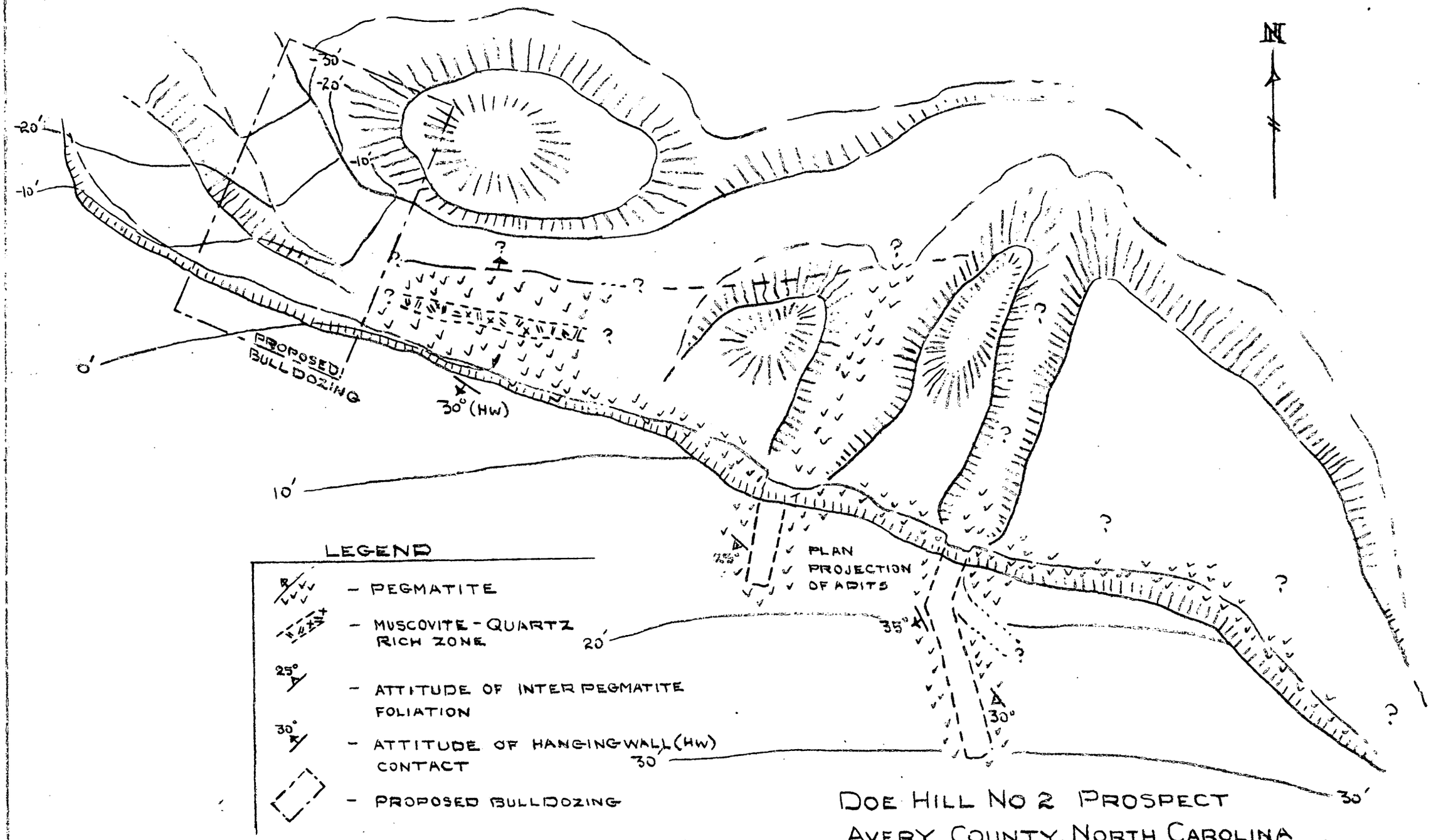
Stage II

1. Construct:

Toolhouse	$ 75.00	
Powder Magazine	25.00	
Exploder Magazine	14.00	114.00

2. Drive 150 feet of adit drift and/or crosscut @ $32.00/ft. 4,800.00

Estimated Total Cost of Project	$5,164.00
Government Participation @ 75%	$3,873.00



DOE HILL NO 2 PROSPECT
AVERY COUNTY, NORTH CAROLINA
DMEA - 4127 (MICA)

SCALE: 1" = 20'

RECEIVED
JUL 1 3 1556

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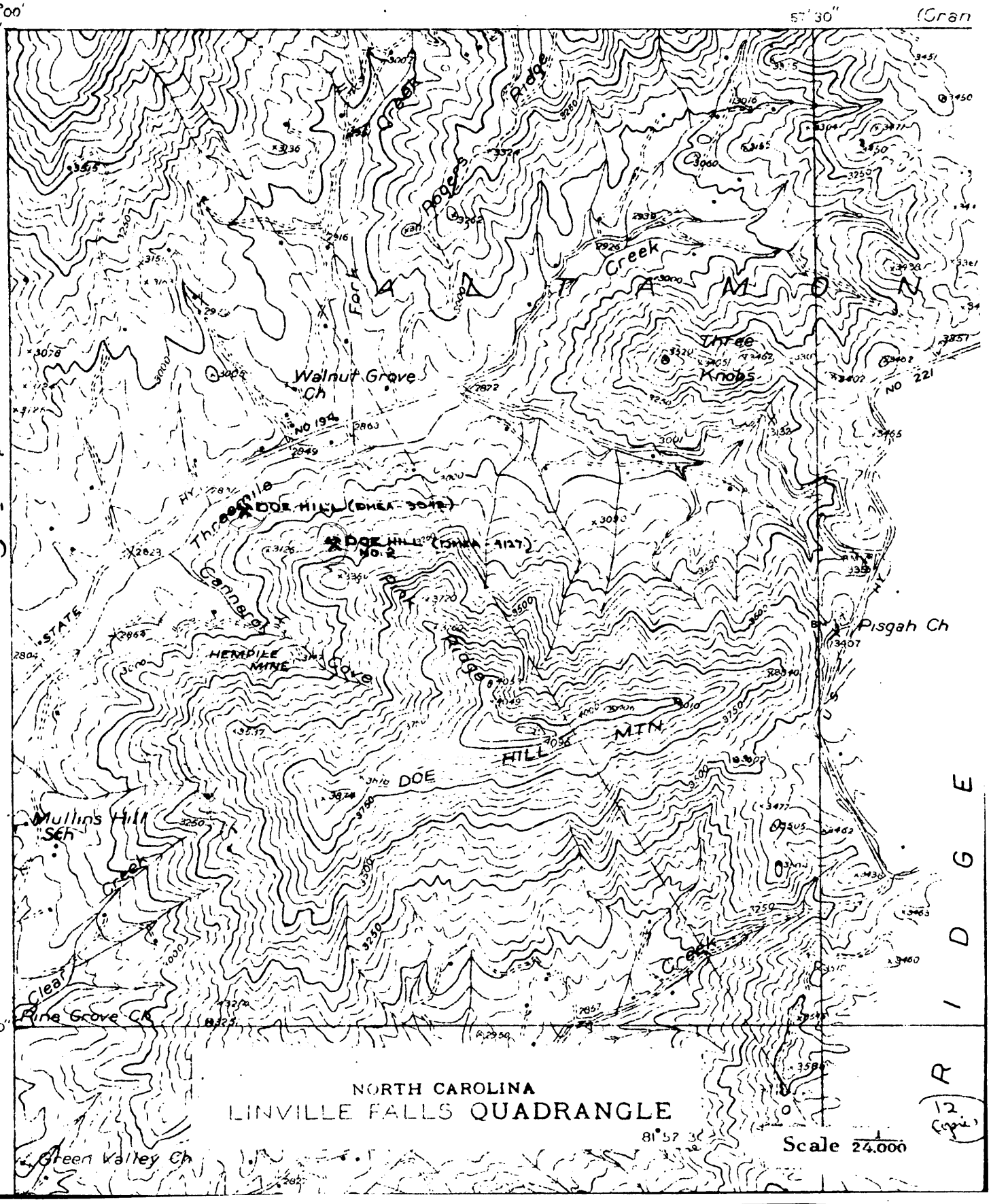
APR 30 1956

DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY



RECEIVED
JUN 29 1958

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JUL 16 1956

August 20, 1957

Project Summary Report

By: Walter C. Anderson, Division of Nonmetallic Minerals

1. Docket No. DMEA-4127-Mica
Contract No. Idm-E976
Doe Hill No. 2 Mine
Avery County, North Carolina

Application: Form MF-103 (April 1952) received January 16, 1956.
Work Proposed by Applicant:
"Tunnel" at least 200 feet
Amount requested $7,080.00

Operator: Sam G. Smith
Ingalls, North Carolina

Operator's Property Rights: Owner

2. Contract: Form MF-200A (April 1956) dated July 23, 1956.
Work Authorized:

Stage I	
Excavation - 833 1/3 cu. yds. @ $0.30/cu.yd.	$250.00
Stage II	
Construction - Toolhouse, powder & exploder magazines	$114.00
150 feet of adit @ $32.00/ft.	4,800.00
Estimated total cost of project	$5,164.00
Government participation @ 75%	$3,873.00

Amendments: None
Work Completed: Same as authorized.

Project began August 1, 1956 and was completed on January 12, 1957. Field Team Final Report received June 26, 1957. Operator's Final Report received January 24, 1957. No equipment purchased under contract. Production during project - about 150 pounds of small block mica, (waiting for report on this).

3. Audit: Report of Review issued February 15, 1957.

Total accepted cost	$5,164.00
Government participation @ 75%	$3,873.00

4. Certification of Discovery - None issued.

Comments:

How Conducted: All of the work in which the Government participated was satisfactory.

Operation: Good, and all the work of the contract was completed on time.

Engineering: Operator submitted satisfactory reports.

Geologic Premise: The good strategic mica potential as indicated at the surface was not borne out by the adit work.

Geologic Criteria Upon Which Work Was Based:

1. Pegmatite: 80 foot width exposed in an old cut, conformably enclosed in a soft, highly weathered dark brown schist and gneiss. Pegmatite is composed predominantly of weathered sodic-plagioclase feldspar; in which lies a 4 by 30 foot mica-rich zone.

2. Mica: 20 to 40 percent of mica zone is composed of green, flat-A muscovite in books up to 12 inches in diameter.

Geologic Criteria Developed During Project:

1. Pegmatite: Thick, arch shaped, concordant with foliation of enclosing mica gneiss. No systematic zoning and no mica-rich zone was encountered. Consists of plagioclase, perthite, sericite, and biotite.

2. Mica: The small amount recovered is green, and flat-A, with lesser amounts being mineral stained and Wedge-A.

Future Possibilities: Additional exploration is not warranted.

Recommendations: The Division of Nonmetallic Minerals and the Commodity Member of the Bureau of Mines concur in the Field Team's recommendation not to certify. However, the Geological Survey Member questioned non-certification, contending that raising might be justified to encounter the mica zone exposed at the surface. The Nonmetallic Minerals Division had requested a re-appraisal of the approach to exploring this pegmatite, and suggested a 50 foot shaft on mica-rich portion and drifting. The Field Team objected and we reluctantly acceded. Perhaps we should have insisted. A closing letter to the Operator is being held in abeyance until he accounts for the disposition of about 150 pounds of mine-run block mica recovered during the project. This has been requested by Field Team letters of June 21 and July 24, 1957.

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi 8/20/57
Copy to: Admr. R. File
Mr. Houk

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/5	Fisher	800
11/6	Talbert	800
	Miramed	500
11/6	GCS	130
"	J. Johnson	110
		~~240~~
11/10	RCW	220
11/10	gla	500

225

NOV 6 1959

Memorandum

To: Executive Officer, OME Field Team, Region V

From: Chairman, Operating Committee

Subject: Docket No. DMEA-4127 (Mica)
Sam G. Smith
Doe Hill Mine No. 2
Avery County, North Carolina
Contract No. Idm-8976

Your memorandum dated February 12, 1959, stated that Howard Smith, son of the subject Operator, promised to determine the amount received for mica produced from Doe Hill Mine No. 2 and would see that the royalty due the Government under terms of the subject contract was paid. This office has no record of either payment of the amount due or any subsequent action to effect the collection.

Advice as to the present status of your collection efforts would be appreciated. Payment of this royalty is required prior to closing the docket and releasing the lien on the property.

George C. Selfridge

(~~JB~~)

APPROVED:

Frank D. Lamb (~~JB~~)
Member, Bureau of Mines

Harold Kirkemo (~~JB~~)
Member, Geological Survey

CEFisher/ama
November 5, 1959

Copy to: Docket
Director's Reading File
Operating Committee
CA & A Division
Mr. M. L. Skow, USBM
Mr. Harold Kirkemo, USGS

43683

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

EXTRA COPY
O. M. E.
RECEIVED FEB 16 1959

DATE	INITIALS	CODE

February 12, 1959

Memorandum

To: Operating Committee, OME - Washington, D. C.

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

Subject: DMEA-4127, Idm-8976, Sam G. Smith, Three Mile, N.C.
Doe Hill Mine No.2, Avery County, N. C.

Reference is made to your letter of February 4, regarding disposition of about 150 pounds of mine-run mica recovered by the subject exploration work.

Mr. V. J. Lynch and Mr. Wm. A. Beck of this office called on Howard Smith, son of the Operator and land owner, in this regard February 9. Mr. Smith stated this mica may have been sold to Stokes Buchanan in 1957, who in turn processed it and sold it along with some mica from the Cook mine. The records at the Spruce Pine Mica Depot shows a sale of 15.57 pounds of mica was made by the 3 & B Mining Co., by Stokes Buchanan on March 8, 1957. $146.37 was received for this mica. As it was reported as having been produced from both the Doe Hill and Cook mines, it is not known what mica came from each mine.

Howard Smith stated he would look at the records of his father and determine what was paid for the mica and he would see that the royalty was paid.

Robert A. Laurence

WAB/mm
cc
Lynch
Files
Opr. Com-2

FEB 4 1959

Mr. Robert A. Laurence
Executive Officer, OSE
Field Team, Region V
Room 2-B, Post Office Bldg.
Knoxville 2, Tennessee

Re: Docket No. DMSA-4127-Mica
Sam G. Smith
Doe Hill Mine No. 2
Avery County, North Carolina
Contract No. Ma-2976

Dear Mr. Laurence:

Reference is made to your letter of June 21, 1957, and follow up letter of July 24, 1957, to Mr. Sam G. Smith regarding disposition of about 150 pounds of mine-run black mica recovered by the subject exploration work. To date, we have not received a copy of the reply to that correspondence.

We need this information to close out the docket, and would appreciate if you would obtain it at your earliest convenience. If no sale has been made, we should at least know the estimated value of the mica for which the Government should receive a royalty payment.

Sincerely yours,

George C. Seifridge

Chairman, Operating Committee

Approved:

H. G. Iverson

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

WCAndersen:gad 1/28/59
Copy to: Dir. R. File
Operating Committee
Mr. Kiilsgaard
Mr. Dietrich
Mr. Houk

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

EXTRA COPY
DMEA
RECEIVED JUL 23 1957

DATE	INITIALS	CODE

July 24, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4127, Idm-E976(mica) Sam G. Smith, Ingalls, N.C.
Doe Hill No.2 Prospect, Avery County, N.C.

Reference is made to your letter of July 18, 1957.

No reply to my letter of June 21 has been received. I am writing to the Operator again today, requesting the same information and payment of royalties due.

We have no data on the value of the 150 pounds of mica recovered, as it was removed from the site for processing before our Field Edaminers had an opportunity to see it. It was probably of somewhat less than average value.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

Lynch
Laurence
Shirley
Files

RAL/zm

7/24/57

~~Applications~~

~~Delegated~~
~~A.S.~~

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

EXTRA COPY
DMEA
RECEIVED JUL 26

DATE	INITIALS	CODE

July 24, 1957

Mr. Sam G. Smith

Ingalls, North Carolina

Re: DMEA-4127, Idm-E976 (mica)
Doe Hill No.2 Prospect
Avery County, N.C.

Dear Mr. Smith:

On June 21, I wrote you concerning payment of royalties due on mica recovered from the Doe Hill No.2 Prospect, during the exploration project. No answer has been received.

Please give this matter your immediate attention, so that we may complete our records. Royalty is due on all minerals mined at the Doe Hill No.2 Prospect between July 23, 1956 and July 21, 1957 whether or not a certification of discovery is issued. This applies to punch and scrap as well as to strategic mica sold to the Government depot.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/zm
cc
Opr. Com.
Lynch
Shirley
Files

600

JUL 18 1957

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

Re: Docket No. DMA-117-Mica
Dan J. Smith
Doe Hill Mine No. 2
Avery County, North Carolina
Contract No. Idm-5976

Dear Mr. Laurence:

Reference is made to your letter of June 21, 1957, to the Operator, regarding disposition of about 150 pounds of mine-run block mica which was recovered under the subject exploration contract.

In order to close out the contract, we will appreciate receiving a report concerning the value of this mica.

Sincerely yours,

Approved:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

W. S. Martin
ACTING Chairman, Operating Committee

WCAnderson:rsi 7/15/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

EXTRA COPY
DMEA
RECEIVED
DATE | CODE

July 17, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4150 (mica)

Applicant: Fred and Grady Toney

Name and Location of Property: Claude Blanton Property, Rutherford County, North Carolina

Contract Number: Idm-E 974

Date of Field Team Report: 6/24/57

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 7/1/57

Field Team Recommendation: Recommend that no certification of discovery be issued.

Comments:

1. A contract was awarded on July 23, 1956, approving expenditure of $5,412.00 for exploration of a 3 to 6 foot mica-rich pegmatite by shaft sinking and drifting.

2. No mica of strategic quality was produced from 32 feet of shaft and 80 feet of drift which was entirely in pegmatite.

3. Expenditures -

Total approved	$5,412.00
Total cost	4,202.00
Gov't. share of the cost	3,151.00
Value of production during operation	None

Recommendation:

I concur with the recommendation of the field team that no certification of discovery be issued.

Signed
W. F. Dietrich

July 2, 1957
Re: DMEA 4127, Idm-E976
Sam G. Smith
Doe Hill No. 2 Prospect
Avery County, North Carolina
Mica

Memorandum

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

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

Subject: Review of Field Team Final Report

The contract, awarded July 23, 1956, approved the expenditure of $5,164.00 on bulldozing, crosscutting and drifting on a large, zoned pegmatite exposed in trenches. The alloted funds were spent.

Where exposed in a trench the pegmatite shows a 4 x 30 foot mica-rich zone from which 200-300 pounds of mine-run book mica was recovered. Work under DMEA assistance consists of bulldozing a portal site, 105 feet of crosscutting to the down dip extension of the hanging wall of the pegmatite and 50 feet of drifting on the hanging wall.

The map indicates the crosscut was in pegmatite from the portal to its end, but no mica-rich zone was cut although the crosscut passed under the showing in the trench. As no elevations or cross sections are given, it is not possible to know the height relationship of the crosscut to the trench showing, but a rough plotting suggests the crosscut is perhaps 40-50 feet below the floor of the trench. If so, the mica-rich zone may plunge enough to the east or west to have been missed by the crosscut, but some indication of the zone should be discernible. Did the 135 pounds of book mica yielded by the contract come from one place?

A bit of investigative work appears warranted. If the mica-rich zone was promising enough to justify the crosscut, a raise or other work might be justified and such in turn might justify a certification.

A large and slightly irregular pegmatite is involved. I request a second thought before the recommended non-certification is issued.

N. E. Nelson

N. E. Nelson

Copy to: W. F. Dietrich, 3061
Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
Chron. file

NENelson:pbb G: 7/2/57

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

June 21, 1957

EXTRA COPY
D M E A
RECEIVED JUN 24 1957

DATE	INITIALS	COPY
6/24	Herb	600

Mr. Sam G. Smith

Ingalls, N. C.

Re: DMEA-4127 (mica)
Doe Hille No.2 Prospect
Avery County, N.C.
Contract No. Idm-E976

Dear Mr. Smith:

Your letter of January 14, 1957 states that about 150 pounds of mine-run block mica was recovered during the work done under the subject exploration contract.

Please note that, according to Article 6b of the contract, a royalty is due the Government on all minerals recovered between the contract date and six months after submittal of your final report.

If any of this mica has been sold, please send a check for 5% of its value. This applies to all mica mined between July 23, 1956 and July 21, 1957.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

Cpr. Com.-3
Lynch
Shirley
Files

RAL/zm

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

June 24, 1957

EXTRA COPY
DMEA
RECEIVED JUN 26 1957

DATE	INITIALS	CODE
		1302
7/1	C	220
7/1	H	600

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Report: DMEA-4127, Idm-E976-mica
Sam G. Smith, Ingalls, N. C.

Transmitted arefour copies of the subject report.

The Field Team is in agreement with the Field Examiners that no certification of discovery should be issued.

EXECUTIVE OFFICER
DMEA FIELD TEAM
REGION V

V. J. LYNCH
MEMBER, BUREAU OF MINES

ZM.

cc
Lynch
Shirley
Files

Reviewed by
DMEA OPERATING COMMITTEE
6-28-57
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

130
220

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

DMEA-4127, DOE HILL No.2 PROSPECT
(mica)
Avery County, N. C.

By

S. C. Bergman, Geologist
Geological Survey
and

L. E. Shirley, Mining Engineer
Bureau of Mines

June 21, 1957

Reviewed by
DMEA OPERATING COMMITTEE
6-28-57
(date)

FIELD TEAM FINAL REPORT

On

DMEA-4127, Idm-E976, DOE HILL NO.2 PROSPECT (mica)
Avery County, N. C.

Operator: Sam G. Smith, Ingalls, North Carolina

SUMMARY

A total of 150 feet of drifting completed on this contract failed to reveal any significant quantity of strategic mica. All the work was confined to a thick feldspathic pegmatite. No suggestion of a mica-bearing zone or shoot was encountered. It is recommended that no certification of discovery be issued. Additional exploration is not warranted.

INTRODUCTION

Location

The Doe Hill No.2 Prospect is on the northern extension of Pink Ridge, on the northern slopes of Doe Hill Mountain at an elevation of about 3175 feet. It is 1.68 airline miles N 73°E of the intersection of U.S.Highway 19E and State Highway 194 at Ingalls, Avery County, North Carolina (Linville Falls, N.C. Quad. TVA ed 1934,1/24,000).

Previous Exploration

Exploratory work completed prior to the contract consisted of bulldozer cuts and two short adits. A cut over 200 feet long and 75 feet wide at the maximum dimension had been bulldozed along the strike of the pegmatite on the north slope of Doe Hill Mountain (see attached map). The long direction of the cut trends about N 70° W. Two parallel, crosscutting trenches 40-50 feet long were made near the eastern end of this cut with adit extensions 19 and 36 feet long from the south end of the trenches (see attached map). All these trenches and adits are entirely in pegmatite. A 30 x 4-ft, mica-rich zone is exposed in the bottom of the long cut.

Outline of Contract Work

A unit-cost exploration contract was authorized on July 23, 1956. Actual work under the contract began on August 1, 1956 and was completed January 12, 1957. A bulldozer trench 90 feet x 20 ft. by 8 ft deep and trending about N 30° W was made as a portal site for an adit. A toolhouse, powder and exploder magazines were constructed and a total of 150 ft of levels were driven. Level work

consisted of 105 ft. of crosscut and 45 ft. of drift along the hanging wall of the pegmatite. The openings are 5 x 7 ft. in cross-section and were partially timbered.

The crosscut was driven southward from the portal site 105 ft as follows: 32 ft. in a S 33°E direction, then 16 ft. S 12°E., then 27 ft. S 10°W and last 30 ft. S 28°W. At a point 5 ft. from the head of the cross-cut drifts were driven along the hanging wall of the south limb of the pegmatite; 24ft. in a N40°W direction and 20 ft. S40°E.

GEOLOGY

Exploration revealed a thick, arch-shaped pegmatite. The body strikes approximately N 70°W and plunges gently to the northwest. It is concordant to the foliation of the enclosing country rock, a mica gneiss. On the southwest limb of the arch at the rim of the long cut the hanging wall contact of the pegmatite with the country rock dips about 30° SW but increases 40 to 50°SW at the head of the cross-cut (see attached map). The hanging wall contact of the north limb dips northward.

The pegmatite consists of plagioclase, perthite, quartz, muscovite, sericite and biotite, in order of abundance. The muscovite is green and flat-A with lesser amounts being mineral-stained and wedge-A. The body does not exhibit any systematic zoning but does contain irregularly distributed lenses and concentrations of quartz and/or muscovite. In general, these features are parallel to the strike of the pegmatite. A four-foot thick mica-rich zone is exposed in the bottom of the pre-contract bulldozer cut (see attached map). This zone was not encountered in the adit. Locally, a crude intra-pegmatite foliation is developed. It is conformable to the schistosity of the country rock.

PRODUCTION AND RESERVES

About 200 to 300 lbs of mine-run book muscovite was recovered from the bulldozing done prior to the contract. Contract work yielded about 135 lbs of mine-run book mica. No reserves of strategic mica were indicated by the work done under the contract nor can any be inferred.

Expenditures

(a)	Total amount of contract	$5,164.00
(b)	Total cost of project	5,164.00
(c)	Governments share of cost	3,873.00
(d)	Value of production	unknown
(e)	Royalty received to date	none

RECOMMENDATIONS

Exploration failed to reveal any concentration of strategic mica. It is recommended that no certification of discovery be issued. Additional exploratory work at this prospect is not warranted.

June 21, 1957

S. C. Bergman, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

DHA/zm

DOE HILL NO. 2
AVERY COUNTY, NORTH CAROLINA
DMEA - 4127 (MICA)

SCALE: 1" = 20'

SCB 3/57

EXTRA COPY,
D M E A
RECEIVED JUN 26 1957

DATE	INITIALS	CODE

INTERIM REPORT

DMEA-4127, Idm-E976 (mica) DOE HILL NO. 2 MINE

RECEIVED JAN 17 1957 DMEA

Operator: Sam G. Smith, Ingalls, N. C.

Location: 1.68 airline miles N73°E from the intersection of Highways 19E and 194 at Ingalls, Avery County, N. C.

Drifting has been completed on this contract, and the work consisted of driving 150 feet of adit in pegmatite. Certification of this contract cannot be recommended because of the absence of reserves. Approximately 135 pounds of mine-run book mica was recovered from this work. The pegmatite appears to be an extremely large feldspathic body containing scattered small quartz and occasional mica. Drift exploration along the hanging wall of the body did not divulge mica of any consequence. No additional exploration at this mine is recommended.

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

S. C. Bergman, Geologist
U. S. Geological Survey

January 23, 1957

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

EXTRA COPY DMEA RECEIVED JAN 22 1957		
DATE	INITIALS	CODE
1-24	C	220
		600

H

January 22, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Operator's Final Report, DMEA-4127, Idm-E976 - Mica
Sam G. Smith, Ingalls, North Carolina
Doe Hill No. 2 Mine, Avery County, North Carolina

Enclosed are the original and three copies of the subject report.

Robert A. Laurence

RAL/mg
Enclosures 4

cc
Operating Committee (2)
Lynch
Shirley

EXTRA COPY
DMEA
RECEIVED JAN 24 1957
DATE | INITIALS | NOTE
DMEA 4127
Idm E976

Ingalls N. C.
Jan. 14, 1957

Mr. Robert A. Laurence
DMEA Executive Officer
Region V
Room 13, Post Office Building
Knoxville, Tenn.

Dear Sir:

This is a final and complete report on Doe Hill Mine No. 2.

I began operations on September 3, 1956. After having the bulldozing done I lowered the beginning cut about 8 feet under the supervision of the field men. Started drilling and shooting in the vien. I pulled north 100 feet through vein rock, then encountered back slate, turned and got a few pounds of block mica, pulling toward the east end of vien. I then turned right handed and pulled 25 feet on the south end of vein, pulling through hard vein all the time. I finished out 25 feet more in a softer vein.

I recovered around 150 pounds of small block mica during the entire operation.

When this mica is processed and sold I will send you a copy of the sale and a check for your 5% of total sale.

Thank you very much and please accept this letter as my final report.

Yours truly
Sam G. Smith
Sam G. Smith, Operator

RECEIVED
JAN 21 1957
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Dec. 1956 & Jan 1957 Docket No. DMEA 4127 Contract No. Idm-E 976
Operator's Name Sam G. Smith Minerals Mica
Address Ingalls, N. C.
Contract Amount, $5,164.00 Government Participation: 75 % Amount, $3,875.00

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 Portal Site		250.00	250.00		250.00	250.00
Crosscutting						
Drifting	1600.00	3200.00	4800.00	1600.00	3200.00	4800.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives Magazine	14.00		14.00		14.00	14.00
Powder Magazine	25.00		25.00		25.00	25.00
Tool House		75.00	75.00		75.00	75.00
(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	1639.00	3525.00	5164.00	1600.00	3564.00	5164.00

RECEIVED JAN 31 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1-14-57 *Payee Sam G. Smith
Per Sam G. Smith Title Operator

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1200.00
Signature Helen R. Miller
(Authorized Certifying Officer)
Date JAN 29 1957 Vou. No.
(See other side)

400.00

(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-976 in accordance with the terms of the contract.

Signature S. C. Bergman Title GEOLOGIST, U. S. G. S. Date JAN 28 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date JAN 28 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
JAN 31 1957
D.M.E.A.

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

Month of Dec.1955 & Jan. 1957 195.... Docket No. DMEA 4127 Contract No. Idm-E 976
Operator's Name Sam G. Smith Minerals Mica
Address Ingalls, 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	Feet	1600.00	50	4800.00	150	32.00	150	4800.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Exploder Magzn.	1	14.00	1	14.00	1	14.00	1	14.00
Powder Magazn.	1	25.00	1	25.00	1	25.00	1	25.00
Tool House				75.00	1	75.00	1	75.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing Portal				250.00	1	250.00	1	250.00
TOTAL DISTRIBUTED COSTS		1639.00		5164.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1639.00		5164.00				

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 1-14-57 Operator Sam G Smith

Per Sam G. Smith Title Operator.

REMARKS: This is the final report.

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

(Instructions on reverse)

(For Government use only) S. C. Berryman

GEOLOGIST, U. S. G. S. JAN. 20 1957

Cost of magazines ($39.00) paid on August Voucher.

RJL.

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

Doe Hill No. 2, Mine

DMEA-4127 Idm-E 976

Sam G. Smith Operator

RECEIVED JAN 31 1957 D.M.E.A

NARAATIVE REPORT OF WORK ACCOMPLISHED

FINAL REPORT*

12-3 Drilled , shot and mucked.

12-4 Drilled, shot and mucked. Vein harder with flint in bottom

12-5 Finished mucking out-Laid tracking.

12-6 Drilled and shot- Put in water and pipe line.

12-7 Mucked out all day.

12-10 Drilled and shot, mucked and laid track.

12-11 Drilled and shot and mucked.Vein spreading, flint in bottom, Hit back slate.

12-12 No work- waiting on field men. No work on 13th. 14th. 15th.

12-17 Visited by the field men who inspected and measured work done.

12-18 Mucked and laid track.

12-19 Turned left and drilled, following back hanging wall.

12-20 Drilled and shot, vein dipping and getting softer.

12-21 Mucked out, drilled and shot.Flint still in bottom.Vein leveling off.

12-24 Drilled, shot, got some little mica.

12-26 Mucked out, drilled and shot, vein harder in bottom.

12-27 Mucked out and laid track

12-28 Drilled, shot and mucked. Started new heading turning right handed.

12-31 Drilled, shot and mucked.
Jan. 1957

1-1 Drilled, shot and mucked

1-2 Drilled, mucked and shot. vein softer in heading.

1-3 Mucked, worked on Air-Compressor and pipe line.

1-4- Drilled, shot and mucked.

1-7 Drilled, shot. vein still soft in heading.

RECEIVED
JAN 31 1957
D.M.E.A.

1-8 Mucked out, drilled and shot.

1-9 Visited by field Team. Mucked out, drilled and shot.

1-10 Mucked, drilled and shot.

1-11 Mucked, drilled and shot, laid track.

1-12 Mucked, drilled and shot and mucked clean. This finished pulling the footage called for by contract.

Letter of final report attached.

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

INTERIM REPORT

DMEA-4127, Idm-2976 (mica) DOE HILL NO. 2 MINE

Operator: Sam C. Smith, Ingalls, North Carolina
Location: 1.68 airline miles N 73°E from the intersection of Highways 19E and 194 at Ingalls, Avery County, N. C.

Drifting on this contract is nearing completion and is now at 145 feet, an advance of 41 feet during the interim. The operator was advised to pull one additional heading to complete footage authorized by contract.

Drifts were drive to the northwest and southeast from the crosscut back in close proximity to the hanging wall contact. The body continues to be feldspathic and quartz-mica material is sparse. Mica recovered from recent drift work has been scant and could not be examined at the time of this visit. The operator estimated 100 pounds of recovery from 41 feet of drift.

Another visit will be made to the mine in the near future.

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

S. C. Bergman, Geologist
U. S. Geological Survey

January 9, 1957

RECEIVED
DEC 20 1956
Raleigh

INTERIM REPORT

DMEA-4127, Idm-E976 (mica) DOE HILL No. 2 MINE

Operator: Sam G. Smith, Ingalls, North Carolina

Location: 1.68 airline miles N73°E from the intersection of Highways 19E and 194 at Ingalls, Avery County, North Carolina

Drifting continues on this contract and is now at 104 feet. At this point the hanging wall was intercepted and exposed in the roof of the drift. The contact strikes N65°W and dips 40 to 55°SW. The body continues to be primarily feldspathic with scattered quartz and small mica, mostly in scrap sizes, at intervals. The last 15 feet has been driven in a S50°W direction and no appreciable difference was noted in the material.

Instructions were given for continued work along the hanging wall.

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

A. R. Taylor & S. C. Bergman
Geologists, U. S. Geological Survey

December 10, 1956

Region V

P.O. Box 217
December 7, 1956

Memorandum

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

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

Subject: Monthly report and voucher

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

Idm-E976 Sam G. Smith
Docket No. DMFA-4127
4th payment - month of November
Amount $888.00

Helen R. Miller

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1956 Docket No. DMEA 4127 Contract No. IGB 976
Operator's Name SAM G. SMITH Minerals MICA
Address THURLS, N. C.
Contract Amount, $6,164.00 Government Participation: 75 % Amount, $3,875.00

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 Portal [illegible]		250.00	250.00		250.00	250.00
Crosscutting						
Drifting	1204.00	2016.00	3200.00	1184.00	2016.00	3200.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Tool House		75.00	75.00		75.00	75.00
					25.00	25.00
(4) Operating Equipment:					14.00	14.00
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	1204.00	2341.00	3525.00	1184.00	2380.00	3564.00

RECEIVED DEC 10 1956

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

Date 12-6-56 *Payee Sam G Smith

Per SAM G. SMITH Title OPERATOR

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

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

(Instructions on reverse)

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

$ 888.00

Signature Helen R. Melin
(Authorized Certifying Officer)

Date DEC 7 1956 Vou. No. 90
(See other side)

296.00

(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-976 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title GEOLOGIST, U. S. G. S. Date DEC 6 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICE DMEA - REGION V Date DEC 6 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 10 1956 D.M.E.A.

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

Month of Nov. 1956 Docket No. DMEA 4122 Contract No. [illegible]
Operator's Name Sam G. Smith Minerals [illegible]
Address [illegible], N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	foot	1184.00	37	3500.00	102	34.00	150	4200.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Tool Course	1			75.00	1	75.00	1	75.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulkhead	1			250.00	1	250.00	1	250.00
TOTAL DISTRIBUTED COSTS		1184.00		3525.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1184.00		3525.00				

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 12-4-56 Operator Sam G Smith

Per Sam G. Smith Title Operator

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Alfred R. Taylor
GEOLOGIST, U. S. G. S.
DEC 6 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

BOS HILL NO. 2 MINE
DMEA-4127 — Ida-6 976

SAM G. GUIN, OPERATOR

RECEIVED
DEC 10 1956
D.M.E.A.

NARRATIVE REPORT OF WORK ACCOMPLISHED

11-1 Drilled and shot. Vein harder in heading, some small mica.

11-2 Mucked out, laid tracking.

11-5 Cut timbers and extended pipe lines.

11-6 SET timbers.

11-7 Mucked.

11-8 Drilled, shot. vein harder with flint.

11-9 Mucked.

11-12 DRILLED, shot and mucked.

11-13 Mucked.

11-14 Drilled, shot and mucked.

11-15 Drilled shot and mucked. Vein harder. got about 20 pounds mica.

11-16 Mucked, drilled and shot.

11-19 Mucked and laid track.

11-20 Drilled and shot. Some mica in top and right side of heading.

11-21 Mucked, ~~stations~~ drilled and shot.

11-22 Mucked. Some small mica in right side of heading.

11-23 Drilled, shot. Vein raising in top of heading.

11-26 Mucked, drilled and shot.

11-27 Mucked and laid more tracking.

11-28 Drilled and shot. Vein harder with flint and small mica.

11-29 Mucked and worked on pipe line.

11-30 Drilled, shot and worked on tracking.

INTERIM REPORT

DMEA-4127, Idm-E976 (mica) DOE HILL No. 2 MINE

Operator: Sam G. Smith, Ingalls, North Carolina
Location: 1.68 airline miles N73°E from the intersection of Highways 19E and 194 at Ingalls, Avery County, North Carolina

Drifting continues on this contract and now totals 89 feet. The last 25 feet of adit has been driven N15°W in feldspathic pegmatite containing scattered coarse crystals and more quartz than originally observed. Mica production remains sparse and is of generally small sizes. The operator was advised to continue driving to the hanging wall and upon interception to follow that contact.

The operator was advised to continue timbering those areas where large partings have developed in the roof and to scate the overhead after blasting.

Scale

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

A. R. Taylor & S. C. Bergman
Geologists, U. S. Geological Survey

November 26, 1956

INTERIM REPORT

DMEA-4127, Idm-E976 (mica) DOE HILL No. 2 MINE

Operator: Sam G. Smith, Ingalls, North Carolina
Location: 1.68 airline miles N73°E from the intersection of Highways 19E and 194 at Ingalls, Avery County, North Carolina

Drifting continues on this contract and now totals 68.5 feet; 40 feet have been driven S30°E and 28.5 feet essentially due south. Material encountered has not changed appreciably from that reported in the last interim report and mica production has not increased. Approximately 80 pounds of mine run book mica has been produced from total drift to date.

Suggestions were made concerning necessary timber work near the present working face. The operator was advised to gradually alter his drift direction to facilitate mucking and to reach the hanging wall of the body earlier. Recent progress on this contract has been slow.

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

A. R. Taylor, S. C. Bergman
Geologists, U. S. Geological Survey

November 12, 1956

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

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Oct., 1956 Docket No. DMEA 4127 H Contract No. IdM-E 976

Operator's Name Sam G. Smith Minerals Mica

Address Ingalls, N. C.

Contract Amount, $5,164.00 Government Participation: 75 % Amount, $3,875.00

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 Portal Site		250.00	250.00			
Crosscutting						
Drifting	960.00	1056.00	2016.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe Tool House		75.00	75.00			
Track Powder Magzn.		25.00	25.00			
Exploder Magzn.		14.00	14.00			
(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	960.00	1420.00	2380.00	960.00	1420.00	2380.00

RECEIVED NOV 16 1956 D.M.E.A.

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

Date Oct. 3, '56 Payee Sam G Smith

Per Sam G. Smith Title Operator

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

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

(Instructions on reverse)

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

$ 720.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date NOV 14 1956 Vou. No. 89
(See other side)

3

240.00

(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. Tdm-E 916 in accordance with the terms of the contract.

Signature Laurence E. Shurley Title Mining Engr. U.S.B.M. Date Nov. 7, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title DMEA EXECUTIVE OFFICER REGION V Date NOV 8 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 16 1956 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct. 195 6 Docket No. DMEA 4127 Contract No. 976

Operator's Name Sam G. Smith Minerals Mica

Address Ingalls, In. 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	Feet	960.00	30	2016.00	63	32.00	150	4800.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Tool House	1			75.00	1	75.00	1	75.00
Exploder Magazine	1			14.00	1	14.00	1	14.00
Powder Magazine	1			25.00	1	25.00	1	25.00
Trenching								
Test Pits								
Roads and Trails								
Bulldozing Pt. Site	1			250.00	1	250.00	1	250.00
TOTAL DISTRIBUTED COSTS		960.00		2380.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		960.00		2380.00				

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 Nov. 3, 1956 Operator Sam G Smith

Per Sam G. Smith Title Operator

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Lawrence E. Shirley - Mining Engr.
U.S.B.M. - Nov. 7, 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

DOE HILL NO. 2 MINE
DMEA-4127 IDM-E 976
MICA

NARRATIVE REPORT OF WORK ACCOMPLISHED.
SAM G. SMITH, OPERATOR

10-1 No work

10-2 Mucked.

10-3 Laid track, drilled and shot.

10-4 Mucked out.

10-5 Cut Mining timber and set up the timber.

10-8 Finished setting in timber and drilled.

10-9 No work.

10-10 Drilled and shot. Vein harder with little block mica in top and bottom.

10-11 Mucked out, drilled and shot. Someesmall mica in heading.

10-12 Mucked out and set timber.

10-15 Drilled and shot. Laid tracking.

10-16 Mucked out. Vein harder with some small mica.

10-17 Drilled, shot and mucked.

10-18 ~~Changed~~ Compressor~~s~~ went to the bad.

10-19 ~~Finishedxsettingxinxcompressorx~~ Had to shut down and find another Compressor. Changed the compressors and were ready to start work Oct. 29th.

10-30 Drilled, shot and mucked.

10-31 Drilled, shot and mucked. Some small mica in bottom of heading.

H

INTERIM REPORT

DMEA-4127, Idm-E976 (mica) DOE HILL No. 2 MINE

Operator: Sam G. Smith, Ingalls, North Carolina
Location: 1.68 airline miles N73°E from the intersection of Highways 19E and 194 at Ingalls, Avery County, North Carolina

Drifting continues on this contract and now totals 59 feet; 40 feet have been driven S30°E and the remaining 19 feet have been driven due South. The material encountered in the last 14 feet is predominantly feldspathic with scattered quartz lenses at intervals. Occasional small zones of mica have been encountered, in the drift but most of the mica is in small scrap sizes and associated with quartz. Only a few pounds of clear sheet mica have been produced to date.

The operator was advised to alter his drift direction slightly in order to get to the hanging wall more quickly. Good timber work has been accomplished to near the present face and additional needs were stressed. Progress on this contract is satisfactory.

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

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

October 29, 1956

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1956 Docket No. DMEA 417 Contract No. [illegible]
Operator's Name [illegible] Mine [illegible]
Address [illegible]
Contract Amount, $ 5,154.00 Government Participation 75 % Amount, $ 3,875.00

RECEIVED OCT 22 1956

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 Portal site		290.00	290.00			
Crosscutting						
Drifting	1056.00		1056.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Fuel [illegible]		75.00	75.00			
Truck [illegible]		25.00	25.00			
[illegible]		14.00	14.00			
(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	1056.00	504.00	1460.00	1056.00	264.00	1460.00

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

Date 10-5-56 *Payee Sam G. Smith

Per [illegible] Title [illegible]

*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:

$ ~~1056.00~~ 792.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date OCT 18 1956 Vou. No. 80

(See other side)

264.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E976 in accordance with the terms of the contract.

Signature Lawrence E. Shurley Title Mining Eng. U.S.B.M. Date Oct. 10, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Kerns Title EXECUTIVE OFFICER DMEA REGION V Date OCT 15 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
OCT 22 1956

Month of [illegible] 1956 Docket No. DMEA 4127 Contract No. [illegible]
Operator's Name [illegible]
Minerals [illegible]
Address [illegible]

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	Foot	105.00	30	105.00	30	3.50	150/ft	[illegible]
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
[illegible] Churn				75.00	1	75.00	1	75.00
[illegible] Auger				25.00	1	25.00	1	25.00
Stripping [illegible]				14.00	1	14.00	1	14.00
Trenching								
Test Pits								
Roads and Trails								
[illegible]				250.00	1	250.00	1	250.00
TOTAL DISTRIBUTED COSTS		105.00		1450.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		105.00		1450.00				

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 10-6-56 Operator Sam G. Smith

Per Sam G. Smith Title Operator

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Lawrence E. Shurley - Mining Engr.
U.S.B.M. - Oct. 10, 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

DDH HOLE No. 2 DIRO
DDH - 4127 Zone-1 975
DECA

RECEIVED
OCT 22 1956

DAILY REPORT OF WORK ACCOMPLISHED.

9- 3 Raised col - No work.

9- 4 Cut timber

9 -5 Set up timbers

9- 6 Laid track

9- 7 Drilled, shot and mucked

9-10 Drilled and timbered

9-11 Shot and mucked. Drilled. Pegmatite carring small Molbo mica.

9-12 Drilled, shot and mucked

9-13 Drilled, shot and mucked

9-14 Mucked and timbered

9-17 Finished setting timers, drilled and shot.

9-18 Mucked, drilled and shot. Pegmatite looks good.

9-19-Mucked, laid track and drilled.

9-20 Shot, mucked. Mine looking good, Vein getting harder.

9-21 Drilled, shot and mucked.

9-24 Drilled, shot and mucked.

9-25 Cut timbers and set in timbers.

9-26 Drilled, shot and mucked.

9-27 Mucked and laid track.

9-28 Drilled, shot and mucked. Still in hard rock.

INTERIM REPORT

DMEA-4127, Idm-E976 (mica) DOE HILL No. 2 MINE

Operator: Sam G. Smith, Ingalls, North Carolina
Location: 1.68 airline miles N73°E from the intersection of Highways 19E and 194 at Ingalls, Avery County, North Carolina

Drifting continues on this contract and now totals 45 feet. Material encountered is pegmatite, fine grained predominantly with coarser and more quartzitic material on the Southwest wall near the present face. The drift varies in direction from S35°E to S28°E. Mica production to date has been scant and has not exceeded 30 pounds of block, according to the operator. Instructions were given for continuing the drift to the Southeast.

The operator was advised to set additional timbers and use loaded top lagging to increase drift safety. Progress on this contract is satisfactory.

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

A. R. Taylor & S. C. Bergman
Geologists, U. S. Geological Survey

October 2, 1956

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

RECEIVED
SEP 28 1956

September 26, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4127, Idm-E976-Mica. Sam G. Smith, Ingalls, N.C.
Doe Hill No.2 Mine, Avery County, N.C.

Enclosed are four copies of the latest interim report on the subject exploration contract.

The Field Examiners report that the additional excavation recommended in an earlier inspection has been completed, so that the entire amount of excavation authorized by the contract was completed before drifting on the adit was started.

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

Wm. A. Beck, for V. J. Lynch
Member, Bureau of Mines

RAL/zm
cc:
Lynch
Shirley
Files

INTERIM REPORT

DMEA-4127, Idm-E976 (mica) DOE HILL No. 2 MINE

Operator: Sam G. Smith, Ingalls, North Carolina
Location: 1.68 airline miles N73°E from the intersection of Highways 19E and 194 at Ingalls, Avery County, North Carolina

Drifting is underway on this contract and now totals 33 feet. The work has been conducted in a S35°W direction and has followed pegmatite for the entire distance. Material encountered is primarily feldspathic with minor quartz and small scrap sizes of green muscovite mica scattered throughout the body. The operator was instructed to drive in a direction that would intercept the hanging wall of the body.

The portal and most of the drift section has been timbered adequately. The operator was advised to set stulls on 4 foot centers and load top lagging heavily until loose boulders and mud seams in the back has been passed. A tool house, powder magazine and cap magazine has been built and are now in use. Progress on this contract is satisfactory.

Mr. Milford L. Skow, Commodity-Industry Analyst, Branch of Ceramic and Fertilizer Materials, Washington, D. C. accompanied the Field Examiners on this visit to the mine.

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

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

September 18, 1956

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

RECEIVED
SEP 20 1956

September 18, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4127, Contract Idm-E976 (Mica)
Sam G. Smith, Ingalls, North Carolina
Doe Hill No. 2 Mine, Avery County, North Carolina

Stage II work at Doe Hill No. 2 has been authorized. The Operator's August narrative is somewhat confusing, as it indicates that no work was done in August, after the twenty-first. However, the field examiners reported that work was continuing, and on that basis the August voucher was approved for the entire amount of bulldozing. If we are incorrect in this, and the excavation is short of 833 1/3 cubic yards, a deduction will be made from the September voucher.

Robert A. Laurence
Executive Officer

Wm. A. Beck for V. J. Lynch
Member, Bureau of Mines

RAL/mg
cc
Oper. Comm. (2)
Finance Office
Lynch
Shirley
File

RECEIVED
SEP 20 1956

September 18, 1956

Mr. Sam G. Smith

Ingalls, North Carolina

RE: DMEA-4127, Idm-E976 (mica)
Doe Hill No.2 Mine
Avery County, N. C.

Dear Mr. Smith:

This letter will confirm the authorization to begin work under Stage II of the subject contract, as given by the Field Team.

Robert A. Laurence
Executive Officer, DMEA
Region V.

RAL/xm
cc:
Finance Office
Lynch
Shirley
Files
Opr. Com.-2

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 ITEMS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED SEP 19 1956

Month of August, 1956 Docket No. DMEA 4127 Contract No. DMA-E 976
Operator's Name SAM G. SMITH Minerals MICA
Address VIRGILS, N. M.
Contract Amount, $5,164.00 Government Participation: 75 % Amount, $3,873.00

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 Portal						
Crosscutting Site	250.00		250.00	250.00	—	250
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe Tool House	75.00		75.00	75.00	—	75
Fuse Powder Magzn.	25.00		25.00	25.00	—	25
Exploder Magzn.	14.00		14.00	14.00	—	14
(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	364.00		364.00	364.00		364.00

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

Date 9-6-56 *Payee Sam G Smith

Per Sam G. Smith Title Operator

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

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

(Instructions on reverse)

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

$273.00

Signature Helen R. Mellin
(Authorized Certifying Officer)

Date SEP 14 1956 Vou. No. 42

(See other side)

1 8/1 91.00

(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. Jan E976 in accordance with the terms of the contract.

Signature S. C. Benjamin Title Geologist, USGS Date SEP 7 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Alternate ACTING EXECUTIVE OFFICER

Signature W. E. Beck Title DMEA REGION V Date SEP 7 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
SEP 19 1956

Month of August 1956 Docket No. DMEA 4127 Contract No. DMEA-976
Operator's Name Sam G. Smith Minerals Mica
Address Hendersonville, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Tool house	1	75.00	1	75.00	1	75.	1	75.00
Powder house	1	25.00	1	25.00	1	25.	1	25.00
Stripping Bulldozer Engrn.	1	14.00	1	14.00	1	14.	1	14.00
Trenching								
Test Pits								
Roads and Trails Scavets								
Portal Site	1	250.00	1	250.00	1	250.	1	250.00
Total Distributed Costs		364.00		364.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		364.00		364.00				

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 9-6-56 Operator Sam G Smith

Per Sam G. Smith Title Operator

Remarks: Finished up Stage No. I & Stage No. II. Const. Ready to start edit drift and/or crosscut. 2nd. part of Stage No. II.

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

(Instructions on reverse)

(For Government use only)

S. C. Bergman - Geologist USGS
9/7/56

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

Boo Hill No. 2 Mine

[illegible]-427 [illegible]-3 976 [illegible]

S

Narrative Report of Work Accomplished.

7-25-56	Received contract with starting date for Sept. 1, 1956 but permission to start before that date if desired.
8-1-2-3	Bulldozed out Portal Site, and built Tool House. Turned on and water turn-outs.
8-4-15-	Had Air Compressor overhauled.
8-16	Started on Powder House
8-17	Finished up Powder House and Exploder Magazine.
8-20	Set down Air Compressor, hooked up pipes.
8-21	Visited by Field Rep. Finished Stage No. I and 1st. part [illegible]

Now ready to start working on 2nd. part of Stage No. II.

H

INTERIM REPORT

DMEA-4127, Idm-E976 (mica) DOE HILL No. 2 MINE

RECEIVED
SEP - 3 1956

OPERATOR: Sam G. Smith, Ingalls, N. C.

LOCATION: 1.68 airline miles N 73° E from the intersection of Highways 19E and 194 at Ingalls, Avery County, N. C.

No additional work has been completed on this contract other than that reported August 8, 1956. Preparation of a portal site was underway, and loose material was being moved out of the cut by hand. The Field Examiners recommended that excavation of the portal site be continued, and that the floor of the open cut be lowered at least an additional 6 feet in order to provide a safe back for drift work to follow. The Operator was in agreement, and compliance was indicated within the coming week.

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

S. C. Bergman, D. H. Amos, and
A. R. Tayler, Geologists
U. S. Geological Survey

August 22, 1956

RECEIVED
AUG 13 1956

INTERIM REPORT

DMEA-4127, Idm-E976 (mica) DOE HILL No.2 MINE

Operator: Sam G. Smith, Ingalls, N.C.

Location: 1.68 airline miles N 73°E from the intersection of Highways 19E and 194 at Ingalls, Avery County, N.C.

Work began on this contract August 1, 1956. A portal site has been bulldozed by excavating an area 90 feet long by 20 feet wide to an average depth of 8 feet. A toolhouse has been constructed.

The Operator was advised on adit portal location and its construction.

August 8, 1956-Inpected

S.C. Bergman and D.H. Amos
Geologists, Geological Survey

z

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

RECEIVED
JUL 27 1956

July 25, 1956

Mr. Sam G. Smith

Ingalls, North Carolina

Re: DMEA-4127, Idm-2976 (mica)
Doe Hill No.2 Mine
Avery County, North Carolina

Dear Mr. Smith:

Enclosed is your signed copy of the subject contract.

A starting date of September 1, 1956 has been inserted but you may begin work any time before that date if you wish.

This office would appreciate your notifying us the date you begin work.

Very truly yours,

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

EH:
cc:
Lynch
Finance Office
Gen. Gen.-2
Shirley
Files

633

JUL 23 1956

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

Re: Docket No. DMEA-4127 - Mica
Sam G. Smith
Doe Hill Mine No. 2
Avery County, North Carolina

Dear Mr. Laurence:

Enclosed are the Operator's, Field Team's and Finance Officer's copies of the subject contract which have been dated, numbered, and executed by the Administrator for the Government.

Please fill in and advise this office of the starting date, and make the usual distribution.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 3

LGHouk:gad 7/20/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RECEIVED
JUL 1 5 1956

July 13, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Contract for DMEA-4127, Sam G. Smith, Ingalls, N.C.
Doe Hill No.2 Prospect (mica) Avery County, N.C.

Transmitted are all six copies of the proposed contract and six copies of the Consent to Lien, signed by the applicant. All copies are being returned for the signature of the Administrator.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

ZM.
cc:
Lynch
Files

RECEIVED
JUL 1 3 1956

July 13, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Contract for DMEA-4127, Sam G. Smith, Ingalls, N.C.
Doe Hill No.2 Prospect (mica) Avery County, N.C.

Transmitted are all six copies of the proposed contract and six copies of the Consent to Lien, signed by the applicant. All copies are being returned for the signature of the Administrator.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

ZM.
cc:
Lynch
Files

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

Re: Docket No. DMEA-4127-mica
Sam G. Smith
Doe Hill Mine No. 2
Avery County, North Carolina

Dear Mr. Lawrence:

Enclosed are the original and five copies of an unexecuted contract. Please note the Administrator has not signed the contract. Contracts are to be signed by the operator before execution by the Government. This action is necessary as an administrative safeguard until the Defense Production Act is extended by the Congress. Please do not date. Attachments to the contract are Annex I, Exhibit "A" (2 pages), and map of the Doe Hill Mine No. 2. Two extra copies of Annex I, Exhibit "A" and the map are enclosed for the use of the Field Team.

The Consent to Lien submitted with the application is incomplete and is enclosed to be returned to the operator. A new Consent to Lien is enclosed to be attached to copies of the contract when properly executed by the land owner. Also, please attach copies of map #2 which is being prepared in your office.

If the proposed contract meets with your approval, present it to the applicant for execution. Please explain to the applicant that the contract is a firm commitment to complete the work outlined at the agreed cost. After execution by the operator, all copies are to be returned to this office for execution by the Administrator.

If any part of this proposed contract does not have either your approval or that of the applicant and cannot be amended within your delegated authority, then the original and all copies of the contract and the two extra copies of Annex I, Exhibit "A" and the map are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated May 3 and 8, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures: 25

JHopkins:ms 6/27/56

Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 9061
Mr. Houk
Admr. R. File

PS: Map #2 has been attached by this office.

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

JUN 22 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Nonmetallic Minerals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4127, Sam G. Smith (Mica)

Pursuant to your request on routing slip dated June 14, 1956, we have prepared the attached contract. Your attention is called to the following:

1. The Consent to Lien provided by Sam and Bessie Smith omitted the call on the west side of the tract. A corrected Consent to Lien is attached for signature by the Smiths.

2. Map No. 2, to be supplied by the Field Team, is not in the file, and should be attached to the contract.

Robert P. Dwyer

Attachments

PIndritz/emd

Copy to: DMEA Docket
Solicitor's Docket (2)
L. G. Houk
P. Indritz
R. P. Dwyer
chron.

RECEIVED
JUN 29 1956

June 27, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4127, (mica) Doe Hill Mine No.2, Avery County, N. C.
Sam G. Smith, applicant

Reference is made to your letter of June 18.

Enclosed are nine copies of a map showing locations of Doe Hill No.1 and No.2. Doe Hill No.2 is 1450 feet S 71° E from Doe Hill No.1, and approximately 250 feet higher.

Both Prospects are on the same tract of land, which is owned by the applicant, Sam G. Smith.

Robert A. Laurence

RAL/sm
cc:
Lynch
Shirley
Files

June 12, 1956

Mr. L. G. Houk calling Mr. R. A. Laurence in Knoxville, Tenn.

Re: Docket No. DMEA-4127 - Mica
Sam Smith
Doe Hill Mine #2
Avery County, North Carolina

Mr. Hopkins: We would like the status of the Doe Hill Mine, DMEA-4127. We asked you for an alternate proposal on that.

Mr. Laurence: I will have to look at the record. That is one where we do not want to sink the shaft - we do not think we will need to go that deep. We will write you on that.

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Interior—Duplicating Section, Washington, D. C.

Signed _____

600

JUN 1 6 1956

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

Re: Docket No. DMEA-4127-mica
Sam G. Smith
Dee Hill Mine No. 2
Avery County, North Carolina

Dear Mr. Lawrence:

Reference is made to your memorandum dated April 26, 1956, transmitting copies of the subject examination report.

Please send us nine copies of the sketch showing the relation of the subject property to the Dee Hill Mine No. 1 (DMEA-3942, IAm-8900) as early as possible, so that we may continue processing this application.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

JHopkins:ms 6/18/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 9061
Mr. Houk
Admr. R. File

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

RECEIVED
JUN 14 1956

June 12, 1956

Memorandum

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

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

Subject: DMEA-4127 (Mica)
Sam. G. Smith, Ingalls, N. C.
Doe Hill No. 2 Mine, Avery County, North Carolina

Reference is made to your letter of May 7, 1956.

Exploration by an adit still seems to us the best method for this prospect. The bulldozing plus a short adit (20 or 25 feet) is not likely to cost any more than a shaft, and drifting will certainly be cheaper in an adit than from a shaft. The pegmatite body is thought to be rather thin and dipping at a low angle to the south, with mica zones near to and parallel to the contact, which may be relatively flat.

Poor reasoning

In general an adit is preferable to a shaft in weathered pegmatite, because of the tendency of the Operators to work intermittently, allowing the shaft to fill with water during idle periods.

Robert A. Laurence
Executive Officer

V. J. Lynch
Member, Bureau of Mines

RAL/mg
cc
Operating Committee (2)
Lynch
Shirley
files

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

RECEIVED
MAY 8 - 1956

May 8, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4127 (mica)

Applicant: S. G. Smith

Name and Location of Property: Doe Hill No. 2 Prospect, Avery Co., N. C.

Date of Field Team Report: 4/26/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 5/5/56

Field Team Recommendation: Recommend a 2-stage, unit-cost exploration program.

Comments:

1. A mica-rich zone in the exposed pegmatite contains 20-40 percent large, green flat - A muscovite.

2. This deposit appears to have possibilities for the development of strategic mica.

3. Total estimated costs are in the amount of $5,170.00.

Recommendation: I concur with the field team's recommendation.

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAY 7 - 1956

May 3, 1956

Re: DMEA 4127 - Minn
Sam Smith
Doc Hill Mine #2
Application Amt. $7,080
Recommended Amt. $5,170

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in drifting 200 feet on a pegmatite concerning which no information was given.

The examiners found considerable stripping had been done and two short crosscut adits driven on a wide low dipping pegmatite. At one place where stripped the pegmatite is zoned and shows a 4 x 30-foot mica-rich quartz zone. 20 to 40 percent of the zone is composed of green flat A muscovite in books up to 12 inches in diameter.

The examiners and the Field Team recommend a staged work program consisting of:

Stage I	
Bulldozing for adit portal	$250.00
Stage II	
Buildings, magazines, etc.	$115.00
Drifting 150 feet	4,805.00
Total	$5,170.00

I concur with the recommendation of the examiners and the Field Team.

H. E. Nelson

H. E. Nelson

HENelson:jch
5/3/56
cc: Director's reading 4212
Branch reading 4212
DMEA (3)
Docket file
W.F.Dietrich 3061 Int.

MAY 7 1956

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

Re: Docket No. DMRA-4127-mica
Sam Smith
Dan Hill Mine No. 2
Avery County, North Carolina

Dear Mr. Lawrence:

Reference is made to the Field Team's Report dated April 26, 1956 on the subject property.

The report and map indicate the existence of a remarkable concentration of mica in a zone 30 feet by 4 feet in the pegmatite that lies 6 feet south of the northern contact and roughly parallel to it. It is our belief that exploration of this large pegmatite should begin with sinking a 50-foot shaft in this mica-rich zone followed by drifting and crosscutting for a total of 100 feet to explore the contacts on the 50-foot level.

We will appreciate your comments on this alternate program. If you agree with our views, please submit an estimate of the costs of a program as we have roughly outlined.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

JHopkins:ms 5/4/56

Copy to: Docket
Operating Committee
Mr. Killingsord, 5222
Mr. Dietrich, 3061
Mr. Hook
Mr. Hopkins
Admr. R. File

Approved:
P. F. Yopes

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

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

April 26, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region II - Knoxville

Subject: Field Examination Report, DMEA-4127 (mica) Sam G. Smith, Ingalls, N. C. Doe Hill No.2 Prospect, Avery County, N.C.

Enclosed are four copies of the subject examination report, and nine extra copies of the map.

The Field Team recommends approval of a two-stage, unit-cost contract as outlined in the report. The chief purpose of setting up two stages is to assure correct locations of the adit site after completion of the bulldoking. Primary purpose of Stage I is to prepare a petal site, as evidence already available is adequate, in our opinion, to juftify the underground exploration which is proposed.

Although it is on the same tract as Doe Hill No.1, (DMEA-3942, Idm-E900) currently being explored by this applicant, Doe Hill No.2 is a different pegmatite, and the land included in this application is different from that in the Doe Hill No. 1,contract. We will provide a sketch showing the relation of the two prospects in the near future.

Robert A. Laurence

RAL/sm
cc:
Lynch
Shirley
Files
Com.-3

Reviewed by
DMEA OPERATING COMMITTEE

(date)

RECEIVED
APR 30 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT, FIELD TEAM
REGION V

On

DMEA-4127, DOE HILL No. 2 MINE (mica)
Avery County, N. C.

By

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

and

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

RECEIVED
APR 30 1956

April 26, 1956

Reviewed by
DMEA OPERATING COMMITTEE

(date)

FIELD EXAMINATION REPORT

On

DMEA-4127, DOE HILL No.2 PROSPECT
Avery County, N. C.

Applicant: Sam G. Smith, Ingalls, North Carolina

The upper portions of a large, poorly zoned, mica-bearing pegmatite of semi-circular cross section are exposed for at least 200 feet along strike and 80 feet across, in a recently bulldozed trench and adjacent series of adits (see map). A 30 x 4-foot mica-rich zone occurs 6 feet south of the north contact and roughly parallel to it. This zone carries approximately 20-40% large, green, flat-A muscovite. There is a good indicated strategic mica potential present which the examiners feel is deserving of DMEA exploration assistance.

The Doe Hill No. 2 Prospect is on the northern extension of Pink Ridge, on the northern slopes of Doe Hill Mountain (elevation 3175 feet). It is 1.68 airline miles, N 73° E from the intersection of Highways 19E and 194 at Ingalls, Avery County, North Carolina, (Linville Falls, N. C. Quadrangle TVA Ed. 1934, 1/24,000).

Two hours were spent in examining the Prospect February 14, 1956. The examiners were guided by the applicant, Mr. Sam G. Smith who has recently completed a DMEA contract in a competent, efficient manner. He has been most cooperative in his relations with the Field Examiners.

A cut over 200 feet long and 75 feet wide at the maximum dimension, has been bulldozed along the north slope of Doe Hill Mountain (see map). The cut has a straight south wall 10-20 feet high trending N 70° W and composed almost entirely of pegmatite. Two parallel crosscutting trenches 40-50 feet long were dug near the midpoint of the cut with adit extensions 19 and 36 feet long, into the south wall of the cut (see map). Both adits and one trench are entirely in pegmatite. A low-dipping hanging wall contact is exposed in the

back of the east adit and intermittently along the wall of the cut. This contact strikes N 25-55° W and dips 25 - 35° SW. Over 80 feet with of pegmatite is exposed at the mid point of the cut in the combined adit and trench. The north contact is not exposed at this point, but 35 feet of contact is exposed at the western end of the cut. The attitude of this contact is not well exposed, but it seems to have a northerly dip.

A 30 x 4-foot mica-rich zone lies 6 feet south of the northern contact and roughly parallel to it. The attitude of this zone in relation to the contact is not clear because of the gradational nature of the zone boundaries.

The pegmatite is conformably enclosed in a soft highly weathered dark brown schist and gneiss, and is composed predominantly of weathered sodic-plagioclase feldspar. Occasional to considerable, disseminated to well lineated quartz stringers are present. There is an occasional unaltered mass of white to buff potash feldspar. Some lineation, sub-parallel to the contact, is noticeable around and in the adits, outlined by minor amounts of biotite and sericite. Quartz is noticeably abundant in the mica rich zone. Twenty to forty percent of this zone is composed of green, flat-A muscovite in books up to 12 inches in diameter. Some wedge-A, and mineral stained muscovite is present, but not enough to seriously impair the ecomonic potential of the zone. About 200-300 pounds of muscovite was recovered from the bulldozing. None of the mica has been sold to date.

No equipment, buildings or other improvements are at the Prospect site or in the vicinity.

Because of strong strike continuity and contact parallelism of the mica zone, the examiners recommend exploring the pegmatite with 150 feet of adit

and/or crosscut. It is proposed to bulldoze an entry as low topographically as possible, at the western end of the cut (see map). It is then proposed to drift 50 feet east along the northern contact to explore the wall for mica zones or structures. The remaining 100 feet of drift should be utilized in cross-cutting south across the pegmatite to intercept possible parallel mica zones similar to that exposed by the bulldozing. The site of the adit is to be determined after completion of the bulldozing, and subject to the approval of the Government.

Estimated Costs:

Stage I

Bulldoze a portal site as topographically low as possible with a D-6 or equivalent (see map).

50' x 30' x 15' average depth = 833 cu. yds. @ 0.30¢ per cu. yd.....$250.00

Stage II

Toolhouse	~~$76.00~~ 75.00	
Powder Magazine	25.00	114.00
Exploder Magazine	14.00	~~115.00~~

Drive 150 feet of adit (5' x 7' cross section) drift and/or crosscut to explore the contact zone and cross-cut pegmatite to intercept parallel mica structures (75 shifts).

Labor:

1 - Miner @ $1.50/hr.	900.00
2 - Laborers @ $1.00/hr.	1200.00

Equipment (rental)

Compressor drill & Jackleg @ $250/Mo.	938.00

Supplies:

Explosives	$472.00	
Drill steel	225.00	
Gasoline and oil	295.00	
Small tools and pipe	170.00	
Timber - 1000 b.f. @ $65/M	65.00	
Miscellaneous	240.00 ~~245.00~~	32.00 /foot
Liability Insurance	210.00	
Social Security	42.00	
Sales Tax	43.00	
Total esti. cost of driving 150 ft. of adit and/or cross cut		4800 ~~$4,805.00~~
Estimated total cost of project.....		~~$5,170.00~~ 5164

Examined: February 14, 1956

S. C. Bergman and A. R. Taylor, Geologists
Geological Survey

A. L. Peyton, Mining Engineer
Bureau of Mines

H

600

JAN 31 1956

Mr. Sam Smith
Three Mile, North Carolina

Re: Docket No. DMEA-4127-Mica
Sam Smith
Doe Hill Mine No. 2
Avery County, North Carolina

Dear Mr. Smith:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville, 2, Tennessee, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

A. D. Mitchell

Administrator

JHopkins:mm 1/30/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Killagaard, 5222
Mr. Dietrich, 3061
Mr. Hook
Mr. Hopkins
Region V

600

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

Re: Docket No. DMEA-4127-Mica
Sam Smith
Doe Hill Mine No. 2
Avery County, North Carolina

Dear Mr. Laurence:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda dated January 18 and 25, 1956 by Mr. N. E. Nelson, USGS and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures: 4

J.Hopkins:ms 1/27/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

4127 H

Memorandum — Jan 27 - 1956

To Files

From James Hopkins

Subject Evaluation of application and Field Team Report.

Docket No. DMEA 4127

Sam Smith

Doe Hill Mine No 2

Avery County North Carolina

The applicant proposes to explore a pegmatite with a 200 foot tunnel. He reports "very little work to date" on the pegmatite which he refers to as a "vein" and is located "close to other mines"

The applicant is owner of the tract containing 8.3 acres more or less.

No other information on the pegmatite is given in the application

His costs are estimated as follows with my comments:

Rent on Machinery. Compressor etc for 3 mos @ $200.00 $600.00 Low

This estimate is lower than usual costs which in other mines range from $250.00 to $750.00/mo.

Houses		$115.00	Reasonable
Tracking	1.50/ft	$300.00	Reasonable
Explosives	$4.50/foot (ave = $3.00 to 3.50)	$900.00	High
Gas & Oil	2.25/foot (ave = 1.50 to 2.50)	$450.00	Reasonable
Steel Bits	$0.37½/foot (ave = (1.00 to 2.00)	75.00	Quite Low
Steel Bar		$100.00	[illegible]
Drill	Amount [illegible]	$300.00	

30 hrs [illegible]

Bull dozing Road	Length not given		150.00	
	may be reasonable			
Labor	$11.20/ft	(range 15.00 to 18.00)	$2340.00	Quite low
Supplies & Misc.	3.75/ft	(range $5.00 to $2.50)	$750.00	Quite high
Contingencies & Add. labor	$5.00		$1000.00	Excessive
	Total	$35.40/ft	$7080.00	

The average for tunnel drift in this area during recent years has been $27.50 to $30.00 per foot.

He proposes to drive 200 feet in 90 days of 8 hrs each or 2.2 feet which is about the average rate in that area.

Referral to the Field Team is recommended as it is believed that any additional data that the applicant may supply would be of very little aid in making an appraisal before a field examination.

Field Team Report

Mica

In the 30 x 4-foot mica-rich zone, twenty to forty percent of this zone is composed of green flat-A muscovite in books up to 12 inches in diameter. Some mesh-A and minor white muscovite is present, but not enough to seriously impair the economic potential of the zone.

Pegmatite and Country Rock:

The pegmatite is exposed for at least 200 feet along the strike and 80 feet across

in a recently bulldozed trench and adjacent series of adits. It is conformably contained in a soft highly weathered dark brown schist and gneiss and is composed predominantly of medium sodic plagioclase feldspar. Quartz is noticeably absent in the rich mica zone.

Workings:

Bulldozed cut 200 feet by 75 feet wide and and 10' to 20' deep. - All in pegmatite.

Two other crosscutting trenches 40 to 50 feet wide were dug near the midpoint of the cut with adit extensions 19 and 36 feet long into the south wall.

Economics

About 200 to 300 lbs of muscovite were recovered from the bulldozing.

Recommendations:

The Feist Team recommends a four stage project consisting of bulldozing to level a marked site and then 150 feet of adit drift with branches of a total of 500 feet.

This recommendation is concurred in by the Bureau of Mines and Geology.

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

RECEIVED
JAN 25 1956

January 25, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 4127 (mica)

Applicant: Sam Smith

Name and Location of Property: Doe Hill Mine No. 2 _____, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 1/17/56

Comments:

1. No data available in this office on this property.

2. From the limited information presented, it is difficult to determine if an exploration program is justified or if the proposed plan would be the best method of exploring this property.

Recommendation:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

SIGNED

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
JAN 19 1956

January 18, 1956

Re: DMEA 4127
Sam Smith
Don Hill Mine #2
Avery Co., N. C.
$7,080.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in driving 200 feet. No data concerning the pegmatite are given.

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-1/17/56

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061