DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

C. R. Phillips
Route 3
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-2955, Docket No. DMEA-4152, for the months of June 1956, to August 1956, inclusive, covering a project for the exploration of strategic mica on property, known as the Ed Prospect located in Mitchell County, North Carolina.

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

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

all of the costs incurred were under a contract provision for payment by the Government on the basis of 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		$5,488.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,488.00

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 Four thousand one hundred sixteen and no/100 Dollars

"$4,116.00"

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

September 24, 1956

Division Copy

RECEIVED
JUN 8 1956

MF-200A
(Revised June 1954)

Docket No. DMEA 4152

Commodity Mica

Contract No. Idm-E 955

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

It is agreed this MAY 21 1956 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] C. R. Phillips, whose mailing address is Route #3 Bakersville, North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty as set forth in the lease.

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

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

16—70618-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Strategic Mica. The work to be performed is described in Exhibit "A." The Operator on or before JUL 30 1956 shall commence the work, and on or before November 30, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,488.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $4,116.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Indritz 5/9/56
Dwyer
"Appd. Sol. Off."
Hayes
Hoch
Chambers

Executed in sextuplicate the day and year first above written.

C. R. PHILLIPS
(Operator)

By C R Phillips

THE UNITED STATES OF AMERICA

By C O Mitchener

Administrator, Defense Minerals
Exploration Administration

Selfridge

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
C. R. PHILLIPS
DOCKET NO. DMRA-4152

ANNEX I

The land referred to in Article 2 of the Contract is situated in Mitchell County, North Carolina, about 1½ miles from Rebels Creek Store on the head of Rebels Creek and is more particularly described as follows:

> Beginning on an iron stake at the center of the Ed Prospect on the property of Arthur Greene, which stake is located 165 feet southwest of another iron stake; and running 250 feet north; thence 250 feet west; thence 500 feet south; thence 500 feet east; thence 500 feet north; thence 250 feet west to a point of closing.

RECEIVED
FEB - 1 1956

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 955
Contract Date MAY 21 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of the Ed Prospect which is located 165' S.W. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about1½ miles from Rebels Creek Store on the head of Rebels Creek.

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

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

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

None

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

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

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

5. Added provision: _____

Dated this 25th day of January, 1956.

Arthur Green [Seal] Spruce Pine, N.C.

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
C. R. PHILLIPS
DOCKET NO. DMEA-4152

RECEIVED

EXHIBIT "A"

Description of the Work

The location of the exploration work is shown in part on the map entitled, "Ed Prospect, Mitchell County, N. C. DMEA-4152 (Mica)," attached hereto and made a part hereof. The work shall consist of the following:

1. Construct:

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

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

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

2. Sink 60 feet of 2-compartment, vertical or inclined shaft on the pegmatite having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

3. Drive 80 feet of drift and/or crosscut from the shaft having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary.

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

Fixed Unit Costs

1. Construct:

(a) Toolhouse	$76.00 1/		
(b) Powder Magazine	26.00 1/		
(c) Exploder Magazine	15.00 1/	$ 117.00	

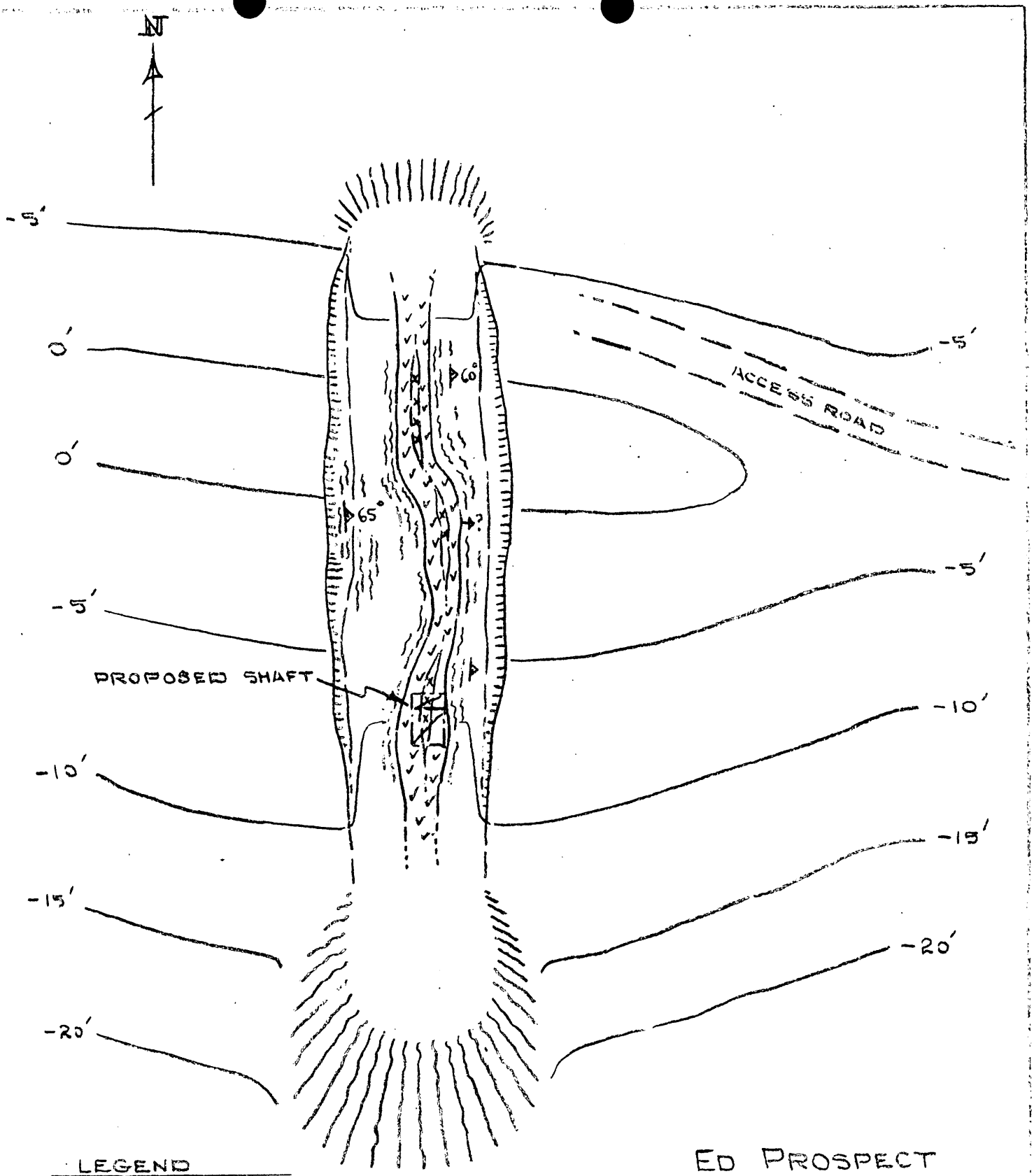
2. Sink 60 feet of 2-compartment, 5 feet by 7 feet, shaft @ $45.25/ft. — 2,715.00

3. Drive 80 feet of 5 feet by 7 feet drift and/or crosscut @ $33.20/ft. — 2,656.00

Estimated Total Cost of Project — $5,488.00

Government Participation @ 75% — $4,116.00

1/ The completed work constitutes the unit.



LEGEND

- MICA BEARING PEGMATITE
- MICA SCHIST AND GNEISS

ED PROSPECT

MITCHELL COUNTY, N.C.

DMEA-4152 (MICA)

SCALE: 1" = 20'

600

MAY - 3 1957

Mr. C. R. Phillips
Route #3
Bakersville, North Carolina

Re: Docket No. DMSA-4152-Min
C. R. Phillips
Ed Prospect
Mitchell County, North Carolina
Contract No. Idm-8755

Dear Mr. Phillips:

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

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

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

Sincerely yours,

R. O. Milenaar

Administrator

WCAnderson:rsi 5/1/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

MAY - 3 1957

Mr. Arthur Greene

Spruce Pine, North Carolina

Re: Docket No. D[illegible]-4152-Ohio
C. R. Phillips
Ad Prospect
Mitchell County, North Carolina
Contract No. Idm-8955

Dear Mr. Greene:

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

This correspondence relates to the Consent to Lien signed by you on January 25, 1956.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:rai 5/1/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Killagaard, 5222
Mr. Dietrich, 3061
Mr. Houk

May 1, 1957

Project Summary Report

By: Walter C. Anderson, Nonmetallic Minerals Division

1. Docket No. DMEA-4152-Mica
Contract No. Idm-E955
Ed Prospect
Mitchell County, North Carolina

Application: Form MF-103(April, 1952) received February 1, 1956.

Work Proposed by Applicant:

Bulldozing 10 hours @ $10.00/hr.	$100.00
80 feet of shaft @ $50.00/ft.	4,000.00
80 feet of drift @ $35.00/ft.	2,800.00
Total amount requested	$6,900.00

Operator: C. R. Phillips
Route 3, Bakersville, North Carolina

Operator's Property Rights: Five year mining lease on the Arthur Green property consisting of 5 plus acres, dated January 25, 1956. Consent to Lien dated January 25, 1956.

2. Contract: Form MF-200A(June, 1954) dated May 21, 1956.

Work Authorized:

Construction - Toolhouse , powder and Exploder magazine	$117.00
60 feet of shaft @ $45.25/ft.	2,715.00
80 feet of drift and/or crosscut @ $33.20/ft.	2,656.00
Estimated total cost of project	$5,488.00
Government participation : 75%	$4,116.00

Amendments: None.

Work Completed: Same as authorized.
Work began June 4, 1956 and was completed September 4, 1956.
Field Team Final Report received October 1, 1956.
Operator's Final Report, dated September 4, 1956, received on September 10, 1956.
Mica Production: 15.24 pounds sold represents all the salable mica obtained from 200 pounds recovered during project.
Royalty received: $4.67. No equipment purchased under contract.

3. Audit:

Report of Review issued September 24, 1956.

Total accepted cost	$5,488.00
Government participation	$4,116.00

4. Certification of Discovery: None issued.

5. Comments:

How conducted: All of the work in which the Government participated was acceptable.

Operation: Satisfactory.

Engineering: Reporting by the Operator was good.

Geologic Premise: That strategic mica occurring along the margins of the quartz core of a newly discovered pegmatite would continue in depth and extent was not correct, as only a small amount was found.

Geologic Criteria upon which work was based:

1. An undulating 3 to 6 feet wide pegmatite, exposed over a strike length of 81 feet. Poorly zoned, conformably enclosed in a highly weathered, brown mica schist and gneiss. Contains 2 foot lenticular bodies of quartz, kaolinized, sodic-plagioclase feldspar, 2 to 10% strategic mica.

2. Mica: Thin, flat books 4 to 6 inches across, ruby, no visible stains.

3. No past production.

Geologic Criteria developed during project:

1. Pegmatite: Conformably enclosed in semi-weathered mica schist and gneiss, poorly zoned, containing lenticular bodies of massive quartz up to 2 feet thick, kaolinized feldspar, muscovite and biotite.

2. Mica: Fair to poor quality, ruby, free-splitting, flat and occurs in thin books. Too small to yeild trimmed sheet.

Future Possibilities: Additional exploration is not warranted.

Recommendations: The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and Geological Survey concur in the Field Team's recommendation not to certify.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:rsi 5/1/57
Copy to: Admr. R. File
Mr. Houk

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

WASHINGTON 25, D. C.

RECEIVED DMEA
DATE | INITIALS | CODE

March 6, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4152, Idm-E955-Mica. C. R. Phillips, Bakersville, N. C. Ed Prospect, Mitchell County, North Carolina

Reference is made to your letter of March 4.

The Ed Prospect was abandoned upon completion of theDMEA contract work. The 15.24 pound sale apparently represents all the salable mica obtained from the 200 pounds recovered during the project. So far as we can ascertain, there are no unpaid royalties due the Government.

Robert A. Laurence
Executive Officer, DMEA
Region V

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

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

600

MAR 4 1957

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

Re: Docket No. DMEA-4152-Mica
C. R. Phillips
Ed Prospect
Mitchell County, North Carolina
Contract No. Idm-E955

Dear Mr. Laurence:

Reference is made to the subject contract which was completed on September 4, 1956, and which the Field Team recommended not be certified.

Before we write a closing letter, we would appreciate having a report on the status of this project including the value of production and sales of mica up to March 4, 1957, the final date for certification, and whether there are any unpaid royalties due the Government. In their final report the Field Team stated that about 200 pounds of fair to poor quality mica was recovered during the operation, the value of which is unknown. Up to September 9, 1956, the Operator sold 15.24 pounds of trimmed mica at $93.39 for which a royalty of $4.67 was received.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:gad 3/4/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

H

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

WASHINGTON 25, D.C.

December 10, 1956

RECEIVED DEC 12 1956 D.M.E.A.

Memorandum

To: Finance Officer, DMEA - Region V

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

Subject: Royalty Payment - Idm-E955, DMEA-4152, C. R. Phillips, Spruce Pine, N.C.
Ed Prospect - Mitchell County, N.C.

Transmitted are bills-of-sale in the amount of $93.39, and a check No.44, for $4.67 for 5% royalty on the sale.

Robert A. Laurence

cc
Lynch
Mittendorf
Shirley
Files

copy

RECEIVED DEC 12 1956 D.M.E.A.

GENERAL SERVICES ADMINISTRATION
FINAL SETTLEMENT

Mica Purchasing Depot, Spruce Pine, N. C.

Date Purchased 9-19-56

Acceptance No. Maximum $600

Certificate Authorization No. LOT No. SP-

VOUCHER No.

	TOTAL Wt. Lb	Lbs-G.S.	Lbs-Stained	Lbs-Hy-Stained	Total Value
Processed for Payment	15.24	2.64	5.03	7.57	105.86
No Processed Pay't					
THINS					
BLACK Dots Spots Stains					
Undersized					
Process- Gain Loss					
Total Lbs Purchased	1065.00	Cost of rifling + trimming			12.47

Less: Initial Payment - Voucher No. Sch. No. 55.56

Balance Due: Government: Seller: ✓ 37.83

Seller's Name
Address: C. R. Phillips

NAME OF MINE: Ed Prospect

DMEA No. 4152 Idm-E 955

County: Mitchell State: N. C

105.86
12.47
93.39
4.6.695

93.39

Copy

RECEIVED
DEC 12 1956

GENERAL SERVICES ADMINISTRATION WARRANTY, ACCEPTANCE AND INVOICE MICA PURCHASING DEPOT, SPRUCE PINE, N. C.		DATE PURCHASED: 9-19-56 ACCEPTANCE NO: Mon. $600/ton
CERTIFICATE AUTHORIZATION No. 328B	LOT No.	VOUCHER No.
RUBY X NON-RUBY	TOTAL LBS. PURCHASED	VALUE - INITIAL PAYMENT
PRELIMINARY PAYMENT	1065.00	55.56
GENERAL SERVICES ADMINISTRATION		
By:	NAME OF MINE: Ed. Prospect	State: N.C. County: Mitchell
	DMEA No. 4152 Idm-E 955	
	Seller: C. R. Phillips	
	Address: Spruce Pine, N.C.	

IN REPLY REFER TO:

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

RECEIVED
OCT 18 1956

October 16, 1956

Re: DMEA 4152, Idm-E955
C. R. Phillips
Ed Prospect
Mitchell Co., N. C.
Appl. Est. - $6,900.00
Rec'd. " - $5,488.00
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 approved the expenditure of $5,488 on the exploration of a "new" pegmatite. The approved sum of money was expended, principally on a 60-foot inclined shaft and 80 feet of drift.

The pegmatite was shown to have a width of from 2.5 to 6 feet and is exposed for a distance of 80 feet in a trench, 60 feet in the shaft, and 82 feet in the drift. Both ends are "open" in the drift at the bottom of the 60foot shaft.

Three quartz lenses (cores) were exposed and about 200 pounds of mica of unstated value was recovered.

As little mica was recovered while doing the underground work and no worthwhile mica-bearing potential can be inferred for the pegmatite, the examiners and the Field Team recommend that no certification of discovery be made.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-10/16/56

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

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

RECEIVED
OCT - 8 1956

October 5, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4152 (mica)

Applicant: C. R. Phillips

Name and Location of Property: Bd Prospect, Mitchell County, N. C.

Contract Number: DMn-E 955

Date of Field Team Report: 9/27/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/1/56

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. No strategic quality mica was encountered in the pegmatite dike.
2. Only a small quantity of poor grade mica was recovered.
3. Expenditures -

Total approved	$5,488.00
Total cost	5,488.00
Gov't. share of the cost	4,116.00
Value of production during operation	Unknown

Recommendation:

I concur with the recommendation of the Field Team.

Signed
W. F. Dietrich

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

RECEIVED
OCT - 1 1956

September 27, 1956

Memorandum

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

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

Subject: Field Team Final Report, DMEA-4152, Idm-E955 (Mica)
C. R. Phillips, Bakersville, North Carolina
Ed Prospect, Mitchell County, North Carolina

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

Certification is not recommended.

Robert A. Laurence

RAL/mg
Enclosures 4
cc
Operating Committee (3)
V. J. Lynch
L. E. Shirley
File

Reviewed by
DMEA OPERATING COMMITTEE
10-3-56
(date)

RECEIVED
OCT - 1 1956

FINAL REPORT

On

DMEA-4152, Idm-E955, (mica) ED PROSPECT

Operator: C. R. Phillips, R#3, Bakersville, North Carolina

Summary

Underground exploration of a newly discovered pegmatite at the prospect failed to reveal an economic deposit of strategic mica. It is recommended that no certification of discovery be issued. Additional exploratory work on the pegmatite is not warranted.

Location

The Ed Prospect is on the southwest end of Burns Mountain at an elevation of 3380 feet. It is on a ridge at the head of Rebels Creek 1.53 airline miles N 18° E of the intersection of North Carolina Highway No.80 and the Rebels Creek road (Micaville Quad. TVA, 1934 Ed., 1/24,000).

Work Performed

Contract work began June 4, 1956 and was completed September 4, 1956. Work done under the contract consisted of constructing a toolhouse, powder magazine and exploder magazine; sinking a 60-foot inclined shaft; and driving 80 feet of drift from the bottom of the shaft. An additional two feet of drifting was done at the Operator's expense.

The 60-foot inclined shaft was sunk in pegmatite which was exposed in the south end of a pre-existing trench (see attached map). Its inclination varies from - 50° to 60° in a S 85° E direction and averages about -55°. The shaft was made 5 feet by 7 feet in cross section with a partioned manway and was timbered throughout. A total of 82 feet of drifts were driven from the shaft bottom along the pegmatite; two feet being done at the Operator's expense. This level work consisted of a 38.5-foot drift in a N 5° E direction from the shaft bottom and a 43.5-foot drift in a southerly direction. The first 10 feet of the latter opening was driven S 5° E. The next 11.5 feet S 40° W and the remainder S 15° W. All drifts were timbered.

Geology

A conformable pegmatite 2.5 to 6 feet thick was exposed by the contract work. Its strike varies, especially in the south drift, but averages about N 5° E. The dip is also variable being 50° to 65° to the east. The body is poorly zoned having discontinuous lenticular bodies of massive quartz up to 2 feet thick in the central part of the pegmatite. These lenses are 10 to 35 feet apart along the strike. Kaolinized feldspar, quartz, muscovite and biotite constitute the major part of the body. The feldspar is dominantly perthite. Muscovite is almost entirely confined to margins of quartz lenses. The enclosing country rock is semi-weathered mica schist and gneiss.

About 200 pounds of fair to poor quality mica were recovered from the work done under the contract. It is ruby in color, free-splitting, flat and occurs in thin books. Some is mineral stained and much is too small in size to yield trimmed sheet.

Expenses:

(a)	Total amount of contract	$5,488.00
(b)	Total amount spent	5,488.00
(c)	Government's share of cost	4,116.00
(d)	Value of production	?
(e)	Royalties received to date	None

Recommendations

As only a small amount of strategic mica associated with widely scattered quartz lenses was discovered, it is recommended that no certification of discovery be made. Additional exploration is not warranted.

September 27, 1956

D. H. Amos, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

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
U.S. PAYMENTS RECEIVED
Paid Voucher
SEP 12 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August 195 6 Docket No. DMEA 4152 Contract No. Idm-L 955
Operator's Name C.R. Phillips Minerals Mica
Address Route #3, Bakersville, N.C.
Contract Amount, $ 5488.00 Government Participation: 75 % Amount, $ 4116.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
80' Drifting 33.20	2656.00		2656.00			
Shaft		2715.00	2715.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		76.00	76.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mats.		41.00	41.00			
(8) Contingencies (specify):						
TOTALS	2656.00	2832.00	5488.00	2656.00	2832.00	5488.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9-5-56 *Payee C.R. Phillips
Per C R Phillips 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:

$1,992.00

Signature Helen R. Mellis
(Authorized Certifying Officer)
Date SEP 14 1956 Vou. No. 41
(See other side)

3&7
8/31
664.00

(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. IdmE955 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist, USGS Date 9/7/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. E. Beck Alternate ACTING EXECUTIVE OFFICER Title DMEA REGION V Date

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
SEP 10 1956

Month of August 195 6 Docket No. DMEA 4152 Contract No. Kan-M 955
Operator's Name C.R. Phillips Minerals Mica
Address Route 2, Bakersville, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
80' Drifting 33.20	Ft.	2656.00	80	2656.00	80	33.20	80	33.20
Crosscutting								
Raising								
Shafts	Ft.			2715.00	60	44.25	60	44.25
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2656.00		5371.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				76.00				
Powder & Exploder Regs.				41.00				
Total Costs		2656.00		5488.00				

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 9-5-56 Operator C.R. Phillips
Per C.R. Phillips 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)

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

OPERATOR'S

Monthly Progress Report

August 1956

DMEA - 4152, Idm-E 95

Ed Prospect

Final Report

Work Accomplished:

We completed the eighty feet of drift this month. Th completes all the work called for in the contract. The actual drift was 82 feet, North drift 38½ feet long, pegm 3½ X 5 feet thick, small amount of mica in and near the h South drift 43½ feet driven to Southwest, pegmatite 2½ X feet thick. We recovered approximately 200 lbs./of mica

Daily Notes:

6 - 10 : Mucked, drilled and shot daily, beginning work on drift.

13 - 17 : We reached approximately 40 feet of drift, not finding much mica.

20 - 24 : North drift total of 38½ feet long, pegmat 3½ X 5 feet thick, South drift 43½ feet dri to Southwest, pegmatite 2½ X 5 feet thick.

27 - 31 We actually completed 82 feet of drift, recovering approximately 200 or 300 lbs. of mica.

INTERIM REPORT

DMEA-4152, Idm-E955 (mica) ED PROSPECT

Operator: C. R. Phillips, Route No. 3, Bakersville, North Carolina

Location: 1.53 airline miles N17°E of the intersection of N. C. Highway 80 and Rebel Creek Road, Bakersville, Mitchell County, North Carolina

This contract has been completed without making a sizeable or commercial discovery of strategic mica. The Field Examiners are of the opinion that no additional exploration at Government expense is warranted at this prospect and certification will not be recommended.

Work completed under contract consisted of sinking 60 feet of two compartment inclined shaft and driving 80 feet of drift to the northeast and southwest from the shaft bottom. Drifts and directions are as follows: 38.5 feet N5°E, 10 feet S5°E, 11.5 feet S40°W, and 22 feet S15°W. The additional 2 feet of drift was driven at the operators own expense. In the northeast drift the pegmatite is composed of kaolinized feldspar, small scattered quartz and muscovite mica up to a point 30 feet from the shaft. From 30 to 38.5 feet a quartz core up to 10 inches thick with flanking mica - feldspar zones is well exhibited. The operator was advised to continue the work at his own expense in this direction. In the southwest drift considerable finer grained pegmatite is present, much of which is badly weathered. Biotite, small quartz and

occasional small blocks of mica were observed during the past two visits. Mica production from both drifts was scant and amounted to only a few pounds. The shaft was sunk on a -50 to -60° incline in pegmatite and was cribbed solid from the collar to the bottom - all drifts were timbered with necessary lagging and timbering is in excellent shape. A tool house, powder magazine and exploder magazine was built.

All work under the contract was completed satisfactorily and the Field Examiners recommendations were followed closely.

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

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

September 4, 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 1 2 1956

September 10, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4152, Contract Idm-E955 - Final Report
C. R. Phillips, Route 3, Bakersville, N. C.
Ed Prospect (mica), Mitchell County, North Carolina

Enclosed are the original and three copies of the Operator's final report on the subject project.

Robert A. Laurence
Executive Officer

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

mg
Enclosures 4
cc - Operating Committee (3)
Mr. V. J. Lynch
Mr. L. E. Shirley
File

R
SEP

Final Draft

Spruce Pine, North Car
September 4, 1956

Mr. Robert A. Laurence, Executiver Officer
D.M.E.A., Region V
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA - 4152, Idm-E 955
Ed Prospect , Mitchell Co., N.C
Final Report

Dear Mr. Laurence:

We begain work on the above project on June 4, 1956,an
completed work on September 4, 1956.

In June we constructed the powder and exploder magazin
and sank a shaft 30 feet, vein showing some small mica
In July we sank the shaft the remaining 30 feet. Vein
material changing very little from top to total 60 feet
of depth, then in August we drifted a distance of 80 f
which completed the work called for in the contract.

We recovered approximately 200 or 300 lbs. of mica.

We wish to thank the field team for their assistance on
the Ed Project. If further details are necessary pleas
contact us.

Yours very truly,

C. R. Phillips
C.R. Phillips

P/j

INTERIM REPORT

DMEA-4152, Idm-E955 (mica) ED PROSPECT

OPERATOR: C. R. Phillips, Route No. 3, Bakersville, North Carolina

LOCATION: 1.53 airline miles N17°E of the intersection of N. C. Highway 80 and Rebel Creek Road. Bakersville, Mitchell County, N. C.

Drifting continues from the inclined shaft bottom and now totals 41 feet; 25 feet have been driven N5°E, and 16 feet have been driven S5°W to S40°W. Material encountered is primarily feldspathic containing scattered narrow ribs of quartz and associated small blocks of muscovite mica. Some of the mica examined contained a dark stain and was bent rather badly. Suggestions were made for continuing the drifts simultaneously in an effort to produce strategic mica.

The Operator was advised to timber the drifts with solid overhead lagging because of weathered pegmatite and highly weathered enclosing country rock. Compliance with all safety suggestions was indicated.

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

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

August 21, 1956

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

Budget Bureau No. 42-R1036.5

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

RECEIVED AUG - 8 1956

Month of July, 1956 Docket No. DMEA 4152 Contract No. Idm-3 955
Operator's Name C.R. Phillips Minerals Mica
Address Route 3, Statesville, N.C.
Contract Amount, $ 5403.00 Government Participation: 75 % Amount, $ 4116.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
30' Shaft @ 45.25 Ft.	1357.50	1357.50	2715.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	76.00	—	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder and Exploder Tags.		41.00	41.00			
(8) Contingencies (specify):						
TOTALS	1433.50	1398.50	2832.00	1433.50	1398.50	2832.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-1-56 *Payee C.R. Phillips
Per C. R. Phillips 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:
$ 1075.13
Signature Helen R. Meeler
(Authorized Certifying Officer)
Date AUG 7 1956 Vou. No. 22
(See other side)

308.37

(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-915 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist, USGS Date 8/3/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Fauseman Title EXECUTIVE OFFICER DMEA REGION V Date AUG 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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED AUG - 8 1956

Month of July 1956 Docket No. DMEA 4152 Contract No. DMEA 955
Operator's Name C.R. Phillips Minerals Mica
Address Rt. 3, Dobersville, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
30' Shafts @ 45.25	Ft.	1357.50	30	2715.00	60	44.25	60	44.25
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1357.50		2715.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		76.00		76.00				
Power & Exploder Magz.				41.00				
Total Costs		1433.50		2832.00				

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 8-1-56 Operator C.R. Phillips

Per C. R. Phillips 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)

S. C. Bergman - Geologist USGS
8/3/56

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

OPERATOR'S

Monthly Progress Report

July, 1956

DMEA-4152, Idm-E 955

Ed Prospect

Work Accomplished:

We completed the shaft work as called for in the com and recovered from the entire footage about 75# of poor quali mica. The vein material changed very little from the top t 60 feet depth. Good progress has been made.

Daily Notes:

July 2 - 6 : Dipped water, dug and mucked out waste. Vein is rather soft and is on an incline.

July 9 -20 : Continued down with shaft, but have little change in vein. Repeated same daily operations No mica encountered.

July 23-31 : Began to pick up some mica in shaft, recovering bout 75# of very poor quality. Vein looked mor promising.

Three men worked full time.

INTERIM REPORT

RECEIVED
AUG - 1 1956

DMEA-4152, Idm-E955 (mica) ED PROSPECT

Operator: C. R. Phillips, Route No. 3, Bakersville, North Carolina

Location: 1.53 airline miles N17°E of the intersection of N. C. Highway 80 and Rebel Creek Road. Bakersville, Mitchell County, North Carolina

Inclined shaft sinking on a 50° slope has been completed to a total depth of 60 feet on this contract. The incline bottomed in pegmatite composed of kaolinized feldspar containing narrow quartz ribs and occasional blocks of muscovite mica. The operator estimates the production of about 500 pounds of mine-run block from all work accomplished to date. Drift turn-off will be made in both directions from the shaft bottom. A tool house is being constructed and magazines have been built and are now in use. The incline has been timbered solid to near bottom and is in excellent shape with separated partition and ladders. The operator is to be commended for all work completed to date.

Progress on this contract is satisfactory.

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

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

July 25, 1956

INTERIM REPORT

DMEA-4152, Idm-E955 (mica) ED PROSPECT

JUL 1 3 1956

Operator: C. R. Phillips, R#3, Bakersville, North Carolina

Location: 1.53 airline miles N 17° E of the intersection of N. C. Highway 80 and Rebel Creek Road. Bakersville, Mitchell County, North Carolina.

The project is down temporarily awaiting ventilating equipment. No inspection was made. Operator expects to resume work next week.

Visited: July 13, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

B. C. Bergman, Geologist
Geological Survey

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1956 Docket No. DMEA 4152 Contract No. Idm-E 955
Operator's Name C. R. Phillips Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 5488.00 Government Participation: 75% Amount, $ 4116.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
30' Shaft @ 45.25 ft.	1357.50		1357.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder Magazine	26.00		26.00			
Exploder Magazine	15.00		15.00			
(8) Contingencies (specify):						
TOTALS	1398.50		1398.50	1398.50		1398.50

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7-1-56 *Payee C. R. Phillips
Per C. R. Phillips 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:
$ 1048.87
Signature Helen R. Miller (Authorized Certifying Officer)
Date JUL 6 1956 Vou. No. 6
(See other side)

RECEIVED JUL 9 - 1956

349.63

(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. E955 in accordance with the terms of the contract.

Signature S. C. Berryman Title Geologist USGS Date 7/5/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title DMEA EXECUTIVE OFFICER Date JUL 27 1956 ~~JUN 28 1956~~

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA 4152 Contract No. Idm-E 955

Operator's Name C. R. Phillips Minerals Mica

Address Route 3, Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
30' Shafts @ 45.25 ft.	Ft.	1357.50	30	1357.50	30	45.25	60	45.25
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1357.50		1357.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Powder & Exploder Mag.		41.00		41.00				
TOTAL COSTS		1398.50		1398.50				

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

Date 7-1-56 Operator C. R. Phillips

Per C. R. Phillips 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)

S. C. Berryman - Geologist USGS
7/5/56

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
JUL 2 - 1956

INTERIM REPORT

DMEA-4152, Idm-E955 (mica) ED PROSPECT

Operator: C. R. Phillips, R#3, Bakersville, North Carolina

Location: 1.53 airline miles N 17° E of the intersection of N. C. Highway 80 and Rebel Creek Road. Bakersville, Mitchell County, N. C.

Shaft sinking is underway with 27 feet completed. The shaft is inclined at -50°, timbered with separate manway. The Operator will continue sinking to 60 feet, then drift with the pegmatite for 80 feet.

Progress is satisfactory.

Inspected: June 20, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

s

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

4

June 6, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: DMEA-4152, Idm-E955, C. R. Phillips, Bakersville, N.C.
Ed Prospect, Mitchell County, North Carolina

Transmitted are the original and two copies of the subject contract. The usual distribution of the other copies has been made by this office.

Robert A. Laurence

Enclosures 3
cc - Operating Committee (2)
Mr. V. J. Lynch
Finance Officer
Files
E. Shirley

MAY 21 1956

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

Re: Project No. DMEA-413B-mica
G. R. Phillips
Mi Prospect
Mitchell County, North Carolina

Dear Mr. Lawrence:

Enclosed are the original and five copies of a proposed contract which have been signed by the Administrator for the Government with effective date as shown. Attachments to the contract are Annex I, Consent to Lien, Exhibit "A"(2 pages) and map of the Mi Prospect. Two extra copies of Annex I, Exhibit "A" and the map are enclosed for the use of the Field Team.

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. Copies of the executed contract are to be distributed in the usual manner.

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 1 and 8, 1956, by Mr. H. E. Malone, DMEA, and Mr. W. F. Dietrich, DMEM, 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

JHopkins:mm 5/15/56

Copy to: Regional
Operating Committee
Mr. Kiilsgaard, 3022
Mr. Dietrich, 3041
Mr. Hook
Mr. Hopkins
Admr. R. File

Enclosures: 12

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

RECEIVED
MAY 9 - 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-4152 (mica)

Applicant: C. R. Phillips

Name and Location of Property: Bd Prospect, Mitchell Co., N. C.

Date of Field Team Report: 4/25/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 5/2/56

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

Comments:

1. This new pegmatite occurrence is characterized by strategic mica localized in zones adjacent to the quartz core.

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

3. Total estimated costs are in the amount of $5,708.00

Recommendation:
I concur with the field team's recommendation for a unit-cost exploration program.

Signed

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAY 2 - 1956

May 1, 1956

Re: DMEA 4152 (Mica)
C. R. Phillips
Ed Prospect
Mitchell Co., N. C.
Application Est. - $6,500.00
Recommended Est. - $5,798.00

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring by bulldozing, shaft and drifting a new prospect.

The examiners found a stringed pegmatite with a quartz core adjacent to which is very high quality strategic mica. The mica constituted from 2 to 10 percent of the pegmatite.

The examiners and the Field Team recommend sinking a 60-foot shaft and drifting 80 feet, at an estimated cost of:--

Sinking	$2,818.00
Drifting	2,775.00
Buildings	115.00
	$5,708.00

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

N. E. Nelson

N. E. Nelson

NENelson:iml
G-5/1/56

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

Memorandum

To: Files

From James Hopkins

Subject: Evaluation of application for exploration permit and Field Team Report

This is a new pegmatite occurrence, with strategic mica apparently localized in zones adjacent to the quartz core and the prospect of significant new reserve seems excellent

Mica:

Strategic mica occurs along the margins of the quartz core and is found in thin flat books - 4 to 6 inches in diameter. It is ruby in color with no visible mineral stains. Some weathering (clay staining & bleaching) and slight edge cracking is present in the mica. Recovery of trimmed sheet out of the block should average around 15%

Pegmatite:

Continuous undulating 3' to 6' wide exposed for 81 feet

Conformable to a highly weathered brown mica schist and gneiss. Poorly zoned with discontinuous lenticular bodies of massive quartz up to 2 feet long occupying central portions of the structure. Approximately 60% of the pegmatite is composed of somewhat kaolinized sodic - plagioclase feldspar, 2 to 10% of strategic mica and minor amounts of biotite and sericite

Workings:

The only working is a 100 ft trench along the strike, and is 18 feet wide and 5 feet deep.

Economics:

There has been no production. The pegmatite is a raw prospect.

Proposed Exploration

The field team proposes a shaft 60 feet deep on one of the quartz veins and 80 feet of drifts from the shaft.

Recommendations:

This is sound prospecting work and the program is concurred in by the writer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 313 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

April 25, 1956

RECEIVED
APR 27 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Examination Report- DMEA-4152, Ed Prospect (mica)
C. R. Phillips, Applicant, Bakersville, N. C.

Enclosed are six copies of the subject report and nine extra copies of the map.

The Field Team recommends approval of a unit-cost contract for the work outlined in the examination report. This is a new pegmatite occurrence, with strategic mica apparently localized in zones adjacent to the quartz core, and the prospect of a significant new reserve seems excellent.

Robert A. Laurence

RAL/sm
cc:
Lynch
Shirley
Files
Opr. Com.-2

Reviewed by
DMEA OPERATING COMMITTEE

(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
APR 27 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT BY REGION V

On

DMEA-4152, ED PROSPECT (mica)
Mitchell County, N. C.

By

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

April 25, 1956

FIELD EXAMINATION REPORT
On

DMEA-4152, ED PROSPECT (mica), N. C.

RECEIVED
APR 27 1956

Mitchell County, North Carolina

Applicant: C. R. Phillips, Bakersville, North Carolina

Over 80 strike-length feet of excellent mica-bearing pegmatite is exposed in a 100-foot long bulldozer trench. The previously unexplored pegmatite contains roughly 2 to 10% by volume of very high quality ruby muscovite. The Field Examiners recommend a unit cost contract be granted on the basis of strong exposed structural continuity and excellent mica potential.

Location, etc.

The prospect was examined February 27, 1956, in the company of Ed Huskins, and Mr. Cecil Phillips. Association with previous DMEA contracts has proved their ability to undertake DMEA obligations.

The Ed Prospect is located on the southwestern extremities of Burns Mountain, at an elevation of approximately 3380 feet. It is on the crest of a ridge at the head of Rebels Creek, 1.53 airline miles, N 17° 31' E from the intersection of Highway 80 (104 on Quadrangle Map) and the Rebel Creek road (Micaville Quadrangle, TVA, 1934 Ed., 1/24,000).

Description:

A bulldozer trench, 100 feet long by 18 feet wide by 5 feet maximum depth, has been cut almost due north-south. Continuous undulating 3 to 6 feet wide pegmatite is exposed along strike for a distance of 81 feet with no end terminations visible. The pegmatite strikes generally north-south and dip 60 to 65° east. It is conformably enclosed in a highly weathered, brown, mica schist and gneiss. It is poorly zoned, with discontinuous lenticular bodies of massive quartz up to 2 feet thick, occupying

the central portions of the structure. Approximately 60% of the pegmatite is composed of somewhat kaolinized, sodic-plagioclase feldspar, 2 to 10% of strategic muscovite, and minor to rare amounts of biotite and sericite.

The strategic muscovite occurs along the margins of the quartz core and is found in thin, flat books 4 to 6 inches in diameter. It is a ruby color with no visible mineral stains. Some weathering (clay staining, bleaching) and slight edge cracking is present in the mica. Recovery of trimmed sheet out of the block, should average around 15%. There has been no production or sales from this deposit, and no equipment or other improvements are present at the site.

Recommendations:

The Field Examiners recommend sinking 60 feet of 5 x 7 feet, 2-Compartment inclined shaft on the pegmatite, and to drift along strike, north and south from the shaft for a total distance of 80 feet to explore and outline mica-bearing structures within the pegmatite. The shaft site is to be at one of the quartz-core pods, as indicated on the map.

Estimated Costs:

Toolhouse	$76.00	
Powder Magazine	~~25.00~~ 26.00	
Exploder Magazine	~~14.00~~ 15.00	~~$ 115.00~~ 117.00

Sink 60 feet of 2-compartment, inclined or vertical s shaft 5 x 7' crossection, on and in pegmatite (35 shifts)

Labor:

1 - Miner @ $1.50/hr	420.00
1 - Hoistman @ $1.25/hr.	350.00
2 - Laborers @ $1.00/hr.	560.00
	1330.00

Equipment (rental):

Compressor and drill, @ $230/Mo	$402.50	418.00
Hoist @ $50/Mo.	87.50	
Pump @ $20/Mo. 1 3/4 x 235.00	25.00	

Supplies:

Explosives	198.00	
Drill steel	108.00	
Gasoline and oil	123.00	
Small tools and pipe	120.00	
Timber, 1800 b.f. @ $65/M	117.00	
Miscellaneous	102.00	45.25/ft
Liability Ins.	133.00	
Social Security	26.60	
State Unemployment Ins.	28.85	
Sales Tax	16.55	
	993.00	$2713.00 (2715.00)
Estimated cost of shaft sinking (60 ft.)		$2,818.00

Drive 80 ft of drift and/or crosscut of 5' x 7' cross section in pegmatite to explore the strike length extensions of the structure (35 shifts)

Labor:

1 - Miner @ $1.50/hr.	420.00
1 - Hoistman @ $1.25/hr.	350.00
2 - Laborers @ $1.00/hr.	560.00
	1330.00

Equipment (rental):

Compressor and drill @ $230/Mo.	402.50	438.00
Hoist @ $50/Mo.	87.50	
Pump @ $20/Mo. 1 3/4 x 250.00	25.00	

Supplies:

Explosives	245.00	
Drill steel	120.00	
Gasoline and oil	150.00	33.20/ft
Small tools and pipe	90.00	
Miscellaneous	120.00	
Liability Ins.	133.00	
Social Security	26.60	
State Unemployment Ins.	28.85	
Sales Tax	16.55	
	930.00	(2656.00)
		$2,775.00 2650.00
Total estimated cost of project.....		$5,708.00 5448.00
		4116.00

S. C. Bergman, Geologist, U. S. G. S.
A. R. Taylor, Geologists, U. S. G. S.
A. L. Peyton, Mining Engineer.

460

FEB 10 1956

Mr. C. R. Phillips
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-4152-Mica
C. R. Phillips
Mt Prospect
Mitchell County, North Carolina

Dear Mr. Phillips:

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. Hubert A. Lauraman, Executive Officer, DMEA Field Team, Region V, Room 19, 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,

R. D. Whitehead

Administrator

Jhopkins:mm 2/9/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Killingsard, 5222
Mr. Dietrich, 3061
✓Mr. Monk
Mr. Hopkins
Field Team, Region V

FEB 10 1956

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

Re: Docket No. DMEA-4152-Mica
C. R. Phillips
Ed Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated February 6 and 7, 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

JHopkins:ms 2/9/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
✓Mr. Houk
Mr. Hopkins

Memorandum

To Files

From James Hopkins

Subject Evaluation of Application - Docket No DMEA 4152
CR Philips - Ed Prospect - Mitchell Co., N.C.

The applicant requests Government assistance to explore a newly-found pegmatite for strategic mica

There has been no previous operations or production.

The outcrop indicates that strategic mica may be found

The applicant proposes the following program and costs:

Bulldozing to expose pegmatite 10 hrs @ $10.00/hr	100.00
Shaft sinking on the pegmatite at most favorable location 80 ft @ $50.00	4000.00
Drift on pegmatite from shaft 80 ft @ $35.00/ft	2800.00
Total estimated cost of project	6900.00

Acreage is 6.7 acres. Lease and O.C.L. are in order

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

RECEIVED
FEB - 8

February 7, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4152 (mica)

Applicant: C. R. Phillips

Name and Location of Property: Ed. Prospect, Mitchell Co., N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 2/2/56

Comments:

1. The applicant states that this is a new prospect. 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.

February 6, 1956

Re: DMEA-4152
C. R. Phillips
Ed prospect
Mitchell Co., N. C.
$6,900 - Mica

Memorandum

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

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

Subject: Review of application

The applicant requests participation of the Government in an exploration work program on a new pegmatite prospect.

The work proposed consists of bulldozing, shaft sinking and drifting as follows:

Bulldozing, 10 hours at $10.00/hr.	$ 100.00
Shaft, 80 feet at $50.00/ft.	4,000.00
Drifting, 80 feet at $35.00/ft.	2,800.00
	$6,900.00

No information supporting the opinion that mica may be found by exploration work is given.

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

Copy to: DMEA (3)

RECEIVED
FEB - 7 1956

RECEIVED
AUG - 3 1956

OPERATOR'S

Monthly Progress Report

July, 1956

DMEA-4152, Idm-E 955

Ed Prospect

Work Accomplished:

We completed the shaft work as called for in the contract and recovered from the entire footage about 75# of poor quality mica. The vein material changed very little from the top to the 60 feet depth. Good progress has been made.

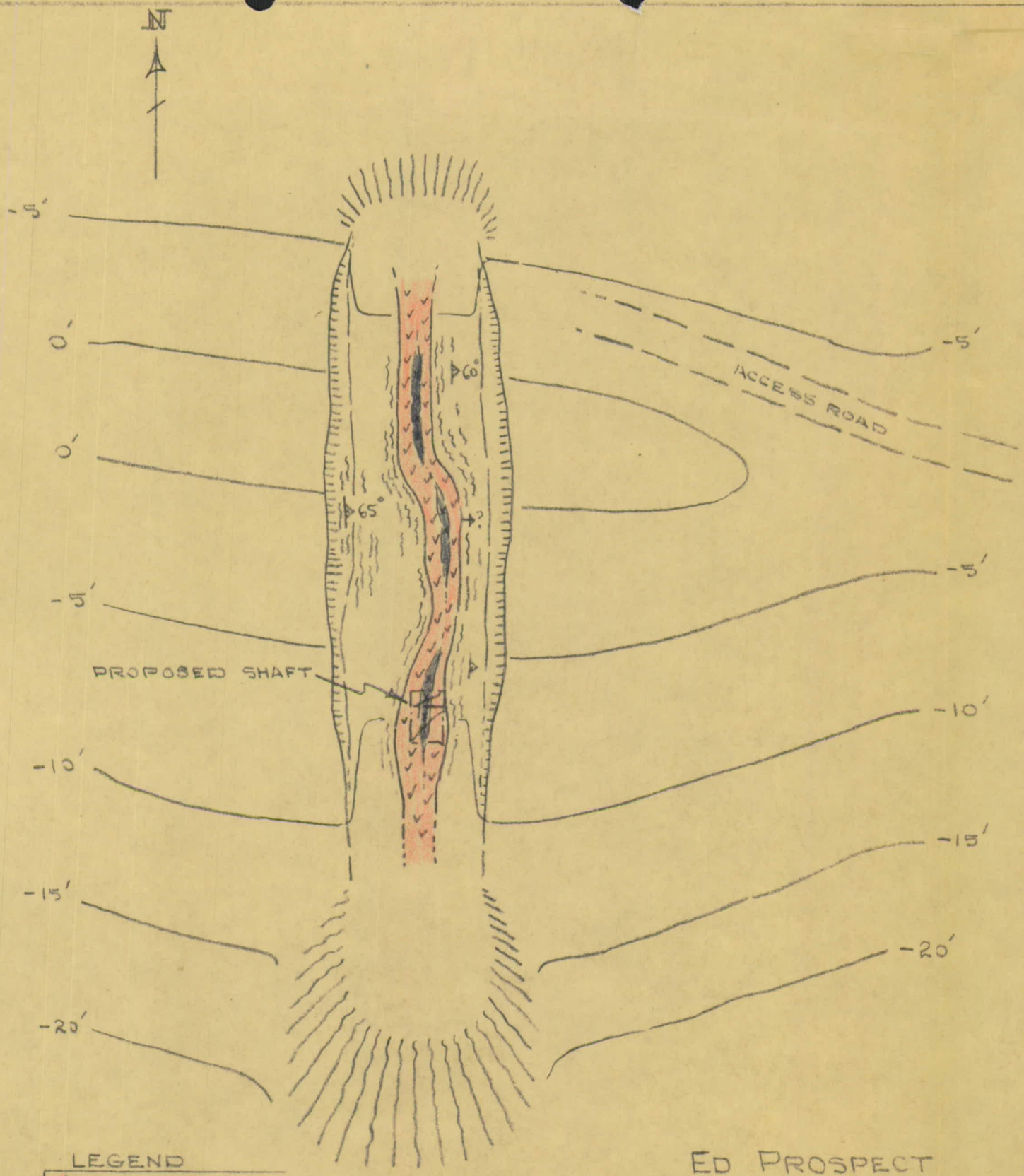
Daily Notes:

July 2 - 6 : Dipped water, dug and mucked out waste. Vein is rather soft and is on an incline.

July 9 -20 : Continued down with shaft, but have little change in vein. Repeated same daily operations. No mica encountered.

July 23-31 : Began to pick up some mica in shaft, recovering bout 75# of very poor quality. Vein looked more promising.

Three men worked full time.



LEGEND

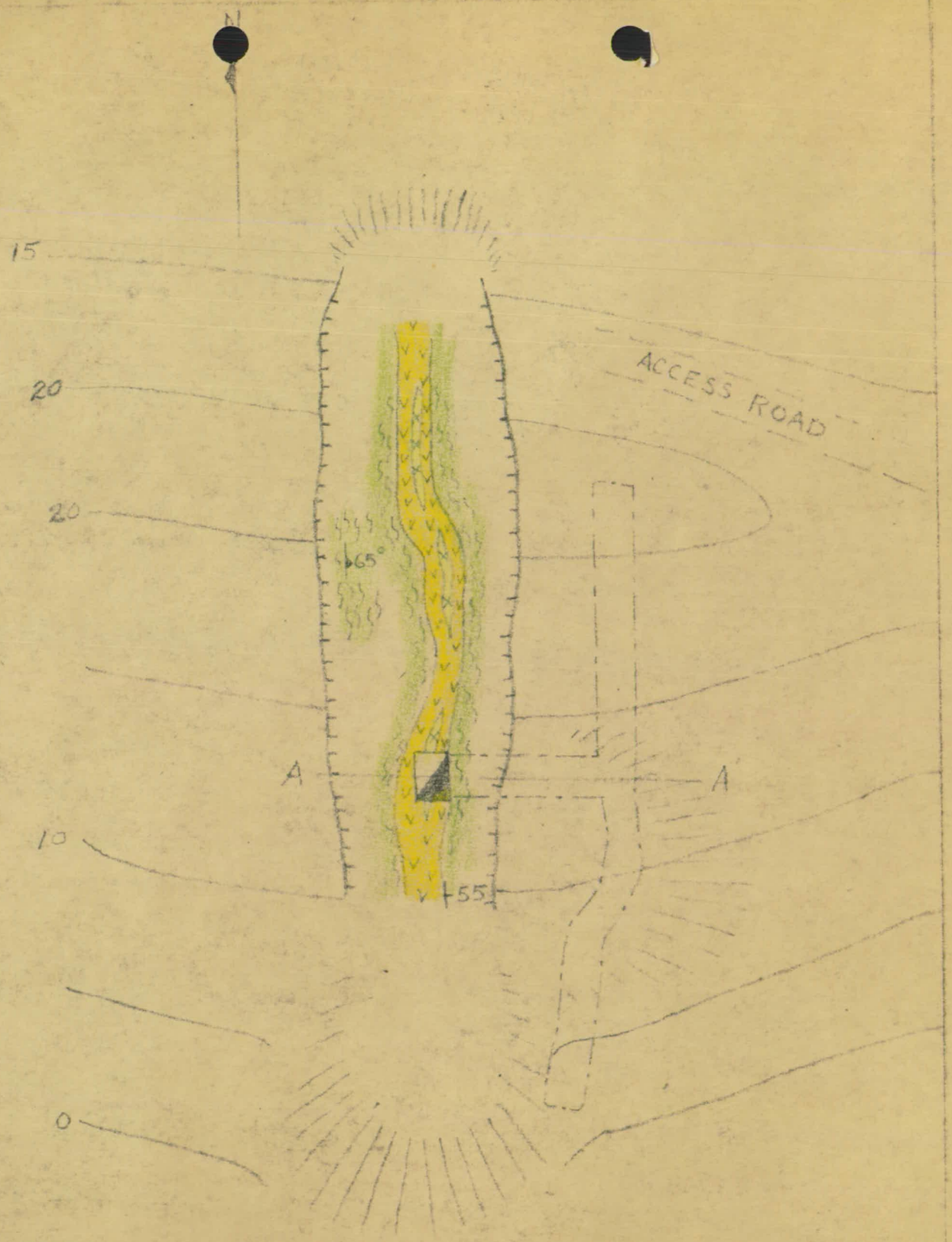
- MICA BEARING PEGMATITE
  Qtz. core
- MICA SCHIST AND GNEISS

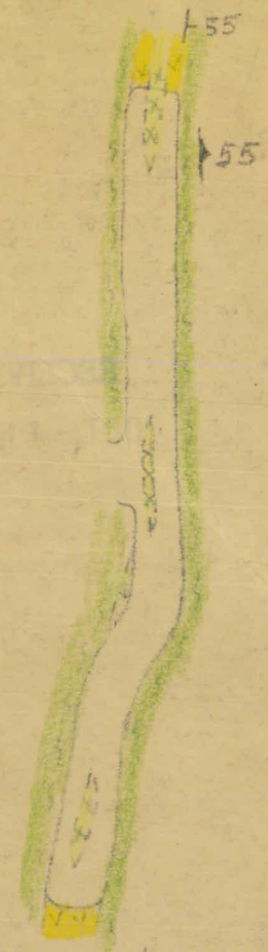
ED PROSPECT

MITCHELL COUNTY, N.C.

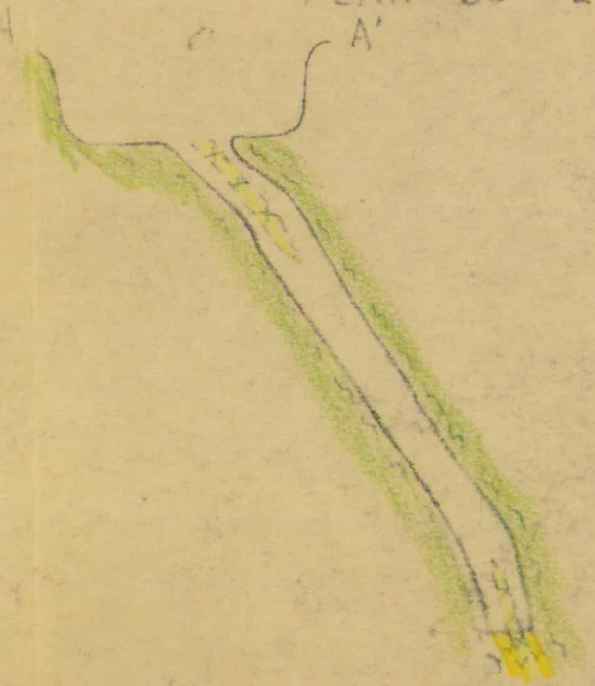
DMEA-4152 (MICA)

SCALE: 1" = 20'





PLAN 60' - LEVEL



SECTION A-A'

LEGEND

vv pegmatite

xx quartz

mica schist & gneiss

ED PROSPECT

MITCHELL COUNTY, N.C.

DMEA-4152 (MLA)

Scale 1" = 20'

3/24/56

7