DEC 2 2 1964

Memorandum

To: Chief, Fiscal Section, Office of Management Operations, Office of the Secretary
Through: Assistant Secretary - Mineral Resources

From: Chief, Division of Exploration Operations, GMS

Subject: [illegible]-4449 (Mica)
Clifton D. Buchanan
Bowen Prospect
Mitchell County, North Carolina
Contract Ldm-81062

Enclosed for your files is the original of a Report of Royalty Review, dated December 17, 1964, on the subject contract.

George C. Selfridge

Enclosure

GCSelfridge/gla (12-22-64)
cc to: Docket
C&A Division
MR (2)
Secretary's File Copy
Secretary's Reading File
Director's Reading File
G. C. Selfridge
E. A. Laurence, USGS, Reg. IV, w/cy of Report of Royalty Review dtd 12/17/64 and cy of memo, dtd 12/17/64
Avery Reed, USBM, w/cy of each item sent to Mr. Laurence

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E1042, Docket DMEA-4449 (mica), dated November 28, 1956, with

Clifton D. Buchanan
Box 218
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Boone Prospect and Phillips Property located in Mitchell County, North Carolina, during the period June 16, 1960, through December 12, 1964.

A certification of discovery or development was issued on January 27, 1958, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated August 5, 1957, indicated accepted costs under the exploration contract amounting to $5,552.00 with the Government's contribution on a 75 percent basis being $4,164.00.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through June 15, 1960, to be $8,856.16. The royalty account as of June 15, 1960, was:

Total Royalty Payable	$442.88
Total Royalty Paid	411.76
Balance of Royalty Due	$ 31.12

As of December 12, 1964, the royalty account of this project was found to be:

Total Royalty Payable	$442.88
Total Royalty Paid	442.88
Balance of Royalty Due	$ -0-

C. E. Fisher

December 17, 1964

C. E. Fisher, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Under the provisions of this exploration project contract the Operator, as principal if the producer or as surety if not the producer, is obligated to pay the Government a percentage royalty on all minerals produced from the land under the contract. At the time the contract was executed the Operator was in possession of the 500' x 500' tract by virtue of an October 22, 1956, mining lease from F. O. Phillips of Spruce Pine, North Carolina. The lessor signed a Consent to Lien and Subordination Agreement on October 22, 1956, as an inducement for the Government to enter into the contract.

The exploration work under the contract was completed on June 14, 1957, and mining operations ceased on October 15, 1957. Production from the exploration and subsequent work resulted in proceeds of $8,856.10 from sales of 411.87 lbs. of sheet mica and 12,885 lbs. of hand-cobbed mica to the G.S.A. Mica Purchase Depot, and a single sale on July 22, 1957, of 4,000 lbs. of scrap to The English Mica Company. These sales were covered in a Report of Royalty Review dated March 13, 1958, and the strategic mica sales were checked against the purchase records of the Depot. This prior review found a balance of $31.12 in royalty due the Government. The Operator paid this sum during March 1958.

Examinations of this property on March 25, 1958, January 29, 1959, and November 5, 1959, found no signs of activity since October 15, 1957. The property also is included in a Region IV listing of projects "checked at the Government Purchasing Depot, Spruce Pine, N. C., or by contacting the Operators or by inquiring in and around the vicinity" and found inactive on June 13 through 15, 1960.

A check of the records of the Spruce Pine Mica Purchase Depot by this auditor in June 1962 failed to disclose any sales to that Depot on which royalty had not been paid to the Government. Also, the landowner, F. O. Phillips, has advised OME that there has been no production from the property between October 1957 and December 12, 1964.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that the property was inactive during the period covered by this review;

(2) All sales of strategic mica have been reported and proper royalty thereon paid; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

December 17, 1964

Memorandum

To: Chief, Division of Exploration Operations

/s/ C. E. Fisher

From: Contract Administration and Audit Division

Subject: DMEA-4449 (Mica)
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract Idm-E1042

The original and two copies of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary; and

(b) Two copies for Region IV files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

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

Enclosures

CEFisher/ama 12-17-64

cc:
Director's Reading File
CA & A Division

December 9, 1964

Memorandum

To: Files

/s/ C. E. Fisher

From: Contract Administration and Audit Division

Subject: DMEA-4449 (Mica)
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract Idm-E1042

Reports of Royalty Review dated March 13, 1958, and February 13, 1962, refer to the possibility that scrap or punch mica may have been sold on which royalty has not been paid to the Government. This was based on the following notation by Mr. Beck on Check Sheet of Examining Engineer dated February 19, 1958:

> "Operator stockpiles mica scrap until a sufficient amount is obtained to make a sale."

My experience from numerous trips to the mica country has indicated that it is the usual practice for these small operators when trimming mica to allow the waste to fall on the floor of the shed. When the accumulation is sufficient to become a nuisance, or a buyer of scrap or punch comes along, the floor will be cleaned up and this waste sold for $20.00 or $30.00 per ton. In my opinion this is the "stockpile" to which Mr. Beck refers.

This Operator has paid royalty on 411.87 pounds of trimmed mica sold to the Spruce Pine Depot for $6,045.16, plus 4,000 pounds of scrap mica for which he realized $60.00. This indicates that 4,400 pounds of block mica produced some 400 pounds of trimmed mica or a recovery of approximately 10%. In my opinion most of the scrap or punch has been accounted for. Probably there was not sufficient remaining to make a sale or if it was sold only a very few dollars were realized and the Government's royalty would be inconsequential.

Repeated requests to the Operator for an accounting of scrap and punch sales have been ignored by him. OME files contain acceptable

evidence that the mine has not been operated since about 1957 through December 6, 1963, and that royalty has been paid to the Government on all sales with the possible exception of an unimportant amount of scrap or punch.

Request for information regarding the period subsequent to December 6, 1963, is being sent to F. O. Phillips, the land-owner. Upon receipt of this information, I propose writing an up to date Report of Royalty Review which will eliminate reference to the possibility of unreported scrap or punch sales.

CEFisher/ama 12-9-64

cc:
Director's Reading File
CA & A Division

NOV 1 3 1964

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Clifton D. Buchanan
Box 218
Spruce Pine, North Carolina

Re: DMEA-4449 (Mica)
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract Idm-E1042

Dear Mr. Buchanan:

A review of our files pertaining to the subject DMEA exploration project contract fails to disclose a reply to our letter to you dated February 16, 1962, copy enclosed.

Please furnish the requested information along with your remittance of any additional royalty which may be payable to the Government.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

CEFisher/ama 11-13-64

cc:
Docket
Director's Reading File
CA & A Division
Region IV

OCT 21 1964

Mr. Clifton D. Buchanan
Box 218
Spruce Pine, North Carolina

Re: DMEA-4449 (Mica)
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract Idm-E1042

Dear Mr. Buchanan:

A review of our files pertaining to the subject DMEA exploration project contract fails to disclose a reply to our letter to you dated February 16, 1962, copy attached.

Please furnish the requested information along with your remittance of any additional royalty which may be payable to the Government.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

CEFisher/ama 10-21-64

cc:
Docket
Director's Reading File
CA & A Division
Region IV

DMS-4-17A
DMS-4-324B

E 1042 11/28/56 DMSA-4449 Clifton D. Buchanan

Mitchell County, N.C. Boone, Phillips Mine

Last reported Depot sale 1/15/68 SPAO lot 148 $198.33
10/30/57 SPBO-68 340.66

Other known parties of possible interest
J. O. Phillips ~~Lessee~~ Lessor

How about scrap and punch?

S.P. Depot records do not indicate any subsequent sales from this property.
C.E.F. 6/20/62

A ✓

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	[illegible]	800
		500
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

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

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

Contract No.	Docket No.	Operator	Mine Names
E- 684	3244	Alex Teague	[illegible]enson (Denison)
687	3256	Glenn C. Rathburn	Fox, Busby Creek
692	3260	Sam L. Phillips	[illegible] McKinney, McKinney [illegible] 1
[illegible]94	3199	W. B. Chrisawn	[illegible] (W. H.) Westall
712	3410	Rock Mining Company	Rock
[illegible]	[illegible]	A. [illegible]ard	Elmore
[illegible]	3559	C. S. Phillips, et al.	[illegible]ugar Dave, Ralph
[illegible]62	[illegible]	Keller Mining Co.	Oyster
[illegible]	3720	Alvin White, et al.	Howard
830	3265	Mines and Mining, Inc.	Barlow Gap
835	3713	T. [illegible]. Vance	Shuffle Vance, Red, Charlie Burleson
840	3799	J. R. Beam	Bennett, Mica Field
86[illegible]	3860	Sd Boone	Good Rock
[illegible]	3924	J. R. Beam & John Phillips	Little Ray, Pat
[illegible]91	3543	Buchanan Minerals, Inc.	Buchanan, Dream
900	3942	Sam G. Smith	Joe Hill, Sam Smith
962	4147	Sam L. Phillips	Old Buchanan
1005	4239	John Phillips	Roby (Robby)
1008	4332	John Phillips	John (John's) Brown
1037	4268	Murphy Mining Co.	Murphy, Murphy Rock
1042	4349	Clifton D. Buchanan	[illegible], Phillips
1039	4354	Sam L. Phillips	[illegible] Mountain

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

CEFisher/ams
6-26-62

REPORT OF
ROYALTY REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-51042, Docket DMEA-4449 (mica), dated November 28, 1956, with

Clifton D. Buchanan
Box 218
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Boone Prospect and Phillips Property located in Mitchell County, North Carolina, during the period February 20, 1958, through June 15, 1960.

A certification of discovery or development was issued on January 27, 1958, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated August 5, 1957, indicated accepted costs under the exploration contract amounting to $5,552.00 with the Government's contribution on a 75 percent basis being $4,164.00.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through February 19, 1958, to be $8,856.16. The royalty account as of February 19, 1958, was:

Total Royalty Payable	$442.88
Total Royalty Paid	411.76
Balance of Royalty Due	$ 31.12

As of June 15, 1960, the royalty account of this project was found to be:

Total Royalty Payable	$442.88
Total Royalty Paid	442.88
Balance of Royalty Due	$ -0-

February 15, 1962

E. D. Talbert, OME Auditor

Idm-E1042 Clifton D. Buchanan DMEA-4449

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Under the provisions of this exploration project contract the Operator, as principal if the producer or as surety if not the producer, is obligated to pay the Government a percentage royalty on all minerals produced from the land under the contract. At the time the contract was executed the Operator was in possession of the 500' x 500' tract by virtue of an October 22, 1956, mining lease from F. O. Phillips of Spruce Pine, North Carolina. The lessor signed a Consent to Lien and Subordination Agreement on October 22, 1956, as an inducement for the Government to enter into the contract.

The exploration work under the contract was completed on June 14, 1957, and mining operations ceased on October 15, 1957. Production from the exploration and subsequent work resulted in proceeds of $8,856.10 from sales of 411.87 lbs. of sheet mica and 12,885 lbs. of hand-cobbed mica to the G.S.A. Mica Purchase Depot, and a single sale on July 22, 1957, of 4,000 lbs. of scrap to The English Mica Company. These sales were covered in a Report of Royalty Review dated March 13, 1958, and the strategic mica sales were checked against the purchase records of the Depot. This prior review found a balance of $31.12 in royalty due the Government. The Operator paid this sum during March 1958.

Only one sale of scrap and none of punch have been reported. The files indicate that the Operator stockpiled both. The prior Report of Royalty Review recommended inquiry as to disposition of the project's scrap and punch. This recommendation is repeated.

Examinations of this property on March 25, 1958, January 29, 1959, and November 5, 1959, found no signs of activity since October 15, 1957. The property also is included in a Region IV listing of projects "checked at the Government Purchasing Depot, Spruce Pine, N. C., or by contacting the Operators or by inquiring in and around the vicinity" and found inactive on June 13 through 15, 1960.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that the property was inactive during the period covered by this review;
(2) All sales of strategic mica have been reported and proper royalty thereon paid; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

800

APR 18 1962

Memorandum

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

From: Chief, Division of Field Operations, OME

Subject: DMEA-4449 (Mica)
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract Idm-R1042

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

George C. Selfridge

Enclosure

GCSelfridge/hb (4/18/62)
cc to: Doclmt DMEA-4449
Director's Reading File
CA&A Division
GCSelfridge
R. A. Laurence, Region IV, w/cy of Report of Royalty Review dated 2/13/62 & orig. cy of memo dtd 2/13/62 to Chf., Division of Field Operations from CA&A Div.
Avery Reed, USBM, Region IV, w/cy of an. item sent to Mr. Laurence.

FEB 13 1962

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-4449 (Mica)
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract Idm-81042

Enclosed are the original and two copies of a Report of Royalty Review covering the subject Region IV contract. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary; and

(b) Two copies to Region IV files.

This report is for OME record purposes only; therefore, no copy has been provided for the Operator.

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

Enclosures

EDTalbert/ama 2-13-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

TRIPLICATE

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

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Oak Ridge, Tennessee

DEPOSIT NO.
14-23-070-76

For credit of 5369 Br. Trsy. Regional Office, Oak Ridge, Tenn. 3/25/58
(Name, title, and disbursing or o[redacted]dentification symbol of accountable officer) [redacted]e sent)

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

$ 51.12

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E1082 Moody Rock Mining Co. (Royalty Payment)	20.00
	Idm-E1042 Clifton D. Buchanan (Royalty Payment)	31.12

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

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

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

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

(Authorized signature)

(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

3/27 H.E. 225
800

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the records of the Executive Officer, DMEA Field Team, Region V, Knoxville, Tennessee, pertaining to Contract Idm-E1042, Docket No. DMEA-4449 (Mica), dated November 28, 1956, with

Clifton D. Buchanan
Box 218
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of mica from property referred to as Boone Prospect, located in Mitchell County, North Carolina, during the period November 28, 1956, to February 19, 1958.

A certification of discovery or development was issued on January 27, 1958, and, in accordance with the contract, royalty is payable on the net proceeds realized from production as a result of such discovery or development during a period of 10 years from the date of the contract or until the amount of the Government's contribution to exploration costs has been repaid, without interest, whichever occurs first. A report of review in lieu of final audit dated August 5, 1957, indicated accepted costs under the exploration contract amounting to $5,552.00 with the Government's contribution, on a 75 percent basis, being $4,164.00. The scope of the present royalty review and the reasons therefor are stated on Schedule "A" attached.

The review established the total sales of mica to be $8,856.16. Royalty due the Government at the contract rate of 5 percent is $442.88. The royalty paid and balance due are as follows:

Total Royalty Due	$442.88
Total Royalty Paid	411.76
Balance of Royalty Due per Schedule "A"	$ 31.12

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

March 13, 1958

Schedule "A"

CONTRACT IDM-E1042, DOCKET NO. DMEA-4449 (MICA)

Report of Royalty Review

This review was limited to the listing of sales of sheet and hand-cobbed mica to the Mica Purchase Depot, Spruce Pine, North Carolina, and scrap to English Mica Company as indicated by the records of the DMEA Region V office in connection with production from Boone Prospect on which royalty was paid. Such list, which is filed with my audit work papers, was also checked with the purchase records of the Depot. A summary of the indicated production, sales, and royalty paid to the Government follows:

Item	Production (Pounds)	Sales
Sheet mica	411.87	$6,045.16
Hand-cobbed mica	12,885.00	2,751.00
Scrap mica	4,000.00	60.00
Totals	17,296.87	$8,856.16
Royalty Due @ 5%		$ 442.88
Royalty Paid		411.76
Balance Due (Per detail)		$ 31.12

Detail of Balance Due

Lot No. 42 9/25/56			
Hand-cobbed	$219.00		
Lot No. 322 10/29/56			
Sheet mica	293.44		
Total sales	$512.44		
Royalty Due @ 5%		$25.62	
Royalty Paid 2/3/58		21.45	
Balance Due			$ 4.17
Lot No. 68 10/20/56			
Hand-cobbed	$340.66		
Lot No. 482 1/15/58			
Sheet mica	198.33	$538.99	26.95
Balance of Royalty Due			$31.12

The only sale of scrap mica on which royalty has been paid was made in July, 1956. It is recommended that the regional office ascertain whether subsequent sales have been made of scrap or punch mica on which royalty is due.

An on-site royalty audit was not made at this time because the administrative cost to the Government would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Check Sheet of Examining Engineer

Operator's Name Clifton D. Buchanan
P.O. Box 218
Address Spruce Pine, North Carolina

Boone Prospect, Mitchell County, N.C.

Exploration Contract No. Idm-E1042 Docket No. DMEA-4449

	Check One Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		x
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		x
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?	x	
(b) If so, are adequate records maintained on such material to protect the Government's interest?	x	
4. Do you consider the assay controls in effect are adequate?	x	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	x	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	x	
7. Does the Operator buy from or sell to other Operators?		x

8. Comment on any item 2 (b) to 6 if answer is No.

3.(a) Operator stockpiles mica scrap ~~xx~~ until a sufficient amount is obtained to make a sale.

W. A. Beck

W,. A. Beck, Mining Engineer

Date 2-19-58

82448

MAR 26 1958

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

Re: Docket No. DMEA-4449 (Mica)
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract No. Ma-K1042

Dear Mr. Lawrence:

In response to your memorandum dated March 20, 1958, I wish to direct your attention to your letter to Mr. Buchanan dated February 3, 1958.

In that letter you requested payment of $4.17 covering additional royalty due on value of mica sold in late Nos. 42 and 322 but did not mention the overpayment which existed in the account at that time. This fact was noted during the review. It was decided that the amount involved ($.07) was too small to mention in the report which is returned without revision.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

CEFisher/ama
March 25, 1958

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

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

OFFICE OF THE DIR.
DMEA
RECEIVED MAR 24 1958
DATE | INITIALS | CODE
3/24 | C | 230 800

March 20, 1958

Memorandum

To: Jay L. Chambers, Director Contract Administration and Audit Division - DMEA

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

Subject: DMEA-4449, Idm-E1042 (mica) Clifton D. Buchanan, Spruce Pine, N.C. Boone Prospect, Mitchell County, N. C. Report of Royalty Review.

Although it is a very minor difference, our records show the total royalty due to be $442.81 and the balance of royalty due to be $31.05, instead of $442.88 and $31.12 as given in the Report of Royalty Review. The total sales figure, $8,856.16 is correct, and 5% of this figure is $442.808.

Therefore, I am returning the original and all copies to you for correction, before distributing them.

Robert A. Laurence

Robert A. Laurence

MAR 14 1958

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

Re: Docket No. DMEA-4449 (Mine)
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract No. Idm-F1042

Dear Mr. Laurence:

I am enclosing the original and two copies of Mr. Fisher's Report of Royalty Review dated March 13, 1958, pertaining to the subject contract.

If you concur with the findings, the original should be forwarded to the Regional Finance Officer, a copy should be retained in your files, and a copy should be sent to the Operator.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

CEFisher/ama
March 14, 1958

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

Oak Ridge, Tennessee

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 5369 Br. Trsy. Regional Office, Oak Ridge, Tenn. 2/4/58
(Name, title, and disbursing or other identification symbol of accountable officer) (Place sent)

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

for accounts listed below. SCHEDULE NOS.

DEPOSIT NO. 14-23-070-67

$ 64.67

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E1042 Clifton D. Buchanan (Royalty Payment)	21.45
	Idm-E1106 Homer Boone (Royalty Payment)	43.22

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

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

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

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

(Authorized signature)

FEB 4 1958
(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

TRIPLICATE

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

OFFICIAL FILE COPY
DMEA
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DATE		CODE
2/6/	H.S.	225T 800

TRIPLICATE

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

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Oak Ridge, Tennessee

For credit of 5369 Br. Trsy. P[redacted]ional Office, Oak Ridge, Tenn. [redacted]/19/57
(Name, title, and disbursing or [redacted] identification symbol of accountable officer) [redacted] be sent)

14-23-070-42

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

$ 205.69

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E1042 Clifton D. Buchanan (Royalty Payment)	$205.69

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

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

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

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

(Authorized signature)

NOV 19 1957

(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

11/25/ L. D. 225
800

TRIPLICATE

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

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Oak Ridge, Tennessee

DEPOSIT NO. 14-23-070-23

For credit of 5369 Br. Trsy. Regional Office, Oak Ridge, Tenn. [redacted] 9/11/57
(Name, title, and disbursing or [redacted] identification symbol of accountable officer) [redacted]te sent)

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

$ 105.78

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E1042 Clifton Buchanan (Royalty Payment)	105.78

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

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

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

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

(Authorized signature)

SEP 11 1957

(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 16 1957

DATE	INITIALS	CODE
9/16/	[illegible]	220
		800

TRIPLICATE

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

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Oak Ridge, Tennessee

DEPOSIT NO.
14-23-070-5

For credit of 5369 Br. Trsy. Regional Office, Oak Ridge, Tenn. [redacted] 19/57
(Name, title, and disbursing or o[redacted]dentification symbol of accountable officer) [redacted]e sent)

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

$ 78.84

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	Idm-E1042 Clifton Buchanan (Royalty Payment)	$78.84

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

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

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

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

(Authorized signature)

JUL 19 1957
(Date of credit in Treasurer's account)

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

16—59686b-1 GPO

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Clifton D. Buchanan
Box 218
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Ida-E1042, DMEA No. 4449, including Amendment No. 1, for the months of February 1957 to June 1957, inclusive, covering a project for the exploration of mica on property, known as the Bosme 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 correspondence, and a determination of the reasonableness and propriety of the costs.

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

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

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

Total cost as billed by Contractor		$5,552.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$5,552.00

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 sixty-four and no/100 Dollars

$4,164.00

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

August 5, 1957

AUG - 5 1957

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 14, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-4449 (Mica)
Clifton D. Buchanan
Boone Prospect
Mitchell County, N. C.
Contract No. Idm-E1042

Dear Mr. Laurence:

As requested in your memorandum of August 1, 1957, a Report of Review in lieu of a final audit of the referenced project has been prepared. The original and two copies thereof, together with the original of the final MF-104 submitted with your memorandum, are enclosed.

If you concur with the facts stated in this Report of Review, the original and one copy should be forwarded to the regional finance officer and one copy should be retained in your files. If for any reason you do not concur, please return the original and both copies to this Division with your comments.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Assistant Director
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
August 5, 1957

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

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

August 1, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 5 1957

DATE	INITIALS	CODE
8/5	P.K.	220
		800
		600

Memorandum

To: Jay L. Chamber, Contract Admin. & Audit Division

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

Subject: Completion of - DMEA-4449, Idm-E1042-mica.
Clifton Buchanan, Boone Prospect, Mitchell County, North Carolina

Work on the subject contract has been completed.

The following units of work have been acceptably performed as verified by our Field Examiners:

1- A toolhouse was constructed.

2- A 5' x 7' shaft was sunk to a depth of 60 feet.

3- 80 feet of drift work was completed.

An acceptable Geologic and Engineering report has been received.

A report of review is requested. A copy of the final voucher is attached.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 5 1957

DATE	INITIALS	CODE

Robert A. Laurence

Robert A. Laurence

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 6

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JUNE 1957 Docket No. DMEA NO 4449 Contract No. IDDM_EI042

Operator's Name CLIFTON D. BUCHANAN Minerals MICA.

Address SPRUCE PINE, N. C. P.O. BOX 218

Contract Amount, $5552.00 Government Participation: ____% Amount, $4164.00

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 12ft. @ 33.50	402.00	2278.00	2680.00			
SHAFT.		2796.00	2796.00			
(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	76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$402.00	5150.00	5552.00	402.00	5150.00	5552.00

RECEIVED AUG 13 1957 D.M.E.A.

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

Date 7-10-1957 *Payee Clifton Buchanan

Per _____ Title OPERATOR.

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

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

(Instructions on reverse)

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

$ 301.50

Signature Helen R. Mellin (Authorized Certifying Officer)

Date AUG 9 1957 Vou. No. 27

(See other side)

547 c 6/15

100.50

(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-1042 in accordance with the terms of the contract.

Signature S. C. Benjamin Title GEOLOGIST, U. S. G. S. Date JUL 15 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Dawson Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date AUG 7 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JUNE. 195 7 Docket No. DMEA 4449 Contract No. IDM-EI042

Operator's Name CLIFTON D. BUCHANAN Minerals MICA.

Address SPRUCE PINE, N. C. P.O. BOX 218

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	FT.	402.00	12	2680.00	80	33.50	80	33.50
Crosscutting								
Raising								
Shafts	FT.			2796.00	60	46.60	60	46.60
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		402.00		5476.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				76.00				
Total Costs				5552.00				

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 7-10-1957 Operator Clifton D Buchanan

Per _____ Title OPERATOR.

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

(Instructions on reverse)

Remarks:

(For Government use only) S. C. Bergman

GEOLOGIST, U. S. G. S. JUL 15 1957

RECEIVED AUG 13 1957 D.M.E.A.

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

DEMA NO. 4449

OPERATORS.
MONTHLY PROGRESS REPORT.
for the
Month of June 1957

Work Accomplished.

Drilled, blasted and mucked 3 rounds, for a total of 12 ft. advanced for the month.
Got 800 to 1000 lbs Mica completed Contract.

Daily notes.
1. No work
2. SUNDAY
3. Went to mountain cut trees truck load of timber for mine.
4. Finished mucking out ,Cut and fixed round of timber.
5. Put in a 6ft. lenth of timber, Drilled 4ft. round of holes. Blaste
6. Mucked all day got 400lbs of Mica.
7. Drilled round of 4ft. holes. Blasted mucked rest of day.
8. No work. got 300lbs of Mica.
9. SUNDAY.
10. No work.
11. No work.
12. No work.
13. Finished mucking out, Drilled round of 4ft. holes blasted ,got 100lbs of Mica.
14. Put in a 6ft. lenth of timber, Drilled round.
This finished 80ft. of Drifting.

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D M E A
RECEIVED AUG 13 1957
DATE | INITIALS | CODE

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 76

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1957 Docket No. DMEA 4449 Contract No. Idm-E 1042
Operator's Name Clifton Buchanan Minerals Mica
Address Box 218, Spruce Pine, N. C.
Contract Amount, $ 5552.00 Government Participation: ____% Amount, $ 4164.00

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 47' @ $33.50	1574.50	703.50	2278.00			
Shaft	46.60	2749.40	2796.00			
(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						
(8) Contingencies (specify):						
TOTALS	1621.10	3528.90	5150.00	1621.10	3528.90	5150.00

RECEIVED JUN 19 1957 D.M.E.A.

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

Date June 5, 1957 Payee Clifton D. Buchanan

Per _____ Title Operator

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

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

(Instructions on reverse)

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

$ 1,215.83

Signature Helen R. Meller
(Authorized Certifying Officer)

Date JUN 17 1957 Vou. No. 205
(See other side)

405.27

4th

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1042 in accordance with the terms of the contract.

Signature W. A. Beck Title MINING ENGINEER U. S. BUREAU OF MINES, Date JUN 14 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JUN 14 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

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 May 1957 Docket No. DMEA 4449 Contract No. Idm-E 1042
Operator's Name Clifton Buchanan Minerals Mica
Address Box 218, Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	1574.50	47	2278.00	68	33.50	80	33.50
Crosscutting								
Raising								
Shafts	Ft.	46.60	1	2796.00	60	46.60	60	46.60
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1621.10		5074.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				76.00				
Total Costs		1621.10		5150.00				

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

Date June 5, 1957 Operator Clifton D Buchanan

Per ..... Title Operator

Remarks: One foot of shaft omitted in April Report thru mathematical error. Claimed on this report.

Clifton D Buchanan
Clifton D. Buchanan

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

(Instructions on reverse)

(For Government use only)

RECEIVED JUN 19 1957 D.M.E.A.

W. A. Beck
MINING ENGINEER
U. S. BUREAU OF MINES

JUN 14 1957

INSTRUCTIONS

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

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

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

GPO 872894

DMEA No. 4449

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of May 1957

Work Accomplished

Run cross cut 36 ft. South West side of shaft. Vain got poor so we started in North East end of vain. Drilled, blasted, and mucked 12 rounds for a total of 47 foot advance for the month. Four men on regular shift recovered 46 hundred pound of mica for the month.

Daily Notes

May 1. Cut and put in timber, drilled round, and blasted.

May 2. Mucked out and cut timbers.

May 3. Put in round of timbers and drilled around.

May 4. No work

May 5. Sun.

May 6. Blasted round 4 ft. holes, mucked rest of day.

May 7. Cut and put in 5 ft. round of timbers MUCKED THREE hours, drilled 7, four foot holes.

May 8. Loaded and blasted, got no mica.

May 9. Sick leave.

May 10. Sick leave.

May 11. No work.

May 12. Sun.

May 13. Began work on other side of shaft, cut through side of timber, shot some holes.

May 14. Mucked out, drilled round and blasted, got 500 pounds of mica.

May 15. Finished mucking out, drilled round and blasted, cut round of timber ready to put in, discussed contract with visiting field team engineers.

May 16. Put in a ring of timber. Fixed bottom so we could dump muck in bucket.

May 17. Drilled round and blasted. Got 6 or 8 hundred pound of mica.

DMEA
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DATE | INITIALS | CODE
EXTRA-COPY

May 18. No work.

May 19. Sun.

May 20. Mucked seven hr's cut timber rest of day. got 2 hundred pounds of mica.

May 21. Finished mucking out, put in 5 ft, round of timber. drilled and blasted 9 ,four foot holes, got 3 hundred pounds of mica.

May 22. Mucked all day, got 6 hundred pound of mica.

May 23. Drilled and blasted 7, four foot holes, mucked rest of day, got 4 hundred pounds of mica.

May 24. Put in seven foot ring of timbers, mucked two hours.

May 25. No work.

May 26. Sun.

May 27. Rain

May 28. Drilled round and blasted, mucked rest of day, got 8 hundred pounds of mica.

May 29. Drilled round and blasted.,cut and brought in a round of timber, mucked rest of day, got 4 hundred pound of mica. Field team engineers visited today.

May 30. Put in 5 ft. ring of timber. Drilled 8 four foot holes and blasted, got 7 hundred pound of mica.

May 31. Mucked out 6 hr's. drilled and blasted, got 400 pound of mica.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 68

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1957 Docket No. DMEA 4449 Contract No. Idm-8 1042
Operator's Name Clifton Buchanan Minerals Mica
Address Spruce, Pine N.C. P.O. Box 218
Contract Amount, $ 5552.00 Government Participation: ____% Amount, $

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 21 ft.	703.50	978.60				
Drifting 4 ft.	186.40	1584.40	3452.90			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
661 House.		76.00				
			76.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	889.90	2639.00	3528.90	889.90	2639.00	3528.90

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

Date May 6, 1957 *Payee Clifton Buchanan

Per _____ Title Operator.

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

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

(Instructions on reverse)

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

$ 667.42

Signature Helen R. Miller
(Authorized Certifying Officer)

Date MAY 10 1957 Vou. No. 188
(See other side)

RECEIVED MAY 13 1957 OFFICE OF THE COMPTROLLER

Pg 2, 48

(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-1042 in accordance with the terms of the contract.

Signature V. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date MAY 9 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date MAY 9 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible]
Address [illegible]
Minerals [illegible]

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	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
Raising								
Shafts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Distributed Costs		[illegible]		[illegible]				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		[illegible]		[illegible]				

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

Date [illegible] Operator [illegible]

Per [illegible] Title [illegible]

Remarks:

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

(Instructions on reverse)

(For Government use only)

V. J. Lynch

MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

IMFA . 4449

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of April, 1957

Work Accomplished

Finished sinking shaft 60 ft. Cut out timber on south side of shaft and begun cross cutting. Mine got flooded. Had to shut down about 10 days except for pumping water. Drilled round and blasted in shaft and mucked out for 4 ft. advance. Drilled and blasted 4 rounds in crosscut for a total advance of 21 ft. for April, 1957. Recovered around 1500 lbs. mica in crosscutting.

Daily Notes;

April 1. Mucked out and drilled round.

April 2. Blasted rounds. Mucked rest of day.

April 3. Timbered some. Field engineers visited and discussed operation with them. Rained us out.

April 4. Mine flooded. Shut down to 15th.

April15. Muck out water hole.

April 16. Finished mucking out. Took some timber out of south side of shaft.

April 17. Floored over water hole. Field engineer visited again today.

April 18. Finished cutting out timber for crosscutting. Drilled round and blasted.

April 19. Mucked all day. Got about 600 lbs. mica.

April 20. No work.

April 21. Sunday.

April 22. Finished mucking out. Got 200 lbs. mica. Put in some timber.

April 23. Drilled round and blasted. Mucked and worked on timbering. Got 300 lbs. mica.

April 24. Mucked and worked on timber. Had a slide in on east side of drift.

April 25. Mucked all day.

April 26. Mucked about one hour. Cut and set timber. Back filled rest of day.

April 27. No work.

April 28. Sunday.

April 29. Drilled round and blasted. Mucked rest of day. Got about 400 lbs. mica.

April 30. Drilled round and blasted. Mucked rest of day.

RECEIVED
MAY 9 1957
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

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 March, 1957 Docket No. DMEA 4449 Contract No. 1042
Operator's Name Clifton D. Buchanan Minerals Mica
Address Box 218, Spruce Pine, N. C.
Contract Amount, $ 5,552.00 Government Participation: ____% Amount, $____

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shafting (34')	1584.40	978.60	2563.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Tool house	-	76.00	76.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1584.40	1054.60	2639.00	1584.40	1054.60	2639.00

RECEIVED APR 15 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 4-4-57 *Payee Clifton D. Buchanan
Per ____ Title Operator

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1188.30
Signature Helen R. Miller
(Authorized Certifying Officer)
Date APR 11 1957 Vou. No. 170
(See other side)

2

396.10

(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-1042 in accordance with the terms of the contract.

Signature W. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date APR 8 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date APR 8 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1957 Docket No. DMEA 4449 Contract No. 1042

Operator's Name Clifton D. Buchanan Minerals

Address Box 218, Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	1584.40	34	2563.00	55	46.60	60	46.60
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Tool house	EA	-	-	76.00	1	76.00	1	76.00
TOTAL DISTRIBUTED COSTS		1584.40		2639.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1584.40		2639.00				

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 4-4-57 Operator Clifton D. Buchanan

Per Title Operator

REMARKS:

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

(Instructions on reverse)

(For Government use only)

RECEIVED APR 15 1957 D.M.E.A.

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

INSTRUCTIONS

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

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

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

GPO 872894

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DMEA No. 4449

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of March 1957

Work accomplished

Continued sinking shaft 5 x 7 on incline, timbered, drilled and blasted, mucked out twelve rounds for a total advance of 34 feet for the month. Three men on daylight shift, one on night shift to pump.

Daily Notes

March 1. Pumped out water. Back filled around shaft timber. Quarried and mucked out the rest of day.

March 2. Saturday.

March 3. Sunday.

March 4. Pumped out water, had some trouble with pump, sawed some timber, drilled round and blasted. Mucked rest of day.

March 5. Pumped water, mucked out, and timbered rest of day.

March 6. Finished timbering shaft, drilled round and blasted, used six instant caps. Recovered 5 or 6 pounds of mica.

March 7. Pumped water, finished top of shaft, put a new power line to pump, mucked out and got ready to drill.

March 8. Made some shelves in tool house, put up shop and heater.

March 9 and 10. No work, Saturday and Sunday.

March 11. Pumped water, drilled round and blasted, mucked the rest of day.

March 12. Pumped water, worked on pump, cleaned it out. Cut timber and timbered out shaft.

March 13. Drilled and blasted. Mucked and timbered.

March 14. Mucked six or seven hours. Put in timber rest of day (Hired a man to pump water) night shift.

March 15. Finished timbering, put in signal line and bell, sharpened picks. Drilled round and blasted. Mucked rest of day. Recovered 20 pounds mica.

March 16
and 17. No work, Saturday and Sunday.

March 18. Put in some timber, drilled round and blasted, mucked rest of day. Discussed operation with visiting field Team Engineer.

March 19. Put in some timber, finished mucking out. Drilled round, 7 2-foot holes and blasted, mucked rest of day.

March 20. Drilled round and blasted. Mucked rest of day. Recovered 200 pounds mica.

March 21. Drilled and blasted. Mucked. Recovered 250 pounds of mica.

March 22. Finished mucking out and timbered rest of day.

March 23
24 -25. No work, Saturday, Sunday, rain.

March 27. Drilled and blasted, 8 holes 4 feet deep. 12 sticks dynamite. Mucked rest of day. Got about 50 pounds mica.

March 28. Put in timber, extended ladder, drilled and blasted. Took pump out and put in new impeller. Put a new switch on pump power line. There has come a streak of slate in south side of shaft and also small slate in north corner. Vein appears to be narrowing.

March 29. Mucked out and timbered up shaft.

March 30. Drilled out and blasted, mucked rest of day. Slate streaks getting larger and vein narrowing.

Clifton D Buchanan

MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 57

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 195 7 Docket No. DMEA 4449 Contract No. Idem-E 1042

Operator's Name Clifton D. Buchanan Minerals Mica

Address Box 218, Spruce Pine, N. C.

Contract Amount, $ 5,552.00 Government Participation: 75 % Amount, $ 4,164.00

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						
Shaft (21 ft.)	978.60		978.60			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Tool House	76.00		76.00			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1054.60		1054.60	1,054.60		1,054.60

RECEIVED MAR 25 1957 D.M.E.A.

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

Date 3-5-57 *Payee Clifton Buchanan

Per _____ Title Operator

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

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

(Instructions on reverse)

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

$ 790.95

Signature Helen R. Metz (Authorized Certifying Officer)

Date MAR 22 1957 Vou. No. 153

(See other side)

10d 2/7 263.65

(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-1042 in accordance with the terms of the contract.

Signature V. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date MAR 12 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date MAR 12 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED MAR 25 1957 D.M.E.A.

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

Month of Feb. 1957 Docket No. DMEA 4449 Contract No. Idm.-E 1042
Operator's Name Clifton D. Buchanan Minerals Mica
Address Box 218, Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	978.60	21	978.60	21	46.60	60	46.60
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Tool House	Each	76.00	1	76.00	1	76.00	1	76.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date 3-5-57 Operator Clifton D Buchanan

Per Title Operator

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

REMARKS:

(Instructions on reverse)

(For Government use only)

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

INSTRUCTIONS

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

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

GPO 872894

DMEA NO. 4449

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OPERATOR'S
MONTHLY PROGRESS REPORT
for the
Month of February 1957

Work Accomplished

Moved in machinery, ordered B.F. lumber for tool house and shaft timbering, hired three workmen, set up hoist, built tool house, pumped out water, started shaft sinking, drilled, blasted, and mucked four rounds for a total of 21 feet advanced for month. Three men are on daylight shift.

Daily Notes

February 7. Moved in machinery, hired three workmen, two at $1.25 per hour and one at $1.00 per hour, bought 950 B.F. rough lumber.

February 8, 9, 11, 12 & 13. Weather would not permit work.

February 14. Worked setting up hoist.

February 15. Finished setting hoist and started building tool house. Bought 1600 B.F. 8/4 rough lumber for timbering shaft.

February 16. Finished tool house, set up air compressor and put in air line.

February 18. Put in 325 feet electric line, bought new electric pump and installed pump and began pumping.

February 19. Removed muck from bottom of old works.

February 20. Drilled and blasted first round in bar of flint. Recovered 15 pounds of small mica and mucked on round.

February 21. Finished mucking out and began timbering 5' x 7' shaft.

February 22. Drilled and blasted flint. It is soft on either side of flint. Mucked.

February 23. No work.

February 25. Pumped out water, timbered on shaft.

February 26. Drilled and blasted. Recovered 22 pounds of hand cobbed mica, mucked on round.

February 27. Timbered on shaft and finished mucking out.

February 28. Drilled and blasted, recovered approximately 10 pounds of hand cobbed small mica, mucked on found.

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

660

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Mr. Clifton D. Buchanan
Box 218
Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. DMA-21042, dated November 28, 1956, Docket No. DMA-4449, hereinafter called the "contract", between Clifton D. Buchanan and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described briefly or indicated as follows:

Shaft sinking and drifting exposed a zoned pegmatite emplaced in a coarse grained quartz-monzonite or granodiorite ("alaskite"). Sufficient data were obtained to calculate indicated and inferred reserves of strategic mica.

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

Dated JAN 27 1958

WCAnderson:gad 1/27/58
Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Mr. Lamb, 3649
Finance Office

Mr. C. A. Fredell, GSA
Operating Committee
Mr. Kiilsgaard, 5222
Field Team, Region V

Mr. F. C. Phillips
Spruce Pine, N. C.

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

JAN 27 1958

Mr. Clifton D. Buchanan
Box 218
Spruce Pine, North Carolina

Re: Docket No. DMEA-449-Mica
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract No. Idm-E1042

Dear Mr. Buchanan:

Enclosed is a certification of discovery or development under Contract No. Idm-E1042 on the Boone Prospect, Mitchell County, North Carolina.

By the terms of the Exploration Project Contract, all minerals mined or produced from November 28, 1956, to November 28, 1966, are subject to the Government's percentage royalty as set forth in the contract until the sum of $4,164.00 is repaid to the Government.

You should continue to make royalty payments to the Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, as you have in the past and checks should be drawn payable to the Defense Minerals Exploration Administration.

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

You are requested to notify the Executive Officer of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify the Executive Officer at six-month intervals that no production has been made.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Certification File
Mr. F. O. Phillips
Mr. Fredell, GSA
Field Team, Region V
Finance Office
Mr. Killegsard, 5222
Mr. Lamb, 3649
Mr. Johnson
Operating Committee
Mr. Chambers

WCAnderson:rsi 1/27/58
Copy to: Admr. R. File

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

Mr. Clarence A. Fredell, Acting Director
Technical Services Division
Defense Materials Service
General Services Administration
7th and D Streets, S. W.
Washington 25, D. C.

FEB 3

Re: Docket No. DMEA-4449-Mica
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract No. Idm-E1042

Dear Mr. Fredell:

I am enclosing one copy of a certification of discovery or development relating to the subject contract.

The exploration contract was signed on November 28, 1956, with the Government participating to the extent of 75 percent of $5,552.00 or $4,164.00. The project was started on February 7, 1957, and was completed by June 27, 1957, after the expenditure of $5,552.00, which is the total accepted cost according to the Audit Division. The Government paid 75 percent of the total accepted cost or $4,164.00.

The work performed on this project consisted of sinking 60 feet of shaft and driving 30 feet of drifts. The work exposed a strategic mica-bearing zoned pegmatite, 10 feet thick at the surface and thinning down dip.

During the project and up to October 10, 1957, 527.05 pounds of sheet mica was produced. The project work furnished sufficient data to calculate the following classifications of strategic mica reserves:

Indicated - 22,400 pounds block @ est. 5% recovery,
or 1120 pounds sheet.
Inferred - 15,000 pounds block @ est. 5% recovery,
or 750 pounds sheet.

The DMEA concurs in the Field Team's evaluation of the work performed and has, therefore, certified that a discovery or development has resulted from the work under the contract.

Sincerely yours,

C. O. Wittendorf

Administrator

Enclosure

WCAnderson:rsi 2/3/58
Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Mr. Killsgaard, 5222
Mr. Lamb, 3649
Operating Committee
Field Team, Region V
Certification File
Mr. Houk (2)

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

FEB 6 1958

Mr. F. O. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMM-4449-Mica
Clifton D. Buchanan
Boone Prospect
Mitchell County, North Carolina
Contract No. Idm-E1042

Dear Mr. Phillips:

Enclosed is a copy of a certification of discovery or development with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on October 22, 1956. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the Agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:rsi 2/3/58
Copy to: Admr. R. File
Mr. Johnson
Mr. Chambers
Mr. ~~Dietrich, 3061~~ Lamb, 3608
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Houk

Government Copy

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DATE	INITIALS	CODE
		800

EXPLORATION PROJECT CONTRACT

DMEA-4449, Idm-E1042-Mica BOONE PROSPECT

AMENDMENT No.1

It is agreed this 25 day of February 1957, between the United States of America, acting through ~~the Department~~ of the Interior, Defense Minerals Exploration Administration, and Clifton D. Buchanan, an individual, that exploration Project Contract Idm-E1042,(Docket No. DMEA-4449) dated November 28, 1956, be amended as follows:

ARTICLE 1....."The Operator shall begin work on or before February 15, 1957, and subject to the provisions of Article 7 and Exhibit A, shall complete the work within seven months from the date of the contract, " instead of beginning work on or before January 15, 1957 as first written.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute nor the agreed unit cost of any item of work.

CLIFTON D. BUCHANAN

Clifton D Buchanan
Operator.

THE UNITED STATES OF AMERICA

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

Contr[illegible] No. Idm-E 1042

Docket No. 4449

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
November 28, 1956	**V**	**North Carolina**	**Mica**

Name and Address of Operator: **Clifton D. Buchanan**
Box 218
Spruce Pine, North Carolina

	Reserve	Obligation
Prior Amount	$4,164.00	0
Increase	0	$4,164.00
Decrease	$4,164.00	0
Revised Amount	0	$4,164.00

Remarks:

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

Date Delivered to Bureau of Mines, Washington 12/28/56

9896

Government's copy

MF-200A
(Rev. April 1956)

RECEIVED
DEC 21 1956
D.M.E.A.

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

DMEA No.	*Commodity*	*Contract No. Idm-E*	*County*	*State*
4449	Mica	1042	Mitchell	North Carolina

NOV 2 8 1956

It is agreed ....., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and CLIFTON D. BUCHANAN

whose mailing address is Box 218
Spruce Pine, North Carolina
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before JAN 1 5 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within seven months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $5,552.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,164.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Interest of landowner.

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

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

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

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

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

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

Clifton D. Buchanan

CLIFTON D. BUCHANAN
(Operator)

THE UNITED STATES OF AMERICA

By C. D. Mittendorf
Administrator, Defense Minerals
Exploration Administration

BY .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

RECEIVED
DEC 21 1956
D.M.E.A.

EXPLORATION PROJECT CONTRACT
CLIFTON D. BUCHANAN
DOCKET NO. DMEA-4449

ANNEX I

The land referred to in Article 2 consists of 250,000 square feet located 2.3 airline miles southwest of Spruce Pine, Mitchell County, North Carolina, and is particularly described as follows:

> Beginning on an iron stake in the center of what is known as the Boone Prospect which is located 467' North 32 degrees East to a concrete marker which is a corner in the property line between F. O. Phillips and Kelly Poteat, as shown on deed recorded in Register of Deeds Office in Bakersville, N. C., Book #110, Page #212, and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing.

The Operator is in possession and has the right to possession for a five-year period, renewable, pursuant to a lease from F. O. Phillips dated October 22, 1956.

MF-205
(Combines and supercedes MF-[illegible] and MF-203)
June 1956

For Government's Use Only
EXPL[illegible]TION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1042
Contract Date NOV 28 1956

RECEIVED NOV 1 1956 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Mitchell State of North Carolina, described as follows: 2/

Beginning on an iron stake in the center of what is known as the Boone Prospect which is located 467' North 32 degrees East to a concrete marker which is a corner in the property line between F.O. Phillips and Kelly Poteat, as shown on deed recorded in Register of Deeds Office in Bakersville,N.C.Book #110,Page #212,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 approximately three miles South West of Spruce Pine, North Carolina.

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;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

2/ 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.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this 22nd. day of October, 1956.

[illegible]	[Seal]	Spruce Pine, N.C.	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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
CLIFTON D. BUCHANAN
DOCKET NO. DMEA-4449

EXHIBIT A

Description of the Work

The approximate location of the work is shown on the attached maps entitled "Map No. 1, DMEA-4449 - Mica, Boone Prospect, Mitchell Co., N. C.," and "DMEA-4449 - Mica, Map No. 2, Boone Prospect, Mitchell Co., N. C.". The work consists of the following:

1. Sink 60 feet of two-compartment shaft.

2. Drive 80 feet of drifts from the shaft.

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

3. Construct a toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.

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

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

All workings shall be on the pegmatite or in as close proximity thereto as possible.

Fixed Unit Costs

1.	60 feet of shaft @ $46.60/ft.	$2,796.00	
2.	80 feet of drifts @ $33.50/ft.	2,680.00	
3.	Construct toolhouse	76.00	
	Estimated Total Cost of Project		$5,552.00
	Government Participation @ 75%		$4,164.00

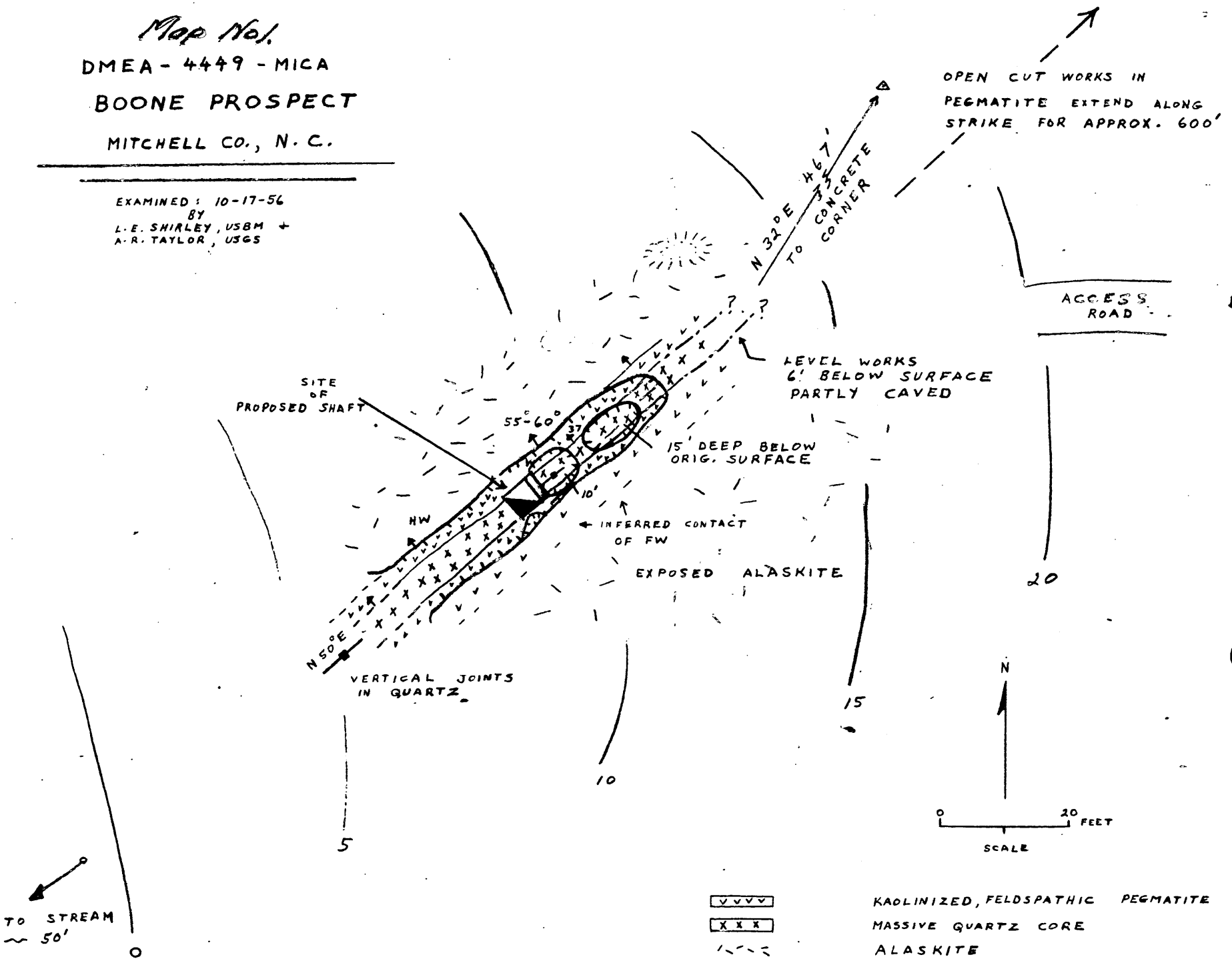
Map No. 1

DMEA - 4449 - MICA

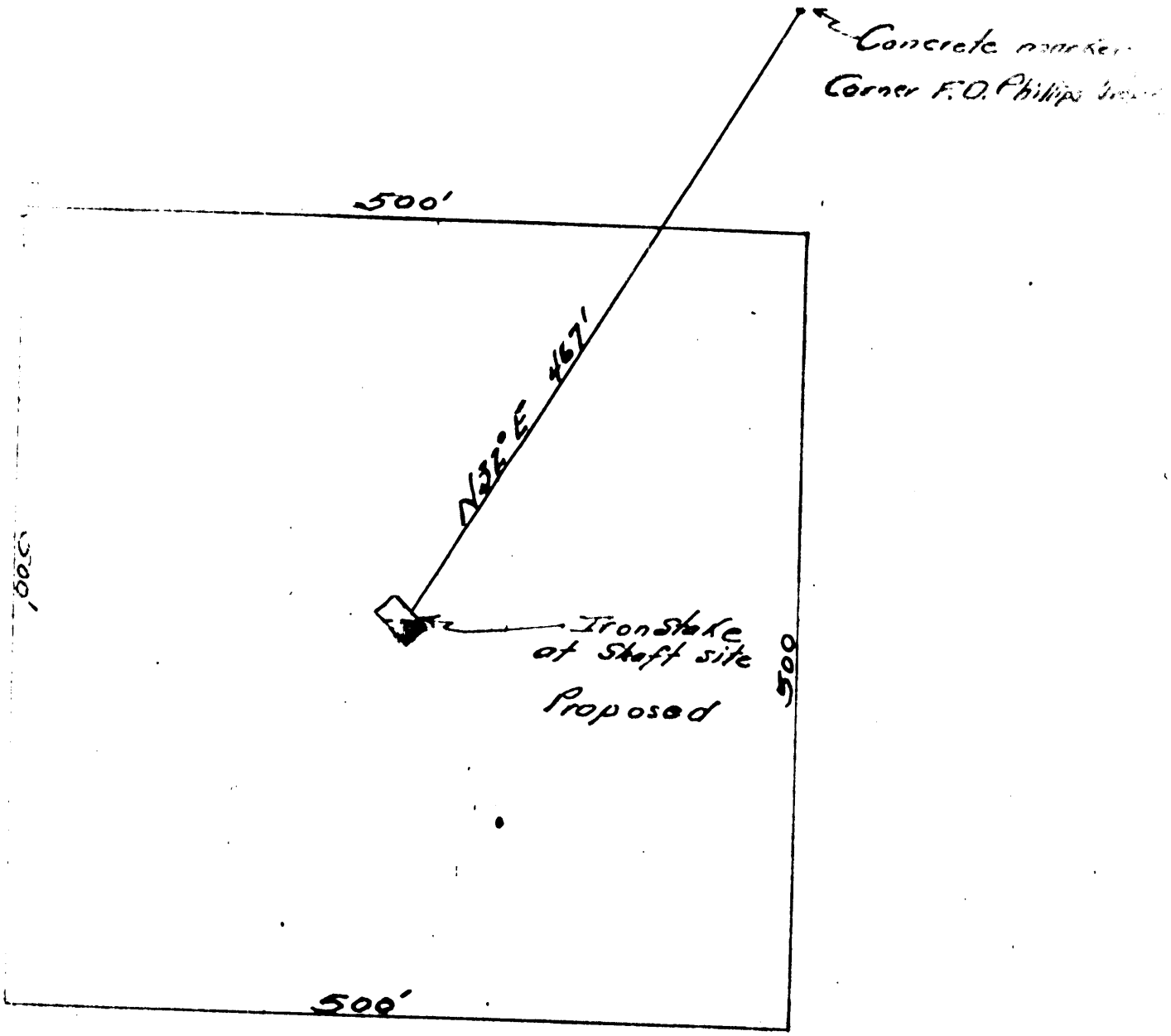
BOONE PROSPECT

MITCHELL CO., N. C.

EXAMINED: 10-17-56
BY
L. E. SHIRLEY, USBM +
A. R. TAYLOR, USGS



10-23-56 ART.



DMEA-4449 Mica Map No 2

Boone Prospect

Mitchell Co. N.C.

Scale 1" = 100 feet

Contract No. Idm-E 1042

Docket No. 4449

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Date of Contract	Region	State	Commodity
November 28, 1956	V	North Carolina	Mica

Name and Address of Operator: Clifton D. Buchanan
Box 218
Spruce Pine, North Carolina

	Reserve	Obligation
Prior Amount	0	0
Increase	$4,164.00	0
Decrease	0	0
Revised Amount	$4,164.00	0

Remarks:

Allen S. Dakan, Chief
Operations Control and
StatisticsDivision
(Name)
(Title)

Date Delivered to Bureau of Mines, Washington 11/28/56

98963