DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 1145

DMEA NO. 4805

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [x] Closing Letter
- [ ] Cost Audits
- [✓] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [✓] Contract Amendments
- [✓] Contract with all exhibits and annexes
- [✓] Owner's Consent to Lien and Subordination Agreement
- [✓] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [✓] Operator's Final Report (Tab)
- [✓] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [✓] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

17963

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/28	Anderson	600
10/29	Houk	600
"	Chamber	800
10/30	Selfridge	120
		100
10/31	C	220
		600

600

OCT 30 1958

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4805-Mica
C. W. Ellis, et al.
Avery Prospect
Mitchell County, North Carolina
Contract No. Idm-E1145

Dear Mr. Phillips:

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

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

We appreciate your interest and participation in the DMEA exploration program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

FRANK E. JOHNSON (fh)

ACTING Director

WCAnderson:gad 10/28/58
Copy to: A. W. Willis, Route 3, Bakersville, N. C.
Dir. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/28	Anderson	600
10/29	Houk	600
"	Chambers	800
10/30	Selfridge	120
		100
		220

600

OCT 30 1958

Mr. A. W. Willis
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-4805-Mica
C. W. Ellis, et al.
Avery Prospect
Mitchell County, North Carolina
Contract No. Idm-E1145

Dear Mr. Willis:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on September 17, 1957, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

FRANK E. JOHNSON
ACTING Director

Enclosure

WCAnderson:gad 10/28/58
Copy to: Dir. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sam L. Phillips and C. W. Ellis
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E1145, DMFA No. 4805, including Amendment No. 1, for December 1957 to April 1958, inclusive, covering a mica project at the Avery Prospect, Mitchell County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents, comparison of the claimed costs 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 reason that:

> all of the costs were under a contract provision for payment by the Government at fixed unit costs for work performed.

The findings of this review are stated in the following summary:

Total cost billed by Operator		$2,883.40
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total accepted cost		$2,883.40

The contract calls for a 75 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$2,162.55
Paid to date	1,890.30
Balance due Operator	$ 272.25

E. N. Talbert

E. N. Talbert, Auditor

May 2, 1958

OFFICIAL FILE COPY
DMEA
26 1958

Government's copy

Long
Hunter
App'd. Sol. Off.
Hirsh
Chambers
Selfridge
Johnson

TERMINATION AGREEMENT

It is agreed this 12th day of May, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Sam L. Phillips and C. W. Ellis, partners, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E1145, Docket No. DMEA-4805, dated October 24, 1957, as amended, hereinafter called the "Contract," that:

1. Effective April 21, 1958, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. W. Mitchenery
Administrator, Defense Minerals Exploration Administration

Sam L. Phillips
Sam L. Phillips (Partner)

C. W. Ellis
C. W. Ellis (Partner)

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DMEA
RECEIVED NOV 12 1957

DATE	INITIALS	CODE

Government Copy

EXPLORATION PROJECT CONTRACT

Sam L. Phillips and C. W. Ellis, Ptnrs.

Docket No. DMEA-4805

AMENDMENT No.1

It is agreed this 29th day of October 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Sam L. Phillips and C. W. Ellis, partners, that exploration Contract Idm-E1145 (Docket No. DMEA-4805) dated October 24, 1957, is amended as follows:

In Exhibit "A", Description of the Work," Stage I is Amended to read - "Excavate three trenches, approximately 15 feet wide by 5 feet deep, aggregating approximately 100-feet in length and not more than 278 cubic yards of excavation. One trench will extend along the strike of the pegmatite and two will crosscut its strike projected up the hill."

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 amount of any item designated as "maximum."

Executed in quintuplicate the day and month first above written.

Sam L. Phillips
Sam L. Phillips, (Partner)

C W Ellis
C. W. Ellis, (Partner)

THE UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer,
Defense Minerals Exploration Administration
Field Team, Region V

z

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

October 30, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE
11/1	G	220
11/5	B	215
		600

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: Signed Contract - DMEA-4805, Idm-E1145-mica.
Sam L. Phillips, and C. W. Ellis, Ptnrs.
Avery Prospect, Mitchell County, N. C.

Transmitted are ~~three~~ two signed copies of the subject contract.

The usual distribution of the other copies has been made.

V. J. Lynch
V. J. Lynch

Government's Copy

MF-200A
(Rev. April 1956)

RECEIVED NOV 1 1957 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.*	*County*	*State*
4805	Mica	*Idm-E* 1145	Mitchell	North Carolina

2 4 OCT 1957

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 Sam L. Phillips and C. W. Ellis, partners

whose mailing address is c/o Sam L. Phillips, 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 DEC 1 - 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 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 $ 6,080.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $ 4,560.00, 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: Royalty of 1/8 of gross receipts from the sale of minerals, payable to lessors.

(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 Lessor.

(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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.....

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.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Sam L. Phillips (Partner)
(Operator)

By C. W. Ellis (Partner)

By O. Mitterndorf
Administrator, Defense Minerals
Exploration Administration

Long
Alexander
Appd. Sol. Off.
Anderson
Hook
Chambers
Selfridge
Johnson

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

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RECEIVED NOV 1 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS AND
C. W. ELLIS, PARTNERS
DOCKET NO. DMEA-4805

ANNEX I

The land referred to in Article 2 of the Contract is an 8.3-acre tract known as the Avery Prospect, situated on the south slope of a low ridge about 750 feet north of North Carolina State Highway 26 and about 0.4 of a mile N 46° E from Ledger, Mitchell County, North Carolina. The Operator is in possession by virtue of a lease, dated September 17, 1957, from A. W. Willis, the owner, in which the said 8.3-acre tract is described as follows:

> Beginning on an iron stake located 50 feet south of what is known as the Avery Prospect, and running south 250 feet to a stake, thence east 88 feet to a stake, thence north 600 feet to a stake, thence west 600 feet to a stake, thence south 600 feet to a stake, thence east 512 feet to the point of closing. The southwest corner of this legal description is located north 44° west 231 feet from a 10-inch locust in the outside boundary. This property is located 6 miles northwest of Spruce Pine, North Carolina, as recorded in the Register of Deeds Office in Bakersville, North Carolina, Mitchell County, Book #24, pages 177 and 178.

The tract is a portion of a 34-acre tract described in a deed recorded in the Register of Deeds Office at Bakersville, Mitchell County, North Carolina, in Book No. 24 at pages 177 and 178.

A Consent to Lien and Subordination Agreement signed by the Owner, A. W. Willis, is attached.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

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

RECEIVED SEP 57 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 located 50' South of what is known as the Avery Prospect, and running South 250' to a stake, thence East 88' to a stake, thence North 600' to a stake, thence West 600' to a stake, thence South 600' to a stake, thence East 512' to the point of closing. The South ~~East~~ West corner of this legal description is located North 44° West 231' from a 10" locust in the outside boundry. This property is located six miles North West of Spruce Pine, N.C., as recorded in the Register of Deeds Office in Bakersville, N.C., Mitchell Co., Book #24, Pages 177 and 178.

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 17th. day of September, 1957.

A. W. Willis [Seal] Rt. 3, Bakersville, 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]

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DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS AND
C. W. ELLIS, PARTNERS
DOCKET NO. DMEA-4805

EXHIBIT A

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map entitled "Avery Prospect, Mitchell County, North Carolina, DMEA-4805 (Mica)" attached and made a part hereof. The work is divided into two stages. The Operator shall complete Stage I, and shall perform as much of the Stage II work as is approved in writing in advance by the Government.

Stage I

Excavate a trench approximately 100 feet long by 15 feet wide by 5 feet deep, aggregating not more than 278 cubic yards of excavation, along the strike of the pegmatite.

Stage II

1. Construct:

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

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

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

2. From the floor of the excavated trench, sink a two-compartment vertical or inclined shaft a distance of not more than 60 feet.

3. Explore the pegmatite by driving from or near the bottom of the shaft, not more than 100 feet of drifts and/or crosscuts.

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

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

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

Fixed Unit Costs

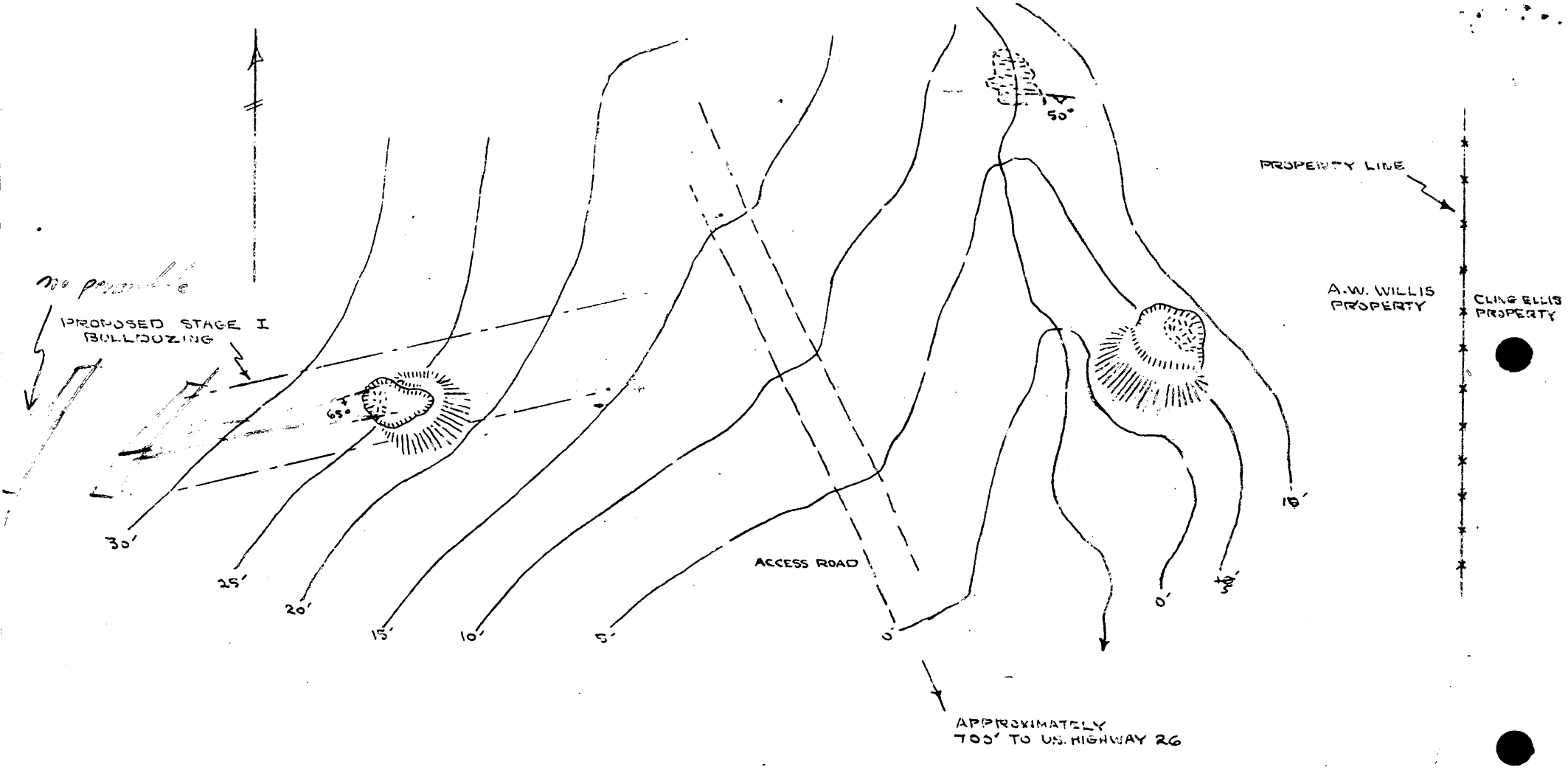
Stage I

Excavate trench, 278 cubic yards @ $0.30/cu. yd. (rounded)	$ 85.00	

Stage II

1.	Construct - Toolhouse 1/	75.00	
	Powder magazine 1/	25.00	
	Exploder magazine 1/	15.00	
2.	Sink shaft, 60 feet @ $43.00/ft.	2,580.00	
3.	Drift and/or crosscut, 100 feet @ $33.00/ft.	3,300.00	
	Estimated Total Cost of Project		$6,080.00
	Government Participation @ 75%		$4,560.00

1/ The completed work constitutes the unit.



LEGEND

- PLAG.-QTZ.-MUSCOVITE PEGMATITE
- MUSCOVITE SCHIST
- ROAD
- EXCAVATION
- DUMP
- FENCE LINE

AVERY PROSPECT

MITCHELL COUNTY, NORTH CAROLINA

DMEA-4805 (MICA)

SCALE: 1" = 20'

Ro[illegible] .7

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

C.W. Ellis
Route #3, Bakersville, N.C.

c/o Sam L. Phillips
Spruce Pine, N.C.

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

APPLICANT NOT TO USE THIS BLOCK

Docket Number: 4805
Date Received: 7/31/57
Government Participation %:
Region: V
Division Code: 600

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [ ]
- Partnership [x]
- Other (Specify) [ ]

State in which firm is organized: N.C.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Sam L. Phillips	Spruce Pine, North Carolina	Partner
C.W. Ellis	Route #3, Bakersville, N.C.	Partner

Mineral(s) for which you wish to explore: Mica

Estimated Cost of Project: $ 7300.00

LOCATION OF PROPERTY

Name	County	State
Rt. #3, Bakersville, "Avery Prospect"	Mitchell	N.C.

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

7-29-57
Dated

C.W. Ellis
BY *(Signature)*

Partner
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

Note – No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

MF-103 (Continuation Sheet)

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DATE | INITIALS | CODE

1. (a) Description on lease.

   (b) Prospect will be known as Avery Prospect.

   (c) Lessee

   (d) No lien.

2. (a) This is a new prospect.

   (b) No previous operations.

   (c) No past production.

   (d) There is a significant amount of strategic grade mica in vein materials showing.

   (e) Pegmatite vein.

   (f) From appearance of materials showing, we believe that strategic quality non-ruby mica may be found by exploration operations.

3. (a) Property can be reached by car, however, we propose to bulldoze road to mine, and C.W. Ellis will meet the DMEA representatives.

   (b) We propose to bulldoze road access, manpower, equipment and supplies are availabe.

4. (a) We propose to bulldoze road access, and bulldoze away overburden to best locate shaft site, then lower a 5' X 7' shaft to a depth of 60', then drift 100' with vein.

   (b) 150' length of road access to be bulldozed.

   (c) Work can begin within 15 days after contract is received, and project can be completed within 6 months.

5. Now on file with D.M.E.A.

6. Estimate of Costs:

30 hrs. dozing @ $30.00 per hour	$ 300.00
60' Shaft @ $50.00 per foot	3000.00
100' Drift @ $40.00 per foot	4000.00
Total estimated cost of project:	$ 7300.00

7. (a) Will share cost of proposed project.

   (b) Money and equipment.

MINING LEASE

RECEIVED
SEP 3 1957
D.M.E.A.

State of North Carolina Mitchell County:

This indenture made this 17th day of September, 1957, ~~1953~~

between A.W. Willis

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and C.W. Ellis

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the part of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

Beginning on an iron stake located 50' South of what is known as the Avery Prospect, and running South 250' to a stake, thence East 88' to a stake, thence North 600' to a stake, thence West 600' to a stake, thence South 600' to a stake, thence East 512' to the point of closing. Thw South ~~East~~ West corner of this legal description is located North 44° West 231' from a 10" locust in the outside boundry. This property is located six miles North West of Spruce Pine, N.C., as recorded in the Register of Deeds Office in Bakersville, N.C., Mitchell Co., Book #24, Pages #177 and 178.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8 (One-Eighth)

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness: A.W. Willis (Seal)

Kenneth R McKinney (Seal)

Notary Public (Seal)

My Comm Exp 8/17/57

MINING LEASE

DMEA-4805-Mica

State of North Carolina Mitchell County:

This Indenture made this 28th day of July, 1957

between [redacted] A.B. Willis

of Mitchell County and State of North Carolina to party of the first part, and known as lessor, and G.E. Ellis

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH: That the part of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessee, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period hereinafter from the date of this agreement, the following described real property, for mining purposes, in the County and State aforesaid, situate within to wit:

Beginning at a stake in the center of what is known as the Avery Prospect which is located [illegible] in a corner in a property line between G.E. Ellis and A.B. Willis [illegible] South; thence East 300'; thence South 600'; thence North 600'; [illegible] West 300' to a point of beginning.

TO HAVE AND HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, mine, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same in any manner the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes; that he shall have the right to erect such buildings as he needs to carry on such mining operations during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the land herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mining property upon which exploration is being conducted.

IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, his or their heirs or assigns, a royalty of 1/8 Royalty

on the mineral produced and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The royalty shall be payable on the completion of mining bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for at the prevailing rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to extend the lease and to extend the period of its running for an additional five years from the date of the present termination. This option shall be exercised by giving formal written notice to the party of the first part or his successors of any intent to continue mining operations [illegible] abandoned. The lessee reserve the right to use the land, or convey the same not conflicting with this lease. The [illegible] performance for terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of the [illegible] It is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties [illegible] or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the three years shall entitle the party of the second part to specific performance of this option contract.

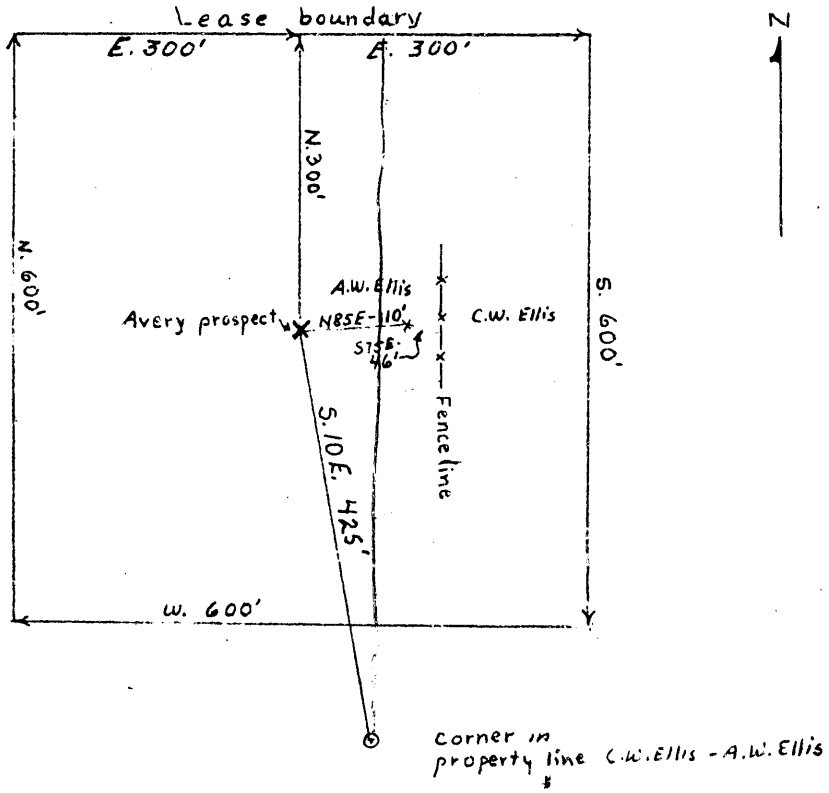
IT IS FURTHER AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of five years from the date of this instrument, the lease may be terminated by the lessee at the time [illegible] days before the lease. The lessee agrees that during the period of this lease or the continuance of the [illegible] for new mines within the area leased shall not exceed [illegible] and upon [illegible] purchase exercised.

[illegible] the day and year first above written.

_____

_____

_____



Property diagram

AVERY PROSPECT

Mitchell County, North Carolina

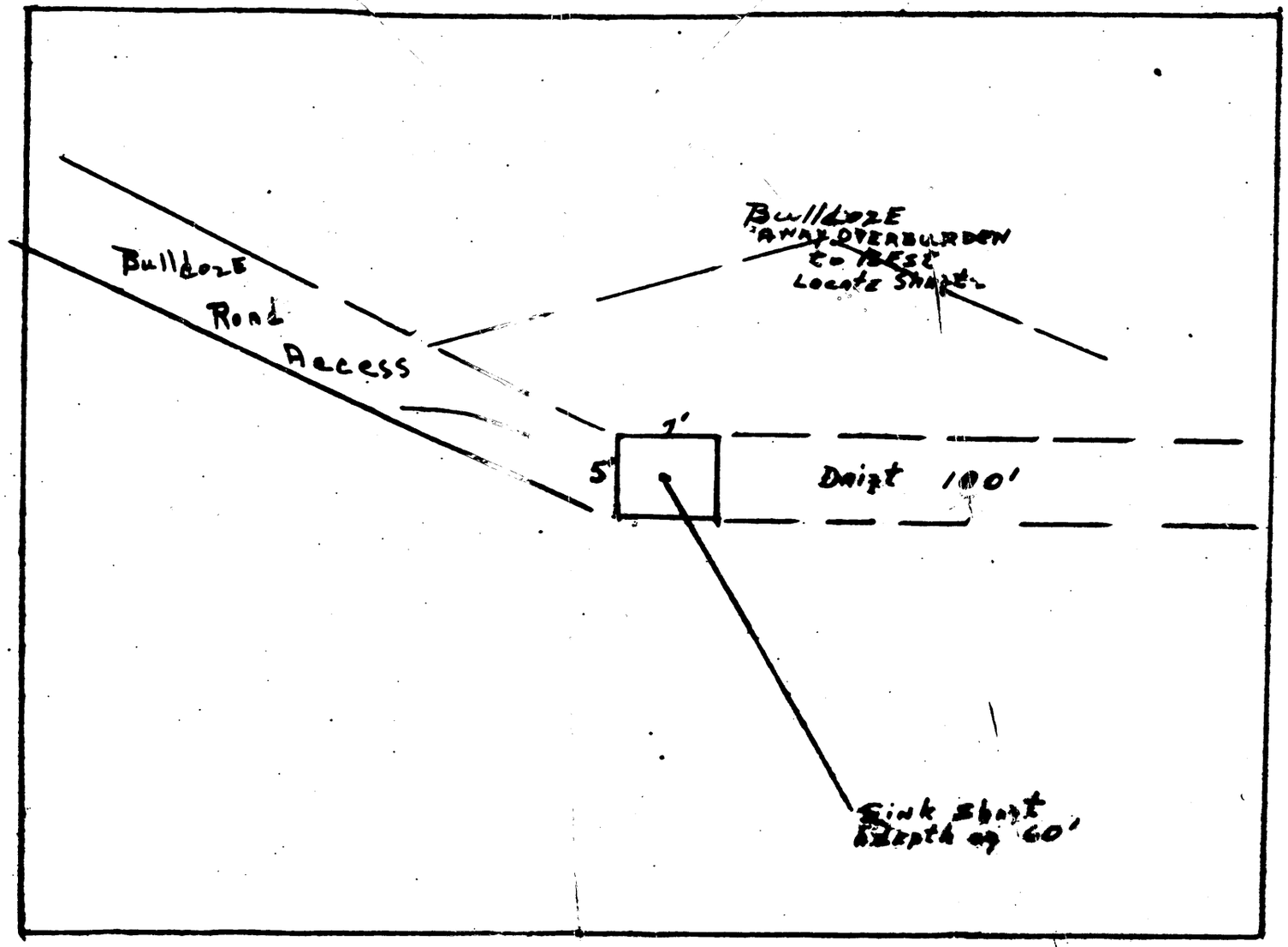
DMEA-4805 (mica)

0 100 200 FEET

Avery Prospect

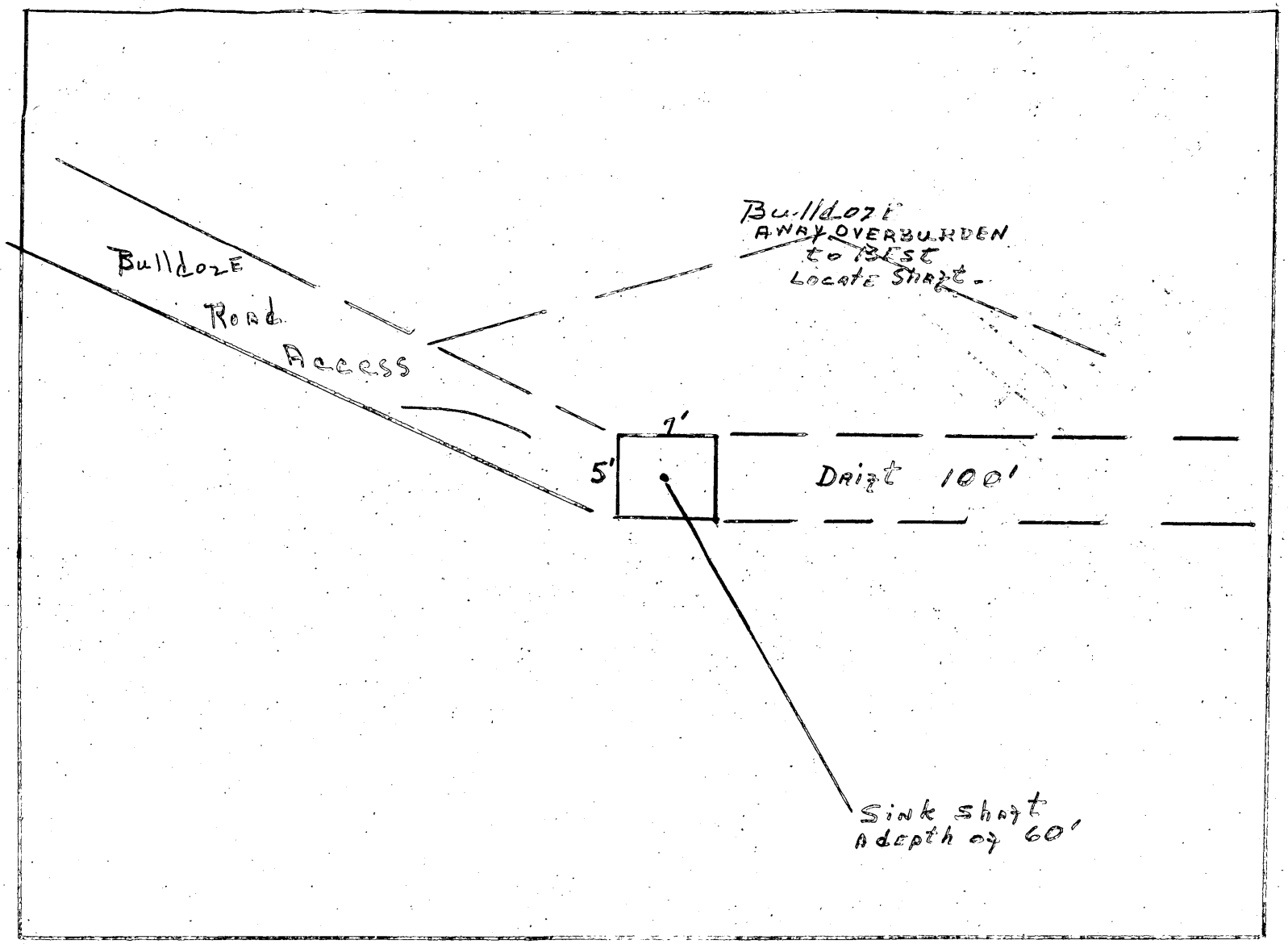
Mitchell County, N.C.

DMEA-4805-M1ca



Avery Prospect
Mitchell County, N.C.

DMEA-4805-Mica



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DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/28	Anderson	600
		600
		220

October 28, 1958

Project Summary Report

By: Walter C. Anderson

1. Docket No. DMEA-4805-Mica
Contract No. Idm-E1145
Avery Prospect
Mitchell County, North Carolina

Application: Form MF-103 (February, 1957) received July 31, 1957.
Work proposed by Applicant:

30 hrs. bulldozing @ $30/hr.	$300.00
60 ft. of shaft @ $50/ft.	3,000.00
100 ft. of drift @ $40/ft.	4,000.00
Total requested	$7,300.00

Operators: Sam L. Phillips and C. W. Ellis, Partners
c/o Sam L. Phillips
Spruce Pine, North Carolina

Operators' property rights: Five year mining lease on the A. W. Willis property consisting of 8.2 acres, dated September 17, 1957.
Consent to Lien and Subordination Agreement, dated September 17, 1957.

2. Contract: Form MF-200A (April 1956) dated October 24, 1957
Work authorized:

Stage I	
Trench excavation - 278 cu. yds. @ $0.30/cu.yd.	$85.00
Stage II	
Construction - toolhouse, powder and exploder magazines	115.00
60 ft. of shaft @ $43.00/ft.	2,580.00
100 ft. of drifts and/or crosscuts @ $33.00/ft.	3,300.00
Estimated total cost of project	$6,080.00
Government participation @ 75%	$4,560.00

Amendments - No. 1, 10/29/57, Excavate three trenches instead of one, amounting to same yardage.

Work completed:

Stage I	
278 cu.yds. excavation @ $0.30/cu.yd.	$83.40
Stage II	
54 ft. of shaft @ $43.00/ft.	2,322.00
11 ft. of drift @ $33.00/ft.	363.00
Total accepted cost	$2,883.40
Government participation	$2,162.55

8623

Work started on October 29, 1957, and was terminated by mutual agreement before completion of authorized work, effective April 21, 1958.
Field Team final report received September 11, 1958.
Operators' final report received April 30, 1958.
No equipment purchased under contract. About 1,500 pounds of poor grade mine-run mica recovered during project, of which 1,200 pounds of scrap quality mica was sold for $60. Royalty of $3.00 was paid the Government.

3. Audit: Report of Review issued May 2, 1958.

Total accepted cost	$2,883.40
Government participation	$2,162.55

4. Certification of discovery - none issued.

5. Comments:

How conducted: All of the work in which the Government participated was acceptable.
Operation: Good.
Engineering: Reporting by Operators was satisfactory.
Geological Premise: Strategic mica found in an exposure of the pegmatite was not found either in the shaft or the drift.
Geological Criteria upon which work was based:

1. Pegmatite: Thickness, 4½ feet; length, 120 feet. Weathered, medium-grained and consisting of plagioclase, quartz, and muscovite with minor perthite, sericite and biotite. Country rock is muscovite schist with some hornblende schist and gneiss float.
2. Mica: Strategic quality, greenish brown, clear, and flat. Some is bent, cracked, ruled and "A". Most is small in size, some up to 4 by 4 inches.

Criteria developed during project:

1. Pegmatite: Irregular, tabular body, concordantly emplaced in mica schist country rock. Ranges from two to three feet thick at surface and down shaft it pinches and swells, ranging from zero to three feet. Composed of fine- to medium-grained plagioclase, quartz, and muscovite, with some fine-grained accessory garnet.
2. Mica: Mostly 2"x3", some 4"x6". Greenish brown and poor quality. Much is spotted. In the shaft it makes up about one percent of the pegmatite and two percent in the shoot at the drift level.

Future possibilities: No further exploration is warranted.

Recommendations:

Because only a small reserve of poor quality mica can be outlined in a pegmatite of very limited extent, the Field Team recommended no certification. The Division of Nonmetallic Minerals concurs.

Walter C. Anderson

Walter C. Anderson

WCAnderson:gad 10/28/58
Copy to: Dir. R. File
Mr. Houk

☐ Audited

☐ Certified

Name C. W. Ellis

State No. Car.

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 3-12-58

Incl. Voucher for Feb 58

Commodity Mica

☐ Actual Cost

☑ Agreed Unit Costs

Docket No. 4805

Idm-E No. 1145

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	100 Ft	3,300.00	11	363.00	
Raising					
Shafts	60 Ft	2580.00	54	2322.00	
Winzes					
Drilling (Specify)					
Surface Excavation 278 c. yds		85.00		83.40	
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		115.00		115.00	
Other (Specify) 15' Sinking by hand					
Totals		$6,080.00		2883.40	

Mica produced

Nov & Dec 300#

Jan 200# some of good quality

Feb none

Mar

Prepared by Walter C. Anderson

71626

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

September 9, 1958

CENTRAL FILE COPY
DMEA
RECEIVED SEP 11 1958

DATE	INITIALS	TIME
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9-19	[illegible]	130
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Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Report- DMEA-4805, Avery Prospect, Mitchell County, N.C.

Transmitted are the original and two copies of the Field Team Engineering and Geological report on the subject contract.

The Field Team concurs with the recommendation of the Field Examiners that no certification be issued.

Robert A. Laurence
Robert A. Laurence,
Executive Officer, DMEA, Reg. V.

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

OME Reviewed by
DMEA OPERATING COMMITTEE
9-19-58
(date)

DATE	INITIALS	CODE
9/19	2HB	130
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UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM, REGION V

DMEA-4805, Idm-E1145 (mica) AVERY PROSPECT
Mitchell County, North Carolina

Field Team Final Rpt.

F. G. Lesure, Geologist
Geological Survey (DMEA)

S. A. Feitler, Mining Engineer
Bureau of Mines (DMEA)

OME Reviewed by
OPERATING COMMITTEE
9-19-58
(date)

September 9, 1958

DMEA EXPLORATION PROJECT

FINAL REPORT

DMEA-4805, Idm-E1145 (mica) AVERY PROSPECT
Mitchell County, North Carolina

Operators: Sam L. Phillips and C. W. Ellis, Spruce Pine, N. C.

SUMMARY

A thin tabular pegmatite at the Avery Prospect was explored under a two-stage contract. Stage I consisted of bulldozing three trenches totaling 278 cubic yards of material. During Stage II a 54-foot inclined shaft was sunk in pegmatite and eleven feet of level work driven to the southwest. The pegmatite in the shaft ranges in thickness from 0 to 3 feet. It is composed of plagioclase, quartz, and muscovite. About 1500 pounds of poor quality muscovite was recovered during the contract work. Because of the poor quality of the mica and the low quantity, certification is not recommended. No further exploration is warranted.

INTRODUCTION

Location: The Avery prospect is on the south slope of a low ridge 750 feet north of the N. C. Highway 26 and about 0.4 mile N. 46°E of Ledger, Mitchell County, N. C. (Micaville, N.C. Quad., TVA 1:24,000). The prospect can be reached by a good jeep road from the State highway.

History: The only previous work at the Avery prospect consisted of two pits. The western one near which the contract work was done was 8 feet deep. It was dug in 1954. Mr. Ellis reported that 500-600 pounds of mine-run mica was recovered from this pit.

CONTRACT WORK

Work on contract DMEA-4805, Idm-E1145 was started October 29, 1957 and terminated by mutual agreement, effective April 21, 1958.

The work was done in two stages. Stage I consisted of bulldozing 3 trenches totaling 278 cubic yards. One trench was made from the west pit down hill for 35 feet exposing three feet of pegmatite over a strike distance of 30 feet. Because the slope of the hill is too steep to allow bulldozing along strike west of the pit, two contour trenches were made. One trench 50 feet upslope did not cut pegmatite, but another only 30 feet upslope cut pegmatite 2½ feet thick.

Stage II was approved and a toolhouse, powder magazine and exploder magazine built. An inclined shaft was then sunk 54 feet in pegmatite. Because the pegmatite was thin and pinched out in part of the shaft at the bottom, shaft sinking was stopped. A drift eleven feet long was driven toward the southwest to test a local swelling of the pegmatite at the 41 feet level. Near the end of this drift the pegmatite appears to be pinching. The mica recovered during the shaft sinking and from the level work is of poor quality. Termination of the contract was recommended because of the poor results in the Stage II work.

Progress on the contract work was slow because of winter weather and illness of the Operator.

GEOLOGY

The Avery pegmatite is an irregular tabular body that strikes northeast and dips southeast. It is concordant with the foliation of the mica schist country rock. The axis of a roll or swelling

along the hanging wall near the 32-foot level plunges 40° to the southwest. At the surface the pegmatite ranges in thickness from 2 to 3 feet. Down the shaft it pinches and swells, ranging in thickness from 0 to 3 feet. At the bottom of the shaft it pinches out near the middle but swells to 3 feet at the west end and 1 1/2 feet at the east.

The pegmatite is composed of fine-to medium-grained plagioclase, quartz, and muscovite, with some fine-grained accessory garnet. Fine-grained muscovite and sericite are present along shear planes in the center of the pegmatite in the drift face.

Sheet muscovite in the Avery pegmatite is mostly 2" x 3", but some books up to 4" x 6" were recovered. The mica is greenish-brown and of poor quality. Much of it is spotted. In the shaft muscovite makes up about one percent of the pegmatite; in the "mica-rich" shoot at the drift level, about 2 percent.

PRODUCTION AND RESERVES

About 1000 pounds of poor grade mine-run muscovite was recovered in shaft sinking and about 500 pounds of similar mica was recovered in the level work. The mica recovered from the shaft sinking came from about 65 tons of pegmatite, a concentration of about 0.8 percent. That from the level work came from 13 tons of pegmatite and represents a concentration of 2 percent. The Operator reported a sale of 1200 pounds of scrap quality mica valued at $60.

Reserves calculated from the total of 65 feet of exposed surface strike length, the 54 feet of down dip width, and a conservative 2 feet average thickness indicate about 5 tons of mediocre

mica proved and about 10 tons indicated. Most of this mica would probably not be of strategic quality.

RECOMMENDATIONS AND CONCLUSIONS

We recommend that no certification be made. Although a small amount of mica reserves can be outlined the mica is of poor quality and the pegmatite is so thin that mining can not be carried on economically. For the same reasons no further exploration is warranted.

EXPENDITURES

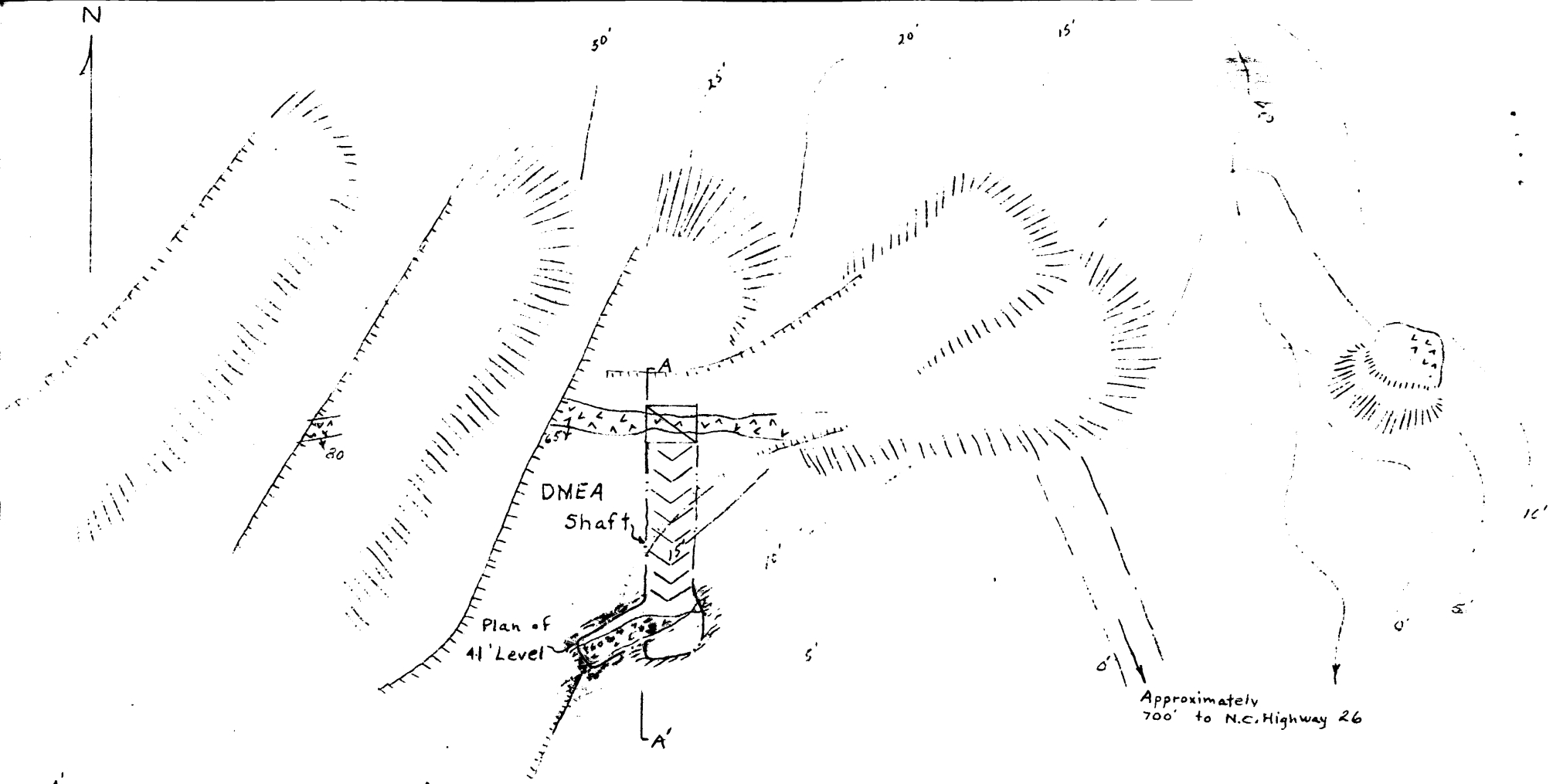
Total approved	$6,080.00
Total cost of project	2,883.40
Government's share of cost	2,162.55
Government's share unexpended	2,397.45
Value of production	60.00
Government's royalty paid	3.00

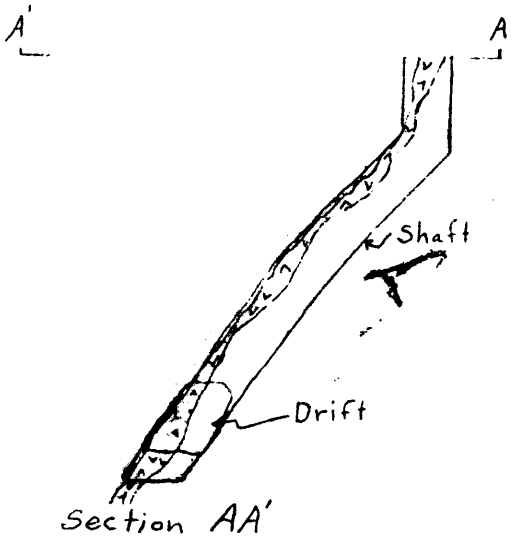
Sept. 9, 1958

F. G. Lesure, Geologist
Geological Survey (DMEA)

S. A. Feitler, Mining Engineer
Bureau of Mines (DMEA)

z





Explanation

- Pegmatite
- Muscovite
- Mica schist
- Contact showing dip
- Strike & dip of foliation
- Edge of cut
- Underground workings
- Dump

AVERY PROSPECT

MITCHELL COUNTY, NORTH CAROLINA

DMEA-4805 (mica)

0 10 20 Feet

FGL-

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

RECEIVED AUG 2

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August 21, 1958

Memorandum

To: Finance Officer- Region V (DMEA) Norris, Tenn.

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

Subject: Royalty Payment - DMEA-4805, Idm-E1145-mica.
Sam L. Phillips, Spruce Pine, N.C.
Avery Prospect, Mitchell County, N.C.

Transmitted is a sale slip for mica sold from the subject mine, and their check for 5% royalty on the $60.00 sale in the amount of $3.00.

Robert A. Laurence

sm.
cc
Mittendorf

Lynch
Files.

Enc. ck. #66
dated 8/19/58- $3.00

Avery Willis Mining Company sold to: P & H . Mica Company

1200# of scrap mica @ $ .05 per pound =-$60.00

5% of sale ($3.00) ck. enclosed.

12½% of sale (7.50) ck. enclosed--

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

May 22, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 26 1958

DATE		CODE
5/26	C	220
		600

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Signed Termination - DMEA-4805, Idm-E1145-mica
Sam L. Phillips, Spruce Pine, N.C.
Avery Prospect, Mitchell County, N.C.

Transmitted are the Government and Audit copies of the subject agreement.

The usual distribution of the other copies has been made.

Robert A. Lawrence

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

Budget Bureau No. 42-R1036.5

RECEIVED MAY 8 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 55

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April 1958 Docket No. DMEA 4805 Contract No. Idr-F1145

Operator's Name C. San L. Phillips Minerals Mica

Address Spruce Pine, N.C.

Contract Amount, $6,080.00 Government Participation: 75% Amount, $4,560.00

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		83.40	83.40			
11' Crosscutting @ $33.00	363.00		363.00			
Drifting						
Shaft		2322.00	2322.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	363.00	2520.40	2883.40	363.00	2520.40	2883.40

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

Date 4-28-58 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 272.25

Signature Helen R. Melin (Authorized Certifying Officer)

Date MAY 6 1958 Vou. No. 165

(See other side)

90.75

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

OPERATORS

Monthly Progress Report

DMEA 4805, Idm-E 1145, Mica

Avery Willis Project

Mitchell County, N.C.

FINAL REPORT

Work Accomplished:

We completed 11' of crosscut as suggested by the Field Team, however, the vein continued to narrow out and what little mica we recovered was very specked.

Daily Notes:

8 - 11 : Pumped water, shot, drilled and mucked out waste each day.

14 - 18 : Completed 11' of crosscut, the vein continued to narrow out and what little mica we recovered was very black specked.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/9	Houk	600
5/12	Selfridge	130
"	Johnson	110
"	Williams	100
		~~320~~
5-9	Chambers	~~600~~
5/13	"	~~220~~
		600

MAY 12 1958 600

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

Re: Docket No. DMEA-4805-Mica
C. W. Ellis, et al.
Avery Prospect
Mitchell County, North Carolina
Contract No. IBm-E1145

Dear Mr. Laurence:

Reference is made to the Field Team's memorandum of May 1, 1958, recommending termination of the subject contract by mutual agreement.

Enclosed are the original and four copies of a proposed termination agreement signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team.

If the proposed termination agreement meets with your approval, present it to the Operators for execution. If any part of this agreement does not have either your approval or that of the Operators, and cannot be amended within your delegated authority, then the original and all copies are to be returned to this office, together with the proposed changes for consideration.

After execution of the termination agreement, the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

Frank D. Lamb (GCS)
Member, Bureau of Mines

W. P. Williams (GCS)
Member, Geological Survey

Enclosures 7

LGHouk:gad 5/9/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

OFFICIAL FILE COPY
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RECEIVED MAY 5 1958

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5/6	Houk	600

May 1, 1958

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4805, Idm-E1145 (mica) Avery Prospect, Mitchell County, North Carolina. S. L. Phillips and C. W. Ellis, Spruce Pine, N.C.

Attached is the interim report of April 21, on the subject exploration project.

For reasons stated in the report we recommend termination of the contract by mutual agreement. If you concur please prepare the Termination Agreement.

V. J. Lynch

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

Helmuth Wedow Jr.

Helmuth Wedow, Jr., Geologist
Geological Survey

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 5 1958
DATE | INITIAL | CODE

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4805, Idm-E1145(mica) AVERY PROSPECT

Operator: S. L. Phillips and C. W. Ellis, Spruce ~~Pine, N.C.~~

Location: On the south slope of a low ridge about 750 ft N of Highway 26, and 0.4 mile N46°E of Ledger, Mitchell County, North Carolina

From the 51-foot level in the shaft a drift was driven 11 feet S65°W on the pegmatite.

In the face the pegmatite is 3 feet wide, waist high and 2½ feet wide near the back. The pegmatite pinches westward as the hanging wall is N80°E 55°SE and the footwall is N60°E 60°SE. The centrel part of the pegmatite is brecciated and contains small (new ?) mica up to one inch across.

The pegmatite is composed of plagioclase, quartz, and muscovite with a few small garnets. Muscovite up to 2 x 3 inches across is scattered through the footwall half of the dike, but not abundantly. Much of the mica is spotted.

The Operator reports 500 pounds of poor quality mine-run muscovite recovered in the 11 feet of drift and 1000 pounds recovered from the shaft.

Results of the work done to date in the shaft and drift indicate that no good purpose would be served by continuing. Quantity and size of the mica have not improved with depth and mineral staining has become worse. What do you expect?

Termination by mutual consent is recommended.

Work done under the contract:
Trenching --278 cu. yds.
Construction: Toolhouse, powder and exploder magazines.
Shaft ---54 feet
Drift ---11 feet

Progress on this project was slow because of winter weather. The work was done in a shafe manner.

April 21, 1958

S. A. Feitler, Mining Engineer
Bureau of Mines - DMEA

F. G. Lesure, Geologist
Geological Survey - DMEA

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/2	Talbert	800
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5/5	Hach	600

MAY 2 1958

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

Re: Docket No. DMEA-4805 (Mica)
Sam Phillips & C. W. Ellis
Avery Prospect
Mitchell County, North Carolina
Contract No. Idm-E1145

Dear Mr. Laurence:

Enclosed are the original and three copies of a Report of Review, as requested by your April 30 memorandum. Also enclosed is the Operator's final (April 1958) MF-104, which was submitted with your request.

If you concur with the facts as stated in this report, please make the usual distribution. If for any reason you do not concur, please return the original and all copies with your comments to this Division.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

EDTalbert/ama
May 2, 1958

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

8623

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

April 30, 1958

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Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Operator's Final Report - DMEA-4805, Idm-F1145-mica.
Avery Prospect, Mitchell County, N.C.

Transmitted are three copies of the subject report.

V. J. Lynch

V. J. Lynch

zm

Operator's Final Rept

Spruce Pine, North Carolina
April 28, 1958

DME
MAY 2 1958

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

Re: DMEA 4805, Idm-E 1145, Mica
Avery Willis Prospect - Final Report
Mitchell County, North ~~Carolina~~

Dear Mr. Laurence:

Work began on the above project on October 29, 1957, and work was stopped on April 21, 1958.

The exploration consisted of bulldozing three trenches, one trench extended along the strike of the pegmatite and the other two were to crosscut its strike projected up the hill. We sat up powder and exploder magazines, constructed toolhouse, and began the shaft. We completed 54' of shaft and 11' of crosscut. From the entire contract we recovered approximately 1500# of mica, most of which was very black specked. In the last 11' of crosscut the vein continued to narrow and the mica was of no commercial value, therefore, we request that the contract be terminated, because we feel it would not be economically feasible to continue.

The geological and engineering evaluation of the results of the work preformed under the contract with an estimate of the ore reserves resulting from such work are as follows: after the completion of 54' of shaft and 11' of crosscut, the vein continuing to narrow and the mica being very black specked the operator is requesting that the contract be terminated without the completion of the full 100' of drift and/or crosscut, because it is the operators opinion that this particular pegmatite does not warrant further exploration.

We wish to thank the Field Team for their assistance on the Avery Willis Project.

Very truly yours,

Sam L. Phillips

Sam L. Phillips

RECEIVED
APR 30 1958

P/bjg

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

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April 30, 1958

Memorandum

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

From: Acting Executive Officer, DMEA - Region V

Subject: Termination - DMEA-4805, Idm-E1145-mica.
Avery Prospect, Mitchell County, North Carolina
Sam Phillips and C. W. Ellis, Spruce Pine, N.C.

Work on the subject contract has been recessed pending termination.

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

1 - Excavations- 320 cu. yds in 3 trenches (42 cu.yds at Operator's expense).

2 - Shaft - Completed 54 feet of shaft.

3 - Drifts - 11 feet of drifts completed.

4 - Construction - A powder magazine, exploder magazine and toolhouse.

An adequate final engineering and geological report has been received. Termination of the contract has been requested.

Attached is the final Operator's Monthly Report and Voucher - a Report of Review is Requested.

V. J. Lynch

vjl/zm
cc:
Opr. Com-2
Lynch

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

April 30, 1958

Memorandum

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

From: Acting Executive Officer, DMEA - Region V

Subject: Termination - DMEA-4805, Idm-E1145-mica.
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V. J. Lynch

vjl/am
cc:
Opr. Con-2
Lynch

RECEIVED APR 10 1958

DATE	INITIALS	CODE
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4	FE	110
4/15	[illegible]	800
4/15	[illegible]	600

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4805, Idm-E1145 (mica) AVERY PROS.

Operator: S. L. Phillips & C. W. Ellis, Spruce Pine, N. C.

Location: On the south slope of a low ridge about 750 ft N of Highway 26, and 0.4 mile N46°E of Ledger, Mitchell County, North Carolina.

The shaft is now 54 feet deep. In the shaft bottom from west to east pegmatite 2 1/2 feet thick tapers to zero in 3 feet. Then 1 1/2 feet with no pegmatite. The east wall contains lenticular pegmatite pods up to one foot thick.

On the lowest 11 feet of the west wall the pegmatite is from 1 to 2 1/2 feet thick and contains books of muscovite up to 6-inches in one dimension. The body contains plagioclase, quartz, muscovite, and garnet.

The Operator estimates about 1000 pounds of block mica recovered to date.

The Examiners agree with the Operator that the west side of the shaft at the bottom is too good to leave. The Operator was advised to drift not more than three rounds to the west on the mica rich pegmatite.

Inspected: April 1, 1958

S. A. Feitler, Mining Engineer
Bureau of Mines

F. G. Lesure, Geologist
Geological Survey

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

Budget Bureau No. 42-R1036.5

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

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-52

RECEIVED APR 11 1958 D.M.E.A.

Month of March, 1958 Docket No. DMEA 4805 Contract No. Idm-E 1145
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 6080.00 Government Participation 75 % Amount, $ 4560.00

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		83.40	83.40			
Crosscutting						
Drifting						
13' Shaft @ $43.00	559.00	1763.00	2322.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	559.00	1961.40	2520.40	559.00	1961.40	2520.40

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

Date 4-4-58 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 419.25

Signature Helen R. Miller
(Authorized Certifying Officer)

Date APR 9 1958 Vou. No. 155
(See other side)

4

139.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1145 in accordance with the terms of the contract.

Signature S Feitler Title MINING ENGINEER U. S. BUREAU OF MINES Date APR 7 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date APR 7 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED APR 11 1958 D.M.E.A.

Month of March 1958 Docket No. DMEA 4805 Contract No. Idm-E 1145
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	559.00	13	2322.00	54	43.00	60	43.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu. Yds.			83.40	278	.30	278	.30
TOTAL DISTRIBUTED COSTS		559.00		2405.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		559.00		2520.40				

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 4-4-58 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

R Feider
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

OPERATOR'S

Monthly Progress Report

BMEA #4805, Idm-E 1145 (Mica)
Avery Prospect
Mitchell County, North Carolina

Work Accomplished:

We continued to work on the shaft, completing 13' in this month, making a total of 54' of shaft to date.

Daily Notes:

3 - 7 : We continued to work on the shaft, drilled, shot, mucked out waste, and pumped out water daily.

10 - 14 : Continued to work on the shaft, completing 13' in this month, making a total of 54' of shaft to date.

17 - 31 : No work was done during this period of time, because the compressor was out of order, therefore the operators could not pump the water out of the mine for the Government Field Team to make their examination. We closed down operations untill compressor could be fixed, and Field Team came back to give their approval for us to continue operations.

DMEA-EXPLORATION PROJECT

INTERIM REPORT

DMEA-4805, Idm-E1145(mica) AVERY PROSPECT

Operators: S. L. Phillips and Ø. W. Ellis, Spruce Pine, N.C.

Location : On the south slope of a low ridge about 750 ft N of Highway 26, and 0.4 mile N46°E of Ledger, Mitchell County, North Carolina

The mine crew had left the property before the late afternoon inspection. As a compressor breakdown prevented pumping, the shaft held about 6 ft of water and no inspection of the bottom could be made.

Mr. S. L. Phillips reported that the pegmatite had not become wider with the additional depth reached during the interim.

The Examiners requested that no additional work be done until the most recent work is inspected. Recommendation for termination will be made, if conditions are found to be as described.

Mr. J. H. Vallely, U. S. Bureau of Mines field office accompanied the Examiners on the inspection.

Inspected: March 18, 1958

Stanley A. Feitler, Mining Engineer
U. S. Bureau of Mines (DMEA)

F. G. Lesure, Geologist
Geological Survey (DMEA)

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

March 24, 1958

Official File Copy
DMEA
RECEIVED MAR 26 1958

DATE	INITIALS	CODE
3/26	C	220
3/26	Hook	600

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4805(mica) Idm-E1145, C. W. Ellis, Avery Prospect, Mitchell County, North Carolina

This is with reference to your letter of March 19, concerning the subject contract.

After the last inspection of this project March 18-- the Field Examiners requested the Operator not to do any more work until the shaft is pumped out and another inspection made. If it is then found that further work is not warranted, termination of the contract will be requested.

V J Lynch
V. J. Lynch

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/19	Anderson	600
3/19	Houk	600
3/19	[illegible]	130
"	Johnson	~~118~~
		~~130~~
		~~110~~
		~~300~~ ~~318~~
3/20	C	220
		600

600

MAR 19 1958

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

Re: Docket No. DMEA-4805-Mica
C. W. Ellis, et al.
Avery Prospect
Mitchell County, North Carolina
Contract No. Idm-E1145

Dear Mr. Laurence:

We note from the interim reports that the pegmatite exposed by the shaft work is very thin, fine-grained, and poor in mica.

In the light of this information, we would very much appreciate your comments on the justification for continuing exploration work at the subject property.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SHB)

Approved:

A. D. McMahon

Member, Bureau of Mines (SHB)

N. E. Nelson

Member, Geological Survey (SHB)

WCAnderson:rsi 3/19/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 17 1958

DATE	INITIALS	CODE
3-17	C	220
17	Com	100
"		110
3/18		800
3/18		600

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4805, Idm-E1145(mica) AVERY PROSPECT
Mitchell County, North Carolina

Operator: S. L. Phillips and C. W. Ellis, Spruce Pine, N.C.

Location: On the south slope of a low ridge about 750 ft N of Highway 26, and 0.4 mile N46°E of Ledger, Mitchell County, North Carolina

The shaft is 41 feet to bottom. From the top, 10 feet are vertical, 11 feet minus 45°, 10 feet minus 50°, and 10 feet minus 55°.

At the bottom the pegmatite is 1 1/2 feet thick at the east end of the shaft and 1-foot thick at the west end. Two feet above bottom, the west end is 2 inches thick.

The pegmatite hanging wall strikes N80°E and dips 65°S. The footwall strikes N70°E and dips 60°S. The pegmatite is composed of fine-grained plagioclase and quartz with scrap size muscovite.

A roll near the bottom plunges 40°W.

No one was at the property at the time of the inspection, but someone had been there earlier as there was only about one foot of water in the bottom.

Inspected:
March 3, 1958

S. A. Feitler, Mining Engineer
Bureau of Mines

F. G. Lesure, Geologist
Geological Survey

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS No. 46

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February 1958 Docket No. DMEA 4805 Contract No. Idm-E 1145
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 6,080.00 Government Participation: 75% Amount, $ 4,560.00

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		83.40	83.40			
Crosscutting						
Drifting						
11' Shaft @ $43.00	473.00	1290.00	1763.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	473.00	1488.40	1961.40	473.00	1488.40	1961.40

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

Date 3-4-58 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 354.75

Signature Helen R. Mellen
(Authorized Certifying Officer)

Date MAR 7 1958 Vou. No. 144

(See other side)

118.25

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1145 in accordance with the terms of the contract.

Signature P. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date MAR 6 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER Date MAR 6 1958

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. 10 1958 D.M.E.A.

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

Month of February 1958 Docket No. DMEA 4805 Contract No. Idm-E 1145
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	473.00	11	1763.00	41	43.00	60	43.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu. Yds.			83.40	278	.30	278	.30
Total Distributed Costs		473.00		1846.40				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				40.00				
Total Costs		473.00		1961.40				

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 3-4-58 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

Remarks:

(Instructions on reverse)

(For Government use only)

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

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Progress Report

DMEA 4805, Idm-E 1145
Avery Prospect
Mitchell County, N.C.

Work Accomplished:

We continued to work on the shaft, completing 11' in this month, making a total of 41' of shaft to date. There is 2' of vein on the east end and 1' of vein on the west end and pinching. Shaft incline at bottom is 45°, no mica recovered this month.

Daily Notes:

3 - 7 : Continued to sink shaft, drilled, shot, mucked out waste and pumped out water daily.

10 - 14 :) 17 - 20 :) No work done in these weeks, because of snow, and bad weather.

24 - 28 : Completed 11' of vein in this month, the vein is 2' wide on the east end, and 1' wide on the west end and pinching. Shaft incline at bottom is 45°, no mica recovered in this month.

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DMEA
RECEIVED FEB 13 1958

DATE	INITIALS	CODE
2/13	C	220
/13	com	100
"	RG	110
2/14	[illegible]	800
2/14	[illegible]	600

INTERIM REPORT

DMEA-4805, Idm-E1145(mica) AVERY PROSPECT
Mitchell County, North Carolina

Operators: S. L. Phillips and C. W. Ellis, Spruce Pine, N.C.

Location: On the southslope of a low ridge about 750 ft N of N. C. Highway 26, and 0.4 mile N46°E of Ledger, Mitchell County, N. C.

No one was at the mine and water in the shaft prevented measurement and inspection.

Inspected: Feb. 3, 1958

S. A. Feitler, Mining Engineer
Bureau of Mines

F. G. Lesure, Geologist
Geological Survey

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

40

Month of January, 1958 Docket No. DMEA 4805 Contract No. Idm-E 1145
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 6,080.00 Government Participation: 75 % Amount, $ 4,560.00

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		83.40	83.40			
Crosscutting						
Drifting						
10' Shaft @ $43.00	430.00	860.00	1290.00			
(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.		75.00	75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.		40.00	40.00			
(8) Contingencies (specify):						
TOTALS	430.00	1058.40	1488.40	430.00	1058.40	1488.40

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

Date 2-4-58 *Payee Sam L. Phillips

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 322.50

Signature Helen R. Miller
(Authorized Certifying Officer)

FEB 7 1958

Date Vou. No. 127

(See other side)

2

107.50

(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-1145 in accordance with the terms of the contract.

Signature W. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date FEB 6 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date FEB 6 1958

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 83-38476

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 January 1958 Docket No. DMEA 4805 Contract No. Idm-E 1145
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	430.00	10	1290.00	30	43.00	60	43.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu.Yds.			83.40	278	.30	278	.30
TOTAL DISTRIBUTED COSTS		430.00		1373.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				40.00				
TOTAL COSTS		430.00		1488.40				

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 2-4-58 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

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

OPERATOR'S

Monthly Progress Report

DMEA 4805, Idm-E 1145
Avery Prospect
Mitchell County

Work Accomplished:

We continued to work on the shaft, completing 10' in this month, making a total of 30' of shaft to date. Very little work has been done during this month, becuase of the cold weather. We shot, drilled, mucked out waste, and pumped wated each day we worked. The vein is approximately 3' wide and we have recovered 200# of mica, some of good guality.

Daily Notes:

2 - 10 : We continued to work on the shaft, drilled, shot, mucked out waste, and pumped water daily.

13 - 17 : Continued to work on the shaft, worked only two days.

20-24 : Very little work has been done, because of the very cold weather.

27 - 31 : We completed 10' of shaft in this month, making a total of 30' of shaft to date, there is approximately 3' of vein material showing, and we have recovered about 200# of mica, some of good quality.

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 31 1958

DATE	INITIALS	CODE
1/31	C	220
/31	Com	100
1/2/3	Hub	600

INTERIM REPORT

DMEA-4805, Idm-E1145(mica) AVERY PROSPECT
Mitchell County, N.C.

Operators: S. L. Phillips and C. W. Ellis, Spruce Pine, N.C.

Location : On the southslope of a low ridge about 750 ft north of N. C. Highway 26, and 0.4 mile N46°E of Ledger, Mitchell County, N.C.

The shaft is 28 ft deep, 6 ft vertical and 22 ft minus 55°. Advance for the period was only 5 ft on the account of inclement weather.

The hanging wall of the pegmatite strikes N80°E 40°SE and the footwall N60°E 50°SE. The thickness is 2 ft at the west end of the shaft and 3 ft at the east end. The pegmatite contains mostly medium-grained plagioclase with scattered quartz, burr mica and a scattering of muscovite 2 x 3 inches across. A few 3 x 4-inch books were seen.

The schist strikes N65°E 40°SE in the west end of the shaft.

Operator was advised to flatten the incline still more to keep the pegmatite in the shaft.

Inspected: January 20, 1958

S. A. Feitler, Mining Engineer
Bureau of Mines

F. G. Lesure, Geologist
Geological Survey

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

VOUCHER & SCHEDULE OF PAYMENTS K- 35

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Dec. 1957 Docket No. DMEA 4805 Contract No. Idm-E 1145
Operator's Name Sam L. Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $6,080.00 Government Participation: 75 % Amount, $ 4,560.00

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						
278 Cu.yds Bulldozing @ $ .30	83.40		83.40			
Crosscutting						
Drifting						
20' Shaft @ $43.00	860.00		860.00			
(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.	75.00		75.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.	40.00		40.00			
(8) Contingencies (specify):						
TOTALS	1058.40		1058.40	1058.40		1058.40

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1-8-58 *Payee Sam L. Phillips
Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 793.80
Signature Helen R. Meller
(Authorized Certifying Officer)
Date JAN 16 1958 Vou. No. 117
(See other side)

264.60

(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 1145 in accordance with the terms of the contract.

Signature S Feitler Title MINING ENGINEER U. S. BUREAU OF MINES Date JAN 15 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JAN 15 1958

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 83-38476

Form MF-104A
(April 1962)

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 Dec. 1957 Docket No. DMEA 4805 Contract No. Idm-E 1145

Operator's Name Sam L. Phillips Minerals Mica

Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	860.00	20	860.00	20	43.00	60	43.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu. Yds.	83.40	278	83.40	278	.30	278	.30
TOTAL DISTRIBUTED COSTS		943.40		943.40				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		75.00		75.00				
Powder & Exp. Mags.		40.00		40.00				
TOTAL COSTS		1058.40		1058.40				

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

Date 1-3-58 Operator Sam L. Phillips

Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

S Feitler

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

OPERATOR'S

Monthly Progress Report

BMEA 4805, Idm-E 1145
Avery Prospect, Mitchell County

Work Accomplished:

Bulldozing work was completed on October 29, 1957, then in November we moved in equipment, sat up powder and exploder magazines, constructed toolhouse, and completed 10' of shaft work. In December we continued to work on the shaft, completing a total of 20' of shaft work to date. The vein is 3' wide, and we have recovered approximately 300# of Mica. //

Daily Notes:

10 - 29 : We excavated three trenches, one trench extended along the strike of the pegmatite and the other two were to crosscut its strike projected up the hill.

Nov.: During the month of November we moved in equipment, sat up powder and exploder magazines, constructed toolhouse, and completed 10' of shaft.

Dec. 2-6: We continued to work on the shaft, drilled, shot, and mucked out waste daily.

9-13: Completed approximately 5' of shaft, making a total of 15' to date, then we closed the mine down for several days, because we had to bring in an air-compressor, there was a number of repairs to be made to the compressor before we could use it.

23-31: 5' of shaft work was completed in this week, making the total 20' of shaft to date, the vein is 3' wide, and we have recovered approximately 300# of mica. //

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 20 1958

DATE	INITIALS	CODE
1/20	gb	220

INTERIM REPORT

DMEA-4805, Idm-E1145, AVERY PROSPECT
(mica) Mitchell County, N.C.

Operator: S. L. Phillips and C. W. Ellis, Spruce Pine, N.C.

Location: On the southslope of a low ridge about 750 ft north of N. C. Highway 26, and 0.4 mile N46°E of Ledger, Mitchell County, N. C.

The shaft is now down 23 feet, inclined to the south.

The pegmatite has thickened to 3 feet and is composed of plagioclase, scattered quartz and small books of muscovite. Muscovite books up to 2 x 3 inches have been recovered.

Cribbing has been carried close to the bottom, but the pegmatite appears to be hardening. Sinking will continue.

The toolhouse and magazines have been built. A mast and boom are used for hoisting.

Inspected: January 7, 1958

S. A. Feitler, Mining Engineer
Bureau of Mines

F. G. Lesure, Geologist
Geological Survey

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OFFICIAL FILE COPY
DMEA
RECEIVED DEC 18 1957
DATE | CODE
12/18 | 220
12/19 | 100

INTERIM REPORT

DMEA-4805, Idm-E1145, AVERY PROS.
(mica) Mitchell County, N.C.

Operators: S. L. Phillips and C. W. Ellis, Spruce Pine, N.C.

Location : On the southslope of a low ridge about 750 ft north of N. C. State Highway 26, and about 0.4 mile N46°E of Ledger, Mitchell County, N.C.

One man was working when the Examiners arrived at this Prospect. The shaft is 6 feet deep and the miner was mucking back to prepare the shaft for timber and use of a hoist.

The pegmatite strikes N85°E, 65°SE and contains plagioclase with scattered quartz and muscovite books up to 2 x 3 inches.

In the bottom of the shaft the pegmatite is 18 to 30 inches thick.

Mr. V. J. Lynch, Mining Engineer, U. S. Bureau of Mines, accompanied the Field Examiners on the inspection.

December 10, 1957.

S. A. Feitler, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

z

RECEIVED DEC 5 1957

DATE		
12/5	C	220
6	Com	100
10	Hrub	600

INTERIM REPORT

DMEA-4805, Idm-E1145(mica) AVERY PROSPECT

Operators: S. L. Phillips and C. W. Ellis, Spruce Pine, N. C.

Location: On the south slope of a low ridge about 750 ft north of N. C. State Highway 26, and about 0.4 mile N46°E of Ledger, Mitchell County, North Carolina.

No work was done on this project during the interim. The shaft is still 5 feet deep.

Inspected: November 26, 1957.

S. A. Feitler, Mining Engineer
Bureau of Mines

R. A. Laurence, Geologist
Geological Survey

z

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 25 1957

DATE	INITIALS	CODE
11/25	gr	220
"	Cbm	100
11/29	wra	600

INTERIM REPORT

DMEA-4805, Idm-E1145(mica) AVERY PROSPECT

Operators: S. L. Phillips and C. W. Ellis, Spruce ~~Pine, N. C.~~

Location : On the south slope of a low ridge about 750 ft north of N.C. State Highway 26, and about 0.4 mile N46°E of Ledger, Mitchell County, N. C.

No one was at the Prospect at the time of the inspection.

The shaft is 5 ft deep in weathered material.

The pegmatite has an average thickness of 24 inches, varying from 12 to 30 inches. It contains plagioclase with some quartz pods and a little muscovite. Fifty to seventy-five pounds of muscovite, clay stained and of mediocre quality with no blocks larger than 2 x 3 inches, were piled near the shaft.

No equipment has been installed nor structures built.

Inspected: Nov. 13, 1957

Stanley A. Feitler, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

z

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/18	Anderson	600
11/18	Houk	600
11/19	C	220
		600

November 18, 1957

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Lawrence G. Houk, Director, Division of Nonmetallic Minerals

Subject: Amendment No. 1 - Docket No. DMEA-4805-Mica
C. W. Ellis
Avery Prospect
Mitchell County, North Carolina
Contract No. Idm-E1145

The Division of Nonmetallic Minerals concurs in Amendment No. 1 to the subject contract as written and executed in the field. This amendment provides for the excavation of three trenches aggregating 100 feet in length, instead of only one trench at 100 feet in length.

Amendment No. 1 is necessary because the slope of the hill is too steep to allow bulldozing along the strike of the pegmatite. Contour trenching across the strike of the pegmatite was, therefore, recommended. Three trenches established 65 feet of continuity along strike.

W. C. Anderson
W. C. Anderson
Division of Nonmetallic Minerals

WCAnderson:gad 11/18/57
Copy to: Admr. R. File
Mr. Houk

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1000 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

November 6, 1957

11/12	C	220
		130
11/12		600

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: DMEA-4805, Idm-E1145-mica. S. L. Phillips and C. W. Ellis, Spruce Pine, N.C.
Amendment No. 1

Attached are two signed copies of the Amendment No.1 to the subject contract signed by the Operators.

The usual distribution of the other copies has been made by this office.

Justification is contained in the interim report of October 29, 1957.

Robert A. Laurence
Executive Officer, DMEA
Region V

z

INTERIM REPORT

DMEA-4805, Idm-E1145(mica) Avery Prospect

Operators: S. L. Phillips and C. W. Ellis, Spruce Pine, N. C.

Location : On the south slope of a low ridge about 750 ft north of N. C. State Highway 26, and about 0.4 mile N46°E of Ledger, Mitchell County, North Carolina

Contract work was started October 29, 1957.

The bulldozer excavation was completed during the inspection, and partly revised as recommended by the Examiners.

A cut was made from the west pit down hill for 35 ft., exposing the three-foot pegmatite for 30 ft along strike. The attitude of the pegmatite is N78W steep south. Books of muscovite up to 2 x 3 inches were exposed.

As the slope of the hill is too steep to allow bulldozing along strike west of the above pit, contour trenching was recommended. A trench about 50 ft upslope (west) did not cut the pegmatite. Another contour trench about 15 ft east of the first exposed the pegmatite at least 30 ft west of the west end of the strike trench. Thus, the trenching established 65 ft of continuity along strike.

The three trenches were 15 ft wide by 5 ft deep and totalled 115 ft in length. Three hundred twenty (320) cubic yards were excavated, of which 42 cubic yards is at the Operator's expense.

A shaft sitc was agreed upon and written approval for starting Stage II has been given.

Robert A. Laurence accompanied the Examiners on the inspection.

Inspected: October 29, 1957

DMEA
RECEIVED NOV 7 1957

DATE	INITIALS	CODE
11-7	gb	220

S. A. Feitler, Mining Engineer
Bureau of Mines

S. C. Bergman, Geologist
Geological Survey

EXTRA COPY
D M E A
RECEIVED NOV 4 1957

DATE	INITIALS	CODE
11/4	gb	220
11/4	[illegible]	600

October 30, 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-4805-Mica
Avery Prospect, Mitchell County,
North Carolina
Contract Idm-E1145.

Dear Mr. Phillips:

This constitute approval to begin work under Stage II of the subject contract, in accordance with Exhibit "A","Description of the Work."

The shaft may be started at the spot indicated on the ground by Mr. Bergman and Mr. Feitler yesterday.

Sincerely yours,

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

RAL/zm

cc

Opr. Com-2
Finance Office

Lynch
Files

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/9	Anderson	600
10/9	Houk	600
10-9	Chambers	800
10/23	GCS	130
"	Johnson	110
"	Bottendorf	100
10/24	C	220
"		600

600

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

OCT 24 1957

Re; Docket No. DMEA-4805-Mica
C. W. Ellis, et al.
Avery Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

Enclosed are the original and four copies of a proposed short-form contract signed by the Administrator for the Government. It consists of the form, Annex I (1 page), one Consent to Lien and Subordination Agreement, Exhibit A (2 pages), and one map. Also enclosed are two extra copies of Annex I, Exhibit A, and the map for Field Team use.

If the proposed contract meets with your approval, present it to the applicant for execution. Please explain to the applicant that the contract is a firm commitment to complete the work outlined at the agreed cost. Copies of the executed contract are to be distributed in the usual manner.

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

Copies of memoranda dated September 5 and 19, 1957, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, UCBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SLB)

Approved:

Frank D. Lamb (SLB)

Member, Bureau of Mines

Thor H. Kiilsgaard (SLB)

Member, Geological Survey

Enclosures 13

WCAnderson:rsi 10/9/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Houk
Mr. Dietrich, 3061

8623

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS AND
C. W. ELLIS, PARTNERS
DOCKET NO. DMEA-4805

ANNEX I

The land referred to in Article 2 of the contract is an 8.3 acre tract known as the Avery Prospect, ~~The tract is located~~ situated on the south slope of a low ridge about 750 feet north of North Carolina State Highway 26 and about 0.4 of a mile N 46° E from Ledger, Mitchell County, North Carolina. The operator is in possession by virtue of a lease dated September 17, 1957, ~~recorded in Book No. 24 Pages Nos. 177 and 178, in the Register of Deeds Office for Mitchell County, North Carolina,~~ from A.W. Willis the owner, in which he ~~said~~ 8.3 acre tract ~~being~~ is described as follows:

> Beginning on an iron stake located 50 feet South of what is known as the Avery Prospect, and running South 250 feet to a stake, thence East 88 feet to a stake, thence North 600 feet to a stake, thence West 600 feet to a stake, thence South 600 feet to a stake, thence East 512 feet to the point of closing. The South-West corner of this legal description is located North 44° West 231 feet from a 10 inch locust in the outside boundary. This property is located six miles North West of Spruce Pine, North Carolina, as recorded in the Register of Deeds Office in Bakersville, North Carolina, Mitchell County, Book #24, Pages #177 and 178.

one word "northwest"

A Consent to Lien and Subordination Agreement signed by the Owner, A. W. Willis, is attached.

The portion of a 34 acre tract described in a deed recorded in the Register of Deeds Office at Bakersville, Mitchell County North Carolina, in Book No. 24 at pages 177 and 178.

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

OFFICIAL FILE COPY DMEA RECEIVED SEP 19 1957		
DATE	INITIALS	CODE
9/20	B	220
9/20	Hoch	600

September 19, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4805 (mica)

Applicant: C. W. Ellis

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

Date of Field Team Report: 8/29/57

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/5/57

Field Team Recommendation: Recommend approval of a two-stage unit-cost contract.

Comments:

1. Two test pits over 100 feet apart exposed a $4\frac{1}{2}$-$6\frac{1}{2}$ foot thick pegmatite intruding a mica schist.

2. Strategic mica up to 4 x 4 inch books is present in the western pit.

3. Recovery of 500 to 600 pounds of block mica was reported from the western pit.

Recommendation:

I concur with the recommendation of the field team for approval of a two-stage exploration contract as outlined in the field examiners report.

W. F. Dietrich

W. F. Dietrich

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/12	Anderson	600
9/12	Houk	600
"	Johnson	110
9/12	P	220
		600

600

SEP 12 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4805-Mica
C. W. Ellis, et al.
Avery Prospect
Mitchell County, North Carolina

Dear Mr. Phillips:

Reference is made to your letter of September 9, 1957, enclosing an amended legal description of the subject property.

This amended description must be incorporated in the lease, and the Consent to Lien and Subordination Agreement. Accordingly, we are returning for your correction, the copies of these documents which were attached to the application.

Upon receipt of the requested corrected documents, we will continue processing the subject application.

Sincerely yours,

Lawrence G. Houk, Director
Division of Nonmetallic Minerals

Enclosures 5

WCAnderson:rsi 9/12/57
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/11	Houk	600
"	Johnson	110
9/12	P	220
		600

600

SEP 11 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4805-Mica
C. W. Ellis, et al
Avery Prospect
Mitchell County, North Carolina

Docket No. DMEA-4807-Mica
Paul McMahan
Paul Prospect
Mitchell County, North Carolina

Dear Mr. Phillips:

Receipt is acknowledged of your letter of September 9, 1957, enclosing amended legal description, sketch, plat and lease on the Avery Prospect, DMEA-4805.

As requested we are enclosing the plat for the Paul McMahan Prospect, DMEA-4807.

Sincerely yours,

Lawrence G. Houk, Director
Division of Nonmetallic Minerals

Enclosure

LGHouk:gad 9/11/57
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED 1957

DATE	INITIALS	CODE
9-11	C	220
9-11	WRA	600

Spruce Pine, North Carolina
September 9, 1957

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
U.S. Dept. of the Interior, D.M.E.A.
Washington 25, D.C.

Dear Mr. Houk:

This will acknowledge receipt of your letter dated September 5, 1957.

Enclosed you will find an amended legal description on the Avery Prospect -DMEA #4805. I did not receive the plat for the Paul McMahan Prospect, DMEA #4807, and I will appreciate it if you will send it to me as soon as possible.

Thanking you, I am

Yours very truly,

Sam L. Phillips

Sam L. Phillips

Enclosures
P/j

OFFICIAL FILE COPY
DMEA
RECEIVED 1957
DATE | INITIALS | CODE

Spruce Pine, North Carolina
September 9, 1957

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
U.S. Dept. of the Interior, D.M.E.A.
Washington 25, D.C.

Dear Mr. Houk:

Re: Docket No. DMEA-4805-Mica
C.W. Ellis, Avery Prospect
Mitchell County, North Carolina

We wish to make an amended legal description for the above named prospect to read as follows:

Beginning on an iron stake located 50' South of what is known as the Avery Prospect, and running South 250' to a stake, thence East 88' to a stake, thence North 600' to a stake, thence West 600' to a stake, thence South 600' to a stake, thence East 512' to the point of closing. The South East corner of this legal description is located North 44° West 231' from a 10" locust in the outside boundry. This property is located six miles North West of Spruce Pine, N.C., as recorded in the Register of Deeds Office , Mitchell County, Bakersville, N.C. Book #24, Pages #177 and 178.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

Enclosures
P/j

IN REPLY REFER TO:

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

September 5, 1957
Re: DMEA 4805
C. W. Ellis
Avery Prospect
Mitchell County, North Carolina
Applicant's Estimate $7,300.00
Recommended Estimate $6,659.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring a 'new' pegmatite.

The examiners found pegmatite exposed in 2 test pits about 110 feet apart. Strategic mica is present in the $4\frac{1}{2}$-foot pegmatite in the western pit and 500 to 600 pounds of block mica is said to have been recovered at that point. No mica is reported for the easterly pit and it is not known that the two exposures are on the same pegmatite, but such is inferred.

The examiners and Field Team recommend a 2-stage work program consisting of bulldozing, shaft sinking, 60 feet, and drifting, 100 feet, at a cost of $6,659.00.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 6 1957

DATE	INITIALS	CODE
9/6	G	220
9/6	Houk	600

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

August 29, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 3 1957

DATE	INITIALS	CODE
9/3	Q	220
		130
9/6	Q	220
		600

Memorandum

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

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

Subject: Field Examination Report, DMEA-4805 (Mica)
C. W. Ellis, Bakersville, North Carolina
Avery Prospect, Mitchell County, North Carolina

Enclosed are the original and two copies of the subject report and eight extra copies of the map. We recommend approval of a two-stage unit-cost contract as outlined in the report.

Please note that the lease, as described, extends beyond the east boundary of the property. However, the Applicant is the owner of the property to the east of the boundary.

Robert A. Laurence

Robert A. Laurence
Executive Officer

V. J. Lynch

V. J. Lynch
Member, Bureau of Mines

Enclosures 11

Reviewed by
DMEA OPERATING COMMITTEE
9-6-57
(date).

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 3 1957

DATE	INITIALS	CODE
		130
		220

DMEA-4805, AVERY PROSPECT (Mica)
Mitchell County, North Carolina

Exam. Rpt.

L. E. Shirley and S. A. Feitler, Mining Engineers
U. S. Bureau of Mines

and

S. C. Bergman and F. G. Lesure, Geologists
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
9-6-57
(date)

August 21, 1957

FIELD EXAMINATION REPORT

DMEA-4805, AVERY PROSPECT (Mica)
Mitchell County, North Carolina

Applicant: C. W. Ellis, Route 3, Bakersville, North Carolina

SUMMARY

Pegmatite 4½ feet thick with a possible strike length of over 100 feet is exposed in two test pits on the property. Mica of strategic quality is present in the westernmost pit. Because of the uncertainty of the continuity of the pegmatite a two-stage exploration program is recommended.

INTRODUCTION

Examination

An examination of the Avery prospect lasting one and one-half hours was made on August 21, 1957. The examiners were accompanied by Messrs. S. L. Phillips and C. W. Ellis.

Location

The Avery prospect is located on the south slope of a low ridge about 750 feet north of North Carolina State Highway 26 and about 0.4 of a mile N. 46° E. from Ledger, Mitchell County, North Carolina (Micaville quad. TVA, 1:24,000). The prospect can be reached by a good jeep road from the State Highway.

Past Operations

Two small prospect pits have been dug on the Avery prospect (see attached map). The larger, western pit was dug sometime in 1954 to a depth of eight feet but is now partly filled with dirt. Mr. Ellis reports that 500 to 600 pounds of block mica were recovered during this work. The eastern pit, which is shallower, was dug sometime before that. No record is available concerning it.

No facilities or equipment are on the property. Water is available in the creek flowing through the property (see attached map) and electric power is available along the State Highway to the south.

The lease as described in the application overlaps on C. W. Ellis' property (see attached diagram).

GEOLOGY

The few outcrops in the prospect area indicate that the country rock is muscovite schist, but some hornblende schist and gneiss float is present north of the prospect. Two test pits expose pegmatite with a possible strike length of 120 feet near the center of the prospect area (see attached map). The western pit exposes four and one-half feet of weathered pegmatite which strikes N. 70° to 80° E. and dips 65° SE. The wall rock is deeply weathered mica schist. The eastern pit exposes five to six feet of weathered pegmatite but does not expose either wall. In the western pit the pegmatite is medium-grained and consists of plagioclase, quartz, and muscovite with minor perthite, sericite and biotite. In the eastern pit the pegmatite contains more perthite. The pegmatite exposed in both pits may be part of the same pegmatite body or parts of two en echelon bodies. The attitude of the pegmatite in the western pit and the difference in elevation of the two pits suggest that the pegmatite is continuous between the exposures.

Muscovite in the western pit is of strategic quality. It is greenish brown, clear, and flat. Some is bent, cracked, and ruled. Some is "A" and some has a fine stain. Although mica occurs in books up to 4 x 4 inches, much of it is smaller. Some scrap mica is present on the dump of the eastern pit, but not enough mica was present to indicate its quality.

RECOMMENDATIONS

A pegmatite body of moderate thickness and favorable mineralogy containing mica of strategic quality is exposed on the property, and it is recommended that exploration assistance be granted. The strike extent of the pegmatite, however, is not definitely known, and a bulldozed trench to define the continuity of the pegmatite will be necessary before exploration can proceed. A modification of the Applicant's proposal, which has been agreed to by the Applicant, is therefore made. It is recommended that exploratory work consist of two stages described below.

Estimated Costs:

Stage I

Excavate by bulldozer a trench 100 feet long, 15 feet wide, and 5 feet deep along the strike of the pegmatite, northeast and southwest of the western test pit to define the continuity of the pegmatite body, and to locate a favorable shaft site.
100' x 15' x 5' = 278 cu. yd. @ $0.30/cu.yd. $83.00

Stage II

(To be performed only if the results of Stage I are favorable.)

Construct:

Toolhouse	$75.00	
Powder Magazine	25.00	
Cap Magazine	15.00	
		$115.00

Sink 60 feet of vertical and/or inclined shaft, 5' x 7' in cross section, timbered where necessary and containing a separated manway (40 shifts - 2 months).
Use 1.7 ft/shift = 35 shifts

Labor:

1 - Foreman-Miner @ $1.75/hr.	560.00	490.00
1 - Hoistman @ $1.50/hr.	480.00	420.00
1 - Laborer @ $1.00/hr.	320.00	280.00
	1360.00	1190.00

Equipment (Rental):

1 - 105 c.f.m. Air Compressor with air hose @ $150/Mo.	$300.00
1 - Gasoline powered single drum hoist @ $50/Mo.	100.00
1 - Sump pump @ $40/Mo.	80.00
1 - Rock drill @ $40/Mo.	80.00
	560.00

Supplies:

Explosives	180.00
Gasoline and oil	120.00
Drill Steel	108.00
Timber, 3000 b.f. @ $65/M	195.00
Small tools, pipe, etc.	120.00
Sales Tax	22.00
Social Security and Insurance	163.00
	908.00

($47.20) Total Estimated Cost of Shaft Sinking $2828.00

Drive 100 feet of drift and/or crosscut, 5' x 7' in cross section, timbered where necessary (50 shifts - 2½ months).

Labor:

1 - Foreman-Miner @ $1.75/hr.	700.00
1 - Hoistman @ $1.50/hr.	600.00
1 - Laborer @ $1.00/hr.	400.00
	1700.00

Equipment (Rental):

1 - 105 c.f.m. Air Compressor with air hose @ $150/Mo.	375.00
1 - Gasoline powered single drum hoist @ $50/Mo.	125.00
1 - Rock drill @ $40/Mo.	100.00
1 - Sump pump, air @ $40/Mo.	100.00
1 - Jack leg @ $35/Mo.	88.00
1 - Ventilation blower with duct @ $20/Mo.	50.00
	838.00

Supplies:

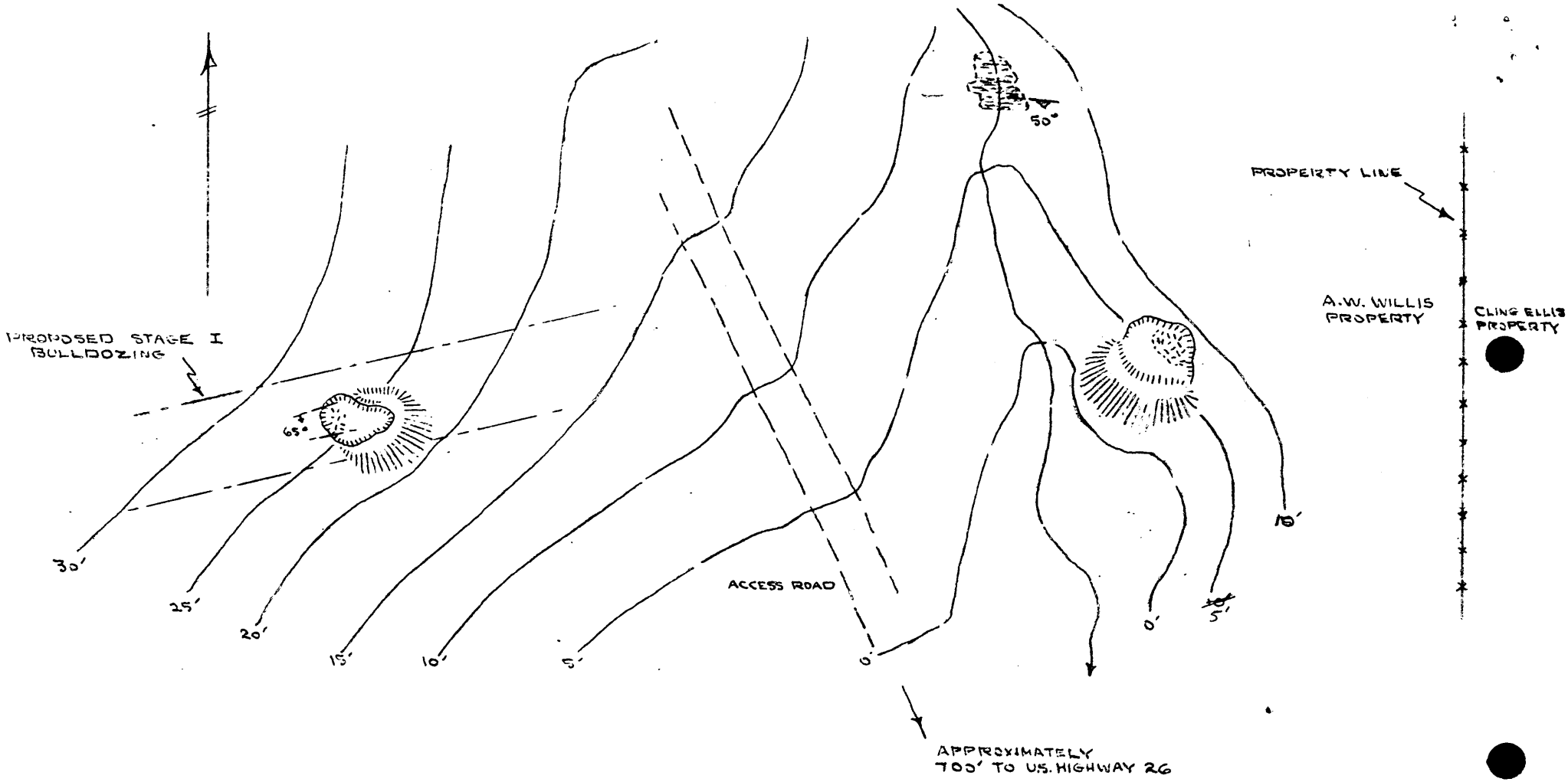
Gasoline and oil	$185.00	
Explosives	275.00	
Drill Steel	150.00	
Timber, 2000 b.f. @ $65/M	130.00	
Small tools, pipe, etc.	125.00	
Sales Tax	26.00	
Social Security and Insurance	204.00	
($36.33) Total Estimated Cost Drifting use $33/ft.	1095.00	$3633.00 3302.50
Total Estimated Cost of Project		$6659.00

August 21, 1957

L. E. Shirley and S. A. Feitler, Mining Engineers
U. S. Bureau of Mines

S. C. Bergman and F. G. Lesure, Geologists
U. S. Geological Survey

g



LEGEND

- PLAG.-QTZ.-MUSCOVITE PEGMATITE
- MUSCOVITE SCHIST
- ROAD
- EXCAVATION
- DUMP
- FENCE LINE

AVERY PROSPECT

MITCHELL COUNTY, NORTH CAROLINA

DMEA-4805 (MICA)

SCALE: 1" = 20'

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/5	Houk	600
9/5	Johnson	100
9/6	JG	220
		600

600

SEP 5 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4804-Mica
Ed Huskins
Charles Prospect
Mitchell County, North Carolina

Docket No. DMEA-4805-Mica
C. W. Ellis
Avery Prospect
Mitchell County, North Carolina

Docket No. DMEA-4807-Mica
Paul McMahan
Paul Prospect
Mitchell County, North Carolina

Dear Mr. Phillips:

Reference is made to your telephone call of this date requesting the return of the leases and sketches on the subject applications.

We are enclosing the leases and sketches and upon their return will continue with the processing of the applications.

Sincerely yours,

Lawrence G. Houk, Director
Division of Nonmetallic Minerals

Enclosures 7

LGHouk:gad 9/5/57
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

9/3	Q	220
9/3	Wra	600

August 30, 1957

Memorandum

To: Operating Committee, DMEA, Washington 25, D. C.

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

Subject: Docket No. DMEA-4805, C. W. Ellis, Bakersville, N. C.
Avery Prospect (Mica), Mitchell County, N. C.

Enclosed is a property map submitted by the Applicant.

The leased area, as shown on the map, does not agree with the description in the lease which placed the prospect in the center of the leased square. However, the relation of the prospect to the east boundary of the Willis tract, is correct, according to the field examiners (see maps in the Field Examination Report).

Robert A. Laurence
Robert A. Laurence
Executive Officer

V. J. Lynch
V. J. Lynch
Member, Bureau of Mines

Enclosure

Operating Comm.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 15 POST OFFICE BLDG.

OFFICIAL FILE COPY
DMEA
1957

		CODE
9/3	O	
9/3	Nonl	220
		600

August 30, 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4805 (Mica)
C. W. Ellis
Avery Prospect, Mitchell County, N.C.

Dear Mr. Phillips:

The map of the Avery prospect lease, which you sent in connection with the above-referenced application, agrees with the boundaries as shown our field examiners by Mr. Ellis, but it does not agree with the lease which accompanied the application. In the lease description the prospect is in the center of the square, but on the map it is only 210 feet east of the center of the square. On the map, the tie-in is south 300 feet to a stake, whereas the tie-in given in the lease is S. 12° E., 325 feet.

Please let me know which is correct, and submit a correct lease or map, according to which one must be changed.

Sincerely yours,

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

RAL/mg
cc - Operating Committee (2)
Mr. V. J. Lynch
Mr. L. E. Shirley
File

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/5	Anderson	600
8/5	Houk	600
8/5	Martin	130
8/5	Yopes	130
8/5	Kiilsgaard	130
"	Johnson	110
"	Mittendorf	100
8/16	P.K.	220
		600

600

AUG - 5 1957

Mr. C. W. Ellis
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-4805-Mica
C. W. Ellis
Avery Prospect
Mitchell County, North Carolina

Dear Mr. Ellis:

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

Please be advised that the land description given in the lease is in order. However, we require information concerning the property from which the leased area is carved. We need the total acreage, the book and page number of the deed recording in the County Office, and a tie-in of the proposed work to the nearest identifiable property corner. A map showing such data would be helpful.

We note you have signed the application as a partner, but no one else has signed. Please have your partner or partners sign the enclosed application and return to this office.

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

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

WCAnderson:rsi 8/5/57
Enclosure
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

application returned 8/15/57

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/5	Anderson	600
8/5	Houk	600
8/5	Martin	130
"	Johnson	110
"	Mitterling	100
		220

600

AUG - 5 1957

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

Re: Docket No. DMEA-4805-Mica
C. W. Ellis
Avery Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated August 1, 1957, by Mr. W. F. Dietrich, USBM, and Mr. N. E. Nelson, USGS, relating to the project are enclosed. There is also enclosed a copy of the application for the use of the Field Team.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (JHB)

Approved:

P. F. Yopes (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures 5

WCAnderson:rsi 8/5/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

August 1, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4805 (mica)

Applicant: Sam L. Phillips

Name and Location of Property: Avery Prospect, Mitchell County, North Carolina

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 7/31/57

Comments:

1. Applicant states strategic mica is visible in pegmatite vein.

2. Applicant proposes to explore vein by sinking a 60-foot deep shaft and drifting on vein 100 feet.

3. Estimated costs are in line with other equivalent DMEA projects.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 1 1957

DATE	INITIALS	CODE
8/1	C	220
		600

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

OFFICIAL FILE COPY
D M E A
IN REPLY REFER TO:
RECEIVED AUG 2 1957

DATE	INITIALS	CODE
8-2	C	220
8.2	Houk	600

August 1, 1957

Re: DMEA 4805
C. W. Ellis
Avery Prospect
Mitchell County, N. C.
$7,300 - Mica

Memorandum

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

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

Subject: Review of application

The applicant requests assistance in exploring a newly found pegmatite on which no work has been done, but judging by the outcrop, the pegmatite may be mica-bearing.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

July 31, 1957

C. W. Ellis
Route # 3
Bakersville, N.C.

Subject: DMEA 4805

Dear Mr. Ellis,

Your application for exploration assistance, dated July 29, 1957 submitted to our office at Knoxville, Tenn. has been assigned Docket Number 4805 and referred to the Division of Nonmetallic Minerals in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:
Region V

THE AVERY PROSPECT
LEDGER MITCHELL CO. N.C.
CONTAINS 39. ACRES
SCALE 1" = 100'
DATE. AUG. 19, 1957

Deed recorded in register of Deeds office, Mitchell Co., Bakersville, N.C. Book # 24, Page #177 and 178.