DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 4910

Application
- [ ] Denied
- [ ] Withdrawn

Contract 21 FEB 1958 1171
- [ ] 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
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [X] Owner's Consent to Lien and Subordination Agreement
- [X] 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)
- [x] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] 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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Anderson	600
3/3	Hook	600
3-4	Chambers	800
3/4	Selfridge	120
		110
3/5	C	220
		600

600

MAR 4 1959

Messrs. Cecil R. Phillips, Paul Grindstaff
and James Fox
c/o Mr. Cecil R. Phillips
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-4910-Mica
Cecil R. Phillips, et al.
Weld Prospect
Yancey County, North Carolina
Contract No. Idm-E1171

Gentlemen:

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,

(signed) FRANK E. JOHNSON (pb)

Acting Director

WCAnderson:gad 3/2/59
Copy to: Dir. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard
Mr. Dietrich

Mr. John C. McBee, Spruce Pine, N. C.
Mr. John C. McBee, Jr., Spruce Pine, N. C.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Anderson	600
3/3	Frank	600
3-4	Chambers	800
3/4	Selfridge	120
		110
		220

600

MAR 4 1959

Mr. John C. McBee, Jr.

Spruce Pine, North Carolina

Re: Docket No. DMEA-4910-Mica
Cecil R. Phillips, et al.
Weld Prospect
Yancey County, North Carolina
Contract No. Idm-E1171

Dear Mr. McBee:

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 under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON (pf)
Acting Director

Enclosure

WCAnderson:gad 3/2/59
Copy to: Dir. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard
Mr. Dietrich

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Anderson	600
3/3	Hook	600
3-4	Chambers	800
3/4	Selfridge	120
		110
		220

600

MAR 4 1959

Mr. John C. McBee

Spruce Pine, North Carolina

Re: Docket No. DMEA-4910-Mica
Cecil R. Phillips, et al.
Weld Prospect
Yancey County, North Carolina
Contract No. Idm-E1171

Dear Mr. McBee:

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 under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON (RR)

Acting Director

Enclosure

WCAnderson:gad 3/2/59
Copy to: Dir. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard
Mr. Dietrich

8623

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Cecil R. Phillips, Paul Grindstaff, & James Fox
c/o Cecil R. Phillips
Route 3, Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-E1171, DMEA No. 4910, for March 1958 to July 1959, inclusive, covering a mica project at the Weld Prospect, Yancey 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		$4,763.00
Exceptions:		
Prior to this review	$-0-	
Herewith	-0-	-0-
Accepted cost claimed by Operator		$4,763.00

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:

On cost claimed	$3,572.25
Paid to date	2,681.25
Balance due Operator	$ 891.00

August 1, 1958

E. D. Talbert, Auditor

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

August 22, 1958

DMEA
RECEIVED AUG 25 1958

DATE	INITIALS	CODE
8/25	N. g.	225
8/27	[illegible]	600

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Termination Agreement - DMEA-4910, Idm-E1171-mica.
Cecil Phillips, et al. Bakersville, N.C.
Weld Prospect, Yancey County, N.C.

Attached are the original and one copy of the subject termination agreement.

The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

zm.

Government's copy

AUG 25 1958

J. Lynch
Lawyer
App'd. Sol. Off.
Anderson
Hook
Chambers
Selbridge
Johnson

TERMINATION AGREEMENT

It is agreed this 15th day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Cecil R. Phillips, Paul Grindstaff, and James Fox, partners, hereinafter called the "Operators", parties to that certain Exploration Project Contract No. Idm-E1171 (Docket No. DMEA-4910), dated February 21, 1958, hereinafter called the "Contract", that:

1. Effective July 22, 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 Operators 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 Operators' records), accounts, audits, and the right to recover any overpayment, are preserved.

5. The Operators hereby release and agree 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. Mittenzwey
Administrator, Defense Minerals Exploration Administration

Cecil R. Phillips (Partner)
Cecil R. Phillips

Paul Grindstaff (Partner)
Paul Grindstaff

James Fox (Partner)
James Fox

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 10 1958
DATE | INITIALS | CODE

Government's copy

MF-200A
(Rev. April 1956)

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

DMEA No.	Commodity	Contract No. Idm-E	County	State
4910	Mica	1171	Yancey	North Carolina

It is agreed 21 FEB 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Cecil R. Phillips, Paul Grindstaff, and James Fox, partners

whose mailing address is c/o Cecil R. Phillips
Route #3, Bakersville, 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 APR 1 1958, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 9 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 $6,424.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,818.00, 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: interests of the 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 lessors

(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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.....

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Executed in sextuplicate the day and year first above written.

App'd. Sol. Off.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

_____
CECIL R. PHILLIPS (partner)

By _____
PAUL GRINDSTAFF (partner)

_____
JAMES FOX (partner)

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

_____

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
PHILLIPS, GRINDSTAFF, AND FOX
DOCKET NO. DMEA-4910

ANNEX I

The land referred to in Article 2 of the Contract is known as the Weld Prospect and is located on the west bank of the South Toe River about 0.2 miles South of Halls Chapel and 1.65 miles N. 65° E. of Celo, Yancey County, North Carolina. The Operator is in possession of the land pursuant to the terms of a mining lease, dated December 30, 1957, from John C. McBee and John C. McBee, Jr., running for 5 years, and is more particularly described as follows:

> In South Toe Township. BEGINNING at the S. G. Hall, James Fox and McBee Chestnut stump corner located south 72 west from the Roy Weld mica mine and about two miles northward from the Celo community and about 1½ miles eastward from Celo Post Office, and running east with James Fox line 1237 feet to a stake; thence north 6 east 600 feet to a stake; thence west 580 feet to a stake in S. G. Hall's and McBee's line; thence south 50 west with the Hall and McBee line 950 feet to the beginning, containing approximately 12.6 acres and being a part of the mineral interest conveyed by E. J. Hall and wife to S. D. McKinney, et al. by deed dated July 12, 1941, recorded in the office of Register of Deeds for Yancey County in Deed Book No. 89 page 58.

MF-205
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1171
Contract Date 21 FEB 1958

RECEIVED JAN 2 1958 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 Yancey, State of North Carolina, described as follows: 2/ In South Toe Township. BEGINNING at the S. G. Hall, James Fox and McBee Chestnut stump corner located south 72 west from the Roy Weld mica mine and about two miles northward from the Celo Community and about 1½ miles eastward from Celo Postoffice, and running east with James Fox line 1237 feet to a stake; thence north 6 east 600 feet to a stake; thence west 580 feet to a stake in S. G. Hall's and McBee's line; thence south 50 west with the Hall and McBee line 950 feet to the beginning, containing approximately 12.6 acres and being a part of the mineral interest conveyed by E. J. Hall and wife to S. D. McKinney, et al., by deed dated July 12, 1941, recorded in the office of Register of Deeds for Yancey County in Deed Book No. 89 page 58.

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 30 day of December, 1957.

John C McBee [Seal] Spruce Pine, N.C. [Address]

John C McBee [Seal] " " [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
PHILLIPS, GRINDSTAFF, AND FOX
DOCKET NO. DMEA-4910

EXHIBIT A

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map entitled, "Weld Prospect, Yancey County, N. C., DMEA-4910 (mica)," attached hereto, as follows:

1. Repair east and west bridge approaches by bulldozing approximately 100 cubic yards of bank gravel and approximately 100 cubic yards of access road, but not more than an aggregate of 200 cubic yards.

2. Prepare a shaft site by cutting back the overhanging bank for 20 feet along the pegmatite, removing approximately 700 cubic feet of rock from the steep overhanging bank at the northwest end of the open cut, and install cribbing from the bottom of the pit to the surface, inclined at an angle of approximately 55 degrees.

3. 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.

4. From the surface of the prepared site, sink a two-compartment vertical and/or inclined shaft for a distance of not more than 60 feet.

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

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 locations, inclinations, directions, and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

1. Repair of bridge approaches and access road - 200 cu. yards @ $0.40/cu.yd.		$80.00	
2. Prepare shaft site 1/		350.00	
3. Construct - Toolhouse 1/	$75.00		
Powder magazine 1/	25.00		
Exploder magazine 1/	14.00	114.00	
4. Sink 60 feet of shaft @ $43.00/ ft.		2,580.00	
5. Drive 100 feet of drifts and/or crosscuts @ $33.00/ft.		3,300.00	
Estimated total cost of project			$6,424.00
Government participation @ 75%			$4,818.00

1/ The completed work constitutes the unit.

Form MF-103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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)

Cecil R. Phillips
Route #3
Bakersville, N.C.

RECEIVED JAN 2

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA- 4910
Date Received: 1/2/58
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
Paul Grindstaff,	Route #3, Bakersville, N.C.	Partner
James Fox	" "	"
Cecil R. Phillips	" "	"

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

Estimated Cost of Project: $ 7,750.00

LOCATION OF PROPERTY

Name	County	State
Weld Prospect	Yancey	N.C.

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Revised, "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.

12-31-57
Dated

Cecil R Phillips
BY *(Signature)*

Partner
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offen
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, Revised.

(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. 25960

CENTRAL FILE COPY
DMEA
RECEIVED JAN 2 1958
DATE | INITIALS | CODE

MF - 103 (Continuation Sheet)

1. (a) Description on lease.

(b) Prospect will be known as " The Weld Prospect ".

(c) Lessee

(d) No lein.

2. (a) There has been some previous work done.

(B) Applicatn has no interest in previous operations.

(c) No records of past productions.

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

(e) Pegmatite vein.

(f) There is some vein showing, and we believe that with exploration work, we will recover some good non ruby mica.

3. (a) We propose to bulldoze road access, and Cecil R. Phillips will meet the DMEA Representatives in Spruce Pine, N.C. and go with them to the Mine which is located about one and one half miles eastward from Celo Postoffice in Yancey County.

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

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 80', 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 six months.

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

6. Estimate of Costs:

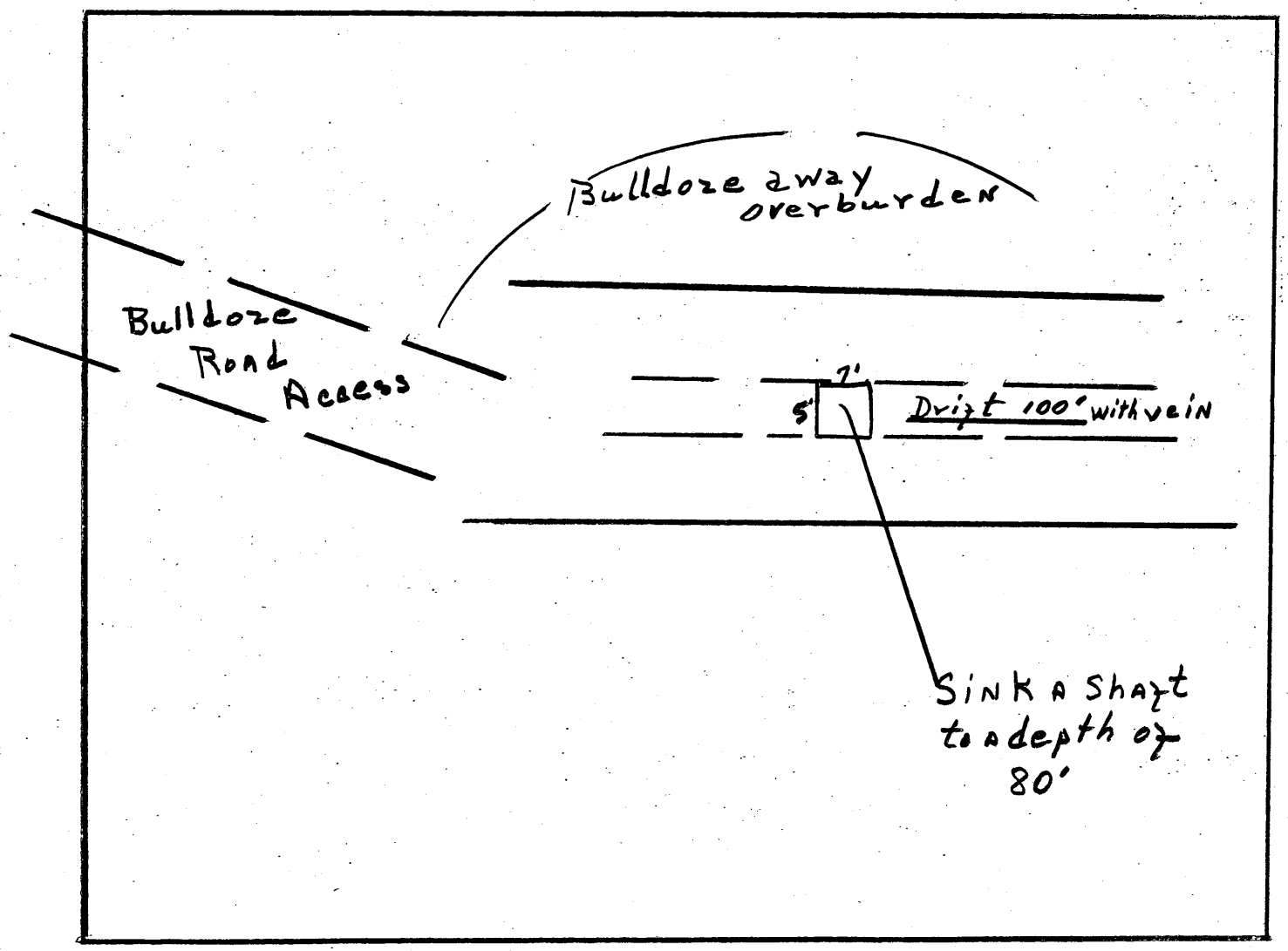
25 hrs. dozing @ $10.00 per hour - - - - - - - - - -	$ 250.00
80' Shaft @ $50.00 per foot - - - - - - - - - - - - - -	4000.00
100' Drift @ $35.00 per foot - - - - - - - - - - - - - -	3500.00
Total estimated cost of project:	$ 7750.00

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

(b) Money and equipment.

Weld Prospect

Yancey County, N.C.



MINING LEASE

State of North Carolina Yancey County:

This indenture made this 30 day of December, 1957

between John C. McBeeland John C. McBee, Jr.,

of Mitchell County and State of North Carolina as party of the first part, and known as lessor s, and James Fox and Paul Grindstaff of Yancey County, N. C., and C. R. Phillips

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

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor s, 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: In South Toe Township. BEGINNING at the S. G. Hall, James Fox and McBee Chestnut stump corner located south 72 west from the Roy Weld mica mine and about two miles northward from the Celo Community and about 1½ miles eastward from Celo Postoffice, and ~~running east with James Fox line 1237 feet to a stake; thence north 6 east 600 feet to a stake~~ thence west 580 feet to a stake in S. G. Hall's and McBee's line; thence south 50 west with the Hall and McBee line 950 feet to the beginning, containing approximately 12.6 acres and ~~being a part of the mineral interest conveyed by E. J. Hall and wife to S. D. McKinney, et~~ al. by deed dated July 12, 1941, recorded in the office of Register of Deeds for Yancey County in Deed Book No. 89 page 58.

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 parties of the first part, ~~heirs~~ or their heirs or assigns, a rental royalty of 1/8 of the selling price for all mica and .50¢ per short ton of 2000 pounds for feldspar

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 s 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 xxxxxxxxxxxxxxxx, 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 s. 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:

Kenneth R McKinney
Notary Public
My Com Exp 8/29/59

John C McBee (Seal)

John C McBee Jr (Seal)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Anderson	600
3/3	Tolvah	

600

Project Summary Report

By: Walter C. Anderson March 3, 1959

1. Docket No. DMEA-4910-Mica
Contract No. Idm-E1171
Weld Prospect
Yancey County, North Carolina

Application: Form MF-103 (October, 1957) received January 2, 1958.

Work proposed by Applicant:

Bulldozing - 25 hrs. @ $10/hr.	$250.00
80 ft. of shaft @ $50/ft.	4,000.00
100 ft. of drift @ $35/ft.	3,500.00
Total amount requested	$7,750.00

Operators: Paul Grindstaff, James Fox and
Cecil R. Phillips
Route #3, Bakersville, North Carolina

Operators' property rights: Five year mining lease on the John C. McBee property, consisting of 12.6 acres, dated December 30, 1957.
Consent to Lien and Subordination Agreement, dated December 30, 1957.

2. Contract: Form MF-200A (April, 1956) dated February 21, 1958.

Work authorized:

Preparation - bridge approaches, access road and shaft site	$430.00
Construction - toolhouse, powder and exploder magazines	114.00
60 ft. of shaft @ $43/ft.	2,580.00
100 ft. of drifts and/or crosscuts @ $44/ft.	3,300.00
Estimated total cost of project	$6,424.00
Government participation @ 75%	$4,818.00

Amendments - None.

8623

Work completed:

Work on bridge approach and access road	$ 40.00
Preparation of shaft site	350.00
Construction - Toolhouse, powder and exploder magazines	114.00
53 ft. of shaft @ $43/ft.	2,279.00
60 ft. of drift @ $33/ft.	1,980.00
Total accepted cost	$4,763.00
Government participation	$3,572.25

Work began March 6, 1957, and was terminated by mutual agreement before completion of authorized contract work, effective July 22, 1958.
Field Team final report received October 22, 1958.
Operators' final report received August 6, 1958.
No equipment purchased under contract.
About 800 pounds of mine-run mica produced during contract period. From this 30.55 trimmed mica was produced and sold @ $15 per pound. Also 301 pounds of punch and 2,070 pounds of scrap was sold. Total receipts amounted to $670.99, for which the Government received $33.54 royalty.

3. Audit: Report of Review issued August 1, 1958.

Total accepted cost	$4,763.00
Government participation	$3,572.25

4. Certification of discovery -- none issued.

5. Comments:

How conducted: All of the work in which the Government participated was acceptable.
Operation: Reasonably well run.
Engineering: Reporting by the Operators above average.
Geological premise: A mica-rich pegmatite exposed by prospecting was not persistant in depth and extent as only one small mica shoot containing about one percent strategic mica was found.
Geological criteria upon which work was based:

1. Pegmatite: Crudely zoned pegmatite, 3 to 7 feet thick, deeply weathered, and composed of plagioclase, perthitic-microcline, quartz, and muscovite. It is a fracture filling in a larger body of fine- to medium-grained "alaskite."
2. Mica: Abundant, of strategic quality, books up to 4 by 3 inches.
3. Past production.

Criteria developed during project:

1. Pegmatite: Crudely zoned, from three to seven feet thick. Consists of coarse-grained plagioclase-perthite-quartz-muscovite. Occurs as fracture filling in a sheared medium-grained granodiorite ("alaskite.")

2. Mica- occurring in only one small mica shoot containing about one percent mica. Is green and of good quality, in books up to 9 inches across. Away from the shoot the books are thinner, more bent and cracked.

Future possibilities: None.

Recommendations:

The Division of Nonmetallic Minerals concurs in the Field Team's recommendation that no certification of discovery be issued and that no further exploration is warranted.

Walter C. Anderson

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:gad 3/3/59
Copy to: Dir. R. File

☑ Audited 8/1/58

☐ Certified

Name Cecil R. Phillips

State No. Car.

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 8/23/58

Incl. Voucher for July 58

Commodity Mica

☐ Actual Cost

☑ Agreed Unit Costs

Docket No. 4910

Idm-E No. 1171

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	100 Ft.	3,300.00	60	1980.00	1980.00
Raising					
Shafts	60 Ft.	2,580.00	53 Ft.	2279.00	2279.00
Winzes					
Drilling (Specify)					
Surface Excavation		350.00		350.00	350.00
Underground Excavation					
Roads and Trails		80.00		40.00	40.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		114.00		114.00	114.00
Other (Specify)					
Totals		6,424.00		4763.00	4763.00

Prepared by Walter C. Cantrell

71626

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

February 12, 1959

Official
~~EXTRA~~ COPY
B. H. L.
RECEIVED FEB 16 1959
DATE | | CODE
2/16 | C | 220
2/17 | Lynch | 600

Memorandum

To: Finance Officer, Region v - OME- Norris, Tenn.

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

Subject: Royalty Payment - DMEA-4910, Idm-E1171-mica.
Weld Prospect, Yancey County, North Carolina

Attached is a final settlement sheet for mica sold from the subject mine in the amount of $497.48, and a check for royalty on the sale in the amount of $24.87.

Robert A. Laurence

zm.
cc
F. Johnson, OME
Lynch
Files

FORM APPROVED BY COMP. GEN., U.S. MARCH 25, 1957

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT - MICA PURCHASE

MICA PURCHASE DEPOT - [redacted]

PROGRAM	DATE PURCHASED
[X] A [ ] B	[redacted]
	ACCEPTANCE NUMBER: [redacted]

CERTIFICATE AUTHORIZATION NUMBER	LOT NUMBER	VOUCHER NUMBER	SCHEDULE NUMBER
[redacted]	[redacted]		

EVALUATION DATA

RUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ 70.00	$
GRADES NO. 4 AND 5					40.00	
GRADES NO. 5½ AND 6					17.70	
STAINED						
GRADES NO. 3 AND LARGER		[illegible]			31.90	
GRADES NO. 4 AND 5		5.00			18.25	
GRADES NO. 5½ AND 6		3.00			7.55	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		8.00			14.80	
GRADES NO. 4 AND 5		4.00			6.85	
GRADES NO. 5½ AND 6		2.00			4.00	
TOTALS			$			$

NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT	
GOOD STAINED AND BETTER							
GRADES NO. 3 AND LARGER		$	$	.06	$ 70.00	$ [redacted]	4.20
GRADES NO. 4 AND 5				3.47	40.00	[redacted]	138.80
GRADES NO. 5½ AND 6				7.44	17.70	[redacted]	131.69
STAINED							
GRADES NO. 3 AND LARGER		9.60		.16	25.55	[redacted]	4.09
GRADES NO. 4 AND 5		4.00		6.18	14.60	[redacted]	89.35
GRADES NO. 5½ AND 6		2.40		15.22	6.55	[redacted]	99.69
HEAVY STAINED							
GRADES NO. 3 AND LARGER		6.40		.37	11.85	[redacted]	4.38
GRADES NO. 4 AND 5		3.20		2.37	5.45	[redacted]	12.92
GRADES NO. 5½ AND 6		1.60		3.09	4.00	[redacted]	12.36
TOTALS			$	38.30		$	

TOTAL YIELD AND VALUE [ ] RUBY [X] NONRUBY (*Half trim plus full trim*) [redacted] LBS. $ [redacted]

ADJUSTED VALUE WHEN LESS THAN 18% GS & B (ABOVE VALUE $ _____ X _____ ÷ 18) $

FOR PROGRAM B, DEDUCT $4.00 PER POUND FOR RIFTING AND TRIMMING

FINAL BASIS FOR PAYMENT $ [redacted] 497.48

LESS: INITIAL PAYMENT VOUCHER NUMBER SCHEDULE NUMBER [redacted] 347.62

BALANCE DUE [X] SELLER [ ] GOVERNMENT $ [redacted] 149.86

NAME AND LOCATION OF MINE

Welds, Yancey County, N. C.
[redacted]

SELLER'S NAME AND ADDRESS (*Type or print*)

C. E. Phillips, Grindstaff & [redacted]
% Paul Grindstaff
Cane, N. C.

PROCESSED FOR PAYMENT (LBS.)	38.30 [redacted]
PROCESSED - NO PAYMENT (LBS.) THINS	
BLACK (*Dots, Spots, Stained*)	
UNDERSIZED	26
PROCESSING LOSS	.30
TOTAL POUNDS PURCHASED	38.56 [redacted]

APPROVED

DEPOT SUPERINTENDENT

DATE [redacted]

EXTRA COPY
[redacted] FEB 19 1959

DATE	INITIALS	CODE

GSA WASH D C 58-3177

GSA FORM 1013a
SEPTEMBER 1957

$2497

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

Official
~~EXTRA~~ COPY
O. M. E.
RECEIVED FEB 24 1959

DATE	INITIALS	CODE
2/24	C	220
		600

February 19, 1959

Memorandum

To: Finance Officer, Region V - OME - Norris, Tenn.

From: Acting Executive Officer, OME - Region V

Subject: Royalty Payment - DMEA-4910, Idm-E1171-mica
Weld Prospect, Yancey County, North Carolina

Attached is a check for $1.00 which represent a balance due on Lot 94 sold from the subject mine. An error was made by the Operator in the computation of the royalty.

V. J. Lynch

sm.
cc
Frank Johnson-OME
Lynch
Files

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

OFFICIAL FILE
O. M. E.
RECEIVED FEB 11 1959

DATE	INITIALS	CODE
2/11	C	220
2/11	Hook	600

February 9, 1959

Phillips, Grindstaff & Fox
c/o Cecil Phillips
Route # 3
Bakersville, North Carolina

Re: DMEA-4910, Idm-E1171-mica
Weld Prospect
Yancey County, N.C.

Dear Mr. Phillips:

A review of our records discloses that there have been some sales of mica from the subject prospect on which we have not received the Government's 5 percent royalty.

Our records show the following sales of mica were made: (Block Mica)

Date	Lot No.	Pounds	Preliminary payment	Final payment	Total	Royalty due
4-30-48	692	17.87	$173.12	$118.49	$291.61	$14.58
5-29-58	761	12.68	104.65	73.77	178.42	8.92
8-27-58	94	15.74	95.24	69.53	164.77	8.24
9-2-58	101	38.56	347.62	149.86	497.48	24.87
		Scrap mica				
9-8-58	2070 to Diamond Mica Co.,				32.08	1.60
		Punch Mica				
9-8-58	301 pounds @ 8¢ per pound to Spruce Pine Mica Company				24.08	1.20

Total royalty..... $59.41

To date we have received three royalty checks amounting to a total of $33.54. Leaving a balance of $25.87 still due.

Your check dated June 10, 1958, in the amount of $14.58 was for royalty due on Lot No.692, the check dated September 9, 1958 in the amount of $11.72 was for royalty due on Lot No.761, and the punch and scrap listed on page 1 of this letter. We cannot connect you check dated September 23, 1958 to any of the listed sales as you did not send settlements sheets to cover. It may have been for royalty on Lot 94, if so, an error of $1.00 was made in calculating the royalty.

Please send us your check in the amount of $25.87 for the royalty still due and settlement sheets to cover the Final Payment on Lots 94 and 101.

Sincerely yours,

Robert A. Laurence
Executive Officer, OME
Region V

WAB/zm
cc
Opr. Com-2
Lynch
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR

~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
Office of Minerals Exploration
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 22 1958

DATE	INITIALS	CODE
10/22	C	220
10/22	esf	130
"		
10/28		110
11/3		130
		600

October 20, 1958

Memorandum

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

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

Subject: Final Report, Docket No. DMEA-4910, Contract No. Idm-E1171
Cecil Phillips, et al., Route 3, Bakersville, N. C.
Weld Prospect (mica), Yancey County, North Carolina

Enclosed are the original and two copies of the subject final report.

We agree with the recommendation of the examiners that no certification be made.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 3

Reviewed by
OME OPERATING COMMITTEE
10-28-58
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Final Field Team Report

FINAL REPORT

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 22 1958
10/28 JB
CODE
130
220

DMEA-4910, Idm-E1171, WELD PROSPECT
Yancey County, North Carolina

By

Frank G. Lesure, Geologist
U. S. Geological Survey

and

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

October 20, 1958

Reviewed by
OME OPERATING COMMITTEE
10-28-58
(date)

DMEA EXPLORATION PROJECT

FINAL REPORT

DMEA-4910, Idm-E1171 (mica), WELD PROSPECT
Yancey County, North Carolina

Operator: Cecil Phillips, et al.
Route 3, Bakersville, North Carolina

SUMMARY

The Weld pegmatite was explored by sinking 53 feet of inclined shaft and driving 60 feet of drift. The crudely zoned tabular pegmatite is a fracture filling in granodiorite. The footwall zone which is composed of plagioclase quartz, and muscovite contains one small southwest-plunging mica shoot. The mica is green and some of it is of good quality. Only about two tons of mica reserves are indicated in the unmined portion of the shoot. We recommend that no certification be made. No further exploration is warranted.

INTRODUCTION

Location

The Weld prospect is on the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 miles N. 65° E. of Celo, Yancey County, North Carolina (Parts of Celo and Black Brothers, North Carolina quadrangle, TVA 1:24,000). The prospect can be reached by car from Celo by going north 0.35 mile on State Highway 80, turning east onto the Blue Rock road and going 2.1 miles. Turn right on a gravel road and go about a mile to the former "jigging" mill of the De-Weld Mica Corp. The prospect is in the cut behind the "jigging" mill across the South Toe River from the road. An old log and plank bridge across the river provides access to the mine area.

History

Between 1950 and 1957 the De-Weld Mica Corp. opened two large open cuts in weathered "alaskite" for scrap mica. These cuts were known as the Hall Mine. In the eastern cut a shallow open cut 60 feet long, 10 to 15 feet wide, and 10 to 20 feet deep was dug by James Fox to prospect the Weld pegmatite body. Fox made three sales of non-ruby mica totaling $1,100 and averaging $16 to $18 a pound.

CONTRACT WORK

The work under DMEA-4910, Idm-E1171 was begun March 6, 1957, and terminated July 22, 1958. The bridge approaches were repaired by bulldozing 100 cubic yards of fill from the river bank. A shaft site was prepared by removing a dangerous overhang and cribbing from the bottom of the existing pit near the northeast end of the prospect cut. A tool house, powder magazine, and exploder magazine were built. From the bottom of the existing pit an inclined shaft was sunk 53 feet. From the collar the shaft is 23 feet S. 85° W. at -75° (including 12 feet of cribbing in the former pit), 18 feet S. 32° W. at -20°, and 24 feet S. 75° W. at -30°. A drift was turned off at about the 20-foot level which is 24 feet back from the shaft bottom. The drift was driven 60 feet S. 15° W. The contract was terminated because of the poor mica recovery. The last 38 feet of the drift were in barren pegmatite.

The operation was reasonably well run and cooperation was excellent.

GEOLOGY

The Weld pegmatite body is a tabular fracture filling of coarse-grained plagioclase-perthite-quartz-muscovite pegmatite in a sheared medium-grained granodiorite ("alaskite"). The pegmatite ranges in thickness from three to more than seven feet. It strikes generally north and dips 15° to 50° west. Foliation and shear planes in the granodiorite trend northeast and dip northwest or southeast.

The pegmatite is crudely zoned. In the shaft the footwall zone ranges from one to two feet in thickness. It consists of coarse-grained plagioclase, quartz and muscovite. Muscovite in books up to nine inches across was recovered. The hanging wall zone consists of coarse-grained perthite, plagioclase, and quartz with minor fine-grained muscovite and garnet. Near the bottom of the shaft the footwall zone grades into the hanging wall zone and the pegmatite consists mainly of perthide, plagioclase, and quartz. For the first 22 feet in the drift the footwall zone contains muscovite in books up to 6" x 8", but in the remaining 38 feet the footwall grades into the perthitic hanging wall until near the end of the drift the pegmatite is about four feet wide and consists of medium- to coarse-grained perthite, plagioclase and quartz.

The mica shoot outlined in the shaft and first 22 feet of the drift plunges about 45° to the southwest. It averages about one percent strategic muscovite. The mica in the shaft is green and of good quality. In the drift the books are thinner, more bent, and cracked. The shoot seems to pinch out near the floor of the drift.

PRODUCTION AND RESERVES

According to the Operator, about 800 lbs of mine-run mica was recovered during the contract work. From this 30.55 lbs of mica was trimmed and sold at the Spruce Pine Depot, averaging about $15 a pound. A total of 301 lbs of punch and 2070 lbs of scrap mica was also sold. In addition to this a royalty payment of $7.24 has been made indicating an additional sale of $144.80 of mica.

The mica shoot explored in the shaft and the first twenty feet in the drift appears to pinch out at drift level. It is estimated that about two tons of mica remain in the unmined portion of the shoot south of the shaft and above the drift level. The presence of another mica shoot is suggested by the mica showing in the south end of the open cut, but no evidence of such a shoot was found at the drift level.

RECOMMENDATIONS AND CONCLUSIONS

We recommend that no certification be made. The contract work outlined one small mica shoot that contained about one percent strategic mica. Work on this and other pegmatites in the granodiorite intrusives indicate that fracture fillings of this type are not apt to be persistent. Because of the low grade of the mica shoot, the decreasing quality of mica with depth, and the limited size of the shoot no further exploration for similar shoots is warranted.

EXPENDITURES

(a)	Total approved	$6,424.00
(b)	Total cost of project	4,763.00
(c)	Government's share of cost	3,572.25
(d)	Government's share unexpended	1,245.75
(e)	Value of production	670.99
(f)	Royalty	33.54

Frank G. Lesure, Geologist
U. S. Geological Survey

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 9 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 26, 1958

Memorandum

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

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

Subject: Royalty Payment - DMRA-4910, Idm-E1171-mica.
Cecil Phillips, Operator.
Weld Prospect, Yancey County, North Carolina

Enclosed is a check in the amount of $7.24 for mica sold from the subject mine. No bill-of-sales or transmittal letter accompanied the check.

Robert A. Laurence

mm.

cc

Mittendorf
Lynch
Files

1/1 C Hook 220 600

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

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 15 1958

DATE	INITIALS	CODE
9/15	C	220
		600

September 12, 1958

Memorandum

To: C. O. Mittendorf, Administrator, DMEA -Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: DMEA-4910, Idm-E1171 (mica) Weld Prospect, Yancey County, North Carolina. Royalty Payment.

Under date of September 11, 1958 our memorandum transmitting a royalty payment on the subject mine was listed as $12.72. Please correct this amount to $11.72, on your copy.

Robert A. Laurence

Robert A. Laurence

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

9-15 C 220
600

September 11, 1958

Memorandum

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

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty Payment - DMEA-4910, Idm-E1171 (mica)
Weld Prospect, Yancey County, N.C.

Attached are settlement sheets for mica sold from the subject mine in the amount of $234.58, and their check for 5% royalty in the amount of ~~$12.72~~.
$11.72

Robert A. Laurence

sm.
cc
Mittendorf
Lynch
Files

178.42
32.08
24.08

234.58

FORM APPROVED BY COMP. GEN. U.S. MARCH 25, 1957

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT - MICA PURCHASE

MICA PURCHASE DEPOT - Spruce Pine, N. C.

[X] A [ ] B

5-29-58
5-30-58

CERTIFICATE AUTHORIZATION NUMBER: DMU-3-104 A

NUMBER: SPMC-702 (a)

ACCEPTANCE NUMBER: AC3-701 (a)

EVALUATION DATA

QUALITY	POUNDS	PRICE	AMOUNT	POUNDS	PRICE	AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER						
GRADES NO. 4 AND 5						
GRADES NO. 5½ AND 6						
STAINED						
GRADES NO. 3 AND LARGER						
GRADES NO. 4 AND 5		4.00				
GRADES NO. 5½ AND 6		5.00				
HEAVY STAINED						
GRADES NO. 3 AND LARGER						
GRADES NO. 4 AND 5						
GRADES NO. 5½ AND 6						
TOTALS						

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 15 1958
DATE INITIALS CODE

QUALITY	POUNDS	PRICE	AMOUNT	POUNDS	PRICE	AMOUNT	
GOOD STAINED AND BETTER							
GRADES NO. 3 AND LARGER							
GRADES NO. 4 AND 5							
GRADES NO. 5½ AND 6				72	.72	28.80	28.80
STAINED				5.47	5.47	96.82	96.82
GRADES NO. 3 AND LARGER							
GRADES NO. 4 AND 5				.03	.03	.77	.77
GRADES NO. 5½ AND 6		1.00		1.22	1.22	17.81	17.81
HEAVY STAINED				4.72	4.72	30.92	30.92
GRADES NO. 3 AND LARGER							
GRADES NO. 4 AND 5		6.40		.09	.09	1.07	1.07
GRADES NO. 5½ AND 6		5.20		.41	.41	2.23	2.23
TOTALS		7.60					

TOTAL YIELD AND VALUE [ ] RUBY [X] NONRUBY (Half trim plus full trim) 12.66

ADJUSTED VALUE WHEN LESS THAN 15% GS & B. (ABOVE VALUE $ X .18) LBS. 178.42 178.42

FOR PROGRAM B. DEDUCT $4.00 PER POUND FOR SIFTING AND TRIMMING

FINAL BASIS FOR PAYMENT 178.42

LESS: INITIAL PAYMENT VOUCHER NUMBER SCHEDULE NUMBER 104.65

BALANCE DUE [X] SELLER [ ] GOVERNMENT 73.77

NAME AND LOCATION OF MINE

Waldo, Prospect
Yancey County, N. C.
L GS & B 44.00

PROCESSED FOR 12.66 12.66

PROCESSING NO. LBS. OTHER

PLACER (Dots, Specks, Stained)

UNDERSIZED 07

PROCESSING LOSS .01

TOTAL POUNDS PURCHASED 12.68

SELLER'S NAME AND ADDRESS (Type or print)

G. A. Phillips, Grindstaff & Fox
& James Fox
Celo, N. C.

APPROVED
DEPOT SUPERINTENDENT

DATE 6-23-58

GSA WASH D C 58-3177

GSA FORM 1013

Sept 8 1958

BOUGHT OF Paul Grindstaff

NAME OF MINE Wells Prospect LOCATED Yancey Co

LBS.	OZS.	CLASS	PRICE	TOTAL
		Scrap		
		Mine-run Block		
		Washer		
		Small Punch		
301		Punch	08	24 08
		1½ x 2		
		2 x 2		
		2 x 3		
		3 x 3		
		3 x 4		
		3 x 5		
		4 x 6		

DETROIT FILE COPY
DMEA
RECEIVED SEP 15 1958
DATE | INITIALS | CODE

QUALITY cl/St Sptd TOTAL

LESS

CHECK NO. 21611 CHECK

SPRUCE PINE M

By

The undersigned hereby certify that in the production of
they have complied with the Fair Labor Standards Act of
harmless the Spruce Pine Mica Company against any clai

C

DIAMOND MICA COMPANY
Spruce Pine, N. C.

Date 9-8-58

From Paul Grindstaff

Mine Wells Prospect
Yancey County N.C.

Gross 6230

Tare 4160

Net 2070 Price 31.00

Amt. 32.08 Ck. No. 14993

MAYLAND PRINTING CO. SPRUCE PINE, N. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION V

ELECTROTECHNICAL
EXPERIMENT STATION

P. O. BOX 217
NORRIS, TENNESSEE

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 14 1958

DATE	INIT.	CODE
8/14	H.S.	225
"	[illegible]	110
		600

August 12, 1958

Memorandum

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

From: Personal Assistant, Norris, Tennessee

Subject: Monthly reports and vouchers

We are enclosing two copies each of the following monthly reports and vouchers:

Idm-E1171 — Phillips, Grindstaff and Fox
Docket No. DMEA-4910
5th and final payment - month of July
Termination Date: 7/21/58
Amount $891.00

Idm-E1185 — Carolina Mining Company
Docket No. DMEA-4879
2nd and final payment - month of July
Termination Date: 7/25/58
Amount $990.00

Helen Miller
Helen R. Miller

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

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-

Month of July, 1958 Docket No. DMEA 4910 Contract No. Idm-E 1171
Operator's Name Phillips, Grindstaff and Fox Minerals Mica
Address %Cecil Phillips, Rt. 3, Bakersville, N.C.
Contract Amount, $ 6,424.00 Government Participation: 75% Amount, $4,818.00

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		40.00	40.00			
Crosscutting						
36' Drifting @ $33.00	1188.00	792.00	1980.00			
Shaft		2279.00	2279.00			
(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						
Site Prep.		350.00	350.00			
Powder & Exploder Mags.		39.00	39.00			
(8) Contingencies (specify):						
TOTALS	1188.00	3575.00	4763.00	1188.00	3,575.00	4,763.00

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

Date 7-22-58 *Payee Paul Grindstaff

Per Paul Grindstaff 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:

$891.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 12 1958 Vou. No. 22
(See other side)

547

7/21

297.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1171 in accordance with the terms of the contract.

Signature S Feider Title MINING ENGINEER U. S. BUREAU OF MINES Date AUG 12 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

Month of July 1958 Docket No. DMEA 4910 Contract No. Idm-E 1171
Operator's Name Phillips, Grindstaff and Fox Minerals Mica
Address % Cecil Phillips, Rt. #3, Bakersville, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	1188.00	36	1980.00	60	33.00	100	33.00
Crosscutting								
Raising								
Shafts	Ft.			2279.00	53	43.00	60	43.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				40.00	100	0.40	200	0.40
~~[illegible]~~ Shaft Site -				350.00				350.00
TOTAL DISTRIBUTED COSTS		1188.00		4649.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				75.00				
Powder & Exploder Mags.				39.00				
TOTAL COSTS		1188.00		4763.00				

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

Date 7-22-58 Operator Paul Grindstaff

Per Paul Grindstaff Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Feitler

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

ORIGINAL FILE COPY
DMEA
RECEIVED

DATE		
9-6	C	220
8/6		800
		600

Spruce Pine, North Carolina
July 22, 1958

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

Re: DMEA #4910, Idm-E 1171 (Mica)
Phillips, Grindstaff and Fox - Final Report
Yancey County, North Carolina

Dear Mr. Laurence:

Work began on the above project on March 6, 1958 and we stopped work on July 21, 1958.

The exploration consisted of repairs of bridge and bulldozing road access, preparing shaft site. We sat up powder and exploder magazines and constructed toolhouse, and began the shaft. We completed 53' of shaft and 60' of drift. From the entire contract we recovered approximately 800# of mica, which we sold to the U.S. Government Depot in Spruce Pine, N.C. In the last 36' of drift the vein continued to narrow and we did not find any mica, therefore, we wish to 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 53' of shaft and 60' of drift the vein narrowing and failing to find any mica in the last 36' of drift the operator is requesting that the contract be terminated without the completion of the full 100' of drift, 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 above project.

Sincerely yours,

Paul Grindstaff

Paul Grindstaff, Partner

Operator's Final Rpt

G/b

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/14	Anderson	600
8/14	Houk	600
8/15	[illegible]	130
"	Johnson	110
"	Greenwald	100
8/18	J.G.	220
8-15	Chamber	800
		600

600

AUG 15 1958

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

Yopes

Re: Docket No. DMEA-4910-Mica
Cecil R. Phillips, et al.
Weld Prospect
Yancey County, North Carolina
Contract No. Idm-E1171

Dear Mr. Laurence:

Pursuant to the Field Team's recommendation in memorandum of July 29, 1958, we have prepared the enclosed 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

Approved:

P. F. Yopes
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

Enclosures 7

WCAnderson:gad 8/14/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/1	Talbert	800
8/4	H. G.	220
8/5	Hoult	600

AUG 1 1958

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

Re: Docket No. DMEA-4910 (Mica)
Cecil R. Phillips, Paul Grindstaff,
& James Fox
Contract No. Idm-E1171

Dear Mr. Laurence:

As requested in your memorandum of July 29, 1958, a Report of Review in lieu of a final audit of the referenced project has been prepared. The original and three copies thereof, together with the original of the final MF-104 submitted with your memorandum, are enclosed.

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

Neither the Report of Review should be released nor final payment made, however, until the payee's certification on the final MF-104 is signed by the Operator.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

EDTalbert
August 1, 1958

cc: Docket
Admr. Reading File
Helen R. Miller
Mr. Chambers
Mr. Talbert

8623

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

July 29, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 31 1958

DATE	INITIALS	CODE
7/31	C	220
7/31	Com	100
		110
8/1		800
8/4		600

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4910, Idm-E1171 (mica) Cecil Phillips, et al., Burnsville, N.C. Weld prospect, Yancey County, N.C.

Enclosed are the original and two copies of the latest interim report on the subject contract.

Work has been suspended, on recommendation of the Field Examiners, and the Operator has submitted a final report.

We agree with the Field Examiners conclusions, and recommend termination of the contract, effective July 22, 1958. Certification will not be recommended.

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 31 1956
DATE | INITIALS | CODE

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4910, Idm-E1171 (mica) WELD PROSPECT
Yancey County, North Carolina

Operator: Cecil Phillips, et al, R#3, Bakersville, N. C.

Location: On the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 miles N65°E of Celo, Yancey County, North Carolina.

During the interim the drift was advanced 36 feet S 15°W for a total length of 60 feet.

Pegmatite in the face is 4 feet wide and contains mostly perthite with some plagioclase, quartz, and scrap size mica. Some graphic textured quartz-feldspar was observed. Twelve feet back from the face plagioclase predominates but the mica is small. About 25 pounds of mine-run muscovite was recovered during the interim. In the face the pegmatite strikes north and dips 50°W.

The mica shoot stops down dip at the drift level and extends south 30 feet. Mica concentration is not high and the quality, though excellent in the upper part of the shaft is only medium at the drift level.

A crosscut to pick up the mica shoot 20 feet in the hanging wall of the original target was considered. Lack of continuity in the target pegmatite reduces the probability of picking up the parallel mica shoot at the drift level. As no good purpose would be served by driving the 40 feet remaining, the Examiners recommend termination by mutual consent.

Work done under the contract is as follows:

Bridge approaches repaired - 100 cubic yards

Shaft site prepared by removing more than 700 cubic feet of rock and installing necessary timber.

A toolhouse, powder magazine and cap magazine were built.

An inclined shaft was sunk 53 feet.

A drift was driven 60 feet.

Approximately 800 pounds of mine-run muscovite was recovered during exploration.

The operation was resonably well run and cooperation was excellent.

Inspected: 7/21/58.

S. A. Feitler, Mining Engineer, USBM
F. G. Lesure, Geologist, USGS,

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

DMEA RECEIVED JUL 31 1958		
DATE	INITIALS	CODE
7/31	C	220
		600

July 29, 1958

Memorandum

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

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Termination of DMEA-4910, Idm-51171(mica) Weld Mine, Yancey County, N. C. Phillips, Grindstaff and Fox, Operators.

Work on the subject contract has been suspended on recommendations of the Field Examiners. The operators are in agreement. Permission to terminate effective July 22, 1958 has been requested.

The following units of work have been acceptably performed:

1) Repair of access road-------100 cubic yards

2) Preparation of shaft site completed.

3) Toolhouse, powder and exploder magazines constructed.

4) Shaft sunk to a depth of 53 feet.

5) A total of 60 feet of drifts completed.

An acceptable engineering and geological report has been received.

Project stopped July 21, 1958. Operator's final monthly report and voucher attached. A report of review is requested.

Robert A. Laurence

am.
cc
Finance Officer
Opr. Committee
Lynch
Files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

RECEIVED JUL 23 1958

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1958 Docket No. DMEA 49 Contract No. E1171
Operator's Name PHILLIPS, GRINDSTAFF & FOX Minerals MICA
Address ROUTE 3, BAKERSVILLE, N.C.
Contract Amount, $ 6424 Government Participation: 75% Amount, $ 4818.00

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		40.00	40.00		40.00	40.00
Crosscutting						
Drifting	792.00		792.00	792.00	—	792.00
SHAFTING	516.00	1075.00	2279.00	516.00	1762.00	2279.00
(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.		114.00	114.00		114.00	114.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
SITE PREP		350.00	350.00		350.00	350.00
(8) Contingencies (specify):						
TOTALS	1308.00	2267.00	3575.00	1308.00	2267.00	3575.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 10-30-58 *Payee Paul Grindstaff

Per _____ Title _____

*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:

$ 981.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUL 21 1958 Vou. No. _____
(See other side)

327.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1171 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Phe A. Lemenez Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JUL 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

RECEIVED JUL 28 1958

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

Month of June 1958 Docket No. DMEA H910 Contract No. E1171
Operator's Name PHILLIPS GRINDSTAFF AND FOX. Minerals MICA
Address ROUTE 3 BAKERSVILLE, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	FT	792.00	24	792.00	24	33.00	100	33.00
Crosscutting								
Raising								
Shafts	FT	516.00	12	2279.00	53	43.00	60	43.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	CY			40.00	100	0.40	200	0.40
SITE PREP	EA			350.00			EA	350.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				1140.00				
Total Costs		1308.00		3357.00				

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

Date 10-30-58 Operator Paul Grindstaff

Per ..... Title .....

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

(Instructions on reverse)

Remarks:

(For Government use only)

May Report claimed 36 feet of shaft footage - footage was actually 25 feet. Payment was for 25 feet. Total shaft footage is 53 feet to date as claimed in June Voucher.

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

Burnsville N.C. #2
7-1-58

Dear Sir.

Enclose you will find our monthly Report. Everything is going along OK. We Started Drifting on the 16th and we are in about 24 ft. and geting some mica. Mica not to good yet. We have about 200 lbs mica run We are going South about 12 West. We came back up the Shaft about 25 ft and started our Drift. We sold our last sale on May 29-58 and have our final Returns. 12:66 Total payment $17842 And we have no more Mica on hand at this time Trimed.

Yours
Paul Grindstaff

RECEIVED
JUL 2 - 1958
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 11 1958

DATE	INITIALS	CODE
7/11	C	220
14	Com	100
21	[illegible]	110
7/15	[illegible]	800
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DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4910, Idm-E1171 (mica) WELD PROSPECT
Yancey County, N.C.

Operator: Cecil Phillips, et al. R#3, Bakersville, N. C.

Location: On the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 miles N65°E of Celo, Yancey County, North Carolina.

The drift was collared and advanced 24 feet S12°W along the strike of the pegmatite during the interim. The dip is 37°NW.

The pegmatite is conformable to gneissic structure in the alaskite and contains plagioclase, perthite, quartz, and muscovite. The mica streak is 30 inches wide but the books tend to be thin and more bent and cracked than that encountered in the shaft.

About 200 pounds of mine-run muscovite was recovered from 20 feet of drift.

The drift will be continued but enough footage is to be saved to allow crosscutting to the west to explore for the mica streak 20 feet in the hangingwall exposed during site preparation.

Inspected: June 30, 1958

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

D. H. Amos, Geologist
Geological Survey (DMEA)

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OFFICIAL FILE COPY
DMEA
RECEIVED JUN 27 1958

DATE		
6/27	KVB	220
27	Comm	100
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6/30	[illegible]	800
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EXPLORATION PROJECT CONTRACT

INTERIM REPORT

DMEA-4910, Idm-E1171 (mica) WELD PROSPECT
Yancey County, N.C.

Operator: Cecil Phillips, et al. R#3, Bakersville, N. C.

Location: On the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 miles N65°E of Celo, Yancey County, N. C.

The shaft is now 65 feet deep on the incline. Of this, 53 feet was sunk under the contract. From the collar 23-feet N85°W is -75°, 18 feet S32°W is -20° and 24 feet S75°W is -30°. The coarse-grained plagioclase, perthite, quartz pegmatite band in alaskite has been followed. The shaft was turned from west to south and then west again in an attempt to follow the good mica.

This has been only partially successful as the last 24 feet of pegmatite has had little mica of strategic size. The Operator was advised to drift south from a point 24 feet back from the bottom of the shaft on a mica concentration. The drift will have at least 45 feet of pegmatite over it.

Inspected: June 17, 1958

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

F. G. Lesure, Geologist
Geological Survey

z

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1958

6/13	C	220
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"	JEF	110
6/16	[illegible]	800
	Hunt	600

EXPLORATION PROJECT CONTRACT

INTERIM REPORT

DMEA-4910, Idm-E1171 (mica) WELD PROSPECT

Operator: Cecil Phillips, et al., c/o Cecil Phillips, Route #3, Bakersville, North Carolina

Location: On the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 miles N65°E of Celo, Yancey County, N. C.

Advance in the shaft measured to the junction of the hanging wall and face is 41 feet to date. Water filled the bottom of the shaft to the above point.

On the southeast wall 5 to 10 feet from the face is a 2-foot zone of plagioclase, quartz, and scattered muscovite up to 3 x 4 inches. The hanging wall of the shaft is coarse plagiocase, perthite and quartz with some mica and garnet.

Mica is reported in the northwest corner of the face but this area was under water at the time of the inspection.

About 25 pounds of mica was reported recovered during the interim.

Shaft sinking will be continued.

Inspected: June 3, 1958

Stanley A. Feitler,
Mining Engineer (DMEA)

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

z

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-60

Month of 5-31, 1958 Docket No. DMEA 4910 Contract No. 1171
Operator's Name: PHILLIPS GRINDSTAFF AND FOX, PTR. Minerals MICA
Address c/o C.R. PHILLIPS - BAKERSVILLE, N.C.
Contract Amount, $ 6434.00 Government Participation: 75% Amount, $ 4818.00

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		40.00	40.00			
Crosscutting						
Drifting						
SHAFT	1075.00	688	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						
SHAFT PREP. (5) Initial Rehabilitation and Repairs		338.00	338.00			
(6) New Bldgs., Improvements, etc.		114.00	114.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1075.00	1192.00	2267.00	1075.00	1192.00	2267.00

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

Date 5-31-58 *Payee Johnson Fox

Per _____ Title _____

*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:

$ 806.25

Signature Helen R. Miller
(Authorized Certifying Officer)

Date JUN 12 1958 Vou. No. 79
(See other side)

268.75

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1171 in accordance with the terms of the contract.

Signature [signature] Title MINING ENGINEER U. S. BUREAU OF MINES Date JUN 9 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date JUN 9 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 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 5-31 1958 Docket No. DMEA 4710 Contract No. 1171
Operator's Name PHILLIPS GRINDSTAFF AND FOX. PTR Minerals MICA
Address C/O C.R. PHILLIPS BAKERSVILLE NC. E3

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	1075.00	25.00	1763.00	41.00	43.00	60	43.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails BRIDGE	CYDS			40.00	100	.40	900	.40
SHAFT PREP	EA			350.00	1	350.00	1	350.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				1140.00				
Total Costs		1075.00	25.00	2257.00				

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

Date 5-31-58 Operator James Fox

Per _____ Title _____

Remarks:

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

(Instructions on reverse)

(For Government use only)

W. J. Lynch
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

Burnsville N.C. #2.
5-31-58

Dear Sir:

Enclose you will find our Monthly Report, Concerning Thing for the Month of May Tax work & C.R. Concise below Shows our Shaft Footage we are Ready now waiting on the Field Men for further Orders.
We have went Appr 22 ft Southwest Ondue was getting some very good Mica. We have turned west and went Appr 16 ft. inclining down very going on but no Mica seems that we have gone through the Mica Column. Out of 250 lbs of Hand Cobed Mica we Tumed out and sold 127.5 6/100 No Black Mica on hand at present.
Have the Field Men to call Phillips Members if they come before Monday 6-9th so we can turn the Water out. The Mem Ber is 2894 Bakers Mill.
There is 8 ft of Cribage at Top of Shaft which will give a Total of 60 ft which will bring us to the Surface

OFFICIAL FILE COPY
DMEA
RECEIVED 10

6/16 C 22C
6/16 Hoch 60C

June 13, 1958

Memorandum

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

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

Subject: Royalty Payment - DMEA-4910, Idm-E1171-mica.
Cecil Phillips, et al. Wald Prospect, Yancey Co., N.C.

Transmitted is a final settlement sheet on the subject contract in the amount of $291.61, and their check for 5% royalty on the sale in the amount of $14.58.

V. J. Lynch

sm.
cc
Lynch
Mittendorf
Files
Enc;
ck. dated 6/10/58
$14.58

FORM APPROVED BY COMP. GEN., U.S. MARCH 25, 1957

GENERAL SERVICES ADMINISTRATION

FINAL SETTLEMENT - MICA PURCHASE

MICA PURCHASE DEPOT - Spruce Pine N. C.

PROGRAM: [X] A [ ] B

DATE PURCHASED: 4-20-58

ACCEPTANCE NUMBER: A03-692 (a)

CERTIFICATE AUTHORIZATION NUMBER: 2055-3-104 A

LOT NUMBER: EPA0-692 (a)

VOUCHER NUMBER:

SCHEDULE NUMBER:

EVALUATION DATA

RUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT
GOOD STAINED AND BETTER						
GRADES NO. 3 AND LARGER		$	$		$ 70.00	$
GRADES NO. 4 AND 5					40.00	
GRADES NO. 5½ AND 6					17.70	
STAINED						
GRADES NO. 3 AND LARGER		13.00			31.90	
GRADES NO. 4 AND 5		5.00			18.25	
GRADES NO. 5½ AND 6		3.00			7.55	
HEAVY STAINED						
GRADES NO. 3 AND LARGER		8.00			14.80	
GRADES NO. 4 AND 5		1.00			6.85	
GRADES NO. 5½ AND 6		2.00			4.00	
TOTALS			$			$

NONRUBY

QUALITY	HALF TRIM POUNDS	HALF TRIM PRICE PER LB.	HALF TRIM AMOUNT	FULL TRIM POUNDS	FULL TRIM PRICE PER LB.	FULL TRIM AMOUNT	
GOOD STAINED AND BETTER				.03			
GRADES NO. 3 AND LARGER		$	$	.03	$ 70.00	$ 2.10	2.10
GRADES NO. 4 AND 5				2.24	40.00	89.60	89.60
GRADES NO. 5½ AND 6				6.00	17.70	106.20	106.20
STAINED							
GRADES NO. 3 AND LARGER		9.60		.16	25.55	4.09	4.09
GRADES NO. 4 AND 5		4.00		3.50	14.60	51.10	51.10
GRADES NO. 5½ AND 6		2.40		5.66	6.55	37.07	37.07
HEAVY STAINED							
GRADES NO. 3 AND LARGER		6.40			11.85		
GRADES NO. 4 AND 5		3.20		.00 .08X	5.45	.33	.33
GRADES NO. 5½ AND 6		1.60		.28	4.00	1.12	1.12
TOTALS			$			$	

TOTAL YIELD AND VALUE [ ] RUBY [X] NONRUBY (Half trim plus full trim) 17.93 LBS. $ 291.61 — 291.61

ADJUSTED VALUE WHEN LESS THAN 18% GS & B (ABOVE VALUE $ _____ X _____ ÷ 18) $

FOR PROGRAM B, DEDUCT $4.00 PER POUND FOR STYLING AND TRIMMING

FINAL BASIS FOR PAYMENT $ 291.61

LESS: INITIAL PAYMENT VOUCHER NUMBER SCHEDULE NUMBER 173.12 — 173.12

BALANCE DUE [X] SELLER [ ] GOVERNMENT $ 118.49 — 118.49

NAME AND LOCATION OF MINE

Wilde prospect
Yancey Co. N. C.
% GS & B 46.12

PROCESSED FOR PAYMENT (LBS.)	17.93 — 17.93
PROCESSED - NO PAYMENT (LBS.) THINS	
BLACK (Dots, Spots, Stained)	
UNDERSIZED	.06
PROCESSING LOSS	.06 Calc
TOTAL POUNDS PURCHASED	17.87 — 17.87

SELLER'S NAME AND ADDRESS (Type or print)

18

C. E. Phillips, Grindstaff & Fox
Route 3
Statesville N. C.

APPROVED
LOT SUPERINTENDENT

DATE 3-20-58

GSA WASH D C 58-3177

GSA FORM 1013a
SEPTEMBER 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 29 1958
DATE | INITIALS | CODE
5/29 | C | 220
Com | 100
Fig | 110
6/4 | 800
Hayes

EXPLORATION PROJECT CONTRACT

INTERIM REPORT

DMEA-4910, Idm-E1171(mica) WELD PROSPECT

Operator: Cecil Phillips, et al., c/o Cecil Phillips, Route #3600
Bakersville, North Carolina

Location: On the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 miles N65°E of Celo, Yancey County, North Carolina.

From the bottom of the 8-foot prospect pit, the shaft has been sunk 30 feet. This represents 12 feet of advance during the interim. A turn to S 35°W was made to follow the plunge. The lower part of the shaft is inclined at -15° in a S35°W direction. The mica bearing pegmatite is now in the face and 100 pounds of good mine-run muscovite was recovered in the last 5 feet.

In order to steepen the shaft to attain greater depth, it was suggested that the Operator slab the northwest rib and take up bottom for the last 8 feet. The shaft will then bear S50° to 60° west.

Although a horizontal curve was necessary to stay with the mica, the proposed slabbing should steepen and straighten the incline sufficiently to permit the bucket to operate on slides.

Pegmatite exposed in the face contains books of muscovite up to 4 x 6 inches and coarse plagioclase with quartz and perthite.

Inspected: May 5, 1958

F. G. Lesure and S. C. Bergman, Geologists
Geological Survey (DMEA)

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

z

FILE COPY
DMEA
RECEIVED MAY 14 1958
DATE | INITIALS | CODE
5/14 | C | 220
/15 | Com | 100
4 | JEG | 110
5/16 | | 800
5/19 | | 600

EXPLORATION PROJECT CONTRACT

INTERIM REPORT

DMEA-4910, Idm-E1171 (mica) WELD PROSPECT

Operator: Cecil Phillips, et al.c/o Cecil Phillips, Route #3
Bakersville, North Carolina

Location: On the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 mile N65°E of Celo, Yancey County, North Carolina.

The shaft is now down 26 feet of which 18 feet has been sunk under the contract from the bottom of the prospect pit. The work is inclined 16 feet S85°W at minus 75° and 10 feet at minus 40°.

The coarse-grained plagioclase, quartz, muscovite, perthite pegmatite is 3 feet thick. A mica zone 6 to 18 inches thick containing books up to 4 x 6 x 3 inches plunges 45°S15°W. The coarse-grained mica bearing structure is exposed in the south wall 4 feet above the footwall of the shaft.

The Operator was advised to turn the shaft (70 degrees) and follow the mica shoot down plunge.

To date approximately 600 pounds of mine-run muscovite has been recovered - of which about 350 pounds yielded an estimated 18 pounds of trimmed block. This lot was delivered at the GSA Depot, but exact weight and preliminary payment have not yet been received.

Inspected: May 5, 1958

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

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

z

Form MT-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

RECEIVED MAY 12

OPERATOR'S MONTHLY REPORT AND VOUCHER

ATTACHED ON VOUCHER & SCHEDULE PAYMENTS K-56

Month of 4-30, 1958 Docket No. DMEA 49 Contract No. 1171
Operator's Name PHILLIPS GRINDSTAFF AND ROY PTR. Minerals Mi C A.
Address C/o CECIL R. PHILLIPS BAKERSVILLE N.C.
Contract Amount, $ 64 2400 Government Participation: 75% Amount, $ 481800

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					40.00	40.00
Crosscutting						
Drifting						
SHAFT	516.00	172.00	688.00	516.00	172.00	688.00
(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					350.00	350.00
(6) New Bldgs., Improvements, etc.					114.00	114.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	516.00	172.00	688.00	516.00	676.00	1192.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 4-30-58 *Payee Jennings Roy.
Per _____ Title _____

*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:
$ 387.00
Signature Helen R. Miller
(Authorized Certifying Officer)
Date MAY 9 1958 Vou. No. 169
(See other side)

139.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1171 in accordance with the terms of the contract.

Signature S A Feitler Title MINING ENGINEER U. S. BUREAU OF MINES Date MAY 2 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA - REGION V Date MAY 2 1958

MONTHLY REPORT OF OPERATOR

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(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.

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

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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

RECEIVED MAY 12

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

Month of 4-30, 1958 Docket No. DMEA 4910 Contract No. 1171
Operator's Name PHILLIPS GRINDSTAFF AND FOX Minerals MICA
Address C/o C. R. PHILLIPS, BAKERSVILLE, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	FT	516.00	12	688.00	16	43.00	60	43.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	cu.yds			40.00	100	.40	200	.40
	ea			350.00	1	350.00	1	350.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				114.00				
TOTAL COSTS		516.00	12	1192.00				

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

Date 4-30-58 Operator James Fox

Per _____ Title _____

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 Fuller

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

MAY 8 - 1958
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

May 8, 1958

DMEA-4910

Dear Sir:

I will send you a report on our Mine for the Month of April.

We have not got full time on the account of brake down, and weather conditions.

We only got about a twelve foot shaft this Month.

Our Vein has made a swang South West on about a Forty five degree.

We've sold about 18 pounds of trim Mica

and we still have about two hundred pounds of block Mica.

We hope to have better luck in the Month of May.

Yours truly
James Fox

OFFICIAL FILE COPY
DMEA
RECEIVED 5 1958

DMEA EXPLORATION CONTRACT

INTERIM REPORT

DMEA-4910, Idm-E1171(mica) WELD PROSPECT

Operator: Cecil Phillips, et al. c/o Cecil Phillips, Route #3
Bakersville, North Carolina

Location: On the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 mile N65°E of Celo, Yancey County, North Carolina.

This mine was inspected between 2 and 3 p.m. None of the crew was at the mine.

The shaft was deepened 5 feet during the interim to a total of 17 feet from original ground level. Of this, 9 feet has been sunk under the contract.

A breccia zone which may be parallel to the coarse-grained pegmatite strikes N10°W and dips 35 to 45° SW. The pegmatite is more than 4 feet thick where exposed near the bottom of the shaft and contains plagioclase, perthite, quartz, and muscovite. The muscovite is flat, clear and free splitting. Books up to 3 x 4 inches were seen in place.

The current recess in shaft sinking is probably for spring planting.

Inspected: April 21, 1958

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

F. G. Lesure, Geologist
Geological Survey - DMEA

z

COPY
DMEA
RECEIVED APR 10 1958

DATE	INITIALS	CODE
4/10	B	220
	Cons	100
		110
4/15		800
4/17	R#3,	600

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4910, Idm-E1171 (mica) WELD PROSPECT

Operators: Cecil Phillips, et al. c/o Cecil Phillips, R#3, Bakersville, North Carolina

Location: On the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 miles N65°E of Celo, Yancey County, N. C.

Shaft site has been prepared as requested. The over hang has been removed and cribbing placed from the bottom of the existing pit to 3-feet above the ground.

A round had been blasted just before our arrival. The shaft has been sunk 4 feet to the top of the muck. The Operator has recovered about 400 pounds of block muscovite to date in sizes up to 9 x 9 inches. The mica is green and appears to be of good quality.

While blasting the overhang, a second streak of mica was discovered about 20 feet in the hanging wall of the target mica zone. The Operator says that this is of comparable quality to that on which we are sinking.

The Operator seems to be willing, cooperative, and able. Good progress is anticipated.

Inspected: March 31, 1958

Stanley A. Feitler, Mining Engr.
Bureau of Mines

Frank 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

RECEIVED PAID ON VOUCHER & SCHEDULE OF PAYMENTS-
DMEA

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of MARCH, 1958 Docket No. DMEA 49 Contract No. 1171
Operator's Name PHILLIPS GRINDSTAFF AND FOX PTN. Minerals MICA
Address C/O CECIL R. PHILLIPS BAKERSVILLE N.C. 43
Contract Amount, $ 6,424.00 Government Participation: ____% Amount, $ 4,818.00

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 BRIDGE	4000	NONE	4000			
Crosscutting						
Drifting SHAFT	17200	1111	17200			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation SHAFT SITE PREP	35000	1111	35000			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	1140.00		1140.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	676.00		676.00	676.00	—	676.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-31-58 *Payee James Fox
Per _____ Title _____

*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:
$ 507.00
Signature Helen R. Mellin
(Authorized Certifying Officer)
Date APR 9 1958 Vou. No. 15E
(See other side)

1 3/6 169.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1171 in accordance with the terms of the contract.

Signature V. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date APR 3 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date APR 23 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

RECEIVED APR 11 1958

Month of MARCH 1958 Docket No. DMEA 4910 Contract No. 1171
Operator's Name PHILLIPS GRINDSTAFF AND FOX PTR Minerals MICA
Address C/O CECIL R. PHILLIPS BAKERSVILLE NC #3

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	172.00	4	172.00	4	43.00	60	43.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails BRIDGE	CY	40.00	100	40.00	100.00	40¢	200.00	40¢
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs SACRIFICE PRICE		350.00	1	350.00				
New Buildings, Improvements, etc. TOOL HOUSE 2 MAGAZINES		114.00	3	114.00				
TOTAL COSTS		676.00		676.00				

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

Date 3-31-58 Operator James Fox

Per _____ Title _____

REMARKS:

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

(Instructions on reverse)

(For Government use only)

W. J. Lynch

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

Bakersville, N.C. #3.

3-31-88

Dear Sir,

Enclose yor will find our first month report We started operating Mar 6th and every thing is gain-ga along O.K. We have the Bridge aproach fixed. The Tool House and 2 Magazines SHAFT site preparation finished and Exibing done. and have went down around four ft with shaft and have around four man ft of muck to take out We are geting some mice We have around four hundred lbs out at present,

in cuting back the over hang we hit another vein app 18-20 ft. on the west side of original vein which looks like might be a paying proposition

Yours,
Phillips Bindstaff
inc/ Fox. p.t.r,

RECEIVED
APR 2 - 1988
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

RECEIVED MAR 27 1958

DATE		
3-27	C	220
27	Comm	100
"	Jy	110
3/28	Ecl	800
3/31	Hall	600

DMEA EXPLORATION PROJECT

INTERIM REPORT

DMEA-4910, Idm-E1171(mica) WELD PROSPECT

Operators: Cecil Phillips, Paul Grindstaff and James Fox, Ptnrs.
c/o Cecil Phillips, Route #3, Bakersville, N. C.

Location : On the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 miles N65°E of Celo, Yancey County, N. C.

Work on this contract started March 6, 1958.

Bridge approaches have been repaired (100 c.y.) and toolhouse, powder and cap magazines have been built. Compressor and hoist are on the site and a mast and boom have been set up.

Shaft site preparation is underway and is expected to be completed by the next inspection,

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

Inspected: March 17, 1958

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

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

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

WASHINGTON 25, D. C.

March 7, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 10 1958

DATE		CODE
3/10	C	220
3/11	B	215
3/12	Thurs	600

Memorandum

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

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

Subject: Docket No. DMEA-4910, Contract No. Idm-E1171 (Mica)
Cecil R. Phillips, Paul Grindstaff and James Fox
c/o Cecil R. Phillips, Route 3, Bakersville, N. C.
Weld Prospect, Yancey County, North Carolina

Enclosed are the signed Government's copy and the Audit copy of the subject contract.

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

Robert A. Laurence

Robert A. Laurence

Enclosures

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

February 25, 1958

OFFICE OF THE SECRETARY
DMEA
RECEIVED FEB 26 1958

DATE	INITIALS	CODE
2/26	C	220
2/27	Hrk	600

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4910 (mica)

Applicant: Cecil R. Phillips, et al.

Name and Location of Property: Weld Prospect, Yancey County, N. C.

Date of Field Team Report: February 3, 1958

Date Rec'd. by Branch of Ceramic & Fertilizer Materials: February 6, 1958

Field Team Recommendation: Recommend approval of a contract as outlined by the field examiners.

Comments:

1. A mica-rich pegmatite 3 to 6 feet thick has been exposed in a 60-foot long open cut.

2. The applicant reported sales of $1,100 worth of strategic mica recovered during initial exploration work.

3. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

Recommendation:

I concur with the recommendation of the field team that DMEA assistance be granted.

W. F. Dietrich

W. F. Dietrich

DMEA Form 7
(12-56)

800

OFFICIAL FILE COPY

Date	Surname	Code
2/20	Anderson	600
2/20	Houk	600
2/21	[illegible]	130
"	[illegible]	110
"	[illegible]	100
2/24	[illegible]	220
2/26	[illegible]	800
		600

600

FEB 21 1958 15

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

Re: Docket No. DMEA-4910-Mica
Cecil R. Phillips, et al.
Weld Prospect
Yancey 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. 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 a memorandum dated February 6, 1958, by Mr. N. E. Nelson, USGS, relating to the project are enclosed. The comments by USBM will be forwarded when they are made available to us.

forwarded 3/3/58

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GB)

Approved:

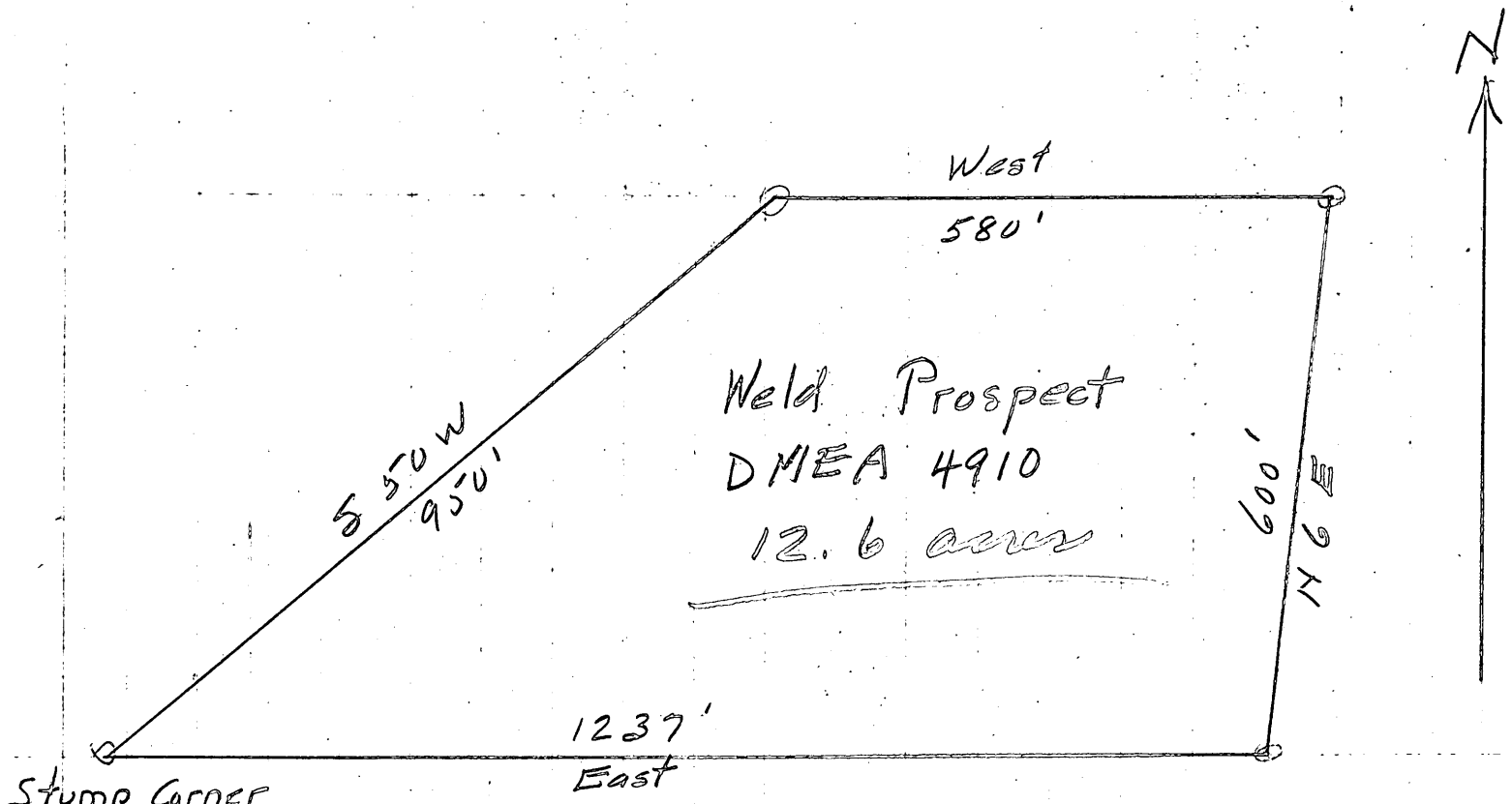
Frank D. Lamb (GB)
Member, Bureau of Mines

Thor H. Kiilsgaard (GB)
Member, Geological Survey

Enclosures 11

WCAnderson:rsi 2/20/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623



James Fox

Scale - 1" = 20

IN REPLY REFER TO:

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

FILE COPY
DMEA
FEB 7 1958
DATE | INITIALS | CODE
2/7 C 220
Houk 600

February 6, 1958
Re: DMEA 4910
Cecil R. Phillips et al
Weld Prospect
Yancey County, N. C.
Appl. est. $7,750
Rec'd " $7,045 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 applicants requested assistance in exploring a pegmatite vein by shaft sinking and drifting.

The examiners found a mica-rich 3 to 6-foot pegmatite had been exposed by bulldozing in a shallow open cut 60 feet long. The pegmatite occurs in a body of "alaskite". Mica valued at $1,100 is reported to have been sold. It was recovered from open cut workings from which scrap mica had been mined.

The examiners recommend a work program consisting of:-

Access preparation	$80.00
Shaft site "	470.00
Sinking 60-foot shaft	2,807.00
Buildings	115.00
Drifting 100 feet	3,573.00
Total	$7,045.00

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

February 3, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 5 1958

DATE	INITIALS	CODE
2/5	C	220
2/7	JB	130
4/11	Hrch	220

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report - DMEA-4910-mica
Cecil R. Phillips, et al, Spruce Pine, N.C.
Weld Prospect, Yancey County, North Carolina

Transmitted are three copies of the subject report with 8 extra copies of the map.

The Field team concurs with the Examiners that approval of a contract as outlined by the Field Examiners is justifiable.

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

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

On-Site Exam Rpt

Reviewed by
DMEA OPERATING COMMITTEE
2-7-58
(date)

DMEA
RECEIVED FEB 3 1958
DATE | INITIALS | COPY
3/7 | JHB | 130
220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
REGION V

DMEA-4910 (mica) WELD PROSPECT
Yancey County, N. C.

By

F. G. Lesure, Geologist
Geological Survey

S. A. Feitler, Mining Engineer
Bureau of Mines

February 3-, 1958

Reviewed by
DMEA OPERATING COMMITTEE
2-7-58
(date)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

On

DMEA-4910 (mica) WELD PROSPECT, Yancey County, N. C.

Applicant: Cecil R. Phillips, Route #3, Bakersville, N. C.
James Fox, Celo, N. C. and Paul Grindstaff, Route #2, Burnsville, N. C.

SUMMARY

Recent exploration has exposed in an open cut 60 feet long a crudely zoned mica-rich pegmatite dike 3 to 6 feet thick in a body of "alaskite." The pegmatite contains mica of strategic quality and the Applicant reported that sales to date have totaled about $1100 and averaged $16 to 18 per pound. It is recommended that exploration assistance be granted.

INTRODUCTION

Location: The Weld prospect is on the west bank of the South Toe River about 0.2 mile south of Halls Chapel and 1.65 miles N65°E of Celo, Yancey County, North Carolina (Parts of Celo and Black Bros. Quad., TVA, 1:24,000). The prospect can be reached by a car from Celo by going north 0.35 mile on State Highway 80, turning east onto the Blue Rock road and going 2.1 miles. Turn right on a gravel road and go about a mile to the former "jigging" mill of the De-Weld Mica Corporation. The prospect is in the cut behind the "jigging"mill across the South Toe River from the road. Access to the prospect area is by an old log and plank bridge across the Toe River. The approaches to this bridge have washed out but could be repaired easily with gravel from along the river bank.

Examination: The examination of the Weld prospect was made on January 21, 1958, and lasted 3 hours. Messrs. Cecil Phillips, James Fox, and Paul Grindstaff accompanied the Examiners.

Previous Operations: The Weld prospect consists of a shallow open cut about 60 feet long, 10 to 15 feet wide and 10 to 20 feet deep in the center of the easternmost of two larger open cuts made by the De-Weld Mica Corporation between 1950 and 1957. The De-Weld Corporation operated a scrap mica "jigging" mill on the river bank. The open cuts made in deeply weathered "alaskite" were known as the Hall mine. Mr. James Fox, one of the Applicants, prospected the pegmatite exposed during the scrap operations and has made 3 sales of non-ruby mica totaling about $1100 and averaging $16 to $18 a pound. One sale containing 28.43 lbs. of mica was made July 26, 1956 for a preliminary payment of $293.46. Another sale made on December 13, 1957 contained the following:

	Pounds	Value
Good Stained	11.40	$254.28
Stained	7.86	72.18
Heavy stained	.53	2.64
Total	19.79	$320.10

Water is available in the river east of the property and electric power is available along the gravel road to the east. The old "jigging" mill contains a rolls crusher and screens, but no mining facilities or equipment are on the property.

GEOLOGY

The small open cut on the Weld prospect exposes a thin crudely zoned pegmatite dike that is probably a fracture filling in a larger body of fine- to medium-grained "alaskite" (see attached map). The dike strikes generally north and dips west. It ranges in thickness from 3 to 7 feet but has vague borders with the inclosing "alaskite". At the southeast end of the small cut the pegmatite has a footwall zone containing 2 feet of

medium-grained plagioclase and quartz overlain by 1-foot of coarse plagioclase and muscovite. Above this is about 2 to 4 feet of coarse perthite-plagioclase-quartz pegmatite with only small scrap mica. Near the northwest end in the deeper part of the cut the footwall zone is about 1 1/2 feet thick and consists of coarse-grained plagioclase, quartz, and muscovite. Muscovite books 4 x 3 inches were found in the bottom of the cut. The perthite-plagioclase-quartz zone overlying the footwall zone is about 2 feet thick. The pegmatite is partly weathered near the surface but becomes harder in the deeper part of the cut.

Mica in the footwall zone is abundant and some is of strategic quality as indicated by the sales made by Mr. Fox.

The pegmatite dike is in a large body of fine-to coarse-grained soda-rich granite, or the "alaskite" of the Spruce Pine district. This rock is composed of plagioclase, perthitic-microcline, quartz, and muscovite. It is deeply weathered. The "alaskite" below the footwall zone on the east side of the cut is coarse-grained, fractured and sheared. Abundant fine-grained muscovite is present along the fractures. On the west side of the cut above the pegmatite the "alaskite" has a crude cataclastic foliation. Very fine sericitic muscovite and thin layers of epidote coat this foliation and other fracture surfaces in the "alaskite."

Northwest of the pegmatite dike a large inclusion of deeply weathered interlayered bornblende gneiss and mica schist is exposed in the "alaskite." Foliation in this inclusion strikes generally NE and dips NW.

RECOMMENDATIONS

The Examiners recommend that exploration assistance be granted because the mica-rich pegmatite exposed in the recent prospecting is a good geologic target. It is recommended that exploratory work consist of (1) bulldozing to rehabilitate the existing road and the approaches to the bridge across the South Toe River, (2) preparation of a shaft site including cutting back the steep overhanging bank at the northwest end of the open cut, (3) sinking an 60-foot inclined shaft and (4) driving 100 feet of drift and/or crosscut in pegmatite.

ESTIMATED COSTS

Prepare Access:

Bulldoze 100 cu.yds. of bank gravel to repair east and west bridge approaches. Prepare 200 ft of access road by bulldozing 100 cu.yds.....

Bulldoze 200 cu.yds @ 40¢/cu.yd...	$80.00
Total access.....	$80.00

Prepare Shaft Site:

Cut back overhang for 20 ft along the pegmatite at the shaft site on about a 60° slope from a point approximately 12 ft above the bottom of the existing pit.

Duplicate omitted

Rock excavation and removal 700 c.f. @ 50¢/c.f. $350.00

Install cribbing inclined at approximately 55° from bottom of pit to surface.

Crib 15 ft @ $8/ft....	120.00
Total shaft site preparation.....	$470.00

Construct:

Toolhouse	$75.00	
Powder magazine	25.00	
Detonator magazine	15.00	
		$115.00

Sink 60 feet of two-compartment shaft
5 x 7 ft in cross section.

Labor:

1 - Foreman-miner ..	$14/shift
1 - Hoistman	12/shift
1 - Laborer	8/shift
Per 8 hour shift.....	$34.00

Total labor - 40 shifts @ $34/shift... $1,360.00

use 1.70/sh = 35 " " " — — — 1190.00

Equipment(rental)

1-Compressor @ $150/Mo.	$300.00	
1-Hoist @ $50/Mo.	100.00	
1-Rock drill w/hose @ $40/Mo.	80.00	
1-Sump pump @ $40/Mo.	80.00	
Total equipment rental.....		560.00

250/mo = 437.50

Supplies, Taxes & Insurance

Gasoline and oil	135.00	
Explosives	210.00	
Drill steel	108.00	
Timber, 2 M, b.f.	130.00	
Small tools & Misc.	120.00	
Sales tax	21.00	
Soc. Sec. & Ins.	163.00	
Total supplies.....		887.00
Total est. cost of shaft...		$2,807.00

2514.50

Estimated cost/ft shaft $46.78

use $43/shift

Drift and/or crosscut 5 x 7 feet in cross section
from or near the bottom of the shaft- 100 feet

Labor:

1 - foreman-miner $14/shift

Labor (cont'd)

1 - Hoistman	$12/shift
1 - Laborer	8/shift
Per 8 hour shift.....	$34

Total labor 50 shifts @ $34/shift..... $1700.00

@ 2.2 ft/sh. = 45 shifts @ $34/shift = $1530.00

Equipment (rental)

1 - compressor @ $150/Mo.	$375.00
1 - hoist @ $50/Mo.	125.00
1 - rock drill w/hose @ $40/Mo.	100.00
1 - Sump pump @ $40/Mo.	100.00
1 - jackleg @ $25/Mo.	63.00
Total equipment rental.....	763.00

@ 25%/mo = 562.50

Supplies, Tax & Insurance:

Gasoline and oil	200.00
Explosives	325.00
Drill steel	140.00
Timber, 1 M b.f.	65.00
Small tools & Misc.	150.00
Sales tax	26.00
Social Security and Insurance	204.00
Total supplies....	$1110.00

Total estimated cost of drift..... $3573.00

3202.50

Est. cost/ft of drift $35.73

Use $33.00/shift

SUMMARY OF ESTIMATES

Access preparation.....	$ 80.00
Shaft site preparation.....	470.00
Construction.....	115.00
Sinking 60 ft shaft.....	2,807.00
Drift 100 feet.....	3,573.00
Total estimated cost of project.....	$7,045.00

February 3, 1958

F. G. Lesure, Geologist
Geological Survey

S. A. Feitler, Mining Engineer
Bureau of Mines

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DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/9	Anderson	600
1/10	GCS	1300
"	Johnson	110
		~~100~~ 350
1/10	gfs	220
		600

600

JAN 10 1958

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

Re: Docket No. DMEA-4910-Mica
Cecil R. Phillips, et al.
Weld Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated January 6, 1958, 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.

In the event that a contract is recommended, it will be necessary that we have a tie-in from the proposed work to the nearest identifiable property corner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

Approved:

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

Thor H. Kiilsgaard (GHB)
Member, Geological Survey

Enclosures 5

WCAnderson:rsi 1/9/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/9	Anderson	600
1/10	Selbridge	130
1/10	Kent	130
1/10	Kilsgaard	130
		~~110~~
		~~100~~
1/10	gf	220
		600

600

JAN 10 1958

Mr. Cecil R. Phillips
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-4910-Mica
Cecil R. Phillips, et al.
Weld Prospect
Yancey County, North Carolina

Dear Mr. Phillips:

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.

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,

Frank E. Johnson
(esf)
ACTING Administrator

WCAnderson:rsi 1/9/58
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 6 1958

DATE	INITIALS	FILE
1/7	gf	220
1/8	[illegible]	600

IN REPLY REFER TO:

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

January 6, 1958

Re: DMEA 4910
Paul Grindstaff, et al
Weld Prospect
Yancey County, North Carolina
$7,750.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicants request assistance in exploring a pegmatite by bulldozing, shaft sinking, and drifting.

A pegmatite vein is exposed and shows a significant amount of strategic grade mica, according to the application.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

January 6, 1958

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4910 (mica)

Applicant: Paul Grindstaff et.al.

Name and Location of Property: Weld Prospect
Yancey County, North Carolina

Date Application Rec'd. by Br. of Ceramic and Fertilizer Materials: 1/3/58

Comments:

1. This is a new prospect.

2. Applicant states there is strategic mica visible in vein.

3. Although it would be desirable for the applicant to furnish more complete information, it appears that a visit by an examiner would furnish more useful data.

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.

ORIGINAL FILE COPY
DMEA
RECEIVED JAN 6 1958

DATE		CODE
1/7	gb	220
1/8	wza	600

W. F. Dietrich

W. F. Dietrich

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

January 3, 1958

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

Dear Mr. Phillips: Subject: DMEA-4910

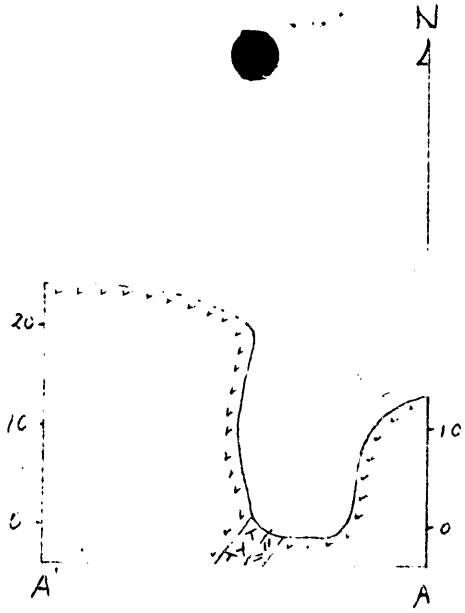
Your application for exploration assistance, dated December 31, 1957 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-4910 and referred to the NonMetallic Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

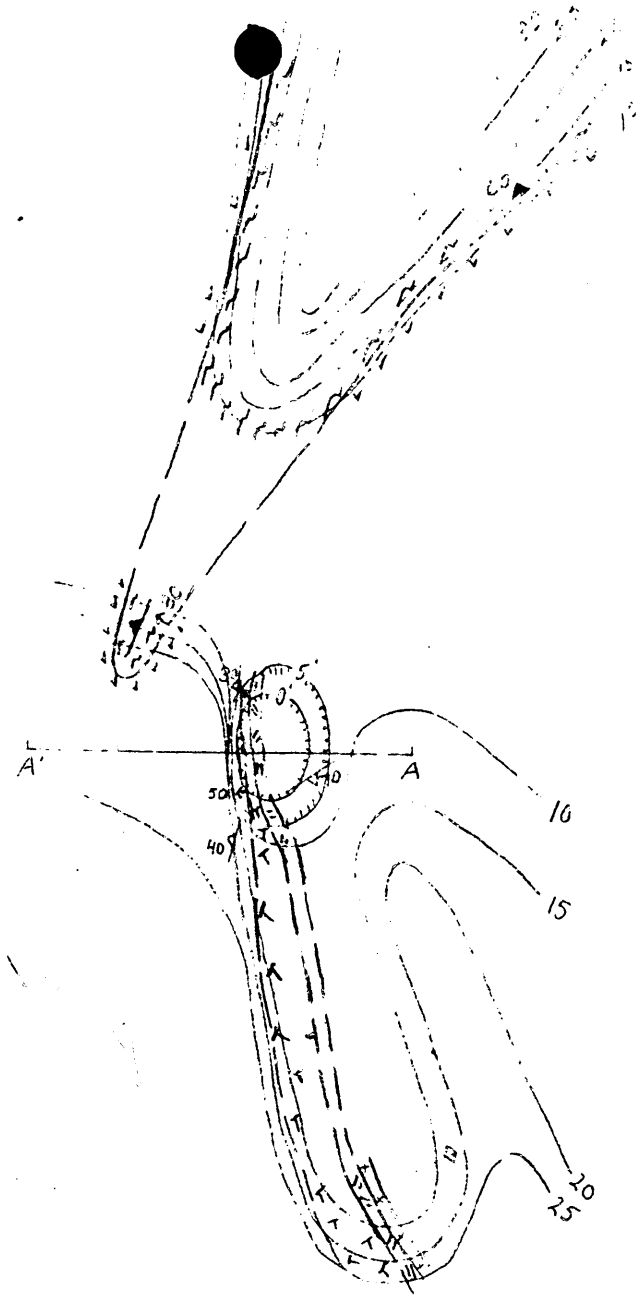
Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region V





Explanation

- Plagioclase-muscovite zone
- Perthite-plagioclase-quartz-zone
- Plagioclase-quartz zone
- "Aplasite"
- Gneiss & schist
- 80 Strike & dip of contact
- 60 Strike & dip of foliation
- 40 Strike & dip of cataclastic foliation and shear planes in "Aplasite"

Tape & brunton survey

Weld Prospect

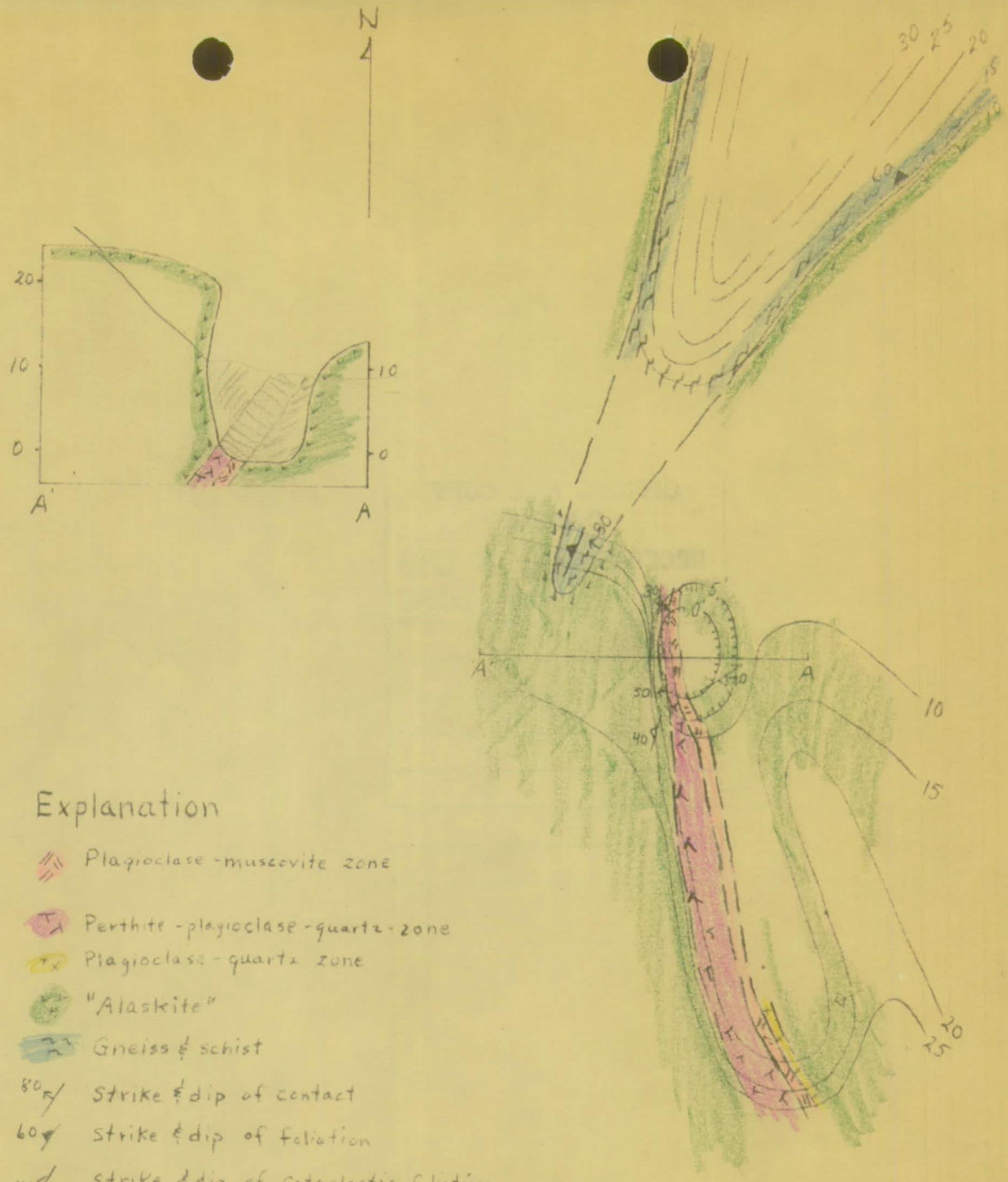
Yancey County, N. C.

DMEA-4410 (mica)

0 10 20 feet

FGL

EXTRA COPY
DNEA
RECEIVED FEB
DATE | INITIALS | NOTES



Explanation

- Plagioclase-muscovite zone
- Perthite-plagioclase-quartz-zone
- Plagioclase-quartz zone
- "Alaskite"
- Gneiss & schist
- 80 Strike & dip of contact
- 60 Strike & dip of foliation
- 40 Strike & dip of cataclastic foliation and shear planes in "Alaskite"

Tape & brunton survey

Weld Prospect

Yancey County, N. C.

DMEA-4910 (mica)

0 10 20 feet

FGL 11/58

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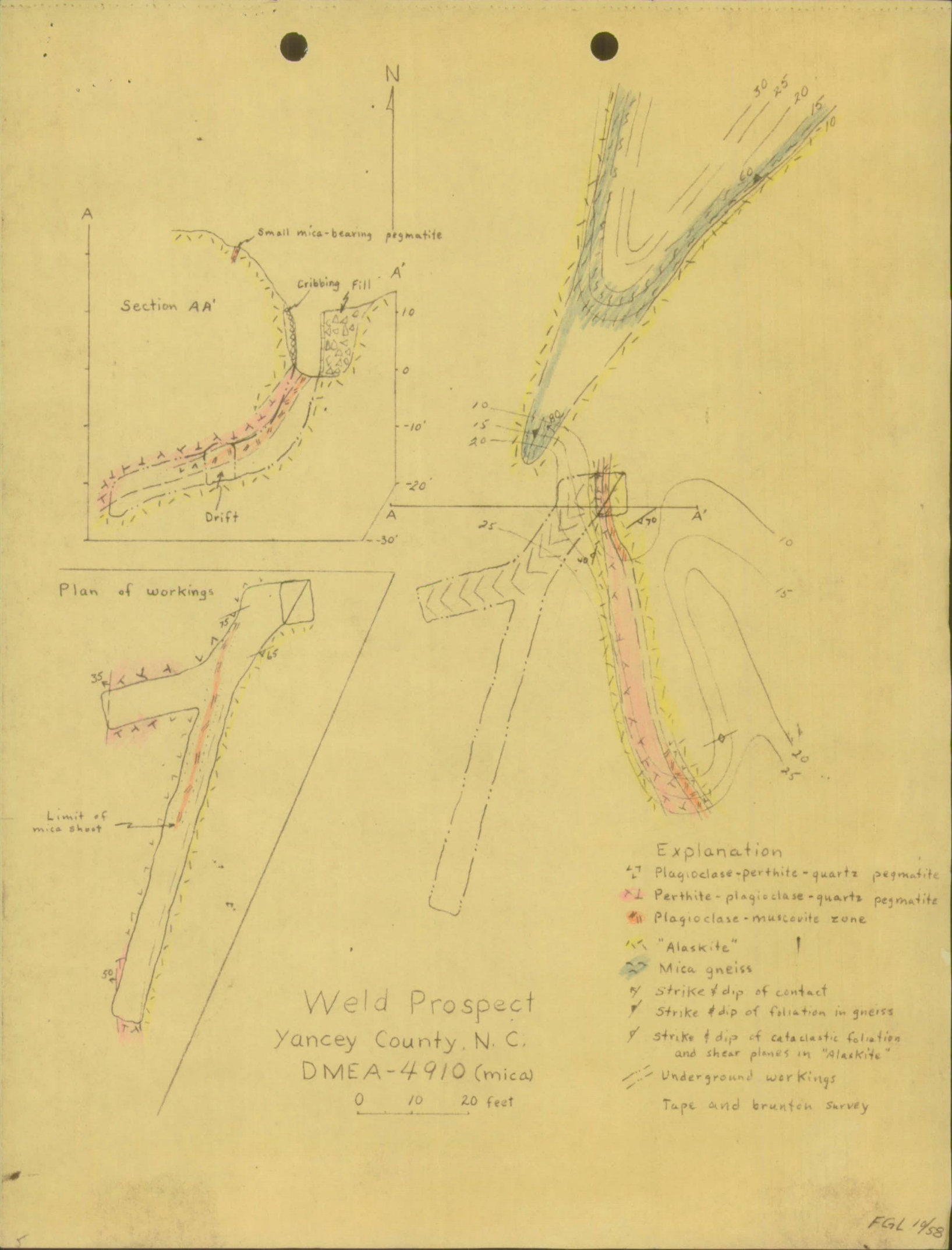
DMEA
RECEIVED FEB 5 1958

DATE	INITIALS	CODE


N
Section AA'
A
A'
Small mica-bearing pegmatite
Cribbing
Fill
Drift
10
0
-10'
-20'
-30'
Plan of workings
Limit of mica shoot
Explanation
Plagioclase-perthite-quartz pegmatite
Perthite-plagioclase-quartz pegmatite
Plagioclase-muscovite zone
"Alaskite"
Mica gneiss
Strike & dip of contact
Strike & dip of foliation in gneiss
Strike & dip of cataclastic foliation and shear planes in "Alaskite"
Underground workings
Tape and brunton survey
Weld Prospect
Yancey County, N. C.
DMEA-4910 (mica)
0 10 20 feet

FGL 1/58

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O. M. E.
RECEIVED OCT 22 1958

DATE	INITIALS	CODE