



Department of Mines and Mineral Resources

Mineral Building, Fairgrounds

Phoenix, Arizona 85007

(602) 255-3791 Toll Free in Arizona - 1-800-446-4259

PERTINENT DATA FOR NEW OR PROSPECTIVE MINING OPERATIONS IN ARIZONA

Circular No. 13, Revised June, 1989

LAWS AND REGULATIONS GOVERNING MINERAL RIGHTS IN ARIZONA

A booklet, *Laws and Regulations Governing Mineral Rights in Arizona*, giving the essences of the more important features of the mining laws together with instructions regarding avoidance of common errors in locating and maintaining valid mining claims is available from the Department of Mines and Mineral Resources. Federal and State lands are covered, and there are brief discussions of general matters including those listed herein, property taxes, roads, rights of way and waste disposal, water and water rights, mining partnerships and grubstakes.

U.S. FOREST SERVICE

Anyone proposing prospecting or mining operations under the Mining Laws of 1872, on National Forest lands which might cause disturbance of surface resources must give the local (district) Forest Service office a "notice of intention to operate". The operator must submit a proposed plan of operation if the authorized officer (District Ranger) determines that such operations will cause a significant disturbance to surface resources. If an operator believes he will cause "significant surface disturbance" he should file an operating plan instead of a letter, of how it will be conducted; proposed roads or access routes and means of transportation; and the time period during which the proposed activities will take place. Copies of the regulations and procedures contained in Forest Service Current Information Report No. 14, *Mining In National Forest*, November, 1979, can be obtained from the nearest Forest Service Office.

The District Ranger must be notified in advance of any changes in plans of operations, as well as cessation of operations. The District Ranger also must be notified of temporary cessation of operations which will include a statement as to (1) verification of intent to maintain the structures, equipment and other facilities; (2) the expected reopening date, and (3) an estimate of extended duration of operations.

The authorized officer of the Forest Service may require a bond to assure restoration of the surface. A listing of bonding companies (sureties on Federal bonds) may be obtained from the Forest Service or from the Audit Staff, Bureau of Government Financial Operation, Treasury Department, Washington, D.C., 20226. Current Information Report No. 14 should be kept available as a ready reference to answer questions and hopefully resolve problems as they arise.

For further information contact the Arizona Zone Office-Minerals, U.S. Forest Service, 2324 E. McDowell Rd., Phoenix, AZ 85006, phone (602) 225-5200.

BUREAU OF LAND MANAGEMENT

B.L.M. regulations for surface management of public lands under U.S. Mining Laws have been issued under the authority of 43 C.F.R. 3809. These regulations require the miner or prospector to notify the appropriate district office of the BLM whenever his activity on a mining claim may disturb the land surface in excess of normal, "casual" use. The regulations, applying only to public lands under the jurisdiction of the BLM are summarized in BLM Information Circular 2521.

Copies of the circular may be obtained at any district office or at the State Office, Bureau of Land Management, 3707 N. 7th Street, Phoenix, Arizona 85014, (P O Box 16563, Phoenix, Arizona 85011) phone (602) 241-5547.

STATE LAND DEPARTMENT

When operating on lands controlled by the State of Arizona, the prospector and miner are required to follow procedures and regulations established through State legislation. Prospecting permits and mineral lease forms may be obtained from the State Land Department, 1616 W. Adams, Room 329, Phoenix, Arizona 85007; phone (602) 542-4061/4628, or 233 N. Main Ave., Tucson, AZ 85701; phone (602) 628-5480.

STATE MINE INSPECTOR

Whenever mining operations are initiated or permanently suspended, the State Mine Inspector, at his office, 1616 W. Adams, Room 411, Phoenix, Arizona 85007-2627; phone (602) 542-5971, or State Office Building, 416 W. Congress, Rm. 189, Tucson, Arizona 85701; phone (602) 628-5990, must be notified in writing prior to the commencement or the suspension of an operation.

The operator or operators should obtain from the Mine Inspector's office a copy of the mining code and regulations. This booklet should be kept available in the mine and timekeeper's office subject to inspection as it contains statutes required by law to be posted. The Mine Inspector has the authority to regulate the health and safety conditions of all mines, mills and smelters, regardless of the number of workers and whether or not they are owners, partners or employees. The Mine Inspector may adopt rules reasonably necessary to effectuate the provisions of the laws administered by him. Mine Safety Inspection to comply with MSHA regulations, is available at no charge.

MINE SAFETY & HEALTH ADMINISTRATION (MSHA)

In addition to the State Mine Inspector, it is also necessary to notify the Mine Safety and Health Administration, an agency of the United States Department of Labor. This agency also inspects operating mines for health and safety of the employees.

Notification should be in writing to the MSHA office at 3221 N. 16th Street, Suite 300, Phoenix, Arizona 85016; phone (602) 241-2030 or 300 W. Congress, Federal Bldg.,

Tucson, Arizona 85701; phone (602) 629-6712. Notification should contain the mine name, location, the company name, mailing address, person in charge and whether operations will be continuous or intermittent. The agency should also be informed whenever a mine is temporarily or permanently closed.

LABOR LAWS

The mining code booklet issued by the State Mine Inspector also contains information about laws and regulations pertaining to mine labor. Such information is also available from the Industrial Commission of Arizona, 800 W. Washington, Phoenix, Arizona 85007; phone (602) 542-4411 or 2675 E. Broadway, Tucson, Arizona 85716; phone (602) 628-5188.

No one under 18 years of age can be employed in or about underground operations or other places connected with mining or metallurgical operations specified by state law.

Small mine operators must conform to wage and hour regulations by the U.S. Department of Labor just as any other large or small business. Copies of regulations and procedures may be obtained free by calling or writing the Department of Labor, Wage and Hour Division, 3221 N. 16th Street Room 301 Phoenix, Arizona 85016; phone (602) 241-2990 or 300 W. Congress, Tucson, Arizona 85701; phone (602) 629-6608.

ARIZONA CORPORATION COMMISSION

Arizona or out-of-state corporations must clear with the Arizona Corporation Commission at Phoenix before starting business within the state. An annual registration fee and an annual report are required. Anyone seeking to raise money through the sale of securities should check first with the Commission.

Detailed information is available from the Corporation Commission, 1200 West Washington St., Phoenix, Arizona 85007; phone (602) 542-3931. Also Federal Bldg., 402 W. Congress, Rm. 110, Tucson, Arizona 85701; phone (602) 628-5555.

ARIZONA RADIATION REGULATORY COMMISSION

Permits for uranium mills are required from the Arizona Radiation Regulatory Agency, 4814 S. 40th Street, Phoenix, Arizona 85040; phone (602) 255-4845.

NO-LIEN NOTICE

The owner of a mining property should protect himself against liens by posting a non-liability notice as provided in Arizona law (A.R.S. 33-990) when his property is being worked by others. The law requires that the owner shall conspicuously post the notice at the collar of all working shafts, tunnels and entrances to the mine and boarding houses, on or before the day the lessee or those working the claim under bond, lease or option, begin operations. A copy must be recorded in the office of the county recorder in the county in which the mine is located within 30 days from the date of the lease, bond or option. Failure to post such a notice renders the property liable for labor and material liens. The operator is required by law to keep the notices posted.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Mining and associated activities that may discharge water must contact the State Health Department and permits must be obtained. Some permits may require up to six months advance notice and may be obtained from the Office of Water Quality, Department of Environmental Quality, 2005 N. Central, Phoenix, Arizona 85004; phone (602) 257-2305.

Facilities such as smelters, roasting plants, etc., that will discharge into the atmosphere must operate under a permit. Although some counties issue permits, initial inquiry should be made to the Department of Environmental Quality. Prior to beginning construction contact the Office of Air Quality, Arizona Department of Environmental Quality, Engineering Services Section, 2005 N. Central, Phoenix, Arizona 85004; phone (602) 257-2308.

WORKMAN'S COMPENSATION

Insurance should be carried for all workers and is mandatory under the State's Workman's Compensation Act when one or more are employed. The Underwriters Department of the Arizona Industrial Commission must be notified and insurance provided before one or more are employed. The employer is not required to insure with the Commission but instead may do so with a company that has met the standards set by the Commission, provided that all employees sign a written rejection of the provisions of the compulsory compensation law for Arizona for payment of compensation (A.R.S. 23-906). The employer shall keep posted in a conspicuous place a notice of the employee's

coverage under the Act unless they exercise their right of rejection prior to a sustained injury.

Complete information may be obtained from the Industrial Commission of Arizona, 800 W. Washington St., Phoenix, Arizona 85007; (602) 542-4411 or 2675 E. Broadway, Tucson, Arizona 85716; phone (602) 628-5188.

TAXES

When shipment or sales are made, the Tax Commission requires a license to do business. This should be applied for on a regular form supplied by the Sales and Use Tax Division, License Department, Department of Revenue, 1600 W. Monroe, Phoenix, Arizona 85007; phone (602) 542-4576 or 402 W. Congress, Room 105, Tucson, Arizona 85701; phone (602) 628-5404.

Production taxes, labeled "transaction privilege taxes", total 2 1/2% of the "gross proceeds of sales or gross income from the business of mining". A use tax of 2% is imposed on the storage, use or consumption in mining and metallurgical operations of expendable materials purchased from a retailer who does not maintain a place of business in the state. Monthly returns of such sales and usages, with payment of taxes due, are required on forms prescribed by the Commission.

WATER

When a hole is drilled or a shaft sunk that may intercept groundwater, the prospector or mine operator must notify the Department of Water Resources, 15 S. 15th Avenue, Phoenix, Arizona 85007; phone (602) 542-1550; Tucson Office - 371 S. Meyer St. Tucson, AZ 85701; phone (602) 628-5858.

Drillers of holes that intercept groundwater must be licensed as water well drillers. Pre-existing shafts or mine workings from which water is withdrawn must be registered. In certain critical ground water management areas, permits will be required in anticipation that drill holes, shafts, or other openings may intersect the groundwater table.

VEGETATION AND NATIVE PLANTS

Arizona has enacted the Arizona Native Plant Law (A.R.S. 3-901), protecting certain plants growing on federal, state

and privately held land. Permits, tags and/or fees for plant removal may be required of the prospector and miner.

It is suggested the Arizona Commission of Agriculture and Horticulture, 1688 W. Adams, Room 421, Phoenix, Arizona 85007; phone (602) 542-4373, or State Office Building, 416 W. Congress, Room 106, Tucson, Arizona 85701; phone (602) 628-5396, be contacted before starting any mineral related activity that may affect native plants.

ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES

The Arizona Department of Mines and Mineral Resources is available to the public and one of its main functions is to assist new operators. The engineers are familiar with the problems incidental to new operations.