



Department of Mines and Mineral Resources

1502 West Washington

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. 39, February, 1992

by Nyal J. Niemuth

This circular provides only a brief discussion of Federal and State regulatory agencies' requirements or mine permitting procedures. Current regulations and detailed guidelines are best obtained by contacting the specific government agency or department. In some cases county air or sanitation permits may be required. For these situations we suggest contacting the appropriate county planning and development department.

FEDERAL AGENCIES

BUREAU OF ALCOHOL, TOBACCO & FIREARMS

201 E. Indianola, #375, Phoenix, AZ 85012
(602) 640-2938

A license and/or use permit is required for the manufacture, transfer, or use of explosives. Making AN-FO (ammonium nitrate-fuel oil) is considered manufacturing. Adherence to magazine standards for storage and record keeping of explosives used is also required. A packet including an application form, and a complete copy of regulations is available on request.

The state of Arizona has adopted statutes and regulations concerning the transportation of explosives as have numerous Arizona cities. Details are available, but the associated restrictions and costs prompt us to suggest two more feasible alternatives for small operators. Either have the explosives delivered to your mine's magazine, or use two-component products like Kinepak that are not Class A explosives until mixed.

BUREAU OF LAND MANAGEMENT (BLM)

3707 N. 7 Street, Phoenix, AZ 85014 (602) 640-5547

BLM 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 a notice of operation to be sent to the appropriate BLM district office 15 days prior to commencement of operation, whenever activities may disturb the land surface in excess

of normal, "casual" use. Activities disturbing more than 5 acres of land require filing and receiving approval of a plan of operations from the appropriate district office before commencing operations.

Notices and plans should include the operators name and address, claim names and BLM serial numbers, map or sketch of where the surface disturbances will occur, access routes and type of equipment used, description of the operation, the time period during which the proposed activities will take place, and steps taken to minimize the impact and rehabilitate the surface at the end of operations. The regulations are contained 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.

The BLM is currently reviewing their regulations and may revise them to require bonding for notices and all leaching operations.

FOREST SERVICE

2324 E. McDowell Rd., Phoenix, AZ 85006
(602) 225-5262

Anyone proposing prospecting or mining operations under the Mining Laws of 1872 on National Forest lands that might cause disturbance of surface resources must give the local district Forest Service office a notice of intention to operate. If the authorized district ranger determines that such operations will cause a significant disturbance to surface resources, the operator must submit a proposed plan of operation. The operating plan must include: the operators name and address, map or sketch of where it will be conducted, proposed roads or access routes and means of transportation, description of the operation, the time period during which the proposed activities will take place, and steps taken to minimize the impact and rehabilitate the surface at the end of operations. 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 must also be notified of temporary cessation of operations that will include (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.

DEPARTMENT OF LABOR

3221 N. 16 Street, #301, Phoenix, AZ 85016
(602) 640-2990

Mine operators must conform to wage and hour regulations of the U.S. Department of Labor. Copies of regulations and procedures may be obtained free by calling or writing the Department of Labor, Wage and Hour Division.

MINE SAFETY AND HEALTH ADMINISTRATION (MSHA)

3221 N. 16 Street, #300, Phoenix, AZ 85016
(602) 241-2030

This agency inspects operating mines for the health and safety of the employees. Written notification is required prior to mine startup. It should contain the mine name, location, 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.

STATE AGENCIES

DEPARTMENT OF AGRICULTURE,

1688 W. Adams, Phoenix, AZ 85007 (602) 542-4373

Arizona has enacted the Arizona Native Plant Law (A.R.S. 3-901), protecting certain plants growing on Federal, State, and private land. Permits and tags are necessary before moving any protected plants. Thirty days prior written notification is required before any protected plants are destroyed on private or State land. It is suggested the Department's Native Plant Program, be contacted before starting any activity that may affect native plants

CORPORATION COMMISSION

1200 W. Washington, Phoenix, AZ 85007
(602) 542-3135

Out-of-state corporations must contact the Arizona Corporation Commission before starting business within the State. An annual registration fee and filing of 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.

DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)

Office of Water Quality, 2005 N. Central Avenue.,
Phoenix, AZ 85004 (602) 257-2305

Mining activities that may discharge water or tailings, maintain surface impoundments, and all leaching facilities must contact DEQ and obtain an Aquifer Protection Permit (APP) and comply with terms or conditions of the permit (monitoring, reporting, etc.). To obtain an APP operators must submit a "Best Available Demonstrated Control Technology, Processes, Operating Methods or other Alternatives" (BADCT). BADCT guidelines for 5 types of mining operations: copper, precious metals, uranium, industrial minerals, and sand and gravel are available. DEQ acts as the lead agency in Arizona for the Federal Environmental Protection Agency (EPA). Permits may require up to six months or more advance notice.

Office of Air Quality, 2005 N. Central Avenue.,
Phoenix, AZ 85004 (602) 257-2308

Facilities such as mills, smelters, roasting plants, etc., that will discharge into the atmosphere must operate under a permit. DEQ acts as the lead agency in Arizona for the Federal Environmental Protection Agency (EPA). Although some counties also issue air permits, initial inquiry should be made to the DEQ prior to beginning construction.

INDUSTRIAL COMMISSION

800 W. Washington, Phoenix, AZ 85007

Labor Department (602) 542-4515

Occupational Safety & Health (602) 542-5795

Workers Compensation Claims (602) 542-4411

The Industrial Commission administers and enforces Arizona statutes dealing with workers compensation, safety, and employee rights. Insurance should be carried for all workers and is mandatory under the State's Workers Compensation Act when one or more are employed. Insurance may be provided by either the State Compensation Fund, 3031 N. 2nd Street, Phoenix, AZ 85012 (602) 631-2000 or an independent insurance underwriter that meets standards set by the commission. Employers are required to post at each business information regarding: safety and health protection, workers compensation insurance, unemployment compensation, wage and hour regulations, log of occupational injuries, and equal employee opportunity rights. The statutes place certain restrictions on mine employment practices. For more information or a copy of the statutes contact the Industrial Commission of Arizona.

LAND DEPARTMENT

Mineral Division, 1616 W. Adams, Phoenix, AZ
85007 (602) 542-4628

When operating on lands controlled by the State of Arizona, an operator is required to follow procedures and regulations established through State legislation. Prospecting permits and mineral lease forms may be obtained from the Land Department.

MINE INSPECTOR

1700 W. Washington, 4th Floor, Phoenix, AZ 85007
(602) 542-5971

The State Mine Inspector must be notified in writing prior to the commencement or suspension of mining operations. 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. A mine safety inspection to comply with MSHA regulations is available at no charge. Safety and education courses are also available. For full details contact the Mine Inspectors office.

RADIATION REGULATORY AGENCY

4814 S. 40 Street, Phoenix, AZ 85040 (602) 255-4845

Permits for uranium mills, and registration and licensing of man made radioactive sources (ie. drill hole probes, analytical equipment, etc.) are required by the agency. The agency also regulates employee occupational exposure and conducts inspections to ensure compliance with its standards.

DEPARTMENT OF REVENUE

1600 W. Monroe, Phoenix, AZ 85007
Sales/Use Tax Division (602) 542-4656

When shipment or sales are made, the Department of Revenue requires a license to do business. This should be applied for on the form supplied by the Sales/Use Tax Division, License Department of the Department of Revenue. A severance tax of 2.5% is levied on metalliferous minerals. The severance tax is levied on a weighted mineral value calculated by multiplying mining costs times the gross value of production, dividing the result by the total production costs. Nonmetallic minerals are levied a 5% tax based on their value at point of first sale. A use tax of 5% 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 Department. Contact the Sales/Use Tax Division for additional details and requirements.

Central Valued Properties (602) 542-3529

The Division of Property Valuation and Equalization, Centrally Valued Properties Section, Natural Resource Unit appraises producing and nonproducing mines including their land, facilities, and equipment. A copy of *Appraisal Manual for Mines and Natural Resources* (revised annually) that summarizes the procedures is available. The local

county uses this appraisal value and, using the local county assessment ratio, determines the amount of tax to collect.

Arizona corporate income tax, employee with holding tax, and other information may be obtained from the Taxpayer Information and Assistance (602) 255-3381.

DEPARTMENT OF WATER RESOURCES,

15 S. 15 Avenue, Phoenix, AZ 85007 (602) 542-1550

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. Drillers of holes that intercept groundwater must be licensed as water well drillers. Preexisting 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.

NON-PERMITTING INFORMATION

MINES AND MINERAL RESOURCES, DEPARTMENT OF (ADMMR)

1502 W. Washington, Phoenix, AZ 85007
(602) 255-3791

ADMMR is a nonregulatory agency available to assist the public. One of its main functions is to aid new operators. The engineers are familiar with many of the problems incidental to new operations. In addition, ADMMR welcomes the filing of activity reports for mine data files it maintains. The information is useful in answering inquiries and portraying a positive image of mining activity to the public.

ADMMR publishes *Laws and Regulations Governing Mineral Rights in Arizona*, that provides an interpretation of mining laws along with instructions for locating and maintaining mining claims. Acquisition of mineral rights on both Federal and State lands is covered, and there are brief discussions of general matters including: types of public and patented lands, surface management regulations, property taxes, roads, rights of way, waste disposal, water rights, mining partnerships, and grubstakes.

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 local county recorder's office 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.