



CONTACT INFORMATION  
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Arizona Geological Survey  
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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
Pima Agency  
Sacaton, Arizona 85247

*off*  
MINERALS  
**GEOEX**  
Cable: GEOEX



REC'D JUN 4 1975 REC'D

BOX 5964 TUCSON, ARIZONA 85703  
Phone: (AREA 602) 623-6578

Invitation No: GR-M-1-75  
Date: May 23, 1975

NOTICE OF COMPETITIVE SALE OF MINERAL PROSPECTING  
PERMIT ON GILA RIVER INDIAN RESERVATION

SEALED BIDS will be received until 2:00 p.m., Mountain Standard Time, June 24, 1975, and opened at that time in the office of the Superintendent, Pima Agency, Sacaton, Arizona, for a mineral prospecting permit on one tract of tribal land of the Gila River Indian Community, Arizona, totaling 8,894.47 acres, more or less. The permit grants a right to prospect for all minerals other than oil, gas and other hydrocarbons, sand, gravel, building stone, or geothermal resources, with privilege to lease or leases.

The tract of land is described as follows:

Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, and all Tribal lands, including the bed of the Gila River, in Sections 17 and 18, all located in Township 4 south, Range 7 east, Gila and Salt River base and meridian, Pinal County, Arizona, containing 8,894.47 acres, more or less.

*immediately adjacent to  
TWP  
@ bag on the east.  
ie: Mineral Butte*

The sale will be conducted under regulations promulgated by the Secretary of the Interior, 25 CFR 171 and 177, and the Act of May 11, 1938 (52 Stat. 347; 25 U.S.C. 396a - g). The right is reserved to reject any and all bids and to disapprove the permit which may be submitted on an accepted bid. Should the bid be rejected or permit disapproved through no fault of the bidder, all deposits shall be returned to the Bidder. The bid will be subject to the acceptance of the Gila River Indian Community Council and the approval of the Secretary of the Interior or his authorized representative.

The permit will be sold to the qualified bidder who offers the highest money bonus for the tract. Conditional and alternate bids will not be considered. Bids may be delivered in person to the office of the Superintendent, Pima Agency, Sacaton, Arizona, up to the specified time of opening. Telegraph or telephone bids will not be considered. Any bids received after the time specified will not be considered.

Each bid must be accompanied by a Certified Check, Cashier's Check, or Postal Money Order, payable to the BUREAU OF INDIAN AFFAIRS, for at least 25 percent of the bonus bid. Deposits from unsuccessful bidders will be returned. In the event two or more bids are in the same amount and such bids are the highest qualified bids, the bidders may be required to draw lots to determine the successful bidder. A bidder must furnish with his bid on Attachment No. 2, names and addresses of three persons or firms of whom inquiry can be made as to the character, mining experience, and financial standing of the bidder.

The successful bidder will be allowed 30 days from the date of notification of award to complete and return to the Superintendent, Pima Agency, Sacaton, Arizona 85247, a properly executed permit, and make payment of the remainder of the bonus bid, and filing fee in the amount of \$10.00. Upon written request, the Superintendent may, in his discretion, extend the time, not to exceed sixty (60) days without written consent of the Community Council, for submitting the completed permit, but no extension shall be granted for remitting the balance of monies due.

The Permittee shall furnish a corporate surety bond, acceptable to the United States, in the amount of \$15,000.

The permit will grant a right for a period of two (2) years from the date of approval by the Secretary of the Interior or his authorized representative to prospect for all minerals except oil, gas, and other hydrocarbons, sand, gravel and building stone, and geothermal resources. Permittee shall have the privilege during the term of this permit to apply to the Permitter for a lease or leases on any of the land embraced in this permit. In exercising this privilege, time is of the essence.

Except where the rule of approximation applies, each lease shall not exceed 2,560 acres in a reasonably compact body and shall conform to the system of the U.S. Public Land Surveys. If the land is unsurveyed, it shall be the responsibility of the Permittee, at its own expense, to have the land included in a lease surveyed by a registered land surveyor, boundaries posted with substantial monuments, and a tie established with the nearest U.S. Public Land Survey or with some other known and recognized point or monument.

This privilege, if exercised, shall be by written application from Permittee, addressed to the Permitter with a copy to the Superintendent, describing the particular land desired. Any lease granted shall be in the form attached hereto, subject to such modifications, additions, or deletions that may be necessitated by environmental considerations.

Approval by the Secretary of any lease or leases granted by the Permitter pursuant to such an application shall be contingent upon compliance with the requirements of the National Environmental Policy Act of 1969, and applicable Interior Department, Bureau of Indian Affairs, and U.S. Geological Survey rules, regulations, and procedures. In the event that the environmental impact shown by Environmental Assessments, Analyses, and/or Impact Statements is so great that it outweighs all other considera-

tions, the Secretary shall have the absolute right to refuse to approve the proposed lease or leases, in which event the lease or leases shall never be of any force or effect.

If the Secretary refuses to approve a proposed lease or leases as provided above, he shall not subsequently for a period of ten (10) years approve a lease or leases to any other person or entity for mining on any of the land covered by the lease application unless a lease or leases containing the identical terms and conditions as those to be given to any other person or entity is first offered to and rejected by the Permittee.

If, during the permit period, the Permittee should experience a delay in excess of thirty (30) days in carrying out his exploration activities, and the delay is due to environmental compliance requirements of the Federal Government not occasioned by failure of Permittee to provide information necessary for that compliance, the term of this permit shall be extended for a length of time equal to the amount of time of such delay.

A lease or leases will be for ten (10) years and so long thereafter as minerals are produced in paying quantities. While any of the leased land is under Federal jurisdiction, the royalty provisions of the lease are subject to adjustment by the Secretary of the Interior or his authorized representative at the end of the first five (5) year period and each successive five (5) year period thereafter, such adjustments being based upon market conditions as supported by evidence from the field. Annual rate of rental will be \$1.00 for each acre.

There are attached hereto, and by this reference made a part of this Notice of Sale, a copy of Mineral Prospecting Permit and Mining Lease, Indian Lands (For Minerals other than Oil and Gas), which shall be used for the execution of a permit or lease on the tract.

The royalty rates, minimum royalty and rental, are set forth in detail in the attached Mining Lease Indian Lands and are payable to the Superintendent, Pima Agency, Sacaton, Arizona 85247.

In addition to all other remedies provided by law, failure of the successful bidder to comply with the terms of the sale will make any deposit made by or due from him subject to forfeiture without further action on the part of the Pima Agency, Sacaton, Arizona.

All bids must be addressed to the Superintendent, Pima Agency, Sacaton, Arizona 85247, in a plain envelope marked in the lower left-hand corner, "Bid-Prospecting Permit Opening," 2:00 p.m., MST, June 24, 1975, Invitation No. GR-M-1-75.

Bidders are requested to submit their quotations on Attachment No. 1. Additional information regarding this permit offering may be obtained from the Pima Agency, Sacaton, Arizona 85247 - Phone (602) 562-3377.

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Superintendent, Pima Agency

Superintendent  
Bureau of Indian Affairs  
Pima Agency  
Sacaton, Arizona 85247

ATTACHMENT NO. 1  
Invitation No. GR-M-1-75

PROSPECTING PERMIT BID  
GILA RIVER INDIAN RESERVATION  
ARIZONA

The following bid is submitted for a prospecting permit on land within the Gila River Indian Reservation, Arizona:

\$ \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Address)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Telephone Number)

**NOTICE:** The bid must be accompanied by a Certified Check, Cashier's Check, or Postal Money Order for at least 25 percent of the bonus bid.

SUPERINTENDENT  
BUREAU OF INDIAN AFFAIRS  
PIMA AGENCY  
SACATON, ARIZONA 85247

ATTACHMENT NO. 2  
Invitation No. GR-M-1-75

PROSPECTING PERMIT BID  
GILA RIVER INDIAN RESERVATION  
ARIZONA

The following references are submitted as required in the advertisement:

Name

Address

---

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\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Address)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Telephone Number)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Indian Affairs  
Pima Agency  
Sacaton, Arizona 85247

~~MINERAL~~  
GEOEX

Cable: GEOEX



REC'D JUN 4 1975 REC'D

BOX 5964 TUCSON, ARIZONA 85708

Phone: (AREA 602) 623-8578

PERMIT NO. \_\_\_\_\_

CONTRACT NO. \_\_\_\_\_

GILA RIVER INDIAN RESERVATION  
MINERAL PROSPECTING PERMIT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between THE GILA RIVER INDIAN COMMUNITY, hereinafter called the Permitter, whose address is Box 97, Sacaton, Arizona 85247, and \_\_\_\_\_

\_\_\_\_\_,  
whose address is \_\_\_\_\_,  
\_\_\_\_\_, hereinafter called the Permittee.

In consideration of the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), paid to the Superintendent, Pima Agency, Sacaton, Arizona 85247, hereinafter referred to as the Superintendent, the receipt of which is hereby acknowledged, and the covenants, stipulations and conditions hereafter contained, it is agreed.

1. Permitter grants to the Permittee, subject to limitations herein-after stated, a right for a period of two (2) years from the date of approval of this permit by the Secretary of the Interior or his authorized representative, hereinafter referred to as the Secretary, for the purpose of prospecting and exploring for all minerals, except oil, gas and other hydrocarbons, sand, gravel, and building stone, upon the following described lands of the Permittee, subject to prior, valid existing claims, rights, title and interests, consisting of 8,894.47 acres, more or less, to wit:

Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16 and all Tribal lands, including the bed of the Gila River in sections 17 and 18, all located in Township 4 South, Range 7 east, Gila and Salt River base and meridian, Pinal County, Arizona, containing 8,894.47 acres, more or less.

The term "all minerals" as used in this permit does not include geothermal resources. The Permittee may, within 90 days of the expiration of the initial term of this permit, apply to the Permitter and the Secretary for an extension of the term of this permit for one additional two-year term for a consideration in an amount not less than the bonus paid for the initial two-year term of this permit.

2. This permit is granted upon the following express terms, covenants, and conditions:

a. Privilege to Apply for Lease: Permittee shall have the privilege during the term of this permit to apply to the Permitter for a lease or leases on any of the land embraced in this permit. In exercising this privilege, time is of the essence.

Except where the rule of approximation applies, each lease shall not exceed 2,560 acres in a reasonably compact body and shall conform to the system of the U.S. Public Land Surveys. If the land is unsurveyed, it shall be the responsibility of the Permittee, at its own expense, to have the land included in a lease surveyed by a registered land surveyor, boundaries posted with substantial monuments, and a tie established with the nearest U.S. Public Land Survey or with some other known and recognized point or monument.

This privilege, if exercised, shall be by written application from Permittee, addressed to the Permitter with a copy to the Superintendent, describing the particular land desired. Any lease granted shall be in the form attached hereto, subject to such modifications, additions, or deletions that may be necessitated by environmental considerations.

Approval by the Secretary of any lease or leases granted by the Permitter pursuant to such an application shall be contingent upon compliance with the requirements of the National Environmental Policy Act of 1969 and applicable Interior Department, Bureau of Indian Affairs, and U.S. Geological Survey rules, regulations, and procedures. In the event that the environmental impact shown by Environmental Assessments, Analyses, and/or Impact Statements is so great that it outweighs all other considerations, the Secretary shall have the absolute right to refuse to approve the proposed lease or leases, in which event the lease or leases shall never be of any force or effect.

If the Secretary refuses to approve a proposed lease or leases as provided above, he shall not subsequently for a period of ten (10) years approve a lease or leases to any other person or entity for mining on any of the land covered by the lease application unless a lease or leases containing the identical terms and conditions as those to be given to any other person or entity is first offered to and rejected by the Permittee.

If, during the permit period, the Permittee should experience a delay in excess of thirty (30) days in carrying out his exploration activities, and the delay is due to environmental compliance requirements of the Federal Government not occasioned by failure of Permittee to provide information necessary for that compliance, the term of this permit shall be extended for a length of time equal to the amount of time of such delay.

b. Diligence and Development: The land described herein shall not be held by the Permittee for speculative purposes, but in good faith for prospecting and exploring for minerals. The Permittee shall expend during the term of the permit on the permitted area in prospecting and exploration work a sum which shall amount to not less than TWENTY-FIVE DOLLARS (\$25.00) per acre per year while the permit is in force.

The Permittee shall file with the Superintendent an itemized statement, in duplicate, at the end of each six-month period of this permit, of the amount and character of said expenditure during such six-month period, the statement to be certified under oath by the Permittee or its agent having personal knowledge of the facts containing therein. Failure by the Permittee in the diligent development and continued prospecting and exploration work, except when operations may be interrupted by strikes, the elements, or casualties not attributable to the Permittee, shall be a want of compliance with the terms of this permit and shall render it subject to cancellation.

c. Approval of Exploration Plan: Before commencing any surface disturbing operations to explore, test or prospect for minerals, the Permittee shall file with the Superintendent, the Permitter, and the District Mining Supervisor, U.S. Geological Survey, Room 208, 522 North Central Avenue, Phoenix, Arizona 85004, hereinafter referred to as the Supervisor, a plan for the proposed exploration operations. Depending upon the size and nature of the operations and the requirements which may be established pursuant to Subarticle g, of this Section 2., the plan shall include but not necessarily be limited to the following:

- (1) The anticipated dates of the prospecting operations.
- (2) The description of the area within which exploration is to be conducted.
- (3) Two copies of a suitable map or aerial photograph showing topographic, cultural and drainage features of the immediate area.
- (4) A statement of proposed exploration methods (i.e., drilling, trenching, etc.), the type of equipment to be used in said operations, and the location of primary support roads and facilities.
- (5) A description of the measures to be taken to prevent or control fire, soil erosion, pollution of surface and ground water, damage to fish and wildlife or other natural resources and hazards to public health and safety both during and upon abandonment of exploration activities.

The exploration plan will be reviewed by the Permittee, the Superintendent, and the Supervisor within thirty (30) days from the receipt thereof and they shall submit to the Permittee within such thirty (30) days period any changes, additions or amendments necessary to meet the requirements formulated under Subarticle g. of this Section 2., the provisions of this Subarticle c. and the other terms of this permit. Upon the approval of the exploration plan by the Permittee, the Superintendent and the Supervisor, said plan will be attached to and by this reference made a part of this permit. The Permittee agrees to abide by and be bound by the terms and conditions of the exploration plan, unless changed or amended as provided for herein.

d. AMENDMENT OR MODIFICATION OF EXPLORATION PLAN - An exploration plan as provided for in Subarticle c. of this Section 2. may be changed by mutual consent of the Permittee, the Superintendent, the Mining Supervisor, and the Permittee at any time to adjust to changed conditions or to correct any oversight. To obtain approval of a changed or supplemental plan, the Permittee shall submit a written statement of the proposed changes or supplement, and the justification for the changes proposed. The Permittee, the Superintendent, and the Mining Supervisor shall promptly notify the Permittee that they consent to the proposed changes or supplement, or in the event that they do not consent, they shall specify the modification thereto under which the proposed changes or supplement would be acceptable. After mutual acceptance of a change of plan, the Permittee shall not depart therefrom without further approval.

If circumstances warrant or if development of an exploration plan for the entire operation is dependent upon unknown factors which cannot or will not be determined except during the progress of the operations, a partial plan may be approved and supplemented from time to time. The Permittee shall not, however, perform any operation except under an approved plan.

e. REMOVAL OF ORES - No ores may be removed except samples for examination and experimental purposes and the removal of such samples is subject to the approval of the Superintendent.

f. DISPOSITION OF MINERALS AND SURFACE - The Permittee reserves the right to use, lease, sell or otherwise dispose of the minerals not covered by this permit and the surface of the lands embraced within this permit under existing law or laws hereafter enacted. Such disposition and use shall be subject at all times to the prior right of the Permittee herein to use as much of said surface as is necessary in its prospecting and exploration work and to acquire leases under this permit.

g. GENERAL REQUIREMENTS FOR THE PROTECTION OF NONMINERAL RESOURCES - The Permittee shall conduct all operations authorized in this permit with due regard to preventing unnecessary damages to vegetation, timber, soil, roads, bridges, cattleguards, fences, and other improvements, including construction, operation or maintenance of any of the facilities on or connected with this permit which causes damage to the watershed or pollution of the water resources. On termination of operations under this permit, the Permittee shall

make provisions for the conservation, repair and protection of the property and leave all the areas on which the Permittee has worked in a condition that will not be hazardous to life or limb and will be to the satisfaction of the Superintendent and the Permitter.

In addition to the foregoing provisions and in order to fully protect range improvements and soil and watershed conditions of the area, the Permittee agrees that:

- (1) This permit is subject to any reasonable requirement of the Superintendent, the Permitter and the Supervisor, for the purpose of minimizing surface damage, avoiding the pollution of surface and subsurface waters, preventing air pollution and rock slides. Such requirements may specify location and manner of construction of any roads that may be necessary for access by the Permittee and any erosion control measures needed as a result of the Permittee's operation, the sole cost of which will be borne by Permittee.
- (2) Gates and cattleguards will be constructed in fences through which an access road passes. Gates must be kept closed at all times, except when actually passing through the gated opening.
- (3) Any valuable subsurface water encountered in exploration or prospecting will be kept open and the right to use the water is reserved to the Permitter. This reservation of the right to use the water is subject, however, to the right of the Permittee to use such well and water therefrom to the degree necessary in prospecting pursuant to this permit.
- (4) Permittee shall not take any action within the bed of the Gila River or its tributaries located on the permit property that will in any way tend to change, block, or otherwise alter their present channel locations or conditions.
- (5) Permittee shall not by its actions nor the actions of its contractors, subcontractors or employees allow pollutants of any kind to be introduced into the Gila River bed or any of its tributaries located on the permit property.

h. LIABILITY FOR DAMAGES - The Permittee is liable for any and all damages resulting from its operations under this permit, including injury to the Permitter, the tenants, licensees and surface owners, and for any and all damage to, or destruction of all property, caused by the Permittee's operations hereunder. The Permittee agrees to save and hold the Permitter and the United States, licensees, and the surface owner, or their tenants, harmless from all suits for injury or claims for damages to persons and property resulting from the Permittee's operations under this permit.

i. PROTECTION OF TREES AND OTHER VEGETATION - The Permittee hereby agrees:

- (1) Not to cut, destroy or damage trees or other vegetation without prior authority of the Secretary, such authorization to be made only where required by the pursuance of necessary mining operations.
- (2) To pay for all such trees or vegetation cut, destroyed or damaged at rates to be determined on the basis of sales of similar trees or vegetation in the vicinity.
- (3) To do all its power to prevent and suppress forest, brush, or grass fires on the land and in its vicinity, and to require its employees, contractors, subcontractors, and employees of contractors or subcontractors, to do likewise. To place its employees, its contractors, subcontractors, and the employees of such contractors or subcontractors employed on the land at the disposal of any authorized officer of the Indian Bureau for the purpose of suppressing forest, brush or grass fires with the understanding that the payment of such service shall be made at rates to be determined by the Secretary, which rates shall not be less than the rates of pay prevailing in the vicinity for services of similar character; provided that no payment shall be made for services rendered in the suppression of fires for which the Permittee, its employees, contractors or subcontractors or the employees of such contractors or subcontractors are responsible.
- (4) Not to burn rubbish, trash, or other inflammable materials except with the consent of the Secretary, and not to use explosives in such a manner as to scatter inflammable materials on the surface of the land, nor to damage improvements in the area, except as authorized to do so by such representative.

j. LIQUOR - The Permittee agrees that it will not use or permit to be used any part of the premises for any unlawful conduct or purpose whatsoever; that it will not use or permit to be used any part of the premises for the manufacture, sale, gift, transportation, drinking or storage of intoxicating liquors or beverages in violation of existing laws relating thereto, and that any violation of this clause by the Permittee or with its knowledge, renders this permit voidable at the option of the Superintendent.

k. INSPECTION, NOTICE OF NONCOMPLIANCE, REVOCATION - The Permittee agrees that:

- (1) The Permitter, the Mining Supervisor, and the Superintendent shall have the right to enter upon the lands under this permit, at any reasonable time, for the purpose of inspection or investigation to determine whether the terms and conditions of the permit and the requirements of the exploration plan have been complied with.
- (2) If the Superintendent or the Mining Supervisor determine that the Permittee has failed to comply with the terms and conditions of the permit, or with the requirements of the exploration plan, or with the provisions of applicable regulations, the Superintendent shall serve a notice of noncompliance upon the Permittee by delivery in person to him or his agent or by certified or registered mail addressed to the Permittee at his last known address.
- (3) A notice of noncompliance shall specify in what respect the Permittee has failed to comply with the terms and conditions of the permit or the requirements of the exploration plan, or the provisions of applicable regulations, and shall specify the action which must be taken to correct the noncompliance and the time limits within which such action must be taken.
- (4) Failure of the Permittee to take action in accordance with the notice of noncompliance shall be grounds for suspension by the Superintendent or the Mining Supervisor of operations or for the initiation of action for the cancellation of the permit and forfeiture of the surety bond required under Subarticle s. of this Section 2.

1. ROADS - The Permittee may use existing roads, if any, on the land and may construct, and maintain, at its own expense, any additional roads across Permittee's land that are necessary in carrying on the prospecting and exploration work after the location of these roads has been approved in writing by the Superintendent. The public obtains no rights to these roads, and upon termination of this permit, or if at any time it becomes unnecessary for Permittee to use the roads for conducting the operations authorized under this permit, the right to use the roads shall thereupon cease and all the rights shall revert in Permitter in accordance with law. The Permittee shall hold the Permitter and the United States harmless and indemnify them against any loss or damage that might result from the negligent construction or maintenance by Permittee of the roads.

In addition to the agreements set forth hereinbefore, the Permittee shall have the right to use or cross all roads so constructed or improved and maintained by Permittee and may grant licenses to third parties for the use of such roads providing third parties first compensate the Permittee for the prorata share of the cost of construction and maintenance of such roads. If the Permittee and the third party licensee are unable to agree on the amount of construction and maintenance costs to be paid or compensated for by the licensee, the Secretary shall determine such amounts upon the request of either Permittee or licensee.

m. WATER WELLS - The Permittee may, at its own expense, drill and equip water wells on the land and agrees at the termination of this permit, by expiration of its term or otherwise, that all wells shall be left intact and properly cased. Permittee may remove all mechanical pumping equipment installed by Permittee at any wells. If any wells are developed by Permittee which disrupt any existing water well on the reservation, Permittee shall take whatever action is necessary to eliminate such disruption.

n. INDIAN LABOR - The Permittee shall employ Indians, giving priority to members of the Gila River Indian Community, in all positions for which they are qualified and available and shall pay the prevailing wage rates for similar services in the area. The Permittee shall do everything practicable to employ qualified Indians, giving priority to members of the Gila River Indian Community, and its equipment in all hauling of materials under this permit, insofar as Permittee does not use its own equipment for that purpose. Permittee agrees to make special efforts to work Indians, giving priority to the members of the Gila River Indian Community, into skilled technical, and other higher jobs in connection with the Permittee's operations under this permit.

o. SURRENDER AND TERMINATION - The Permittee may in writing surrender this permit at any time upon the performance of all the Permittee's obligations hereunder upon the payment of Five Dollars (\$5.00) and upon a showing satisfactory to the Permitter and the Secretary that full provision has been made for the conservation and protection of the property. If this permit has been recorded, Permittee shall file a recorded release with its application for surrender.

p. REPORTS - Within thirty (30) days after the end of each calendar year, or if operations cease before the end of a calendar year, within thirty (30) days after the cessation of operations, the Permittee shall submit to the Superintendent, the Permitter and the Supervisor, a report containing the following information:

- (1) An identification of the permit and the location of the operation.

- (2) A description of the operations performed during the period of time for which the report is filed.
- (3) An identification of the area of land affected by the operations and a description of the manner in which the land has been affected.
- (4) A statement as to the number of acres disturbed by the operations and the number of acres which were reclaimed during the period of time.
- (5) A description of the method utilized for reclamation and the results thereof.
- (6) A statement and description of reclamation work remaining to be done.

Upon completion of such grading and backfilling as may be required by the approved exploration plan the Permittee shall make a report thereon to the Permitter, the Superintendent, and the Supervisor and request inspection for approval. Whenever it is determined by such inspection that backfilling and grading have been carried out in accordance with the established requirements and the approved exploration plan, the Superintendent shall issue a release of an appropriate amount of the performance bond for the area graded and backfilled. Appropriate amount of the bond shall be retained to assure that satisfactory planting, if required, is carried out.

Whenever planting is required by the approved exploration plan the Permittee shall file a report with the Permitter and the Superintendent as such planting is completed. The report shall --

- (i) Identify the permit;
- (ii) Show the type of planting or seeding, including mixtures and amounts;
- (iii) Show the date of planting or seeding;
- (iv) Identify or describe the areas of the lands which have been planted;
- (v) Contain such other information as may be relevant.

The Superintendent and the Permitter, as soon as possible after the completion of the first full growing season, shall make an inspection and evaluation of the vegetative cover and planting to determine if a satisfactory growth has been established.

If it is determined that a satisfactory vegetative cover has been established and is likely to continue to grow, any remaining portion of the surety bond may be released if all requirements have been met by the Permittee.

Not less than thirty (30) days prior to cessation or abandonment of operations, the Permittee shall report to the Supervisor its intention to cease or abandon operations, together with a statement of the exact number of acres of land affected by its operations, the extent of reclamation accomplished and other relevant information.

Upon receipt of such report an inspection shall be made to determine whether operations have been carried out in accordance with the approved exploration plan.

In addition to the reports hereinabove required, the Permittee shall within thirty (30) days after the termination of the permit furnish the Superintendent, the Permitter, and the Supervisor detailed and complete written reports of the prospecting done and all information concerning the nature and value of the minerals, including, but not limited to, aerial photographs, geological and geophysical maps, drill cores, logs, assays, charts, or sections prepared on which the detailed and complete written reports are based.

q. REGULATIONS - The Permittee agrees to comply with all the laws and regulations applicable to minerals on Indian lands, including regulations 25 CFR 171, 30 CFR 231, and 25 CFR 177.

r. BOND - Before this permit becomes effective, Permittee shall furnish to the Superintendent and Permitter an acceptable bond in the amount of FIFTEEN THOUSAND DOLLARS (\$15,000), which shall be for the purpose of guaranteeing the prospecting and exploration work to be performed on the premises under the terms and conditions of the permit.

In addition to said bond, Permittee shall submit a corporate surety bond in an appropriate amount to be determined by the Secretary, but in no event less than TWO THOUSAND DOLLARS (\$2,000), separate and apart from the said Fifteen Thousand Dollar bond, pursuant to 25 CFR 177.8.

s. CANCELLATION AND FORFEITURE - When, in the opinion of the Secretary, there has been a violation of any of the terms or conditions of this permit, the Secretary has the right at any time after thirty (30) days' notice to the Permittee specifying the terms and conditions violated, and after a hearing, if the Permittee shall so request, within thirty (30) days of receipt of notice, to declare this permit void, and the Permitter may then take immediate possession of the lands; provided, Permittee does not cure its default within said thirty (30) days or, if Permittee requests a hearing and does not cure its default within twenty (20) days after the final decision resulting from said hearing. The remedies specified hereunder are in additions to the remedies specifically provided in 25 CFR 171.22 and 171.24

t. APPEALS - If the Permittee is aggrieved by a decision or order of the Supervisor or the Superintendent, it may appeal such decision or order. An appeal from a decision or order of the Superintendent shall be made pursuant to 25 CFR Part 2. An appeal from a decision or order of the Supervisor shall be made pursuant to 30 CFR Parts 211 and 231.

u. ASSIGNMENT OF PERMIT - The Permittee agrees not to assign this permit or any interest therein by an operating agreement or otherwise, nor to sublet any portion of the permitted premises except with the approval of the Secretary and the Permitter.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names and affixed their seals on the day and year first above mentioned.

ATTEST:

PERMITTER: GILA RIVER INDIAN COMMUNITY

\_\_\_\_\_  
Secretary, GILA RIVER INDIAN  
COMMUNITY COUNCIL

By: \_\_\_\_\_  
GOVERNOR

ATTEST:

PERMITTEE: \_\_\_\_\_

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, BY:

\_\_\_\_\_  
Superintendent, Pima Agency  
Bureau of Indian Affairs, pursuant to  
authority delegated by the Secretary of  
the Interior in 230 DM 1 (39 F.R. 32166)  
and redelegated by the Commissioner of  
Indian Affairs in 10 BIAM 3; and Phoenix  
Area Redelegation Order 3 (34 F.R. 11108).





UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
Pima Indian Agency  
Sacaton, Arizona 85247

RECEIVED  
GEOEX

Cable: GEOEX



REC'D

JUN 4 1975

REC'D

BOX 5964 TUCSON, ARIZONA 85703

Phone: (AREA 602) 623-8578

Lease No. \_\_\_\_\_  
Contract No. \_\_\_\_\_

MINING LEASE-INDIAN LANDS  
(For Minerals Other Than Oil and Gas)  
Gila River Indian Reservation

This indenture of lease made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between THE GILA RIVER INDIAN COMMUNITY whose address is Box 97, Sacaton, Arizona 85247, hereinafter called "LESSOR," and \_\_\_\_\_, whose address is \_\_\_\_\_, hereinafter called "LESSEE."

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties do hereby agree as follows:

1. LESSOR, in consideration of \$1.00, receipt of which is hereby acknowledged, of the rent and royalty to be paid and of the agreements contained in this lease made by LESSEE, grants and leases unto LESSEE for the sole purposes of exploring for, developing, mining, producing, processing and marketing minerals, as follows: All minerals, excluding oil, gas and other hydrocarbons, sand, gravel and building stone. The term "all minerals" as used in this lease does not include geothermal resources.

2. The description of the leased premises is as follows:

Containing \_\_\_\_\_ acres, more or less, and subject to prior valid existing claims, rights, title and interests.

(a) Permissible Uses of Leased Premises:

LESSEE may occupy as much of the surface of the land as is necessary to carry on the work of exploring for, developing, mining, producing, processing, marketing, and removing said minerals, including milling and storing, subject to payments to be made as hereinafter set forth. Sub-

ject to the limitations hereinafter provided, LESSEE shall have the right and license in connection with the operation of mining on the lands to construct thereon buildings, pipelines, plants, tanks and other structures used or useful in the production, processing, and transportation of said minerals; make excavations, openings, stockpiles, dumps, ditches, drains, roads, railroads, spur tracks, transmission lines, and other improvements used or useful in said production, processing and transportation; erect and operate power lines; place machinery and other equipment and fixtures upon the lands; prepare for market, remove, process, and sell minerals; do all other things upon said leased premises that may be necessary in the efficient operation of the leased premises for the purposes permitted hereunder; and occupy so much of the surface of the leased premises as may be necessary to carry on the mining operations hereunder, including the right of ingress and egress.

(b) Survey of Leased Premises:

Within one hundred eighty (180) days of the approval of this lease, LESSEE at its own expense shall have the leased premises surveyed by a registered surveyor, the boundaries posted with substantial monuments and a tie established with the nearest United States Public Survey marker. A plat map of the leased premises shall be furnished the Superintendent of the Pima Indian Agency, Sacaton, Arizona 85247, in quadruplicate and two additional copies furnished the Lessor.

3. DEFINITIONS

(a) "Superintendent" refers to the Superintendent of the Pima Indian Agency, Sacaton, Arizona 85247, who has jurisdiction over the lands leased.

(b) "Supervisor" refers to the District Mining Supervisor, U.S. Geological Survey, Room 208, 522 North Central Avenue, Phoenix, Arizona 85004, who is authorized and empowered to supervise and direct operations under mining leases upon the lands leased, to furnish scientific and technical information and advice, and to ascertain and record the amount and value of production, and to determine and record rentals and royalties due and paid.

(c) "Secretary" refers to the Secretary of Interior, or his authorized representative.

4. TERM

Subject to the other provisions herein contained, this lease is for a term of ten (10) years from the date of its approval and as long thereafter as the minerals specified are produced in paying quantities.

5. ROYALTY

(a) MINIMUM ROYALTY Lessee agrees to pay or cause to be paid to the Superintendent, Pima Agency, Sacaton, Arizona, for the use and benefit of the Lessor, at the beginning of the second year of this lease, an advance

minimum royalty of ten dollars (\$10) for each acre under this lease; Provided all such advance royalties paid shall be credited against production royalties only in the year for which they are paid. If the lease is surrendered or canceled, the advance minimum royalty accruing to the Lessor will not be refunded.

(b) PRODUCTION ROYALTY LESSEE agrees to pay, or cause to be paid, to the Superintendent, for the use and benefit of LESSOR, a royalty, calculated on a monthly weighted average on the basis of dry short tons of ore mined and delivered to a treatment plant. All production royalty accruing for any month shall be due and payable before the twenty-fifth (25th) day of the following month.

(i) For gold, silver, copper, lead, zinc, molybdenum

For gold, silver, copper, lead, zinc, and molybdenum the royalty will be computed from the net smelter return. Net smelter return (abbreviated as NR) shall mean the net proceeds, including all subsidies and mine production bonuses (after subtracting freight, hauling, smelter treatment, smelter deduction, and all other such charges away from lessee's plant) received or receivable for the ore mined, for concentrates, and for mill products produced by lessee from the premises when sold to a bona fide purchaser; but should such ores, concentrates or mill products be retained by the lessee, the charges above-mentioned shall not exceed those of custom mills or smelters for comparable services.

(ii) The following graduated royalty rates shall apply on NR for ore with net value per short ton of:

5%		\$ 3.00 or less
6%	more than \$ 3.00	to \$ 3.25
7%	" 3.25	" 3.50
8%	" 3.50	" 3.75
9%	" 3.75	" 4.00
10%	" 4.00	" 7.00
11%	" 7.00	" 10.00
12%	" 10.00	" 11.00
13%	" 11.00	" 12.00
14%	" 12.00	" 13.00
15%	" 13.00	" 14.00
16%	" 14.00	" 15.00
17%	" 15.00	" 16.00
18%	" 16.00	" 17.00
19%	" 17.00	" 18.00
20%	" 18.00	" 19.00
21%	" 19.00	" 20.00
22%	" 20.00	" 21.00
23%	" 21.00	" 22.00
24%	" 22.00	" 23.00
25%	" 23.00	" 26.00

26%	"	26.00	"	29.00
27%	"	29.00	"	32.00
28%	"	32.00	"	35.00
29%	"	35.00	"	38.00
30%	"	38.00	"	41.00
31%	"	41.00	"	44.00
32%	"	44.00	"	47.00
33%	"	47.00	"	50.00
34%	"	50.00	"	53.00
35%	"	53.00	"	56.00
36%	"	56.00	"	59.00
37%	"	59.00	"	62.00
38%	"	62.00	"	65.00
39%	"	65.00	"	68.00
40%	"	68.00	"	71.00
41%	"	71.00	"	74.00
42%	"	74.00	"	77.00
43%	"	77.00	"	80.00
44%	"	80.00	"	83.00
45%	"	83.00	"	86.00
46%	"	86.00	"	89.00
47%	"	89.00	"	92.00
48%	"	92.00	"	95.00
49%	"	95.00	"	100.00
50%	"	100.00	"	AND UP

(c) LEACHING Lessee agrees to pay a twelve percent (12%) royalty of net smelter return on amounts realized on all sales of minerals recovered by leaching ores and other minerals in place on the leased property or by leaching such materials after they have been mined or extracted from the leased property, or by leaching the waste material resulting from the leased property.

(d) FOR ALL OTHER MINERALS For all other minerals, the royalty provisions shall be negotiated between the Lessor and Lessee and approved by the Secretary following discovery of said minerals in commercial quantities and prior to the production or sale thereof.

(e) ADJUSTMENT OF ROYALTY Royalty rates will be subject to reasonable adjustment by the Secretary at the end of the first five (5) year period and each successive five (5) year period thereafter based on market conditions as supported by evidence from the field.

#### 6. ANNUAL RENTAL

LESSEE agrees to pay, or cause to be paid, to the Superintendent for the use and benefit of LESSOR, in advance, beginning with the date of approval of the lease, as annual rental, the sum of One Dollar (\$1.00) per acre for

the first lease year, and One Dollar (\$1.00) per acre per year, in advance of each anniversary date of the lease, for each and every year thereafter during the continuance of the lease. The rent is not to be credited on the royalties accruing to LESSOR under this lease. If the lease is surrendered or cancelled, no rent accruing to LESSOR will be refunded.

#### 7. GENERAL REQUIREMENTS FOR THE PROTECTION OF NONMINERAL RESOURCES

(a) This lease is subject to the requirements of LESSOR, the Superintendent and the Supervisor which will minimize surface damage, avoid the pollution or contamination of surface and subsurface waters and prevent air pollution and rockslides. Such requirements may provide that: (1) LESSEE will furnish information concerning the location and manner of construction of any roads that may be necessary for access by LESSEE, as well as the measures it will take to avoid or control soil erosion and rockslides, the cost of which will be borne solely by it. (2) LESSEE shall agree to terrace and landscape waste disposal areas at its own cost and expense subject to the acceptance and satisfaction of LESSOR and the Superintendent. The landscaping shall include, but is not limited to, the planting of grasses, shrubs and other vegetation which will partially screen the area from view and control water and wind erosion. The surface of the dump shall be left reasonably flat and tailings will be covered with soil to a depth that will permit the early establishment and propagation of vegetation upon completion of the use of the leased premises or the said waste or tailings dump or deposits. LESSEE shall submit to LESSOR, the Superintendent and the Supervisor plans for the seeding or planting of such areas prior to abandonment. (3) Gates and cattle-guards will be constructed in fences through which an access road passes. Gates will be kept closed at all times except when actually passing through the gated opening. (4) Any valuable subsurface water encountered in mining will be kept open and the right to use the water is reserved to the LESSOR unless such water endangers or threatens to endanger the mining operation in which event LESSEE may request permission from LESSOR and the Superintendent to seal off or otherwise halt the flow of water. Such permission to restrict or halt the flow of water so encountered will not be unreasonably withheld. LESSOR and the Superintendent will be advised promptly of any subsurface water encountered.

#### 8. EXTRALATERAL RIGHTS

For the purpose of computing royalties under this lease, patented or unpatented mining claims shall not be considered as having extralateral rights extending on the dip into lands under this lease; the vertical boundaries of the properties of the respective parties shall govern.

#### 9. COMMINGLED ORES

LESSEE shall have the right to commingle ores mined under this lease, hereinafter called "lease ores," with other ores. The lease ores, before any commingling, will be weighed or measured and sampled for moisture and metal

content in accordance with sound mining and metallurgical practices by LESSEE and a representative sample of ores, concentrates or cement copper shipped shall be furnished to LESSOR. Assays of these ores will be made before commingling to determine metal content. Detailed records will be kept by LESSEE showing weights, moisture, assays of metal content and gross metal content of lease ores for the purpose of computing the net smelter return.

#### 10. CAMPSITES

LESSEE agrees to pay to the Superintendent for the use and benefit of LESSOR, THREE HUNDRED DOLLARS (\$300.00) per acre for all land used for campsite purposes within the leased premises, it being understood that the payment of \$300 per acre is in addition to all other payments made under this lease and is a sum which shall be charged only once for campsite acreage. The campsite selected shall be the minimum acreage necessary for operation of the mill and shall not include a complete housing and community development for LESSEE'S employees.

#### 11. EXCAVATION, WASTE AND CONSTRUCTION AREAS

It is further agreed that in addition to all payments of bonuses, royalties and rentals heretofore set forth LESSEE shall pay to the Superintendent for the use and benefit of LESSOR, THREE HUNDRED DOLLARS (\$300.00) per acre for each acre and a proportionate amount for each part of an acre within the leased premises used for permanent construction or dumping of waste materials. The rights contained herein do not include the right to dump waste material or tailings from properties not included in this lease. This amount shall become due and payable at the end of the lease year in which the use of the acreage commences and shall be payable one time only. Before any such use commences, LESSEE shall furnish to LESSOR reasonable evidence that no commercial ores are beneath the surface of the land or that because of the depth of any commercial ore body, such surface use of the land will not interfere with mining such ore body.

#### 12. OWNERSHIP OF WASTE MATERIAL

LESSEE may remove to other lands overburden and waste materials extracted from the leased premises or waste materials which are residual waste products of processed ores from the leased premises; provided, if minerals are removed from such materials by LESSEE, LESSEE shall pay LESSOR royalty as provided under the provisions of this lease. Upon cancellation, termination, or expiration of this lease, LESSEE will have no obligation to remove alluvium and waste materials from the leased premises and they will become the property of LESSOR.

### 13. MINING PLAN

LESSEE agrees that:

(a) Pursuant to 25 CFR 177, before mining operations may commence under this lease, LESSEE shall file a mining plan with LESSOR, the Superintendent, and the Supervisor and obtain their approval of the plan. Depending upon the size and nature of the operation and the requirements established pursuant to Article 7 hereof, LESSOR, the Superintendent and the Supervisor may require the mining plan submitted by LESSEE to include any or all of the following:

(1) A description of the location and area to be affected by the operations;

(2) Two copies of a suitable map, or aerial photograph showing the topography, the area covered by the lease, the name and location of major topographic and cultural features, and the drainage plan away from the area affected;

(3) A statement of proposed methods of operating, including a description of proposed roads or vehicular trails; the size and location of structure and facilities to be built;

(4) An estimate of the quantity of water to be used and pollutants that are expected to enter any receiving waters;

(5) A design for the necessary impoundment, treatment or control of all runoff water and drainage from workings so as to reduce soil erosion and sedimentation and to prevent the pollution of receiving water;

(6) A description of measures to be taken to prevent or control fire, soil erosion, pollution of surface and ground water, damage to fish and wildlife, and hazards to public health and safety; and

(7) A statement of the proposed manner and time of performance of work to reclaim areas disturbed by LESSEE'S operation.

(b) If the approved mining plan requires the revegetation of an area of land to be affected, the plan shall show:

(1) Proposed methods of preparation and fertilizing the soil prior to replanting;

(2) Types and mixtures of shrubs, trees, or tree seedlings, grasses or legumes to be planted; and

(3) Types and methods of planting, including the amount of grasses or legumes per acre, or the number and spacing of trees, or tree seedlings, or combination of grasses and trees.

(c) In those instances in which the mining plan requires regrading and backfilling, the mining plan shall show the proposed methods and the timing of grading and backfilling of areas of land to be affected by the operation.

(d) LESSOR, the Superintendent, and the Supervisor shall review the mining plan submitted to them by LESSEE and shall indicate to LESSEE any changes, additions, or amendments necessary to meet the requirements formulated pursuant to Article 7 hereof, and the other terms of the lease. LESSEE shall comply with the provisions of the approved mining plan.

(e) The mining plan may be changed by mutual consent of LESSOR, the Superintendent, and the Supervisor and LESSEE at any time to adjust to changed conditions or to correct any oversight. To obtain approval of a change or supplemental plan, LESSEE shall submit a written statement of the proposed changes or supplement and the justification for the changes proposed. LESSOR, the Superintendent and the Supervisor shall notify LESSEE that they consent to the proposed changes or supplement, or in the event they do not consent they shall specify the modifications thereto under which the proposed changes or supplement would be acceptable. After mutual acceptance of a change of a plan, LESSEE shall not depart therefrom without further approval.

(f) If circumstances warrant or if development of a mining plan for the entire operation is dependent upon unknown factors which cannot or will not be determined except during the progress of the operations, a partial plan may be approved and supplemented from time to time. LESSEE shall not, however, perform any operation except under an approved plan.

#### 14. GOVERNMENT RESERVES RIGHT TO BUY MINERALS PRODUCED

In time of war or other public emergency all of the executive departments of the United States Government shall have the option to purchase at the posted market price on the day of sale all or any part of the substance or substances produced under this lease.

#### 15. DILIGENCE, PREVENTION OF WASTE

LESSEE agrees to exercise diligence in the conduct of prospecting and mining operations, to carry on development and operations in a workmanlike manner and to the fullest possible extent; to neither commit waste upon the leased premises nor suffer waste to be committed upon the portion in its occupancy or use; to comply with the applicable laws of the State in which the land is located; to take appropriate steps to preserve the property and provide for the health and safety of workmen; to surrender and return promptly

the premises upon the termination of this lease to whoever is lawfully entitled thereto, in as good condition as received, except for the ordinary wear and tear and depletion incident to underground and/or strip mining, and unavoidable accidents in their proper use of the premises; not to remove any building or permanent improvement erected on the leased property during the lease. If the payments agreed upon by this lease have been made and the other lease terms and applicable regulations have been complied with, the office fixtures and records, personal property, tools, pumping, and drilling outfits, boilers, engines, and mining machinery may be removed by LESSEE at any time before one hundred eighty (180) days after the lease expires by forfeiture or otherwise.

#### 16. PROTECTION OF TREES AND OTHER VEGETATION

LESSEE agrees:

(a) Not to cut, destroy or damage trees or other vegetation without prior authority of the Secretary, such authorization to be made only where required by the pursuance of necessary mining operations.

(b) To pay for all such trees or other vegetation cut, destroyed or damaged by LESSEE at rates prescribed by the Secretary, such rates to be determined on the basis of sales of similar trees or vegetation in the vicinity.

(c) Not to interfere with the sale or removal of trees or other vegetation from the land covered by this lease by contractors operating under an approved sales contract now in effect or which may be entered into during the period of this lease.

(d) To do all in its power to prevent and suppress forest, brush or grass fires on the leased premises and in its vicinity, and to require its employees, contractors, subcontractors, and employees of contractors or subcontractors to do likewise. To place its employees, its contractors or subcontractors, and the employees of such contractors or subcontractors employed on the leased premises at the disposal of any authorized officer of the Indian Service for the purpose of suppressing forest, brush or grass fires with the understanding that the payment for such services shall be made at rates to be determined by the Secretary, which rates shall not be less than the rates of pay prevailing in the vicinity for services of similar character: Provided, that no payment shall be made for services rendered in the suppression of fires for which LESSEE, its employees, contractors or subcontractors, or the employees of such contractors or subcontractors are responsible.

(e) To pay for the loss of all trees or other vegetation occasioned by fires for which it, or any of its employees, its contractors, subcontractors, or the employees of such contractors are responsible for the start or

spread, the assessment of the value of such damages to be determined by the Secretary on the basis of the value of such trees or other vegetation on sales of similar trees or other vegetation in the vicinity. Also, to pay all costs for the suppression of fires for which it, or any of its employees, contractors or subcontractors, or the employees of such contractors or subcontractors are responsible.

(f) Not to burn rubbish, trash, or other inflammable materials except with the consent of the Secretary, and not to use explosives in such manner as to scatter inflammable materials on the surface of the land during the fire season, except as authorized to do so by such representative.

## 17. DEVELOPMENT

The rights granted under this lease shall not be held by LESSEE for speculative purposes. LESSEE agrees it will not treat any mineral deposits located in or on the leased lands as a reserve to be held for some future exploitation but will bring into production, in an orderly manner and consistent with sound business practice, any commercially profitable ore body as it shall be discovered. If LESSEE fails to diligently develop or produce minerals, except when such development or production is interrupted by a strike, an act of God, or casualty, not attributable to LESSEE, this lease will be subject to cancellation.

LESSEE agrees to expend on or for the benefit of the leased premises in actual exploration, development, mining and processing operations and improvements, at least THIRTY DOLLARS (\$30.00) per acre during the first lease year for each acre included under this lease; at least FORTY DOLLARS (\$40.00) per acre during the second lease year for each acre under this lease; at least FIFTY DOLLARS (\$50.00) per acre during the third lease year for each acre under this lease; and commencing with the fourth lease year and each lease year thereafter, to expend at least ONE HUNDRED DOLLARS (\$100.00) per acre for such purposes for each acre included under this lease except during any lease year of this lease when prevented by a strike, an act of God, or casualty not attributable to LESSEE or whenever, during the primary term of this lease, the Secretary considers the marketing facilities inadequate or the economic conditions unsatisfactory and, after obtaining the consent of LESSOR, authorizes the suspension of operations for such time as he considers advisable, but this does not release LESSEE from paying the advance annual rental or the minimum royalty. Capital expenditures on or for the benefit of the leased premises, except those made for vehicles, tractors, shovels, scrapers, and drilling rigs, shall be included as minimum expenditures under this Section. With respect to vehicles, tractors, shovels, scrapers, and drilling rigs used on or for the benefit of the leased premises, LESSEE shall be entitled to charge the reasonable rental of such equipment as a minimum expenditure under this Section. Expenditures during any lease year in excess of the amount required for said lease year under this Section shall not be applied as a credit against the obligation for development expenditures under this Section for the next or succeeding years. Within forty-five (45) days following each lease year, LESSEE shall file in duplicate with the Superintendent, and one copy with LESSOR, an itemized statement of the amount and character of the expenditures during the leased year. The statement must be certified under oath by LESSEE or its Agent. Payment of minimum royalty will not excuse complying with the provisions of this Section.

The expenditures for actual exploration, development, mining and processing operations and improvements required by this article shall not necessarily satisfy the requirements for diligence under this article or article 15.

#### 18. MONTHLY STATEMENTS

LESSEE agrees to keep an accurate record of the mining operations, showing the sale, prices, dates, purchasers, and the amount of minerals mined, the amount of minerals removed, and the gross receipts, and furnish the Superintendent sworn monthly reports before the twenty-fifth (25th) of the succeeding month. All royalty and advance rental due shall be a lien on all implements, tools, movable machinery, and all other chattels used in the operation and upon all of the unsold minerals obtained under the lease. An audit of the accounts and books of LESSEE pertaining to operations under this lease shall be made annually or at any other time directed by the Superintendent by a certified public accountant approved by the Secretary, and at the expense of LESSEE. LESSEE shall furnish, through the Superintendent, a free copy of the audit to the Secretary within thirty (30) days after the completion of each audit and annually a copy of its audited annual report.

LESSEE specifically agrees to furnish montly statements in accordance with provisions of 25 CFR 171.18, 25 CFR 177, 30 CFR 231.26, 231.27, and 231.28. Whenever reports and other data are required to be furnished under the terms of this lease or the above cited regulations, copies of said reports and data will also be furnished to the Superintendent, in duplicate, and a single copy to the LESSOR.

#### 19. REPORTS

LESSEE agrees that:

(a) Within thirty (30) days after the end of each calendar year, or if operations cease before the end of a calendar year, within thirty (30) days after the cessation of operations, LESSEE shall submit an operations report to LESSOR, the Superintendent and the Supervisor containing the following information:

(1) An identification of the lease and the location of the operation.

(2) A description of the operations performed during the period to time for which the report is filed.

(3) An identification of the area of land affected by the operations and a description of the manner in which the land has been affected.

(4) A statement as to the number of acres disturbed by the operations and the number of acres which were reclaimed during the period of time.

(5) A description of the method utilized for reclamation and the result thereof.

(6) A statement and description of reclamation work remaining to be done.

(b) Upon completion of such grading and backfilling as may be required by the approved mining plan, LESSEE shall make a report thereon to LESSOR, the Superintendent and the Supervisor and request inspection for approval. Whenever it is determined by such inspection that backfilling and grading have been carried out in accordance with the established requirements and approved mining plan, the Superintendent shall issue a release of an appropriate amount of the performance bond for the area graded and backfilled. Appropriate amounts of the bond shall be retained to assure that satisfactory planting, if required, is carried out.

(c) Whenever planting is required by the approved mining plan, LESSEE shall file a report with the Superintendent whenever such planting is completed. The report shall:

- (i) Identify the lease;
- (ii) Show the type of planting or seeding, including mixtures and amounts;
- (iii) Show the date of planting or seeding;
- (iv) Identify or describe the areas of the lands which have been planted;
- (v) Contain such other information as may be relevant.

(1) The Superintendent, as soon as possible after the completion of the first full growing season, shall make an inspection and evaluation of the vegetative cover and planting to determine if a satisfactory growth has been established.

(2) If it is determined that a satisfactory vegetative cover has been established and is likely to continue to grow any remaining portion of the surety bond may be released if all requirements have been met by LESSEE.

(d) Not less than thirty (30) days prior to cessation or abandonment of operations, LESSEE shall report to LESSOR, the Superintendent and

the Supervisor its intention to cease or abandon operations, together with a statement of the exact number of acres of lands affected by its operations, the extent of reclamation accomplished and other relevant information.

(e) Upon receipt of such report an inspection shall be made to determine whether operations have been carried out in accordance with the approved mining plan.

(f) In addition to the above requirements, LESSEE shall within thirty (30) days after the termination of the lease furnish the Superintendent, the LESSOR and the Supervisor detailed and complete written reports of the prospecting done and all information concerning the nature and value of the minerals, including but not limited to aerial photographs, geological and geophysical maps, drill cores, logs, assays, charts, or sections prepared on which the detailed and complete written reports are based.

## 20. REGULATIONS

LESSEE agrees to abide by and conform to any and all lawful regulations of the Secretary now or hereafter in force relative to such leases including 25 CFR 171, 25 CFR 177 and 30 CFR 231. Rate of royalty, the annual rental, the amount of acreage covered hereby or the term of the lease may not be changed by a future regulation without the written consent of the parties of this lease.

## 21. ASSIGNMENT OF LEASE

LESSEE agrees not to assign this lease or any interest therein by an operating agreement or otherwise, nor to sublet any portion of the leased premises before restrictions are removed, except with the approval of the Secretary.

## 22. BOND

LESSEE agrees to:

(a) Furnish to the Superintendent and LESSOR an acceptable surety bond in the amount of FIFTEEN THOUSAND DOLLARS (\$15,000). The right is reserved to the Secretary to increase the amount of bond above the sum named.

(b) As specified in 25 CFR 177.8, in addition to the aforementioned bond, LESSEE shall post a separate and acceptable surety bond in such amount as is determined by the Superintendent to be sufficient to satisfy the reclamation requirements of the approved mining plan.

## 23. LIQUOR

LESSEE agrees that it will not use or permit to be used any part of said premises for any unlawful conduct or purpose whatsoever; that it will

not use or permit to be used any part of said premises for the manufacture, sale, gift, transportation, drinking, or storage of intoxicating liquors or beverages in violation of existing laws relating thereto, and that any violation of this clause by LESSEE or with its knowledge, shall render this lease voidable at the option of the Superintendent.

24. INSPECTION: NOTICE OF NONCOMPLIANCE: REVOCATION

LESSEE agrees that:

(a) LESSOR, Supervisor, and the Superintendent or their authorized representatives shall have the right to enter upon the lands under this lease, at any reasonable time, for the purpose of inspection or investigation to determine whether the terms and conditions of the lease and the requirements of the mining plan have been complied with.

(b) If LESSOR or the Supervisor determine that LESSEE has failed to comply with the terms and conditions of the lease, or with the requirements of the mining plan, or with the provisions of applicable regulations, the Superintendent shall serve a notice of noncompliance upon LESSEE by delivery in person to it or its agent or by certified or registered mail addressed to LESSEE at its last known address.

(c) A notice of noncompliance shall specify in what respect LESSEE has failed to comply with the terms and conditions of the lease or the requirements of the mining plan, or the provisions of applicable regulations, and shall specify the action which must be taken to correct the noncompliance and the time limits within which such action must be taken.

(d) Failure of LESSEE to take action in accordance with the notice of noncompliance shall be grounds for suspension by LESSOR and Supervisor of operations, or for the initiation of action for the cancellation of the lease and forfeiture of the surety bond required under Article 22 hereof.

25. DISPOSITION OF MINERALS AND SURFACE

(a) LESSOR expressly reserves the right to lease, sell, or otherwise dispose of the oil and gas and the surface of the lands in this lease under existing law or laws hereafter enacted, such disposition to be subject to the right of LESSEE to use as much of the surface as is necessary in the extraction and removal of the minerals from the leased premises.

There is further reserved to LESSOR, after consultation with LESSEE, the right to construct, use and maintain canals, pipelines and syphons on and across the leased premises for the purpose of irrigation projects, and to construct, use and maintain roads, power lines, pipelines and telephone lines on and across said lands; provided such use and facilities will not unreasonably interfere with LESSEE'S mining operations and rights under this lease.

## 26. RELINQUISHMENT OF SUPERVISION BY THE SECRETARY

Should the Secretary, at any time during the life of this instrument, relinquish supervision as to all or part of the acreage covered hereby, the relinquishment does not bind LESSEE until the Secretary has given thirty (30) days written notice. Until the requirements are fulfilled, LESSEE shall continue to make all payments due under Sections 5 and 6. After notice of relinquishment has been received by LESSEE, this lease is subject to the further condition that all rentals and royalties accruing shall be paid directly to LESSOR or its successors in title.

## 27. WATER WELLS

LESSEE may, at its own expense, drill and equip a sufficient number of water wells on the leased premises to provide the quantity of water essential to its operations. LESSEE shall not waste water and shall take necessary action to minimize water consumption and shall recycle water to the maximum degree practicable. In addition to all other payments to be made under this lease, LESSEE shall pay to the Superintendent for the use and benefit of the LESSOR, Twenty-Five Dollars (\$25.00) for each and every acre foot of water consumptively used by it. Payment for water consumed shall be made in the same manner as production royalties are paid under Section 5(b) of this lease and agrees that all wells will be left intact and properly cased at the termination of the lease by expiration of its term or otherwise. LESSEE shall have the right to remove all mechanical pumping equipment installed by it at any wells. If any wells are developed by LESSEE which disrupt any existing water wells on the reservation, PERMITTEE shall either deepen the existing well or make such other provisions as are necessary to insure that a supply of water remains intact.

## 28. DAMAGES

LESSEE shall conduct all operations authorized in this lease with due regard to preventing unnecessary damages to vegetation, timber, soil, roads, bridges, cattleguards, fences, and other improvements, including construction, operation, or maintenance of any of the facilities on or connected with this lease which causes damage to the watershed or pollution of the water resources. On termination of operations under this lease, LESSEE shall make provisions for the construction, repair, and protection of the property and leave all of the areas on which LESSEE has worked in a condition that will not be hazardous to life or limb, and will be to the satisfaction of the Superintendent.

## 29. LIABILITY FOR DAMAGE

LESSEE is liable for any and all damages resulting from its operations under this lease; including injury to LESSOR, the tenants, and surface

(b) LESSOR may hereafter grant to other persons, firms or corporations oil and gas leases, leases for other minerals not covered by this lease, non-mineral leases, licenses, oil and gas prospecting permits, or rights-of-way upon the leased premises; and oil and gas drilling and producing activities may be carried out concurrently with LESSEE'S mining operations; provided, however, that no oil rights or installations of any kind shall be situated so as to unduly interfere with LESSEE'S right to carry on its mining operations and related activities; and provided further, that no well may be drilled for oil or gas at any location which, in the opinion of the Supervisor, would result in undue waste of mineral deposits or constitute a hazard to or interfere with mining operations being conducted by LESSEE on the leased premises. The provisions of this Section 25 shall be included in any oil and gas lease, license, prospecting permit or right-of-way granted by LESSOR or Secretary on the leased premises.

(c) Notwithstanding any other provision of this lease, LESSOR and Secretary reserve the right without liability of any kind, except as provided in this lease, to grant to qualified applicants rights-of-way for pipelines for the transportation of oil, gas, helium or petroleum products, for power lines, telephone, telegraph and water lines incident to the operation of such pipelines, across the lands embraced in this lease, upon the condition that prior to the granting of any such right-of-way, the applicant therefor, as a condition precedent to such grant, shall file with the Secretary the following express undertakings in writing for the express benefit of LESSEE:

(1) That applicant will either bury the pipeline to a sufficient depth or, at a place to be designated by LESSEE, construct and maintain, at applicant's expense, a ramp, so that loaded vehicles, including LESSEE'S heavy mining equipment, may pass unhindered over said pipeline. Whenever said pipeline is relocated pursuant to subparagraph (2) of this subsection (c) of this Section 25, applicant will either bury the relocated pipe or promptly construct and maintain, at its own expense, a suitable ramp in a new place designated by LESSEE. LESSEE shall not be responsible for damage to said pipeline caused by such vehicles and equipment so crossing said pipeline.

(2) That applicant will make adequate provisions in the construction of said pipeline, power transmission lines, telephone, telegraph or water lines so that, in the event it is determined by LESSEE that mining operations should be conducted within the area of the right-of-way or that a power or industrial plant or other building should be built in such area, the line can be expeditiously relocated so as not to interfere with LESSEE'S operations; and applicant shall make such relocation, including any necessary bridging, at its own expense, within six (6) months from receipt of notice

in writing from LESSEE requesting such relocation. If applicant fails to make such relocation within such six (6) months period, LESSEE may relocate the line without liability and at the expense of applicant.

(3) Applicant, will, at all times, keep, maintain and repair, at its own expense, the portion of the pipeline crossing the leased premises in good working order and repair and in such condition as not to injure, endanger or interfere with LESSEE or any person or property on or about the leased premises.

(4) That applicant will promptly pay any lawful taxes, charges, or assessments placed upon or levied against the pipeline or improvements or appurtenances in connection therewith; provided that applicant may contest the validity or amount of any such tax, charge or assessment and shall not be considered in violation of this stipulation until a reasonable time after final determination of such contest by a competent tribunal.

(5) That applicant will be responsible for any damage to or loss of property or injury to or death of any person directly or indirectly caused by the enjoyment of pipeline rights, and shall hold LESSEE harmless and indemnify it against any and all claims therefor; and shall further hold LESSEE harmless from and indemnify it against damage to or loss of property belonging to applicant or injury to or death of any person on or about the pipeline crossing on behalf of or at the invitation of applicant.

(6) That applicant shall specify in writing the address to which all notices and requests to be given or made by LESSEE may be mailed.

(d) LESSOR agrees that:

(1) No pipeline right-of-way granted across the leased premises shall exceed one hundred feet (100') in width. Rights-of-way for power lines and other purposes granted across the leased premises shall be of such width as will accommodate themselves to LESSEE'S permitted use of the leased premises.

(2) LESSEE shall be given timely written notice of any application for rights-of-way over the leased premises before the same are granted.

(3) An executed duplicate of the undertakings specified in subsection 1. above and a true copy of the grant of rights described therein shall be furnished LESSEE upon the granting of any application for rights over the leased premises.

owners, and for any and all damage to, or destruction of, all property, caused by LESSEE'S operations hereunder. LESSEE agrees to save and hold LESSOR and the United States, its employees, and the surface owner or their tenants harmless from all suits for injury or claims for damages to persons or property resulting from LESSEE'S operations under this lease.

### 30. ROADS

LESSEE may use existing roads, if any, on the land and, subject to Section 7 hereof, may construct, and maintain, at its own expense, any additional roads across LESSOR'S lands that are necessary in carrying on the actual mining, prospecting, and exploration work after the location of these roads has been approved in writing by the Superintendent. The public obtains no rights to these roads, and upon termination of this lease or if at any time it becomes unnecessary for LESSEE to use the road for conducting the operations authorized under this lease, the right to use the road shall thereupon cease and all the rights shall revert in LESSOR in accordance with law. LESSEE shall hold LESSOR and the United States harmless and indemnify them against any loss or damage that might result from the negligent construction or maintenance by LESSEE of the road.

In addition to the agreements set forth hereinbefore, LESSOR shall have the right to use or cross all roads so constructed or improved and maintained by LESSEE and may grant licenses to third parties for the use of such roads providing third parties first compensate LESSEE for the prorata share of the construction and maintenance of such roads. If LESSEE and the third party licensee are unable to agree on the amount of construction and maintenance costs to be paid or compensated for by the licensee, the Secretary shall determine such amounts upon the request of either LESSEE or licensee.

### 31. INDIAN LABOR

LESSEE shall employ Indians, giving priority to members of the Gila River Indian Community in all positions for which they are qualified and available and shall pay the prevailing wage rates for similar services in the area. LESSEE shall do everything practicable to employ qualified Indians, giving priority to members of the Gila River Indian Community, and their equipment in the hauling of all materials under this lease, insofar as LESSEE does not use its own equipment for that purpose. LESSEE agrees to make special efforts to work Indians, giving priority to members of the Gila River Indian Community, into skilled, technical, and other higher jobs in connection with LESSEE'S operations under this lease.

### 32. INSURANCE, SOCIAL SECURITY, TAXES, ETC.

LESSEE agrees to carry such insurance covering all persons working in, on, or in connection with the leased premises for LESSEE as will fully comply with the provisions of the statutes of the State of Arizona covering

workmen's compensation and occupational disease, as are now in force or as may be amended. Further, LESSEE agrees to comply with all the terms and provisions of all applicable laws of the State of Arizona, and of the United States of America as now exist or as may be amended, pertaining to Social Security, unemployment compensation, wages, hours, and conditions of labor; and to indemnify and hold the LESSOR and the United States harmless from payment of any damages occasioned by LESSEE'S failure to comply with these laws. LESSEE shall pay all taxes lawfully levied or assessed on the sale, severance, production, extraction, or removal of any of the minerals covered by this lease. Nothing in this Section 32, or elsewhere in this lease, shall be deemed a waiver of the Tribe's immunity from taxation.

### 33. SUCCESSORS IN INTEREST

It is further covenanted and agreed that each obligation under this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the successors and assigns of the parties to this lease.

### 34. GOVERNMENT EMPLOYEES CANNOT ACQUIRE LEASE

No lease, assignment thereof, or interest therein will be approved to any employee or employees of the United States Government whether connected with the Bureau of Indian Affairs or otherwise, and no employee of the Interior Department shall be permitted to acquire any interest in such leases by ownership of stock in corporations having leases or in any other manner.

### 35. SURRENDER AND TERMINATION

LESSEE may at any time terminate this lease or any part thereof upon the payment of all rentals, royalties, and other obligations due to LESSOR, and the further sum of TEN DOLLARS (\$10.00), and in the event restrictions have not been removed, upon a showing satisfactory to the Secretary that full provision has been made for the conservation and protection of the property, the lease to continue in full force and effect as to the lands not so surrendered. If this lease has been recorded, LESSEE shall file a recorded release with its application to the Superintendent for termination of this lease.

### 36. PENALTIES

Failure of LESSEE to comply with any provisions of the lease, of the operating regulations, of the regulations set forth in 25 CFR 171, order of the Superintendent or his representative, or of the order of the Supervisor or his representative, shall subject the lease to cancellation by the Secretary or the LESSEE to a penalty of not more than FIVE HUNDRED DOLLARS (\$500.00) a day for each and every day the terms of the lease, the regulations, or such

orders are violated; or to both such penalty and cancellation; provided, that LESSEE shall be entitled to notice and hearing, within thirty (30) days after such notice, with respect to the terms of the lease, regulations, or orders violated, which hearing shall be held by the Supervisor, whose findings shall be conclusive unless an appeal be taken to the Secretary within thirty (30) days after notice of the Supervisor's decision and the decision of the Secretary upon appeal, shall be conclusive.

#### 37. CANCELLATION AND FORFEITURE

When, in the opinion of the Secretary, there has been a violation of any of the terms or conditions of this lease before restrictions are removed, the Secretary has the right at any time after thirty (30) days' notice to LESSEE, specifying the terms and conditions violated, and after a hearing, if LESSEE shall so request within thirty (30) days of receipt of notice, to declare this lease void, and LESSOR may then take immediate possession of the lands. After restrictions are removed, LESSOR may use any available remedy in law or equity for breach of this contract by LESSEE. The remedies specified hereunder are in addition to the remedies specifically provided in 25 CFR § § 171.22 and 171.24.

#### 38. APPEALS

If LESSEE or LESSOR be aggrieved by a decision or order of the Supervisor or the Superintendent, it may appeal such decision or order. An appeal from a decision or order of the Superintendent shall be made pursuant to 25 CFR Part 2. An appeal from a decision or order of the Supervisor shall be made pursuant to 30 CFR Part 231.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names and affixed their seals on the day and year first above-mentioned.

ATTEST:

LESSOR: GILA RIVER INDIAN COMMUNITY

\_\_\_\_\_  
Secretary, Gila River Indian  
Community Council

By: \_\_\_\_\_  
GOVERNOR

ATTEST:

LESSEE: \_\_\_\_\_

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

APPROVED THIS \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

By:

\_\_\_\_\_





UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
Pima Indian Agency  
Sacaton, Arizona



NOTICE OF COMPETITIVE SALE OF EXCLUSIVE PROSPECTING PERMIT  
WITH OPTION TO LEASE ON GILA RIVER INDIAN RESERVATION.

SEALED BIDS will be received until 2:00 p.m. Mountain Standard Time, December 6, 1961 and opened at that time in the office of the Superintendent of the Pima Agency, Sacaton, Arizona, for a mineral prospecting permit on a tract of tribal land of the Gila River Indian Community totaling 3,840 acres, more or less. The permit grants an exclusive right to prospect for all minerals other than oil and gas, with an option to a lease or leases.

The land is described as follows:

Sections 1, 2, 3, 4, N $\frac{1}{2}$  11, N $\frac{1}{2}$  12, Township 4 South, Range 7 East, and Section 6, Township 4 South, Range 8 East, Gila and Salt River Base and Meridian, Pinal County, Arizona.

The sale will be conducted under regulations promulgated by the Secretary of the Interior, 25 CFR 171, and Act of May 11, 1938 (52 Stat. 347); 25 U.S.C. 396(a-g). The right is reserved to reject any and all bids and to disapprove any permit submitted on an accepted bid. Should any bid be rejected or permit disapproved through no fault of the bidder, all deposits shall be returned to the bidder. The bids will be subject to the approval of the Tribal Council.

A permit will be sold to the qualified bidder who offers the highest money bonus for the tract. Conditional and alternate bids will not be considered. Bids may be delivered in person to the office of the Superintendent, Pima Agency, Sacaton, Arizona, up to the specified time of opening. Telegraph bids will not be considered. Any bid received after the time specified will not be considered.

Each bid must be accompanied by a certified check, cashier's check, or Postal Money Order, payable to the BUREAU OF INDIAN AFFAIRS, for at least 25 per cent of the bonus bid. If a bid is made on behalf of a corporation, the bidding officer must furnish evidence of authority to sign the bid. Deposits from unsuccessful bidders will be returned. In the event two or more bids are in the same amount and such bids are the highest qualified bids, the bidders may be required to draw lots to determine the successful bidder. A bidder must furnish with his bid on Attachment No. 2, names and addresses of three persons or firms of whom inquiry can be made as to the character, mining experience, and financial standing of the bidder.

The successful bidder will be allowed 30 days from date of notification of award to complete and return to the Superintendent, Pima Agency, Sacaton, Arizona, a properly executed permit, and make payment of the remainder of bonus bid, filing fee in the amount of \$10.00. Upon written request the Superintendent may, in his discretion, extend the time, not to exceed sixty (60) days without written consent of the Community Council, for submitting the completed permit but no extension shall be granted for remitting the balance of moneys due.

A Permittee shall furnish a corporate surety bond, acceptable to the United States, in the amount of \$5,000.00.

The permit will grant an exclusive right for a period of two (2) years from the date of approval by the Secretary of the Interior or his authorized representative to prospect for all minerals except oil and gas. The Permittee may exercise his option at any time during this term to a lease or leases on the land embraced in the permit. A lease may not exceed 2,560 acres.

The Permittee shall spend annually for prospecting not less than one dollar (\$1) per acre.

Leases will be for ten (10) years and so long thereafter as minerals are produced in paying quantities. While any of the leased land is under Federal jurisdiction, the royalty provisions of the lease are subject to adjustment by the Secretary of the Interior or his authorized representative at the end of the first five (5) year period and each successive ten (10) year period thereafter, such adjustments being based upon market conditions as supported by evidence from the field. Annual rate of rental will be \$1 for each acre.

There are attached hereto, and by this reference made a part of this Notice of Sale, a copy of Mineral Prospecting Permit (Exclusive with option), Form 5-155(b) and Mining Lease Indian Lands (For Minerals other than Oil and Gas), Form 5-159 which shall be used for the execution of a permit or lease. The royalty rates set out in detail in the lease govern and are payable to the Superintendent. Exhibit "A" attached to lease Form 5-159 is by this reference made a part thereof.

Item 24 shall be added as a condition to lease Form 5-159 and become part of the lease, as follows: In the event any expense becomes necessary in the protection of the lessors' interests the lessee shall pay any and all expenses incurred.

The last sentence of Form 5-159, Item 13, ROADS, shall be deleted from the lease form.

At the expiration of each lease year, commencing with the third lease year, a minimum royalty of four dollars (\$4) per acre shall be paid, or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty, if the actual royalty paid is less than the minimum royalty.

In addition to the stipulated royalties and rental, the lessee shall pay twenty-five dollars (\$25) per acre for acreage used for open-pit mining, dumping of waste material, or construction. This amount shall be paid at the end of the lease year in which the use of the acreage commences. At the termination of the lease all dump or waste materials on the premises shall become the property of the Gila River Indian Community.

Although the exterior boundaries of the land sections being advertised have been located by a public land survey, or projections of unsurveyed section, should a more detailed survey be necessary for outlining the leased area, the expense of such detail survey shall be borne by the lessee.

In addition to all other remedies provided by law, failure of the successful bidder to comply with the terms of the sale will make any deposit made by or due from him subject to forfeiture without further action on the part of the Pima Agency.

All bids must be addressed to the Superintendent, Pima Agency, Sacaton, Arizona, in a plain envelope marked in the lower left corner, "Bid - Prospecting Permit, opening 2:00 p.m., MST December 6, 1961."

Bidders are requested to submit their quotations on Attachment No. 1.

Additional information regarding this permit offering may be obtained from the Pima Agency.

  
\_\_\_\_\_  
Superintendent

October 2, 1961

(Date)

Superintendent  
Pima Indian Agency  
Sacaton, Arizona

PROSPECTING PERMIT BID  
GILA RIVER INDIAN RESERVATION

The following bid is submitted for prospecting permits on  
lands within the Gila River Indian Reservation, Arizona:

\$ \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Date)

**IMPORTANT:** The bid must be accompanied by a certified  
check, cashier's check, or postal money  
order for at least 25 per cent of the bonus  
bid.

Superintendent  
Pima Indian Agency  
Sacaton, Arizona

PROSPECTING PERMIT BID  
GILA RIVER INDIAN RESERVATION

The following references are submitted as required in the  
advertisement:

Name

Address

---

---

---

---

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Date)

(n) **ASSIGNMENT.**—The Permittee agrees not to assign the permit or any interest therein by an operating agreement or an agreement for payment of overriding royalty or otherwise, nor to sublet any portion of the permitted premises, except with the approval of the Secretary of the Interior or his authorized representative.

(o) **SURRENDER AND TERMINATION.**—The Permittee may in writing surrender this permit at any time upon the performance of all the Permittee's obligations hereunder; upon the payment of \$1 and upon a showing satisfactory to the Secretary of the Interior or his authorized representative, that full provision has been made for the conservation and protection of the property. If this permit has been recorded, Permittee shall file a recorded release with its application for surrender.

(p) **REPORTS.**—The Permittee shall within 30 days after the termination of the permit furnish the Superintendent detailed and complete written reports of the prospecting done and all information concerning the nature and value of the minerals.

(q) **REGULATIONS.**—This permit is granted pursuant to the act of ..... and regulation 25 CFR ....., and must comply with all the laws and regulations applicable to mineral leases on Indian lands.

(r) **BOND.**—Before this permit becomes effective, Permittee shall furnish to the Superintendent of the ..... Agency ..... an acceptable surety bond in the amount of ..... dollars (\$.....).

(s) **CANCELLATION AND FORFEITURE.**—When in the opinion of the Secretary of the Interior or his authorized representative, there has been a violation of any of the terms and conditions of this permit, or the applicable regulations, the Secretary or his authorized representative may at any time after thirty days' notice to the Permittee, specifying the violations, and after a hearing if the Permittee shall so request within thirty days of receipt of notice, declare this permit void.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names and affixed their seals on the day and year first above mentioned.

Two witnesses to execution  
by Permitter:

..... [SEAL]  
.....  
P.O. ....

P.O. ....

Two witnesses to execution  
by Permittee:

..... [SEAL]  
.....  
P.O. ....

P.O. ....

The within permit is ..... approved. ...., 19.....

Area Director.

U.S. GOVERNMENT PRINTING OFFICE : 1959-O-309882

Form 5-155b  
(October 1957)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

Contract No. ....

Agency

MINERAL PROSPECTING PERMIT  
(Exclusive With Option)

THIS AGREEMENT, made and entered into this ..... day of  
....., 19....., by and between the .....  
party of the first part, hereinafter called Permitter, whose address is .....  
....., and .....  
whose address is ..... party  
of the second part, hereinafter called Permittee.

In consideration of the sum of ..... dollars (\$.....),  
paid to ..... the receipt of which  
is hereby acknowledged, and the covenants, stipulations, and conditions hereinafter contained, it is agreed:  
1. Permitter grants to the Permittee, subject to limitations hereinafter stated, an exclusive right  
for a term beginning with the date of approval of this permit and ending .....,  
for the sole purpose of prospecting for minerals other than oil and gas upon the following described lands  
of the Permitter, subject to valid existing rights, consisting of ..... acres, more  
or less, to wit:

2. This permit is granted upon the following express terms, covenants, and conditions:

(a) **PREFERENCE.**—Permittee may at any time during the term of this permit, obtain a lease or  
leases on not more than ..... acres of the land embraced in this permit. In exercising  
this preference right, time is of the essence. This right, if exercised, shall be by written application  
from Permittee addressed to the Superintendent of the ..... Agency  
....., describing the particular lands  
desired. Said written application must be delivered in person to the Superintendent or his authorized  
representative. Leases will be on Form ....., a copy of which is on file in the office of the  
Superintendent of the ..... Agency. The area covered by  
the leases shall be in a reasonably compact body.

If the land is unsurveyed, it shall be the responsibility of the lessee, at its own expense, to have the land included in a lease surveyed by a registered land surveyor, boundaries posted with substantial monuments, and a tie established with the nearest U.S. Public Land Survey or with some other known and recognized point or monument.

(b) **DILIGENCE AND DEVELOPMENT.**—The land described herein shall not be held by the Permittee for speculative purposes, but in good faith for prospecting minerals. The Permittee shall expend during the term of the permit in prospecting and exploration work, a sum which shall amount to not less

than ..... dollars (\$.....) per acre. The Permittee shall file with the Superintendent an itemized statement, in duplicate, each ..... month period during the term of this permit, of the amount and character of said expenditure during such ..... month period, the statement to be certified under oath by the Permittee or its agent having personal knowledge of the facts contained therein. Failure by the Permittee in the diligent development and continued prospecting and exploration work, except when operations may be interrupted by strikes, the elements, or casualties not attributable to the Permittee, shall be a want of compliance with the terms of this permit and shall render it subject to cancellation.

(c) **REMOVAL OF ORES.**—No ores may be removed except samples for examination and experimental purposes and the removal of such samples is subject to the approval of the Superintendent.

(d) **DISPOSITION OF MINERALS AND SURFACE.**—The Permittee reserves the right to use, lease, sell, or otherwise dispose of any oil and gas and the surface of the lands embraced within this permit under existing laws or laws thereafter enacted. Such disposition and use shall be subject at all times to the right of the Permittee herein to the use of so much of the surface as is necessary to carry on its prospecting and exploration work and to acquire leases under this permit.

(e) **DAMAGES.**—The Permittee shall conduct all operations authorized in this permit with due regard to preventing unnecessary damages to vegetation, timber, soil, roads, bridges, cattle-guards, fences, and other improvements, including construction, operation, or maintenance of any of the facilities on or connected with this permit which causes damage to the watershed or pollution of the water resources. On termination of operations under this permit, the Permittee shall make provisions for the conservation, repair and protection of the property and leave all of the areas on which the Permittee has worked in a condition that will not be hazardous to life or limb, and will be to the satisfaction of the Superintendent.

(f) **LIABILITY FOR DAMAGE.**—The Permittee is liable for any and all damages resulting from its operations under this permit; including injury to the Permittee, the tenants, licensees and surface owners, and for any and all damage to, or destruction of, all property, caused by the Permittee's operations hereunder. The Permittee agrees to save and hold the Permittee and the United States, licensees, and the surface owner or their tenants harmless from all suits for injury or claims for damages to persons and property resulting from the Permittee's operations under this permit.

(g) **FOREST PROTECTION.**—The Permittee hereby agrees:

(1) Not to cut, destroy or damage timber without prior authority of the Commissioner of Indian Affairs or his authorized representative, such authorization to be made only where required by the pursuance of necessary mining operations.

(2) To pay for all such timber cut, destroyed or damaged at rates prescribed by the Commissioner of Indian Affairs or his authorized representative, such rates to be determined on the basis of sales of similar timber in the vicinity.

(3) Not to interfere with the sale or removal of timber from the land covered by this permit by contractors operating under an approved timber sales contract now in effect or which may be entered into during the term of this permit.

(4) To do all in its power to prevent and suppress forest, brush or grass fires on the land and in its vicinity, and to require its employees, contractors, subcontractors, and employees of contractors or subcontractors to do likewise. To place its employees, its contractors, subcontractors, and the employees of such contractors or subcontractors employed on the land at the disposal of any authorized officer of the Indian Bureau for the purpose of suppressing forest, brush or grass fires with the understanding that the

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payment for such services shall be made at rates to be determined by the Commissioner of Indian Affairs or his authorized representative, which rates shall not be less than the rates of pay prevailing in the vicinity for services of similar character: *Provided*, That no payment shall be made for services rendered in the suppression of fires for which the Permittee, its employees, contractors or subcontractors or the employees of such contractors or subcontractors are responsible.

(5) To pay for the loss of all timber ten (10) inches or more in diameter occasioned by fires for which it, or any of its employees, its contractors, subcontractors, or the employees of such contractors or subcontractors are responsible for the start or spread, the assessment of the value of such damages to be determined by the Commissioner of Indian Affairs or his authorized representative on the basis of the value of such timber on sales of similar timber in the vicinity. Also to pay liquidated damages of

..... dollars (\$.....) per acre for all young timber less than ten (10) inches in diameter destroyed by such fires unless a lesser rate of damages shall be approved by the Commissioner of Indian Affairs, and to pay all costs for the suppression of fires for which it, or any of its employees, contractors or subcontractors or the employees of such contractors or subcontractors are responsible.

(6) Not to burn rubbish, trash, or other flammable materials except with the consent of the authorized representative of the Commissioner of Indian Affairs, and not to use explosives in such manner as to scatter flammable materials on the surface of the land during the fire season, except as authorized to do so by such representative.

(h) **LIQUOR.**—The Permittee agrees that it will not use or permit to be used any part of the premises for any unlawful conduct or purpose whatsoever; that it will not use or permit to be used any part of the premises for the manufacture, sale, gift, transportation, drinking, or storage of intoxicating liquors or beverages in violation of existing laws relating thereto, and that any violation of this clause by the Permittee or with its knowledge, renders this permit voidable at the option of the Superintendent.

(i) **INSPECTION.**—The permitted premises, operations, and appurtenances of the Permittee may be inspected by the Permittee and its agents or any authorized representative of the Secretary of the Interior.

(j) **ROADS.**—The Permittee may use existing roads, if any, on the land and shall have the privilege of constructing and maintaining, at its own expense, any additional roads across Permittee's lands that are necessary in carrying on the actual prospecting and exploration work: *Provided*, That the location

of such roads be approved in writing by the Superintendent of the ..... Agency. No part of any road or roads shall inure to the benefit of the public and the public shall obtain no rights thereon, but upon termination of this permit for any cause whatsoever or if at any time it shall become unnecessary for Permittee to use any such road for conducting the operations authorized under this permit or subsequent lease, the right to use said road shall thereupon cease and all the rights shall revert in Permittee in accordance with law. The Permittee shall hold the Permittee and the United States harmless and indemnify them against any and all loss or damage that might result from the construction or maintenance by Permittee of said roads in a negligent manner.

(k) **RIGHTS-OF-WAY.**—Application for rights-of-way shall be made by Permittee pursuant to the requirements of 25 CFR 161.

(l) **WATER WELLS.**—The Permittee may, at its own expense, drill and equip water wells on the land and agrees at the termination of this permit, by expiration of its term or otherwise, all wells be left intact and properly cased. Permittee may remove all mechanical pumping equipment installed by Permittee at any wells.

(m) **INDIAN LABOR.**—The Permittee shall employ Indians, giving priority to Permittee and other members of its tribe in all positions for which they are qualified and available and shall pay the prevailing wage rates for similar services in the area. The Permittee shall do everything practicable to employ qualified Indians, giving priority to the Permittee and other members of its tribe and its equipment in all hauling of materials under this permit, insofar as Permittee does not use its own equipment for that purpose. Permittee agrees to make special efforts to work Indians giving priority to the Permittee and other members of its tribe into skilled, technical, and other higher jobs in connection with the Permittee's operations under this permit.





PART III(1). ROYALTY.--To pay, or cause to be paid, to the Superintendent for the use and benefit of the lessor, a royalty as follows:

- (1) Ten per cent of the value at the nearest shipping point for substances other than gold, silver, copper, lead, zinc, tungsten, coal, asphaltum and allied substances, and uranium and associated minerals;
- (2) Ten per cent of the value of the bullion or gold and silver shown by the mint return after deducting the forwarding charge to the point of sale;
- (3) Ten per cent of the value of the ores or concentrates for copper, lead, zinc, and tungsten as shown by reduction returns after deducting the freight charge to the point of sale;
- (4) Ten cents for each ton of coal mined;
- (5) Ten cents for each ton of crude asphaltum and 60 cents for each ton of refined asphaltum;
- (6) For uranium and associated minerals:

<u>Mine Value per Dry Ton</u>	<u>Royalty Percentage of Mine Value per Dry Ton</u>
\$ 0.01 to \$10.00, inclusive	12%
10.01 to 20.00, "	13.3%
20.01 to 30.00, "	14.6%
30.01 to 40.00, "	15.9%
40.01 to 50.00, "	17.2%
50.01 to 60.00, "	18.5%
60.01 to 70.00, "	19.8%
70.01 to 80.00, "	21.1%
80.01 to 90.00, "	22.4%
90.01 to 100.00, "	23.7%
100.01 or more	25%

"MINE VALUE PER DRY TON," wherever used herein, is hereby defined as dollar value per dry ton of crude ores at the mine as determined by the application to the valuable metal content of such ore of the price schedules for such ores established and currently in effect by the Atomic Energy Commission or other Government authorized agencies before allowance for transportation and development. It is specifically understood that any mine production bonuses shall be included in "MINE VALUE PER DRY TON." However, if the Government at any time hereafter does not establish or have in effect a price schedule for the purchase of such ores on a fixed or scheduled dollar value per dry ton of crude ores at the mine, or said ores contain salable minerals, some, or all, of which are disposed of to a custom treatment plant or smelter for the treatment and beneficiation

of uranium-bearing ores, then MINE VALUE PER DRY TON shall be the gross value per dry ton of said crude ores as paid for by the Atomic Energy Commission, or other Government authorized agency, mill or other buyer, less any allowances or reimbursements for the following specific items:

- (1) Transportation of ores,
- (2) Allowances paid to lessee by the Atomic Energy Commission or other Government authorized agency for exploration for or development of ores,
- (3) Treatment of beneficiation of ores,

which specific items shall, in such event, be deducted from the gross sale price received from the metal content of said ores by the seller before said percentage royalty is calculated and paid. Any cost of treatment or beneficiation shall be the actual cost without any milling profit. It is specifically understood that any mine production bonus shall be included in the MINE VALUE PER DRY TON.

PART III(1)(a). ADJUSTMENT OF ROYALTY.--Royalty rates will be subject to reasonable adjustment by the Secretary of the Interior or his authorized representative at the end of the first five-year period and each successive 10-year period thereafter based on market conditions as supported by evidence from the field.

PART III(2)(a). EXCAVATION, WASTE, AND CONSTRUCTION AREAS.--To pay, or cause to be paid, to the Superintendent for the use and benefit of the lessor, Twenty-five Dollars (\$25.00) for each acre or part of an acre used for open-pit mining, dumping of waste materials, or permanent construction. This amount shall be paid at the end of the lease year in which the use of the acreage commences.

PART III(3)(a). OWNERSHIP OF WASTE MATERIALS.--Upon the cancellation, termination, or expiration of this lease, the alluvium and waste materials on the leased premises shall become the property of the lessor.