CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
3550 N. Central Ave, 2nd floor
Phoenix, AZ, 85012
602-771-1601
http://www.azgs.az.gov
inquiries@azgs.az.gov

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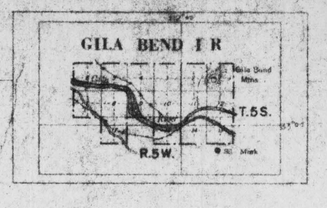
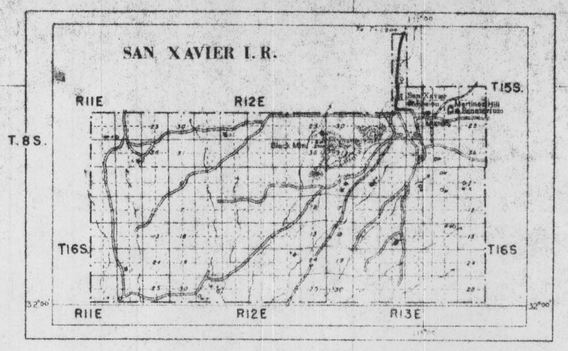




DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

PAPAGO INDIAN RESERVATION

ARIZONA

1944

SCALE OF MILES

File

LEGEND

- Unimproved road
- Graveled road
- Graded road
- Unimproved road
- Trail
- Intermittent stream or wash
- Spring
- Dug well
- Drilled well
- Charco
- Dam
- Village or community (often scattered over mile or so)
- Telephone line
- Canal

Compiled and drawn from G.L.O. plats, U.S.G.S. aerial maps and U.S.G.S. quadrangles
By, E. H. Coulson, Chief Engineering Draftsman
Forestry and Grazing Division

PAPAGO MINERAL LANDS

NOTICE OF COMPETITIVE SALE
OF
EXCLUSIVE MINERAL PROSPECTING PERMITS
WITH OPTION TO LEASE LANDS FOR MINING

PAPAGO TRIBAL AND ALLOTTED INDIAN LAND

SAN XAVIER RESERVATION
PIMA COUNTY
ARIZONA

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Papago Indian Agency
Sells, Arizona

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Papago Indian Agency
Sells, Arizona

Invitation No. 1-67

Date: MAR 2 9 1967

NOTICE OF COMPETITIVE SALE OF EXCLUSIVE MINERAL PROSPECTING PERMITS WITH OPTION TO LEASE ON SAN XAVIER INDIAN RESERVATION

SEALED BIDS will be received until 2:00 p.m. Mountain Standard Time, May 3, 1967, and opened at that time in the office of the Superintendent of the Papago Agency, Sells, Arizona, for mineral prospecting permits on two tracts of land on the San Xavier Indian Reservation totaling 29,403.45 acres, more or less, of which 13,379.88 acres are tribal land and 16,023.57 acres are allotted land. The permits grant an exclusive right to prospect for all minerals other than oil and gas or other hydrocarbons, sand, gravel, and building stone, with an option to a lease or leases for mining.

The tracts of land located in Pima County, Arizona, are described as follows:

TRACT NO. 1 — TOTAL ACREAGE 24,934.82

Township 15 South, Range 12 East, G&SRB&M

Sec. 26 all
Sec. 27 all
Sec. 28 all
Sec. 29 all
Sec. 31 all
Sec. 32 all
Sec. 33 all
Sec. 34 all
Sec. 35 all

Township 16 South, Range 11 East, G&SRB&M

Sec. 11 all
Sec. 12 all
Sec. 13 all
Sec. 14 all
Sec. 15 all
Sec. 22 all
Sec. 23 the N½
Sec. 24 the N½ and SE¼

Township 16 South, Range 12 East, G&SRB&M

Sec. 2 all
Sec. 3 all
Sec. 4 all
Sec. 5 all
Sec. 6 all
Sec. 7 all
Sec. 8 all
Sec. 9 all
Sec. 10 all
Sec. 11 all
Sec. 14 W½
Sec. 15 all
Sec. 16 all
Sec. 17 all
Sec. 18 all
Sec. 19 all
Sec. 20 all
Sec. 21 all
Sec. 22 all
Sec. 23 W½, and S½ of SE¼
Sec. 26 all
Sec. 27 all
Sec. 28 all

TRACT NO. 2 TOTAL ACREAGE 4,468.63

Township 16 South, Range 12 East

Sec. 12 all
Sec. 13 E½
Sec. 24 E½

Township 16 South, Range 13 East, G&SRB&M

Sec. 7 all
Sec. 8 all
Sec. 17 all
Sec. 18 all
Sec. 19 all

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) for Tribal land and 25 CFR 172 and Act of March 3, 1909 (35 Stat. 781-783) 25 U.S.C. 396 for individually owned (allotted) lands. 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 on the Tribal land will be subject to the acceptance of the Papago Council, and approval of the Secretary of the Interior or his authorized representative. The bids on the allotted lands are subject to the acceptance by the individual Indian landowners and approval of the Secretary of the Interior or his authorized representative.

In the event that a permit cannot be obtained on any tract of allotted land by reason of non consent of the Indian owner, or owners, a refund shall be made to the bidder of that portion of the bonus bid attributable to the land which cannot be leased. The refund shall be calculated on the basis of the bid per acre.

Permits will be sold to the qualified bidder who offers the highest money bonus for each separate tract. Conditional and alternate bids will not be considered. Bids may be delivered in person to the office of the Superintendent, Papago Agency, Sells, Arizona, up to the specified time of opening. Telegraph or telephone bids will not be considered. Any bid received after the time specified will not be considered. Bids will be submitted on attachment No. 1.

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. Before a bidder is notified that he is the successful bidder, he may be required to furnish additional information as to his character, mining experience, and financial standing.

Each bid must show the address of the bidder and be signed by him with his usual signature. Bids by partnerships must be furnished with the full names of all partners and must be signed with the partnership name by one of the members of the partnership or by an authorized representative followed by the signature and designation of the person signing. Bids by corporations must be signed with the legal name of the corporation, followed by the names of the State of Incorporation and by the signature and designation of the person authorized to make the matter binding. Satisfactory evidence of authority for an officer to sign on behalf of a corporation shall be furnished.

The successful bidder will be allowed 30 days from date of notification of award to complete and return to the Superintendent, Papago Agency, Sells, Arizona, a properly executed permit, and make payment of the remainder of bonus bid, his share of advertising costs and filing fee in the amount of $10.00. The successful bidder is required to obtain the signatures of all the Indian owners, including life tenancy agreements as required by 25 CFR 172.9b, for the allotted land and of the authorized representative of the tribal owned land. Upon written request, the Superintendent may, in his discretion, extend the time for submitting the completed permit but no extension shall be granted for remitting the balance of moneys due.

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

Special Provisions which are to be used in the permits issued for each separate tract:

Tract No. 1

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 duly authorized representative to prospect for all mineral except oil and gas or other hydrocarbons, sand, gravel, and building stone. The Permittee may exercise his option at any time during this two-year period to obtain 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 five ($5.00) dollars per acre.

Tract No. 2

The permit will grant an exclusive right for a one (1) year period from the date of approval by the Secretary of the Interior or his duly authorized representative to prospect for all minerals except oil and gas or other hydrocarbons, sand, gravel, and building stone. The Permittee may exercise his option at any time during this one (1) year period to obtain a lease or leases on the land embraced in this permit, subject to the condition that the area or areas to be included in a lease or leases shall be approved in advance

by the Secretary of the Interior or his authorized representative. A lease may not exeed 2,560 acres. The Permittee shall spend annually for prospecting not less than ten ($10.00) dollars per acre.

Leases issued under these permits 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, and concurrance of the Papago Council for Tribal land. Annual rate of rental will be $1.00 for each acre.

Lands included under a lease or leases issued hereunder shall not be held for speculative purposes or for the dumping or depositing waste and tailings from mining and milling operations conducted on properties not included under leases selected as a result of permits issued under the provisions of this notice. The Lessee shall have the right to dump and deposit waste and tailings on the leased premises from mining and milling operations conducted on the leased premises subject to the following conditions:

1. Lessee shall agree to conduct operations so as not to pollute any surface or subsurface fresh water supply.

2. Lessee shall agree to control water supplies in conformity with existing laws and tribal ordinances and in all cases hold to a minimum erosion and flood damages.

3. Lessee shall agree to terrace and landscape waste disposal areas in a reasonable manner at his own cost and expense subject to the acceptance and satisfaction of the Tribe and Secretary. The outer permimeter of waste disposal areas shall be sloped at 30° or less, measured from the horizontal plane, and a bench 10 feet to 14 feet wide will be constructed every 20 vertical feet. 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 propogation of vegetation upon completion of the use of the lease premises or the said waste or tailings dumps or deposits. Lessee shall submit plans for seeding or planting such areas prior to abandonment. Such plan or plans to be within the scope of accepted soil conservation practice and to the satisfaction of the Superintendent and Lessor.

4. Lessee shall agree to conduct operations to minimize air pollution which may result from stripping, mining, milling, leaching, or waste disposal, in conformity with existing or future laws or Tribal ordinances enacted which are applicable to air pollution on and adjacent to the San Xavier Reservation.

Lessee shall agree not to change the location of present roads on or adjacent to the reservation without the prior written consent of the Papago Council and approval of the Secretary.

There are attached hereto, and by this reference made a part of this Notice of Sale, a copy of the Mineral Prospecting Permit (Exclusive with Option), 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 each separate tract. A schedule of allotted and Tribal land ownership is on file at the Papago Agency and Phoenix Area Office. Copies will be furnished the successful bidder.

For the payment of royalty and minimum royalty, each lease shall be considered as a unit whereby each landowner participates in the royalty, minimum royalty and rental in proportion to the amount of his land in the lease. The royalty rates, minimum royalty and rental, are set forth in detail in the attached Mining Lease Indian Land and are payable to the Superintendent, Papago Agency, Sells, Arizona.

The exterior boundaries of the area being advertised have been located by a public land survey. If a more detailed survey should be necessary for outlining the leased area to conform to the public land survey, the expense for such detailed 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 Papago Agency.

All bids must be addressed to the Superintendent, Papago Agency, Sells, Arizona, in a plain envelope marked in the lower left hand corner, "Bid - Prospecting Permit, Not To Be Opened Until 2:00 P.M., MST, May 3, 1967."

Bidders are requested to submit their quotations on Attachment No. 1. Additional information regarding this permit offering may be obtained from the Papago Agency.

Sgd/John H. Artichoker, Jr.

Superintendent

ATTACHMENT NO. 1

Invitation No. 1-67

Date:

Superintendent

Papago Indian Agency

Sells, Arizona 85634

PROSPECTING PERMIT BID
SAN XAVIER INDIAN RESERVATION

The following bid or bids are submitted for prospecting permits on land within the San Xavier Indian Reservation, Arizona:

Tract No. 1 $_____

Tract No. 2 $_____

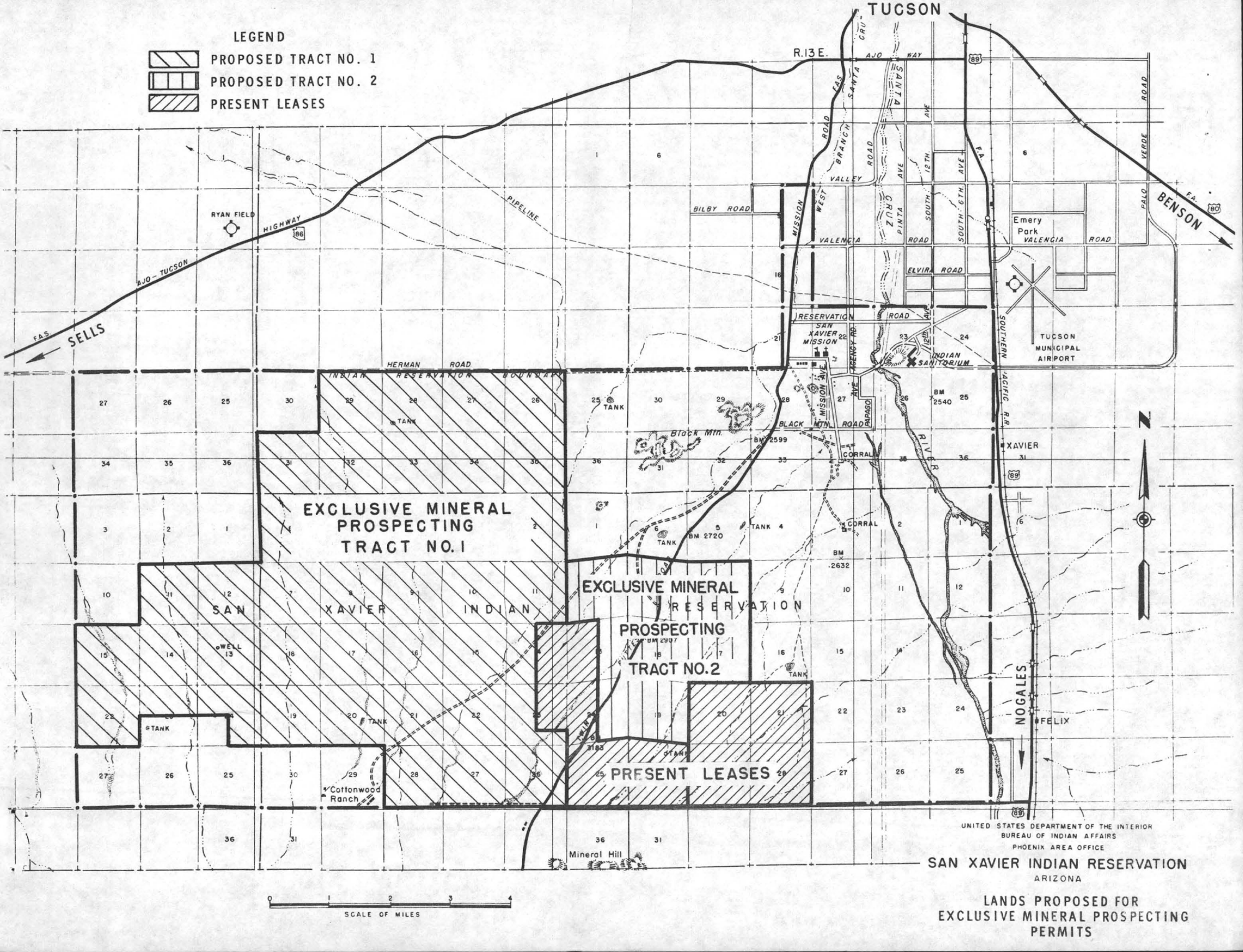
_____
(Signature)

_____
(Address)

_____
(Telephone Number)

_____
(Date)

IMPORTANT: 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 for each separate tract. Bids may be submitted on one or both tracts. Bids on each tract will be considered independent of the other.



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
PHOENIX AREA OFFICE

SAN XAVIER INDIAN RESERVATION
ARIZONA

LANDS PROPOSED FOR EXCLUSIVE MINERAL PROSPECTING PERMITS

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Papago Indian Agency
Sells, Arizona

Permit No. _____

Contract No. _____

SAN XAVIER INDIAN RESERVATION

MINERAL PROSPECTING PERMIT
(Exclusive with Option)

THIS AGREEMENT, made and entered into this ____ day of _____, 19 ___, by and between _____

_____

party of the first part, hereinafter called the Permitter, whose address is _____

_____, and _____

_____,

whose address is _____

_____,

party of the second part, hereinafter called the Permittee.

In consideration of the sum of _____ Dollars ($_____), paid to Superintendent, Papago Indian Agency, 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 hereinafter stated, an exclusive right for a period of _____

years, from the date of approval of this permit by the Secretary of the Interior or his authorized representative, for the purpose of prospecting for all minerals except oil and gas, other hydrocarbons, or sand, gravel, and building stone, upon the following described lands of the Permitter, 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 any of the land embraced in this permit. In exercising this preference right, 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 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 right, if exercised, shall be by written application from Permittee addressed to the Superintendent, Papago Indian Agency, describing the particular lands desired. Said written application must be delivered in person to the Superintendent or his authorized representative. Leases will be prepared in the attached form.

b. DILIGENCE AND DEVELOPMENT - The land described herein shall not be held by the Permittee for speculative purposes but in good faith prospecting and exploring for minerals. The Permittee shall expend during the primary term of the permit on the permitted area in prospecting and exploration work a sum which shall amount to not less than _____ dollars per acre per year or fraction of year 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 each year during the term 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 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 Permitter 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 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 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 Papago Mining Division.

f. LIABILITY FOR DAMAGE - 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 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 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 five 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 $15 per acre for all young timber less than five inches in diameter destroyed by such fires, except where forest plantations are established, the minimum liquidated damages shall be $100 per acres, 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 inflammable materials except with the consent of the authorized representative of the Commissioner of Indian Affairs, 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.

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 Permitter 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 may construct, and maintain, at its own expense, any additional roads across Permitter's lands 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 of the Papago Indian Agency. 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 road for conducting the operations authorized under this permit, the right to use the road shall thereupon cease and all the rights shall revest 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 road.

In addition to the agreements set forth hereinbefore, the Permitter 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 pro-rata share of the 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 of the Interior or his duly authorized representative shall determine such amounts upon the request of either Permittee or licensee.

k. RIGHTS-OF-WAY - Applications 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. The Permittee may use surface water for industrial use insofar as the Permitter has the right to grant such use.

m. INDIAN LABOR - The Permittee shall employ Indians, giving priority to Permitter 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 Permitter 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 Permitter and other members of its tribe, into skilled, technical, and other higher jobs in connection with the Permittee's operations under this permit.

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, not 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 $5 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 of the Papago Indian Agency, Sells, Arizona, and the Papago Indian Mining Division 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 pertaining to Tribal lands; 25 CFR 172 pertaining to Allotted lands; and 30 CFR 231.

r. BOND - Before this permit becomes effective, Permittee shall furnish to the Superintendent of the Papago Indian Agency, Sells, Arizona, an acceptable bond in the amount of $15,000.

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 or conditions of this permit before restrictions are removed, the Secretary of the Interior or his authorized representative has the right at any time after 30 days' notice to the Permittee specifying the terms and conditions violated, and after a hearing if the Permittee shall so request within 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. After restrictions are removed, the Permitter may use any available remedy in law or equity for breach of this contract by the Permittee. The remedies specified hereunder are in addition to the remedies specifically provided in 25 CFR §§ 171.22 and 171.24.

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

PERMITTER:

Two Witnesses to Execution by Permitter:

_____ _____

P.O. _____ _____

_____

P.O. _____

PERMITTEE:

Two Witnesses to Execution
by Permittee:

_____ _____

_____ _____

P.O. _____

_____

P.O. _____

The within permit is _____approved.

Date: _____, 19__ _____
Area Director

ACKNOWLEDGEMENT OF PERMITTEE

STATE OF _____)
) ss
COUNTY OF _____)

On this ____ day of _____, 19 ____, before me appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ _____ of _____ (and that the seal affixed to said instrument is the corporate seal of said corporation), and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledges said instrument to be the free act and deed of said corporation.

WITNESS my hand and seal the day and year first above written.

_____
Notary Public

My commission expires: _____

The within permit is approved _____.

ACKNOWLEDGEMENT OF PERMITTER

STATE OF_____)
) ss
COUNTY OF_____)

On _____, 19____, before me, the undersigned, a Notary Public in and for the said County and State, personally appeared _____ to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument or its Chairman and Secretary, and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes set forth therein.

_____
Notary Public

My commission expires: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Papago Indian Agency
Sells, Arizona

Contract No. _____

Lease No. _____

MINING LEASE INDIAN LANDS
(For Minerals Other Than Oil and Gas)
San Xavier Indian Reservation

THIS INDENTURE OF LEASE, made and entered into in sextuplicate on this ____ day of _____, 1967, between _____

_____

of _____, State of Arizona, party___ if the first part, hereinafter called the Lessor, and _____

_____

of _____, State of _____, part_____ of the second part, hereinafter called the Lessee.

I. Lessor, in consideration of $1.00, receipt of which is hereby acknowledged, of the rent and royalty to be paid, and of the agreement of the Lessee herein contained, grants and leases unto Lessee for the sole purpose of exploring for, developing, mining producing, processing, and marketing all minerals, excluding oil and gas, other hydrocarbons, building stone, sand, and gravel, on land

described as follows:

_____

_____

_____

_____

Section _____, Township _____, Range _____, _____ _____ Meridian, _____ Reservation, _____ County, State of Arizona, and containing _____ acres, more or less. The Lessee may occupy as much of the surface of the leased 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. Subject 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, pipe lines, 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; produce electrical power for its own use, erect and operate power lines, place machinery and other equipment and fixtures upon the lands; use and transport water developed by Lessee on the lands and any other water made available to Lessee; 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 lands as may be necessary to carry on the mining operations hereunder, including the right of ingress and egress; however, the rights contained herein do not include the right to dump waste material or tailings from properties not included in this lease.

a. Survey of Leased Premises:

Within 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 in quadruplicate and two additional copies furnished the Mining Division of the Papago Tribal Council.

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

III. DEFINITION - Superintendent refers to the official in charge of the Indian Agency that has jurisdiction over the lands leased.

IN CONSIDERATION OF THE FOREGOING, THE LESSEE AGREES:

1. ROYALTY

a. To pay or cause to be paid to the Superintendent, Papago Agency, Sells, Arizona, for the use and benefit of the Lessor, a royalty, calculated on a monthly weighted average on the basis of

tonnage of the ore mined and milled or crude ore delivered to a treatment plant on the net smelter returns as hereinafter defined, and abbreviated as NSR, as follows:

5%	of	NSR	for	ore	with	NSR	(per	short	ton)	$3.00	or	less		
6%	"	"	"	"	"	"	"	"	"	3.00	to	and	including	3.25
7%	"	"	"	"	"	"	"	"	"	3.25	"	"	"	3.50
8%	"	"	"	"	"	"	"	"	"	3.50	"	"	"	3.75
9%	"	"	"	"	"	"	"	"	"	3.75	"	"	"	4.00
10%	"	"	"	"	"	"	"	"	"	4.00	and	up		

"Net smelter return" shall mean the net proceeds (after subtracting freight, hauling, smelter treatment, smelter deductions and all other such charges away from the Lessee's plant) received or to be received for the ore mined (or for concentrates and/or mill products produced by the Lessee therefrom) from the premises when sold to a bona fide purchaser; but should such ores, concentrates and/or mill products be retained by the Lessee, the charges above mentioned shall not exceed those of custom mills or smelters for comparable services. All subsidies shall be added to the metal price in computing NSR.

For Uranium and Associated Minerals: The royalty to be paid or caused to be paid to the Superintendent, Papago Agency, Sells, Arizona, for the use and benefit of the Lessor for uranium and associated minerals, shall be negotiated between the Papago Tribal Council for Tribal lands and Secretary or his authorized representative for allotted lands, and the Lessee and approved by the Secretary following discovery of said minerals in commercial quantities and prior to the production or sale of uranium and associated minerals on or off the leased premises.

All royalty accruing for any month shall be due and payable before the twenty-fifth (25) day of the following month. During the period that the land is under Federal jurisdiction, the royalty provisions of this lease shall be subject to reasonable adjustment by the Secretary of the Interior or his authorized representative at the end of the first and each successive 5-year period, such adjustment being based upon market conditions as supported by evidence from the field and concurrance of the Papago Tribal Council for Tribal lands.

b. LEACHING - Lessee agrees to pay a ten percent (10%) royalty of net smelter return on amounts realized on all sales of minerals recovered by leaching ores and other materials in place in the leased property, by leaching such materials after they have been mined or extracted from the leased property, or by leaching the waste material resulting from the treatment of ores from the leased property. Lessee will pay the royalty computed under this section for each calendar month to the Superintendent for the use and benefit of Lessor before the end of the next calendar month, and a statement showing how this royalty was determined will accompany this payment.

c. 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.

d. 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 the Mining Division of the Papago Tribe. 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.

e. MINIMUM ROYALTY - To pay or cause to be paid to the Superintendent, Papago Agency, Sells, Arizona, for the use and benefit of the Lessor, at the beginning of the third year of this lease, an advance minimum royalty of twenty dollars ($20) for each acre under this lease provided all such advance royalties paid shall be credited against production royalties only in the year for which it is paid. If the lease is surrendered or canceled, the advance minimum royalty accruing to the Lessor will not be refunded.

f. DIVISION OF PAYMENTS - Each landowner having land included in this lease, shall receive such proportion of the royalty and minimum royalty as his acreage bears to the total acreage included in the lease.

2. ANNUAL RENTAL

To pay, or cause to be paid, to the Superintendent, Papago Agency, for the use and benefit of the Lessor, in advance, beginning with the date

of approval of the lease, as annual rental, the sum of $1.00 per acre for the first lease year, and $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 the Lessor under this lease. If the lease is surrendered or canceled, no rent accruing to the Lessor will be refunded.

3. EXCAVATION, WASTE AND CONSTRUCTION AREAS

It is further agreed that in addition to all payments of bonuses, royalties and rentals heretofore set forth, the Lessee shall pay to the Superintendent for the use and benefit of the Lessor, ONE HUNDRED DOLLARS ($100) 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 material, including overburden and tailings, derived from ores extracted from the lands 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 and Secretary or his authorized representative, reasonable evidence either 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.

a. CAMPSITES - The Lessee agrees to pay to the Superintendent for the use and benefit of the Lessor, ONE HUNDRED DOLLARS ($100) per acre for all land used for campsite purposes within the leased premises, it being understood that the payment of $100 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.

4. 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 the Lessor.

Lessee shall agree to conduct operations so as not to pollute any surface or subsurface fresh water supply. Lessee shall agree to control water supplies in conformity with existing laws and tribal ordinances and in all cases hold to a minimum erosion and flood damages. Lessee shall agree to terrace and landscape waste disposal areas in a reasonable manner at his own cost and expense subject to the acceptance and satisfaction of the Tribe and Secretary. The outer perimeter of waste disposal areas shall be sloped at 30° or less, measured from the horizontal plane, and a bench 10 feet to 14 feet wide will be constructed every 20 vertical feet. 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 propogation of vegetation upon completion of the use of the lease premises or the said waste or tailings dumps or deposits. Lessee shall submit plans for seeding or planting such areas prior to abandonment, such plan or plans to be within the scope of accepted soil conservation practices and to the satisfaction of the Superintendent and Lessor. Lessee further agrees to conduct operations that will minimize air pollution, which may result from stripping, mining, milling, hauling, leaching, or waste disposal in conformity with existing or future laws or tribal laws or tribal ordinances enacted applicable to air pollution control on or adjacent to the San Xavier Reservation.

5. GOVERNMENT RESERVES RIGHT TO BUY MINERALS PRODUCED

In time of war or other public emergency, any 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.

6. DILIGENCE, PREVENTION OR 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 nor suffer to be committed waste upon the land leased; 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 whomever is lawfully entitled thereto in as good condition as received, except for the ordinary wear and tear and unavoidable accidents in their proper use of the premises; not to remove any buildings or permanent improvement erected on the leased property during the term of 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 the Lessee at any time before 120 days after the lease expires by forfeiture or otherwise. The Superintendent may grant reasonable extension of time for removal of such equipment.

7. FOREST PROTECTION - The Lessee agrees:

a. 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.

b. 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.

c. Not to interfere with the sale or removal of timber from the land covered by this lease by contractors operating under an approved timber

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 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 leased land 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 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 Lessee, its employees, contractors, or subcontractors, or the employees of such contractors or subcontractors are responsible.

e. To pay for the loss of all timber 5 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 $15

per acre for all young timber less than 5 inches in diameter destroyed by such fires, except where forest plantations are established the minimum liquidated damages shall be $100 per acre, and to pay all costs for the suppression of fires for which it, or any of its employees, contractors, 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 authorized representative of the Commissioner of Indian Affairs, and not to use explosives in such 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.

8. DEVELOPMENT

The land under this lease shall not be held by Lessee for speculative purposes, but for mining the minerals specified. Lessee agrees it will not treat any ore reserves developed in the lands as a reserve to be held in reserve for some future exploitation, but will bring the reserves into production in an orderly manner and consistent with sound business practice any commercially profitable ore body as it shall be developed. If the Lessee fails to diligently develop or operate the mine, except during the primary term which is defined as the first 10 years of this lease, when operation is interrupted by a strike, an act of God, or casualty, not attributable to the Lessee, this lease will be subject to cancellation.

The 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 TWENTY DOLLARS ($20) per acre during the first lease year for each acre included under this lease; at least THIRTY DOLLARS ($30) per acre during the second lease year for each acre under this lease; at least FORTY DOLLARS ($40) 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) per acre for such purposes for each acre included under this lease, except during any lease year of the primary term of this lease when prevented by a strike, an act of God, or casualty not attributable to the Lessee or whenever the Secretary of the Interior or his authorized representative considers the marketing facilities inadequate or the economic conditions unsatisfactory, and authorizes the suspension of operations for such time as he considers advisable, but this does not release the Lessee from paying the advance minimum royalty or annual rental. 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. Within 45 days following each lease year, the Lessee shall file in duplicate with the Superintendent, and one copy with the Mining Division of the Papago

Tribal Council, an itemized statement of the amount and character of the expenditures during the lease year. The statement must be certified under oath by the Lessee or its Agent. Payment of minimum royalty will not excuse complying with the provisions of this Section.

9. MONTHLY STATEMENTS

Lessee agrees to keep an accurate record of the mining operations, showing the drill hole locations, logs and assays, and the sales, prices, dates, purchases, and the amount of minerals mined, the amount of minerals removed, and the gross receipts, and to furnish the Superintendent sworn monthly reports before the twenty-fifth 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 the 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 of the Interior or his duly authorized representative and at the expense of the Lessee. The Lessee shall furnish, through the Superintendent, a free copy of the audit to the Secretary of the Interior within 30 days after the completion of each audit and annually a copy of its audited annual report.

The Lessee specifically agrees to furnish monthly statements in accordance with provisions of 25 CFR 171.18; 25 CFR 172.25; and 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 Mining Division of the Papago Tribal Council.

10. REGULATIONS

Lessee agrees to abide by and conform to any and all lawful regulations of the Secretary of the Interior now or hereafter in force relative to such leases, including 25 CFR 171; 25 CFR 172 and 30 CFR 231. Rate of royalty, the annual rental, or the term of the lease may not be changed by a future regulation without the written consent of the parties to this lease.

11. ASSIGNMENT OF LEASE

Lessee agrees not to assign this lease or any interest therein by an operating agreement, including agreements providing for payment of overriding royalty or otherwise, nor to sublet any portion of the leased premises before restrictions are removed, except with the approval of the Secretary of the Interior. If this lease is divided by the assignment of an entire interest in any part of it, each part shall be considered a separate lease under all the terms and conditions of the original lease.

12. BOND

Lessee agrees to furnish to the Superintendent an acceptable bond in the amount of FIFTEEN THOUSAND DOLLARS ($15,000). The right is reserved to the Secretary of the Interior or his authorized representative to increase the amount of bond.

13. LIQUOR

The Lessee further 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 the Lessee or with its knowledge, shall render this lease voidable at the option of the Superintendent.

14. INSPECTION

The leased premises, producing operations, appurtenances, and all books and accounts of the Lessee may be inspected by the Lessor and its agents or any authorized representative of the Secretary of the Interior.

15. DISPOSITION OF MINERALS AND SURFACE

a. The Lessor expressly reserves the right to lease, sell, or otherwise dispose of the minerals not subject to this lease 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 the Lessee to use as much of the surface as is necessary in the extraction and removal of the minerals from the leased land.

There is further reserved to Lessor, after consultation with Lessee, the right to construct, use and maintain canals, pipe lines and syphons on and across the leased lands for the purpose of irrigation projects, and to construct, use and maintain roads, power lines, pipe lines 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.

b. Lessor may hereafter grant to other persons, firms, or corporations oil and gas leases, 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 rigs 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 Mining Supervisor of the United States Geological Survey, would result in undue waste of mineral deposits or constitute a hazard to interfere with mining operations being conducted by Lessee on the leased premises. The provisions of this Section 15 shall be included in any oil and gas lease, license, prospecting permit or right-of-way granted by Lessor on the leased premises.

c. Notwithstanding any other provision of this lease, the Lessor reserves the right without liability of any kind, except as provided in this lease, to grant to qualified applicants rights-of-way for pipe lines for the transportation of oil, gas, helium or petroleum products, for power lines, telephone, telegraph and water lines incident to the operation of such pipe lines, 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 Area Director or other official in charge of the Indian agency having jurisdiction over the lands the following expressed undertakings in writing for the express benefit of Lessee:

1. That applicant will either bury the pipe line 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 pipe line. Whenever said pipe line is relocated pursuant to subparagraph (2) of this subsection (c) of this Section 15, 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 pipe line caused by such vehicles and equipment so crossing said pipe line.

2. That applicant will make adequate provisions in the construction of said pipe line, 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 one-year 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 pipe line 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 pipe line 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 pipe line 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 pipe line 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 pipe line right-of-way granted across the leased premises shall exceed fifty feet (50') in width. Rights-of-way for power lines and other purposes granted across the leased premises shall be of such widths 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.

16. RELINQUISHMENT OF SUPERVISION BY THE SECRETARY OF THE INTERIOR

Should the Secretary of the Interior, 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 the Lessee until the Secretary has given 30 days' written notice. Until the requirements are fulfilled, Lessee shall continue to make all payments due.

After notice of relinquishment has been received by Lessee, this lease is subject to the following further conditions:

a. All rentals and royalties accruing shall be paid directly to Lessor or its successors in title.

b. If at the time supervision is relinquished by the Secretary of the Interior as to all lands under this lease, and Lessee has made all payments due under the lease and has fully performed all obligations on its part to be performed up to the time of such relinquishment, then the bond given to secure the performance of the lease and on file in the Indian Office shall be of no further force or effect.

17. WATER WELLS

The Lessee may, at its own expense, drill and equip water wells on the leased premises 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. The Lessee may use surface water for industrial use insofar as the Lessor has the right to grant such use.

18. DAMAGES

The Lessee shall conduct all operations authorized in this lease 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 lease which causes damage to the watershed or pollution of the water resources. On termination of operations under this lease, the Lessee shall make provisions for the conservation, repair, and protection of the property and leave all of the areas on which the Lessee has worked in a condition that will not be hazardous to life or limb, and will be to the satisfaction of the Superintendent.

19. LIABILITY FOR DAMAGE

The Lessee is liable for any and all damages resulting from its operations under this lease; including injury to the Lessor, the tenants, licensees and surface owners, and for any and all damage to, or

destruction of, all property, caused by the Lessee's operations hereunder. The Lessee agrees to save and hold the Lessor and the United States, its employees, licensees, and the surface owner or their tenants harmless from all suits for injury or claims for damages and property resulting from the Lessee's operations under this lease.

20. ROADS

The Lessee may use existing roads, if any, on the land and 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 of the Papago Indian Agency. 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 revest in Lessor in accordance with law. The Lessee shall hold the 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, the 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 the Lessee for the pro-rata share of the construction and maintenance of such roads. If

the 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 of the Interior or his duly authorized representative shall determine such amounts upon the request of either Lessee or licensee. The Lessee agrees not to change the location of present existing roads on or adjacent to the reservation without the prior written consent of the Papago Tribal Council and approval of the Secretary.

21. INDIAN LABOR

The Lessee shall employ Indians, giving priority to Lessor 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 Lessee shall do everything practicable to employ qualified Indians, giving priority to the Lessor and other members of its Tribe and their equipment in the hauling of all materials under this lease, insofar as the Lessee does not use its own equipment for that purpose. Lessee agrees to make special efforts to work Indians, giving priority to the Lessor and other members of its Tribe into skilled, technical, and other higher jobs in connection with the Lessee's operations under this lease.

22. INSURANCE, SOCIAL SECURITY, TAXES, ETC.

The Lessee agrees to carry and furnish evidence of such insurance covering all persons working in, on, or in connection with the leased premises for the Lessee as will fully comply with the provisions of the statutes of the State of Arizona covering workmen's compensation liability occupational disease, as are now in force or as may be amended. The Lessee

will carry and furnish evidence of general liability insurance. Further, the 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 the Lessee's failure to comply with these laws. The 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.

23. HEIRS AND 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 heirs, executors, administrators, successors of, or assigns of the parties to this lease.

24. 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 Indian Service 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 lease or in any other manner.

25. SURRENDER AND TERMINATION

The Lessee may at any time terminate this lease or any part thereof upon the payment of all rentals, royalties, and other obligations due to the

Lessor, and the further sum of TEN DOLLARS ($10), and in the event restrictions have not been removed, 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, 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.

26. PENALTIES

Failure of the 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 of the Interior or the Lessee to a penalty of not more than FIVE HUNDRED DOLLARS ($500) 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 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 of the Interior within 30 days after notice of the supervisor's decision, and the decision of the Secretary of the Interior, upon appeal, shall be conclusive.

27. 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

or conditions of this lease before restrictions are removed, the Secretary of the Interior or his authorized representative has the right at any time after 30 days' notice to the Lessee, specifying the terms and conditions violated, and after a hearing, if the Lessee shall so request within 30 days of receipt of notice, to declare this lease void and the Lessor may then take immediate possession of the lands; provided Lessee does not cure its default within 30 days or, if Lessee requests a hearing and does not cure its default within 20 days after the final decision resulting from said hearing. After restrictions are removed, the Lessor may use any available remedy in law or equity for breach of this contract by the Lessee. The remedies specified hereunder are in addition to remedies specifically provided in 25 CFR §§ 171.22 and 171.24.

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 Lessor:

_____ _____
Lessor

P. O. _____

_____

P. O. _____

Two Witnesses to Execution by Lessee:

_____ _____
Lessee

P. O. _____

_____

P. O._____

The within lease is approved _____.

ACKNOWLEDGEMENT OF LESSOR

STATE OF _____)
) ss
COUNTY OF_____)

On _____, 19____, before me, the undersigned, a Notary Public in and for the said County and State, personally appeared _____ to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument or its Chairman and Secretary, and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes set forth therein.

_____
Notary Public

My commission expires: _____

ACKNOWLEDGEMENT OF LESSEE

STATE OF _____)
) ss
COUNTY OF _____)

On this ____ day of _____, 19____, before me appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ _____of _____ (and that the seal affixed to said instrument is the corporate seal of said corporation), and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledges said instrument to be the free act and deed of said corporation.

WITNESS my hand and seal the day and year first above written.

_____
Notary Public

My commission expires: _____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
Papago Indian Agency
Sells, Arizona 85634

Real Propery Mgt.
331 - Papago

MAR 13 1967

RECEIVED

CIRCULATE TO		
	✓	
JBB	✓	
WJC	✓	
HG	✓	(4)
LRS		
XC RGG	✓	
* ACTION BY		

MAR 9 1967

AMEX (Not AMAX)
American Exploration & Mining Company
23rd Floor, Russ Building
San Francisco, California 94104

Gentlemen:

Mineral Prospecting Permit (Non-exclusive and Non-optional) No. H54-21-66 and extensions thereto authorizes Bear Creek Mining Company to conduct general reconnaissance surveys on tribal lands within the San Xavier, Gila Bend and Papago Indian Reservations.

On March 3, 1967, the Papago Tribal Council authorized this Bureau to advertise certain lands within the San Xavier Indian Reservation for the sale of exclusive mineral prospecting permits with option to lease.

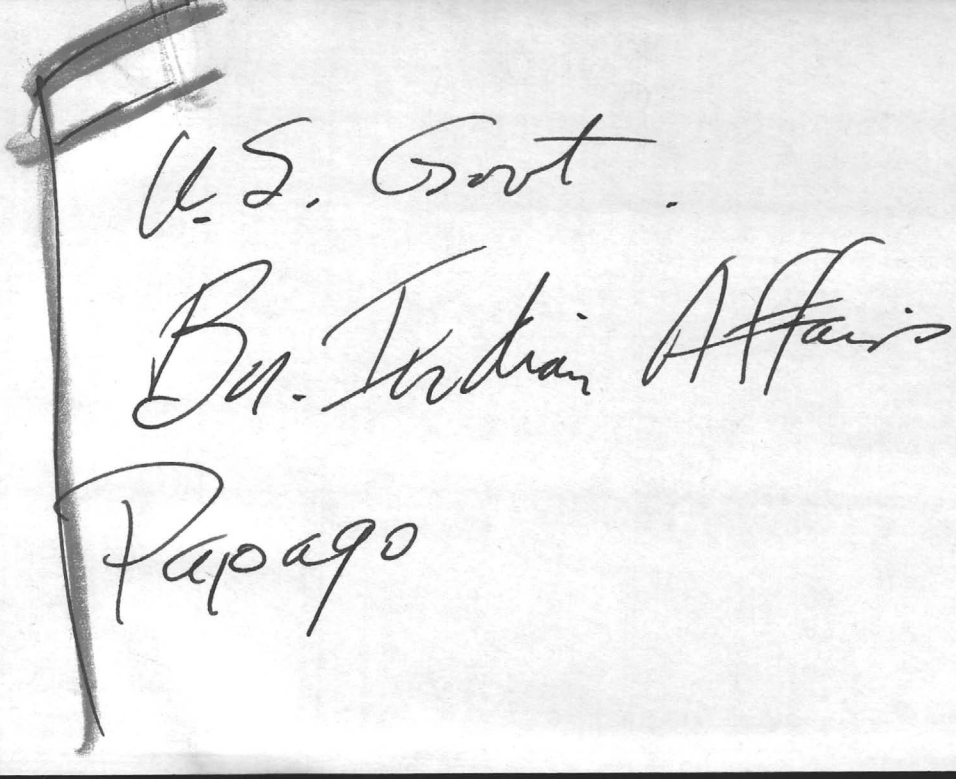
Article 2(6)(n) of the above numbered instrument provides that "This permit is revocable at the discretion of the General Superintendent of the Papago Agency . . . ."

You are hereby notified that Permit No. H54-21-66 is revoked with regard to mineral prospecting on the San Xavier Reservation thirty (30) days after the date of the receipt of this notice.

This revocation is applicable to the San Xavier Reservation only and does not preclude you from prospecting the other areas subject to the permit.

Sincerely yours,

W. W. Ballew
Acting Superintendent


U.S. Govt.
Bur. Indian Affairs
Papago

50
30
15000

15
12
30
15
180

150
30
180

Anything here of current interest to Geoex?

No

Unless area 6

RINRICHS
GEOEX
GEOPHYSICAL ENGINEERS
TUCSON, ARIZONA

MAR 23 1968

BOX 5671 TUCSON, ARIZONA
Phone: (AREA 602) 623-0578

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Papago Indian Agency
Sells, Arizona

Permit No. _____

Contract No. _____

PAPAGO INDIAN RESERVATION

MINERAL PROSPECTING PERMIT
(Exclusive with Option)

THIS AGREEMENT is made and entered into this ____ day of _____, 19___, by and between THE PAPAGO TRIBE OF ARIZONA, party of the first part, hereinafter called the Permitter, whose address is Box 277, Sells, Arizona, 85634, and _____ _____ whose address is _____ _____, party of the second part, hereinafter called the Permittee.

In consideration of the sum of _____ Dollars ($_____), paid to Superintendent, Papago Indian Agency, 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 hereinafter stated, an exclusive right for a period of _____ years, from the date of approval of this permit by the Secretary of the Interior or his authorized representative, for the purpose of prospecting for all minerals except oil and gas, other hydrocarbons, or sand, gravel, and building stone, upon the following described lands of the Permitter, 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 any of the land embraced in this permit. In exercising this preference right, 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 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 right, if exercised, shall be by written application from Permittee addressed to the Superintendent, Papago Indian Agency, describing the particular lands desired. Said written application must be delivered in person to the Superintendent or his authorized representative. Leases will be prepared in the attached form.

b. DILIGENCE AND DEVELOPMENT - The land described herein shall not be held by the Permittee for speculative purposes but in good faith prospecting

and exploring for minerals. The Permittee shall expend during the primary term of the permit on the permitted area in prospecting and exploration work a sum which shall amount to not less than TEN Dollars ($10.00) per acre per year or fraction of year 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 each year during the term 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 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 Permitter 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.

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 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 Papago Mining Division.

f. LIABILITY FOR DAMAGE - 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.

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 v

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 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 five 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 $15 per acre for all young timber less than five inches in diameter destroyed by such fires, except where forest plantations are established, the minimum liquidated damages shall be $100 per acre, 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 inflammable materials except with the consent of the authorized representative of the Commissioner of Indian Affairs, 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.

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 Permitter 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 may construct, and maintain, at its own expense, any additional roads across Permitter's lands 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 of the Papago Indian Agency. 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 road for conducting the operations authorized under this permit, the right to use the road shall thereupon cease and all the rights shall revest 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 road.

In addition to the agreements set forth hereinbefore, the Permitter 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 pro-rata share of the 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 of the Interior or his duly authorized representative shall determine such amounts upon the request of either Permittee or licensee.

k. RIGHTS-OF-WAY - Applications 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. The Permittee may use surface water for industrial use insofar as the Permitter has the right to grant such use.

m. INDIAN LABOR - The Permittee shall employ Indians, giving priority to Permitter 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 Permitter 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 Permitter and other members of its tribe, into skilled, technical, and other higher jobs in connection with the Permittee's operations under this permit.

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, not 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 $5 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 of the Papago Indian Agency, Sells, Arizona, and the Papago Indian Mining Division 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 pertaining to Tribal lands and 30 CFR 231.

r. BOND - Before this permit becomes effective, Permittee shall furnish to the Superintendent of the Papago Indian Agency, Sells, Arizona, an acceptable bond in the amount of $15,000.

s. CANCELLATION AND FORFEITURE - When, in the opinion of the Secretary of the Interior or his authorized representative, or the Papago Tribal Council, there has been a violation of any of the terms or conditions of this permit before restrictions are removed, the Secretary of the Interior or his authorized representative has the right at any time after 30 days notice to the Permittee specifying the terms and conditions violated, and after a hearing if the Permittee shall so request within 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. After restrictions are removed, the

Permitter may use any available remedy in law or equity for breach of this contract by the Permittee. The remedies specified hereunder are in addition to the remedies specifically provided in 25 CFR §§ 171.22 and 171.24.

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:

_____

P.O. _____

_____

P.O. _____

PERMITTER: THE PAPAGO TRIBE OF ARIZONA

BY: _____

ITS: _____

Two Witnesses to Execution by Permittee:

_____

P.O. _____

_____

P.O. _____

PERMITTEE:

_____

_____

The within permit is _____ approved.

Date: _____, 19__

_____
Area Director

ACKNOWLEDGEMENT OF PERMITTER

STATE OF _____)
) ss:
COUNTY OF _____)

On this _____ day of _____, 19___, before me, the undersigned, a Notary Public in and for the said County and State, personally appeared _____ and _____ to me known to be the Chairman and Secretary respectively of the Papago Tribal Council; and they acknowledged to me that they executed the foregoing Permit as their free and voluntary act and deed, and as the free and voluntary act and deed of such Tribal Council for the uses and purposes set forth therein.

_____
Notary Public

My Commission expires: _____

ACKNOWLEDGEMENT OF PERMITTEE

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 19__, before me appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ of _____ (and that the seal affixed to said instrument is the corporate seal of said corporation), and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ _____ acknowledges said instrument to be the free act and deed of said corporation.

WITNESS my hand and seal the day and year first above written.

_____
Notary Public

My commission expires: _____

PAPAGO MINERAL LANDS

NOTICE OF COMPETITIVE SALE OF EXCLUSIVE MINERAL PROSPECTING PERMITS WITH OPTION TO LEASE LANDS FOR MINING

PAPAGO TRIBAL INDIAN LAND

PAPAGO INDIAN RESERVATION

ARIZONA

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Papago Indian Agency
Sells, Arizona

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Papago Indian Agency
Sells, Arizona

Invitation No. 1-68

Date: March 22, 1968

NOTICE OF COMPETITIVE SALE OF EXCLUSIVE MINERAL PROSPECTING PERMITS WITH OPTION TO LEASE ON PAPAGO INDIAN RESERVATION

SEALED BIDS will be received until 2:00 p.m., Mountain Standard Time, July 2, 1968, and opened at that time in the office of the Superintendent of the Papago Agency, Sells, Arizona, for mineral prospecting permits on six tracts of land on the Papago Indian Reservation totaling 41,914.35 acres, more or less, of Papago Indian tribal land. The permits grant an exclusive right to prospect for all minerals other than oil and gas or other hydrocarbons, sand, gravel and building stone, with an option to a lease or leases for mining.

The tracts of land, located in Pima and Pinal Counties, Arizona, are described as follows:

TRACT NO. 1 TOTAL ACREAGE: 9,141.96

Township 15 South, Range 6 East, G&SRM (Protraction Diagram No. 75, approved 6-23-60)

Section 4 all (surveyed)
Sec. 9 all (surveyed)
Sec. 5 all
Sec. 6 all
Sec. 7 all
Section 8 all
Sec. 17 all
Sec. 18 all
Sec. 19 all

Township 15 South, Range 5 1/2 East, G&SRM

Section 1 all
Sec. 2 all
Sec. 11 all
Sec. 12 all
Section 13 all
Sec. 14 all
Sec. 23 all
Sec. 24 all

TRACT NO. 2 TOTAL ACREAGE: 3,840.00

Township 11 South, Range 3 East, G&SRM (Protraction Diagram No. 67, approved 6-23-60)

Section 17 all
Sec. 18 all
Sec. 19 all
Section 20 all
Sec. 29 all
Sec. 30 all

TRACT NO. 3 TOTAL ACREAGE: 4,480.00

Township 14 South, Range 1 East, G&SRM (Protraction Diagram No. 73, approved 6-23-60)

Section 20 all
Sec. 21 all
Sec. 28 all
Sec. 29 all
Sec. 33 all

Township 15 South, Range 1 East, G&SRM (Protraction Diagram No. 73, approved 6-23-60)

Section 3 all
Sec. 4 all

TRACT NO. 4 TOTAL ACREAGE: 5,760.00

Township 15 South, Range 2 East, G&SRM

Section 34 all

Township 16 South, Range 2 East, G&SRM

Section 2 all
Section 3 all
Sec. 4 all
Sec. 9 all
Section 10 all
Sec. 11 all
Sec. 15 all
Sec. 16 all

TRACT NO. 5 TOTAL ACREAGE: 3,984.21

Township 16 South, Range 8 East, G&SRM

Section	10 all	Section	15 all
Sec.	13 all	Sec.	22 all
Sec.	14 all	Sec.	23 all
		Sec.	24 all

TRACT NO. 6 TOTAL ACREAGE: 14,708.18

Township 9 South, Range 4 East, G&SRM (Protraction Diagram No. 67, approved 6-23-60)

Section	21 all	Section	27 all
Sec.	22 all	Sec.	28 all
Sec.	23 all	Sec.	34 all
Sec.	25 all	Sec.	35 all
Sec.	26 all	Sec.	36 all

Township 9 South, Range 5 East, G&SRM

Section	15 all	Section	28 all
Sec.	16 all	Sec.	29 all

The sale will be conducted under regulations promulgated by the Secretary of the Interior, 25 CFR 171 and the 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 acceptance of the Papago Tribal Council, Sells, Arizona, and the approval of the Secretary of the Interior or his authorized representative.

Permits will be sold to the qualified bidder who offers the highest money bonus for each separate tract. Conditional and alternate bids will not be considered. Bids may be delivered in person to the office of the Superintendent, Papago Agency, Sells, Arizona 85634, up to the specified time of opening. Telegraph or telephone bids will not be considered. Any bid received after the time specified will not be considered. Bids will be submitted on attachment No. 1.

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 twenty-five percent (25%) 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. Before a bidder is notified that he is the successful bidder, he may be required to furnish additional information as to his character, mining experience, and financial standing.

Each bid must show the address of the bidder and be signed by him with his usual signature. Bids by partnerships must be furnished with the full names of all partners and must be signed with the partnership name by one of the members of the partnership or by an authorized representative followed by the signature and designation of the person signing. Bids by corporations must be signed with the legal name of the corporation, followed by the names of the State of Incorporation and by the signature and designation of the person authorized to make the matter binding. Satisfactory evidence of authority for an officer to sign on behalf of a corporation shall be furnished.

The successful bidder will be allowed 30 days from the date of notification of award to complete and return to the Superintendent, Papago Agency, Sells, Arizona 85634, a properly executed permit, and make payment of the remainder of bonus bid, his share of advertising costs and filing fee in the amount of $10. The successful bidder is required to obtain the signatures of the authorized representatives of the tribally owned land. Upon written request, the Superintendent may, in his discretion, extend the time for submitting the completed permit but no extension shall be granted for remitting the balance of moneys due.

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

Special Provisions which are to be used in the permits issued for each tract:

Tract No. 6

The permit will grant an exclusive right for a period of one (1) year from the date of approval by the Secretary of the Interior or his duly authorized representative to prospect for all minerals except oil, gas and other hydrocarbons, sand and gravel and building stone. The Permittee may exercise his option at any time during the one (1) year period to obtain 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 ten dollars ($10.00) per acre.

Tracts 1, 2, 3, 4, and 5

The permit will grant an exclusive right for a two (2) year period from the date of approval by the Secretary of the Interior or his duly authorized representative to prospect for all minerals except oil, gas and other hydrocarbons, sand and gravel and building stone. The permittee may exercise his option at any time during the two (2) year period to obtain 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 ten dollars ($10.00) per acre.

SPECIAL NOTICE REGARDING TRACTS No. 1, 2, 4, 5, and 6.

Tracts No. 1, 2, 4, 5 and 6 described herein have within their boundaries patented land and valid mining claims and any permit or lease issued in connection with this advertisement shall exclude such areas. The locations of these sites may be obtained from the Papago Agency, Sells, Arizona 85634.

All interested persons are also notified that the land in Tract No. 6 is included in and subject to the Vaiva Vo Irrigation Project on the Papago Indian Reservation. A major portion of the tract will be located in maximum pool areas of the reservoir that will be created by the proposed Tat Momolikot Dam. The construction date of the project has not been established. Further information on the project can be obtained from the Superintendent, Papago Agency, Sells, Arizona 85634.

Leases issued under these permits 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 and the Papago Tribal Council 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, and concurrence of the Papago Tribal Council. Annual rate of rental will be $1.00 for each acre under lease.

Lands included under a lease or leases issued hereunder shall not be held for speculative purposes or for the dumping or depositing of waste and tailings from mining and milling operations conducted on properties not included under leases selected as a result of permits that may be issued under the provisions of this notice. The Lessee shall have the right to dump and deposit waste and tailings on the leased premises from mining and milling operations conducted on the land so leased subject to the following conditions:

1. Lessee shall agree to conduct operations so as not to pollute any surface or subsurface fresh water supply.
2. Lessee shall agree to control water supplies in conformity with existing laws and tribal ordinances and in all cases hold to a minimum erosion and flood damages.
3. Lessee shall agree to terrace and landscape waste disposal areas in a reasonable manner at his own cost and expense subject to the acceptance and satisfaction of the Tribe and Secretary. The outer perimeter of waste disposal areas shall be sloped at 30° or less, measured from the horizontal plane, and a bench 10 feet to 14 feet wide will be constructed every 20 vertical feet. 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 reasonably flat and tailings will be covered with soil to a depth that

will permit the early establishment and propogation of vegetation upon completion of the use of the lease premises or the said waste or tailings dumps or deposits.

Lessee shall submit plans for seeding or planting such areas prior to abandonment. Such plan or plans to be within the scope of accepted soil conservation practice and to the satisfaction of the Superintendent and the Papago Tribe.

4. Lessee shall agree to conduct operations to minimize air pollution which may result from stripping, mining, milling, leaching or waste disposal in conformity with existing or future laws or Tribal ordinances enacted which are applicable to air pollution on and adjacent to the Papago Reservation.

Lessee shall agree not to change the location of present roads on or adjacent to the reservation without the prior written consent of the Papago Tribal Council and the approval of the Secretary.

There are attached hereto, and by this reference made a part of this Notice of Sale, a copy of the Mineral Prospecting Permit (Exclusive With Option), 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 each separate tract. The royalty rates, minimum royalty and rental, are set forth in detail in the attached Mining Lease Indian Land and are payable to the Superintendent, Papago Agency, Sells, Arizona, and written records of all payments made shall be furnished to the Papago Tribal Council.

The exterior boundaries of the tracts being advertised have been

located by a public land survey, or projections of unsurveyed sections; however, should a more detailed survey be necessary for outlining the leased area, the expense of such detailed 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 Papago Agency.

All bids must be addressed to the Superintendent, Papago Agency, Sells, Arizona 85634, in a plain envelope marked in the lower left corner, "Bid - Prospecting Permit, Not to be Opened Until 2:00 P. M., MST, July 2, 1968."

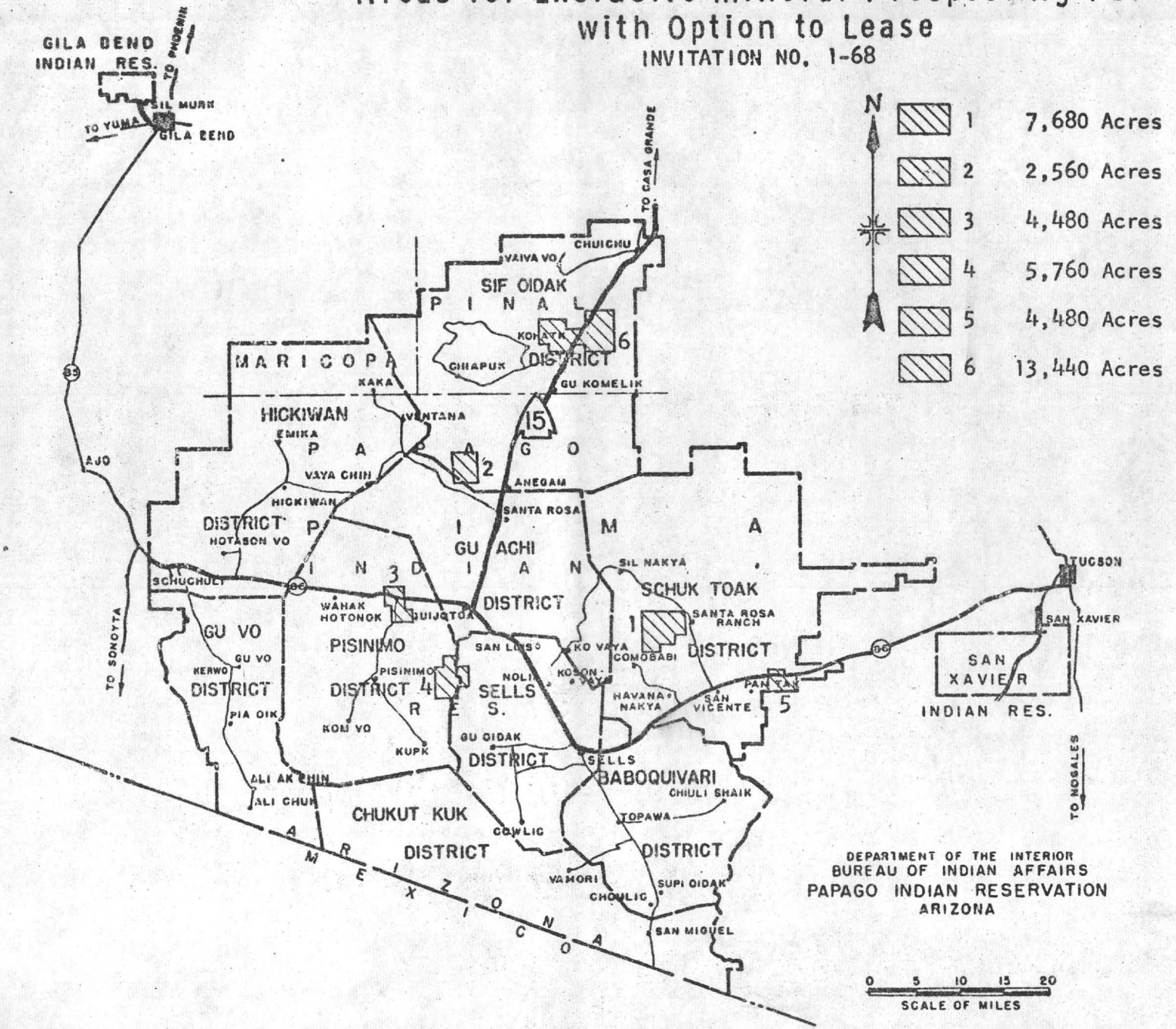
Bidders are requested to submit their quotations on Attachment No. 1. Additional information regarding this permit offering may be obtained from the Papago Agency, Sells, Arizona 85634.

March 22, 1968
Date

John H. Artichoker, Jr.
Superintendent

Areas for Exclusive Mineral Prospecting Permits with Option to Lease

INVITATION NO. 1-68



DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
PAPAGO INDIAN RESERVATION
ARIZONA

ATTACHMENT NO. 1

Invitation No. 1-68

Dated: March 22, 1968

Superintendent

Papago Indian Agency

Sells, Arizona 85634

PROSPECTING PERMIT BID
PAPAGO INDIAN RESERVATION

The following bid or bids are submitted for prospecting permits on land within the Papago Indian Reservation, Arizona:

Tract No. 1 $_____

Tract No. 2 $_____

Tract No. 3 $_____

Tract No. 4 $_____

Tract No. 5 $_____

Tract No. 6 $_____

_____
(Name of bidder)

_____
(Address)

Date:_____ _____
(Telephone Number

IMPORTANT: 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 for each separate tract. Bids may be submitted on one or both tracts. Bids on each tract will be considered independent of the other.

GEOEX
MAR 23 1968
BOX 5671 TUCSON, ARIZONA 85703
Phone: (AREA 602) 623-0578

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Papago Indian Agency
Sells, Arizona

Contract No._____

Lease No._____

MINING LEASE INDIAN LANDS
(For Minerals Other Than Oil and Gas)
Papago Indian Reservation

THIS INDENTURE OF LEASE is made and entered into in sextuplicate on this _____ day of_____, 196 , between The Papago Tribe of Arizona of Box 277, Sells, Arizona 85634, party of the first part, hereinafter called the Lessor, and_____

_____

of_____, State of_____, part_____ of the second part, hereinafter called the Lessee.

I. Lessor, in consideration of $1.00, receipt of which is hereby acknowledged, of the rent and royalty to be paid, and of the agreement of the Lessee herein contained, grants and leases unto Lessee for the sole purpose of exploring for, developing, mining, producing, processing, and marketing all minerals, excluding oil and gas, other hydrocarbons, building stone, sand, and gravel, on land described as follows:

_____

_____

Section_____, Township_____, Range_____, Gila and Salt River Meridian, Papago Indian Reservation, _____ County, State of Arizona, and containing _____acres, more or less. The Lessee may occupy as much of the surface of the leased 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. Subject 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, pipe lines, 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; produce electrical power for its own use; erect and operate power lines; place machinery and other equipment and fixtures upon the lands; use and transport water developed by Lessee on the lands and any other water made available to Lessee; 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 lands as may be necessary to carry on the mining operations hereunder, including the right of ingress and egress; however, the rights contained herein

do not include the right to dump waste material or tailings from properties not included in this lease.

a. Survey of Leased Premises:

Within 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 in quadruplicate and two additional copies furnished the Mining Division of the Papago Tribal Council.

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

III. DEFINITION - Superintendent refers to the official in charge of the Indian Agency that has jurisdiction over the lands leased.

IN CONSIDERATION OF THE FOREGOING, THE LESSEE AGREES:

1. ROYALTY

a. To pay or cause to be paid to the Superintendent, Papago Agency, Sells, Arizona, for the use and benefit of the Lessor, a royalty, calculated on a monthly weighted average on the basis of tonnage of the ore mined and milled or crude ore delivered to a treatment plant on the net smelter returns as hereinafter defined, and abbreviated as NSR, as follows:

5%	of	NSR	for	ore	with	NSR	(per	short	ton)	$3.00	or	less		
6%	"	"	"	"	"	"	"	"	"	3.00	to	and	including	3.25
7%	"	"	"	"	"	"	"	"	"	3.25	"	"	"	3.50
8%	"	"	"	"	"	"	"	"	"	3.50	"	"	"	3.75
9%	"	"	"	"	"	"	"	"	"	3.75	"	"	"	4.00
10%	"	"	"	"	"	"	"	"	"	4.00	and	up		

"Net smelter return" shall mean the net proceeds (after subtracting freight, hauling, smelter treatment, smelter deductions and all other such charges away from the Lessee's plant) received or to be received for the ore mined (or for concentrates and/or mill products produced by the Lessee therefrom) from the premises when sold to a bona fide purchaser; but should such ores, concentrates and/or mill products be retained by the Lessee, the charges above mentioned shall not exceed those of custom mills or smelters for comparable services. All subsidies shall be added to the metal price in computing NSR.

For Uranium and Associated Minerals: The royalty to be paid or caused to be paid to the Superintendent, Papago Agency, Sells, Arizona, for the use and benefit of the Lessor for uranium and associated minerals, shall be negotiated between the Papago Tribal Council, and the Lessee and approved by the Secretary following discovery of said minerals in commercial quantities and prior to the production or sale of uranium and associated minerals on or off the leased premises.

All royalty accruing for any month shall be due and payable before the twenty-fifth (25) day of the following month. During the period that the land is under Federal jurisdiction, the royalty provisions of this lease shall be subject to reasonable adjustment by the Secretary of the Interior or his authorized representative at the end of the first and each successive 5-year period, such adjustment being based upon market conditions as supported by evidence from the field and concurrance of the Papago Tribal Council.

b. LEACHING - Lessee agrees to pay a ten percent (10%) royalty of net

smelter return on amounts realized on all sales of minerals recovered by leaching ores and other materials in place or stock piled in the leased property, by leaching such materials after they have been mined or extracted from the leased property, or by leaching the waste material resulting from the treatment of ores from the leased property or leaching in place. Lessee will pay the royalty computed under this section for each calendar month to the Superintendent for the use and benefit of Lessor before the end of the next calendar month, and a statement showing how this royalty was determined will accompany this payment and shall also be furnished to the Papago Tribal Council.

c. 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.

d. COMMINGLED ORES - Lessee shall have the right to commingle ore 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 the Mining Division of the Papago Tribe. 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.

e. MINIMUM ROYALTY - To pay or cause to be paid to the Superintendent, Papago Agency, Sells, Arizona, for the use and benefit of the Lessor, at the beginning of the third year of this lease, an advance minimum royalty of twenty dollars ($20) for each acre under this lease provided all such advance royalties paid shall be credited against production royalties only in the year for which it is paid. If the lease is surrendered or canceled, the advance minimum royalty accruing to the Lessor will not be refunded.

2. ANNUAL RENTAL

To pay, or cause to be paid, to the Superintendent, Papago Agency, for the use and benefit of the Lessor, in advance, beginning with the date of approval of the lease, as annual rental, the sum of $1.00 per acre for the first lease year, and $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 the Lessor under this lease. If the lease is surrendered or canceled, no rent accruing to the Lessor will be refunded.

3. EXCAVATION, WASTE AND CONSTRUCTION AREAS

It is further agreed that in addition to all payments of bonuses, royalties and rentals heretofore set forth, the Lessee shall pay to the Superintendent for the use and benefit of the Lessor, ONE HUNDRED DOLLARS ($100) 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 material, including overburden and tailings, derived from ores extracted from

the lands 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 and Secretary or his authorized representative, reasonable evidence either 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.

a. CAMPSITES - The Lessee agrees to pay to the Superintendent for the use and benefit of the Lessor, ONE HUNDRED DOLLARS ($100) per acre for all land used for campsite purposes within the leased premises, it being understood that the payment of $100 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.

4. 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 the Lessor.

Lessee shall agree to conduct operations so as not to pollute any surface or subsurface fresh water supply. Lessee shall agree to control water supplies in conformity with existing laws and tribal ordinances and in all cases hold to a minimum erosion and flood damages. Lessee shall agree to terrace and landscape waste disposal areas in a reasonable manner at his own cost and expense subject to the acceptance and satisfaction of the Tribe and Secretary. The outer perimeter of waste disposal areas shall be sloped at 30° or less, measured from the horizontal plane, and a bench 10 feet to 14 feet wide will be constructed every 20 vertical feet. 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 propogation of vegatation upon completion of the use of the lease premises or the said waste or tailings dumps or deposits. Lessee shall submit plans for seeding or planting such areas prior to abandonment, such plan or plans to be within the scope of accepted soil conservation practices and to the satisfaction of the Superintendent and Lessor. Lessee further agrees to conduct operations that will minimize air pollution, which may result from stripping, mining, milling, hauling, leaching, or waste disposal in conformity with existing or future laws or tribal laws or tribal ordinances enacted applicable to air pollution control on or adjacent to the Papago Reservation.

5. <u>GOVERNMENT RESERVES RIGHT TO BUY MINERALS PRODUCED</u>

In time of war or other public emergency, any 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.

6. 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 nor suffer to be committed waste upon the land leased; 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 whomever is lawfully entitled thereto in as good condition as received, except for the ordinary wear and tear and unavoidable accidents in their proper use of the premises; not to remove any buildings or permanent improvement erected on the leased property during the term of 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 the Lessee at any time before 120 days after the lease expires by forfeiture or otherwise. The Superintendent may grant reasonable extension of time for removal of such equipment.

7. FOREST PROTECTION - The Lessee agrees:

a. 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.

b. 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.

c. Not to interfere with the sale or removal of timber from the land covered by this lease by contractors operating under an approved timber 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 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 leased land 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 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 Lessee, its employees, contractors, or subcontractors, or the agents or employees of such contractors or subcontractors are responsible.

subcontractors, or the employees of such contractors or subcontractors are responsible.

e. To pay for the loss of all timber 5 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 $15 per acre for all young timber less than 5 inches in diameter destroyed by such fires, except where forest plantations are established the minimum liquidated damages shall be $100 per acre, and to pay all costs for the suppression of fires for which it, or any of its employees, contractors, 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 authorized representative of the Commissioner of Indian Affairs, and not to use explosives in such 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.

8. DEVELOPMENT

The land under this lease shall not be held by Lessee for speculative purposes, but for mining the minerals specified. Lessee agrees it will not treat any ore reserves developed in the lands as a reserve to be held in reserve for some future exploitation, but will bring the reserves and any

commercially profitable ore body as it shall be developed into production in an orderly manner and consistent with sound business practice. If the Lessee fails to diligently develop or operate the mine, except during the primary term which is defined as the first 10 years of this lease, or except when operation is interrupted by a strike, an act of God, or casualty, not attributable to the Lessee, this lease will be subject to cancellation. The 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 TWENTY DOLLARS ($20) per acre during the first lease year for each acre included under this lease; at least THIRTY DOLLARS ($30) per acre during the second lease year for each acre under this lease; at least FORTY DOLLARS ($40) 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) per acre for such purposes for each acre included under this lease, except during any lease year of the primary term of this lease when prevented by a strike, an act of God, or casualty not attributable to the Lessee or whenever the Secretary of the Interior or his authorized representative considers the marketing facilities inadequate or the economic conditions unsatisfactory and authorizes the suspension of operations for such time as he considers advisable, but this does not release the Lessee from paying the advance minimum royalty or annual rental. 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. Within 45 days following each lease year, the Lessee shall file in duplicate with the Superintendent, and one copy with the Mining Division of the Papago Tribal Council, an itemized statement of the amount and character of the expenditures during the lease year. The statement must be certified under oath by the Lessee or its Agent. Payment of minimum royalty will not excuse complying with the provisions of this Section.

9. MONTHLY STATEMENTS

Lessee agrees to keep an accurate record of the mining operations, showing the drill hole locations, logs and assays, and the sales, prices, dates, purchases, and the amount of minerals mined, the amount of minerals removed, and the gross receipts, and to furnish the Superintendent and the Papago Tribal Council sworn monthly reports before the twenty-fifth 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 the 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 of the Interior or his duly authorized representative and at the expense of the Lessee. The Lessee shall furnish, through the Superintendent, a free copy of the audit to the Secretary of the Interior within 30 days after the completion of each audit and annually a copy of its audited annual report.

The Lessee specifically agrees to furnish monthly statements in accordance with provisions of 25 CFR 171.18 and 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 Mining Division of the Papago Tribal Council.

10. REGULATIONS

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

11. ASSIGNMENT OF LEASE

Lessee agrees not to assign this lease or any interest therein by an operating agreement, including agreements providing for payment of overriding royalty or otherwise, nor to sublet any portion of the leased premises before restrictions are removed, except with the approval of the Secretary of the Interior and the Papago Tribal Council. If this lease is divided by the assignment of an entire interest in any part of it, each part shall be considered a separate lease under all the terms and conditions of the original lease.

12. BOND

Lessee agrees to furnish to the Superintendent an acceptable bond in the amount of FIFTEEN THOUSAND DOLLARS ($15,000). The right is reserved to the Secretary of the Interior or his authorized representative to increase the amount of bond.

13. LIQUOR

The Lessee further 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 the Lessee or with its knowledge, shall render this lease voidable at the option of the Superintendent.

14. INSPECTION

The leased premises, producing operations, appurtenances, and all books and accounts of the Lessee may be inspected by the Lessor and its agents or any authorized representative of the Secretary of the Interior.

15. DISPOSITION OF MINERALS AND SURFACE

a. The Lessor expressly reserves the right to lease, sell, or otherwise dispose of the minerals not subject to this lease 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 the Lessee to use as much of the surface as is necessary in the extraction and removal of the minerals from the leased land. There is further reserved to Lessor, after consultation with Lessee, the right to construct, use and maintain canals, pipe lines and syphons on and across the leased lands for the purpose of irrigation projects, and to construct, use and maintain roads, power lines, pipe lines 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.

b. Lessor may hereafter grant to other persons, firms, or corporations oil and gas leases, 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 rigs 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 Mining Supervisor of the United States Geological Survey or the Papago Tribal Council, would result in undue waste of mineral deposits or constitute a hazard to interfere with mining operations being conducted by Lessee on the leased premises. The provisions of this Section 15 shall be included in any oil and gas lease, license, prospecting permit or right-of-way granted by Lessor on the leased premises.

c. Notwithstanding any other provision of this lease, the Lessor reserves the right without liability of any kind, except as provided in this lease, to grant to qualified applicants rights-of-way for pipe lines for the transportation of oil, gas, helium or petroleum products, for power lines, telephone, telegraph and water lines incident to the operation of such pipe lines, 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 Area Director or other official in charge of the Indian agency having jurisdiction over the lands and with the Papago Tribal Council the following expressed undertakings in writing for the express benefit of Lessee:

(1) That applicant will either bury the pipe line 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 pipe line. Whenever said pipe line is relocated pursuant to subparagraph (2) of this subsection c of this Section 15, 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 pipe line caused by such vehicles and equipment so crossing said pipe line.

(2) That applicant will make adequate provisions in the construction of said pipe line, 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) month 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 pipe line 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 pipe line 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 pipe line 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 pipe line 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 pipe line 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 widths 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 a 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.

16. RELINQUISHMENT OF SUPERVISION BY THE SECRETARY OF THE INTERIOR

Should the Secretary of the Interior, 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 the Lessee until the Secretary has given 30 days' written notice. Until the requirements are fulfilled, Lessee shall continue to make all payments due. After notice of relinquishment has been received by Lessee, this lease is subject to the following further conditions:

a. All rentals and royalties accruing shall be paid directly to Lessor or its successor in title.

b. If at the time supervision is relinquished by the Secretary of the Interior as to all lands under this lease, and Lessee has made all payments due under the lease and has fully performed all obligations on its part to be performed up to the time of such relinquishment, then the bond given to secure the performance of the lease and on file in the Indian Office shall be of no further force or effect.

17. WATER WELLS

The Lessee may, at its own expense, drill and equip water wells on the leased premises 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. The Lessee may use surface water for industrial use insofar as the Lessor has the right to grant such use. Lessee agrees that all water sources developed by and/or utilized by the Lessee, including surface waters, shall be used only on the leased premises unless approved in writing by the Lessor and the Secretary.

18. DAMAGES

The Lessee shall conduct all operations authorized in this lease 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 lease which causes damage to the watershed or pollution of the water resources. On termination of operations under this lease, the Lessee shall make provisions for the conservation, repair, and protection of the property and leave all of the areas on which the Lessee has worked in a condition that will not be hazardous to life or limb, and will be to the satisfaction of the Superintendent.

19. LIABILITY FOR DAMAGE

The Lessee is liable for any and all damages resulting from its operations under this lease; including injury to the Lessor, the tenants, licensees and surface owners, and for any and all damage to, or destruction of, all property, caused by the Lessee's operations hereunder. The Lessee agrees to save and hold the Lessor and the United States, its employees, licensees, and the surface owner or their tenants harmless from all suits for injury or claims for damages and property resulting from the Lessee's operations under this lease.

20. ROADS

The Lessee may use existing roads, if any, on the land and 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 of the Papago Indian Agency and the Papago Tribal Council. 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 revest in Lessor in accordance with law. The Lessee shall hold the 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, the 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 the Lessee for the pro-rata share of the construction and maintenance of such roads. If the 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 of the Interior or his duly authorized representative shall determine such amounts upon the request of either Lessee or licensee. The Lessee agrees not to change the location of present existing roads on or adjacent to the reservation without the prior written consent of the Papago Tribal Council and approval of the Secretary.

21. INDIAN LABOR

The Lessee shall employ Indians, giving priority to Lessor 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 Lessee shall do everything practicable to employ qualified Indians, giving priority to the Lessor and other members of its Tribe and their equipment in the hauling of all materials under this lease, insofar as the Lessee does not use its own equipment for that purpose. Lessee agrees to make special efforts to work Indians, giving priority to the Lessor and other members of its Tribe into skilled, technical, and other higher jobs in connection with the Lessee's operations under this lease.

22. INSURANCE, SOCIAL SECURITY, TAXES, ETC.

The Lessee agrees to carry and furnish evidence of such insurance covering all persons working in, on, or in connection with the leased premises for the Lessee as will fully comply with the provisions of the statutes of the State of Arizona covering workmen's compensation, liability and occupational disease, as are now in force or as may be amended. The Lessee will carry and furnish evidence of general liability insurance. Further, the 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 the Lessee's failure to comply with these laws. The Lessee shall pay all taxes lawfully levide or assessed on the sale, severance, production, extraction, or removal of any of the minerals covered by this lease.

23. 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 of, or assigns of the parties to this lease.

24. 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 Indian Service 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 lease or in any other manner.

25. SURRENDER AND TERMINATION

The Lessee may at any time terminate this lease or any part thereof upon the payment of all rentals, royalties, and other obligations due to the 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 of the Interior or his authorized representative 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.

26. PENALTIES

Failure of the 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, order of the Supervisor or his representative, or order of the Papago Tribal Council shall subject

the lease to cancellation by the Secretary of the Interior and the Papago Tribal Council, or the Lessee to a penalty of not more than FIVE HUNDRED DOLLARS ($500) 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 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 when approved by the Papago Tribal Council, unless an appeal be taken to the Secretary of the Interior within 30 days after notice of the Supervisor's decision, and the decision of the Secretary of the Interior, upon appeal, shall be conclusive.

27. CANCELLATION AND FORFEITURE

When, in the opinion of the Secretary of the Interior or his authorized representative, or the Papago Tribal Council, there has been a violation of any of the terms or conditions of this lease before restrictions are removed, the Secretary of the Interior or his authorized representative has the right at any time after 30 days' notice to the Lessee, specifying the terms and conditions violated, and after a hearing, if the Lessee shall so request within 30 days of receipt of notice, to declare this lease void and the Lessor may then take immediate possession of the lands; provided Lessee does not cure its default within 30 days, or, if Lessee requests a hearing and does not cure its default within 20 days after the final decision resulting from said hearing. After restrictions are removed, the Lessor may use any available remedy in law or equity for breach

of this contract by the Lessee. The remedies specified hereunder are in addition to remedies specifically provided in 25 CFR 171.22 and 171.24.

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

LESSOR: PAPAGO INDIAN TRIBE OF ARIZONA

Two Witnesses to Execution by Lessor:

_____ By: _____
Chairman

P.O. _____

By: _____
Secretary

_____

P.O. _____

LESSEE:

Two Witnesses to Execution by Lessee:

_____ _____

P.O. _____

_____

P.O. _____

The within Lease is _____ approved.

_____
Area Director

Date: _____

ACKNOWLEDGEMENT OF LESSOR

STATE OF _____)
) ss:
COUNTY OF _____)

On this _____ day of _____, 19____, before me, the undersigned, a Notary Public in and for the said County and State, personally appeared _____ and _____ to me known to be the Chairman and Secretary respectively of the Papago Tribal Council, and they acknowledged to me that they executed the foregoing Lease as their free and voluntary act and deed, and as the free and voluntary act and deed of such Tribal Council for the uses and purposes set forth therein.

_____
Notary Public

My Commission expires _____

ACKNOWLEDGEMENT OF LESSEE

STATE OF _____)
) ss:
COUNTY OF _____)

On this _____ day of _____, 19_____, before me appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ of _____ (and that the Seal affixed to said Instrument is the Corporate Seal of said Corporation), and that the said Instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and said _____ acknowledges said instrument to be the free act and deed of said Corporation.

Witness my hand and Seal the day and year first above written.

_____
Notary Public

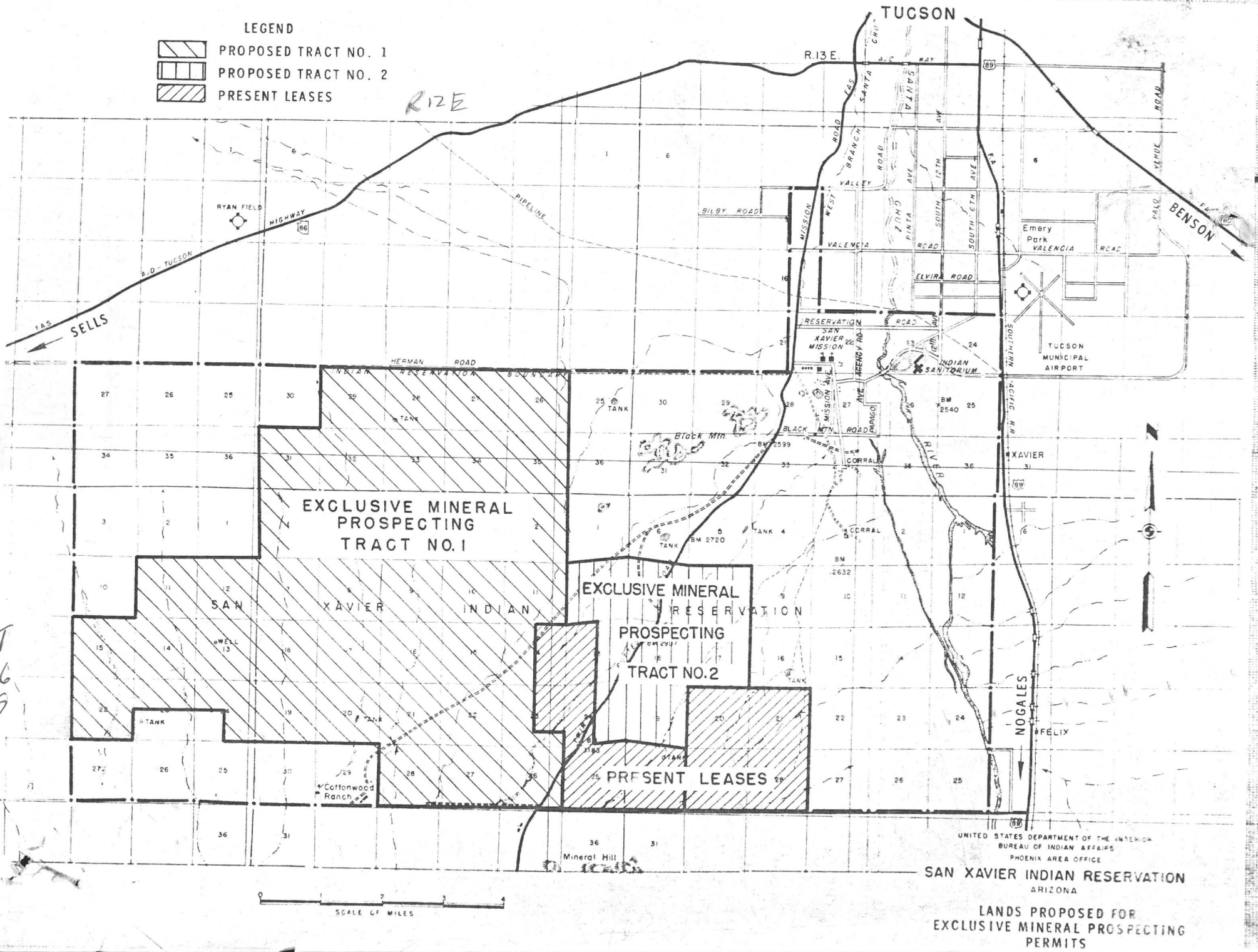
My Commission expires _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Phoenix Area Office
P.O. Box 7007
Phoenix, Arizona 85011

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF THE INTERIOR

Official Business

Heinrichs Geoexploration Co.
P. O. Box 5671
Tucson, Arizona 85703


LEGEND
PROPOSED TRACT NO. 1
PROPOSED TRACT NO. 2
PRESENT LEASES
R12E
R.13E.
TUCSON
BENSON
SELLS
HIGHWAY 86
RYAN FIELD
PIPELINE
BILBY ROAD
VALLEY ROAD
VALENCIA ROAD
ELVIRA ROAD
RESERVATION ROAD
SAN XAVIER MISSION
INDIAN SANITORIUM
TUCSON MUNICIPAL AIRPORT
Emery Park
HERMAN ROAD
INDIAN RESERVATION BOUNDARY
Black Mtn
BLACK MTN. ROAD
CORRAL
XAVIER
NOGALES
FELIX
EXCLUSIVE MINERAL PROSPECTING TRACT NO. 1
SAN XAVIER INDIAN RESERVATION
EXCLUSIVE MINERAL PROSPECTING TRACT NO. 2
PRESENT LEASES
Cottonwood Ranch
Mineral Hill
T 16 S
SCALE OF MILES
UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
PHOENIX AREA OFFICE
SAN XAVIER INDIAN RESERVATION
ARIZONA
LANDS PROPOSED FOR EXCLUSIVE MINERAL PROSPECTING PERMITS

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
Papago Indian Agency
Sells, Arizona 85634

Real Propery Mgt.
331 - Papago

MAR 13 1967

RECEIVED

CIRCULATE TO		
	✓	
JBB	✓	
WJC	✓	
HG	✓	✓
LRS		
RGG	✓	
* ACTION BY		

XC

MAR 9 1967

American Exploration & Mining Company
23rd Floor, Russ Building
San Francisco, California 94104

Gentlemen:

Mineral Prospecting Permit (Non-exclusive and Non-optional) No. H54-21-66 and extensions thereto authorizes Bear Creek Mining Company to conduct general reconnaissance surveys on tribal lands within the San Xavier, Gila Bend and Papago Indian Reservations.

On March 3, 1967, the Papago Tribal Council authorized this Bureau to advertise certain lands within the San Xavier Indian Reservation for the sale of exclusive mineral prospecting permits with option to lease.

Article 2(6)(n) of the above numbered instrument provides that "This permit is revocable at the discretion of the General Superintendent of the Papago Agency . . . ."

You are hereby notified that Permit No. H54-21-66 is revoked with regard to mineral prospecting on the San Xavier Reservation thirty (30) days after the date of the receipt of this notice.

This revocation is applicable to the San Xavier Reservation only and does not preclude you from prospecting the other areas subject to the permit.

Sincerely yours,

W. W. Ballew
Acting Superintendent

a Daily Star

er Printing The News Impartially ★

MORNING, MAY 4, 1967

SECTION TWO

SECTION B—PAGE ONE

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