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Vol. 7, Book 33

TOMBSTONE

Mining District

Cochise County

Arizona

Santa Fe Mining, Inc.

Land Work - Arizona State Lands

GEN. LISTS & MISC

November 7, 1986

STATE LAND TAKE OFF
Tombstone Prospect
Cochise County, Arizona

DESCRIPTION:

Township 19 South, Range 22 East, of the Gila & Salt River Base & Meridia
Sections 25 through 28: S $\frac{1}{2}$
Sections 33 through 36: All

Township 20 South, Range 22 East, of the Gila & Salt River Base & Meridia
Sections 1 through 4: All
Sections 9 through 16: All

Township 19 South, Range 23 East, of the Gila & Salt River Base & Meridia
Section 30: SW $\frac{1}{4}$
Section 31: W $\frac{1}{2}$

Township 20 South, Range 23 East, of the Gila & Salt River Base & Meridia
Sections 6, 7 & 18: W $\frac{1}{2}$

The following information is based upon a review of the Tract Books of the Arizona State Land Office, conducted on November 3, & 4, 1986.

T. 19 S., R. 22 E.

Section 25: SE $\frac{1}{4}$ (160.00 ac.)
S $\frac{1}{2}$ SW $\frac{1}{4}$ (80.00 ac.)

STATUS: OPEN

Comment: S $\frac{1}{2}$ SW $\frac{1}{4}$ was closed to new surface lease applications by order of the Commissioner 7-29-82. (CL #562)
Grazing Lease 05-1501-N Harold O. Love, et-al Exp. 2-18-96

Section 26: S $\frac{1}{2}$ S $\frac{1}{2}$ (160.00 ac.)

STATUS: OPEN

Comment: S $\frac{1}{2}$ S $\frac{1}{2}$ was closed to new surface lease applications by order of the Commissioner 7-29-82. (CL #562)
Above land was selected by State on 10-31-80, and approved on 7-20-82. Notation in Tract Book shows that this land is subject to a Federal Oil and Gas Lease No. 11475, dated 7-20-82.

Section 26: NW $\frac{1}{4}$ SW $\frac{1}{4}$ (40.00 ac.)

STATUS: Pending State Exchange 1-25-85

(continued on page 2)

State Land Take Off
Tombstone Prospect
Cochise Co., Az.

-2-

November 7, 1986

T. 19 S., R. 22 E.
Section 27: SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
State Surface Only.

Section 27: S $\frac{1}{2}$ SE $\frac{1}{4}$ (80.00 ac.)

STATUS: OPEN

Comment: S $\frac{1}{2}$ SE $\frac{1}{4}$ was closed to new surface lease applications by order of the Commissioner 7-29-82. (CL #562)
Above land was selected by State on 10-31-80, and approved on 7-20-82. Notation in Tract Book shows that this land is subject to a Federal Oil and Gas Lease No. 11475, dated 7-20-82.

Grazing lease No. 05-1501-N Harold O. Love, et-al, Exp. 2-18-96
(covers 156.76 acres in W $\frac{1}{2}$)

Section 28: SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$
State Surface Only

Comment: Grazing lease No. 05-1501-N Harold O. Love, et-al Exp. 2-18-96
(covers 234.27 acres)

Section 33: SE $\frac{1}{4}$
State Surface Only.

Section 33: Lots 3 & 4 (79.65 ac.)

STATUS: Prospecting Permit Application No. 94319

M. S. Horne, a married man
3033 North Central Ave. Suite 707
Phoenix, Az. 85012
602-264-2181

Dated 10-23-86 Begins 12-10-86 Expires 12-9-91
(copy attached)

NOTE: M. S. Horne filed 6 earlier applications on this same parcel of land during 1986. It is possible that this Permit may not be issued.

Comment: Grazing lease No. 05-1336N Joseph John Escapule Exp. 3-31-96
(lots 3 & 4)
Grazing lease No. 05-1501N Harold O. Love, et-al Exp. 2-18-96
(NE $\frac{1}{4}$)

Section 34: NW $\frac{1}{4}$
State Surface Only.

(continued on page 3)

State Land Take Off
Tombstone Prospect
Cochise Co., Az.

-3-

November 7, 1986

T. 19 S., R. 22 E.
Section 34 - continued

Section 34: $N\frac{1}{2}NE\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}NE\frac{1}{4}$, $SW\frac{1}{4}SW\frac{1}{4}NE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}SW\frac{1}{4}NE\frac{1}{4}$, $SW\frac{1}{4}SE\frac{1}{4}SW\frac{1}{4}NE\frac{1}{4}$
 $N\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}NE\frac{1}{4}$, $E\frac{1}{2}NE\frac{1}{4}SE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}NE\frac{1}{4}SE\frac{1}{4}$, $S\frac{1}{2}NW\frac{1}{4}NE\frac{1}{4}SE\frac{1}{4}$
 $SW\frac{1}{4}NE\frac{1}{4}SE\frac{1}{4}$, $NW\frac{1}{4}NE\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$, $S\frac{1}{2}NE\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$, $W\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$
(197.50 ac.)

STATUS: OPEN

Comment: Above 197.50 acres were closed to new surface lease applications by order of the Commissioner 7-29-82. (CL # 562) Above 197.50 acres were selected by State on 10-31-80, and approved on 7-20-82. Notation in Tract Book shows that this land is subject to a Federal Oil and Gas Lease No. 11475, dated 7-20-82.

Grazing lease No. 05-1501N Harold O. Love, et-al Exp. 2-18-96
(covers 197.50 acres)

Section 35: $E\frac{1}{2}$, $E\frac{1}{2}W\frac{1}{2}$, $NW\frac{1}{4}NW\frac{1}{4}$, $W\frac{1}{2}SW\frac{1}{4}$ (600.00 ac.)
State Surface Only.

Section 35: $SW\frac{1}{4}NW\frac{1}{4}$

STATUS: OPEN

Comments: $SW\frac{1}{4}NW\frac{1}{4}$ was closed to new surface lease applications by order of the Commissioner 7-29-82. (CL #562) Above land was selected by State on 10-31-80, and approved on 7-20-82. Notation in Tract Book shows that this land is subject to a Federal Oil and Gas Lease No. 11475, dated 7-20-82.

Grazing lease No. 05-1501N Harold O. Love, et-al Exp. 2-18-96
($NE\frac{1}{4}$, $E\frac{1}{2}W\frac{1}{2}$, $NW\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, less S.130ft of E. 800 ft of W. 2000 ft. 517.61 ac.)

Commercial Lease No. 03-00883-0 Approved 9-12-86

Issued to Harold O. Love, et-al

c/o Wes Polley, Esq.

P. O. Box 5998

Bisbee, Az., 85603

602-432-4640

T. 19 S., R. 22 E. Sec. 35: $S\frac{1}{2}SE\frac{1}{4}$

T. 20 S., R. 22 E. Sec. 2: N. 660 ft of Lots 1 & 2
(80.00 ac & 40.00 ac.)

Purpose of lease: target range for a gun club.

(copy attached)

Section 36: ALL

STATUS: OPEN

Comments: Grazing lease No. 05-1501N Harold O. Love Exp. 2-18-96 (All)

(continued on page 4)

State Land Take Off
Tombstone Prospect
Cochise Co., Az.

-4-

November 7, 1986

T. 19 S., R. 23 E.

Section 30: SW $\frac{1}{4}$

This land is currently U. S. Surface and Minerals
with a Pending Exchange to the State of Arizona.
AZA 020347FD D. 1-25-85.
(copy of ORCA print out attached.)

Section 31: W $\frac{1}{2}$ Nothing shown.

T. 20 S., R. 23 E.

Section 6: Lots 1-7, SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ (639.15 ac.)

STATUS: OPEN

Comments: Grazing Lease No. G. 632N Budd & Carolina Hull Exp. 6-3-92
(All)

Section 7: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (638.80 ac.)

STATUS: OPEN

Comments: Grazing Lease No. G. 632N Budd & Carolina Hull Exp. 6-3-92
(All)

Section 18: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (638.99 ac.)
State Surface Only.

Comments: Grazing Lease No. 05-79690 Cochise Ranchlands Assoc.
Exp. 6-30-90 (Lots 2-4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ lying S & W of
Hwy. 124.73 ac.)
Grazing Lease No. 2661N Robert E. Cowan Exp. 6-30-92
(Lot 1, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, Pt. Lot 2 & 3, E $\frac{1}{2}$ SW $\frac{1}{4}$,
SW $\frac{1}{4}$ SE $\frac{1}{4}$ E. of Hwy.)

T. 20 S., R. 22 E.

Section 1: All Nothing shown.

Section 2: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ (398.12 ac.)

STATUS: OPEN

Comments: Lot 7 (17.49 ac.) was Patented by State of Arizona 12-10-46
No Minerals Reserved

Lot 10 (33.40 ac.) was Patented by State of Arizona 12-10-46
No Minerals Reserved

(continued on page 5)

State Land Take Off
Tombstone Prospect
Cochise Co., Az.

-5-

November 7, 1986

T. 20 S., R. 22 E., Sec. 2 - continued

Comments: NW $\frac{1}{4}$ SW $\frac{1}{4}$ & M. & B. Desc. in SW $\frac{1}{4}$ NW $\frac{1}{4}$ (67.96 ac.) was Patented by State of Arizona on 3-9-73. State should have reserved all minerals according to time period. Prior to filing on this tract the date of the Certificate of Purchase should be reviewed.

Commercial Lease No. 03-00883-0 Approved 9-12-86
on N. 660 ft. of Lots 1 & 2 (shown under Sec. 35 of
T. 19 S., R. 22 E.)

Grazing Lease No. 05-1501-S Harold O. Love, et-al, Exp. 2-18-9
(N $\frac{1}{2}$ exc. N. 660 ft. of Lots 1 & 2 288.14 ac.)

NOTE: Patented Mining Claims eliminated 34.04 acres and Tombstone
Townsite eliminated 57.70 acres of land from this Section.

Section 3: Lots 3 & 4, S $\frac{1}{2}$ NW $\frac{1}{4}$ (159.56 ac.)
NW $\frac{1}{4}$ SE $\frac{1}{4}$ (40.00 ac.)
SE $\frac{1}{4}$ NE $\frac{1}{4}$, Lots 5 & 6 (99.71 ac.)

STATUS: OPEN*

Comments: M. & B. Desc. in SE $\frac{1}{4}$ SE $\frac{1}{4}$ (2.73 ac.) was Patented by State of Arizona 10-24-57. Depending on the date of the Certificate of Purchase the State of Arizona would have reserved either a 1/16th interest in the Minerals or not made a reservation at all.

M. & B. Desc. in Lot 6 (7.17 ac.) was Patented by State of Arizona 11-21-74. It would appear that the State of Arizona reserved all minerals in this Patent, but this should be reviewed.

* Above land was shown as being subject to a Prospecting Permit No. 84680, which would expire 8-24-87. This permit by James A. Briscoe was not available for review. State Land Department could not find the file. James A. Briscoe had filed several times on this land since the date of No. 84680 which would indicate that it was cancelled. This should be reviewed again, if possible, prior to filing on this land.

Grazing Lease No. 05-1501N Harold O. Love, et-al Exp. 2-18-96
(Lot 5, less M. & B., Lot 6, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ 129.81 ac.)
Grazing Lease No. 05-1336N Joseph John Escapule Exp. 3-31-96
(Lots 3 & 4, S $\frac{1}{2}$ NW $\frac{1}{4}$ 159.56 ac.)

Section 4: SE $\frac{1}{4}$ SE $\frac{1}{4}$ (40.00 ac.)
Lots 3 & 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ (319.54 ac.)

(continued on page 6)

State Land Take Off
Tombstone Prospect
Cochise Co., Az.

-6-

November 7, 1986

T. 20 S., R. 22 E., Sec. 4 - continued

STATUS: OPEN as to SE $\frac{1}{4}$ SE $\frac{1}{4}$ only
Prospecting Permit Application No. 08-94321-N
M. S. Horne, a married man
(shown above)
Dated 10-23-86, Begins 12-10-86, Expires 12-9-91
Watch legal description. Permit says Lots 3 & 4, and
cites 319.54 acres.
(copy attached)

NOTE: M. S. Horne filed 6 earlier applications on this same
parcel of land during 1986. it is possible that this
permit may not be issued.

Grazing Lease No. 05-1336N Joseph John Escapule Exp. 3-31-96
(359.54 acres, all of the above)

Section 9: All Nothing shown.

Section 10: All Nothing shown.

Section 11: All Nothing shown.

Section 12: All Nothing shown.

Section 13: All Nothing shown.

Section 14: All Nothing shown.

Section 15: All Nothing shown.

Section 16: Lots 1-14, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ (450.33 ac.)

STATUS: Mineral Lease, D. 12-1-66 Exp. 11-30-86 No. 2990
Issued to: E. H. Escapule
Assigned to: Santa Anna Silver, Inc., an Az. Corp.
4541 North 43rd St.
Phoenix, Az. 85018
Description: T. 20 S., R. 22 E.
Sec. 16: E. 19 ac. of Lot 1
(copy attached)

(continued on page 7)

State Land Take Off
Tombstone Prospect
Cochise Co., Az.

-7-

November 7, 1986

T. 20 S., R. 22 E., Sec. 16 - continued

Status: Continued

Mineral Lease, D. 12-1-66 Exp. 11-30-86 No. 2991
Issued to: E. H. Escapule
Assigned to: Santa Anna Silver, Inc., an Az. Corp.
(shown above)
Description: T. 20 S., R. 22 E.
Sec. 16: W. 11.35 acres of Lot 1
(copy attached)

Mineral Lease, D. 1-30-73 Exp. 1-29-93 No. 23042
Issued to: Silver Bonanza Mining, Inc.
Assigned to: Lyle and Margaret M. Pentony, h/w
1038 N. 48th Street
Phoenix, Az. 85008
Description: M. & B. in Lot 2 (8.84 ac.)
(copy attached)

Mineral Lease, D. 1-30-73 Exp. 1-29-93 No. 23051
Issued to: Silver Bonanza Mining, Inc.
Assigned to: Lyle and Margaret M. Pentony, h/w
Description: M. & B. in Lots 7 & 8 (6.96 ac.) (copy attached)

Mineral Lease, D. 1-30-73 Exp. 1-29-93 No. 23053
Issued to: Silver Bonanza Mining, Inc.
Assigned to: Lyle and Margaret M. Pentony, h/w
Description: M. & B. in Lots 8 & 9 (5.20 ac.) (copy attached)

Mineral Lease, D. 1-30-73 Exp. 1-29-93 No. 23054
Issued to: Silver Bonanza Mining, Inc.
Assigned to: Lyle and Margaret M. Pentony, h/w
Description: M. & B. in Lots 8 & 9 (8.93 ac.)
(copy attached)

Mineral Lease, D. 1-30-73 Exp. 1-29-93 No. 23055
Issued to: Silver Venture Mining Co., Inc.
Assigned to: Tombstone Silver Mines, Inc., an Az. Corp.
P. O. Box 715
Tombstone, Az. 85638
Description: M. & B. in Lots 9 & 13 (13.40 ac.)
(copy attached)

NOTE: Please also see copy of letters involving the
Internal Revenue Service.

Mineral Lease, D. 1-30-73 Exp. 1-29-93 No. 23056
Issued to: Silver Venture Mining Co., Inc., an Az. Corp.

(continued on page 8)

State Land Take Off
Tombstone Prospect
Cochise Co., Az.

-8-

November 7, 1986

T. 20 S., R. 22 E., Sec. 16 - continued

Status: Continued

Assigned to: Tombstone Silver Mines, Inc., an Az. Corp.
Description: M. & B. in Lot 9 (18.28 ac.)
(copy attached)
NOTE: Same as next above.

Mineral Lease, D. 1-30-73 Exp. 1-29-93 No. 23057
Issued to: Silver Venture Mining Co., INC.
Assigned to: Tombstone Silver Mines, Inc., an Az. Corp.
Description: M. & B. in Lot 10 (18.31 ac.)
(copy attached)
NOTE: Same as next above.

Mineral Lease, D. 1-30-73 Exp. 1-29-93 No. 23058
Issued to: Silver Venture Mining Co., Inc.
Assigned to: Tombstone Silver Mines, Inc., an Az. Corp.
Description: M. & B. in Lot 10 (18.07 ac.)
(copy attached)
NOTE: Please also see copy of letters involving the
Internal Revenue Service.

Prospectin Permit D. 9-8-82 Exp. 9-7-87 No. 84591
Issued to: Resources America, Inc., a Fl. Corp., DBA
Minrex America, Inc.
Assigned to: Tombstone Silver Mines, Inc., an Az. Corp.
Description: Lots 11 thru 14, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ Less M-23055
(220.79 ac.)
(copy attached)

Mineral Lease D. 11-25-85 Approved 8-8-86 Exp. 11-13-05
No. 11-92569
Issued to: Interstrat Resources
Description: Lot 6 (25.42 ac.), M. & B. in Lot 2 (10.50 ac.),
Lot 3 (12.41 ac.), M. & b. in Lot 4 (32.40 ac.)
NOTE: State Land Department was not able to find the file on
the above so no copies were available.

Mineral Lease, D. 2-6-86 (Not approved per Tract Book as yet)
No. 11-93094-S
Issued to: Tombstone Silver Mines, Inc.
Description: S. 5.43 ac. of Lot 4, Lot 5 (9.05 ac.), W. 5.98
ac. of Lot 7, That portion of Lot 4 within
E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ (.017 ac.)
NOTE: State Land Department was not able to find the file on
the above so no copies were available.

Comments: Grazing Lease No. 05-1501S Harold O. Love, et-al Exp. 2-18-9
(Lots 1-14, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ 450.33 ac.)

(continued on page 9)

State Land Take Off
Tombstone Prospect
Cochise Co., Az.

-9-

November 7, 1986

T. 20 S., R. 22 E., Sec. 16 - continued

Comments: Because of the legal description used in the permits and leases described above it is not clear if there is any open land in the Section.

The above information is based upon a cursory review of the records of the Arizona State Land Office. The statement in the Tract Book concerning cancelled or expired leases and permits were taken to be true and these files were not reviewed. It might be advisable to do a more complete search on these files prior to making application for any permit or the lease or purchase of any existing lease or permit.



Dale G. Osborn
Sahuaro Resources, Ltd.
301 15th Terrace
Bisbee, Arizona 85603

November 7, 1986

STATE LAND TAKE OFF
Tombstone South Prospect
Cochise County, Arizona

DESCRIPTION:

Township 20 South, Range 22 East, of the Gila & Salt River Base & Merid.
Sections 15 through 22: ALL
Sections 27 through 34: ALL

Township 21 South, Range 22 East, of the Gila & Salt River Base & Merid.
Sections 3 through 10: ALL
Sections 16 through 18: ALL

Township 20 South, Range 21 East, of the Gila & Salt River Base & Merid.
Sections 13 & 14: ALL
Sections 23 through 26: ALL
Sections 35 & 36: ALL

Township 21 South, Range 21 East, of the Gila & Salt River Base & Merid.
Sections 1, 12 & 13: ALL

The following information is based upon a review of the Tract Books
of the Arizona State Land Office, conducted on November 3, & 4, 1986.

Sections 15 and 16: Shown in Report covering Tombstone Prospect.
Section 17: Lots 1-5, SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ (573.41 ac.)
State Surface Only.

Comments: Grazing Lease No. 05-1501S Harold O. Love, et-al Exp. 2-18-
(covers all 573.41 acres)

Section 18: NE $\frac{1}{4}$ SE $\frac{1}{4}$
State Surface Only.

Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ (603.00 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-1501S Harold O. Love, et-al Exp. 2-18-
(covers all 643.00 acres)

Section 19: Lots 2-4, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ (481.83 ac.)
Lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ (160.89 ac.)

STATUS: Prospection Permit, D. 7-3-85, Exp. 7-2-90 No. 08-91639

Issued to: James A. Briscoe, a single man
5701 E. Glenn St. #120
Tucson, Az. 85712

Description: S $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 19 (80.00 ac.)
(copy attached)

BALANCE OF SECTION IS OPEN.

(continued on page 2)

State Land Take Off
Tombstone South Prospect
Cochise County, Arizona

-2-

November 7, 1986

T. 20 S., R. 22 E., Sec. 19 - continued

Comments: Grazing Lease No. 05-1501N Harold O. Love, et-al Exp. 2-18-9
(covers all 642.72 acres)

Section 20: All Nothing shown.

Section 21: All Nothing shown.

Section 22: All Nothing shown.

Section 27: SW $\frac{1}{2}$ (160.00 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-1501N Harold O. Love, et-al Exp. 2-18-9
(covers SW $\frac{1}{4}$)

Section 28: S $\frac{1}{2}$ (320.00 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-1501N HAROLD O. Love, et-al Exp. 2-18-9
(covers S $\frac{1}{2}$)

Section 29: NE $\frac{1}{4}$, N $\frac{1}{2}$ S $\frac{1}{2}$ (320.00 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-1501N Harold O. Love, et-al Exp. 2-18-96
(covers NE $\frac{1}{4}$, N $\frac{1}{2}$ S $\frac{1}{2}$)

Section 30: Lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ (240.41 ac.)

STATUS: Prospecting Permit, D. 4-9-82, Exp. 4-8-87 No. 83922
Issued to: James A. Briscoe, a single man
Description: Lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ (240.41 ac.) Sec. 30
(copy attached)

Comments: Grazing Lease No. 05-1501N Harold O. Love, et-al Exp. 2-18-9
(covers Lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$)

Section 31: Lots 3-7, E $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ (589.42 ac.)
State Surface Only.

Comments: Grazing Lease No. 05-1501N Harold O. Love, et-al Exp. 2-18-9
(coveral all 589,42 ac.)

(continued on page 3)

State Land Take Off
Tombstone South Prospect
Cochise County, Arizona

-3-

November 7, 1986

T. 20 S., R. 22 E. - continued

Section 32: Lots 1 & 2, SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (621.89 ac.)

STATUS: Prospecting Permit, D. 9-8-86, Approved 10-14-86, Exp. 10-28-90
No. 08-94136

Issued to: Philip J. Sterling
Sterling Exploration
3007 Louisiana NE
Albuquerque, NM 87110

Description: SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ 221.89 ac in Sec. 32
(copy of part is attached) (signed copy has not been returned)

BALANCE OF SECTION IS OPEN

Comments: Grazing Lease No. 05-1501S Harold O. Love, et-al Exp. 2-18-9
(covers all 621.89 ac.)

Section 33: All
State Surface Only.

Comments: Grazing Lease No. 05-1501S Harold O. Love, et-al Exp. 2-18-9
(covers all)

Section 34: All
State Surface Only.

Comments: Grazing Lease No. 05-1501S Harold O. Love, et-al Exp. 2-18-9
(covers all)

T. 21 S., R. 22 E.

Section 3: S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (480.00 ac.)
Lots 1, 2 & 4 (156.28 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-703N Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(covers 636.28 ac.)

Section 4: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (684.72 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-703N Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(covers 684.72 ac.)

(continued on page 4)

State Land Take Off
Tombstone South Prospect
Cochise County, Arizona

-4-

November 7, 1986

T. 21 S., R. 22 E. - continued

Section 5: Lot 3 (51.69 ac.), S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ (120.00 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-703N Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(covers all 171.69 ac.)

Section 6: All Nothing shown.

Section 7: Lots 3 & 4, SE $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ (227.36 ac.)

STATUS: OPEN

Comments: Grazing Lease NO. 05-703N Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(Covers Lot 3, SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, 193.60 ac.)

Section 8: S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ (280.00 ac.)
State Surface Only

Section 8: N $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (360.00 ac.)

STATUS: Prospecting Permit, D. 5-20-85, Exp. 7-9-90 No. 08-91660N
Issued to: Michael E. Hickey
800 N. McQueen
Chandler, Az. 85224
Description: W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 8 (20.00 ac.)
(copy attached)

BALANCE OF SECTION IS OPEN

Comments: Grazing Lease No. 05-703N Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(covers all)

Section 9: N $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ (360.00 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-703N Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(covers all)

Section 10: N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (200.00 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-703N Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(Covers all)

(continued on page 5)

State Land Take Off
Tombstone South Prospect
Cochise County, Arizona

-5-

November 7, 1986

T. 21 S., R. 22 E. - continued

Section 16: All

STATUS: OPEN

Comments: Grazing Lease NO. 05-703N Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(covers all)

Section 17: N $\frac{1}{2}$, SE $\frac{1}{4}$ (480.00 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-703S Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(covers all)

Section 18: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ (120.00 ac.)

STATUS: OPEN

Comments: Grazing Lease No. 05-703S Stewart Title & Trust of Tucson,
Trust No. 2040 Exp. 3-31-95
(covers all)

T. 20 S., R. 21 E.

Sections 13, 14, 23 through 26, & 35: Nothing shown.

Section 36: Lots 5 - 8, 10 - 15, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ (451.77 ac.)*

STATUS: Prospecting Permit, D. 6-13-84, Exp. 6-5-89 No. 89049

Issued to: James Stewart Co.
3033 N. Central Ave.
Suite 707
Phoenix, Az. 85012

Description: M. & B. in N $\frac{1}{2}$ of Sec. 36 (142.50 ac.)
(copy attached)

Prospecting Permit, D. 9-11-85, Exp. 10-29-90 No. 08-92276

Issued to: James Stewart Co.

Description: Lots 5 - 8, 10 - 15, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Less N $\frac{1}{2}$
(309.27 ac.)

(copy attached)

Comments: * Mineral Survey No. 4599 appears to be State Land
(132.38 acres), and appears to be open.

Grazing Lease No. 05-1501S Harold O. Love, et-al Exp. 2-18-9
(covers 584.15 acres)

NOTE: James Stewart Company had applied for a lease on a
portion of Section 36 which was rejected.

(continued on page 6)

T. 21 S., R. 21 E.

Section 1: All Nothing shown.

Section 2: All Nothing shown.

Section 12: S $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ (200.00 ac.)

STATUS: Order No. 176-86/87 D. 9-3-86

"Ordered that lands be classified as suitable for exchange with B. L. M."

"Lands closed to new applications for surface and/or sub-surface leases, permits, sales or exchanges, except renewal applications and oil and gas exploration leases until further Order of the State Land Commissioner."

No Permits or Leases are in effect.

Comments: Grazing Lease No. 05-1025N Wm. E. Lindsey Exp. 9-26-94
(covers NW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ 120.00 ac.)

Grazing Lease No. G-133N Tenneco West, Inc. Exp. 9-30-92
(covers S $\frac{1}{2}$ SE $\frac{1}{4}$ 80.00 ac.)

Section 13: N $\frac{1}{2}$ NE $\frac{1}{4}$ (80.00 ac.)

STATUS: Order No. 176-86/87 D. 9-3-86

"Ordered that lands be classified as suitable for exchange with B. L. M."

"Lands closed to new applications for surface and/or sub-surface leases, permits, sales or exchanges, except renewal applications and oil and gas exploration leases until further Order of the State Land Commissioner."

No Permits or Leases are in effect.

Comments: Grazing Lease NO. G-133N Tenneco West, Inc. Exp. 9-30-92
(covers all)

The above information is based upon a cursory review of the records of the Arizona State Land Office. The statement in the Tract Book concerning cancelled or expired leases and permits were taken to be true and these files were not reviewed. It might be advisable to do a more complete search on these files prior to making application for any permit or the lease or purchase of any existing lease or permit.

(continued on page 7)

State Land Take Off
Tombstone South Prospect
Cochise County, Arizona

-7-

November 7, 1986

A handwritten signature in cursive script, reading "Dale G. Osborn", is written over a horizontal line.

Dale G. Osborn
Sahuaro Resources, Ltd.
301 15th Terrace
Bisbee, Arizona 85603

11-5-00
STATE LAND TAKE OFF
WILSON PROJECT

T115 R22E

SEC. 25-28: S²

SEC. 33-36

T115 R22E

✓ SEC. 25: SE4 160 AC.

(COPY) NOTE: S2SE4, S01K SEPARATED BY STATE

10/31/80 EST 71458 A-17000(S)N

APPROVED 7/20/82 LIST NO. 562

→ NOTE 2: CLOSED TO NEW SURFACE LEASE APPLICATION (Sec. 37-132A-ARS)

BY ORDER OF S.L.C. 7-27-82 - CL #562

NO VALID PP - OPEN - NO VALID ON U.L. LEASE FEEDBACK

GRAZING OS-1501-N HAROLD O. LOWE ET AL. EXP. 2-15 76

THIS IS NOT A NEW LESSEE

SEC. 26: S²S² (160 AC)

NOTE 1:
SEPARATED BY STATE 10-31-80 55-99458 A-17000(S)N

APPROVED 7-20-82 LIST NO. 562

NOTE 2: CLOSED TO NEW SURFACE LEASE APPLICATION (Sec. 37-132A ARS)

BY ORDER OF S.L.C. 7-27-82

NO LEASES OF ANY TYPE

THIS LAND IS SUBJECT TO FED. C.S.G. LEASE D 7-20-82

FED. LEASE NO. 11475 ADM. BY U.S.

SEC. 27: SW4NW4, W2SW4, SE4SW4 160 AC.

TAYLOR GRAZING - U.S. RESERVES ALL MINERAL RIGHTS

NOTE 1: S2SE4 (90 AC) SEPARATED BY STATE

10/31/80 EST 71458 A-17000-(S)N

APPROVED 7-20-82 C.L. #562

NOTE 2: CLOSED TO NEW SURFACE LEASE APPL. (Sec. 37-132A ARS)

BY ORDER OF S.L.C. 7-27-82 CL #562

NO VALID VALID PP - OPEN -

GRAZING LEASE OS-1501-N (SEE ABOVE) ON 156.76 AC IN
SW4NW4, SE4SW4 WITH RESC
IN W2SW4
(CONT ON PG. 2)

STATE LA. TAKE OFF
TOMBSTONE PROSPECT
TMS R 22E

✓ SEC. 27 - CONTINUED

NOTE: FED OIL LEASE D. 7-20-82 #11475 ON S²SE⁴
ADMIN. BY U.S.

✓ SEC 28:

SE⁴ S²SW⁴ TAYLOR GRADING - U.S. RESERVES ALL MINNS.
GRAZING LEASE OS-1501-N (SEE ABOVE) 234.27 AC. SW⁴ Q²SE⁴ NE⁴ W²SE⁴
ALSO S.L.U.P. # 23 ON 10 AC IN SW⁴ NE⁴ TO
JOSEPH HANBMAN EXP. 1-13-90

✓ SEC. 33:

LOT 344 (79.65 AC) STATE SURV & MINNS

NE⁴ (160 AC) TAYLOR GRADING - U.S. RES. MINERAL RIGHTS

LOT 344 PP OS-94319-N TO M.S. HORNE

D. 10-23-86, APP'D 11-25-86, BEGINS 12-10-86 EXP. 12-9-91

NOTE: RENTALS MAY NOT BE PAID ON THIS - M.S. HORNE

FILED 6 EARLIER APPLICATIONS THIS YEAR ALTOGETHER AND
NEVER MADE FIRST PMT.

GRAZING LEASE OS-1336N TO JOSEPH JOHN ESCAPULLE

EXP. 3-31-96 ON LOTS 344

NE⁴ - GRAZING LEASE OS-1501-N (SEE ABOVE)

NO VALID OIL LEASE ON LOT 344

✓ SEC. 34:

NW⁴ - TAYLOR GRADING - U.S. RESERVES ALL MIN RIGHTS

N²NE⁴; N²SW⁴; SWSW⁴; N²SESW⁴;

SWSW⁴; N²NWSENE; E²NESE;

NENWSE; S²NWSE; SWNESE;

NW⁴NEWSE; S²NEWSE; W²WSE;

SENWSE

197.50 AC.

NOTE 1: ABOVE 197.50 AC SELECTED BY STATE 10-31-80 SS-71428

A-17000(S) N

NO APPLICABLE (CONT. ON PAGE 3)

APPROVED 7-22-82 (1ST W. S62)

CLOSED TO NEW OIL LEASE
APPLICATIONS (SEC 27-1501-N)
BY ORDER OF S.C.H. CLK#562
7-29-82

11 5-00
STATE LAND TAKEN OFF
TONGSTONE RESERVE

T195 R22E

✓ SEC. 34. CONTINUED

GRAZING LEASE OS-1501-N (SEE ABOVE) 197.50 AC. & DWY - ALL OF ABOVE
D. G. LEASE ON 197.50 AC. D. 7-20-82 # 11475 ADM BY U.S.

✓ SEC. 35.

E²; E²W²; NW¹W¹; W²S¹ 600 AC. - TAYLOR GRAZING - U.S. RES. MATERIALS.
SW¹W¹ - STATE SELECTED

NOTE 1 (SAME AS ABOVE)

GRAZING LEASE OS-1501-N (SEE ABOVE) NE¹; E²W²; NW¹W¹; W²S¹; N¹SE¹
LESS S. 130 FT OF E. 500 FT OF W 200 FT (2,39 AC)

COMMERCIAL LEASE O3-883-N S2SE¹ D. 6-25-86 (NOT
APPROVED AS VET). TO HAROLD O. LOVE ET AL
D. G. LEASE D. 7-20-82 # 11475 SW¹W¹ ADM BY U.S.

✓ SEC. 36.

ALL 640 AC. (STATE SURV. MAPS.)
NO VALID PP - OPEN

GRAZING LEASE OS-1501-S (SEE ABOVE) ALL
NO OYG LEASE

T195 R23E

✓ SEC 30 - NOTHING

✓ SEC 31 - NOTHING

T205 R21E

✓ SEC. 13-14; 23-26; 35-36

✓ SEC. 13-14; 23-26; 35 - NOTHING

SEC. 36

LOTS 1-9; EDWY; S¹NE¹; NE¹W¹; N¹W¹ 584.15 AC
SUNNY APR. 7-30-63 LOTS 5-8; 10-13; N¹SE¹ & NE¹W¹ 451.77 AC
D. 08-9-22-76-5 D 9-14-81 REG. 10-30-81 EXP. 10-29-10
D. G. LEASE # 309,271 TO JAMES STEWART COMPANY

(CONT. ON PAGE 4)

STATE TAKE-OFF

132 38

TOWNSHIP: KANSAS SOUTH

TOWNSHIP

SEC. 36: CONTINUED

COPY

EXEMPTIONS TO JAMES STEWART CO - SAYS IT EXPIRES 6-5-87

AMT MADE TO EXPIRES 6-5-87

BUT THERE HAVE BEEN TWO OTHER APPLICATIONS BY JAMES STEWART

COMPANY THAT WERE REJECTED FOR NON-COMPLETION? - I SUSPECT

NO CURRENT

THESE ARE EXPIRED AND NOT APPLIED IN THAT LOOKING AT LEASE OS-1501-S (SEE ABOVE) 584.15 AC.

NOTE: LEASE WAS APPROVED AND REJECTED BY STEWART.

NO VALID OYU LEASE

TOWNSHIP

S. 1-4; 9-22; 27-34

SEC 1 - NOTHING

SEC 2: LOT 1, 2, 3, 4; SW2; NW1/4; NE1/4 238.12 AC.

LOT 7 PAT 12-10-46 (17.45 AC)

LOT 12 PAT 12-10-46 (33.40 AC)

NW1/4 + MB IN SW2 67.76 AC PAT 3-7-73 STATE STARD. FILE NOT FILED

(NOTE PAT. MIN. CL = 34.04 AC)

(NOTE 100% SITE = 57.90 AC.)

COMMERCIAL 03-883-S N. 660 FT OF LOTS 142 40.00 AC D. 6-25-86

NOT APPROVED OR DISAPPROVED YET TO HAROLD O. LOVE, ET AL

OS-1501-S (SEE ABOVE)

GRAZING LEASE OS-1501-S (SEE ABOVE) DESC. PARTIAL N. 660 FT. LOTS 142 288.14 AC.

SEC. 3:

LOT 34; SW1/4 159.56 AC.

NW1/4 40.00 AC.

SE1/4; LOT 54 99.71 AC.

(NOTE: MB IN SE1/4 23 AC PAT 10-24-57 1/16 MI)

(MB IN LOT 6 7.17 AC PAT 11-21-74 WATCH RES. FILE)

NEED DATE OF CERT.

CONT on Page (5)

11-3-00
 TONGASIPARY TONGASIPARY SOUTH
 T2125 R22E
 SEC. 16 CONTINUED

(COPY) LEASE 11-93094-S D. 2-6-86 TONGASIPARY SILVER MINES, INC. (NOT APPROVED YET)
 S. 5.13 AC of Lot 4; Lot 5 (9.07 AC); W. 5.98 AC of Lot 7; THAT PORTION OF
 Lot 4 WITHIN T25SW1/4 (0.017 AC).

| COPY | LEASE | DATE | APPROVED | EXPIRES | MAP IN | ACRES |
|--------|-------|---------|----------|---------|--------|--------------------|
| X | 23055 | 2-24-84 | 4-6-84 | 1-29-93 | M/B IN | LOTS 13 (13.00 AC) |
| X | 23056 | " | " | " | M/B IN | Lot 9 (18.20 AC) |
| X | 23057 | " | " | " | M/B IN | Lot 10 (18.31 AC) |
| (COPY) | 23058 | " | " | " | " | " (18.07 AC) |

TO SILVER VENTURE MINING CO. - ASSIGNED TO TONGASIPARY SILVER MINES, INC.

| | LEASE | D. | APP. | EXP. | TO |
|------------|--|---------------------------|---------------|--------------------------------------|--|
| X | 18-84591-S | 10-10-84 | 10-23-84 | 9-7-87 | TO MINEREX AMERICA INC. ASSIGNED TO TONGASIPARY SILVER MINES, INC. |
| | LOT 11-14; NE 1/4 SW 1/4; S 2 SW 1/4; Lot M-23055 (220.99 AC.) | | | | |
| (COPY) X | LT M-23042-S | M/B IN LOT 2 (8.84) | DATE | APPROVED | EXP. TO |
| (COPY) X | M 23051-S | M/B IN LOTS 7 & 8 (6.65) | " | " | " |
| (COPY) X | M 23053-S | M/B IN LOTS 9 & 10 (6.20) | " | " | " |
| (COPY) X | M 23054 | M/B IN LOTS 9 & 10 (8.93) | " | " | " |
| (PANC. CB) | AP 72723-S | EXPIRED | | | |
| (PANC. CB) | AP 72759-S | EXPIRED | | | |
| (COPY) X | LT M 2991-S | D. 2-15-85 | EXP. 11-30-86 | W. 11.35 AC of Lot 1 | TO SANTA ANNA SILVER, INC. |
| (COPY) X | LT M 29910-S | " | " | E. 19.00 AC of Lot 1 | |
| | GRAZING LEASE OS-1501-S | (SEE ABOVE) | | LOTS 1-14; NE 1/4 SW 1/4; S 2 SW 1/4 | 450.33 AC. |
| | 170 DVG Lease | | | | |

SEC. 17:
 LOTS 1-5; SW 1/4 NE 1/4; E 1/2 SW 1/4; SW 1/4; S 2 SE 1/4; SW 1/4 NW 1/4 (573.41 AC) TAYLOR GRAZING U.S. RES. ALL MINES
 NO AP - NO DVG LEASE
 GRAZING OS-1501-S (SEE ABOVE) (573.41 AC)

SEC. 18:
 NE 1/4 SE 1/4 (40.00 AC) TAYLOR GRAZING - U.S. RES ALL MINERALS
 LOTS 1-4; E 1/2 NE 1/4; W 1/2 SE 1/4; SE 1/4 SE 1/4 603.00 AC.
 NO AP ON ABOVE 603.00 AC - OPEN - NO DVG
 GRAZING OS-1501-S (SEE ABOVE) ALL 643.00 AC
 (Cont on page 1)

11-3-00
STATE TRAIL OFF
DUNCAN TOMSTONE SMITH

✓ TRAILS R22E
SEC. 19-

LOTS 2-4; SE1/4NW4; S2NE4; E1/4SW4; SE4 431.83 AC.
LOTS 1; NE1/4NW4; N2NE4 160.89 AC. / 642.72 AC
TOTAL

COPY ✓
DE 91637-N 5-14-85 5-24-85 7/1/82 7/1/82 S2SE4 BDR TO JAMES A. BRISCOE
BALANCE APPEARS OPEN - NO OYG LEASE
GRAZING OS-1501-N (SEE ABOVE) ALL 642.72 AC

✓ SEC. 20 - NOTHING
✓ SEC. 21 - NOTHING
✓ SEC. 22 - NOTHING

✓ SEC. 27:
SW4 (160 AC)

CANC. ~~Pat. Return~~
DE 92674 - Shown on T Spat as expired and in another spot as still active
→ IF NOT VALID LAND IS OPEN
GRAZING OS-1501-N (SEE ABOVE) SW4
NO VALID OYG LEASE

✓ SEC. 28

S2 300 AC.
NO VALID PP - OPEN - NO VALID OYG
GRAZING LEASE OS-1501-N (SEE ABOVE) S2 160 AC.

✓ SEC. 29:

NE4; N2S2 300 AC.
DE 79906-N EXPIRES & NOT - Should have exp 9-30-85 - 1985
CANC. ~~Pat. Return~~
→ If not valid - land is OPEN - NO VALID OYG lease
GRAZING LEASE OS-1501-N (SEE ABOVE) NE2; N2S2 300 AC

✓ SEC. 30:

COPY ✓
S2SE4; LOT 1; NE1/4NW4; N2SE4; SE1/4SE4 240.41 AC.
PP 53722 N 2-2-82 3-25-82 1982 4-5-87 TO JAMES A. BRISCOE LOT 1; NE1/4NW4; SE4 240.41 AC.
GRAZING OS-1501-N (SEE ABOVE) ALL 240.41 AC. - NO OYG lease
(cont. on page 3)

✓ T205 R21E
SEC. 31-

LOTS 3, 4, 5, 6, 7; E2SW4; E2 589.42 AC. TAYLOR GRAZING
US MINERALS.
GRAZING OS-1501-N (SEE ABOVE) 589.42 AC

✓ SEC. 32:

LOTS 1-2; SESE4; SW4SW4; N2S2; N2 621.89 AC.

(NOTE: PAT. MIN CL. 18.11 AC)

✓ COPY
CANC.
DIA
P.M.

PP 08-94136-S 9-8-86 10-14-86 10-21-86 10-25-90 P. APRIL 12 J. STEVENSON. SE4, E2SW4 221.89 AC.

PP 79907 - should have expired 9-30-85
MINING LEASE OS-1501-S (SEE ABOVE) ALL 621.89 AC.

NO VALID O/G LEASE

✓ SEC. 33

ALL 640 AC TAYLOR GRAZING US MINERALS
GRAZING OS-1501 (SEE ABOVE) ALL

✓ SEC. 34

ALL 640 AC TAYLOR GRAZING US MINERALS.
GRAZING OS-1501 (SEE ABOVE) ALL

T205 R23E
S. 6, 7918

✓ SEC. 6:

LOTS 1, 7; SE4; SE4SW4; S2NE4; E2SW4 639.15 AC.

NO VALID PP - APPEARS OPEN - NO O/G lease.

GRAZING G-632-N EXP. 6-3-92 Bullitt Carolina full All of Above

✓ SEC. 7

LOTS 1-4; E2W2; E2 638.80 AC.

NO VALID PP - APPEARS OPEN - NO O/G lease.

GRAZING G-632-N (SEE ABOVE)
(Cont. on Page 9)

11 0 0 -
SOME SOUTH

STATE LAND TAKE OFF

T20S R23E

✓ SEC. 18 -

LOTS 1-4; E2W2; E2 638.99 AC. - PLYOR GRAZING - MINNESOTA RES TO US

GRAZING OS-77690 EXP. 6-30-70 Lots 2-4; E2SW4; SWSE4 LYING SW 1/4 (174780)

COCHISE RANCHMAN'S ASSOC.

GRAZING LEASE 2661-N EXP. 6-30-72 Lot 1; NE4; E2SW4; E2SE4;
NW4SE4; PT OF LOT 243; E2SW4; SW4SE4 (174780)

TO ROBERT E. COWAN

T21S R21E

SEC. 12; 12413

✓ SEC 1 - NOTHING

✓ SEC 2 - NOTHING

✓ SEC. 12

S2SE4; NW4SW4; N2NE4 200.00 AC.

NO. E: ORDER #176-86/87 "Ordered that lands be classified as suitable
for exchange with BLM" Lands closed to new applications for surface and/or
subsurface leases, permits or for exchange
except renewal applications and oil and gas
exploration leases until further Order of the
State Land Commission.
D. 9-3-86

NO VALID RP OR OYI LEASE

GRAZING OS-1025-N EXP. 9-26-94 WM. F. LINDSEY N2SW4 N2NE 120 AC.

GRAZING 6-133-N EXP. 9-30-92 TRENECO WEST, INC. S2SE4 80.00 AC.

✓ SEC. 13

N2NE4 80.00 AC.

CLOSED 1176-840.7 (SEE ABOVE)

NO VALID RP OR OYI LEASE

GRAZING 6-133-N (SEE ABOVE)



(Cont on page 10)

11 200
RULSONY 11-STATE 2000
STATE PLATE OFF
T21S, R22E
SEC. 3-10 & 16-18

Pa. (10)

✓ SEC. 3

S2N2, S2 480
Lot 1, 2, 4 156.28 636.25 AC
NO VALID AP or OY G LEASE
GRAZING # OS-703-D EXP. 3-31-85
SEE T.Y.T. OF THUSON
TRUST # 2040 636.25 AC. AC. AC.

✓ SEC. 4:

ALL 684.72 AC.
NO VALID AP or OY G LEASE
GRAZING OS-703-D (SEE ABOVE) 684.72 AC ALL

✓ SEC. 5

Lot 3 51.81 AC.
S2NE1, NE1/4SE4 120.00 AC
NO VALID AP or OY G LEASE
GRAZING OS-703-D (SEE ABOVE) 171.69 AC. ALL

✓ SEC. 6: -NOTHING.

✓ SEC. 7:

Lot 4 33.76 AC.
SE1/4SE4 40.00 AC.
Lot 3: N2SE4; SE1/4NE4 153.60 AC. / 227.36 AC
NO VALID AP or OY G LEASE
GRAZING OS-703 (SEE ABOVE) LOT 3, SE NE
NOSE + SE SE 193.60 AC.

✓ SEC. 8:

N2N2; S2W2W2; W2SW4; S2SE4 360 AC.

✓ S2NE1; N2SE4; SE1/4NW1; E2SW4 TAYLOR GRAZING - US RES MWS.
D AP Reg. 179 MICHAEL E. LORNWOMY
AP OS 91662N S2025 22085 7-10-85 7-9-90 HICKET 20.00 AC.
(cont on page 11)

TRILLIUM TUMESTONE SOUTH

STATE TIME OFF

✓ JT 215 R22E

SEC. 8 - CONTINUED

ENTIRE OF SECTION IS OPEN - NO OIL & GAS

GRAZING OS-703 (SEE ABOVE) 640 AC - ALL

✓ SEC. 9:

N²N² SW⁴; SW⁴ SE⁴ 360 AC.

NO VALID PP - NO OIL & GAS

GRAZING OS-703-N (SEE ABOVE) ALL 360.00 AC.

✓ SEC. 10:

S² SE⁴ 20.00 AC.N² NW⁴; NW⁴ SE⁴ 120 AC.

NO VALID PP - NO OIL & GAS

GRAZING OS-703 (SEE ABOVE) ALL 200.00 AC.

✓ SEC. 16

ALL 640 AC

NO VALID PP - NO OIL & GAS

GRAZING OS-703-S (SEE ABOVE) ALL 640 AC.

✓ SEC. 17

N² SE⁴; SE⁴ 480 AC.

NO VALID PP - NO OIL & GAS

GRAZING OS-703-S (SEE ABOVE) ALL 480 AC

✓ SEC. 18

N² NE⁴; SE⁴ NE⁴ 120 AC

NO VALID PP - NO OIL & GAS

GRAZING OS-703-S (SEE ABOVE) ALL 120 AC.

END 11-1-84

HAVE ~~55-77158~~ 10-21-80 LIST NO. 562
~~08-94321-N~~ Ramon
~~08-94319-N~~ Ramon can't locate records
~~03-883-N~~ Pending
~~08-92276-S~~ Ramon can't locate records

HAVE 08-89049-SOK
NO CK PP-84680 EXP
Lease 11-92569-S Brenda
11-93094-S Ramon can't locate

HAVE Lease ~~230550A~~
HAVE " ~~230560A~~
HAVE " ~~230570A~~ 11's
HAVE " ~~230580A~~
HAVE ~~08-845910A~~

M 23042-S
M 23051-S
M 23053-S
M 23054-

NO CK PP-72723
NO CK PP-77259
Lease 2991 } 11
Lease 2990 }

EXP
EXP

HAVE 08-91639 NOK
NO CK-08-92674 EXP
NO CK PP 7990 b-N EXP
PP 83922-N
08-94136-N Ramon
NO CK 11-79907 EXP.
HAVE 08-91660 NOK
- 08-84680 no such no.

STATE CANONS
SELECTIONS

LIST No. 55-79458-00-17 INDEMNITY SCHOOL LAND SELECTIONS

Phoenix (Arizona) Land District,.....July 2....., 19.81.....

The State of Arizona, hereby makes application, under the provisions of the act of June 20, 1910, and the acts supplementary and amendatory thereto for the following described unappropriated, non-mineral public lands, in lieu of, or as indemnity for, the corresponding school lands, or losses to its grant for common schools, assigned and designated as basis therefor, and agrees to accept the selected tracts in full satisfaction of the basis assigned, to-wit:

| SELECTIONS The Selections Herein Must Not Aggregate More Than Six Hundred and Forty Acres | | | | | | LOSSES | | | | | | |
|---|------|------|-------|------|--------|--------------|------|------|-------|------|-------|---------------|
| SUBDIVISIONS | Sec. | Twp. | Range | Mer. | Acres | SUBDIVISIONS | Sec. | Twp. | Range | Mer. | Acres | CAUSE OF LOSS |
| ✓ S2SW | 25 | 19S | 22E | G&SR | 80.00 | | | | | | | |
| ✓ S2S2 | 26 | 19S | 22E | G&SR | 160.00 | | | | | | | |
| ✓ S2SE | 27 | 19S | 22E | G&SR | 80.00 | | | | | | | |
| ✓ NE, N2SE | 34 | 19S | 22E | G&SR | 240.00 | | | | | | | |
| ✓ SWNW | 35 | 19S | 22E | G&SR | 40.00 | | | | | | | |
| ✓ E2, E2W2 | 12 | 20S | 22E | G&SR | 480.00 | | | | | | | |
| ✓ W2SW, SWNW | 26 | 7S | 26E | G&SR | 120.00 | | | | | | | |
| ✓ S2, S2N2 | 27 | 7S | 26E | G&SR | 480.00 | | | | | | | |
| ✓ A11 | 34 | 7S | 26E | G&SR | 640.00 | | | | | | | |

*Continued on Page 5
 And it is hereby certified that the State of Arizona, has not heretofore received indemnity for said assigned basis, or any portion thereof, and that there is not now pending any application for indemnity for any base, or portion thereof, above assigned.

(L.S.)

.....
 Governor of Arizona

 State Land Commissioner of Arizona

 Attorney General of Arizona

Acting as a Selection Board

STATE LANDS
LEASES

Type of Lease B

Lease No. 2990

Written by BS

Checked by TC

Date Mailed NOV

STATE LAND DEPARTMENT
STATE OF ARIZONA

MINERAL LEASE

This lease made and entered into this 1st day of December, 19 66, by and between the State Land Department, party of the first part, hereinafter called the lessor, by reason of the authority vested in it by the Arizona Revised Statutes, as amended, and E. H. Escapula, party of the second part, hereinafter called the lessee.

WITNESSETH:

The lessor has this day leased to the said lessee, for and in consideration of the rental, royalties, covenants, stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the said lessee, for the purpose of extracting and shipping ores and mineral substances from or under the land described in lease supplement, attached hereto and made a part hereof, containing 24.00 acres, more or less, with a total annual rental of \$15.00.

TO HAVE AND TO HOLD the same for the period ending the 30th day of November, 19 86.

THIS LEASE CONFERS ON THE LESSEE THE RIGHT:

1. Type A. In case of leases made pursuant to locations under Section 27-232 A., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof and to extralateral rights in the discovery vein only.
2. Type B. In case of leases made pursuant to locations under Sec. 27-232 B., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof.
3. To use so much of the surface as may be required for purposes incident to mining; and
4. Of ingress to and egress from other State lands, whether or not leased for purposes other than mining.

IT IS UNDERSTOOD AND AGREED THAT:

1. The lessee hereby agrees to pay or cause to be paid to the State Land Commissioner, annually in advance, a rental of \$15.00 per annum for each claim or fraction thereof, which shall be credited upon the royalties hereinafter provided, which may become due during such year.
2. The lessee further agrees to pay as royalty 5% of the net value of the minerals produced from the leased premises, which net value shall be the gross value after processing, if processing is necessary for commercial use, less the actual cost of transportation from the place of production to the place of processing, less costs of processing and taxes, if any, levied and paid upon the production thereof. In the case of minerals not processed for commercial use, the net value shall be the gross proceeds, or gross value at the place of sale or use, less the actual cost of transportation from place of production to the place of sale or use, less taxes, if any, levied and paid upon the production thereof.

Provided that in case of sand, rock and gravel, the royalty shall be established by the State Land Commissioner after appraisal. (Art. 10, Sec. 4, Ariz. Constitution)

In the case of limestone, silica, shale, and clay manufactured into building materials, the royalty shall be three cents per gross short ton of material removed. The three cents per ton royalty shall be based on the average regional wholesale price of the building materials so manufactured over the twelve-month period immediately preceding the effective date. The royalty shall be adjusted at the end of each five-year period thereafter in direct proportion to the decrease or increase in the five-year average of the average yearly regional prices for such building materials over the preceding five-year period, providing the decrease or increase amounts to ten (10) per cent or more of the previous base price.

3. So that the State may be properly advised of the removal of ores and mineral substances from the lands involved in this lease, the lessee agrees to file with the State Land Commissioner, within twenty (20) days after the removal of any such ores or mineral substances, an authenticated statement of the gross values found and accounted for by the smelter, mint, or other place of customs treatment and sale.

Written by: WTS
Checked by: Bjm
Date Mailed: JUL 31 1968

ASSIGNMENT OF LEASE

Phoenix, Arizona July 25, 1968

The application of E. H. Escapule and Margaret Bernice Escapule

for permission to assign Lease No. M-2990, and the application of Austral Oil Company, Inc.

for the assumption of said Lease, having been duly considered this 25th day of July, 19 68, and without waiver of State rights

which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.

M-2990, and all rights thereunder be and are hereby transferred to the said Austral Oil Company, Inc.

2700 Humble Building
Houston, Texas 77002

By: [Signature]
State Land Commissioner
Louis C. McClellan
Deputy State Land Commissioner

Written by: RA

Checked by: WST

Date Mailed: OCT 18 1968

ASSIGNMENT OF LEASE

Phoenix, Arizona October 17, 1968

The application of Austral Oil Company Inc.

for permission to assign Lease No. M-2990, and the application of _____

E. H. Escapule, married for the assumption of said Lease, having been duly considered this 17th day of October, 19 68, and without waiver of State rights

which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.

M-2990, and all rights thereunder be and are hereby transferred to the said E. H. Escapule, married

P.O. Box 193
Tombstone, Arizona 85638

By: [Signature]
State Land Commissioner
[Signature]
Deputy State Land Commissioner

Written by: [Signature]

Checked by: [Signature]

Date Mailed: FEB 3 1977

ASSIGNMENT OF LEASE

Phoenix, Arizona January 24, 1977

The application of Ernest H. Escapule and Margaret B. Escapule, Husband and Wife

for permission to assign Lease No. M-2990, and the application of E. O. J. Joint Venture

for the assumption of said Lease, having been duly considered this 24th day of January, 19 77, and without waiver of State rights

which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.

M-2990, and all rights thereunder be and are hereby transferred to the said E. O. J. Joint Venture

c/o Peter F. O'Brien
P. O. Box 951
Scottsdale, Arizona 85252

By: [Signature]
State Land Commissioner
[Signature]
Deputy State Land Commissioner

Written by: [Signature]

Checked by: [Signature]

Date Mailed: FEB 28 1978

ASSIGNMENT OF LEASE

Phoenix, Arizona February 16, 1978

The application of E. O. J. Joint Venture

for permission to assign Lease No. M-2990, and the application of Santa Anna Silver, Inc., an Arizona corporation

for the assumption of said Lease, having been duly considered this 16th day of February, 19 78, and without waiver of State rights

which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.

M-2990, and all rights thereunder be and are hereby transferred to the said Santa Anna Silver, Inc.

4541 North 43rd Street
Phoenix, Arizona 85018

By: [Signature]
State Land Commissioner
[Signature]
Deputy State Land Commissioner

Type of Lease B

Lease No. 2991

Written by: RS

Checked by: 2 C

Date Mailed: MAY 5 1967

STATE LAND DEPARTMENT
STATE OF ARIZONA

MINERAL LEASE

This lease made and entered into this 1st day of December, 19 66, by and between the State Land Department, party of the first part, hereinafter called the lessor, by reason of the authority vested in it by the Arizona Revised Statutes, as amended, and E. H. Escapule, party of the second part, hereinafter called the lessee.

WITNESSETH:

The lessor has this day leased to the said lessee, for and in consideration of the rental, royalties, covenants, stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the said lessee, for the purpose of extracting and shipping ores and mineral substances from or under the land described in lease supplement, attached hereto and made a part hereof, containing 20.00 acres, more or less, with a total annual rental of \$15.00.

TO HAVE AND TO HOLD the same for the period ending the 30th day of November, 19 66.

THIS LEASE CONFERS ON THE LESSEE THE RIGHT:

1. Type A. In case of leases made pursuant to locations under Section 27-232 A., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof and to extralateral rights in the discovery vein only.
2. Type B. In case of leases made pursuant to locations under Sec. 27-232 B., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof.
3. To use so much of the surface as may be required for purposes incident to mining; and
4. Of ingress to and egress from other State lands, whether or not leased for purposes other than mining.

IT IS UNDERSTOOD AND AGREED THAT:

1. The lessee hereby agrees to pay or cause to be paid to the State Land Commissioner, annually in advance, a rental of \$15.00 per annum for each claim or fraction thereof, which shall be credited upon the royalties hereinafter provided, which may become due during such year.
2. The lessee further agrees to pay as royalty 5% of the net value of the minerals produced from the leased premises, which net value shall be the gross value after processing, if processing is necessary for commercial use, less the actual cost of transportation from the place of production to the place of processing, less costs of processing and taxes, if any, levied and paid upon the production thereof. In the case of minerals not processed for commercial use, the net value shall be the gross proceeds, or gross value at the place of sale or use, less the actual cost of transportation from place of production to the place of sale or use, less taxes, if any, levied and paid upon the production thereof.

Provided that in case of sand, rock and gravel, the royalty shall be established by the State Land Commissioner after appraisal. (Art. 10, Sec. 4, Ariz. Constitution)

In the case of limestone, silica, shale, and clay manufactured into building materials, the royalty shall be three cents per gross short ton of material removed. The three cents per ton royalty shall be based on the average regional wholesale price of the building materials so manufactured over the twelve-month period immediately preceding the effective date. The royalty shall be adjusted at the end of each five-year period thereafter in direct proportion to the decrease or increase in the five-year average of the average yearly regional prices for such building materials over the preceding five-year period, providing the decrease or increase amounts to ten (10) per cent or more of the previous base price.

3. So that the State may be properly advised of the removal of ores and mineral substances from the lands involved in this lease, the lessee agrees to file with the State Land Commissioner, within twenty (20) days after the removal of any such ores or mineral substances, an authenticated statement of the gross values found and accounted for by the smelter, mint, or other place of customs treatment and sale.

Written by: W. H. T.

Checked by: B. J. M.

Date Mailed: JUL 31 1968

ASSIGNMENT OF LEASE

Phoenix, Arizona July 25, 1968

The application of E. H. Escapule and Margaret Bernice Escapule for permission to assign Lease No. M-2991, and the application of Austral Oil Company, Inc.

for the assumption of said Lease, having been duly considered this 25th day of July, 1968, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. M-2991, and all rights thereunder be and are hereby transferred to the said Austral Oil Company, Inc. 2700 Humble Building Houston, Texas 77002

By: [Signature]
State Land Commissioner
Louis C. Duncanson
Deputy State Land Commissioner

Written by: [Signature]

Checked by: W. H. T.

Date Mailed: OCT 18 1968

ASSIGNMENT OF LEASE

Phoenix, Arizona October 17, 1968

The application of Austral Oil Company, Inc.

for permission to assign Lease No. M-2991, and the application of E. H. Escapule, married

for the assumption of said Lease, having been duly considered this 17th day of October, 1968, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. M-2991, and all rights thereunder be and are hereby transferred to the said E. H. Escapule, married

P.O. Box 193
Tombstone, Arizona 85638

By: [Signature]
State Land Commissioner
[Signature]
Deputy State Land Commissioner

Written by: [Signature]

Checked by: [Signature]

Date Mailed: FEB 3 1977

ASSIGNMENT OF LEASE

Phoenix, Arizona January 24, 1977

The application of Ernest H. Escapule and Margaret B. Escapule, Husband and Wife

for permission to assign Lease No. M-2991, and the application of E. O. J. Joint Venture

for the assumption of said Lease, having been duly considered this 24th day of January, 1977, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. M-2991, and all rights thereunder be and are hereby transferred to the said E. O. J. Joint Venture

c/o Peter F. O'Brien
P. O. Box 951
Scottsdale, Arizona 85252

By: [Signature]
State Land Commissioner
[Signature]
Deputy State Land Commissioner

Written by: [Signature]

Checked by: [Signature]

Date Mailed: FEB 28 1978

ASSIGNMENT OF LEASE

Phoenix, Arizona February 16, 1978

The application of E. O. J. Joint Venture

for permission to assign Lease No. M-2991, and the application of Santa Anna Silver, Inc., an Arizona corporation

for the assumption of said Lease, having been duly considered this 16th day of February, 1978, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. M-2991, and all rights thereunder be and are hereby transferred to the said Santa Anna Silver, Inc.

4541 North 43rd Street
Phoenix, Arizona 85018

By: [Signature]
State Land Commissioner
[Signature]
Deputy State Land Commissioner

Type of Lease B

Lease No. 23042

Written by [Signature]
Checked by [Signature]
Date Mailed: DEC 1 1975

STATE LAND DEPARTMENT
STATE OF ARIZONA

MINERAL LEASE

This lease made and entered into this 30th day of January, 19 73, by and between the State Land Department, party of the first part, hereinafter called the lessor, by reason of the authority vested in it by the Arizona Revised Statutes, as amended, and Silver Bonanza Mining, Inc., party of the second part, hereinafter called the lessee.

WITNESSETH:

The lessor has this day leased to the said lessee, for and in consideration of the rental, royalties, covenants, stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the said lessee, for the purpose of extracting and shipping ores and mineral substances from or under the land described in lease supplement, attached hereto and made a part hereof, containing 8.84 acres, more or less, with a total annual rental of \$15.00.

TO HAVE AND TO HOLD the same for the period ending the 29th day of January, 19 73.

THIS LEASE CONFERS ON THE LESSEE THE RIGHT:

1. Type A. In case of leases made pursuant to locations under Section 27-232 A., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof and to extralateral rights in the discovery vein only.
2. Type B. In case of leases made pursuant to locations under Sec. 27-232 B., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof.
3. To use so much of the surface as may be required for purposes incident to mining; and
4. Of ingress to and egress from other State lands, whether or not leased for purposes other than mining.

IT IS UNDERSTOOD AND AGREED THAT:

1. The lessee hereby agrees to pay or cause to be paid to the State Land Commissioner, annually in advance, a rental of \$15.00 per annum for each claim or fraction thereof.
2. The lessee further agrees to pay as royalty 5% of the net value of the minerals produced from the leased premises, which net value shall be the gross value after processing, if processing is necessary for commercial use, less the actual cost of transportation from the place of production to the place of processing, less costs of processing and taxes, if any, levied and paid upon the production thereof. In the case of minerals not processed for commercial use, the net value shall be the gross proceeds, or gross value at the place of sale or use, less the actual cost of transportation from place of production to the place of sale or use, less taxes, if any, levied and paid upon the production thereof.
3. So that the State may be properly advised of the removal of ores and mineral substances from the lands involved in this lease, the lessee agrees to file with the State Land Commissioner, within twenty (20) days after the removal of any such ores or mineral substances, an authenticated statement of the gross values found and accounted for by the smelter, mint, or other place of customs treatment and sale.
4. The lessee agrees to pay all royalties under this lease to the State Land Commissioner within twenty (20) days after the close of each month within which the minerals were extracted; such payments will be accompanied by a sworn statement on forms furnished by the Department.
5. The lessee shall at all times conduct operations in a workmanlike manner, protect all mines and deposits, and not commit nor suffer any waste upon the land. He shall not use nor permit the use of said lands and premises for any other purpose than as herein authorized, and at the expiration of this lease he shall return the premises to the owner in as good condition as received.
6. The lessee shall keep an accurate account of said operations showing the amount of mineral mined or extracted and all mineral shipped, smelted, used, or disposed of, the cost of such operations, and the gross

Written by: W. B. Ford
Checked by: gk
Date Mailed: AUG 10 1981

ASSIGNMENT OF LEASE

Phoenix, Arizona July 29, 1981

The application of Silver Bonanza Mining, Inc.
for permission to assign Lease No. M-23042, and the application of Lyle and Margaret M. Pentony,
husband and wife for the assumption of said Lease, having been duly con-
sidered this 29th day of July, 19 81, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
M-23042, and all rights thereunder be and are hereby transferred to the said Lyle and Margaret M.
Pentony, husband and wife.

745 E. Maryland
Phoenix, AZ 85014

Sonia C. Duncan
for the State Land Commissioner

By: _____
Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona _____

The application of _____
for permission to assign Lease No. _____, and the application of _____
_____ for the assumption of said Lease, having been duly con-
sidered this _____ day of _____, 19 _____, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
_____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____
Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona _____

The application of _____
for permission to assign Lease No. _____, and the application of _____
_____ for the assumption of said Lease, having been duly con-
sidered this _____ day of _____, 19 _____, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
_____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____
Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona _____

The application of _____
for permission to assign Lease No. _____, and the application of _____
_____ for the assumption of said Lease, having been duly con-
sidered this _____ day of _____, 19 _____, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
_____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____
Deputy State Land Commissioner

Type of Lease B

Lease No. 23051

Checked by [Signature]
Date Made DEC 1 1975

STATE LAND DEPARTMENT
STATE OF ARIZONA

MINERAL LEASE

This lease made and entered into this 30th day of January, 19 73, by and under the State Land Department, party of the first part, hereinafter called the lessor, by reason of the authority vested in it by the Arizona Revised Statutes, as amended, and Silver Bonanza Mining, Inc., party of the second part, hereinafter called the lessee.

WITNESSETH:

The lessor has this day leased to the said lessee, for and in consideration of the rental, royalties, covenants, stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the said lessee, for the purpose of extracting and shipping ores and mineral substances from or under the land described in lease supplement, attached hereto and made a part hereof, containing 6.96 acres, more or less, with a total annual rental of \$15.00.

TO HAVE AND TO HOLD the same for the period ending the 29th day of January, 19 73.

THIS LEASE CONFERS ON THE LESSEE THE RIGHT:

1. Type A. In case of leases made pursuant to locations under Section 27-232 A., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof and to extralateral rights in the discovery vein only.
2. Type B. In case of leases made pursuant to locations under Sec. 27-232 B., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof.
3. To use so much of the surface as may be required for purposes incident to mining; and
4. Of ingress to and egress from other State lands, whether or not leased for purposes other than mining.

IT IS UNDERSTOOD AND AGREED THAT:

1. The lessee hereby agrees to pay or cause to be paid to the State Land Commissioner, annually in advance, a rental of \$15.00 per annum for each claim or fraction thereof.
2. The lessee further agrees to pay as royalty 5% of the net value of the minerals produced from the leased premises, which net value shall be the gross value after processing, if processing is necessary for commercial use, less the actual cost of transportation from the place of production to the place of processing, less costs of processing and taxes, if any, levied and paid upon the production thereof. In the case of minerals not processed for commercial use, the net value shall be the gross proceeds, or gross value at the place of sale or use, less the actual cost of transportation from place of production to the place of sale or use, less taxes, if any, levied and paid upon the production thereof.
3. So that the State may be properly advised of the removal of ores and mineral substances from the lands involved in this lease, the lessee agrees to file with the State Land Commissioner, within twenty (20) days after the removal of any such ores or mineral substances, an authenticated statement of the gross values found and accounted for by the smelter, mint, or other place of customs treatment and sale.
4. The lessee agrees to pay all royalties under this lease to the State Land Commissioner within twenty (20) days after the close of each month within which the minerals were extracted; such payments will be accompanied by a sworn statement on forms furnished by the Department.
5. The lessee shall at all times conduct operations in a workmanlike manner, protect all mines and deposits, and not commit nor suffer any waste upon the land. He shall not use nor permit the use of said lands and premises for any other purpose than as herein authorized, and at the expiration of this lease he shall return the premises to the owner in as good condition as received.
6. The lessee shall keep an accurate account of said operations showing the amount of mineral mined or extracted and all mineral shipped, smelted, used, or disposed of, the cost of such operations, and the gross

Written by: [Signature]
Checked by: [Signature]
Date Mailed: AUG 10 1981

ASSIGNMENT OF LEASE

Phoenix, Arizona July 29, 1981

The application of Silver Bonanza Mining, Inc.
for permission to assign Lease No. M-23053, and the application of Lyle and Margaret M. Pentony,
husband and wife for the assumption of said Lease, having been duly con-
sidered this 29th day of July, 1981, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
M-23053, and all rights thereunder be and are hereby transferred to the said Lyle and Margaret M.
Pentony, husband and wife.

745 E. Maryland
Phoenix, AZ 85014

Louis C. Duncan
for the State Land Commissioner

By: _____
Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona _____

The application of _____
for permission to assign Lease No. _____, and the application of _____
_____ for the assumption of said Lease, having been duly con-
sidered this _____ day of _____, 19____, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
_____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____
Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona _____

The application of _____
for permission to assign Lease No. _____, and the application of _____
_____ for the assumption of said Lease, having been duly con-
sidered this _____ day of _____, 19____, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
_____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____
Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona _____

The application of _____
for permission to assign Lease No. _____, and the application of _____
_____ for the assumption of said Lease, having been duly con-
sidered this _____ day of _____, 19____, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
_____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____
Deputy State Land Commissioner

WELLS BY Ag
Classified by Ag
DISTRICT REC. 1 1975STATE LAND DEPARTMENT
STATE OF ARIZONA

MINERAL LEASE

This lease made and entered into this 30th day of January, 19 73, by and between the State Land Department, party of the first part, hereinafter called the lessor, by reason of the authority vested in it by the Arizona Revised Statutes, as amended, and Silver Bonanza Mining, Inc., party of the second part, hereinafter called the lessee.

WITNESSETH:

The lessor has this day leased to the said lessee, for and in consideration of the rental, royalties, covenants, stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the said lessee, for the purpose of extracting and shipping ores and mineral substances from or under the land described in lease supplement, attached hereto and made a part hereof, containing 0.93 acres, more or less, with a total annual rental of \$15.00.

TO HAVE AND TO HOLD the same for the period ending the 29th day of January, 19 73.

THIS LEASE CONFERS ON THE LESSEE THE RIGHT:

1. Type A. In case of leases made pursuant to locations under Section 27-232 A., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof and to extralateral rights in the discovery vein only.
2. Type B. In case of leases made pursuant to locations under Sec. 27-232 B., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof.
3. To use so much of the surface as may be required for purposes incident to mining; and
4. Of ingress to and egress from other State lands, whether or not leased for purposes other than mining.

IT IS UNDERSTOOD AND AGREED THAT:

1. The lessee hereby agrees to pay or cause to be paid to the State Land Commissioner, annually in advance, a rental of \$15.00 per annum for each claim or fraction thereof.
2. The lessee further agrees to pay as royalty 5% of the net value of the minerals produced from the leased premises, which net value shall be the gross value after processing, if processing is necessary for commercial use, less the actual cost of transportation from the place of production to the place of processing, less costs of processing and taxes, if any, levied and paid upon the production thereof. In the case of minerals not processed for commercial use, the net value shall be the gross proceeds, or gross value at the place of sale or use, less the actual cost of transportation from place of production to the place of sale or use, less taxes, if any, levied and paid upon the production thereof.
3. So that the State may be properly advised of the removal of ores and mineral substances from the lands involved in this lease, the lessee agrees to file with the State Land Commissioner, within twenty (20) days after the removal of any such ores or mineral substances, an authenticated statement of the gross values found and accounted for by the smelter, mint, or other place of customs treatment and sale.
4. The lessee agrees to pay all royalties under this lease to the State Land Commissioner within twenty (20) days after the close of each month within which the minerals were extracted; such payments will be accompanied by a sworn statement on forms furnished by the Department.
5. The lessee shall at all times conduct operations in a workmanlike manner, protect all mines and deposits, and not commit nor suffer any waste upon the land. He shall not use nor permit the use of said lands and premises for any other purpose than as herein authorized, and at the expiration of this lease he shall return the premises to the owner in as good condition as received.
6. The lessee shall keep an accurate account of said operations showing the amount of mineral mined or extracted and all mineral shipped, smelted, used, or disposed of, the cost of such operations, and the gross

Written by: est for est
Checked by: est
Date Mailed: AUG 10 1981

ASSIGNMENT OF LEASE

Phoenix, Arizona July 29, 1981

The application of Silver Bonanza Mining Inc.
for permission to assign Lease No. M-23054, and the application of Lyle and Margaret M. Pentony,
husband and wife _____ for the assumption of said Lease, having been duly con-
sidered this 29th day of July, 1981, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
M-23054, and all rights thereunder be and are hereby transferred to the said Lyle and Margaret M.
Pentony, husband and wife.

745 E. Maryland
Phoenix, AZ 85014

Louis C. Duncan
for the State Land Commissioner

By: _____
Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona _____

The application of _____
for permission to assign Lease No. _____, and the application of _____
_____ for the assumption of said Lease, having been duly con-
sidered this _____ day of _____, 19____, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
_____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____
Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona _____

The application of _____
for permission to assign Lease No. _____, and the application of _____
_____ for the assumption of said Lease, having been duly con-
sidered this _____ day of _____, 19____, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
_____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____
Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona _____

The application of _____
for permission to assign Lease No. _____, and the application of _____
_____ for the assumption of said Lease, having been duly con-
sidered this _____ day of _____, 19____, and without waiver of State rights
which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in
assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No.
_____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____
Deputy State Land Commissioner

RECORDED
INDEXED
DEC 1 1975

STATE LAND DEPARTMENT
STATE OF ARIZONA

MINERAL LEASE

This lease made and entered into this 30th day of January, 19 73, by and between the State Land Department, party of the first part, hereinafter called the lessor, by reason of the authority vested in it by the Arizona Revised Statutes, as amended, and Silver Venture Mining Co., Inc., party of the second part, hereinafter called the lessee.

WITNESSETH:

The lessor has this day leased to the said lessee, for and in consideration of the rental, royalties, covenants, stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the said lessee, for the purpose of extracting and shipping ores and mineral substances from or under the land described in lease supplement, attached hereto and made a part hereof, containing 13.40 acres, more or less, with a total annual rental of \$15.00.

TO HAVE AND TO HOLD the same for the period ending the 29th day of January, 19 93.

THIS LEASE CONFERS ON THE LESSEE THE RIGHT:

1. Type A. In case of leases made pursuant to locations under Section 27-232 A., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof and to extralateral rights in the discovery vein only.
2. Type B. In case of leases made pursuant to locations under Sec. 27-232 B., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof.
3. To use so much of the surface as may be required for purposes incident to mining; and
4. Of ingress to and egress from other State lands, whether or not leased for purposes other than mining.

IT IS UNDERSTOOD AND AGREED THAT:

1. The lessee hereby agrees to pay or cause to be paid to the State Land Commissioner, annually in advance, a rental of \$15.00 per annum for each claim or fraction thereof.
2. The lessee further agrees to pay as royalty 5% of the net value of the minerals produced from the leased premises, which net value shall be the gross value after processing, if processing is necessary for commercial use, less the actual cost of transportation from the place of production to the place of processing, less costs of processing and taxes, if any, levied and paid upon the production thereof. In the case of minerals not processed for commercial use, the net value shall be the gross proceeds, or gross value at the place of sale or use, less the actual cost of transportation from place of production to the place of sale or use, less taxes, if any, levied and paid upon the production thereof.
3. So that the State may be properly advised of the removal of ores and mineral substances from the lands involved in this lease, the lessee agrees to file with the State Land Commissioner, within twenty (20) days after the removal of any such ores or mineral substances, an authenticated statement of the gross values found and accounted for by the smelter, mint, or other place of customs treatment and sale.
4. The lessee agrees to pay all royalties under this lease to the State Land Commissioner within twenty (20) days after the close of each month within which the minerals were extracted; such payments will be accompanied by a sworn statement on forms furnished by the Department.
5. The lessee shall at all times conduct operations in a workmanlike manner, protect all mines and deposits, and not commit nor suffer any waste upon the land. He shall not use nor permit the use of said lands and premises for any other purpose than as herein authorized, and at the expiration of this lease he shall return the premises to the owner in as good condition as received.
6. The lessee shall keep an accurate account of said operations showing the amount of mineral mined or extracted and all mineral shipped, smelted, used, or disposed of, the cost of such operations, and the gross

ASSIGNMENT OF LEASE

Phoenix, Arizona August 28, 1980

The application of SILVER VENTURE MINING CO., INC. for permission to assign Lease No. M-23055, and the application of B and C MINING LTD., a Limited Partnership for the assumption of said Lease, having been duly considered this 28th day of August, 1980, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. M-23055, and all rights thereunder be and are hereby transferred to the said B and C MINING LTD., a Limited Partnership for the State Land Commissioner. By: [Signature] Deputy State Land Commissioner

1517 West Bentley Mesa, Arizona a

ASSIGNMENT OF LEASE

Phoenix, Arizona April 6, 1984

The application of RESOURCES AMERICA, INC., a Florida corporation, as general partner of B & C Mining Ltd, a limited partnership for permission to assign Lease No. 11-23055, and the application of SILVER VENTURE MINING CO., INC., an Arizona corporation for the assumption of said Lease, having been duly considered this 6th day of April, 1984, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. 11-23055, and all rights thereunder be and are hereby transferred to the said SILVER VENTURE MINING CO., INC., an Arizona corporation for the State Land Commissioner. By: [Signature] Deputy State Land Commissioner

SILVER VENTURE MINING CO. c/o HAROLD H. Clingerman 2948 Carnauba Tucson, AZ 85705

ASSIGNMENT OF LEASE

Phoenix, Arizona October 5, 1984

The application of SILVER VENTURE MINING CO., INC., an Arizona corporation for permission to assign Lease No. 11-23055, and the application of TOMBSTONE SILVER MINES, INC., an Arizona corporation for the assumption of said Lease, having been duly considered this 5th day of October, 1984, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. 11-23055, and all rights thereunder be and are hereby transferred to the said TOMBSTONE SILVER MINES, INC., an Arizona corporation for the State Land Commissioner. By: [Signature] Deputy State Land Commissioner

Tombstone Silver Mines, Inc. P.O. Box 715 Tombstone, AZ 85638

ASSIGNMENT OF LEASE

Phoenix, Arizona

The application of _____ for permission to assign Lease No. _____, and the application of _____ for the assumption of said Lease, having been duly considered this _____ day of _____, 19____, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. _____, and all rights thereunder be and are hereby transferred to the said _____

State Land Commissioner

By: _____ Deputy State Land Commissioner

J. W. FULMER
MINING ENGINEER
1725 POMONA DRIVE
LAS CRUCES, NM 88001
(505) 522-5041

January 3, 1986



Lease Status Section
Arizona State Land Department
1624 West Adams
Phoenix, AZ 85007

Gentlemen:

There is urgent need for the following information on Arizona Mineral Leases 23055, 23056, 23057 and 23058:

- 1) These leases have been represented as being in the north half of the southeast quarter of Section 16, Township 20 South, Range 22 East, Tombstone Mining District, Cochise County. Please verify the accuracy of the stated location.
- 2) Were these leases in effect during the years 1980 and 1981?
- 3) If in effect, who was the lessee?
- 4) Was there an assignment of any or all of these leases? If so who was the assignee?

The above information and any additional data on the status and history of these leases is to be admitted in evidence in an impending court action in Washington, D.C., and must be authenticated by your certifying officer.

Since less than a week remains in which to obtain this information, please send the originals of your documentation direct to;

Avery Cousins III
Senior Attorney
U. S. Internal Revenue Service
6800 Capstan Drive
Annandale, Virginia 22003

Please send copies of the same to the undersigned.

If you require additional information, please call me collect.

Yours very truly,


J. W. Fulmer



BRUCE BABBITT
GOVERNOR

Arizona
State Land Department

1624 WEST ADAMS
PHOENIX, ARIZONA 85007



OFFICE OF
STATE LAND COMMISSIONER

January 8, 1986

Avery Cousins III
Senior Attorney
U.S. Internal Revenue Service
6800 Capstan Drive
Annandale, Virginia 22003

Dear Mr. Cousins,

In response to a recent letter received by the Department from Mr. J.W. Fulmer requesting information on certain Mineral Leases, the records of the State Land Department reflect the following:

Lease Numbers 11-23055, 11-23056, 11-23057 and 11-23058 are all located in Township 20 South; Range 22 East; Section 16.

11-23055--Metes and Bounds in Lots 9 and 13--13.40 acres
11-23056--Metes and Bound in Lot 9--18.28 acres
11-23057--Metes and Bounds in Lot 10--18.31 acres
11-23058--Metes and Bounds in Lot 10--18.07 acres

The leases became effective January 30, 1973 and were originally issued to Silver Venture Mining Co., Inc. On August 28, 1980 they were assigned to B & C Mining Ltd., 1517 W. Bentley, Mesa, Arizona. On April 6, 1984 they were assigned back to Silver Venture Mining Co., Inc. in care of Harold Clingerman, 2948 Carnuba, Tucson, Arizona 85705. Then finally transferred to Tombstone Silver Mines, Inc., P.O. Box 715, Tombstone, Arizona.

All of the above leases expire on January 29, 1993. In addition to the above information; all of the assignments that took place were complete transfers conveying 100% of the interest held.

I hope you find this information helpful.

Sincerely,

Coralie McDonald
State Examiner

I hereby certify that this instrument is a true and complete copy as shown by the Records of the Arizona State Land Department.
WITNESS my signature and seal this
9th day of January, 1986
STATE LAND COMMISSIONER
BY

Type of Lease B

Lease No. 23056

Wentworth
Checked by [Signature]
Date DEC 1 1975

STATE LAND DEPARTMENT
STATE OF ARIZONA

MINERAL LEASE

This lease made and entered into this 30th day of January, 19 73, by and between the State Land Department, party of the first part, hereinafter called the lessor, by reason of the authority vested in it by the Arizona Revised Statutes, as amended, and Silver Venture Mining Co., Inc., party of the second part, hereinafter called the lessee.

WITNESSETH:

The lessor has this day leased to the said lessee, for and in consideration of the rental, royalties, covenants, stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the said lessee, for the purpose of extracting and shipping ores and mineral substances from or under the land described in lease supplement, attached hereto and made a part hereof, containing 18.28 acres, more or less, with a total annual rental of \$15.00.

TO HAVE AND TO HOLD the same for the period ending the 29th day of January, 19 93.

THIS LEASE CONFERS ON THE LESSEE THE RIGHT:

1. Type A. In case of leases made pursuant to locations under Section 27-232 A., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof and to extralateral rights in the discovery vein only.
2. Type B. In case of leases made pursuant to locations under Sec. 27-232 B., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof.
3. To use so much of the surface as may be required for purposes incident to mining; and
4. Of ingress to and egress from other State lands, whether or not leased for purposes other than mining.

IT IS UNDERSTOOD AND AGREED THAT:

1. The lessee hereby agrees to pay or cause to be paid to the State Land Commissioner, annually in advance, a rental of \$15.00 per annum for each claim or fraction thereof.
2. The lessee further agrees to pay as royalty 5% of the net value of the minerals produced from the leased premises, which net value shall be the gross value after processing, if processing is necessary for commercial use, less the actual cost of transportation from the place of production to the place of processing, less costs of processing and taxes, if any, levied and paid upon the production thereof. In the case of minerals not processed for commercial use, the net value shall be the gross proceeds, or gross value at the place of sale or use, less the actual cost of transportation from place of production to the place of sale or use, less taxes, if any, levied and paid upon the production thereof.
3. So that the State may be properly advised of the removal of ores and mineral substances from the lands involved in this lease, the lessee agrees to file with the State Land Commissioner, within twenty (20) days after the removal of any such ores or mineral substances, an authenticated statement of the gross values found and accounted for by the smelter, mint, or other place of customs treatment and sale.
4. The lessee agrees to pay all royalties under this lease to the State Land Commissioner within twenty (20) days after the close of each month within which the minerals were extracted; such payments will be accompanied by a sworn statement on forms furnished by the Department.
5. The lessee shall at all times conduct operations in a workmanlike manner, protect all mines and deposits, and not commit nor suffer any waste upon the land. He shall not use nor permit the use of said lands and premises for any other purpose than as herein authorized, and at the expiration of this lease he shall return the premises to the owner in as good condition as received.
6. The lessee shall keep an accurate account of said operations showing the amount of mineral mined or extracted and all mineral shipped, smelted, used, or disposed of, the cost of such operations, and the gross

ASSIGNMENT OF LEASE

Phoenix, Arizona August 28, 1980

The application of SILVER VENTURE MINING CO., INC. for permission to assign Lease No. M-23056, and the application of B and C MINING LTD., a Limited Partnership for the assumption of said Lease, having been duly considered this 28th day of August, 1980, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. M-23056, and all rights thereunder be and are hereby transferred to the said B and C Mining Ltd., a Limited Partnership for the State Land Commissioner. Signed by: [Signature] Deputy State Land Commissioner

1517 West Bently Mesa, Arizona

By: Deputy State Land Commissioner

Witness by: [Signature]

ASSIGNMENT OF LEASE

Phoenix, Arizona April 6, 1984

The application of RESOURCES AMERICA, INC., a Florida corporation, as general partner of B & C Mining Ltd, a limited partnership for permission to assign Lease No. 11-23056, and the application of SILVER VENTURE MINING CO., INC., an Arizona corporation for the assumption of said Lease, having been duly considered this 6th day of April, 1984, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. 11-23056, and all rights thereunder be and are hereby transferred to the said SILVER VENTURE MINING CO., INC., an Arizona corporation for the State Land Commissioner. Signed by: [Signature] Deputy State Land Commissioner

SILVER VENTURE MINING CO. c/o Harold H. Clingerman 2948 Carnauba Tucson, AZ 85705

By: Deputy State Land Commissioner

Witnessed by: [Signature]

ASSIGNMENT OF LEASE

Phoenix, Arizona October 5, 1984

The application of SILVER VENTURE MINING CO., INC., an Arizona corporation for permission to assign Lease No. 11-23056, and the application of TOMBSTONE SILVER MINES, INC., an Arizona corporation for the assumption of said Lease, having been duly considered this 5th day of October, 1984, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. 11-23056, and all rights thereunder be and are hereby transferred to the said TOMBSTONE SILVER MINES, INC., an Arizona corporation for the State Land Commissioner. Signed by: [Signature] Deputy State Land Commissioner

Tombstone Silver Mines, Inc. P.O. Box 715 Tombstone, AZ 85638

By: Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona

The application of for permission to assign Lease No. and the application of for the assumption of said Lease, having been duly considered this day of, 19, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. and all rights thereunder be and are hereby transferred to the said

State Land Commissioner

By: Deputy State Land Commissioner

[Signature]
DATE DEC 1 1975

STATE LAND DEPARTMENT
STATE OF ARIZONA

MINERAL LEASE

This lease made and entered into this 30th day of January, 19 73, by and between the State Land Department, party of the first part, hereinafter called the lessor, by reason of the authority vested in it by the Arizona Revised Statutes, as amended, and Silver Venture Mining Co., Inc., party of the second part, hereinafter called the lessee.

WITNESSETH:

The lessor has this day leased to the said lessee, for and in consideration of the rental, royalties, covenants, stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the said lessee, for the purpose of extracting and shipping ores and mineral substances from or under the land described in lease supplement, attached hereto and made a part hereof, containing 18.31 acres, more or less, with a total annual rental of \$15.00.

TO HAVE AND TO HOLD the same for the period ending the 29th day of January, 19 73.

THIS LEASE CONFERS ON THE LESSEE THE RIGHT:

1. Type A. In case of leases made pursuant to locations under Section 27-232 A., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof and to extralateral rights in the discovery vein only.
2. Type B. In case of leases made pursuant to locations under Sec. 27-232 B., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof.
3. To use so much of the surface as may be required for purposes incident to mining; and
4. Of ingress to and egress from other State lands, whether or not leased for purposes other than mining.

IT IS UNDERSTOOD AND AGREED THAT:

1. The lessee hereby agrees to pay or cause to be paid to the State Land Commissioner, annually in advance, a rental of \$15.00 per annum for each claim or fraction thereof.
2. The lessee further agrees to pay as royalty 5% of the net value of the minerals produced from the leased premises, which net value shall be the gross value after processing, if processing is necessary for commercial use, less the actual cost of transportation from the place of production to the place of processing, less costs of processing and taxes, if any, levied and paid upon the production thereof. In the case of minerals not processed for commercial use, the net value shall be the gross proceeds, or gross value at the place of sale or use, less the actual cost of transportation from place of production to the place of sale or use, less taxes, if any, levied and paid upon the production thereof.
3. So that the State may be properly advised of the removal of ores and mineral substances from the lands involved in this lease, the lessee agrees to file with the State Land Commissioner, within twenty (20) days after the removal of any such ores or mineral substances, an authenticated statement of the gross values found and accounted for by the smelter, mint, or other place of customs treatment and sale.
4. The lessee agrees to pay all royalties under this lease to the State Land Commissioner within twenty (20) days after the close of each month within which the minerals were extracted; such payments will be accompanied by a sworn statement on forms furnished by the Department.
5. The lessee shall at all times conduct operations in a workmanlike manner, protect all mines and deposits, and not commit nor suffer any waste upon the land. He shall not use nor permit the use of said lands and premises for any other purpose than as herein authorized, and at the expiration of this lease he shall return the premises to the owner in as good condition as received.
6. The lessee shall keep an accurate account of said operations showing the amount of mineral mined or extracted and all mineral shipped, smelted, used, or disposed of, the cost of such operations, and the gross

ASSIGNMENT OF LEASE

Phoenix, Arizona August 28, 1980

The application of SILVER VENTURE MINING CO., INC. for permission to assign Lease No. M-23057, and the application of B and C MINING LTD., a LIMITED PARTNERSHIP for the assumption of said Lease, having been duly considered this 28th day of August, 1980, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. M-23057, and all rights thereunder be and are hereby transferred to the said B and C MINING LTD., a Limited Partnership

1517 West Bently Mesa, Arizona

Louis B. Duncan for the State Land Commissioner By: Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona April 6, 1984

Written By: D.S.

The application of RESOURCES AMERICA, INC., a Florida corporation, as general partner of B & C Mining Ltd, a limited partnership for permission to assign Lease No. 11-23057, and the application of SILVER VENTURE MINING CO., INC., an Arizona corporation for the assumption of said Lease, having been duly considered this 6th day of April, 1984, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. 11-23057, and all rights thereunder be and are hereby transferred to the said SILVER VENTURE MINING CO., INC., an Arizona corporation

SILVER VENTURE MINING CO. c/o Harold H. Clingerman 2948 Carnauba Tucson, AZ 85705

Deputy State Land Commissioner for the State Land Commissioner By: Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona October 5, 1984

Checked By: B.H.

The application of SILVER VENTURE MINING CO., INC., an Arizona corporation for permission to assign Lease No. 11-23057, and the application of TOMBSTONE SILVER MINES, INC., an Arizona corporation for the assumption of said Lease, having been duly considered this 5th day of October, 1984, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. 11-23057, and all rights thereunder be and are hereby transferred to the said TOMBSTONE SILVER MINES, INC., an Arizona corporation

Tombstone Silver Mines, Inc. P.O. Box 715 Tombstone, AZ 85638

Deputy State Land Commissioner for the State Land Commissioner By: Deputy State Land Commissioner

ASSIGNMENT OF LEASE

Phoenix, Arizona

The application of for permission to assign Lease No. and the application of for the assumption of said Lease, having been duly considered this day of, 19, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. and all rights thereunder be and are hereby transferred to the said

State Land Commissioner By: Deputy State Land Commissioner

Ryd.
W. Lynn
Date Made DEC 1 1975

STATE LAND DEPARTMENT
STATE OF ARIZONA

MINERAL LEASE

This lease made and entered into this 30th day of January, 19 73, by and between the State Land Department, party of the first part, hereinafter called the lessor, by reason of the authority vested in it by the Arizona Revised Statutes, as amended, and Silver Venture Mining Co., Inc., party of the second part, hereinafter called the lessee.

WITNESSETH:

The lessor has this day leased to the said lessee, for and in consideration of the rental, royalties, covenants, stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the said lessee, for the purpose of extracting and shipping ores and mineral substances from or under the land described in lease supplement, attached hereto and made a part hereof, containing 16.07 acres, more or less, with a total annual rental of \$15.00.

TO HAVE AND TO HOLD the same for the period ending the 29th day of January, 19 93.

THIS LEASE CONFERS ON THE LESSEE THE RIGHT:

1. Type A. In case of leases made pursuant to locations under Section 27-232 A., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof and to extralateral rights in the discovery vein only.
2. Type B. In case of leases made pursuant to locations under Sec. 27-232 B., A.R.S., to extract and ship minerals, mineral compounds and mineral aggregates from each claim located within planes drawn vertically downward through the exterior boundary lines thereof.
3. To use so much of the surface as may be required for purposes incident to mining; and
4. Of ingress to and egress from other State lands, whether or not leased for purposes other than mining.

IT IS UNDERSTOOD AND AGREED THAT:

1. The lessee hereby agrees to pay or cause to be paid to the State Land Commissioner, annually in advance, a rental of \$15.00 per annum for each claim or fraction thereof.
2. The lessee further agrees to pay as royalty 5% of the net value of the minerals produced from the leased premises, which net value shall be the gross value after processing, if processing is necessary for commercial use, less the actual cost of transportation from the place of production to the place of processing, less costs of processing and taxes, if any, levied and paid upon the production thereof. In the case of minerals not processed for commercial use, the net value shall be the gross proceeds, or gross value at the place of sale or use, less the actual cost of transportation from place of production to the place of sale or use, less taxes, if any, levied and paid upon the production thereof.
3. So that the State may be properly advised of the removal of ores and mineral substances from the lands involved in this lease, the lessee agrees to file with the State Land Commissioner, within twenty (20) days after the removal of any such ores or mineral substances, an authenticated statement of the gross values found and accounted for by the smelter, mint, or other place of customs treatment and sale.
4. The lessee agrees to pay all royalties under this lease to the State Land Commissioner within twenty (20) days after the close of each month within which the minerals were extracted; such payments will be accompanied by a sworn statement on forms furnished by the Department.
5. The lessee shall at all times conduct operations in a workmanlike manner, protect all mines and deposits, and not commit nor suffer any waste upon the land. He shall not use nor permit the use of said lands and premises for any other purpose than as herein authorized, and at the expiration of this lease he shall return the premises to the owner in as good condition as received.
6. The lessee shall keep an accurate account of said operations showing the amount of mineral mined or extracted and all mineral shipped, smelted, used, or disposed of, the cost of such operations, and the gross

ASSIGNMENT OF LEASE

Phoenix, Arizona August 28, 1980

The application of SILVER VENTURE MINING CO., INC. for permission to assign Lease No. M-23058, and the application of B and C MINING LTD., a Limited Partnership for the assumption of said Lease, having been duly considered this 28th day of August, 1980, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. M-23058, and all rights thereunder be and are hereby transferred to the said B and C MINING LTD., a Limited Partnership for the State Land Commissioner. By: Deputy State Land Commissioner. 1517 West Bentley Mesa, Arizona

ASSIGNMENT OF LEASE

Phoenix, Arizona April 6, 1984

Written by: Date mailed: The application of RESOURCES AMERICA, INC., a Florida corporation, as general partner of B & C Mining Ltd, a limited partnership for permission to assign Lease No. 11-23058, and the application of SILVER VENTURE MINING CO., INC., an Arizona corporation for the assumption of said Lease, having been duly considered this 6th day of April, 1984, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. 11-23058, and all rights thereunder be and are hereby transferred to the said SILVER VENTURE MINING CO., INC., an Arizona corporation for the State Land Commissioner. By: Deputy State Land Commissioner. SILVER VENTURE MINING CO. c/o Harold H. Clingerman 2948 Carnauba Tucson, AZ 85705

ASSIGNMENT OF LEASE

Phoenix, Arizona October 5, 1984

Date mailed: The application of SILVER VENTURE MINING CO., INC., an Arizona corporation for permission to assign Lease No. 11-23058, and the application of TOMBSTONE SILVER MINES, INC., an Arizona corporation for the assumption of said Lease, having been duly considered this 5th day of October, 1984, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. 11-23058, and all rights thereunder be and are hereby transferred to the said TOMBSTONE SILVER MINES, INC., an Arizona corporation for the State Land Commissioner. By: Deputy State Land Commissioner. Tombstone Silver Mines, Inc. P.O. Box 715 Tombstone, AZ 85638

ASSIGNMENT OF LEASE

Phoenix, Arizona

The application of for permission to assign Lease No. and the application of for the assumption of said Lease, having been duly considered this day of, 19, and without waiver of State rights which may exist against the lease assigned, and with this consent not to be construed as initiating any new rights in assignee of lease, consent is hereby given for the assignment applied for and it is ordered that the said Lease No. and all rights thereunder be and are hereby transferred to the said

State Land Commissioner

By: Deputy State Land Commissioner

STATE HANDS
PROSPECTING PERMITS

Written by: [Signature]
Checked by: [Signature]
OK to Sign: _____
Date Mailed: SEP 29 1982

NOTICE TO ANYONE DEALING WITH THIS DOCUMENT
This document merely authorizes pursuit of its stated purposes; its existence does not constitute a finding by the Land Department that those purposes may be pursued profitably.

P. P. No. 84591
Date: September 8, 1982

STATE LAND DEPARTMENT
STATE OF ARIZONA
PROSPECTING PERMIT

The STATE OF ARIZONA grants to RESOURCES AMERICA, INC., a Florida corporation,
DBA MINEREX AMERICA, INC., the exclusive right, for a
period of one (1) year from date, subject to renewals as hereinafter set forth, but
in no event beyond the 7th day of September,
19 87, to prospect for minerals on the State land hereinafter described upon

STATE LAND DEPARTMENT
STATE OF ARIZONA

RENEWAL OF

PROSPECTING PERMIT NO. 88-84591

PERMIT IS HEREBY RENEWED FOR THE PERIOD OF:

EFFECTIVE DATE

September 8, 1986

APPROVED DATE

September 8, 1986

EXPIRATION DATE

September 7, 1987

BY [Signature]
STATE LAND COMMISSIONER

THIS FORM MUST BE ATTACHED TO PERMIT

3-76

any holes, ditches, or other excavations as may be required by the State Land Commissioner and so far as reasonably possible, restore the surface to its former conditions.

NOTICE TO ANYONE DEALING WITH THIS DOCUMENT
This document merely authorizes pursuit of its stated purposes; its existence does not constitute a finding by the Land Department that those purposes may be pursued profitably.

ASSIGNMENT OF PERMIT

Checked by: JC

Phoenix, Arizona March 30, 1984

The application of MAY 0 3 1984 RESOURCES AMERICA, INC., DBA MITHREX AMERICA, INC. for permission to assign Permit No. 08-84591 and the application of SILVER VENTURE MINING CO., INC. for the assumption of said Permit, having been duly considered this 30th day of March, 1984, and without waiver of State rights which may exist against the permit assigned, and with this consent not to be construed as initiating any new rights in assignee of permit, consent is hereby given for the assignment applied for and it is ordered that the said Permit No. 08-84591 and all rights thereunder be and are hereby transferred to the said SILVER VENTURE MINING CO., INC.

2948 Carnauba
Tucson, AZ 85705

Sandy Luke
for State Land Commissioner

Checked by: JR

ASSIGNMENT OF PERMIT

DEC 15 1984

Filed Mailed: _____

Phoenix, Arizona December 11, 1984

The application of SILVER VENTURE MINING CO., INC. for permission to assign Permit No. 08-84591 and the application of TOMBSTONE SILVER MINES, INC., an Arizona corporation for the assumption of said Permit, having been duly considered this 11th day of December, 1984, and without waiver of State rights which may exist against the permit assigned, and with this consent not to be construed as initiating any new rights in assignee of permit, consent is hereby given for the assignment applied for and it is ordered that the said Permit No. 08-84591 and all rights thereunder be and are hereby transferred to the said TOMBSTONE SILVER MINES, INC., an Arizona corporation.
Tombstone Silver Mines, Inc.
P.O. Box 715
Tombstone, AZ 85638

2948 CARNAUBA
TUCSON, AZ. 85705

Sandy Luke
For the State Land Commissioner

ASSIGNMENT OF PERMIT

Phoenix, Arizona _____

The application of _____ for permission to assign Permit No. _____ and the application of _____ for the assumption of said Permit, having been duly considered this _____ day of _____, 19____, and without waiver of State rights which may exist against the permit assigned, and with this consent not to be construed as initiating any new rights in assignee of permit, consent is hereby given for the assignment applied for and it is ordered that the said Permit No. _____ and all rights thereunder be and are hereby transferred to the said _____.

State Land Commissioner

P.P. No. 08-91660

Date July 10, 1985

STATE LAND DEPARTMENT

STATE OF ARIZONA

PROSPECTING PERMIT

The STATE OF ARIZONA grants to MICHAEL E. HICKEY, a married man
_____, the exclusive right, for a
period of one (1) year from date, subject to renewals as hereinafter set forth, but in no event beyond
the 9th day of July, 1990,
to prospect for minerals on the State land hereinafter described upon the following expressed
conditions which are a part of the permit.

STATE LAND DEPARTMENT
STATE OF ARIZONA

RENEWAL OF

PROSPECTING PERMIT NO. 08-91660

PERMIT IS HEREBY RENEWED FOR THE PERIOD OF:

EFFECTIVE DATE

July 10, 1986

APPROVED DATE

July 10, 1986

EXPIRATION DATE

July 9, 1987

BY STATE LAND COMMISSIONER

THIS FORM MUST BE ATTACHED TO PERMIT

P.P. No. 08-91639

Date July 3, 1985

STATE LAND DEPARTMENT

STATE OF ARIZONA

PROSPECTING PERMIT

The STATE OF ARIZONA grants to JAMES A. BRISCOE, a single man
_____, the exclusive right, for a
period of one (1) year from date, subject to renewals as hereinafter set forth, but in no event beyond
the 2nd day of July, 1990
to prospect for minerals on the State land hereinafter described upon the following expressed
conditions which are a part of the permit.

STATE LAND DEPARTMENT
STATE OF ARIZONA

RENEWAL OF

PROSPECTING PERMIT NO. 08-91639

PERMIT IS HEREBY RENEWED FOR THE PERIOD OF:

EFFECTIVE DATE

July 3, 1986

APPROVED DATE

July 3, 1986

EXPIRATION DATE

July 2, 1987

BY 
STATE LAND COMMISSIONER

THIS FORM MUST BE ATTACHED TO PERMIT

P.P. No. 08-92276

Date October 30, 1985

STATE LAND DEPARTMENT

STATE OF ARIZONA

PROSPECTING PERMIT

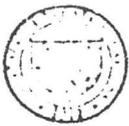
Paid to 10-29-87

The STATE OF ARIZONA grants to JAMES STEWART COMPANY, A Corporation
_____, the exclusive right, for a
period of one (1) year from date, subject to renewals as hereinafter set forth, but in no event beyond
the 29th day of October, 1990,
to prospect for minerals on the State land hereinafter described upon the following expressed
conditions which are a part of the permit.

1. The permittee shall have those surface rights necessary for the prospecting and exploration for mineral, but may remove from the land only that amount of mineral required for sampling, assay and metallurgical testing purposes.
2. The permittee shall have the right of ingress to and egress from the land covered by the permit but only along routes first approved by the State Land Commissioner.
3. The permittee shall be liable to and shall compensate the owner and lessee of the surface of the State land covered by this permit, or across which the permittee exercises the right of ingress and egress, for any loss to such owner and lessee from damage or destruction caused by the permittee, his or its agents or employees, to grasses, forage, crops or improvements upon such State land.
4. This permit shall terminate automatically, as of the end of any annual period from and after the date of issuance thereof unless during such annual period the permittee shall have expended in exploration for valuable mineral deposits on the State land covered by this permit the prescribed amount per acre, file an application for renewal and submit proof of the amount expended on exploration. The amount to be expended during each of the first two annual periods in which this permit may be in effect shall be not less than ten dollars for each acre of land covered by this permit at the commencement of such annual period, and the amount to be expended during each of the last three annual periods in which this permit may be in effect shall be not less than twenty dollars for each acre covered by this permit at the commencement of such annual period.
5. Prior to the termination of any annual period, the permittee may file a release with the State Land Department, releasing acreage covered by this permit provided that the acreage released be contained within one or more rectangular subdivisions of twenty acres more or less, or lots, according to the lines of the public survey.
6. Upon any partial or total relinquishment, or the cancellation or expiration of the permit, other than by issuance of mineral lease, the permittee shall fill any holes, ditches, or other excavations as may be required by the State Land Commissioner and so far as reasonably possible, restore the surface to its former conditions.

NOTICE TO ANYONE DEALING WITH THIS DOCUMENT

This document merely authorizes pursuit of its stated purposes; its existence does not constitute a finding by the Land Department that those purposes may be pursued profitably.



BRUCE HARRITT
GOVERNOR

Arizona
State Land Department

1624 WEST ADAMS
PHOENIX, ARIZONA 85007



OFFICE OF
STATE LAND COMMISSIONER

NOTICE OF PROSPECTING PERMIT ISSUANCE

Harold O. Love
% Wes Polley Esq.
P.O. Box 5998
Bisbee, AZ 85603

DATE November 3, 1986

Philip J. Sterling
Sterling Exploration
3007 Louisiana NE
Albuquerque, NM 87110

RE: Lease No. 05-1501

RE: Permit No. 08-94136

Dear Lessee:

You are hereby notified that the State Land Department is issuing the subject mineral Prospecting Permit(s) embracing lands within your surface lease.

You have surface rights on this land under your lease. It is the policy of the Department to notify all surface leaseholders that this office has issued a prospecting permit. The permittee (name and address above) has the right to enter upon the land and explore for a valuable mineral deposit as required by the Department in order that the permittee may apply for a mineral lease.

In accordance with the provisions of the laws of the State of Arizona, the permittee is liable for compensation to the owner and lessee of the surface of the land covered by his permit for any loss caused from damage or destruction caused by the permittee to grasses, forage, crops, or improvements upon such State Land.

Any claim for damages you might have against the permittee during the term of this prospecting permit can be brought to the attention of the Department by contacting the Department's Mineral Section at (602) 255-4628.

The terms of your lease written in accordance with the laws of the State of Arizona, provide that the Department may issue a lease of mineral claim located within the area covered by your lease. At such time the mineral lessee would acquire certain additional rights, including a limited surface use.

LEGAL DESCRIPTION: SE;E2SW; Sec.32,T20S,R22E

STATE LAND DEPARTMENT

*Pat,
Surface Lessee
Letter is mailed
Out.
R*

BY: _____
Coralie McDonald
State Examiner

STATE OF
P.P. APPOINTMENTS

- This application must be accompanied by \$25.00 filing fee.
- Applications must not cover more than ONE section.
- All questions must be answered.
- Attach a scaled plat for answers to numbers 4, 5, 7, 8. (Preferably a U.S.G.S. Topo Map.)

STATE LAND DEPARTMENT
1624 West Adams
Phoenix, Arizona 85007

APPLICATION FOR MINERAL PROSPECTING PERMIT

~~MYER~~ M. S. HORNE, a married man, as my sole and separate property
(Name)
of 3033 North Central Avenue, Suite 707, Phoenix, Arizona 85012 264-2181
(Address) (Telephone Number)

to hereby make application for a mineral exploration or prospecting permit on the State Land hereinafter described, in accordance with the provisions of Title 27, Chapter 2, Article 4 Arizona Revised Statutes, such rules and regulations as the Commissioner may prescribe and the terms of the permit. Submit any additional information the Commissioner deems necessary, and to follow whatever steps that may be prescribed to protect the fresh water-bearing formations from contamination.

| LEGAL DESCRIPTION: | SECTION | TOWNSHIP | RANGE | ACRES | COUNTY | GRAN |
|-----------------------|-----------|-------------|-------------|--------------|----------------|------------|
| <u>Lots 3 & 4</u> | <u>33</u> | <u>19 S</u> | <u>22 E</u> | <u>79.65</u> | <u>Cochise</u> | <u>031</u> |

1. State whether individual, partnership or corporation: Individual
2. If an individual, are you a citizen of the United States? Yes Age 76 Married? Yes
Single? _____
3. Are there valid mineral locations, claims or leases on this Section? _____
None according to State records or to my knowledge
4. Are there any abandoned workings on this Section? None found
5. Will it be necessary to cross other State Lands to reach the land under application? Yes
6. Are there improvements or crops on the land under application? _____
No crops. There may be fences for stock control purposes.
7. Indicate on plat the routes of ingress and egress to land under application.
8. Indicate primary type of mineral for which exploration is being conducted. _____
Copper Sulphide.
9. What is the anticipated depth to the top of the ore body? Unknown
10. Which type mining operation do you anticipate for the extraction and/or removal of ore and/or mineral? Open Pit _____ Underground X in situ leaching _____
other _____
1. Indicate the type of exploratory method or methods to be employed:
 - a. EXCAVATIONS: Backhoe () Bulldozer () Other () Specify _____
 - b. GEOPHYSICAL: (type) _____ Geological (XX) Geochemical ()
 - c. DRILLING: () Location: Show location(s) feet to nearest Section lines on plat. Indicate each location on plat, the elevation, hole size, and anticipated T/D. (No drilling shall be commenced without written approval from the Department; a scaled plat showing above information shall be filed with the request for such approval.)

CERTIFICATION

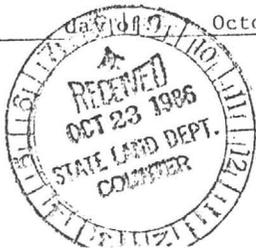
I/~~XXXX~~ hereby certify under penalty of perjury that the information contained and statements herein made are to the best of (my/our) knowledge and belief true, correct and complete.

Dated this 23rd October, 19 86

M. S. HORNE, a married man,
as my sole and separate property
Applicant

By: [Signature]

3033 N. Central Ave., Suite 707
Phoenix, Arizona 85012
Address



Application must be accompanied by \$25.00 filing fee.
 Applications must not cover more than ONE section.
 All questions must be answered.
 Attach a scaled plat for answers to numbers 4, 5, 7, 8. (Preferably a U.S.G.S. Topo Map.)

44321

STATE LAND DEPARTMENT
 1624 West Adams
 Phoenix, Arizona 85007

APPLICATION FOR MINERAL PROSPECTING PERMIT

~~XXXX~~ M. S. Horne, a married man, as my Sole and Separate Property
 (Name)
 of 3033 North Central Avenue, Suite 707, Phoenix, Arizona 85012 264-2181
 (Address) (Telephone Number)

I hereby make application for a mineral exploration or prospecting permit on the State Lands hereinafter described, in accordance with the provisions of Title 27, Chapter 2, Article 4, Arizona Revised Statutes, such rules and regulations as the Commissioner may prescribe and the terms of the permit. Submit any additional information the Commissioner deems necessary, and to follow whatever steps that may be prescribed to protect the fresh water-bearing formations from contamination.

| LEGAL DESCRIPTION | SECTION | TOWNSHIP | RANGE | ACRES | COUNTY | GRANT |
|---------------------|----------|------------|------------|---------------|----------------|------------|
| <u>Lots 3 and 4</u> | <u>4</u> | <u>20S</u> | <u>22E</u> | <u>319.54</u> | <u>Cochise</u> | <u>031</u> |

- State whether individual, partnership or corporation: Individual
- If an individual, are you a citizen of the United States? Yes Age 76 Married? Yes
Single? _____
- Are there valid mineral locations, claims or leases on this Section? _____
None according to State records or to my knowledge.
- Are there any abandoned workings on this Section? _____
None found.
- Will it be necessary to cross other State Lands to reach the land under application? _____
Yes
- Are there improvements or crops on the land under application? _____
No crops. There may be fences for stock control purposes.
- Indicate on plat the routes of ingress and egress to land under application.
- Indicate primary type of mineral for which exploration is being conducted. _____
Copper-Zinc Sulphides.
- What is the anticipated depth to the top of the ore body? _____
2,000' to 3,000'
- Which type mining operation do you anticipate for the extraction and/or removal of ore and/or mineral? Open Pit _____ Underground Yes in situ leaching _____
other _____
- Indicate the type of exploratory method or methods to be employed:
 - EXCAVATIONS: Backhoe () Bulldozer () Other () Specify _____
 - GEOPHYSICAL: (type) _____ Geological (XX) Geochemical ()
 - DRILLING: () Location: Show location(s) feet to nearest Section lines on plat. Indicate each location on plat, the elevation, hole size, and anticipated T/D. (No drilling shall be commenced without written approval from the Department; a scaled plat showing above information shall be filed with the request for such approval.)

CERTIFICATION

~~XXXX~~ hereby certify under penalty of perjury that the information contained and statements herein made are to the best of my ~~xxxx~~ knowledge and belief true, correct and complete.

Dated this 23rd ~~the~~ October, 19 86

M. S. HORNE, a married man, as my Sole and Separate Property
 Applicant

By: M. S. Horne

3033 N. Central Ave., Suite 707
Phoenix, Arizona 85012
 Address



NEW

I. TITLE/CONTRACTS/LEASING SECTION

EXAMINER Ramon KE: 08- 94319 thru 08- 94322

DATE 10/28/86 08- _____, 08- _____

NAME M. S. Horne RENTAL: YEAR 1 @ \$2.00 per acre

EFFECTIVE DATE 12/10/86 EXPIRATION DATE 12/9/87

INITIAL TB ENTRY RPH 10/28/86 PP MAIL OFFER 11/25/86
(Initials/Date)

II. MINERAL SECTION

RECOMMENDATIONS: APPROVED ___ / DENIED ___ / SECTION _____ DIVISION _____

BOND TYPED _____ PLAN REQUESTED _____
(Initials/Date) (Initials/Date)

ADDITIONAL CONDITIONS _____

JUSTIFICATION FOR DENIAL _____

III. RECORDS

On "88" _____

| | # | RENT | BOND | | RENT | BOND |
|-----|--------------|---------------|-------------|-----|-------|-------|
| 08- | <u>94319</u> | <u>159.30</u> | <u>1000</u> | 08- | _____ | _____ |
| 08- | <u>94320</u> | <u>880.00</u> | <u>1000</u> | 08- | _____ | _____ |
| 08- | <u>94321</u> | <u>639.08</u> | <u>1000</u> | 08- | _____ | _____ |
| 08- | <u>94322</u> | <u>480.00</u> | <u>1000</u> | 08- | _____ | _____ |
| 08- | _____ | _____ | _____ | 08- | _____ | _____ |

IV. COMMISSIONER/REVIEW COMMITTEE/DIRECTOR

APPROVED ___ / DENIED ___ REVIEW COMMITTEE _____ DATE _____

COMMISSIONER _____ DATE _____

V. TITLE/CONTRACTS/LEASING SECTION

INSTRUCTIONS TO TYPIST/EXF

- _____ A. Type C
- _____ B. Examin

_____ C. Type S

*Please
Return
To
Ramon*

10/28/86
1336.05-703 / 05-1501

VI. RECORDS

Order Supplement _____
(Initials/Date)

VII. TITLE/CONTRACTS/LEASING SECTION

INSTRUCTIONS TO TYPIST: _____
Type Permit/Supplement/Additional Conditions & Transmittal Letters 2 & 6.

FINAL APPROVAL _____ ORIGINAL MAILED _____

VIII. RECORDS

OFF APP NEW / / APPROVED DENIED FINAL DATES: _____
LIST Type Date Action (circle one)

IX. TO ACTIVE _____ TO CANCELLED _____
TO ORDER HOLD _____ RETURN TO _____

COMMERCIAL

| DEPARTMENTAL USE ONLY | | |
|-----------------------|---|---|
| ACCOUNTING | DATA MGMT <u>JUN 27 1986</u> App. List | DISPOSITION/INITIAL DATE |
| Fee: \$ 100.00 | EXAM: <u>F</u> | APPROVED <u>[Signature]</u> SEP 12 1986 |
| | RE-ASSIGN: _____ | DENIED _____ |
| | RE-ASSIGN: _____ | REJECTED _____ |
| | APP TYPE: <u>RENEWAL</u> | WITHDRAWN _____ |
| Date _____ | NO. OF APPS: <u>1</u> | |

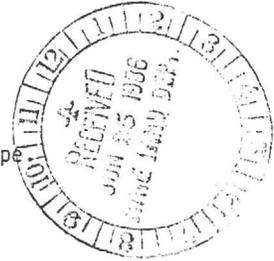
NEW _____ RENEWAL yes LEASE APPLICATION OR LEASE NUMBER 03-00883-00

APPLICATION FOR COMMERCIAL LEASE ON STATE LAND

ARIZONA STATE LAND DEPARTMENT
1624 WEST ADAMS
PHOENIX, ARIZONA 85007

INSTRUCTIONS

- Complete all sections on the application. Please print or type
- FEES: A. Business purposes: \$100.00.
B. Non-business purposes: \$50.00.



We Harold O. & Sara E. Love; Rudolf G. & Eleanor B. Wunderlich; Walter Albachten; Estate
(Applicant Name)
of Isabelle K. Albachten, deceased; Jack & Doris Slean; Jerome and Hazel Sullivan;
c/o Wes Polley, Esq. P.O. Box 5998 (602) 432-4640 03-00883
(Address) Bisbee, AZ 85603-5998 (Zip) (Phone Number) (Contact)

hereby make application to lease the lands described below, in accordance with the laws of the State of Arizona, and the rules and regulations of the State Land Department.

1. Check A or B

XXA. RENEWAL APPLICATION:

State commercial lease number 03-00883 for State Trust land therein described which expires on 2nd of August 1986.

B. NEW APPLICATION:

| Section | Township | Range | Description | Acres | County | SLD USE Grant |
|-----------|------------|------------|-----------------------------------|-----------|----------------|---------------|
| <u>35</u> | <u>19S</u> | <u>22E</u> | <u>S2SE</u> | <u>80</u> | <u>Cochise</u> | |
| <u>2</u> | <u>20S</u> | <u>22E</u> | <u>N 660 Ft of Lots 1 & 2</u> | <u>40</u> | <u>Cochise</u> | |
| | | | | | | |

2. How many years are requested for the term of the lease? 3.
3. Indicate whether the application is made in the name of an individual, corporation, partnership, or trust: Individuals.

(a) If an individual: Date of Birth 3/02/12 Married Yes Single

(b) If a corporation, submit a copy of the authorization to do business in the N/A State of Arizona obtained from the Corporation Commission.

(c) If a partnership or trust, submit a copy of the partnership or trust N/A document.

(d) If a trust, complete the following:

N/A The name, address, age, and marital status of each of the beneficiaries, principals, or wards for whom the applicant will hold title are:

| NAME | ADDRESS | AGE | MARITAL STATUS |
|------------|---------|-----|----------------|
| <u>N/A</u> | | | |
| | | | |
| | | | |

(e) The trust or other document under which the applicant will hold title is: N/A, and recorded in the County of , in book , page , as document number .

4. Do you own or control other lands which will be used in connection with the land being applied for? NO. If yes, state whether owned or leased? . If leased, give date of expiration of lease . If State lease or permit, give Lease or Permit Number . List description and the location of such property, with respect to the land being applied for:
- _____
- _____
- _____

5. Give full description of the nature of the business, or businesses, that you propose to operate on the land being applied for. (Note: The lease will only permit the use of the land for the purposes expressly provided therein, without prior written approval).

Operating and maintaining a target range for a gun club.
