June 24, 1974

R. D. Nininger, Assistant Director for Raw Materials, FMM, HQ.

LEASE NO. AT(05-1)-ML-60.8-N81-B-1 - G. WARNOCK

Enclosed for your files is copy No. 4A of subject mining lease executed here as of June 12, 1974.

Elton A. Youngberg
Manager

Enclosures:
Lease - cy. 4A (conformed)

cc: Official Files, GJ w/encl. cy. 1A (executed)
Office of General Counsel, HQ w/encl. cy 3A (executed)
Manager's Office, GJO w/encl. cy. 5A (conformed)
Chief Counsel, GJO w/encl. cy. 6A (conformed)
Admin. Serv. Div., GJO w/encl. cys. 7A & 8A (conformed)
Division of Contracts, HQ w/encl. cy. 9A (conformed)
Mining Division, LPI w/encl. cys. 10A & 11A (conformed)

This Document Consists of 34
No. 1 of 15 Copies, Series A

MINING LEASE NO. AT(05-1)-ML-60.8-NM-B-1

UNITED STATES
ATOMIC ENERGY COMMISSION

THIS AGREEMENT OF LEASE, entered into and effective this 12th day of June, 1974 by and between the UNITED STATES OF AMERICA (hereinafter called the "Government"), represented by the UNITED STATES ATOMIC ENERGY COMMISSION (hereinafter called the "Commission"), and G. Warnock, an individual

whose principal place of business is Albuquerque, New Mexico (hereinafter called the "Lessee"):

WITNESSETH THAT:

WHEREAS, the Commission holds certain uranium mining property described in Appendix "A" hereto; and

WHEREAS, the Commission desires that said property be developed and operated for the production of uranium-bearing ores; and

WHEREAS, the Lessee has been determined by the Commission to be the successful bidder for this lease; and

WHEREAS, this agreement is authorized by Section 67 of the Atomic Energy Act of 1954, as amended, and, if issued pursuant to an invitation which solicited bids only from small business concerns, by Section 15 of the Small Business Act (15 U.S.C. 644) and Section 302(c) 15 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252(c) 15); and is issued pursuant to the provisions of the Commission's regulations governing the issuance of leases for mining deposits of uranium in lands held by the Commission (10 CFR 60.8);

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NOW, THEREFORE, the parties do hereby agree as follows:

I. GRANT OF LEASE. For and in consideration of the royalties hereinafter stated and any cash payments heretofore made by the Lessee to the Commission, and performance by the Lessee of the terms and conditions hereinafter provided, the Commission does hereby lease unto the Lessee, for the purposes of exploring for, developing, mining, and removing deposits of uranium and associated minerals, the property described in Appendix "A" hereto, subject to the terms and conditions hereinafter set forth. The rights hereby granted are limited to exploration, development, mining, and removal of ore from within the vertical planes of the boundary lines of the premises described in Appendix "A", which is attached hereto and hereby made a part hereof, and the Lessee shall have no right hereunder to extend its workings beyond such vertical planes.

II. TERM. This lease agreement shall remain in effect for a period of ten (10) years from the date of its execution, except as it may be sooner relinquished or cancelled pursuant to other provisions of this agreement. The Lessee, by written notice delivered to the Contracting Officer within ninety (90) calendar days preceding the end of such ten-year period, may request an extension of the lease agreement for a second ten-year period. This lease agreement shall be so extended unless it is determined by the Contracting Officer that the Lessee is in default of one or more of the terms and provisions of the lease.

III. DEFINITIONS. As used herein:

(a) The term "Commission" means the United States Atomic Energy Commission or any duly authorized representative thereof, including the Contracting Officer except for the purpose of deciding an appeal under the article entitled "Disputes."

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EPA-R9-2015-010125 Production VOL001

(b) The term "Contracting Officer" means the person executing this lease on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this lease, the authorized representative of a Contracting Officer acting within the limits of his authority.

(c) The term "associated minerals" means any minerals, other than the minerals covered by this lease, which are (i) so intermingled with the deposits of the mineral or minerals for which this lease is issued that separate development is, in the opinion of the Contracting Officer, not warranted for mining or for economic reasons, or (ii) of such poor quality and in such small quantity that separate development is, in the opinion of the Contracting Officer, undesirable for mining or for economic reasons.

IV. GENERAL PERFORMANCE REQUIREMENT. Subject to the other terms and conditions of this lease, the Lessee agrees to conduct exploration, development, and mining activities on the leased premises with reasonable diligence, skill, and care, as required to achieve and maintain production of uranium ore at rates consistent with good and safe mining practice, and with market conditions.

V. ROYALTY. The Lessee agrees to pay or cause to be paid, as directed by the Commission, the base royalties and royalty bid amounts specified in Appendix "B", which is attached hereto and hereby made a part hereof, at the rates and in the manner set forth therein.

VI. MINIMUM ROYALTY. In addition to the first year's minimum royalty paid with the Lessee's bid, there shall become due and payable to the Commission at the beginning of each of the second and third lease years a minimum royalty

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EPA-R9-2015-010125 Production VOL001

of Four Thousand Dollars ($4,000.00). At the beginning of each lease year thereafter, including lease years in the term of any extension of this lease, there shall become due and payable to the Commission a minimum royalty of Ten Thousand Dollars ($10,000.00); provided, that, upon a written application by the Lessee showing to the satisfaction of the Contracting Officer that the market for ores from the lands covered by this lease will probably be inadequate to justify operations under the lease during the ensuing lease year, the Contracting Officer in his sole discretion may by written notice to the Lessee forgive the payment of the minimum royalty for such lease year, but he may do so only if, as of the beginning of the lease year in question, the total amount of all minimum royalties theretofore paid by the Lessee hereunder exceeds by at least Thirty-Two Thousand Dollars ($32,000.00) the total amount of all base royalties theretofore paid by the Lessee hereunder. Such written application shall be submitted to the Contracting Officer not less than thirty (30) calendar days prior to the beginning of the lease year with respect to which it is made. Minimum royalties paid pursuant to this article shall be credited against base royalties and royalty bid payments which become payable during the term of this lease or any extension thereof. Minimum royalties so paid shall not be refunded upon the surrender, cancellation, expiration, or other termination of this lease.

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VII. INTEREST ON OVERDUE PAYMENTS - FORFEITURE FOR NON-PAYMENT

(a) The Lessee shall pay interest, at the per annum rate (365-day basis) established from time to time by the Commission for general application to monies due the Commission, on all amounts of base royalty, royalty bid, and minimum royalty due the Commission from the Lessee and remaining unpaid as of the dates specified in this lease for payment of such amounts. Such interest shall commence to accrue on the day immediately following the date on which payment of any such amount is due; provided that, if the day immediately following the due date falls on a Saturday, a Sunday, or a Federal legal holiday, such interest shall commence to accrue on the day immediately following which is not a Saturday, a Sunday, or a Federal holiday.

(b) Notwithstanding the provisions of paragraph (a) of this Article VII, and irrespective of interest payments made by the Lessee to the Commission pursuant thereto, the Contracting Officer, in his sole discretion, may cancel this lease for failure by the Lessee to pay the entire principal amount of any base royalty, royalty bid, or minimum royalty within sixty (60) calendar days after payment thereof is due from the Lessee to the Commission under the terms of this lease. Such cancellation shall be effective upon Lessee's receipt of a written notice thereof from the Contracting Officer. Failure of the Commission to exercise its right to cancel shall not be deemed to be a waiver thereof.

VIII. USE OF SURFACE.

(a) Subject to the other provisions of this lease, the rights granted to the Lessee herein include the right to use so much of the surface of the

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EPA-R9-2015-010125 Production VOL001

lands described herein as is required for the exploration for, and development, mining, and removal of ore, including the right to erect such buildings and other structures and install such machinery and other facilities as may be required for such operations; provided, that the Lessee shall recognize existing uses and commitments in the form of grazing, timbering, special use permits, and public recreation, and improvements such as water developments, ditches, roads, trails, pipelines, telephone, telegraph, and power lines, fences, and rights-of-way; and Lessee shall conduct his operations so as to interfere as little as possible with such existing uses and improvements.

(b) The lands leased hereunder shall at all times be subject to other lawful uses heretofore or hereafter granted by the Government, through any authorized agency; provided, that such uses shall not prevent, obstruct, or unduly interfere with any right granted under this lease.

IX. LEASES FOR OTHER MINERALS. The granting of this lease shall not preclude the issuance by the Government of other leases of the same land for the purposes of mining and extracting oil, gas, oil shale, coal, phosphate, potassium, sodium, sulphur, or other minerals which are or may in the future be leasable pursuant to Federal mineral leasing laws; provided, that any such leases hereafter issued shall provide that operations under such leases shall not prevent, obstruct, or unduly interfere with any right granted under this lease.

X. USE OF SALABLE MINERALS. No salable minerals, such as sand, gravel, or stone, found on the lands leased hereunder shall be used by the Lessee in its operations unless such salable minerals have been purchased from the Government under the provisions of the Materials Act of July 31, 1947 (61 Stat. 681), or from the owner of such salable minerals if other than the Government.

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EPA-R9-2015-010125 Production VOL001

XI. ACCESS TO LEASE TRACT. Access to the tract of land leased hereunder is not guaranteed by the Government. The Lessee shall be responsible for securing such access.

XII. ENVIRONMENTAL REQUIREMENTS.

(a) To the degree practicable, all existing serviceable improvements used by the Lessee, such as fences, gates, cattle guards, roads, trails, culverts, pipelines, bridges, and water development and control structures shall be left in serviceable condition by the Lessee. Improvements damaged or destroyed by the Lessee shall be replaced, restored, or compensated for by the Lessee.

(b) The Lessee shall not disturb public land survey corner markers or monuments or Commission survey markers without the prior written approval of the Contracting Officer, and the Lessee shall pay all of the costs of any surveys required to preserve or reestablish the true point of any such marker or monument and to replace it.

(c) Housing and other buildings and support facilities related to community development shall be constructed or located on the leased premises only upon the prior written approval of the Contracting Officer. In constructing and locating such housing, other buildings, and support facilities, the Lessee shall comply with any applicable county planning and zoning regulations, subdivision regulations, and mobile home regulations, and shall furnish evidence of such compliance to the Contracting Officer upon request.

(d) The Lessee shall use existing roads where practicable, and shall conduct activities employing wheel or track vechicles in such a manner as to minimize surface damage. The Lessee shall promptly repair any road

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EPA-R9-2015-010125 Production VOL001

damage caused by the Lessee's operations, restoring such road to its original condition or to a condition acceptable to the Contracting Officer. Where existing access roads across the leased area are used principally by the Lessee, the Lessee shall construct drainage structures (culverts, water bars, or grade dips) on such roads where they show excessive erosion. Plans for such structures shall be included in the Exploration Plan submitted to the Contracting Officer pursuant to Article XIII hereof. The Lessee shall construct new roads and trails only at locations and to specifications approved in advance in writing by the Contracting Officer or an authorized representative of the Contracting Officer, and shall construct and maintain such new roads and trails in such a manner as to minimize channeling and other erosion. The Contracting Officer's approval of plans for new access road construction, culverts, water bars, or grade dips will be guided by standards established by the Bureau of Land Management, U. S. Department of the Interior, or by the Forest Service, U. S. Department of Agriculture, where appropriate.

(e) The Lessee shall conduct all operations so as not to adversely change the character or cause pollution of streams, lakes, ponds, waterholes, seeps, and marshes, and so as not to damage fish and wildlife resources. The Lessee shall control mine wastes, contaminants, and pollutants, and shall exercise all precautions to prevent them from entering streams, springs, stock waters, or ground waters within practical means as determined by the Contracting Officer. The Lessee shall not use water from any spring or stock pond without the written consent of the person having the rights to the use of such spring or stock pond.

(f) Lessee shall keep the clearing of timber, stumps and snags, and any ground cover to a minimum consistent with the conduct of exploration, development, and mining activities hereunder, and shall use due care

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EPA-R9-2015-010125 Production VOL001

to avoid scarring or removal of vegetative ground cover in areas not involved in such operations. In open park areas where there is either a grass, shrub, or sagebrush cover, it shall be disturbed as little as possible. If the shrub or brush cover is too high and must be cleared, it shall be cleared at or above ground level. The Lessee shall return all disturbed areas to their original condition or a condition acceptable to the Contracting Officer promptly after damage to such areas has occurred and operations under this lease are no longer being conducted on the disturbed areas.

(g) Lessee agrees that all underground mine openings shall be supported by pillars, timber, or other ground support devices approved by the state or Federal agencies having jurisdiction over such underground workings. Lessee further agrees, during the term of this lease, to substantially fill in, fence, protect, or close all surface openings, subsidence holes, surface excavations, or workings which may be a hazard to people or animals. Such protective measures shall be maintained in a proper and safe condition during the term of this lease. Before abandonment of operations all openings, including water discharge points, shall be closed to the satisfaction of the Contracting Officer. Surface drill holes for exploration or development which, in the determination of the Contracting Officer, endanger any present or future underground operation, or any deposit of oil, gas, other mineral substances, or water strata, shall be cemented and/or cased to the satisfaction of the Contracting Officer and in a manner to protect the surface. Reclamation or protection of surface areas no longer needed for operations shall be performed by the Lessee without delay. The Contracting Officer, by written notice to the Lessee, shall designate any such areas where restoration or reclamation, or both, must be undertaken. No underground workings or part thereof shall be permanently abandoned and rendered inaccessible without the prior written approval of the Contracting Officer.

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EPA-R9-2015-010125 Production VOL001

(h) If antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, vertebrate fossils, or artifacts, are discovered by the Lessee in the performance of operations under this lease, the Lessee shall cease operations in the vicinity of such discovery and immediately take appropriate steps to protect and save such objects of historic or scientific interest and shall notify the Contracting Officer of such discovery. The Contracting Officer shall assess the values involved and prescribe such protective measures as he deems necessary.

(i) The Lessee shall make every effort to prevent, control, or suppress any fire in the operating area and to report any uncontrolled fire to the appropriate official of the Bureau of Land Management, U. S. Department of Interior, or the Forest Service, U. S. Department of Agriculture, as designated by the Contracting Officer.

(j) The Lessee agrees that, at the request of the Contracting Officer during the term of this lease, the Lessee will negotiate in good faith with the Commission with the objective of reaching an agreement under which the Lessee for an appropriate consideration, would correct undesirable conditions existing on the leased premises as a result of previous mining activities, as such conditions may be identified from time to time by the Contracting Officer.

(k) All of the obligations set forth in this Article XII, except as otherwise provided for in paragraph (j) above, shall be performed by the Lessee at his expense.

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EPA-R9-2015-010125 Production VOL001

(l) The Lessee agrees to abide by the additional environmental requirements, if any, set forth in Appendix "C" hereto, which is attached and hereby made a part hereof.

XIII. EXPLORATION PLAN. The parties agree that:

(a) Prior to commencing any surface-disturbing operations to explore, test, or prospect for minerals covered by this lease, the Lessee shall file with the Contracting Officer five (5) copies of a plan for the proposed exploration activities and shall obtain the Contracting Officer's approval of such plan. Such exploration plan shall include, but not be limited to:

(1) A description of the area within which exploration is to be conducted;

(2) A statement of proposed exploration methods;

(3) A description of specific measures to be taken to assure compliance with the requirements of Article XII hereof (Environmental Requirements), including methods of reclamation contemplated by the Lessee; and

(4) A map or aerial photograph satisfactory to the Contracting Officer, designating areas of proposed drilling and other operational sites, and existing and proposed access roads to be used by the Lessee.

A copy of the format for an exploration plan is attached to this lease as illustrative of that which may be required hereunder.

(b) If preparation and filing of an exploration plan for the entire operation is dependent upon factors which cannot or will not be determined except during the progress of exploration activities, partial plans may be

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EPA-R9-2015-010125 Production VOL001

submitted and approved from time to time; provided, however, that the Lessee shall not perform exploration activities not described in an approved plan.

(c) Changes may be made in the approved exploration plan by mutual written agreement of the Lessee and the Contracting Officer.

XIV. MINING PLAN. The parties agree that:

(a) Prior to constructing any surface installation or commencing mine development on the leased lands, the Lessee shall file with the Contracting Office five (5) copies of a plan for the proposed mining operations and shall obtain the Contracting Officer's approval of such plan. Such mining plan shall include, but not be limited to:

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

(2) A map or aerial photograph satisfactory to the Contracting Officer showing the location of proposed mining operations;

(3) A map based on accurate surveys and satisfactory to the Contracting Officer showing the location of the ore bodies proposed to be mined;

(4) A statement of proposed operating methods and descriptions of proposed mine entries;

(5) A map or aerial photograph satisfactory to the Contracting Officer, showing the location of existing and proposed roads to be used in the operation and the location of structures and facilities to be constructed; and

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EPA-R9-2015-010125 Production VOL001

(6) A description of specific measures to be taken to assure compliance with the requirements of Article XII hereof (Environmental Requirements), including methods of reclamation contemplated by the Lessee.

A copy of the format for a mining plan is attached to this lease as illustrative of that which may be required hereunder.

(b) If preparation and filing of a mining plan for the entire operation is dependent on factors which cannot or will not be determined except during the progress of mining activities, a partial plan may be submitted and approved from time to time; provided, however, that the Lessee shall not perform mining activities not described in an approved plan.

(c) Changes may be made in the approved mining plan by mutual written agreement of the Lessee and the Contracting Officer.

XV. PERFORMANCE BOND.

(a) Upon approval of an exploration plan or mining plan, and prior to commencing any surface-disturbing operations, the Lessee shall be required to file a suitable performance bond of not less than $2,000 with satisfactory surety, payable to the United States Atomic Energy Commission, and the bond shall be conditioned upon the faithful compliance with applicable regulations, the terms and conditions of this lease, and any exploration and mining plans, including amendments and supplements thereto, which have been approved by the Contracting Officer.

(b) The Contracting Officer shall set the amount of the bond and may require an increase or allow a decrease in the amount of the bond, as in

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EPA-R9-2015-010125 Production VOL001

his judgment the circumstances may require. In determining the amount of the bond, the Contracting Officer shall take into consideration the character and nature of the reclamation requirements of the lease, including the requirements of any approved exploration and mining plans and partial or supplementary plans, and the estimated costs of such reclamation.

XVI. INSPECTION. The Commission reserves the right, through its officers, employees, agents, and contractors, to enter upon the leased property and into all parts of any of Lessee's mines at all reasonable times for inspection and other purposes.

XVII. WEIGHING, SAMPLING, AND ASSAYING.

(a) With respect to ores which are mined from the leased premises and delivered to a mill or other receiving station which is owned or controlled by the Lessee, the Lessee agrees to the following provisions:

(1) The Lessee shall weigh each lot of ore delivered from the leased premises to its mill or other receiving station and shall furnish the Commission a record of the weight of such lot. The scales used in weighing such ore shall be balanced daily and checked once each week or more often, as appears necessary, by either standard weights or by check-weighing against another scales. Scale platforms will be kept clean and free of the sides of the pit, and the scales shall be inspected and certified every six months by the appropriate entity of the state in which the mill or receiving station is located, if

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EPA-R9-2015-010125 Production VOL001

such inspection is available; otherwise, a biannual inspection shall be made by a competent organization which is acceptable to both the Lessee and the Commission.

(2) Each such lot shall be sampled by the Lessee according to standard and accepted practices in ore sampling, and such sampling shall be final and binding on both parties to this lease. The Commission or its representative may be present at the sampling of such ore. The Lessee shall make moisture determinations according to standard practices in ore sampling. The Lessee shall divide each final sample into four (4) pulps, one of which shall be promptly furnished to the Commission, one of which shall be retained by the Lessee for assay purposes, and two of which shall be held in reserve by the Lessee for possible umpire analysis. The Lessee shall promptly assay its pulp for U_3O_8 content and shall transmit the assay results to the Commission, together with weight and moisture certificates for the lot sampled. For the purpose of such reporting, all assays for U_3O_8 shall be adjusted to the nearest 0.001%.

(3) The Commission may assay its pulps at its own expense. In case of disagreement with the Lessee's assay, the Commission may, within 30 calendar days after receiving its pulp

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EPA-R9-2015-010125 Production VOL001

mail to the Lessee a written request for an umpire assay. Upon receipt of such written request, the Lessee shall promptly submit one of the pulps held in reserve to an assayer, whom the parties hereto shall agree upon, for umpire assay. If the assay of the umpire is within the assays of the two parties, it shall be final. If not, the assay which is nearer to that of the umpire shall prevail. The party whose assay for U_3O_8 is further from that of the umpire shall pay the cost of the umpire's assay. In the event that the umpire's assay for U_3O_8 is equally distant from the assay of each party, the cost shall be split equally.

(4) The quantity of ore comprising a lot, as used herein, shall be determined by the Lessee, except that no lot shall exceed one thousand (1,000) tons of ore except as otherwise agreed in writing by the Contracting Officer.

(b) With respect to ores which are mined from the leased premises and delivered to a mill or other receiving station not owned or controlled by the Lessee, the Lessee agrees, at its own expense, to assay or cause to be assayed sample pulps representing not less than one-fifth of the lots of ore so delivered during each month, and to invoke the ore buyer's established umpire procedure whenever the difference between the buyer's assay and the Lessee's assay is greater than 0.01% U_3O_8. The Lessee may at its option submit lesser assay differences for umpire assay at its expense.

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EPA-R9-2015-010125 Production VOL001

XVIII. FEDERAL, STATE, AND LOCAL STATUTES AND REGULATIONS. The Lessee agrees to comply with all applicable Federal, state, and local statutes, regulations, and standards, including but not limited to those relating to mine safety; radiation; air, water, and land pollution; disposal of liquid and solid waste; and workmen's and unemployment compensation.

XIX. INDEMNIFICATION OF GOVERNMENT.

(a) It is understood that the Government, the Commission, and its contractors and employees shall not be responsible for any mechanics' or miners' liens or other liens, encumbrances, or liabilities incurred by the Lessee in connection with the operation of the leased premises, and the Lessee assumes all responsibility for and will save the Government, the Commission, and its contractors and employees harmless from any and all claims and liability of whatsoever nature arising from the operation or occupancy of the premises. The Lessee shall forthwith post, and at all times keep posted, in some conspicuous place upon the premises, a notice stating in substance that the premises are leased to the Lessee and that the interest of the Government and the Commission shall not be subject to any liens, claims, or encumbrances arising in connection with the occupancy and operation of the premises, and that the Government and the Commission shall not be liable to any person not a party to this lease for any claims arising in connection with this lease or the leased premises.

(b) The Lessee agrees to protect and indemnify the Government and the Commission against any payroll taxes or contributions imposed with respect to any employee of the Lessee by any applicable law dealing with old age pensions, unemployment compensation, accident compensation, health

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EPA-R9-2015-010125 Production VOL001

insurance and related subjects. The Lessee also agrees at its own cost and expense to insure to each workman employed in, about, or upon the premises the compensation provided for by law with respect to workmen's compensation and employer's liability insurance, properly safeguarding the Government, the Commission, and its contractors and employees against liability for injuries to persons, including injuries resulting in death, and loss of and damage to property in policies and amounts acceptable to the Commission and to furnish to the Commission written evidence of such insurance.

XX. RECORDS, REPORTS, AND MAPS.

(a) The Lessee agrees to keep, and to make available to the Contracting Officer as soon as practicable after the end of each calendar quarter, the following records and maps:

(1) A map or maps showing the location of all exploration holes drilled on the leased premises during such calendar quarter, together with copies of any logs and assay records applicable to such drill holes;

(2) A mine map or maps showing the progress of mining on the leased premises as of the end of such calendar quarter;

(3) An accurate record of the tonnage and U_3O_8 grade of each lot of ore delivered from the leased premises to a mill, buying station, or other purchaser during such calendar quarter, including copies of all settlement sheets furnished to the Lessee for ores so delivered;

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EPA-R9-2015-010125 Production VOL001

(4) Lessee's estimate of the tonnage and U_3O_8 and V_2O_5 grades of all ores stockpiled on the leased premises as of the end of such calendar quarter.

(b) The Lessee further agrees to make available to the Contracting Officer, upon request, the results of any inspections of Lessee's mines or other facilities located on the leased premises, conducted by personnel of local, state, or other Federal agencies under applicable statutes and regulations.

XXI. TAXES. The Lessee agrees to pay when due all taxes lawfully assessed and levied pursuant to state or Federal law upon improvements, output of mines, and other interests, property, and assets of the Lessee in or upon the leased premises.

XXII. ASSIGNMENT. The Lessee agrees that no transfer of this lease, or of any interest therein or claim thereunder, by assignment, sublease, operating agreement, or otherwise, shall be effective unless and until approved by the Contracting Officer.

XXIII. RELINQUISHMENT OF LEASE. This lease may be surrendered by the Lessee upon the Lessee's filing with the Commission, and the Contracting Officer's approval of, a written application for relinquishment. Approval of the application shall be contingent upon the delivery of the leased premises to the Commission in a condition satisfactory to the Contracting Officer, and upon the continued liability of the lessee to make payment of all royalty and other debts theretofore accrued and due the Commission.

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EPA-R9-2015-010125 Production VOL001

XXIV. CANCELLATION OF LEASE. This lease may be cancelled by the Commission whenever the Lessee fails to comply with the provisions of this lease. Failure of the Commission to exercise its right to cancel shall not be deemed a waiver thereof.

XXV. TITLE TO UNSHIPPED ORE. The Commission, except as otherwise approved in writing by the Contracting Officer, reserves all right, title, and property in and to all ores and other uranium-bearing material not removed from the leased premises within sixty (60) days after expiration or other termination of this lease. Except as otherwise approved in writing by the Contracting Officer, all materials mined from the leased premises and not marketed by the Lessee shall remain on the leased premises.

XXVI. DELIVERY OF PREMISES. At the expiration of this lease, or upon its earlier termination as herein provided, the Lessee shall surrender the leased premises in a condition satisfactory to the Contracting Officer, and shall, unless otherwise directed by the Contracting Officer, remove from the leased premises at Lessee's expense all structures, machinery, equipment, tools, and improvements placed thereon by the Lessee; provided, that Lessee shall not remove any timbers or improvements which are determined by the Contracting Officer to be required to be left in the mine workings to protect such workings as a mining property.

XXVII. EXAMINATION OF RECORDS.

(a) The Lessee agrees that the Commission and the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after termination or expiration of this lease, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Lessee involving transactions related to this lease.

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EPA-R9-2015-010125 Production VOL001

(b) Nothing in this lease shall be deemed to preclude an audit by the General Accounting Office of any transaction under this lease.

XXVIII. OFFICIALS NOT TO BENEFIT. No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this lease, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease if made with a corporation for its general benefit.

XXIX. COVENANT AGAINST CONTINGENT FEES. The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this lease without liability, or in its discretion to require the Lessee to pay to the Commission the full amount of such commission, percentage, brokerage, or contingent fee.

XXX. DISPUTES.

(a) Except as otherwise provided in this lease, any dispute concerning a question of fact arising under this lease which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Lessee. The decision of the Contracting Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Lessee mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Commission. The decision of the Commission

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EPA-R9-2015-010125 Production VOL001

or its duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Lessee shall be afforded an opportunity to be heard, and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Lessee shall abide by the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above; provided, that nothing in this lease shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

XXXI. EQUAL OPPORTUNITY IN EMPLOYMENT. The following clause is applicable unless this lease is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60):

During the performance of this lease, the Lessee agrees as follows:

(a) The Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of

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EPA-R9-2015-010125 Production VOL001

compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(b) The Lessee will, in all solicitations or advertisements for employees placed by or on behalf of the Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

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EPA-R9-2015-010125 Production VOL001

(f) In the event of the Lessee's noncompliance with the Equal Opportunity clause of this lease or with any of the said rules, regulations, or orders, this lease may be canceled, terminated, or suspended in whole or in part, and the Lessee may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Lessee will include the provisions of paragraph (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Lessee will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Lessee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Lessee may request the United States to enter into such litigation to protect the interests of the United States.

XXXII. HEIRS AND SUCCESSORS-IN-INTEREST. Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

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EPA-R9-2015-010125 Production VOL001

MINING LEASE NO. AT(05-1)-ML-60.8- NM-B-1

IN WITNESS WHEREOF, the parties hereto have executed this agreement of lease, effective as of the date first above written, intending to be legally bound thereby.

Witnesses:

/s/ Holger Albrethsen, Jr.

/s/ Caroline D. Retolaza

UNITED STATES OF AMERICA
UNITED STATES ATOMIC ENERGY COMMISSION

By /s/ Elton A. Youngberg

Title Manager, Grand Junction Office

Date 6/12/74

/s/ G. Warnock (LESSEE)

By G. Warnock

Title Owner

Date May 29, 1974

/s/ Dorothy M. Warnock

/s/ A. H. Vining

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Mining Lease No. At(05-1)-ML-60.8___

APPENDIX "A"

DESCRIPTION OF LEASED PROPERTY

Tract No. NM-B-1

The southeast quarter (SE1/4) and the south half of the north half (S1/2N1/2) of Section 13, Township 13 North, Range 11 West, New Mexico Principal Meridian, containing 320 acres, more or less, in McKinley County, New Mexico.

MINING LEASE NO. AT(05-1)-ML-60.8-NM-B-1

APPENDIX "B"

BASE ROYALTY AND ROYALTY BID PAYMENTS

FOR TRACT NO. NM-B-1

1. The Lessee agrees to pay to the Commission a base royalty, per dry ton of ore delivered from the leased premises to a mill or other buying station, determined as provided in paragraph 6 of this Appendix "B", in the amount of (a) Two percent (2%) of the value per dry ton up to and including a value of Twenty Dollars ($20.00) per dry ton, plus (b) Ten percent (10%) of the value per dry ton in excess of Twenty Dollars ($20.00) per dry ton and up to and including Eighty Dollars ($80.00) per dry ton, plus (c) Fourteen percent (14%) of the value per dry ton in excess of a value of Eighty Dollars ($80.00) per dry ton.

2. The Lessee agrees to pay to the Commission, in addition to the base royalty required to be paid pursuant to paragraph 1 of this Appendix "B", a royalty bid payment, per dry ton of ore delivered from the leased premises to a mill or other receiving station, in the amount of Five and Fifty-Five One-Hundredths percent (5.55 %) of the value per dry ton, determined as provided in paragraph 6 of this Appendix "B"; provided, that such royalty bid payments shall not be payable with respect to ores mined from the leased premises and delivered to a mill or other receiving station after royalty bid payments have been made for ores containing a total of one hundred ninety thousand (190,000) pounds of U_3O_8 so delivered by the Lessee from the leased premises.

3. With respect to ores which are mined from the leased premises and delivered to a mill or other receiving station which is owned or controlled by the Lessee, the Lessee agrees to make base royalty and royalty bid payments, for all lots of such ore assayed during each calendar month, within twenty (20) calendar days after the end of such calendar month. Such royalty and

EPA-R9-2015-010125 Production VOL001

royalty bid payments shall be treated as provisional payments with respect to any lot of ore for which the Commission requests an umpire assay, and an appropriate adjustment shall be made in the first base royalty and royalty bid payment following Lessee's receipt of the results of such umpire assay of such lot of ore.

4. With respect to ores which are mined from the leased premises and delivered to a mill or other receiving station not owned or controlled by the Lessee, the Lessee agrees:

(a) That the Commission may receive base royalty and royalty bid payments directly from the owner or controller of the mill or other receiving station to which such ores are shipped by the Lessee if the Commission makes arrangements therefor satisfactory to the Lessee.

(b) That, in the absence of such arrangements, the Lessee shall make base royalty and royalty bid payments for all lots of such ore assayed during each calendar month, within twenty (20) calendar days after payment for such lots is mailed to the Lessee; provided, that an appropriate extension of such twenty (20) day period shall be granted by the Contracting Officer for any undue delay in the mails which causes a delay in delivery to the Lessee of payment for such lots of ore. Such base royalty and royalty bid payments shall be treated as provisional payments with respect to any lot of ore for which the payment to the Lessee is provisional, and an appropriate adjustment shall be made in the first base royalty and royalty bid payment following finalization of payment to the Lessee for such ore.

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EPA-R9-2015-010125 Production VOL001

APPENDIX "B"

5. Payments of base royalty and royalty bid amounts due the Commission shall be deemed to have been made when received at the Commission's Grand Junction Office, Grand Junction, Colorado.

6. The value per dry ton, for all lots of such ore assayed during any calendar month, shall be determined to the nearest cent ($0.01) by (i) computing the number of pounds of contained U_3O_8 per dry ton of ore in the lots so assayed, by dividing the total number of pounds of U_3O_8 contained in the lots of ore so assayed during such calendar month by the total number of dry tons of ore contained in the lots so assayed during such calendar month, and carrying the result to two decimal places; and (ii) multiplying by $7.00 the number of pounds of U_3O_8 per dry ton of ore in the lots so assayed.

7. The Commission may from time to time upon its own initiative or at the request of the Lessee reevaluate the base value of $7.00 per pound of U_3O_8 in concentrate used to determine the value per dry ton of ore as set forth in paragraph 6 above (or such other base value as is then being used hereunder); and if the Contracting Officer finds that there has been a significant change (at least $0.50 per pound) in the market value of U_3O_8 in concentrate from the base value then being used, the Contracting Officer shall substitute a new base value which shall represent the Contracting Officer's best judgment of the then current market value of U_3O_8 in concentrate, based upon a survey of transfers of uranium concentrate by domestic uranium producers and such other reasonable criteria as may be available to the Contracting Officer.

8. The parties hereto agree that if the Lessee is paid for any constituent, other than uranium, contained in ores mined from the leased premises, all

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EPA-R9-2015-010125 Production VOL001

amounts so paid shall be held in trust by the Lessee for the Commission until the Lessee and the Commission shall have agreed upon a base royalty to be paid to the Commission with respect to Lessee's sale of such constituent.

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MINING LEASE NO. AT(05-1)-ML-60.8-NM-B-1

APPENDIX "C"

ADDITIONAL ENVIRONMENTAL REQUIREMENTS

No roadways or mine portals shall be constructed on the south or west facing escarpments of Haystack Mountain at elevations above 7,300 feet above mean sea level.

EXPLORATION PLAN FORMAT

U. S. Atomic Energy Commission

1) Map showing general area to be explored

   A. Tentative location of drill holes or other exploration activity

   B. Location of roads (existing and proposed)

2) Approximate starting date and duration of drilling

3) Drilling information

   A. Type of drilling and/or other exploration equipment

   B. Size of hole and core if any to be recovered

   C. Type of logging

   D. Target horizon and depth

4) Road construction necessary for exploration

   A. Location of roads and drill sites

   B. Measures for erosion control

5) Abandonment

   A. Procedures for plugging drill holes

   B. Surface restoration (grading, revegetation, erosion control measures, etc.)

6) Provisions made to conform with existing state and federal regulations regarding control of fire, pollution of water and air, protection of other natural resources, and public health and safety, both during and upon abandonment of exploration activities

7) Specific measures to be taken to assure compliance with environmental and surface use stipulations of the lease

MINING PLAN FORMAT

U. S. Atomic Energy Commission

1) Map showing location of:

   A. Ore body and proposed entry

   B. Any new roads required

   C. Mine plant and associated structures and facilities

   D. Waste dumps and ore storage areas

2) Mining

   A. Initial development plans

      1. Type of entry and haulage method proposed

      2. Stoping method

      3. Provisions to handle mine water

   B. Proposed ventilation and radiation control methods

3) Surface Plant

   A. Buildings, utility lines, and storage areas

   B. Sewage and refuse disposal

   C. Compliance with any applicable county planning and zoning regulations

4) Surface restoration plans

   A. Topsoil removal and storage

   B. Grading and backfilling

   C. Control of runoff

   D. Revegetation (if required)

EPA-R9-2015-010125 Production VOL001

5) Abandonment

A. Sealing of portals

B. Removal of structures and cleanup

C. Disposition of mine wastes (contouring, levelling, use for backfill, etc.)

6) Provisions made to conform with existing state and federal regulations regarding control of fire, pollution of water and air, protection of other natural resources, and public health and safety, both during and upon abandonment of exploration activities

7) Specific measures to be taken to assure compliance with environmental and surface use stipulations of the lease

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May 22, 1974

Mr. G. Warnock
403 Simms Building
Albuquerque, New Mexico 87102

Dear Mr. Warnock:

Enclosed is Notice of Award for Tract No. NM-B-1, under Invitation No. 60.8-R-S-2.

Please sign (in the space provided for "Lessee") and date the three copies of lease accompanying the Notice of Award, and have two persons sign as witnesses to your signature. (You need not fill in the lines following "By" and "Title".) All three copies of the lease must then be returned to this office within fifteen calendar days of your receipt of the Notice of Award.

As specified in Invitation No. 60.8-R-S-2, your bid deposit will be treated as payment of the minimum royalty for the first year of the lease term, unless forfeited under the conditions stated in the bid invitation and the Notice of Award.

Upon your return of the enclosed lease documents, signed and witnessed, we shall execute them and return one executed copy to you with such number of conformed copies as you may request.

Sincerely,

Elton A. Youngberg
Manager

Enclosure:
Mining Lease No. AT(05-1)-ML-60.8-NM-B-1 (3 cys.)
w/Notice of Award

bcc: Chief Counsel, w/Notice of Award
ASD, w/Notice of Award
LPI - G. C. Ritter, w/Notice of Award

CC MA

CERTIFIED - RETURN RECEIPT

Albrethsen/cdr Youngberg

5/21/74

UNITED STATES ATOMIC ENERGY COMMISSION

GRAND JUNCTION OFFICE

NOTICE OF AWARD

To:

Mr. G. Warnock
403 Simms Building
Albuquerque, New Mexico 87102

Your bid on Invitation No. 60.8-R-8-2 has been accepted as to Tract No. NM-B-1, and you are hereby given notice of award of Lease No. AT(05-1)-ML-60.8-NM-B-1.

Three copies of the Agreement of Lease are enclosed. Please execute and return all three copies of the lease to this office.

Failure to return the executed lease documents within fifteen (15) calendar days of your receipt of this Notice of Award will result in forfeiture of your bid deposit on the above-mentioned tract and your loss of any right to receive the lease on such tract.

If the lease is executed by you through an agent, evidence of the agent's authorization must be submitted with the executed copies of the lease.

UNITED STATES OF AMERICA
UNITED STATES ATOMIC ENERGY COMMISSION

By: Elton A. Youngberg

Title: Manager

Date: May 22, 1974

This Document Consists of 34 Pages
No. 1 of 15 Copies, Series A

MINING LEASE NO. AT(05-1)-ML-60.8-NM-B-1

UNITED STATES
ATOMIC ENERGY COMMISSION

THIS AGREEMENT OF LEASE, entered into and effective this 12th day of June, 1974 by and between the UNITED STATES OF AMERICA (hereinafter called the "Government"), represented by the UNITED STATES ATOMIC ENERGY COMMISSION (hereinafter called the "Commission"), and G. Warnock, an individual

whose principal place of business is Albuquerque, New Mexico (hereinafter called the "Lessee"):

WITNESSETH THAT:

WHEREAS, the Commission holds certain uranium mining property described in Appendix "A" hereto; and

WHEREAS, the Commission desires that said property be developed and operated for the production of uranium-bearing ores; and

WHEREAS, the Lessee has been determined by the Commission to be the successful bidder for this lease; and

WHEREAS, this agreement is authorized by Section 67 of the Atomic Energy Act of 1954, as amended, and, if issued pursuant to an invitation which solicited bids only from small business concerns, by Section 15 of the Small Business Act (15 U.S.C. 644) and Section 302(c) 15 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252(c) 15); and is issued pursuant to the provisions of the Commission's regulations governing the issuance of leases for mining deposits of uranium in lands held by the Commission (10 CFR 60.8);

EPA-R9-2015-010125 Production VOL001

NOW, THEREFORE, the parties do hereby agree as follows:

I. GRANT OF LEASE. For and in consideration of the royalties hereinafter stated and any cash payments heretofore made by the Lessee to the Commission, and performance by the Lessee of the terms and conditions hereinafter provided, the Commission does hereby lease unto the Lessee, for the purposes of exploring for, developing, mining, and removing deposits of uranium and associated minerals, the property described in Appendix "A" hereto, subject to the terms and conditions hereinafter set forth. The rights hereby granted are limited to exploration, development, mining, and removal of ore from within the vertical planes of the boundary lines of the premises described in Appendix "A", which is attached hereto and hereby made a part hereof, and the Lessee shall have no right hereunder to extend its workings beyond such vertical planes.

II. TERM. This lease agreement shall remain in effect for a period of ten (10) years from the date of its execution, except as it may be sooner relinquished or cancelled pursuant to other provisions of this agreement. The Lessee, by written notice delivered to the Contracting Officer within ninety (90) calendar days preceding the end of such ten-year period, may request an extension of the lease agreement for a second ten-year period. This lease agreement shall be so extended unless it is determined by the Contracting Officer that the Lessee is in default of one or more of the terms and provisions of the lease.

III. DEFINITIONS. As used herein:

(a) The term "Commission" means the United States Atomic Energy Commission or any duly authorized representative thereof, including the Contracting Officer except for the purpose of deciding an appeal under the article entitled "Disputes."

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EPA-R9-2015-010125 Production VOL001

(b) The term "Contracting Officer" means the person executing this lease on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this lease, the authorized representative of a Contracting Officer acting within the limits of his authority.

(c) The term "associated minerals" means any minerals, other than the minerals covered by this lease, which are (i) so intermingled with the deposits of the mineral or minerals for which this lease is issued that separate development is, in the opinion of the Contracting Officer, not warranted for mining or for economic reasons, or (ii) of such poor quality and in such small quantity that separate development is, in the opinion of the Contracting Officer, undesirable for mining or for economic reasons.

IV. GENERAL PERFORMANCE REQUIREMENT. Subject to the other terms and conditions of this lease, the Lessee agrees to conduct exploration, development, and mining activities on the leased premises with reasonable diligence, skill, and care, as required to achieve and maintain production of uranium ore at rates consistent with good and safe mining practice, and with market conditions.

V. ROYALTY. The Lessee agrees to pay or cause to be paid, as directed by the Commission, the base royalties and royalty bid amounts specified in Appendix "B", which is attached hereto and hereby made a part hereof, at the rates and in the manner set forth therein.

VI. MINIMUM ROYALTY. In addition to the first year's minimum royalty paid with the Lessee's bid, there shall become due and payable to the Commission at the beginning of each of the second and third lease years a minimum royalty

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EPA-R9-2015-010125 Production VOL001

of Four Thousand Dollars ($4,000.00). At the beginning of each lease year thereafter, including lease years in the term of any extension of this lease, there shall become due and payable to the Commission a minimum royalty of Ten Thousand Dollars ($10,000.00); provided, that, upon a written application by the Lessee showing to the satisfaction of the Contracting Officer that the market for ores from the lands covered by this lease will probably be inadequate to justify operations under the lease during the ensuing lease year, the Contracting Officer in his sole discretion may by written notice to the Lessee forgive the payment of the minimum royalty for such lease year, but he may do so only if, as of the beginning of the lease year in question, the total amount of all minimum royalties theretofore paid by the Lessee hereunder exceeds by at least Thirty-Two Thousand Dollars ($32,000.00) the total amount of all base royalties theretofore paid by the Lessee hereunder. Such written application shall be submitted to the Contracting Officer not less than thirty (30) calendar days prior to the beginning of the lease year with respect to which it is made. Minimum royalties paid pursuant to this article shall be credited against base royalties and royalty bid payments which become payable during the term of this lease or any extension thereof. Minimum royalties so paid shall not be refunded upon the surrender, cancellation, expiration, or other termination of this lease.

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EPA-R9-2015-010125 Production VOL001

VII. INTEREST ON OVERDUE PAYMENTS - FORFEITURE FOR NON-PAYMENT

(a) The Lessee shall pay interest, at the per annum rate (365-day basis) established from time to time by the Commission for general application to monies due the Commission, on all amounts of base royalty, royalty bid, and minimum royalty due the Commission from the Lessee and remaining unpaid as of the dates specified in this lease for payment of such amounts. Such interest shall commence to accrue on the day immediately following the date on which payment of any such amount is due; provided that, if the day immediately following the due date falls on a Saturday, a Sunday, or a Federal legal holiday, such interest shall commence to accrue on the day immediately following which is not a Saturday, a Sunday, or a Federal holiday.

(b) Notwithstanding the provisions of paragraph (a) of this Article VII, and irrespective of interest payments made by the Lessee to the Commission pursuant thereto, the Contracting Officer, in his sole discretion, may cancel this lease for failure by the Lessee to pay the entire principal amount of any base royalty, royalty bid, or minimum royalty within sixty (60) calendar days after payment thereof is due from the Lessee to the Commission under the terms of this lease. Such cancellation shall be effective upon Lessee's receipt of a written notice thereof from the Contracting Officer. Failure of the Commission to exercise its right to cancel shall not be deemed to be a waiver thereof.

VIII. USE OF SURFACE.

(a) Subject to the other provisions of this lease, the rights granted to the Lessee herein include the right to use so much of the surface of the

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EPA-R9-2015-010125 Production VOL001

lands described herein as is required for the exploration for, and development, mining, and removal of ore, including the right to erect such buildings and other structures and install such machinery and other facilities as may be required for such operations; provided, that the Lessee shall recognize existing uses and commitments in the form of grazing, timbering, special use permits, and public recreation, and improvements such as water developments, ditches, roads, trails, pipelines, telephone, telegraph, and power lines, fences, and rights-of-way; and Lessee shall conduct his operations so as to interfere as little as possible with such existing uses and improvements.

(b) The lands leased hereunder shall at all times be subject to other lawful uses heretofore or hereafter granted by the Government, through any authorized agency; provided, that such uses shall not prevent, obstruct, or unduly interfere with any right granted under this lease.

IX. LEASES FOR OTHER MINERALS. The granting of this lease shall not preclude the issuance by the Government of other leases of the same land for the purposes of mining and extracting oil, gas, oil shale, coal, phosphate, potassium, sodium, sulphur, or other minerals which are or may in the future be leasable pursuant to Federal mineral leasing laws; provided, that any such leases hereafter issued shall provide that operations under such leases shall not prevent, obstruct, or unduly interfere with any right granted under this lease.

X. USE OF SALABLE MINERALS. No salable minerals, such as sand, gravel, or stone, found on the lands leased hereunder shall be used by the Lessee in its operations unless such salable minerals have been purchased from the Government under the provisions of the Materials Act of July 31, 1947 (61 Stat. 681), or from the owner of such salable minerals if other than the Government.

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EPA-R9-2015-010125 Production VOL001

XI. ACCESS TO LEASE TRACT. Access to the tract of land leased hereunder is not guaranteed by the Government. The Lessee shall be responsible for securing such access.

XII. ENVIRONMENTAL REQUIREMENTS.

(a) To the degree practicable, all existing serviceable improvements used by the Lessee, such as fences, gates, cattle guards, roads, trails, culverts, pipelines, bridges, and water development and control structures shall be left in serviceable condition by the Lessee. Improvements damaged or destroyed by the Lessee shall be replaced, restored, or compensated for by the Lessee.

(b) The Lessee shall not disturb public land survey corner markers or monuments or Commission survey markers without the prior written approval of the Contracting Officer, and the Lessee shall pay all of the costs of any surveys required to preserve or reestablish the true point of any such marker or monument and to replace it.

(c) Housing and other buildings and support facilities related to community development shall be constructed or located on the leased premises only upon the prior written approval of the Contracting Officer. In constructing and locating such housing, other buildings, and support facilities, the Lessee shall comply with any applicable county planning and zoning regulations, subdivision regulations, and mobile home regulations, and shall furnish evidence of such compliance to the Contracting Officer upon request.

(d) The Lessee shall use existing roads where practicable, and shall conduct activities employing wheel or track vechicles in such a manner as to minimize surface damage. The Lessee shall promptly repair any road

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EPA-R9-2015-010125 Production VOL001

damage caused by the Lessee's operations, restoring such road to its original condition or to a condition acceptable to the Contracting Officer. Where existing access roads across the leased area are used principally by the Lessee, the Lessee shall construct drainage structures (culverts, water bars, or grade dips) on such roads where they show excessive erosion. Plans for such structures shall be included in the Exploration Plan submitted to the Contracting Officer pursuant to Article XIII hereof. The Lessee shall construct new roads and trails only at locations and to specifications approved in advance in writing by the Contracting Officer or an authorized representative of the Contracting Officer, and shall construct and maintain such new roads and trails in such a manner as to minimize channeling and other erosion. The Contracting Officer's approval of plans for new access road construction, culverts, water bars, or grade dips will be guided by standards established by the Bureau of Land Management, U. S. Department of the Interior, or by the Forest Service, U. S. Department of Agriculture, where appropriate.

(e) The Lessee shall conduct all operations so as not to adversely change the character or cause pollution of streams, lakes, ponds, waterholes, seeps, and marshes, and so as not to damage fish and wildlife resources. The Lessee shall control mine wastes, contaminants, and pollutants, and shall exercise all precautions to prevent them from entering streams, springs, stock waters, or ground waters within practical means as determined by the Contracting Officer. The Lessee shall not use water from any spring or stock pond without the written consent of the person having the rights to the use of such spring or stock pond.

(f) Lessee shall keep the clearing of timber, stumps and snags, and any ground cover to a minimum consistent with the conduct of exploration, development, and mining activities hereunder, and shall use due care

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EPA-R9-2015-010125 Production VOL001

to avoid scarring or removal of vegetative ground cover in areas not involved in such operations. In open park areas where there is either a grass, shrub, or sagebrush cover, it shall be disturbed as little as possible. If the shrub or brush cover is too high and must be cleared, it shall be cleared at or above ground level. The Lessee shall return all disturbed areas to their original condition or a condition acceptable to the Contracting Officer promptly after damage to such areas has occurred and operations under this lease are no longer being conducted on the disturbed areas.

(g) Lessee agrees that all underground mine openings shall be supported by pillars, timber, or other ground support devices approved by the state or Federal agencies having jurisdiction over such underground workings. Lessee further agrees, during the term of this lease, to substantially fill in, fence, protect, or close all surface openings, subsidence holes, surface excavations, or workings which may be a hazard to people or animals. Such protective measures shall be maintained in a proper and safe condition during the term of this lease. Before abandonment of operations all openings, including water discharge points, shall be closed to the satisfaction of the Contracting Officer. Surface drill holes for exploration or development which, in the determination of the Contracting Officer, endanger any present or future underground operation, or any deposit of oil, gas, other mineral substances, or water strata, shall be cemented and/or cased to the satisfaction of the Contracting Officer and in a manner to protect the surface. Reclamation or protection of surface areas no longer needed for operations shall be performed by the Lessee without delay. The Contracting Officer, by written notice to the Lessee, shall designate any such areas where restoration or reclamation, or both, must be undertaken. No underground workings or part thereof shall be permanently abandoned and rendered inaccessible without the prior written approval of the Contracting Officer.

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EPA-R9-2015-010125 Production VOL001

(h) If antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, vertebrate fossils, or artifacts, are discovered by the Lessee in the performance of operations under this lease, the Lessee shall cease operations in the vicinity of such discovery and immediately take appropriate steps to protect and save such objects of historic or scientific interest and shall notify the Contracting Officer of such discovery. The Contracting Officer shall assess the values involved and prescribe such protective measures as he deems necessary.

(i) The Lessee shall make every effort to prevent, control, or suppress any fire in the operating area and to report any uncontrolled fire to the appropriate official of the Bureau of Land Management, U. S. Department of Interior, or the Forest Service, U. S. Department of Agriculture, as designated by the Contracting Officer.

(j) The Lessee agrees that, at the request of the Contracting Officer during the term of this lease, the Lessee will negotiate in good faith with the Commission with the objective of reaching an agreement under which the Lessee for an appropriate consideration, would correct undesirable conditions existing on the leased premises as a result of previous mining activities, as such conditions may be identified from time to time by the Contracting Officer.

(k) All of the obligations set forth in this Article XII, except as otherwise provided for in paragraph (j) above, shall be performed by the Lessee at his expense.

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EPA-R9-2015-010125 Production VOL001

(l) The Lessee agrees to abide by the additional environmental requirements, if any, set forth in Appendix "C" hereto, which is attached and hereby made a part hereof.

XIII. EXPLORATION PLAN. The parties agree that:

(a) Prior to commencing any surface-disturbing operations to explore, test, or prospect for minerals covered by this lease, the Lessee shall file with the Contracting Officer five (5) copies of a plan for the proposed exploration activities and shall obtain the Contracting Officer's approval of such plan. Such exploration plan shall include, but not be limited to:

(1) A description of the area within which exploration is to be conducted;

(2) A statement of proposed exploration methods;

(3) A description of specific measures to be taken to assure compliance with the requirements of Article XII hereof (Environmental Requirements), including methods of reclamation contemplated by the Lessee; and

(4) A map or aerial photograph satisfactory to the Contracting Officer, designating areas of proposed drilling and other operational sites, and existing and proposed access roads to be used by the Lessee.

A copy of the format for an exploration plan is attached to this lease as illustrative of that which may be required hereunder.

(b) If preparation and filing of an exploration plan for the entire operation is dependent upon factors which cannot or will not be determined except during the progress of exploration activities, partial plans may be

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EPA-R9-2015-010125 Production VOL001

submitted and approved from time to time; provided, however, that the Lessee shall not perform exploration activities not described in an approved plan.

(c) Changes may be made in the approved exploration plan by mutual written agreement of the Lessee and the Contracting Officer.

XIV. MINING PLAN. The parties agree that:

(a) Prior to constructing any surface installation or commencing mine development on the leased lands, the Lessee shall file with the Contracting Office five (5) copies of a plan for the proposed mining operations and shall obtain the Contracting Officer's approval of such plan. Such mining plan shall include, but not be limited to:

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

(2) A map or aerial photograph satisfactory to the Contracting Officer showing the location of proposed mining operations;

(3) A map based on accurate surveys and satisfactory to the Contracting Officer showing the location of the ore bodies proposed to be mined;

(4) A statement of proposed operating methods and descriptions of proposed mine entries;

(5) A map or aerial photograph satisfactory to the Contracting Officer, showing the location of existing and proposed roads to be used in the operation and the location of structures and facilities to be constructed; and

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EPA-R9-2015-010125 Production VOL001

(6) A description of specific measures to be taken to assure compliance with the requirements of Article XII hereof (Environmental Requirements), including methods of reclamation contemplated by the Lessee.

A copy of the format for a mining plan is attached to this lease as illustrative of that which may be required hereunder.

(b) If preparation and filing of a mining plan for the entire operation is dependent on factors which cannot or will not be determined except during the progress of mining activities, a partial plan may be submitted and approved from time to time; provided, however, that the Lessee shall not perform mining activities not described in an approved plan.

(c) Changes may be made in the approved mining plan by mutual written agreement of the Lessee and the Contracting Officer.

XV. PERFORMANCE BOND.

(a) Upon approval of an exploration plan or mining plan, and prior to commencing any surface-disturbing operations, the Lessee shall be required to file a suitable performance bond of not less than $2,000 with satisfactory surety, payable to the United States Atomic Energy Commission, and the bond shall be conditioned upon the faithful compliance with applicable regulations, the terms and conditions of this lease, and any exploration and mining plans, including amendments and supplements thereto, which have been approved by the Contracting Officer.

(b) The Contracting Officer shall set the amount of the bond and may require an increase or allow a decrease in the amount of the bond, as in

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EPA-R9-2015-010125 Production VOL001

his judgment the circumstances may require. In determining the amount of the bond, the Contracting Officer shall take into consideration the character and nature of the reclamation requirements of the lease, including the requirements of any approved exploration and mining plans and partial or supplementary plans, and the estimated costs of such reclamation.

XVI. INSPECTION. The Commission reserves the right, through its officers, employees, agents, and contractors, to enter upon the leased property and into all parts of any of Lessee's mines at all reasonable times for inspection and other purposes.

XVII. WEIGHING, SAMPLING, AND ASSAYING.

(a) With respect to ores which are mined from the leased premises and delivered to a mill or other receiving station which is owned or controlled by the Lessee, the Lessee agrees to the following provisions:

(1) The Lessee shall weigh each lot of ore delivered from the leased premises to its mill or other receiving station and shall furnish the Commission a record of the weight of such lot. The scales used in weighing such ore shall be balanced daily and checked once each week or more often, as appears necessary, by either standard weights or by check-weighing against another scales. Scale platforms will be kept clean and free of the sides of the pit, and the scales shall be inspected and certified every six months by the appropriate entity of the state in which the mill or receiving station is located, if

ED_000571_00021375-00051

EPA-R9-2015-010125 Production VOL001

such inspection is available; otherwise, a biannual inspection shall be made by a competent organization which is acceptable to both the Lessee and the Commission.

(2) Each such lot shall be sampled by the Lessee according to standard and accepted practices in ore sampling, and such sampling shall be final and binding on both parties to this lease. The Commission or its representative may be present at the sampling of such ore. The Lessee shall make moisture determinations according to standard practices in ore sampling. The Lessee shall divide each final sample into four (4) pulps, one of which shall be promptly furnished to the Commission, one of which shall be retained by the Lessee for assay purposes, and two of which shall be held in reserve by the Lessee for possible umpire analysis. The Lessee shall promptly assay its pulp for U_3O_8 content and shall transmit the assay results to the Commission, together with weight and moisture certificates for the lot sampled. For the purpose of such reporting, all assays for U_3O_8 shall be adjusted to the nearest 0.001%.

(3) The Commission may assay its pulps at its own expense. In case of disagreement with the Lessee's assay, the Commission may, within 30 calendar days after receiving its pulp

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EPA-R9-2015-010125 Production VOL001

mail to the Lessee a written request for an umpire assay. Upon receipt of such written request, the Lessee shall promptly submit one of the pulps held in reserve to an assayer, whom the parties hereto shall agree upon, for umpire assay. If the assay of the umpire is within the assays of the two parties, it shall be final. If not, the assay which is nearer to that of the umpire shall prevail. The party whose assay for U_3O_8 is further from that of the umpire shall pay the cost of the umpire's assay. In the event that the umpire's assay for U_3O_8 is equally distant from the assay of each party, the cost shall be split equally.

(4) The quantity of ore comprising a lot, as used herein, shall be determined by the Lessee, except that no lot shall exceed one thousand (1,000) tons of ore except as otherwise agreed in writing by the Contracting Officer.

(b) With respect to ores which are mined from the leased premises and delivered to a mill or other receiving station not owned or controlled by the Lessee, the Lessee agrees, at its own expense, to assay or cause to be assayed sample pulps representing not less than one-fifth of the lots of ore so delivered during each month, and to invoke the ore buyer's established umpire procedure whenever the difference between the buyer's assay and the Lessee's assay is greater than 0.01% U_3O_8. The Lessee may at its option submit lesser assay differences for umpire assay at its expense.

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EPA-R9-2015-010125 Production VOL001

XVIII. FEDERAL, STATE, AND LOCAL STATUTES AND REGULATIONS. The Lessee agrees to comply with all applicable Federal, state, and local statutes, regulations, and standards, including but not limited to those relating to mine safety; radiation; air, water, and land pollution; disposal of liquid and solid waste; and workmen's and unemployment compensation.

XIX. INDEMNIFICATION OF GOVERNMENT.

(a) It is understood that the Government, the Commission, and its contractors and employees shall not be responsible for any mechanics' or miners' liens or other liens, encumbrances, or liabilities incurred by the Lessee in connection with the operation of the leased premises, and the Lessee assumes all responsibility for and will save the Government, the Commission, and its contractors and employees harmless from any and all claims and liability of whatsoever nature arising from the operation or occupancy of the premises. The Lessee shall forthwith post, and at all times keep posted, in some conspicuous place upon the premises, a notice stating in substance that the premises are leased to the Lessee and that the interest of the Government and the Commission shall not be subject to any liens, claims, or encumbrances arising in connection with the occupancy and operation of the premises, and that the Government and the Commission shall not be liable to any person not a party to this lease for any claims arising in connection with this lease or the leased premises.

(b) The Lessee agrees to protect and indemnify the Government and the Commission against any payroll taxes or contributions imposed with respect to any employee of the Lessee by any applicable law dealing with old age pensions, unemployment compensation, accident compensation, health

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EPA-R9-2015-010125 Production VOL001

insurance and related subjects. The Lessee also agrees at its own cost and expense to insure to each workman employed in, about, or upon the premises the compensation provided for by law with respect to workmen's compensation and employer's liability insurance, properly safeguarding the Government, the Commission, and its contractors and employees against liability for injuries to persons, including injuries resulting in death, and loss of and damage to property in policies and amounts acceptable to the Commission and to furnish to the Commission written evidence of such insurance.

XX. RECORDS, REPORTS, AND MAPS.

(a) The Lessee agrees to keep, and to make available to the Contracting Officer as soon as practicable after the end of each calendar quarter, the following records and maps:

(1) A map or maps showing the location of all exploration holes drilled on the leased premises during such calendar quarter, together with copies of any logs and assay records applicable to such drill holes;

(2) A mine map or maps showing the progress of mining on the leased premises as of the end of such calendar quarter;

(3) An accurate record of the tonnage and U_3O_8 grade of each lot of ore delivered from the leased premises to a mill, buying station, or other purchaser during such calendar quarter, including copies of all settlement sheets furnished to the Lessee for ores so delivered;

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EPA-R9-2015-010125 Production VOL001

(4) Lessee's estimate of the tonnage and U_3O_8 and V_2O_5 grades of all ores stockpiled on the leased premises as of the end of such calendar quarter.

(b) The Lessee further agrees to make available to the Contracting Officer, upon request, the results of any inspections of Lessee's mines or other facilities located on the leased premises, conducted by personnel of local, state, or other Federal agencies under applicable statutes and regulations.

XXI. TAXES. The Lessee agrees to pay when due all taxes lawfully assessed and levied pursuant to state or Federal law upon improvements, output of mines, and other interests, property, and assets of the Lessee in or upon the leased premises.

XXII. ASSIGNMENT. The Lessee agrees that no transfer of this lease, or of any interest therein or claim thereunder, by assignment, sublease, operating agreement, or otherwise, shall be effective unless and until approved by the Contracting Officer.

XXIII. RELINQUISHMENT OF LEASE. This lease may be surrendered by the Lessee upon the Lessee's filing with the Commission, and the Contracting Officer's approval of, a written application for relinquishment. Approval of the application shall be contingent upon the delivery of the leased premises to the Commission in a condition satisfactory to the Contracting Officer, and upon the continued liability of the lessee to make payment of all royalty and other debts theretofore accrued and due the Commission.

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EPA-R9-2015-010125 Production VOL001

XXIV. CANCELLATION OF LEASE. This lease may be cancelled by the Commission whenever the Lessee fails to comply with the provisions of this lease. Failure of the Commission to exercise its right to cancel shall not be deemed a waiver thereof.

XXV. TITLE TO UNSHIPPED ORE. The Commission, except as otherwise approved in writing by the Contracting Officer, reserves all right, title, and property in and to all ores and other uranium-bearing material not removed from the leased premises within sixty (60) days after expiration or other termination of this lease. Except as otherwise approved in writing by the Contracting Officer, all materials mined from the leased premises and not marketed by the Lessee shall remain on the leased premises.

XXVI. DELIVERY OF PREMISES. At the expiration of this lease, or upon its earlier termination as herein provided, the Lessee shall surrender the leased premises in a condition satisfactory to the Contracting Officer, and shall, unless otherwise directed by the Contracting Officer, remove from the leased premises at Lessee's expense all structures, machinery, equipment, tools, and improvements placed thereon by the Lessee; provided, that Lessee shall not remove any timbers or improvements which are determined by the Contracting Officer to be required to be left in the mine workings to protect such workings as a mining property.

XXVII. EXAMINATION OF RECORDS.

(a) The Lessee agrees that the Commission and the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after termination or expiration of this lease, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Lessee involving transactions related to this lease.

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EPA-R9-2015-010125 Production VOL001

(b) Nothing in this lease shall be deemed to preclude an audit by the General Accounting Office of any transaction under this lease.

XXVIII. OFFICIALS NOT TO BENEFIT. No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this lease, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease if made with a corporation for its general benefit.

XXIX. COVENANT AGAINST CONTINGENT FEES. The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this lease without liability, or in its discretion to require the Lessee to pay to the Commission the full amount of such commission, percentage, brokerage, or contingent fee.

XXX. DISPUTES.

(a) Except as otherwise provided in this lease, any dispute concerning a question of fact arising under this lease which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Lessee. The decision of the Contracting Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Lessee mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Commission. The decision of the Commission

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EPA-R9-2015-010125 Production VOL001

or its duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Lessee shall be afforded an opportunity to be heard, and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Lessee shall abide by the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above; provided, that nothing in this lease shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

XXXI. EQUAL OPPORTUNITY IN EMPLOYMENT. The following clause is applicable unless this lease is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60):

During the performance of this lease, the Lessee agrees as follows:

(a) The Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of

ED_000571_00021375-00059

EPA-R9-2015-010125 Production VOL001

compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(b) The Lessee will, in all solicitations or advertisements for employees placed by or on behalf of the Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

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EPA-R9-2015-010125 Production VOL001

(f) In the event of the Lessee's noncompliance with the Equal Opportunity clause of this lease or with any of the said rules, regulations, or orders, this lease may be canceled, terminated, or suspended in whole or in part, and the Lessee may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Lessee will include the provisions of paragraph (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Lessee will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Lessee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Lessee may request the United States to enter into such litigation to protect the interests of the United States.

XXXII. HEIRS AND SUCCESSORS-IN-INTEREST. Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

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EPA-R9-2015-010125 Production VOL001

MINING LEASE NO. AT(05-1)-ML-60.8- NM-B-1

IN WITNESS WHEREOF, the parties hereto have executed this agreement of lease, effective as of the date first above written, intending to be legally bound thereby.

Witnesses:

Holger Allverdsen Jr.
Caroline D. Ketolaza

UNITED STATES OF AMERICA
UNITED STATES ATOMIC ENERGY COMMISSION

By Ethan G. Greenwood
Title Manager, Grand Junction Office
Date 6/12/74

(LESSEE)

By G. WARNOCK
Title OWNER
Date MAY 29, 1974

Dorothy M. Warnock
G.H. Vinting

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MINING LEASE NO. AT(05-1)-[illegible]-60.8-NM-B-1

APPENDIX "A"

DESCRIPTION OF LEASED PROPERTY

Tract No. NM-B-1

The southeast quarter (SE 1/4) and the south half of the north half (S 1/2 N 1/2) of Section 13, Township 13 North, Range 11 West, New Mexico Principal Meridian, containing 320 acres, more or less, in McKinley County, New Mexico.

MINING LEASE NO. AT(05-1)-ML-60.8-NM-B-1

APPENDIX "B"

BASE ROYALTY AND ROYALTY BID PAYMENTS

FOR TRACT NO. NM-B-1

1. The Lessee agrees to pay to the Commission a base royalty, per dry ton of ore delivered from the leased premises to a mill or other buying station, determined as provided in paragraph 6 of this Appendix "B", in the amount of (a) Two percent (2%) of the value per dry ton up to and including a value of Twenty Dollars ($20.00) per dry ton, plus (b) Ten percent (10%) of the value per dry ton in excess of Twenty Dollars ($20.00) per dry ton and up to and including Eighty Dollars ($80.00) per dry ton, plus (c) Fourteen percent (14%) of the value per dry ton in excess of a value of Eighty Dollars ($80.00) per dry ton.

2. The Lessee agrees to pay to the Commission, in addition to the base royalty required to be paid pursuant to paragraph 1 of this Appendix "B", a royalty bid payment, per dry ton of ore delivered from the leased premises to a mill or other receiving station, in the amount of Five and Fifty-Five One-Hundredths percent (5.55 %) of the value per dry ton, determined as provided in paragraph 6 of this Appendix "B"; provided, that such royalty bid payments shall not be payable with respect to ores mined from the leased premises and delivered to a mill or other receiving station after royalty bid payments have been made for ores containing a total of one hundred ninety thousand (190,000) pounds of U_3O_8 so delivered by the Lessee from the leased premises.

3. With respect to ores which are mined from the leased premises and delivered to a mill or other receiving station which is owned or controlled by the Lessee, the Lessee agrees to make base royalty and royalty bid payments, for all lots of such ore assayed during each calendar month, within twenty (20) calendar days after the end of such calendar month. Such royalty and

EPA-R9-2015-010125 Production VOL001

royalty bid payments shall be treated as provisional payments with respect to any lot of ore for which the Commission requests an umpire assay, and an appropriate adjustment shall be made in the first base royalty and royalty bid payment following Lessee's receipt of the results of such umpire assay of such lot of ore.

4. With respect to ores which are mined from the leased premises and delivered to a mill or other receiving station not owned or controlled by the Lessee, the Lessee agrees:

(a) That the Commission may receive base royalty and royalty bid payments directly from the owner or controller of the mill or other receiving station to which such ores are shipped by the Lessee if the Commission makes arrangements therefor satisfactory to the Lessee.

(b) That, in the absence of such arrangements, the Lessee shall make base royalty and royalty bid payments for all lots of such ore assayed during each calendar month, within twenty (20) calendar days after payment for such lots is mailed to the Lessee; provided, that an appropriate extension of such twenty (20) day period shall be granted by the Contracting Officer for any undue delay in the mails which causes a delay in delivery to the Lessee of payment for such lots of ore. Such base royalty and royalty bid payments shall be treated as provisional payments with respect to any lot of ore for which the payment to the Lessee is provisional, and an appropriate adjustment shall be made in the first base royalty and royalty bid payment following finalization of payment to the Lessee for such ore.

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EPA-R9-2015-010125 Production VOL001

MINING LEASE NO. AT(05-1)-ML-60.8-NM-B-1

APPENDIX "B"

5. Payments of base royalty and royalty bid amounts due the Commission shall be deemed to have been made when received at the Commission's Grand Junction Office, Grand Junction, Colorado.

6. The value per dry ton, for all lots of such ore assayed during any calendar month, shall be determined to the nearest cent ($0.01) by (i) computing the number of pounds of contained U_3O_8 per dry ton of ore in the lots so assayed, by dividing the total number of pounds of U_3O_8 contained in the lots of ore so assayed during such calendar month by the total number of dry tons of ore contained in the lots so assayed during such calendar month, and carrying the result to two decimal places; and (ii) multiplying by $7.00 the number of pounds of U_3O_8 per dry ton of ore in the lots so assayed.

7. The Commission may from time to time upon its own initiative or at the request of the Lessee reevaluate the base value of $7.00 per pound of U_3O_8 in concentrate used to determine the value per dry ton of ore as set forth in paragraph 6 above (or such other base value as is then being used hereunder); and if the Contracting Officer finds that there has been a significant change (at least $0.50 per pound) in the market value of U_3O_8 in concentrate from the base value then being used, the Contracting Officer shall substitute a new base value which shall represent the Contracting Officer's best judgment of the then current market value of U_3O_8 in concentrate, based upon a survey of transfers of uranium concentrate by domestic uranium producers and such other reasonable criteria as may be available to the Contracting Officer.

8. The parties hereto agree that if the Lessee is paid for any constituent, other than uranium, contained in ores mined from the leased premises, all

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EPA-R9-2015-010125 Production VOL001

amounts so paid shall be held in trust by the Lessee for the Commission until the Lessee and the Commission shall have agreed upon a base royalty to be paid to the Commission with respect to Lessee's sale of such constituent.

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MINING LEASE NO. AT(05-1)-ML-60.8-NM-B-1

APPENDIX "C"

ADDITIONAL ENVIRONMENTAL REQUIREMENTS

No roadways or mine portals shall be constructed on the south or west facing escarpments of Haystack Mountain at elevations above 7,300 feet above mean sea level.

EXPLORATION PLAN FORMAT

U. S. Atomic Energy Commission

1) Map showing general area to be explored

   A. Tentative location of drill holes or other exploration activity

   B. Location of roads (existing and proposed)

2) Approximate starting date and duration of drilling

3) Drilling information

   A. Type of drilling and/or other exploration equipment

   B. Size of hole and core if any to be recovered

   C. Type of logging

   D. Target horizon and depth

4) Road construction necessary for exploration

   A. Location of roads and drill sites

   B. Measures for erosion control

5) Abandonment

   A. Procedures for plugging drill holes

   B. Surface restoration (grading, revegetation, erosion control measures, etc.)

6) Provisions made to conform with existing state and federal regulations regarding control of fire, pollution of water and air, protection of other natural resources, and public health and safety, both during and upon abandonment of exploration activities

7) Specific measures to be taken to assure compliance with environmental and surface use stipulations of the lease

MINING PLAN FORMAT

U. S. Atomic Energy Commission

1) Map showing location of:

   A. Ore body and proposed entry

   B. Any new roads required

   C. Mine plant and associated structures and facilities

   D. Waste dumps and ore storage areas

2) Mining

   A. Initial development plans

      1. Type of entry and haulage method proposed

      2. Stoping method

      3. Provisions to handle mine water

   B. Proposed ventilation and radiation control methods

3) Surface Plant

   A. Buildings, utility lines, and storage areas

   B. Sewage and refuse disposal

   C. Compliance with any applicable county planning and zoning regulations

4) Surface restoration plans

   A. Topsoil removal and storage

   B. Grading and backfilling

   C. Control of runoff

   D. Revegetation (if required)

EPA-R9-2015-010125 Production VOL001

5) Abandonment

A. Sealing of portals

B. Removal of structures and cleanup

C. Disposition of mine wastes (contouring, levelling, use for backfill, etc.)

6) Provisions made to conform with existing state and federal regulations regarding control of fire, pollution of water and air, protection of other natural resources, and public health and safety, both during and upon abandonment of exploration activities

7) Specific measures to be taken to assure compliance with environmental and surface use stipulations of the lease

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R0420-300-1

DEPARTMENT OF ENERGY
PROCUREMENT AND ASSISTANCE DATA SYSTEM
LONG ACCEPTED TRANSACTION REPORT

DATE 03/18/88
PAGE 4

FORMS: IPAR PART 1 INITIAL

1. CHANGE/CORRECTION
N

2. AWARD BIN
RL13-746J31000

3. MOD NUMBER
M000

4. KIND OF AWARD ACTION
1A

**************** AWARD ***************

5. PR NUMBER
PRFY-NOPR

6. MASTER BIN

7. DUNS NUMBER
069423671

8. VENDOR ID CODE

9. CONTRACTOR NAME
TODILTO EXPLORATION & DEV CORP

10. DIVISION

*** PRINCIPAL PLACE OF PERFORMANCE ***

11. CITY
ALBUQUERQUE

12. STATE
NM

13. ZIP CODE
87109

14. COUNTY

15. CONG. DIST.
01

16. COUNTRY

17. DESCRIPTION OF WORK MINING LEASE AT(05-1)-ML-60.8-NM-B-1

18. AWARD DATE
06/12/74

19. AWARD EFFEC. DATE
06/12/74

20. AWARD COMPL. DATE
06/11/84

************** FINANCIAL *************

21. GOVERNMENT SHARE

22. AWARDEE SHARE

23. TOTAL

24. B&R NO.

25. DOLLARS

26. INTERNAL OFFICE USE ONLY:

R0420-300-1

DEPARTMENT OF ENERGY
PROCUREMENT AND ASSISTANCE DATA SYSTEM
LONG ACCEPTED TRANSACTION REPORT

FORMS: IPAR PART 2 INITIAL

1. CHANGE/CORRECTION	2. AWARD BIN	3. MOD NUMBER	4. KIND OF AWARD ACTION
N	RL13-746J31000	M000	1A

********** PROCUREMENT ONLY **********

27. CICA	28. NO. OF OFFERS	29. SOLICITATION PROCEDURE	30. EXEMPT AUTH	31. SOLICITATION METHOD	32. SYNOPSIS REQ.
1					

33. SUPPORT SERVICE	34. CONSULTANT AWARD	35. MULTI YEAR AWARD	36. SMALL DISADV. BUS. SUBCON. PLAN	37. SAFETY/HLTH. CLAUSE
N	N	N	N	N

38. SUBJECT TO STAT. REQ.	39. PRODUCT/SERVICE CODE	40. TRADE DATA-OFFERORS	41. TRADE DATA-% DIFFERENCE	42. TRADE DATA-COUNTRY OF MANUFACTURE
E	X293			

43. AWARD METHOD	44. AWARD AUTHORITY	45. WOMAN OWNED BUSINESS
2		2

********** ASSISTANCE ONLY **********

46. CFDA NO.	47. CATEGORY OF BORROWER: (RACE/ETHNIC)	48. STATE APPLICATION ID.

LEGAL ADDRESS OF RECIPIENT:

49. CITY	50. STATE	51. ZIP CODE	52. COUNTY	53. CONGRESSIONAL DISTRICT

***** PROCUREMENT AND ASSISTANCE *****

54. TYPE OF AWARD	55. EXTENT OF COMPETITION	56. OSTI DELIVERABLE	57. TYPE OF BUSINESS	58. SMALL BUS INNOV PRGM
P	AC	AZ	A33	N

59. RESEARCH & DEVELOPMENT	60. LABOR SURPLUS AREA	61. GOVERNMENT PROPERTY	62. UNSOLICITED PROPOSAL NO.
N	5	N	

R0420-300-1

DEPARTMENT OF ENERGY
PROCUREMENT AND ASSISTANCE DATA SYSTEM
LONG ACCEPTED TRANSACTION REPORT

DATE 03/29/88
PAGE 64

FORMS: IPAR PART 3 INITIAL

1. CHANGE/CORRECTION
N

2. AWARD BIN
RL13-74GJ31000

3. MOD NUMBER
M000

********** ADMINISTRATION **********

63. AWARDING OFFICE

65. PATENT CLEARING OFFICE

66. TECH. REP. OFFICE

67. DELEGATED AWARD ADMIN. OFFICE

68. NEGOTIATOR CODE
C1G1

69. CONTRACTING OFFICER CODE
C1G1

70. AWARD ADMIN. CODE
C1G1

71. DELEGATION DATE

72. RETIREMENT/CONVERTED DATE

73. AWARD STATUS

74. TECH. REP. NAME

75. TECH. REP. PHONE

76. PROJECT MANAGER NAME
GRANDBOUCHE,GEORGE

77. PROJECT DIRECTOR/SENIOR INVESTIGATOR NAME

AW-AWARD-ADMIN-CODE	WAS	IS C1G1
AW-CONTRACT-OFFICER-CODE	WAS	IS C1G1
AW-NEGOT-CODE	WAS	IS C1G1

May 7, 1976

Osmond D. Kottmann, Accounting Supervisor, Finance & Budget Office

LETTER AGREEMENT DATED APRIL 22, 1976

Transmitted herewith is executed copy of agreement dated April 22, 1976 between ERDA and Todilto Exploration & Development Corp.

Holger Albrethsen, Jr.
Chief Counsel

Attachment:
As noted

cc: H. Albrethsen, executed copy of ltr agreement and map
G. Grandbouche, cc of ltr agreement and map
G. Ritter, cc of lgr agreement

OFFICE ➤	CC					
SURNAME ➤	Albrethsen:lpo					
DATE ➤	5/7/76					

Form AEC-318 (Rev. 9-53) AECM 0240 ☆ U. S. GOVERNMENT PRINTING OFFICE: 1974-526-166

TODILTO EXPLORATION AND DEVELOPMENT CORPORATION

TEDCO

G. WARNOCK
PRESIDENT

April 28, 1976

Mr. Frank E. McGinley
Assistant to the Manager
Energy Reserach & Development Admin.
Grand Junction Office
Grand Junction, Colorado 81501

Dear Mr. McGinley:

Thank you very much for the copies of letter agreement providing for the filling and contouring of the "Bibo" pit on our ERDA lease tract.

We enclose the three signed copies, as requested.

Sincerely,

G. Warnock

G. Warnock

GW/c

Enclosures

ALBUQUERQUE OFFICE: 3620 WYOMING BLVD., NE, SUITE 201, ALBUQUERQUE, N. M. 87111 - (505) 292-0611
HAYSTACK MINE UNIT: GRANTS RADIOTELEPHONE, GRANTS, NEW MEXICO (505) 287 - 2923, UNIT 270

UNITED STATES
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
GRAND JUNCTION OFFICE
GRAND JUNCTION, COLORADO 81501

April 22, 1976

Mr. George F. Warnock, President
Todilto Exploration & Development Corp.
3620 Wyoming Blvd., NE, Suite 201
Albuquerque, New Mexico 87111

Dear Mr. Warnock:

Reference is made to Mining Lease No. AT(05-1)-ML-60.8-NM-B-1, between the United States of America, represented by the United States Energy Research and Development Administration (ERDA), and Todilto Exploration and Development Corporation (Todilto), a New Mexico corporation.

At the time of award of the referenced lease there existed on the leased premises an excavation, sometimes referred to as the "Bibo Pit," the center of which is at coordinates N300, W650 as shown on the attached Warnock Map No. 103-007-015-D-3. It is considered environmentally desirable by ERDA that the Bibo Pit be filled and contoured as more particularly described herein, and Todilto is willing to undertake the project in conjunction with its activities on the leased premises. Therefore, pursuant to paragraph (j) of Article XII of the referenced Mining Lease, ERDA and Todilto agree as follows:

1. Todilto agrees to furnish all necessary labor, equipment, and supplies, and to fill and contour the said Bibo Pit in the manner herein specified, as expeditiously as practicable after the execution of this letter agreement.

2. The material to be used for fill shall be taken from waste piles Nos. 3, 4, 5, 6, 7, 8, 9, and 10, as shown on the attached Warnock Map; and sufficient material shall be placed in the pit to bring the level above the surrounding terrain.

3. At least three feet of topsoil, stored on the leased premises, shall be spread over the waste fill at such time as it appears to Todilto that little or no further subsidence of the waste fill will occur. In any event, Todilto shall exercise its best efforts to assure that the final level of the pit shall not be more than one foot below the level of the surrounding terrain.

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

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4. As full consideration for Todilto's performance of the work described herein, ERDA shall credit to Todilto the sum of Twelve Thousand Six Hundred Seventy Dollars ($12,670.00), as set forth in the following paragraph 5.

5. With each monthly settlement under the referenced lease, Todilto shall submit to ERDA an invoice setting forth Todilto's estimate of the percentage of the total work described herein which was accomplished during the monthly settlement period, and billing ERDA for that percentage of the $12,670.00 provided for herein. ERDA shall credit Todilto with Eighty-five percent (85%) of the amount so billed, as an offset against royalties owed by Todilto to ERDA. Upon completion by Todilto and acceptance by ERDA of all of the work described herein, and receipt of a proper invoice therefor, ERDA shall credit Todilto with such portion of the $12,670.00 as remains unpaid, as an offset against royalties owed by Todilto to ERDA.

6. The following Articles of Mining Lease No. AT(05-1)-ML-60.8-NM-B-1 are hereby incorporated herein by reference:

Article:	XVIII.	Federal, State, and Local Taxes
	XIX.	Indemnification of Government
	XXI.	Taxes
	XXVII.	Examination of Records
	XXVIII.	Officials not to Benefit
	XXIX.	Covenant Against Contingent Fees
	XXX.	Disputes
	XXXI.	Equal Opportunity in Employment
	XXXII.	Heirs and Successors in Interest

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If the foregoing is acceptable to you, please indicate such acceptance in the space provided below.

UNITED STATES OF AMERICA

UNITED STATES ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

By Eugene W. Grutt Jr.
Eugene W. Grutt, Jr., Manager
Grand Junction Office

Date: 4/22/76

ACCEPTED:

TODILTO EXPLORATION AND DEVELOPMENT CORPORATION

By

Title: President

Date: 4-26-76

ED_000571_00021375-00079

June 24, 1974

Mr. G. Warnock
403 Sandia Savings Building
Albuquerque, New Mexico 87102

Subject: AEC LEASE NO. AT(05-1)-ML-60.8-NM-B-1

Dear Mr. Warnock:

Enclosed for your files is an executed copy and four conformed copies of the subject mining lease, executed on behalf of the Atomic Energy Commission on June 12, 1974.

Sincerely,

Elton A. Youngberg
Manager

Enclosures:
Lease - cys. 2A (executed), 12A, 13A, 14A, & 15A (conformed)

bcc: H. Albrethsen, CC
P. Powers, ASD

OFFICE ▶	CC	MA				
SURNAME ▶	Albrethsen/cdr	Youngberg				
DATE ▶	6/24/74					

Form AEC-318 (Rev. 9-53) U. S. GOVERNMENT PRINTING OFFICE 16—62761-3

June 24, 1974

R. D. Nininger, Assistant Director for Raw Materials, PMM, HQ.

LEASE NO. AT(05-1)-ML-60.8-NM-B-1 - G. WARNOCK

Enclosed for your files is copy No. 4A of subject mining lease executed here as of June 12, 1974.

Elton A. Youngberg
Manager

Enclosures:
Lease - cy. 4A (conformed)

cc: Official Files, GJ w/encl. cy. 1A (executed)
Office of General Counsel, HQ w/encl. cy 3A (executed)
Manager's Office, GJO w/encl. cy. 5A (conformed)
Chief Counsel, GJO w/encl. cy. 6A (conformed)
Admin. Serv. Div., GJO w/encl. cys. 7A & 8A (conformed)
Division of Contracts, HQ w/encl. cy. 9A (conformed)
Mining Division, LPI w/encl. cys. 10A & 11A (conformed)

OFFICE ▶	CC	MA				
SURNAME ▶	Albrethsen/cdr	Youngberg				
DATE ▶	6/24/74					

Form AEC-318 (Rev. 9-53) U. S. GOVERNMENT PRINTING OFFICE 16—62761-3

FROM: G. Warnock Albuquerque, NM	DATE OF DOCUMENT 5/30/74	DATE RECEIVED 6/3/74	NO.: 803 0803
	LTR. x MEMO:	RT:	OTHER. Registered 853125
TO: Youngberg	ORIG. x CC:	OTHER:	
	ACTION NECESSARY ☐ NO ACTION NECESSARY ☐	CONCURRENCE ☐ COMMENT ☐	DATE ANSWERED: BY:
CLASSIF.: un POST OFFICE REG. NO.	FILE CODE: Mining Lease - Warnock		

DESCRIPTION: (Must Be Unclassified)

3 signed cys lease forms for Tract No. NM-B-1

Does AEC have a standard indemnity notice & bond forms?

REFERRED TO	DATE	RECEIVED BY	DATE
OC	6/3	AA Hopson	

ENCLOSURES:

REMARKS:

Phil Powers made an appointment w/ Mr. Warnock on the phone 6/20/74, to see him in Albuq. on Tues. June 25. at which ~~time~~ time they will discuss the questions in the attched li

U. S. ATOMIC ENERGY COMMISSION **MAIL CONTROL FORM** FORM AEC-326 (8-60)

EPA-R9-2015-010125 Production VOL001

G. WARNOCK
MINING & GEOLOGICAL CONSULTANT

May 30th, 1974

Mr. Elton A. Youngberg,
Manager,
U.S. Atomic Energy Commission,
Grand Junction Office,
Grand Junction,
Colorado 81501

Registered Mail

Dear Mr. Youngberg,

Enclosed are the three signed and dated lease forms for tract No. NM-B-1.

I would like to ask if on return of the lease to me, I will receive further instructions on the format of the exploration plan in addition to what is attached. Specifically, does the A.E.C. have a standard indemnity notice and bond forms? Also, as I am sure you are aware, there are existing old open pits on the property and I am wondering if the A.E.C. will wish these altered in any way.

Sincerely,

G. Warnock

Enc.

403 SANDIA SAVINGS BUILDING, ALBUQUERQUE, NEW MEXICO 87102 - (505) 243-3569

ED_000571_00021375-00083

May 22, 1974

Mr. G. Warnock
403 Simms Building
Albuquerque, New Mexico 87102

Dear Mr. Warnock:

Enclosed is Notice of Award for Tract No. NM-B-1, under Invitation No. 60.8-R-S-2.

Please sign (in the space provided for "Lessee") and date the three copies of lease accompanying the Notice of Award, and have two persons sign as witnesses to your signature. (You need not fill in the lines following "By" and "Title".) All three copies of the lease must then be returned to this office within fifteen calendar days of your receipt of the Notice of Award.

As specified in Invitation No. 60.8-R-S-2, your bid deposit will be treated as payment of the minimum royalty for the first year of the lease term, unless forfeited under the conditions stated in the bid invitation and the Notice of Award.

Upon your return of the enclosed lease documents, signed and witnessed, we shall execute them and return one executed copy to you with such number of conformed copies as you may request.

Sincerely,

Elton A. Youngberg
Manager

Enclosure:
Mining Lease No. AT(05-1)-ML-60.8-NM-B-1 (3 cys.)
w/Notice of Award

bcc: Chief Counsel, w/Notice of Award
ASD, w/Notice of Award
LPI - G. G. Ritter, w/Notice of Award

384473

OFFICE ▶	CERTIFIED - RETURN RECEIPT			CC	MA	
SURNAME ▶				Albrethsen/cdr	Youngberg	
DATE ▶				5/21/74		

Form AEC-318 (Rev. 9-53) U. S. GOVERNMENT PRINTING OFFICE 16—62761-3

UNITED STATES ATOMIC ENERGY COMMISSION

GRAND JUNCTION OFFICE

NOTICE OF AWARD

To:

Mr. G. Warnock
403 Simms Building
Albuquerque, New Mexico 87102

Your bid on Invitation No. 60.8-R-S-2 has been accepted as to Tract No. NM-B-1, and you are hereby given notice of award of Lease No. AT(05-1)-ML-60.8-NM-B-1.

Three copies of the Agreement of Lease are enclosed. Please execute and return all three copies of the lease to this office.

Failure to return the executed lease documents within fifteen (15) calendar days of your receipt of this Notice of Award will result in forfeiture of your bid deposit on the above-mentioned tract and your loss of any right to receive the lease on such tract.

If the lease is executed by you through an agent, evidence of the agent's authorization must be submitted with the executed copies of the lease.

UNITED STATES OF AMERICA
UNITED STATES ATOMIC ENERGY COMMISSION

By: Elton A. Youngberg
Elton A. Youngberg
Title: Manager

Date: May 22, 1974

FROM: G. Warnock 403 Simms Bldg. Albuquerque, NM 87102	DATE OF DOCUMENT 8:05 Stamped unopened	DATE RECEIVED 5/6/74	NO.: 610 0610
	LTR. MEMO:	REPORT:	OTHER
TO: USAEC	ORIG. CC:	OTHER:	
	ACTION NECESSARY ☐ NO ACTION NECESSARY ☐	CONCURRENCE ☐ COMMENT ☐	DATE ANSWERED: BY:
CLASSIF.: un POST OFFICE REG. NO:	FILE CODE:		

DESCRIPTION: (Must Be Unclassified)
Bid for Lease - Invitations Nos. 60.8-R-S-1-2-3

ENCLOSURES: Albuquerque Nat'l Bank
Bank Money Order # A 49580 dtd 4/30/74
$4,000

Dep 8-74-26

REMARKS: 5/29/74 dfd

REFERRED TO	DATE	RECEIVED BY	DATE
OC	5/6	[illegible]	
		OK	5/9/74
MKK			

U. S. ATOMIC ENERGY COMMISSION **MAIL CONTROL FORM** FORM AEC-326 (8-60)

BID FORM

United States Atomic Energy Commission
Grand Junction Office
Grand Junction, Colorado 81501

Gentlemen:

In compliance with and subject to the provisions of your Invitation to Bid No. 60.8-R-S-2, dated October 1, 1973, the undersigned hereby offers for the mining lease covering the tract of land identified in Column I below, the Royalty Bid set forth in Column III opposite the identification of such tract. It is understood that payment of the Royalty Bid required shall be in addition to payment of the base royalty and any other payments specified in the lease, and that such Royalty Bid shall be payable, at the rate bid, until the total quantity of uranium in the ore produced equals the Royalty Bid Quantity set forth below for the tract, but only to the extent that such quantity is actually produced from such tract and delivered to a mill or buying station.

I	II	III
Tract No.	Royalty Bid Quantity In Pounds of U_3O_8 in Ore 1/	Royalty Bid (Percent of the Value Per Dry Ton of Ore)
NM-B-1	190,000 lbs. of U_3O_8	5.55 % Five and 55/100%

BIDDER UNDERSTANDS AND ACKNOWLEDGES that the "Royalty Bid Quantity" set forth above for the tract of land identified above is to be used for the purpose of limiting the maximum amount of Royalty Bid payable with respect to such tract, but that it does not constitute any warranty or representation whatever by the Commission as to the quantity of U_3O_8, if any, which may be contained in such tract.

1/ For purposes of this Invitation to Bid, the uranium content of the ore is expressed in terms of the equivalent quantity of U_3O_8, regardless of the form in which it may actually be present in the ore.

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The information required by 10 CFR 60.8 (c) and (f) is listed on the last page of this Bid Form, or is separately attached.

BIDDER REPRESENTS (check appropriate boxes)

(a) That he /__/ has, /X/ has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the Bidder) to solicit or secure this lease; and

(b) That he /__/ has, /X/ has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the Bidder) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this lease; and agrees to furnish information relating to (a) and (b) above as requested by the Manager, Grand Junction Office, United States Atomic Energy Commission. (For interpretation of the representation, including the term "bona fide employee," see Code of Federal Regulations, Title 44, Part 150.)

(c) That he /X/ is, /__/ is not, a small business. (See paragraph 12 of Invitation to Bid, attached.)

By G. Warnock

Title Owner

403 Simms Building
Albuquerque, NM 87101

April 30, 1974
(Date)

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Circle the item applicable to Bidder:

1. A citizen of the United States, 21 years of age or over.
2. An association of such citizens (including a partnership).
3. A corporation organized under the laws of the State of

_____.

Note: If No. 2 is circled, attach a certified copy of the Articles of Association.

If No. 3 is circled, attach evidence that the officer signing the bid had authority to do so.

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§ 203.4 *Kennebec River at Augusta, Maine.* The area comprises that portion of the waterway on the east side of the river beginning at a point on the east shore at the east end of the north side of the highway bridge at mile 43.8, thence southwesterly along the north side of the bridge, to a point within 30 feet of the east limit of the project channel, thence northerly along a line 30 feet easterly of and parallel to the east limit of the channel to Kennebec Bridge at mile 44.1, thence easterly along the south side of the bridge to the shore, thence along the shore to the point of beginning.

NOTE: The area is reserved for yachts and other recreational craft. Fore and aft moorings will be allowed. Temporary floats or buoys for marking anchors in place will be allowed in the area. Fixed mooring piles or stakes are prohibited. All moorings shall be so placed that no vessel, when anchored, shall at any time extend into the channel. All anchoring in the area shall be under the supervision of the local harbor master or such other authority as may be designated by the authorities of the City of Augusta, Maine.

[Regs., April 29, 1954, 800.212 (Kennebec River, Maine)-ENGWO] (54 Stat. 150; 33 U. S. C. 180)

[SEAL] JOHN A. KLEIN,
Major General, U. S. Army,
Acting The Adjutant General.

[F. R. Doc. 54-3763; Filed, May 18, 1954; 8:46 a. m.]

PART 203—BRIDGE REGULATIONS

WATERWAYS DISCHARGING INTO CHESAPEAKE BAY

Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U. S. C. 499), § 203.245 (f) is hereby amended to provide for the closure of the drawspan of the Virginia Department of Highways bridge across Kinsale Creek at Kinsale, Virginia, prescribing a new subparagraph (11-a), as follows:

§ 203.245 *Navigable waters discharging into the Atlantic Ocean south of and including Chesapeake Bay and into the Gulf of Mexico, except the Mississippi River and its tributaries and outlets; bridges where constant attendance of draw tenders is not required.* * * *

(f) *Waterways discharging into Chesapeake Bay.* * * *

(11-a) Kinsale Creek, Va.; Virginia Department of Highways bridge at Kinsale. The draw need not be opened for the passage of vessels, and paragraphs (b) to (e), inclusive, of this section shall not apply to this bridge.

* * * * *

[Regs., April 30, 1954, 823 (Kinsale Creek, Kinsale, Va.)-ENGWO] (28 Stat. 362; 33 U. S. C. 499)

[SEAL] JOHN A. KLEIN,
Major General, U. S. Army,
Acting The Adjutant General.

[F. R. Doc. 54-3764; Filed, May 18, 1954; 8:47 a. m.]

PART 203—BRIDGE REGULATIONS

WATERWAYS DISCHARGING INTO CHESAPEAKE BAY

Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U. S. C. 499), § 203.245 (f) (13) is hereby amended to provide for the closure of the drawspan of the Virginia Department of Highways bridge across Cat Point Creek near Warsaw, Virginia, as follows:

§ 203.245 *Navigable waters discharging into the Atlantic Ocean south of and including Chesapeake Bay and into the Gulf of Mexico, except the Mississippi River and its tributaries and outlets; bridges where constant attendance of draw tenders is not required.* * * *

(f) *Waterways discharging into Chesapeake Bay.* * * *

(13) Cat Point Creek, Va.; Virginia Department of Highways bridge near Warsaw. The draw need not be opened for the passage of vessels, and paragraphs (b) to (e), inclusive, of this section shall not apply to this bridge.

* * * * *

[Regs., April 29, 1954, 823 (Cat Point Creek, Warsaw, Va. Mi 6.5-ENGWO)] (28 Stat. 362; 33 U. S. C. 499)

[SEAL] JOHN A. KLEIN,
Major General, U. S. Army,
Acting The Adjutant General.

[F. R. Doc. 54-3765; Filed, May 18, 1954; 8:47 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

Appendix—Public Land Orders

[Public Land Order 964]

NEW MEXICO

WITHDRAWING PUBLIC LAND AND RESERVED MINERALS IN PATENTED LAND FOR USE OF THE ATOMIC ENERGY COMMISSION

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

The public land and the minerals reserved to the United States in patented lands in the following described areas in New Mexico are hereby withdrawn from all forms of appropriation under the public-land laws, including the mining but not the mineral-leasing laws, and reserved for the use of the United States Atomic Energy Commission:

NEW MEXICO PRINCIPAL MERIDIAN

T. 12 N., R. 9 W.,
Secs. 3 and 4;
Sec. 8, lots 5, 6, 11 and 12;
Secs. 10, 14 and 15;
Sec. 20, E½;
Sec. 22;
Sec. 27;
Sec. 28, N½ and SW¼;
Sec. 34, NE¼NW¼, N½NE¼, SE¼NE¼ and S½.
T. 13 N., R. 9 W.,
Sec. 20;
Sec. 22, SE¼, S½SW¼ and NE¼SW¼;
Sec. 27;
Sec. 28, E½E½;
Sec. 30, lots 1 and 2, E½NW¼, N½NE¼ and S½SE¼;
Sec. 32, SW¼;
Sec. 34.
T. 13 N., R. 10 W.,
Sec. 14, E½;
Sec. 18, lots 1 and 2, E½NW¼;
Sec. 24.
T. 13 N., R. 11 W.,
Sec. 3, lots 1 and 2, S½NE¼ and S½;
Sec. 11;
Sec. 13, SE¼ and S½N½.
T. 14 N., R. 11 W.,
Secs. 6 and 8;
Sec. 18, lots 3 and 4, E½SW¼ and SE¼;
Sec. 20, NW¼;
Sec. 28.

The tracts above described aggregate about 11,400 acres of public lands and mineral rights in about 2,300 acres of non-public lands.

The reservation made by this order shall be subject to existing withdrawals or reservations in so far as they affect any of the lands.

ORME LEWIS,
Assistant Secretary of the Interior.

MAY 13, 1954.

[F. R. Doc. 54-3757; Filed, May 18, 1954; 8:45 a. m.]

TITLE 45—PUBLIC WELFARE

Chapter V—War Claims Commission

Subchapter B—Receipt, Adjudication and Payment of Claims

PART 505—FILING OF CLAIMS AND PROCEDURES THEREFOR

Subchapter C—Appeals and Hearings

PART 515—APPEALS

MISCELLANEOUS AMENDMENTS

1. Section 505.1 *Claim defined* is amended by adding the following paragraph (d):

(d) All claims filed pursuant to the provisions of section 1, Public Law 359, 83d Congress, in order to receive consideration must be filed on official forms provided by the War Claims Commission. When an informal claim is received and an official form is forwarded for completion and execution by a claimant, such official form shall be considered as evidence necessary to complete the initial claim, and unless such completed official form is returned to the Commission duly executed within 30 days by applicants within the territorial limits of the United States and within 45 days by applicants residing outside of the territorial limits of the United States, the claim will be disallowed.

2. Section 515.2 *Appeal form and time limitations* is amended by adding the following paragraphs (d), (e) and (f):

(d) Any award authorized to be paid pursuant to the provisions of section 1, Public Law 359, 83d Congress, may be appealed at any time within 60 days from the date of the award check or disallowance letter informing the claimant of the original determination, provided claimant resides within the territorial limits of the United States and within 90 days provided claimant resides out-

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