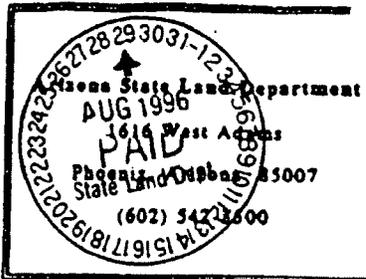


AUG 29 1996



DEPARTMENTAL USE ONLY

Accounting: _____ T and C: _____

Filing Fee: *\$100

N(34)

Exam: Rose Approved

Exam # _____ Denied

Int Title: _____ Rejected

App Entry: _____ Withdrawn

Relodex # 221

Approb: AKD Date: APR 24 1997

*Application fees are non-refundable

APPLICATION TO AUCTION WATER FROM STATE LAND

Applicant hereby makes application for the auction of water according to the laws of the State of Arizona, the rules of the State Land Department, the provisions of the surface lease easement or permit, and the provisions of the Water Agreement for the lands described in the Hydrologic Information Section of this application.

APPLICATION NO. 21-102152 [NEW]

COMPLETE ALL QUESTIONS, SIGN APPLICATION, AND ATTACH FILING FEE

I. APPLICANT Applicant's Federal ID or Social Security No. 84-1074663

Principal Cyprus Bagdad Copper Corporation, a Delaware Corporation

Agent O. T. Owens

Address P.O. Box 245

City Bagdad State AZ Zip 86321 Phone (520) 633-3394

II. CURRENT LESSEE:

A. Are you the current State lessee of the land? Yes No
If yes, write in your lease no. and complete questions B and C. Lease No. 03-1393

B. In consideration of favorable action, do you agree to surrender your lease on the date of the sale even if you are not the successful bidder? Yes No

C. Are there any improvements on the land? Yes No
If yes, attach a list of the improvements to this application.

III. PROPOSED USE OF WATER: Domestic, Municipal and Industrial.

IV. AMOUNT: 80 Acre-Feet per Year

V. TERM: 10 Years (10-year maximum)

VI. HYDROLOGIC INFORMATION:

A. LIST EXISTING WELLS:

Location	Twn	Rng	Sec	Depth	Pump HP	Capacity	SLD Use Only		
SW ¼ NW ¼	13N	9W	17	473	none	400 gpm	Cty	Grt	Parcel
<u>SW ¼ NW ¼</u>	<u>13N</u>	<u>9W</u>	<u>17</u>	<u>473</u>	<u>none</u>	<u>400 gpm</u>	<u>13</u>	<u>031</u>	<u>8003</u>
<u> " " "</u>	<u> " "</u>	<u> " "</u>	<u> " "</u>	<u> " "</u>					
<u> " " "</u>	<u> " "</u>	<u> " "</u>	<u> " "</u>	<u> " "</u>					

B. LIST PROPOSED WELLS:

Location	Twn	Rng	Sec	Depth	Pump HP	Capacity	SLD Use Only		
							Cty	Grt	Parcel
4 4 4						gpm			
4 4 4						gpm			
4 4 4						gpm			

Will any of the proposed wells described be drilled and used as a replacement for any other well?

Yes No If yes, please explain: _____

C. PROPOSED LOCATION OF WATER USE:

The water will be used upon the following described lands (place of use):

Location	Twn	Rng	Sec	County
SW 4 4 4	14N	9W	2	Yavapai
SE 4 4 4	"	"	3	"
NE 4 4 4	"	"	10	"
NW	"	"	11	"

USGS Topographic Map showing location and access must be included with application.

- Are the lands described in VI., Hydrologic Information, currently under a lease or permit by the applicant? Yes No If yes, please provide the number(s) 03-1393
- In transporting the water from the place of withdrawal to the place of use as described above, will the water be transported across sub-basin boundaries? Yes No If yes, explain: _____
- Will water withdrawn be transported across State Trust lands? Yes No If yes, applicable Right-of-way number none
- Are the lands described above located within an AMA or INA? Yes No If yes, indicate which AMA or INA: _____
- Are the lands described above located within the service area of, or served by, any public or private water company or utility? Yes No If yes, explain _____
- Do the lands described above qualify for Central Arizona Project Water? Yes No If yes, complete the following:
 Type of qualification: _____
 Delivered by: _____
 Present allocation amount held by the person or entity to deliver the water: _____
- If applicable, is there a grandfathered water right associated with the land upon which the water is proposed to be used? Yes No If yes, what is the type and amount of grandfathered water rights? Type 1 Type 2 Acre feet of right: _____

VII. IMPROVEMENTS:

A. Existing Improvements:

Are there any existing improvements, required or otherwise, which will be used for the withdrawal and transportation of water? Yes No If yes, please complete the following:

<u>Description</u>	<u>Condition</u>	<u>Present Value</u>	<u>Ownership</u>
<u>Well and 16" casing</u>	<u>Good</u>	<u>\$100,000</u>	<u>Cyprus Bagdad</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

B. Proposed New Improvements:

New improvements which will be required, and their estimated value, are described as follows

None - under study

VIII. MINERALS:

Are there any known mineral claims, abandoned workings, minerals, oil, gas, fertilizer, or fossils upon the land? Yes No If yes, explain: _____

IX. OTHER INFORMATION:

A. Is applicant aware of any impediment to the withdrawal, transportation, or use of the groundwater as described in this application, which exists by reason of the Act or any other law which may affect the legality of the sale applied for herein? Yes No If yes, explain: _____

B. Additional information that may assist us in processing this request:

This is an existing well but has never been used by Cyprus Bagdad, However there are plans to put it into use within the next couple of years. That's why the increase in the amount applied for.

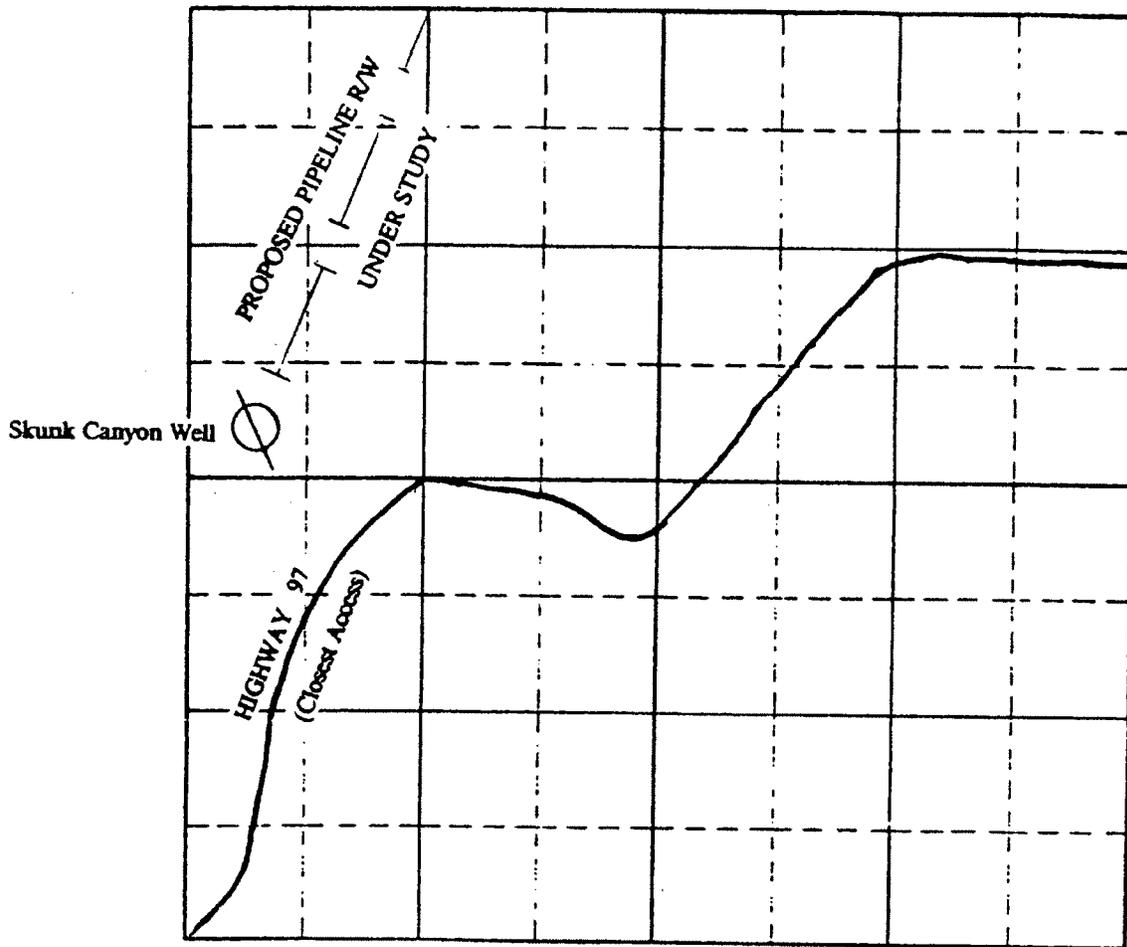
NOTICE:

If this application is approved and an auction is held, any resulting access route will be subject to the law of the State of Arizona, the rules of the State Land Department, the provisions and conditions contained in the Water Agreement, and the provisions and conditions contained in the appropriate surface lease, easement or permit which buyer must acquire from the Arizona State Land Department. The signature of the applicant acknowledges and recognizes that neither the making of this application nor the acceptance by the Arizona State Land Department of this application nor the filing fee submitted herewith in any way gives to or vests in the applicant any right or entitlement to any water or use of State Trust land for which this application is made, nor does this application grant any surface lease, easement, permit for withdrawal or transportation of water, the purchase of water, or suggest an access route over any private, federal, Indian, or other lands.

X. APPLICANT:

Attach a hydrology report which shows that the amount of water applied for is available.

XI. APPLICANT, COMPLETE AND SIGN PAGE 5.



INDICATE TYPE OF WELL ON ABOVE MAP:

- | | | | |
|-----------------------|-----------------------|-----------------------|-----------------|
| Windmill
 | Elec. centrifugal
 | Abandon-open case
 | Exploration
 |
| Elec. submersible
 | Liquid fuel
 | Abandon-capped
 | Artisan
 |
| Elec. turbine
 | Natural gas
 | Plugged
 | |

Cyprus Bagdad Copper Corporation

Post Office Box 245
Bagdad, Arizona 86321
Telephone (602) 633-2241

August 27, 1996

Arizona State Land Department
1616 West Adams
Phoenix, Arizona 85007

Attn: Jan Laney

RE: WATER AGREEMENTS 21-93375, 12-93376, 21-93377, 21-93378 & 21-93379

Dear Ms. Laney

Enclosed is the "Application to Auction Water from State Lands" for the above five (5) existing leases held by Cyprus Bagdad Copper Corporation. Also attach is a check for \$500.00 to cover the filing fees.

These water wells owned operated by CBCC for the past three and half decades is our supplemental water supply for the town of Bagdad Arizona.

The only exception is the Skunk Canyon Well #21-93375 which has never been tied into our townsite water system however we do have plans to hook it up sometime within the next couple of years.

I will be the CBCC contact person for this project so if you need more information please give me a call at (520) 633-3394.

Sincerely,

O. T. Owens

O. T. Owens
Land Management Engineer

CYPRUS

PDC000112

