

INSTRUCTIONS

1. No single application for the auction of water from State lands shall include well sites located in more than one section of land.
2. This application will not be considered unless it is fully completed and all supplemental forms and information, including the hydrology report referred to in question 15, are completed and attached.
3. Attach additional pages, if necessary.
4. Filing fee of \$50.00 must be paid at the time this application is submitted.

ARIZONA STATE LAND DEPARTMENT

1624 West Adams

Phoenix, Arizona 85007

APPLICATION FOR THE COMMISSIONER TO AUCTION WATER FROM STATE LANDS



APPLICANT INFORMATION

I/we CYPRUS Mines Corporation (name)

of Post Office Box 245, Bagdad, Arizona 86321 (address)

do hereby make application for the auction of water under the lands hereinafter described, in accordance with the provisions of the law of the State of Arizona, the rules and regulations of the State Land Department, the provisions of the surface lease, easement or permit, and provisions of the Water Agreement.

Subdivision	Section	Township	Range	Acres	County
SE4SE4SE4	11	15N	9W	10	Yavapai 081

1. State whether individual, partnership or corporation. corporation
2. If individual, state: Age n/a Sex _____ Marital Status _____
3. If corporation, give State in which incorporated. Delaware
Is the corporation authorized to do business in Arizona? yes
4. If a partnership, state the names and addresses of each partner.
n/a
5. Would the rights under a Water Agreement be held in trust for anyone other than the applicant? no If yes, please attach a certified recorded copy of the trust agreement showing the name, address, age, citizenship and marital status of each beneficiary, principal or ward.

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

Dated this 15th day of March, A.D., 1986

Cyprus Mines Corporation
Applicant

By [Signature]
C.W. Reno, VP and General Manager

THE FOLLOWING IS NOT TO BE FILLED IN BY APPLICANT:

Fees Received: _____ Receipt No. _____ Recorded by: _____
 Date of Contract _____ Approved or denied by [Signature] Date: JUN 18 1986
 Cause of Denial _____



BRUCE BABBITT
GOVERNOR

Arizona
State Land Department

1624 WEST ADAMS
PHOENIX, ARIZONA 85007



OFFICE OF
STATE LAND COMMISSIONER

NOTICE OF APPRAISAL

June 27, 1986

In the matter of Application to Purchase Water No. 21-93378, submitted by Cyprus Mines Corporation, on March 17, 1986, for 10.00 acres, more or less in Section 11, Township 15N, Range 9W, Yavapai County, Arizona.

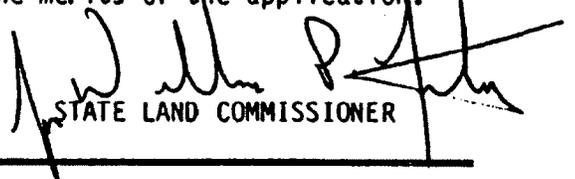
You are hereby noticed that the Commissioner appraises the Water at \$35.00 per acre feet for a total appraised value of \$35.00 per acre feet. Guaranteed annual minimum of 203.24 acre feet, annual minimum royalty \$7,113.40.

Total appraised value of the improvements is \$ N/A. Improvements on the land consist of: Electric submersible pump. Power transmission facilities.

Special Conditions: (see attachment).

This appraisal is not a final determination of the merits of the application.

STATE
LAND
DEPARTMENT
SEAL


STATE LAND COMMISSIONER

Appeal of this appraisal may be made in writing, stating the specific grounds, to the State Land Commissioner, attention: Sales Administrator, Contracts & Records Division, within 30 days from the date of this appraisal. Applicant may waive his appeal by signing and returning one copy of the following waiver, and by so doing expedites the processing of the application.

I waive my right to appeal the appraisal of the Mineral Materials in the subject application to purchase.

Date: _____

Applicant

SPECIAL WATER CONDITIONS

- a. A minimum charge for groundwater used in the conduct of lessee's business will be assessed each year. This charge will be subject to annual reappraisal.
- b. Lessee agrees to pay the Department for all water withdrawn over the minimum amount.
- c. Monthly reports of water must be submitted to the Department on standard forms supplied by the Department.
- d. Lessee is required to measure withdrawals if groundwater is pumped from a non-exempt well. However, if well has been granted a Type 2 Grandfathered Right or a groundwater withdrawal permit for ten acre feet or less, there is no requirement to measure withdrawals.
- e. The Arizona Department of Water Resources requires an annual report of groundwater pumped from non-exempt wells within Active Management Areas and Irrigation Non-Expansion Areas. The annual report and any withdrawal fee should be submitted to the Land Department in a timely manner, as set by the Department.
- f. If groundwater is pumped off State land or is used for purpose(s) different from the lease, then lessee must immediately notify the Department to hold a public auction sale for the water.
- g. Department personnel will have access to well(s) during reasonable hours.

101053

INSTRUCTIONS

1. No single application for the auction of water from State lands shall include well sites located in more than one section of land.
2. This application will not be considered unless it is fully completed and all supplemental forms and information, including the hydrology report referred to in question 15, are completed and attached.
3. Attach additional pages, if necessary.
4. Filing fee of \$50.00 must be paid at the time this application is submitted.

ARIZONA STATE LAND DEPARTMENT

1624 West Adams

Phoenix, Arizona 85007

APPLICATION FOR THE COMMISSIONER TO AUCTION WATER FROM STATE LANDS

APPLICANT INFORMATION

I/we Cyprus Mines Corporation
(name)

of Post Office Box 245, Bagdad, Arizona 86321
(address)

do hereby make application for the auction of water under the lands hereinafter described, in accordance with the provisions of the law of the State of Arizona, the rules and regulations of the State Land Department, the provisions of the surface lease, easement or permit, and provisions of the Water Agreement.

Subdivision	Section	Township	Range	Acreage	County
SE¼SE¼SE¼	11	15N	9W	10	Yavapai

1. State whether individual, partnership or corporation. corporation

2. If individual, state: Age n/a Sex _____ Marital Status _____

3. If corporation, give State in which incorporated. Delaware
Is the corporation authorized to do business in Arizona? yes

4. If a partnership, state the names and addresses of each partner.
n/a

5. Would the rights under a Water Agreement be held in trust for anyone other than the applicant? no If yes, please attach a certified recorded copy of the trust agreement showing the name, address, age, citizenship and marital status of each beneficiary, principal or ward.

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

Dated this 15th day of March, A.D., 1986.

Cyprus Mines Corporation
Applicant

By [Signature]
C.W. Reno, VP and General Manager

THE FOLLOWING IS NOT TO BE FILLED IN BY APPLICANT:
Fees Received: _____ Receipt No. _____ Recorded by: _____
Date of Contract _____ Approved or denied by _____
Cause of Denial _____ Date: _____

LAND AND HYDROLOGIC INFORMAT

6. By this application, applicant applies for 66,225,600 gallons ~~per~~ ~~year~~ ~~of~~ ~~groundwater~~ ~~per~~ ~~year~~ for the ten year period beginning June 7, 1986, and ending June 6, 1986, which if successful bidder at auction, the applicant proposes to use for domestic, municipal and industrial purposes (purpose).

7. (a) The water will be removed by the use of the presently existing wells which are located on the State lands as follows:

Location	Sec.	Twp.	Rge.	Depth	Pump H.P.	Capacity
<u>SE 1/4 SE 1/4 SE 1/4</u>	<u>11</u>	<u>15N</u>	<u>9W</u>	<u>496'</u>	<u>90</u>	<u>126</u> g.p.m.
<u>1/4 1/4 1/4</u>	<u> </u> g.p.m.					
<u>1/4 1/4 1/4</u>	<u> </u> g.p.m.					

(b) Are the wells described in subsection (a) located on lands within an Active Management Area or an area designated as Irrigation Non-expansion (hereafter respectively "AMA" and "INA") as defined in the 1980 Groundwater Management Act (hereafter "Act")?

No

If so, indicate which AMA or INA: n/a

If applicable, is there a grandfathered water right associated with the groundwater sought to be purchased by reason of this application?
n/a

If so, what is the type and anticipated amount of grandfathered water rights?

8. (a) If applicable, the sale of the water will require the following described new wells: n/a

Location	Sec.	Twp.	Rge.	Depth	Pump H.P.	Capacity
<u>1/4 1/4 1/4</u>	<u> </u> g.p.m.					
<u>1/4 1/4 1/4</u>	<u> </u> g.p.m.					
<u>1/4 1/4 1/4</u>	<u> </u> g.p.m.					

(b) Will the wells described in Subsection (a) be located on lands within an AMA or INA? no

If so, indicate which AMA or INA: n/a

Will the drilling of any such wells and withdrawal of groundwater therefrom require the issuance of a groundwater withdrawal permit under the Act? no

Will any of the wells described in Subsection (a) be drilled and used as a replacement for any other well? no. If so, which is the replacement well: . Describe the well to be replaced and explain the need for its replacement:

9. The State lands from which the water is proposed to be withdrawn, and across which the water is to be transported, is subject to Lease Number 03-877, issued to Cyprus Bagdad Copper Company

10. There are no known mineral claims, abandoned workings, minerals, oil, gas, fertilizer or fossils upon the land deferred to in questions 7, 8, 9 and 13 except: None

11. The presently existing improvements which are anticipated to be necessary for the withdrawal and transportation of the water, the public auction of which is sought hereby, include:

water well, 14" casing

approx. 20' x 20' fence

and are owned by Cyprus Mines Corporation

12. The following described new improvements will be required in addition to the wells:

13. (a) The water will be used upon the following described lands:

Sub.	Section	Twp.	Rge.	County
<u>S$\frac{1}{2}$</u>	<u>2</u>	<u>14N</u>	<u>9W</u>	<u>Yavapai</u>
<u>S$\frac{1}{2}$ xxx</u>	<u>3</u>	<u>14N</u>	<u>9W</u>	<u>Yavapai</u>
<u>N$\frac{1}{2}$ xxx</u>	<u>10</u>	<u>14N</u>	<u>9W</u>	<u>Yavapai</u>
<u>NW $\frac{1}{4}$ xxx</u>	<u>11</u>	<u>14N</u>	<u>9W</u>	<u>Yavapai</u>

- (b) In transporting the water from the place of withdrawal to the place of use described in subsection (a) of this question, will the water be transported across basin or subbasin boundaries? No

If yes, explain:

- (c) Are the lands described in subsection (a) located within an AMA or INA? No. If so, indicate which AMA or INA: _____

If applicable, is there a grandfathered water right associated with the land upon which the water is proposed to be used? n/a.

If yes, what is the anticipated type and amount of the grandfathered water right? _____

Are the lands described in Subsection (a) located within the service area of, or served by, any public or private water company or utility? No. If yes, explain: _____

Do the lands described in Subsection (a) qualify for water to be made available by reason of the Central Arizona Project? No. If yes, explain the type of qualification, by whom the water will be delivered and the amount of the present allocation of Central Arizona Project water to the person or entity to deliver the water:

14. Is applicant aware of any impediment to the withdrawal, transportation, or use of the groundwater as described in this application existing by reason of the Act or any other law which may affect the legality of the sale applied for herein? NO

If yes, explain:

15. Attach a hydrology report which shows that the amount of water sought to be purchased is available.
16. Using the plat on the following page, identify the locations of whichever of the following are applicable:
- (a) Presently existing wells;
 - (b) Proposed new wells;
 - (c) Presently existing improvements other than wells;
 - (d) Proposed new improvements other than wells;
 - (e) Access routes, including description and dimensions;
 - (f) Basin or subbasin boundaries;
 - (g) Land upon which water is proposed to be used; and
 - (h) Land ownership,

If this application is approved and an auction is held, any resulting access route will be subject to the laws of the State of Arizona, the Rules and Regulations of the 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. Neither the making of this application, acceptance by the Arizona State Land Department of this application or filing fee, a water agreement nor subsequent issuance if any surface lease, easement or permit for withdrawal or transportation of the water purchases should be considered as an approval or suggestion of any kind whatsoever of an access route over any private, federal, Indian or other lands.

ACKNOWLEDGMENT

By the signature below, the applicant acknowledges and recognizes that neither the making of this application nor the acceptance by the Arizona State Land Department of this application or 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 land for which this application is made.

VERIFICATION

By signing this application, I/We hereby certify to the Department under penalty of perjury that the statements made and information contained in this application, and in all supplemental information attached hereto, are full, true, correct and complete to the best of my/our knowledge and (if applicable) further certify that I/We am/are legally authorized to make this application for and on behalf of the persons described herein.

DATED March 15, 1986

BY 
C.W. Reno Signature(s)

If applicant is other than individual, indicate:

VP and General Manager
(Title of person signing)