

S-Form 2-1958

**METALLIC AND NON METALLIC
ROCKS AND MINERALS
MINING LEASE**

THIS INDENTURE OF LEASE, entered into in triplicate this 2nd day of November, A.D. 1966, by and between the STATE OF WYOMING acting by and through its Board of Land Commissioners, party of the first part, hereinafter called the lessor, and CHRISTIAN F. MURER & GILBERT E. FOWLER

party of the second part, hereinafter called the lessee.

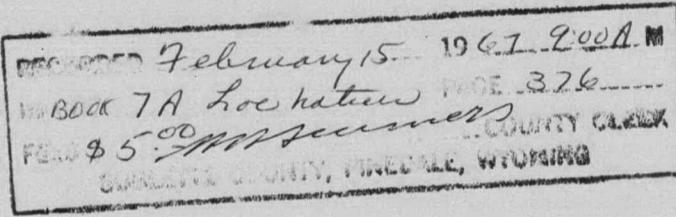
SECTION 1—PURPOSES:

The lessor, in consideration of the rents and royalties to be paid and the covenants and agreements hereinafter contained and to be performed by the lessee, does hereby grant and lease to the lessee the exclusive right and privilege to prospect, mine, extract and remove from any lode, lead, vein or ledge, or any deposit, either lode or placer, and dispose of all metallic and non metallic rocks and minerals, with the exception of coal, oil shale, bentonite, oil and gas, sand and gravel, or rock crushed for aggregate, in or under the following described land, to-wit:

640.00 All Sec. 16-33-107
520.00 W $\frac{1}{2}$:NE $\frac{1}{4}$:
NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 36-33-107

1160.00 Acres

97964



consisting of 1160.00 acres more or less, together with the right to construct and maintain thereon all works, buildings, plants, waterways, roads, communication lines, power lines, tipples, hoists, or other structures and appurtenances necessary to the full enjoyment thereof, subject, however, to the conditions hereinafter set forth:

SECTION 2—TERM OF LEASE:

This lease, unless terminated at an earlier date as hereinafter provided, shall remain in full force and effect for a term of ten (10) years from and after the date hereof (expiring at midnight on the 1st day of November, A.D. 1976).

SECTION 3.

In consideration of the foregoing the LESSEE COVENANTS AND AGREES:

(a) **BOND.** To furnish bond with an approved corporate surety company authorized to transact business in the State of Wyoming, or such other surety as may be acceptable to the lessor, in the penal sum of **NONE**.
Dollars **61** conditioned upon the payment of all moneys, rentals, and royalties accruing to the lessor under the terms and conditions hereof, and upon full compliance of all other terms and conditions of this lease and the Rules and Regulations relating thereto, and also conditioned upon payment of all damages to the improvements on the leased lands and damages to the surface where the lease covers lands the surface of which has been sold or otherwise leased. Such bond or bonds furnished while operations thereon are of a prospective nature may be increased in such reasonable amount as the lessor may decide upon the commencement of actual mining operations or during the conduct thereof. **61** Corporate Surety Bond to be furnished when actual mining operations commence.

(b) **PAYMENTS.** To make all payments as due or accruing hereunder to the Commissioner of Public Lands, Capitol Building, Cheyenne, Wyoming.

(c) **RENTALS.** Prior to the discovery of commercial quantities of the said mineral or minerals in the lands herein leased, to pay to the lessor in advance, beginning with the effective date hereof, an annual rental of twenty-five cents per acre, or fraction thereof; provided, however, that if the said lands are not on a commercial mining basis and so operated at the end of two years from the date hereof, such annual rental may be increased, at the option of the lessor, to such an amount as the lessor may decide to be fair and equitable.

After the discovery of commercial quantities of said mineral or minerals in the lands herein leased, to pay to the lessor in advance, beginning with the first day of the lease year succeeding the lease year in which commercial discovery was made, an annual rental of

One Dollar (\$1.00) per acre or fraction thereof **ELEVEN HUNDRED SIXTY AND NO/100 DOLLARS (\$1160.00)**.
unless changed by agreement, such rental so paid for any one year to be credited on the royalty for that year. Lessor shall have no obligation hereunder to give lessee advance notice of any rental payment.

(d) **ROYALTY.** Lessee shall pay to lessor:

1. A royalty of five per cent of the gross value of uranium bearing ore mined and removed from the said lands.
"Gross value" for the purposes of the royalty on uranium bearing ore, shall mean the gross value of the uranium content of ore mined and removed from the lands, after deduction of penalties for other mineral content thereof made by the buyer of the ore (or if the lessee does not sell the ore but processes the same, the amount of penalties customarily made by lessee with respect to ore of similar content); and gross value shall also include all premiums and bonuses paid for such ore by reason of the mineral content thereof (or content); and gross value shall be the amount applicable according to any such circular in effect at the time the ore is removed from the leased lands; and if such Commission's rates for ore shall cease to be in effect, gross value of uranium ore removed from the leased lands thereafter shall be the fair market value of ore of like grade and quality for uranium contained therein prevailing in the area of the leased lands at the time of removal. Determination of uranium content for purposes of determining the gross value on which royalty shall be paid shall be made on a calendar monthly basis using a weighted arithmetic average of uranium content on all lots of ore mined and removed from the leased lands during said calendar month. The mineral content of all ore mined and removed from the leased premises shall be determined by lessee in accordance with standard sampling and analysis procedures. Lessor, upon request to lessee, and at lessor's expense shall have the right to have a representative present at the time samples are taken and, at lessor's request, shall be furnished a portion of all or any samples taken without cost to lessor.

2. A royalty of One Dollar (\$1.00) per wet ton (2,000 pounds) on all merchantable sulphur mined, removed and recovered from the leased lands. If the lessor elects to take its royalty in kind, the royalty shall be five per cent (5%) of the merchantable sulphur mined, such sulphur to be good merchantable mine-run sulphur at the mine.

3. A royalty of five per cent (5%) of the quantity or gross value at the mine of all merchantable sodium, calcium carbonate, shortite, potassium, trona and associated mineral salts, mined, removed and recovered from the leased lands; provided, however, that the royalty so paid to lessor shall not be less than twenty-five cents (25c) per ton of 2000 pounds.

4. A royalty of five per cent (5%) of the quantity or gross value at the mine of all merchantable phosphate mined, removed and recovered from the leased lands.