

SOUTHWESTERN LABORATORIES
 FORT WORTH DALLAS HOUSTON MIDLAND BEAUMONT TEXARKANA
 CONSULTING, ANALYTICAL CHEMISTS
 AND TESTING ENGINEERS

Midland, Texas 2-25-69 File No. C-1902-R1

Report of tests on Water

To Mr. Ed L. Reed

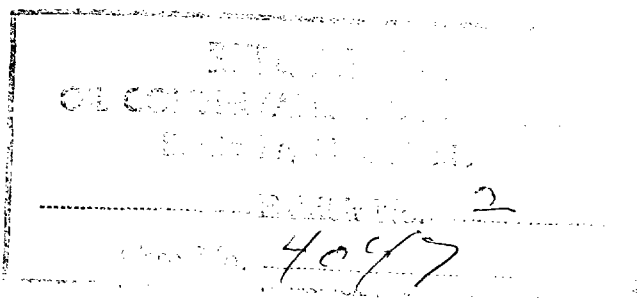
Date Rec'd. 2-18-69

Received from Mr. Ed L. Reed

Identification Marks As Shown

Lab. No.	Sample Description	Mg/L Chloride	Mg/L Sulfate
C-5151	No. 1-A, Soil sample, N end of Tonto (1:1 extract) -----	48931	37698
C-5152	No. 2, Spring, SW Gatuna, S of Highway -----	163105	24594
C-5153	No. 3, South side of Gatuna -----	66660	29728
C-5154	No. 4, Gatuna, in draw N of Highway -----	72333	24273
C-5155	No. 5, Gatuna, NW end at oil well, NW of well in Ravine -----	27657	37979
C-5156	No. 6, Gatuna, NW end, NE of oil well, ravine flowing South -----	10992	13771
C-5157	No. 7, Spring No. 4, Plata -----	7978	12643
C-5158	No. 1, Salt crystals, Tonto (Moist): Chloride (Cl) 4.20% by weight Sulfate (SO ₄) 29.23% by weight		
-----	No. 1-A --- No Sulfide or Sulfite detected.		

Copies: 3cc Mr. Ed L. Reed

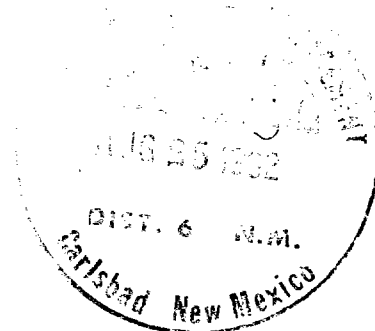
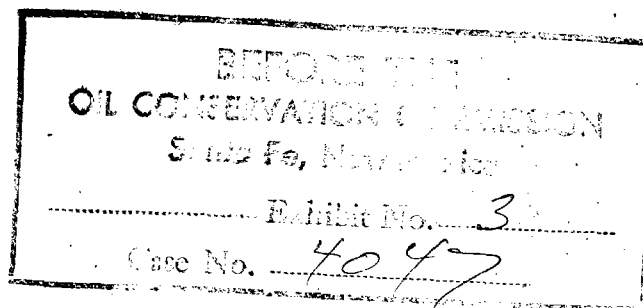


SOUTHWESTERN LABORATORIES

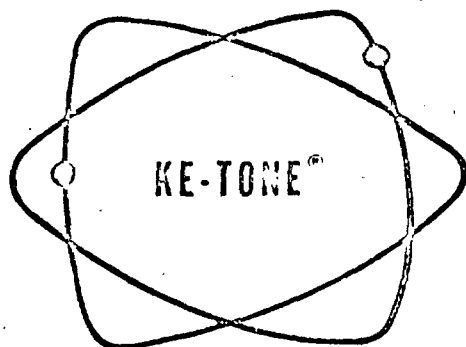
Lab. No. ----

Jack H. Barton

Our letters and reports are for the exclusive use of the clients to whom they are addressed. The use of our names must receive our prior written approval. Our letters and reports apply only to the samples tested and are not necessarily indicative of the qualities of identical or similar products.



TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION

OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company Minerals, Incorporated

Field _____

Lease Salt Lake

Sampling Date 9/19/68

Type of Sample _____

WATER ANALYSIS

See 7, 18 20-33

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	9.98	200
Magnesium (Mg++)	1667.17	20,272
Sodium (Na+) (cal.)	5395.75	124,048
Bicarbonate (HCO ₃ -)	14.80	902
Carbonate (CO ₃ -)	NOT	FOUND
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	2602.50	125,000
Chloride (Cl-)	4455.60	158,000
7.7 ph c @ 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	1677.15	83,858
Carbonate Hardness as CaCO ₃ (temporary)	14.80	740
Non-Carbonate Hardness as CaCO ₃ (permanent)	1662.35	83,118
Alkalinity as CaCO ₃	14.80	740
Specific Gravity c 68° F	1.250+	

* mg/l = milligrams per Liter

* me/l = milliequivalents per Liter

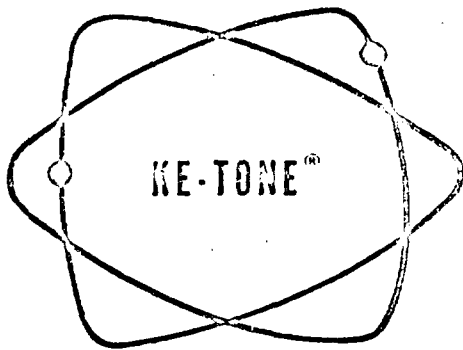
EXHIBIT NO. 8B

SALT LAKE POOL
Lea County, New Mexico

SURFACE LAKE
WATER ANALYSIS

Melba W.

TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION

OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company Minerals, Incorporated

Field Salt Lake Field

Lease Salt Springs Sampling Date 10/24/68

Type of Sample _____

WATER ANALYSIS

SUN NE 19-20-33

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	27.59	553
Magnesium (Mg++)	586.62	7133
Sodium (Na+) (cal.)	2389.29	54,930
Bicarbonate (HCO ₃ -)	4.80	292
Carbonate (CO ₃ -)	7.60	228
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	1532.14	73,590
Chloride (Cl-)	1458.96	51,736
8.4 ph c @ 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	614.21	30,711
Carbonate Hardness as CaCO ₃ (temporary)	12.40	620
Non-Carbonate Hardness as CaCO ₃ (permanent)	601.81	30,091
Alkalinity as CaCO ₃	12.40	620
Specific Gravity c 68° F	1.115	

* mg/l = milligrams per Liter

* me/l = milliequivalents per Liter

EXHIBIT NO. 8C

SALT LAKE POOL
Lea County, New Mexico

SALT SPRINGS
Water Analysis

Makes We

TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION
OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

34

Company Minerals, Incorporated
Field Salt Lake Field
Lease Bingham Well Sampling Date 10/24/68
Type of Sample NW 1/4 Sec 21 - T20.33

WATER ANALYSIS

Water well 321

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	19.86	398 ✓
Magnesium (Mg++)	17.19	209 ✓
Sodium (Na+) (cal.)	84.21	1936 ✓
Bicarbonate (HCO ₃ -)	3.21	196 ✓
Carbonate (CO ₃ -)	NOT	FOUND
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	18.84	905 ✓
Chloride (Cl-)	99.21	3518 ✓
7.5ph c @ 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	37.05	1853 ✓
Carbonate Hardness as CaCO ₃ (temporary)	3.21	161 ✓
Non-Carbonate Hardness as CaCO ₃ (permanent)	33.84	1692 ✓
Alkalinity as CaCO ₃	3.21	161 ✓
Specific Gravity @ 68° F	1.005	

* mg/l = milligrams per Liter

* me/l = milliequivalents per Liter

EXHIBIT NO. 3D

SALT LAKE POOL
Lea County, New Mexico

BINGHAM WELL
WATER ANALYSIS

Mohr 21

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UNITED CHEMICAL CORPORATION

OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company Minerals, Incorporated

Field Salt Lake Field

Lease Well #3 Wells Sampling Date 10/24/68

Type of Sample Water Well #24

WATER ANALYSIS / NO SE 4-20-32

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	21.61	433
Magnesium (Mg++)	122.37	1488
Sodium (Na+) (cal.)	561.94	<u>12,919</u>
Bicarbonate (HCO ₃ -)	4.60	286
Carbonate (CO ₃ -)	0.80	24
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	334.54	<u>16,068</u>
Chloride (Cl-)	365.98	<u>12,978</u>
8.3 ph c @ 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as CaCO ₃	143.98	7199
Carbonate Hardness as CaCO ₃ (temporary)	5.40	270
Non-Carbonate Hardness as CaCO ₃ (permanent)	138.58	6929
Alkalinity as CaCO ₃	5.40	270
Specific Gravity c 68° F	1.030	

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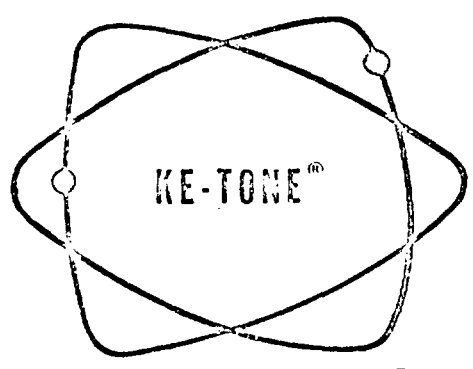
EXHIBIT NO. 8E

SALT LAKE POOL
Lea County, New Mexico

THREE WELLS
WATER ANALYSIS

Michael Wells

TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION
OF NEW MEXICO
601 NORTH LEECH P. O. BOX 1499
HOBBS, NEW MEXICO 88240

Company Minerals, Incorporated
Field Salt Lake
Lease Bass #1 Water Well Sampling Date 11/4/68
Type of Sample 18-205-33E

WATER ANALYSIS Water Well #26

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	59.33	1189
Magnesium (Mg++)	105.68	1285
Sodium (Na+) (calculated)	508.85	11,698
Iron		212
Bicarbonate (HCO ₃ -)	0.20	12
Carbonate (CO ₃ -)		Not Found
Hydroxide (OH-)		Not Found
Sulphate (SO ₄ -)	81.09	3895
Chloride (Cl-)	592.57	21,013 ✓
5.9 ph c 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	165.01	8251
Carbonate Hardness as CaCO ₃ (temporary)	0.20	10
Non-Carbonate Hardness as CaCO ₃ (permanent)	164.81	8241
Alkalinity as CaCO ₃	0.20	10
Specific Gravity c 68° F 1.025		

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* me/l = milliequivalents per Liter

EXHIBIT NO. 8 F

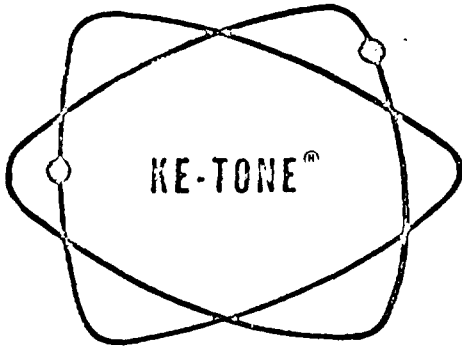
Calcium Carbonate Scaling Index - Negative at 86°F
Calcium Sulfate Scaling Index - Negative

SALT LAKE POOL
Lea County, New Mexico

BASS WATER WELLS
WATER ANALYSIS

Mahoe Water Wells

TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION

OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company Minerals, Incorporated

Field _____

Lease Bass #1

Sampling Date 9/19/68

Type of Sample Wellhead

WATER ANALYSIS

C 18-20-33

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	43.91	880
Magnesium (Mg++)	32.24	392
Sodium (Na+) (cal.)	180.70	4154
Bicarbonate (HCO ₃ -)	16.60	1012
Carbonate (CO ₃ -)	NOT	FOUND
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	54.13	2600
Chloride (Cl-)	186.12	6600
6.9 pH @ 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	76.15	3808
Carbonate Hardness as CaCO ₃ (temporary)	16.60	830
Non-Carbonate Hardness as CaCO ₃ (permanent)	59.55	2978
Alkalinity as CaCO ₃	16.60	830
Specific Gravity @ 68° F	1.010	

* mg/l = milligrams per Liter

* me/l = milliequivalents per Liter

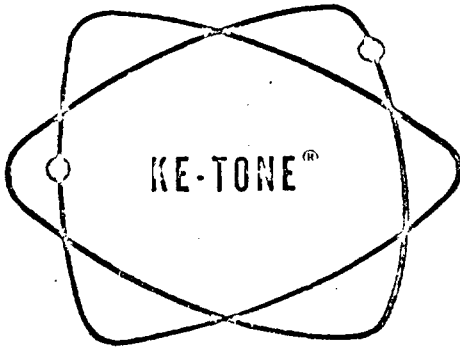
EXHIBIT NO. 7A

SALT LAKE POOL
Lea County, New Mexico

OIL WELL
WATER ANALYSIS

Makes We

TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION

OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company Minerals, Incorporated
Field Salt Lake Field
Lease Bass #3 Sampling Date 10/24/68
Type of Sample _____

*Plutonium
11/10/68*

WATER ANALYSIS

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	65.77	1318
Magnesium (Mg++)	53.13	646
Sodium (Na+) (cal.)	728.10	16,739
Bicarbonate (HCO ₃)	19.57	1194
Carbonate (CO ₃ -)	NOT	FOUND
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	115.80	5562
Chloride (Cl-)	711.63	25,235
6.7 ph c @ 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	118.90	5945
Carbonate Hardness as CaCO ₃ (temporary)	19.57	979
Non-Carbonate Hardness as CaCO ₃ (permanent)	99.33	4967
Alkalinity as CaCO ₃	19.57	979
Specific Gravity c 68° F	1.030	

- * mg/l = milligrams per Liter
- * me/l = milliequivalents per Liter

EXHIBIT NO. 7C

SALT LAKE POOL
Lea County, New Mexico

OIL WELL
WATER ANALYSIS

Mabae 54

TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION
OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company Minerals, Incorporated

Field _____

Lease Bass #2

Sampling Date 9/19/68

Type of Sample Wellhead

*Fractured
Water*

WATER ANALYSIS

F 18-20.33

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	51.90	1040
Magnesium (Mg++)	32.24	392
Sodium (Na+) (cal.)	177.10	4072
Bicarbonate (HCO ₃ -)	13.40	817
Carbonate (CO ₃ -)	NOT	FOUND
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	64.54	3100
Chloride (Cl-)	183.30	6500
6.9 ph c @ 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	84.14	4207
Carbonate Hardness as CaCO ₃ (temporary)	13.40	670
Non-Carbonate Hardness as CaCO ₃ (permanent)	70.74	3537
Alkalinity as CaCO ₃	13.40	670
Specific Gravity c 68° F	1.010	

* mg/l = milligrams per Liter

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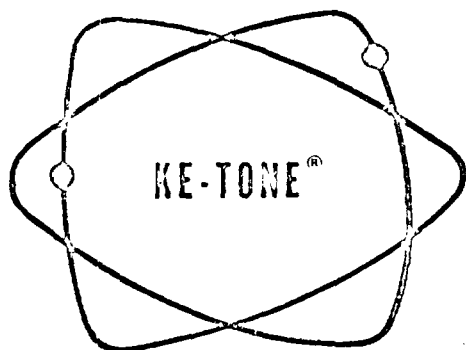
EXHIBIT NO. 7B

SALT LAKE POOL
Lea County, New Mexico

OIL WELL
WATER ANALYSIS

Minerals, Inc.

TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION
OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company R. F. Montgomery, et al

Field _____

Lease Brooks T-7-3

Sampling Date 9/19/68

Type of Sample Wellhead

WATER ANALYSIS

Unit 0 7-20-33

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	45.91	920
Magnesium (Mg++)	32.24	392
Sodium (Na+) (cal.)	184.81	4249
Bicarbonate (HCO ₃)	7.40	451
Carbonate (CO ₃ -)	NOT	FOUND
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	66.62	3200
Chloride (Cl-)	188.94	6700
7.8ph c @ 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	78.15	3908
Carbonate Hardness as CaCO ₃ (temporary)	7.40	370
Non-Carbonate Hardness as CaCO ₃ (permanent)	70.75	3538
Alkalinity as CaCO ₃	7.40	370
Specific Gravity c 68° F	1.010	

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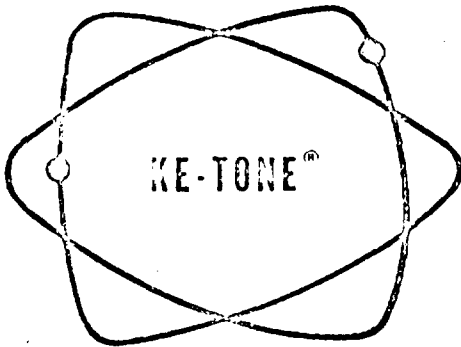
EXHIBIT NO. 7D

SALT LAKE POOL
Lea County, New Mexico

OIL WELL
WATER ANALYSIS

Montgomery, et al

TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION

OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company R. F. Montgomery, et al

Field _____

Lease Brooks T-7-6

Sampling Date 9/19/68

Type of Sample Wellhead

WATER ANALYSIS Unit N 7-20-33

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	34.93	700
Magnesium (Mg++)	27.63	336
Sodium (Na+) (cal.)	163.29	3754
Bicarbonate (HCO ₃ -)	26.59	1622
Carbonate (CO ₃ -)	NOT	FOUND
Hydroxide (OH-)	NOT	FOUND
Sulphate (SO ₄ -)	38.52	1850
Chloride (Cl-)	160.74	5700
6.7 pH @ 68 °F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	62.56	3128
Carbonate Hardness as CaCO ₃ (temporary)	26.56	1330
Non-Carbonate Hardness as CaCO ₃ (permanent)	36.00	1800
Alkalinity as CaCO ₃	26.56	1330
Specific Gravity @ 68° F	1.005	

* mg/l = milligrams per Liter

* me/l = milliequivalents per Liter

EXHIBIT NO. 7F

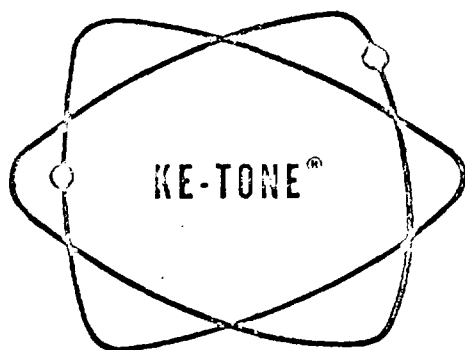
SALT LAKE POOL

Lea County, New Mexico

OIL WELL
WATER ANALYSIS

Makes We

TELEPHONE: HOBBS 393-6215



UNITED CHEMICAL CORPORATION
OF NEW MEXICO

601 NORTH LEECH

P. O. BOX 1499

HOBBS, NEW MEXICO 88240

Company R. F. Montgomery, et al

Field _____

Lease Brooks T-7-4

Sampling Date 9/19/68

Type of Sample Wellhead

WATER ANALYSIS

K - 7-20-33

IONIC FORM	me/l *	mg/l *
Calcium (Ca++)	36.93	740
Magnesium (Mg++)	27.63	336
Sodium (Na+) (cal.)	169.67	3901
Bicarbonate (HCO ₃ -)	21.00	1281
Carbonate (CO ₃ -)	NOT	FOUND
Hydroxide (OH -)	NOT	FOUND
Sulphate (SO ₄ -)	46.85	2250
Chloride (Cl -)	166.38	5900
6.6 ^{ph} c@ 68 F		
Dissolved Solids on Evap. at 103° - 105° C		
Hardness as Ca CO ₃	64.56	3228
Carbonate Hardness as CaCO ₃ (temporary)	21.00	1050
Non-Carbonate Hardness as CaCO ₃ (permanent)	43.56	2178
Alkalinity as CaCO ₃	21.00	1050
Specific Gravity c 68° F	1.005	

* mg/l = milligrams per Liter

* me/l = milliequivalents per Liter

EXHIBIT NO. 7E

SALT LAKE POOL
Lea County, New Mexico

OIL WELL
WATER ANALYSIS

Makes W

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Land Office Serial Number

POTASSIUM LEASE

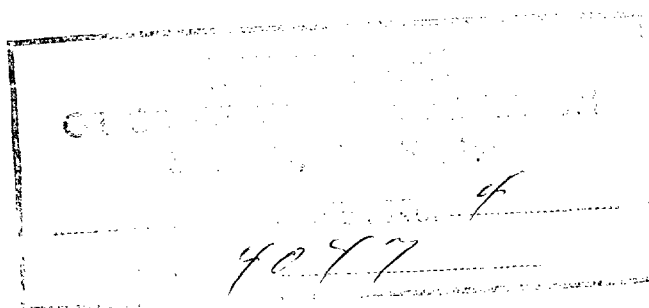
This lease, entered into on _____,
through the Bureau of Land Management, and

_____, by the United States of America, the lessor,

_____, the lessee,
pursuant and subject to the terms and provisions of the Act of February 7, 1927 (44 Stat. 1057; 30 U.S.C. 281 *et seq.*),
as amended, hereinafter referred to as the Act, and to all reasonable regulations of the Secretary of the Interior now or
hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part
hereof:

WITNESSETH:

Sec. 1. *Rights of lessee.* The lessor, in consideration of the rents and royalties to be paid and the conditions to be
observed as hereinafter set forth, does hereby grant and lease to the lessee the exclusive right and privilege to mine
and dispose of all the potassium and associated deposits; hereinafter referred to as leased deposits, in, upon, or under
the following-described tracts situated in the State of _____:



containing _____ acres, more or less, together with the right to construct and maintain thereon all works,
buildings, plants, structures, and appliances necessary to the mining, processing, and removal of the deposits for a
period of 20 years and so long thereafter as the lessee complies with the terms and conditions of this lease.

Sec. 2. In consideration of the foregoing, the lessee
hereby agrees:

(a) *Bond.* To maintain the bond furnished upon the
issuance of this lease, which bond is conditioned upon
compliance with all of the provisions of the lease, and
to increase the amount of or furnish such other bond
as may be required.

(b) *Royalty.* To pay to the lessor a royalty of _____
percent of the gross value of the output of the
leased deposits at the point of shipment to market
during the first 20 years succeeding the execution of
this lease. Royalties shall be paid monthly in cash or
delivered in kind at the option of the lessor. It is ex-
pressly agreed that the Secretary of the Interior may
establish reasonable minimum values for purposes of
computing royalty on any of the leased deposits, due
consideration being given to the highest price paid for a
part or a majority of the production of like quality
products from the same general area, the price received
by the lessee, the posted price, and other relevant
matters.

When paid in value such royalty on production shall
be due and payable monthly on the last day of the
calendar month following the calendar month in which
produced.

When royalty is to be taken in kind, the lessee will
be notified prior to March 1 that delivery of royalty

products will be required beginning June 1 of that year
for a stated period not exceeding 12 months. When paid
in kind royalty products shall be delivered in merchant-
able condition at the point of shipment without cost to
the lessor, unless otherwise agreed to by the parties
hereto, at such time and in such storage compartments
provided by the lessee as may reasonably be required
by the lessor, *provided that* the lessee shall not be
required to hold the royalty products in storage for more
than 60 days beyond the end of the month in which
produced, and, *provided further*, that the lessee shall
in no manner be responsible or held liable for the loss
or destruction of the royalty product in storage from
causes over which the lessee has no control.

(c) *Rental.* To pay the lessor annually, in advance,
for each acre or part thereof covered by this lease,
beginning with the date hereof, the following rentals:
25 cents per acre or fraction thereof for the first calendar
year or fraction thereof (heretofore paid); 50 cents per
acre for the second, third, fourth, and fifth calendar
years, respectively; and \$1 per acre for the sixth and
each and every calendar year thereafter during the con-
tinuance of the lease, such rental for any year to be
credited against the first royalties as they accrue under
the lease during the year for which the rental was paid.

(d) *Minimum production.* Beginning with the sixth
full calendar year of the lease, *except* when operations

are interrupted by strikes, the elements, or casualties not attributable to the lessee, or unless on application and showing made, operations shall be suspended when market conditions are such that the lessee cannot operate *except* at a loss, or suspended for the other reasons specified in Section 39 of the Act of February 25, 1920 (47 Stat. 798; 30 U.S.C. 209), as amended, to mine each year the leased deposits from any of the lands covered by this lease to a royalty value of \$1 per acre or fraction thereof, or in lieu of any mining to pay minimum royalty in an amount sufficient to make the royalty total \$1 per acre or fraction thereof.

(e) *Payments.* To make rental payments to the Manager of the appropriate Land Office, *except* that when this lease becomes productive the rentals and royalties shall be paid to the appropriate Regional Mining Supervisor of the United States Geological Survey, with whom all reports concerning operations under the lease shall be filed. All remittances to the Manager of the Land Office shall be made payable to the Bureau of Land Management; those to the Geological Survey shall be made payable to the United States Geological Survey.

(f) *Plats, reports, maps.* At such times and in such form as the lessor may prescribe, to furnish a plat showing development work and improvements on the leased lands and a report with respect to stockholders, investment, depreciation, and costs. To furnish in such form as the lessor may prescribe, within 30 days from the expiration of each quarter a report covering such quarter, certified by the superintendent of the mine, or by such other agent, having personal knowledge of the facts as may be designated by the lessee for such purpose, showing the amount of leased deposits mined during the quarter, the character and quality thereof, amount of its products and byproducts disposed of and price received therefor, and amount in storage or held for sale. To keep and prepare maps of the leased lands in accordance with the appropriate regulations.

(g) *Weights.* To determine accurately the weight or quantity and quality of all leased deposits mined, and to enter accurately the weight or quantity and quality thereof in due form in books to be kept and preserved by the lessee for such purposes.

(h) *Inspection.* To permit at all reasonable times (1) inspection by any duly authorized officer of the Department, of the leased premises and all surface and underground improvements, works, machinery, equipment, and all books and records pertaining to operations and surveys or investigations under this lease; and (2) the lessor to make copies of and extracts from any or all books and records pertaining to operations under this lease, if desired.

(i) *Assignment.* To file for approval in the appropriate Land Office within 90 days from the date of execution, any assignment or transfer made of this lease, whether by direct assignment, operating agreement, working or royalty interest, or otherwise. Such instrument will take effect the first day of the month following its approval by the Bureau of Land Management, or if the assignee requests, the first day of the month of approval. The showing required to be made with an assignment or transfer is set forth in the appropriate regulations.

(j) *Equal Opportunity Clause.* During the performance of this contract, the lessee agrees as follows: (1) The lessee will not discriminate against any employee or applicant for employment because of race, creed, color, 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, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading,

demotion, or transfer; recruitment of recruitment advertising; layoff or termination; rates of pay or other forms of 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 nondiscrimination clause.

(2) 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, creed, color, or national origin.

(3) 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 Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, 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.

(6) In the event of the lessee's noncompliance with any of such rules, regulations, or orders, this contract may be cancelled, 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, and such other sanctions may be imposed and remedies invoked as provided 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.

(7) The lessee will include the provisions of Paragraphs (1) through (7) 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.

(k) *Lands disposed of with potassium deposits reserved to the United States.* If the lands embraced herein have been or shall hereafter be disposed of under laws reserving to the United States the deposits of potassium therein to comply with all conditions as are or may hereafter be provided by the laws and regulations reserving such deposits.

(l) *Operations, wages, and freedom to purchase.* To comply with the appropriate operating regulations, provided in the operating regulations, having due regard

for the prevention of injury to life, health, or property, and of waste or damage to any water or mineral deposits; to pay all wages due miners and employees both above and below ground, at least twice each month in lawful money of the United States; to accord all miners and employees complete freedom of purchase; to restrict the workday to not exceed 8 hours in any one day for underground workers, *except* in cases of emergency; to employ no boy under the age of 16 and no girl or woman, without regard to age, in any mine below the surface, unless the laws of the State otherwise provide; in which case the State laws control.

(m) *Taxes.* To pay when due all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, output of mines, or other rights, property, or assets of the lessee.

(n) *Overriding royalties.* Not to create, by assignment or otherwise, an overriding royalty interest in excess of 1 percent of the gross value of the output at the point of shipment to market unless the owner of that interest files his agreement in writing that such interest is subject to reduction or suspension to a total of not less than 1 percent of such gross value, whenever, in the interest of conservation, it appears necessary to do so in order to (1) prevent premature abandonment, or (2) make possible the economic mining of marginal or low-grade deposits on the leased lands or any part thereof.

(o) *Delivery of premises in case of forfeiture.* In case of forfeiture of this lease to deliver up to the lessor in good order and condition the land leased, including all buildings and underground timbering, and such other supports and structures as are necessary for the preservation of the mine or deposits.

(p) *Extraction by solution.* Where the minerals are taken from the earth in solution, with the express consent of the lessor which must be first had and obtained, such extraction shall *not* be within 500 feet of the boundary line of the leased lands without the permission of, or unless directed by, the lessor.

Sec. 3. The lessor expressly reserves:

(a) *Rights reserved.* The right to permit for joint or several use such easements or rights-of-way, including easements in tunnels, upon, through, or in the land leased, occupied, or used as may be necessary or appropriate to the working of the same or other lands containing the deposits described in the Act, and the treatment and shipment of the products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) *Disposition of surface.* The right to lease, sell, or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the leased deposits therein, or to dispose of any resource in such lands which will not unreasonably interfere with the operations under this lease.

(c) *Monopoly and fair prices.* Full power and authority to promulgate and enforce all orders and regulations issued under the provisions of Sec. 30 of the Act, as amended, necessary to insure the sale of the production of said lands to the United States and to the public at reasonable prices, to prevent monopoly, and to safeguard the public welfare.

(d) *Readjustment of terms.* The right reasonably to readjust and fix royalties payable hereunder and other terms and conditions at the end of 20 years from the date hereof and thereafter at the end of each succeeding 20-year period during the continuance of this lease unless otherwise provided by law at the time of the expiration of any such period. Unless the lessee filed objections to the proposed terms or a relinquishment of

the lease within 30 days after receipt of the notice of proposed terms for a 20-year period, he will be deemed to have agreed to such terms.

(e) *Waiver of conditions.* The right to waive any breach of conditions herein, except the breach of such conditions as are required by the Act, as amended, but any such waiver shall extend only to the particular breach so waived and shall not limit the rights of the lessor with respect to any future breach; nor shall the waiver of a particular cause of forfeiture prevent cancellation of this lease for any other cause, or for the same cause occurring at another time.

Sec. 4. *Relinquishment of lease.* Upon a satisfactory showing that the public interest will not be impaired, the lessee may surrender the entire lease or any legal subdivision thereof. A relinquishment must be filed in *duplicate* in the appropriate Land Office. Upon its acceptance it shall be effective as of the date it is filed, subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties, and to provide for the preservation of any mines or productive works or permanent improvements on the leased lands in accordance with the regulations and terms of the lease.

Sec. 5. *Protection of the surface, natural resources, and improvements.* The lessee agrees to take such reasonable steps as may be needed to prevent operations from unnecessarily: (1) causing or contributing to soil erosion or damaging any forage and timber growth thereon; (2) polluting the waters of springs, streams, wells, or reservoirs; (3) damaging crops, including forage, timber, or improvements of a surface owner; or (4) damaging range improvements whether owned by the United States or by its grazing permittees or lessees; and upon any partial or total relinquishment or the cancellation or expiration of this lease, or at any other time prior thereto when required by the lessor and to the extent deemed necessary by the lessor, to fill any sump holes, ditches, and other excavations, remove or cover all debris, and, so far as reasonably possible, restore the surface of the leased land to its former condition, including the removal of structures as and if required. The lessor may prescribe the steps to be taken and restoration to be made, with respect to lands of the United States and improvements thereon.

Sec. 6. *Removal of equipment, etc., on termination of lease.* Upon termination of this lease, by surrender or forfeiture, the lessee shall have the privilege at any time within a period of 90 days thereafter of removing from the premises all machinery, equipment, tools, and materials, other than underground timbering placed by the lessee in or on the leased lands, which are not necessary for the preservation of the mine. Any materials, tools, appliances, machinery, structures, and equipment, subject to removal as above provided, which are allowed to remain on the leased lands shall become the property of the lessor on expiration of the 90-day period or such extension thereof as may be granted, but the lessee shall remove any or all of such property when so directed by the lessor.

Sec. 7. *Proceedings in case of default.* If the lessee shall not comply with any of the provisions of the Act, as amended, or the regulations thereunder or default in the performance or observance of any of the provisions of this lease and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lessor may institute appropriate proceedings in a court of competent jurisdiction for the forfeiture and cancellation of this lease as provided in Sec. 31 of the Mineral Leasing Act. If the lessee fails to take prompt and necessary steps to prevent loss or damage to the mine, property, or premises, or danger to the employees, the lessor may enter on the premises

and take such measures as may be deemed necessary to prevent such loss or damage or to correct the dangerous or unsafe condition of the mine or works thereof, which shall be at the expense of the lessee. However, the lessee shall not be held responsible for delays or casualties occasioned by causes beyond the lessee's control.

Sec. 8. *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.

Sec. 9. *Unlawful interest.* No Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified and during his continuance in office, and no officer, agent, or employee of the Department of the Interior, except as provided in the appropriate regulations, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Revised Statutes of the United States, as amended (41 U.S.C. Sec. 22), and Secs. 431, 432, and 433, Title 18 U.S.C., relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

THE UNITED STATES OF AMERICA

SIGNATURE OF LESSEE(S)

By

(Authorized Officer)

(Title)

(Date)

If this lease is executed by a corporation, it must bear the corporate seal

RECEIVED

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1932

U. S. Department of the Interior

Washington, D. C.

E. W. DOUGLASS

CLEO DOUGLASS

AUG 22 1932

A-28614

Decided

Sodium Leases and Permits: Permits

Sodium prospecting permit applications are properly rejected when the lands applied for are located within an area that has been determined, administratively, to be primarily valuable for potassium and the lands are also covered by potassium leases or applications.

RECEIVED
U. S. DEPARTMENT OF THE INTERIOR
CLEO DOUGLASS
Washington, D. C.
FILED No. 5
Case No. 4047