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MINERAL MANAGEMENT PROGRAM

The Minerals Section of the Arizona State Land Department (ASLD) is responsible for mining/mineral activities on State Trust land. Its primary obligation is to maximize revenues from processing and administering leases on State Trust lands for commodities including sand and gravel, cinders, all mineral, borrow, and decorative stone while considering the long term best interest of the Trust. Arizona's public schools are the primary State Trust beneficiary. The right to explore for and produce mineral commodities on State Trust land may be accomplished by obtaining one of the following mineral-related permits or leases.

MINERAL EXPLORATION PERMITS

- A non-refundable filing fee of \$500.00 is required for each application.
- An environmental disclosure questionnaire must accompany each application.
- Applications must be typed or printed in ink. Applications that are incomplete or illegible will be returned.
- A maximum 640 acres or 1 whole section is permitted per application.
- An exploration permit is valid for one (1) year, renewable up to five (5) years.
- Lease boundaries, access routes, mine workings, roads, water sources, residences, utilities, etc. must be plotted separately on a USGS Topographic Map included with the application.
- The application must be signed by the applicant(s) or an authorized agent. If an agent is filing for the applicant, a notarized Power of Attorney must be filled with the Department. The filing fee for a Power of Attorney is \$50.00.
- The processing of an Exploration Permit takes a minimum of sixty (60) days.
- Application is reviewed by the ASLD Minerals Section and if necessary, other ASLD divisions, outside agencies and any interested parties.
- Rent is \$2.00 per acre for first year which includes the second year and \$1.00 per acre per year for years three thru five.

GENERAL REQUIREMENTS

Application Fee

There is a non-refundable filing fee of \$500 per energy minerals application.

Other Fees

Rental fees are required on all agreements. Royalties are paid on all recovered mineral products. Additional fees, such as appraisal or administrative fees may also be required.

Required Maps

A USGS topographic map showing lease boundaries, access routes, roads, utilities, etc., must be submitted with the application along with the locations of holes or other exploration activity sites; e.g. geophysical surveys, prospecting lines, etc.

Other Necessary Documents

Exploration permits require a plan of operations. Aerial photos, contour maps and registered surveys may also be required. Surveys of cultural resources, native plants, wildlife, and endangered species are required components of all mineral activities.

Reclamation Bond

The minimum [bond](#) (<https://land.az.gov/sites/default/files/documents/files/CDPOs>) required is \$3,000. The actual bond amount is based upon the type of operation and the degree of disturbance.

Indemnity Insurance

Indemnity insurance will be required for most operations.

Other Permitting Requirements

The applicant is responsible for determining permitting requirements from other regulatory agencies and to be in compliance.

- An Exploration Plan of Operation must be submitted annually and approved by the ASLD prior to startup of exploration activities.
- If any surface disturbance is planned as part on the exploration activities, Archaeological and Biological surveys as well as any other applicable permits must be submitted for ASLD review (three (3) copies of each and an electronic copy in pdf format).
- A bond is established based on the proposed exploration activities. Typically a \$3,000.00 bond is required for a single permit or a blanket bond of \$15,000.00 for five or more permits held by an individual or company.
- Minimum work expenditure requirements are:
 - \$10 per acre per year for years 1-2; and
 - \$20 per acre per year for years 3-5
 - Proof of work expenditures must be submitted to the ASLD Minerals Section each year in the form of invoices and paid receipts. If no work was completed on-site, the applicant can pay the equal amount to the department.
- An exploration permit is NOT a right to mine.
- If discovery of a valuable mineral deposit is made, the permittee must apply for a mineral lease before actual mining activities can begin.

HARD ROCK MINERAL LEASES

- A non-refundable filing fee of \$500.00 is required for each application.
- Applications must be typed or printed in ink. Applications that are incomplete or illegible will be returned.
- An environmental disclosure questionnaire must accompany each application.
- Mineral Leases do not have acreage limitations.
- The maximum term of a mineral lease is twenty (20) years. Most Mineral Leases may be renewed for an additional term or terms as long as producing.
- Lease boundaries, access routes, mine workings, roads, water sources, residences, utilities, etc. much be plotted separately on a USGS Topographic Map.
- The application must be signed by the applicant(s) or an authorized agent. If an agent is filing for the applicant, a notarized Power of Attorney must be filled with the Department. The filing fee for a Power of Attorney is \$50.00.
- Approval or denial of a mineral lease takes a minimum of six (6) months.
- A pre-application technical conference is recommended to discuss the application.
- A lease application can only be applied for after a valid exploration permit in the same area has determined the existence of a valuable and economic mineral deposit.
- The application is reviewed by all ASLD divisions, outside agencies and any interested parties.
- Archaeological and Biological surveys and any other applicable permits are submitted for review (three [3] copies of each and an electronic copy in pdf format).
- Applicant must prepare and submit three (3) copies of a Mineral Development Report (MDR) in white 3-ring binders and an electronic copy in pdf format. All confidential information must be submitted separately in three (3) white 3-ring binders and an electronic copy in pdf format. The MDR must include the following but is not limited to:
 1. geologic assessment
 2. economic feasibility
 3. environmental assessment
 4. mining plan of operation
 5. reclamation and closure plan
- A surface and mineral appraisal is required to determine lease rents and royalties. Royalties may be based on:
 1. a fixed rate subject to annual adjustment; or
 2. a sliding-scale rate which is linked to the U.S. Dept. of Labor Producer Price Index and the operation's break-even price. There is a statutory minimum royalty rate of 2% of gross value; however, most royalties are established at 5% to 6%.
- A bond is established based on the mining plan of operation as described in the MDR.

MINERAL MATERIAL LEASES

A non-refundable filing fee of \$500.00 is required for each application. Applications must be typed or printed in ink. Applications that are incomplete or illegible will be returned. An environmental disclosure questionnaire must accompany each application. Only one (1) section or any contiguous portion(s) of one section is permitted per application.

APPLICABLE STATE LAWS

ARIZONA REVISED STATUTES

Title 27

(<http://www.azleg.state.az.us/ArizonaRevisedStatutes>)

Title=27): Minerals, Oil and Gas

Title 37

(<http://www.azleg.state.az.us/ArizonaRevisedStatutes>)

Title=37): Public Lands

Title 41

(<http://www.azleg.state.az.us/ArizonaRevisedStatutes>)

Title=41): State Government

ARIZONA ADMINISTRATIVE CODE

Title 12 (<http://www.azsos.gov/rules/arizona-administrative-code#D12>): Natural Resources,

Chapter 5

***Note: A.R.S. § 41-844 requires parties in charge of ground-disturbing projects on State [Trust] land to promptly report the discovery of any archaeological, paleontological or historic site or object to the director of the Arizona State Museum.*

FAQS AND PERMITS

- Applications and Permits (/applications-and-permits)
- FAQs (/faq/general-faq)
- Fee Schedule (/fee-schedule)
- Meetings and Notices (/state-land-department-public-meetings-and-notice)
- SunZia Southwest Transmission Project (<https://land.az.gov/sunzia-southwest-transmission-project>)

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- A lease is issued initially for a ten (10) year term with provisions to extend up to a maximum of twenty (20) years.
- Lease boundaries, access routes, mine workings, roads, water sources, residences, utilities, etc. much be plotted separately on a USGS Topographic Map.
- The application must be signed by the applicant(s) or an authorized agent. If an agent is filing for the applicant, a notarized Power of Attorney must be filed with the Department. The filing fee for a Power of Attorney is \$50.00.
- The approval process takes a minimum of six (6) months.
- A pre-application technical conference is recommended to discuss the application.
- A comment request letter is sent to all ASLD divisions, outside agencies and any interested parties. Comments are requested in thirty (30) days.
- Archaeological and Biological surveys and any other applicable permits are submitted for review (three (3) copies of each and an electronic copy in pdf format).
- Applicant must prepare and submit three (3) copies of a Mineral Development Report (MDR) in white 3-ring binders and an electronic copy in pdf format. All confidential information must be submitted separately in three (3) white 3-ring binders and an electronic copy in pdf format. The MDR must include the following but is not limited to:
 1. geologic assessment
 2. economic feasibility
 3. environmental assessment
 4. mining plan of operation
 5. reclamation and closure plan
- A surface appraisal is required to determine lease rents and royalties.
- Rent is based on a percentage of the appraised surface value.
- Royalties are established as follows:
 - Royalty rates are in dollars per ton (\$/ton). Initially it is determined by the lease administrator according to market analysis and then it is the auction process which determines the market value (royalty rate) of the commodity at public auction. A minimum annual production guarantee (MAG) measured in tons is assessed for each lease.
- Bond is set by scope of work and mining operations as described in the MDR.
- Proof of paid receipts is submitted to ASLD for consideration of reimbursable expenditures should the applicant not be the successful bidder.
- The application is advertised for ten (10) weeks in the Capitol Times and the publication closest to the subject property. Advertising costs are paid by the applicant.
- The lease application is sold at public auction.
- The winning bidder immediately pays the year one's rent, MAG, administration fee (3% of MAG), and the advertising fee. The winning bidder must pay any difference in MAG and the reimbursable expenditure amounts within thirty (30) days.

OTHER USEFUL CONTACTS

**Arizona Department
of Mines & Mineral Resources**

602 771-1600

www.mines.az.gov (<http://www.mines.az.gov>)

Arizona Geological Survey

520 770-3500

www.azgs.az.gov (<http://www.azgs.az.gov>)

Arizona State Mine Inspector

602 542-5971

www.asmi.state.az.us (<http://www.asmi.state.az.us/>)

Arizona State Museum

520 621-4011

www.statemuseum.arizona.edu (<http://www.statemuseum.arizona.edu/>)

Bureau of Land Management Land and Mineral Records

602 417-9528

www.blm.gov (<http://www.blm.gov/>)

U.S. Geological Survey

520 670-6671 ex. 221

www.usgs.gov (<http://www.usgs.gov/>)

MINERALS SECTION CONTACT INFORMATION

**Arizona State Land Department
MINERALS SECTION
1616 West Adams Street**

Phoenix, Arizona 85007
602-542-2687
fax 602-542-3507
[land.az.gov](http://www.land.az.gov) (<http://www.land.az.gov>)



(<https://land.az.gov/annual-reports>)



([/sites/default/files/documents/files/shooters.pdf](https://sites/default/files/documents/files/shooters.pdf))



(<http://openbooks.az.gov/app/transparency/index.html>)



(<https://hr.az.gov/yes>)



Contact Us (</contact-us>)

(mailto:inquiry@azland.gov)

Arizona State Land Department

1616 W. Adams St

Phone: 602.542.4631

Phoenix, AZ 85007

[Inquiry form](#)

Find in Google Maps

(<https://asld.secure.force.com/publicpage>)

(<https://www.google.com/maps/place/Arizona+State+Land+Department/@33.449111,-112.071429,15z/data=!4m9!1m6!2m5!1s1616+W+Adams+St!3>)



(<https://www.google.com/maps/place/Arizona+State+Land+Department/@33.449111,-112.071429,15z/data=!4m9!1m6!2m5!1s1616+W+Adams+St!3>)

[STATEWIDE POLICIES \(HTTP://AZ.GOV/POLICIES\)](http://az.gov/policies)

[PRIVACY POLICY \(/ASLD-PRIVACY-POLICY\)](/ASLD-PRIVACY-POLICY)

[ASLD NON-DISCRIMINATION POLICY \(HTTPS://LAND.AZ.GOV/SITES/DEFAULT/FILES/ASLDNONDISCRIMINATIONPOLICY.PDF\)](https://land.az.gov/sites/default/files/asldnondiscriminationpolicy.pdf)

[SITEMAP \(/SITEMAP\)](/SITEMAP)