



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87503
(505) 827-5271

Thomas E. Baca, M.P.H., Director

Bruce King
GOVERNOR

George S. Goldstein, Ph.D.
SECRETARY

Larry J. Gordon, M.S., M.P.H.
DEPUTY SECRETARY

March 14, 1979



Mr. William Bennett, District Manager
EID: District I
4159 Montgomery Blvd., NE
Albuquerque, NM 87109

Dear Mr. Bennett:

Enclosed, for your information and for public inspection at the Albuquerque EID Office, is a copy of additional materials received from Bokum Resources Corporation on March 13, 1979.

This additional information was submitted pursuant to the discharge plan DP-43 for B.R.C.'s Marquez Uranium Mill tailings disposal.

Sincerely,

Maxine S. Goad

Maxine S. Goad,
Program Manager
Permits and Regulations Unit

MSG:tpc

(Encl.)

9804010288 790314
PDR ADOCK 04008906
C PDR

EQUAL OPPORTUNITY EMPLOYER

9804010288

OVERSIZE DOCUMENT PAGE(S) PULLED

SEE APERTURE CARD FILES

APERTURE CARD/PAPER COPY AVAILABLE THROUGH NRC FILE CENTER
.....

NUMBER OF OVERSIZE PAGES FILMED ON APERTURE CARD(S) 27
.....

ACCESSION NUMBERS OF OVERSIZE PAGES:

<u>9804010288-01</u>	<u>39</u>	<u>97</u>
<u>02</u>	<u>44</u>	<u>101</u>
<u>9804020008</u>	<u>48</u>	<u>104</u>
<u>15</u>	<u>51</u>	<u>9804010288-03</u>
<u>20</u>	<u>54</u>	<u>04</u>
<u>25</u>	<u>68</u>	<u>06</u>
<u>29</u>	<u>85</u>	<u>07</u>
<u>31</u>	<u>89</u>	<u>08</u>
		<u>09</u>
		<u>10</u>

A G R E E M E N T

THIS AGREEMENT made and entered into this 3rd day of MAY 1978 by and between what was formerly known as the Board of Trustees of the Juan Tafoya Land Grant which has presently evolved into the JUAN TAFOYA LAND CORPORATION, a New Mexico corporation, hereinafter designated as CORPORATION, and BOKUM RESOURCES CORPORATION, a Delaware corporation, hereinafter designated as BOKUM,

WITNESSETH:

WHEREAS, on the 31st day of March 1975 the Grant entered into a lease with BOKUM regarding all of the property owned or claimed to be owned by what has been designated as the Juan Tafoya Land Grant for the purpose of BOKUM engaging in the exploration, mining and milling of mineral deposits which may be found upon and underneath said properties and said lease was executed pursuant to §8-1-1, et seq., N.M.S.A., 1953 Comp., and approved by District Judge Filo Sedillo, District Judge for the Thirteenth Judicial District, and

WHEREAS, on the 5th day of February 1976 the then existing Board of Trustees of the Grant executed a resolution adopting and ratifying the mining lease above mentioned and further consenting to the assignment of said lease to the Long Island Lighting Company, a New York corporation, as security for certain advances made to BOKUM by said company, and

WHEREAS, pursuant to §8-1-1, et seq., N.M.S.A., 1953 Comp., the Honorable Filo Sedillo, on the 5th day of February 1976 approved said adoption, ratification, and assignment and

WHEREAS, the CORPORATION is fully aware and cognizant of the execution of the lease and the subsequent adoption, ratification, and assignment hereinabove referred to and does hereby ratify and adopt said lease as the act of the CORPORATION, and

WHEREAS, on the 13th day of March 1978 the Honorable Filo Sedillo, District Judge, entered an order authorizing the Board of Trustees of the Juan Tafoya Land Grant and those successor Board of Directors of the CORPORATION to obtain the consent of the members of the Juan Tafoya Land Grant who are now stockholders in the CORPORATION to authorize the Board of Trustees of the CORPORATION to convey all of the real estate and mineral fee interest owned by the Grant to the CORPORATION, and

WHEREAS, the CORPORATION is now the owner of the fee and mineral interest of what was previously known as the Juan Tafoya Land Grant or Juan Tafoya Land Tract, and

WHEREAS, the Board of Directors of the CORPORATION have been informed essentially as follows regarding the operations of BOKUM as they relate to the above-mentioned properties:

1. That substantial quantities of uranium have been discovered beneath the properties heretofore referred to as the Juan Tafoya Land Tract and as contained within the lease dated the 31st day of March 1975 and subsequent ratifications;
2. That a mining shaft is presently being constructed upon said property for the purpose of mining said uranium ore;
3. That commitments for the purchase of a large quantity of the uranium ore of BOKUM to Long Island Lighting Company have been made;
4. That BOKUM is desirous of constructing a mill upon a portion of the leased property for the present purpose of milling the uranium ore located within said property;
5. That approximately 1,000 acres of land are required in order to accomplish the purposes of mining and milling the uranium ore located upon the property; and

WHEREAS, BOKUM has informed the CORPORATION of the area which will encompass the 1,000 acres of land and a map of said area reflecting the description is attached hereto as Exhibit A, said land being more particularly described as follows:

A tract of land situate within McKinley, Sandoval and Valencia Counties, State of New Mexico, being more particularly described as follows:

Beginning at the U.S.G.S. Triangulation Station "Agua" whence the Northeast corner of a tract of land (formerly known as the Marquez tract) owned by the Juan Tafoya Land Corporation being an angle point in a fence line bears N 09°25'38" W a distance of 17,958.04 feet; thence along said fence line S 00°03'21" E a distance of 5056.96 feet to the point and place of beginning.

From said point and place of beginning along said fence line S 00°03'21" E, 723.06 feet; thence away from said fence line the following bearings and distances:

S 41°04'01" W, 4767.27 feet;
thence S 49°41'42" W, 734.32 feet;
thence S 82°33'29" W, 1583.33 feet;
thence N 43°20'48" W, 4166.59 feet;
thence S 60°20'43" W, 1029.89 feet;
thence South 800.00 feet;
thence West 1132.32 feet;
thence North 722.96 feet;
thence West 353.69 feet;
thence S 80°00'00" W, 247.95 feet;
thence S 60°00'00" W, 247.95 feet;
thence S 50°00'00" W, 832.57 feet;
thence S 61°42'29" W, 330.34 feet;
thence S 85°07'26" W, 330.35 feet;
thence N 82°58'14" W, 2136.56 feet;
thence N 62°18'53" W, 1335.39 feet;
thence N 64°06'28" W, 156.91 feet;

to an angle point in the fence line (commonly referred to as the "McKenzie fence") referenced by an offset brass cap marked "McKenzie F. AP3 WC" which bears N 17° W, 2.17 feet;
thence N 63°49'03" W, 314.80 feet to an angle point in said fence referenced by an offset brass cap marked "McKenzie F. AP4 WC" which bears N 26° E, 0.55 feet;
thence N 63°49'15" W, 219.09 feet to an angle point in said fence referenced by an offset brass cap marked "McKenzie F. AP5 WC" which bears N 30° E, 1.35 feet;

thence N 64°17'24" W, 380.09 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP6 WC" which bears N 30° E, 1.00 feet;
 thence N 69°50'26" W, 68.03 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP7 WC" which bears N 14° E, 1.40 feet;
 thence N 74°24'36" W, 271.23 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP8 WC" which bears N 15°36' E, 0.90 feet;
 thence N 73°45'09" W, 452.49 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP9 WC" which bears West, 2.20 feet;
 thence N 08°05'17" E, 10.76 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP10 WC" which bears N 78° W, 1.10 feet;
 thence N 55°52'16" W, 209.30 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP11 WC" which bears N 34° E, 1.20 feet;
 thence N 61°24'28" W, 143.58 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP12 WC" which bears N 28°35' E, 1.15 feet;
 thence N 66°20'29" W, 122.00 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP13 WC" which bears S 23°40' W, 1.20 feet;
 thence N 62°31'00" W, 193.47 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP14 WC" which bears N 27°55' E, 1.40 feet;
 thence N 62°05'21" W, 116.65 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP15 WC" which bears S 62°05' E, 1.70 feet;
 thence N 44°03'35" W, 365.22 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP16 WC" which bears N 45°57' E, 1.35 feet;
 thence N 46°50'39" W, 295.62 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP17 WC" which bears S 31°43' E, 1.90 feet;
 thence N 31°43'27" W, 238.39 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP18 WC" which bears N 80°38' W, 1.10 feet;
 thence N 09°22'25" W, 186.10 feet to an angle point in
 said fence referenced by an offset brass cap marked
 "McKenzie F. AP19 WC" which bears S 20° E, 1.30 feet;
 thence away from said fence line on the following bearings
 and distances:
 N 20°30'29" W, 281.55 feet;
 thence N 36°50'05" W, 182.27 feet;
 thence N 44°10'01" W, 919.64 feet;
 thence N 45°50'04" E, 100.01 feet;
 thence S 44°10'01" E, 919.64 feet;
 thence S 36°56'39" E, 208.09 feet;
 thence S 20°10'23" E, 540.54 feet;
 thence S 43°35'55" E, 822.53 feet;
 thence S 62°53'52" E, 464.53 feet;
 thence S 58°21'46" E, 296.53 feet;
 thence S 73°07'15" E, 1244.21 feet;
 thence S 60°21'40" E, 1893.14 feet;
 thence S 83°00'54" E, 2118.18 feet;

thence N 73°25'00" E, 567.46 feet;
thence N 49°59'07" E, 832.32 feet;
thence N 60°00'00" E, 282.68 feet;
thence N 80°00'00" E, 282.68 feet;
thence East 353.68 feet;
thence North 890.96 feet;
thence N 71°47'27" E, 1915.23 feet;
thence N 04°25'06" E, 760.00 feet;
thence N 28°52'30" E, 2250.00 feet;
thence N 69°15'42" E, 3104.05 feet;
thence S 76°10'17" E, 669.40 feet;
thence S 22°24'35" E, 1049.24 feet;
thence S 60°25'16" E, 3186.85 feet;
thence S 70°11'26" E, 500.45 feet;

to the point and place of beginning;
containing 1047 acres more or less.

Less the following tracts or portion of tracts
and their approximate acreages situate within
the above description.

El Bosque	21.25 acres
Loma Larga	7.5 acres
La Joya (portion)	1.9 acres
Tract 5	12.63 acres
Tract 52 (portion)	0.2 acre
Tract 55 (portion)	0.9 acre
Tract 57 (portion)	0.9 acre
Tract 58 (portion)	0.2 acre

Subject tract containing 1002 acres more or less and having
rights of access at all times for egress and ingress.

Note: All bearings are grid. Distances are ground distances.

Grantor reserving unto itself any and all minerals, including
uranium, oil, and gas located on or beneath the premises.

In the event a subsequent survey indicates variances in the
above legal description, such variances shall be corrected
by addendum to this agreement.

WHEREAS, the CORPORATION recognizes that it is to the best interest of the stockholders of the CORPORATION that the mining and milling of uranium ore occur upon the properties of the Juan Tafoya Land Grant, and

WHEREAS, in order for BOKUM to construct the mill it is required that title to the property of approximately 1,000 acres be vested in BOKUM in order for BOKUM to obtain the proper and necessary financing for the construction of the mill, together with access road to and from said acreage, and

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, COVENANTS, AND AGREEMENTS HEREINAFTER CONTAINED:

1. The CORPORATION agrees to convey by deed in its name 1,000 acres of land, including ingress and egress, within the Grant for the purpose of BOKUM constructing and operating a uranium mining mill upon said property.

2. BOKUM shall execute simultaneously with the execution of the deed from the CORPORATION a like deed back to the CORPORATION which shall be escrowed with Rio Grande Valley Bank, Albuquerque, New Mexico, with instructions as stated as follows:

BOKUM shall have the following additional options:

(1) to continue the ownership of the property described in the deed, for an additional ten (10) year term by notifying the CORPORATION at least one (1) year prior to the last day of the twentieth (20th) year of the initial agreement and deed and the payment of \$300,000.00 to the escrow agent for the benefit of the CORPORATION.

(2) to continue the ownership of the property described in the deed for an additional ten (10) year term by notifying the CORPORATION at least one (1) year prior to the last day of the tenth (10th) year of the initial ten-year extension and the payment of \$300,000.00 to the escrow agent for the benefit of the CORPORATION.

3. BOKUM hereby agrees that upon discontinuance of the ownership of said property or the milling operations thereon, then BOKUM shall, at its own expense, restore the properties herein conveyed by complying with all

Federal and State laws and regulations pertaining to restoration but not less than the placing of top soil upon said property where top soil is required for the purpose of allowing vegetation to grow upon said property and if there is a conflict with the then existing Federal and State laws regarding restoration then said laws and regulations shall control and all buildings, permanent fixtures, and appurtenances that have been made part of the properties and that cannot be removed without damage, together with the land herein conveyed, shall then revert to the CORPORATION or whoever is finally designated to be the true and lawful owners of said property.

4. At the time the CORPORATION delivers a deed to BOKUM conveying the property and access described in Paragraph 1, with and after said deed is properly approved by the judge of the 13th Judicial District Court, BOKUM shall forthwith pay to the CORPORATION the sum of Three Hundred Thousand Dollars (\$300,000.00).

5. The CORPORATION shall obtain an order of the court approving this agreement.

6. BOKUM agrees to construct, within a reasonable length of time from the acquisition of the property and the obtaining of proper financing for the construction of said mill, a fence encompassing the acreage conveyed to BOKUM pursuant to the description heretofore described; said fence to be constructed in such a way as to prevent animals from entering upon said premises.

7. The CORPORATION recognizes that in order for BOKUM to use the 1,000 acres as herein described, BOKUM must be permitted to reroute certain roads which presently exist and which presently run through or into said 1,000 acres, as well as certain waterways presently existing upon the premises, and the CORPORATION hereby grants the unequivocal authority to BOKUM to reroute any of said roads and waterways around the property conveyed to BOKUM.

8. Notwithstanding the merger of title with the present leasehold rights of the parties under that certain lease dated March 31, 1975 between BOKUM and the Grant and subsequently ratified on February 5, 1976, BOKUM shall have no obligation to pay any further sums of money to the CORPORATION or its successors in interest which may be claimed under Paragraph 2 of said lease and all other terms of said lease shall remain in full force and effect.

9. Upon the expiration of any of the times set forth in Paragraph 2 herein, when BOKUM discontinues the operation of said mill and the use of said property for that purpose and the reconveyance of the property from BOKUM to the CORPORATION the lease of March 31, 1975 shall remain in full force and effect unless otherwise terminated as therein provided.

10. The CORPORATION agrees to cooperate with BOKUM in its aim of constructing and maintaining the milling facilities upon said property, including ingress and egress, without interruption from any of the CORPORATION's stockholders or officers and the CORPORATION agrees to exercise reasonable efforts to prevent any stockholder from constructing any buildings, whether domestic or commercial, within one-half (1/2) mile of the outside boundaries of the tailings pond if said proposed construction is not to the best interest of the health, safety and welfare of the community.

11. BOKUM agrees to give priority of employment to stockholders of the CORPORATION in said milling and mining operation based upon the standard of qualifications of personnel needed to operate the mine and milling facilities including security, administration, and other employment available for this project.

12. In the event there is any complaint by the CORPORATION to BOKUM regarding a failure to do what BOKUM herein agrees to do, then the CORPORATION shall give to BOKUM written notice of such failure as said CORPORATION determines to exist and BOKUM shall have sixty (60) days from the date of said written notification to correct any of said failures.

13. It is agreed by the parties that any controversy or claim arising out of or relating to any matter contained herein shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), as amended, and in effect November 1, 1973 and judgment upon any arbitration award rendered thereby may be entered in any court having jurisdiction thereof.

The parties contemplate arbitration by three arbitrators, one of whom shall be neutral. The party filing a demand for arbitration with the AAA shall accompany it with the name of the arbitrator who will represent it. The party upon whom the demand for arbitration is made shall designate an arbitrator to represent it within five (5) days from the mailing date of notice from the AAA of the filing of the demand.

The arbitrators designated by the parties are authorized to appoint a neutral arbitrator from the National Panel of Arbitrators, pursuant to the provisions of Section 14 of the Commercial Arbitration Rules. It is agreed that in applying Section 12 of said Rules, each party shall have ten (10) days from the mailing date of the list of arbitrators from which a neutral is to be selected to return the list to the AAA.

The parties agree that any arbitrators submitted to them by the AAA under Section 12 shall be disinterested persons familiar with the business of mining and processing of uranium ore and the marketing of the product from the processing of uranium ore.

The decision of the Board of Arbitrators shall be appealable, if desired, and shall be reviewed by the Thirteenth Judicial District, State of New Mexico, and the party who is not successful in the alleged matters submitted to arbitration shall be responsible to the other party for all costs and attorneys' fees not exceeding \$10,000.00.

14. All parties agree to execute any and all documents that are necessary for the purpose of effectuating the intent of this agreement.

15. This agreement is binding on the heirs, assigns, successors in interest, assignees, and security holders of both parties.

JUAN TAFOYA LAND CORPORATION

ATTEST:

Fidelia B. Griego
Secretary

BY

Severo Martinez
President

BOKUM RESOURCES CORPORATION

ATTEST:

Edward J. Lopez
Asst. Secretary

BY

Tim E. Drake

APPROVED:

BOARD OF DIRECTORS

JUAN TAFOYA LAND CORPORATION

Severo Martinez
Fidelia B. Griego
Art M. Ramirez
Andrew L. Thomas

ACKNOWLEDGMENT

STATE OF NEW MEXICO }

SS:

COUNTY OF BERNALILLO }

The foregoing instrument was acknowledged before me this 25th day of April, 1978 by Severo Martinez president of Juan Tafoya Land Corporation, on behalf of said corporation.

Ransom B. L.
Notary Public

My commission expires:

8-24-78

ACKNOWLEDGMENT

STATE OF NEW MEXICO

COUNTY OF Santa Fe

} SS:

The foregoing instrument was acknowledged before me this 3rd
day of MAY 1978 by Wm E. BIAVA, Edward J. Lopez
of Bokum Resources Corporation, on behalf of said corporation.

[Signature]
Notary Public

My commission expires:

July 5, 1981

MINERAL LEASE

THIS AGREEMENT MADE and ENTERED into this 5th day of JUNE, 1974, by and between JOSE MARQUEZ AND his WIFE
PRECILIANA MARQUEZ
 hereinafter called Lessor, and BOKUM RESOURCES CORPORATION, a Delaware corporation, hereinafter called Lessee;

WHEREAS, the Lessor is the owner of the fee and mineral fee, in and under the property hereinafter described in Exhibit A and hereinafter referred to as the "mineral properties" located in the County or Counties of SANDOVAL, State of New Mexico, and

WHEREAS, Lessee is desirous of leasing all of said "mineral properties" from Lessor,

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, AGREEMENTS AND COVENANTS HEREINAFTER CONTAINED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. DEMISE OF PREMISES: Lessor, for and in consideration of the covenants and agreements herein contained, does hereby let, lease, demise and grant unto Lessee all "mineral properties" located in, upon and under those properties described in Exhibit A attached hereto, which description is incorporated herein by reference as if set forth in detail, made a part hereof, and to which reference is hereby made, for the purposes of exploring, developing, mining, extracting and removing minerals (by underground, strip, solution or any other method) from the "mineral properties" and to save, mill (or otherwise treat), or market minerals which are found and contained in the "mineral properties" which Lessee may deem profitable.

2. PRIMARY AND SECONDARY TERMS: The primary term of this lease shall be for a period of two (2) years commencing on the date of execution. If, prior to the expiration of the primary term Lessee completes drilling a minimum of one hole upon each tract of land described in this lease through the west water formation, then

by said act and following the expiration of the two year primary term, Lessee shall be granted a secondary term of this lease for a period of eight (8) years and continuing thereafter so long as minerals are produced in paying quantities or so long as a mill remains upon the properties provided that the rentals described in Paragraph 5 are paid by Lessee to Lessor.

3. MINERAL PROPERTIES: "Mineral properties" are defined to be uranium, thorium, and any other fissionable material together with vanadium, manganese, and non-fissionable materials associated with fissionable materials, and any and all other types of minerals in or under the lands above described insofar as those lands in which the Lessor is the owner of the mineral content. There is excepted herefrom all oil and gas and other hydrocarbons which the Lessor may own.

4. OPERATIONS: Lessee shall have the exclusive right, but not the duty to enter into and upon the "mineral property" for the purposes set forth herein and to construct and maintain any improvements thereon which Lessee may deem necessary or convenient in connection with the purposes of this mineral lease.

Lessee shall have the right to use all or any part of the "mineral property" for operations relating to actual mining being conducted therefrom and in addition thereto, Lessee is hereby permitted to extract ore from other property through shafts, drifts, and/or entrances located upon Lessor's "mineral properties." Lessee shall have the right to commingle ores from Lessor's "mineral properties" with ores from other "mineral properties" under Lessee's control. There is no requirement that Lessee shall construct shafts, drifts, and/or underground entrances upon the leased premises for the purpose of mining therefrom.

5. ANNUAL RENTALS:

A. Lessee, upon the execution of this lease, shall pay to Lessor an annual rental of \$5.00 per acre for the first year.

Thereafter, on the anniversary date of this lease, Lessee shall pay to Lessor \$5.00 per acre per year until the royalty payments are commenced as hereinafter described or until the termination or expiration of this lease.

B. On all surface rights appropriated by Lessee pursuant to Paragraph 7, deemed necessary by Lessee in the mining and/or milling of said "mineral properties," Lessee shall pay to Lessor, commencing with the date of appropriation, \$100.00 per acre or portion thereof per year and continuing thereafter each year so long as Lessee maintains a mine or a mill upon said surface property.

~~C. All rentals paid, excepting payments for surface rights as provided in sub-paragraph 5-B, during the primary and secondary terms, shall be construed as advance royalty payments and Lessee shall be entitled to deduct said pre-paid annual rentals from all royalties due and owing to the Lessor until such time that the pre-paid annual payments equal the royalties hereinafter described and thereafter all royalties due and owing to the Lessor shall be paid by Lessee in accordance with the royalty provisions provided in this lease.~~ *WES*
JM

6. ROYALTY:

A. For all uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content, Lessee shall pay to Lessor a royalty equal to the "Specified Royalty per Pound of Contained U_3O_8 " as provided below.

B. The "Specified Royalty per Pound of Contained U_3O_8 " (Specified Royalty) shall be equal to forty cents (\$.40) for each pound of U_3O_8 contained in uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content. The Specified Royalty shall be increased by an amount equal to five cents (\$.05) for each increase of one dollar (\$1.00) in the market price of

U₃O₈ above fifteen dollars (\$15.00 per pound. Price increases of less than one dollar (\$1.00) and Specified Royalty to be paid reflecting such price increase shall be computed on the proportionate basis that the increase bears to one dollar (\$1.00) provided that such increase shall be computed to the nearest one-fifth dollar (\$.20). By way of illustration, if the price increase is thirty cents (\$.30) per pound, the Specified Royalty shall be increased to forty-one cents (\$.41) per pound. If the price increase is thirty-one cents (\$.31), the Specified Royalty shall be increased to forty-two cents (\$.42) per pound. For the purpose of this paragraph, "market price per pound of U₃O₈" is defined as the average price being paid at mills processing U₃O₈ in western New Mexico by purchasers thereof. If information as to such sales is not obtainable, the market price shall be determined by reference to representative indices of U₃O₈ prices within geographical regions of the United States including or nearest to New Mexico. If such indices are not available on a regional basis, the market price shall be determined by reference to national U₃O₈ price indices. For the purpose of determining applicable Specified Royalty rates, market price calculations shall occur no more frequently than six (6) month intervals. In the event the parties are unable to agree as to the market price for Specified Royalty adjustment purposes, the matter shall be submitted to arbitration as provided in this lease. Without impairment of the warranties contained in this lease, if the Lessor owns less than the entire and undivided mineral estate in any portion of the described "mineral properties," then, whether or not such lesser interest is referred to or described herein, the sums and royalties herein provided shall be proportionately reduced and paid to Lessor only in the proportion which the Lessor's interest in such portion bears to the entire undivided mineral estate in such portion.

7. SURFACE RIGHTS:

A. In addition to the "mineral properties" herein leased, Lessor hereby grants unto Lessee the exclusive right to enter upon the premises described in Exhibit A and any other property owned or leased by the Lessor adjacent to or surrounding or within the premises described in Exhibit A, for the purpose of appropriating any of such property as Lessee requires in order to construct, maintain, and use upon, within and over all or any portion of said properties, any machinery, tanks, motor vehicles, engines, pipes, power and telephone lines, water wells, roadways, tailings ponds, stockpiling areas, and without limitations by reason of the foregoing enumeration, any and all other structures, equipment, appurtenances or facilities necessary or convenient in prospecting for, developing, producing, storing, transporting, beneficiating, milling and marketing the "mineral properties" produced from any portion of the within described premises. Any damage to any improvement owned by Lessor caused by Lessee shall be compensated by Lessee to Lessor.

B. On all water developed by Lessee, Lessee shall have the right to use said water without any charge or payment to Lessor. In the event a water supply is developed by Lessee in the course of its drilling and it is not required by Lessee for its purposes, then the Lessee shall make available to the Lessor the water source as so developed. The Lessee shall comply with all State laws, rules and regulations pertaining to the plugging of drill holes and in the event there are no existing laws, rules and regulations pertaining to the plugging of drill holes, then Lessee agrees to plug all drill holes not required for Lessor's or Lessee's purposes.

8. WARRANTY:

A. Lessor does hereby covenant and agree with Lessee that the "mineral properties" described herein are free and clear of and from any and all liens and encumbrances and as to those "mineral properties" absolutely owned by Lessor which are not leased from other persons, Lessor warrants that there are no outstanding leases, options, liens, claims or other royalties except as herein specified.

NONE

If Lessor owns a lesser interest in and to any portion of the mining property, then the whole and undivided interest in and to such portion of the "mineral properties," then the royalties and other consideration herein provided for shall be paid to the Lessor only in the proportion in which his interest bears to the whole and undivided interest in and to such portion of the "mineral properties."

B. Lessee shall have no obligation to defend the title of Lessor to the "mineral properties" or any portion thereof. In the event any person, partnership, or corporation files suit making some claim against the "mineral properties" and Lessor does not defend, then Lessee may, if it desires, defend said suit or suits and charge Lessor for any and all reasonable expenses, including attorneys' fees incurred therewith, as determined by the court in said suit or suits, all of which shall only be payable by Lessee deducting from Lessor's future rentals and/or royalties. Lessor hereby agreed that the Lessee, at its option, shall have the right to redeem for Lessor, by payment, any mortgage, taxes or other liens on the above-described "mineral properties" in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

9. ACCESS OF LESSOR TO BOOKS AND PREMISES: Lessee

shall keep accurate maps, drill logs, records and books of account in accordance with generally accepted accounting principles, covering all matters necessary to the proper computation of royalties.

Lessor may inspect and copy such maps, drill logs, records and books of account (and may inspect the "mineral property" at Lessor's sole risk) at any reasonable time during normal business hours. In addition, Lessee shall provide to Lessor one copy of all drill logs and maps showing drill hole locations, quarterly.

10. TAXES: Lessee shall pay all taxes levied against the "mineral property" by reason of Lessee's operations therein or thereon, except for taxes and assessments accruing by reason of any royalties paid or payable to Lessor.

11. FORCE MAJEURE: If Lessee shall be prevented or inhibited by any cause reasonably beyond its control, including (by way of example but not limitation) causes such as weather, mill shutdown, damage to or destruction of mine or plant facility, fire, flood, acts of the civil or military authority, insurrection, riot, strikes, labor disputes, inability to obtain competent workmen or materials, or acts of God or such other matters as are beyond the reasonable control of Lessee, in the performance of any of its obligations hereunder, such performance shall be excused, and the period for performance of such obligation shall be extended for an additional period equal to the period during which Lessee is unable to perform its obligations by reason of said cause or causes.

12. DEFAULT:

A. In the event either Lessee or Lessor considers that the other is in default in respect to an obligation hereunder, it shall give written notice of such default to the other party. The

party assertedly in default, if said default be admitted, shall have sixty (60) days from receipt of such notice within which to commence and thereafter diligently carry to completion, steps reasonably necessary to cure such default.

B. If the party assertedly in default, if said default be admitted, fails to commence and thereafter diligently carry to completion steps reasonably necessary to cure such default, within sixty (60) days from receipt of such notice, then the party asserting the admitted default may terminate or cancel this mineral lease.

C. In the event the party claimed to be in default denies said default, then and in that event, the obligation to commence steps reasonably necessary to cure such purported default shall not commence until sixty (60) days after a decision is rendered by a board of arbitration, and then only as to those matters that said final decision has determined should be cured or corrected, and the party asserting such default shall not have the right to terminate or cancel this mineral lease unless the party found by the decision of such board of arbitration to be in default, fails to commence and thereafter carry to completion, steps reasonably necessary to cure such default within sixty (60) days after said final decision has been rendered by said board of arbitration.

13. ARBITRATION:

A. It is agreed by the parties that any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), as amended, and in effect November 1, 1973, and judgment upon any arbitration award rendered thereby may be entered in any court having jurisdiction thereof.

B. The parties contemplate arbitration by three arbitrators, one of whom shall be neutral. The party filing a demand for arbitration with the AAA shall accompany it with the name of the arbitrator who will represent it. The party upon whom the demand for arbitration is made shall designate an arbitrator to represent it within five (5) days from the mailing date of notice from the AAA of the filing of the demand.

C. The arbitrators designated by the parties are authorized to appoint a neutral arbitrator from the National Panel of Arbitrators, pursuant to the provisions of Section 14 of the Commercial Arbitration Rules. It is agreed that in applying Section 12 of said Rules, each party shall have ten (10) days from the mailing date of the list of arbitrators from which a neutral is to be selected to return the list to the AAA.

D. The parties further agree that any arbitrators submitted to them by the AAA under Section 12 shall be dis-interested persons familiar with the business of mining and processing of uranium ore and the marketing of the product from the processing of uranium ore.

E. Notwithstanding any rule in the Commercial Arbitration Rules of the AAA, the decision of the Board of Arbitrators shall not be appealable and shall not be reviewed by a court of competent jurisdiction but shall be final and the party who is not successful in the alleged matter submitted to arbitration shall be responsible to the other party for all costs and attorneys' fees not exceeding \$2,500.00.

14. TERMINATION:

A. Lessee may terminate all or any portion of this Lease prior to the expiration of the primary term. Lessee may terminate this mineral lease as to any portion of the leased premises by giving written notice or notices to Lessor sixty (60) days before the anniversary date in the year in which the termination is to occur. This mineral lease shall remain in full force and effect as to any portion thereof and to which such notice or notices of termination have not been given. Upon termination of this mineral lease, as to all or any part or parts of the "mineral property," Lessee shall be freed from any and all obligations or liabilities arising out of or in any way connected with this lease or Lessee's activities in connection therewith as to the part of the "mineral property" so terminated, excepting only those obligations or liabilities which have previously become accrued, fixed and unconditional, and Lessee may remove any ore stockpiled on the "mineral property" subject to the payment of production royalties as herein provided, and any equipment, machinery, tools, supplies, rails, pipe, buildings and other improvements which may be owned or which may have been installed or placed upon the "mineral property" by, through, or under Lessee.

B. That in the event Lessee fails, within one year from the execution of this lease, to exercise its option with DeVilliers Nuclear or otherwise fails to acquire the property described in said option, to wit, the Juan Tafoya Land Tract in Valencia, Sandoval, and McKinley Counties, then this lease shall be automatically terminated by its own terms and shall be held null and void.

15. WATER AND SURVEY:

A. In addition to and coincident with those rights and obligations recited in Paragraph 7b, Lessee shall, within one year from the commencement date of the primary term, drill to completion a water well upon the common lands of the Juan Tafoya Land Tract for the common use and benefit of the inhabitants of said property and the premises described herein. The priorities of said use shall be first granted to Lessee for all of Lessee's uses and needs in the operation of its business and second to the inhabitants upon the common lands and Lessor. Lessee does not guarantee by this provision that it will, in the course of its drilling, locate a source of water, and Lessee shall have the right to remove any and all equipment necessary for the operation of said well except the casing should the Lessee discontinue its use of said well.

B. At the time Lessee places its drilling equipment upon the property of Lessor, Lessor shall notify Lessee that they desire a water well at that location, if they so desire. Lessor shall provide to Lessee all casing necessary to case said hole and Lessee shall install same free of charge to Lessor.

C. Lessee agrees to survey the exterior boundaries of the herein described lands and will make such survey plats available to Lessor upon request.

16. NOTICES: Any notice required to be given Lessor or Lessee hereunder shall be sent by registered or certified mail, postage prepaid, addressed as follows:

Lessor:

*JOSE MARQUEZ
108 ETTA, SW
ALBUQUERQUE, N.M. 87105*

Lessee:

Bokum Resources Corporation
Burro Alley Plaza
P. O. Box 1833
Santa Fe, New Mexico 87501

or at such other address as Lessor or Lessee may designate in written form from time to time.

17. ASSIGNMENTS: This lease may be assigned in whole or in part by Lessor or Lessee without the consent of the other. Lessee shall not be bound by any assignment by Lessor until Lessee receives a certified copy of the instrument of assignment. Upon a whole or partial assignment by Lessee, the assignee shall be solely responsible for (and Lessee relieved of) obligations hereunder to Lessor to the extent of the pro rata portion of this mineral lease which is assigned.

18. ALL AGREEMENTS: This lease incorporates all of the agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and that all such covenants, agreements and understandings have been merged into this written lease. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this lease.

19. AMENDMENTS: This lease shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.

Joe Marguez
LESSOR

Prudencia M. Marguez
LESSOR

BOKUM RESOURCES CORPORATION

By Wm. E. Biara
Executive Vice President LESSEE

ATTEST:

[Signature]
Assistant Secretary

981

A C K N O W L E D G M E N T

The foregoing instrument was acknowledged before me
this 5th day of June, 1974, by Jose Marquez and
Preciliana Marquez, his wife.

Edmund J. Lopez
Notary Public

My commission expires:

9/2/77

The foregoing instrument was acknowledged before me
this 5th day of June, 1974, by WILLIAM E. BIAVA,
Executive Vice President of Bokum Resources Corporation, a Delaware
corporation, for and on behalf of said corporation.

Edmund J. Lopez
Notary Public

My commission expires:

9/2/77

982

EXHIBIT A

As described in the attached Warranty Deeds and Quitclaim Deed
dated:

September 3, 1915 from Vitoriano Betarrquer to Cruz Molina;

May 22, 1947 from Amada M. Marquez and Eduvigen Marquez to
Crestino Marquez;

April 17, 1974 from Crestino Marguez to Jose Marquez and Preciliana
Marquez;

One tract containing approximately 8.7 acres more or less, the other
tract containing 3.1 acres more or less.

STATE OF NEW MEXICO
COUNTY OF SANDOVAL

This instrument was filed for record on

NOV 27 1978

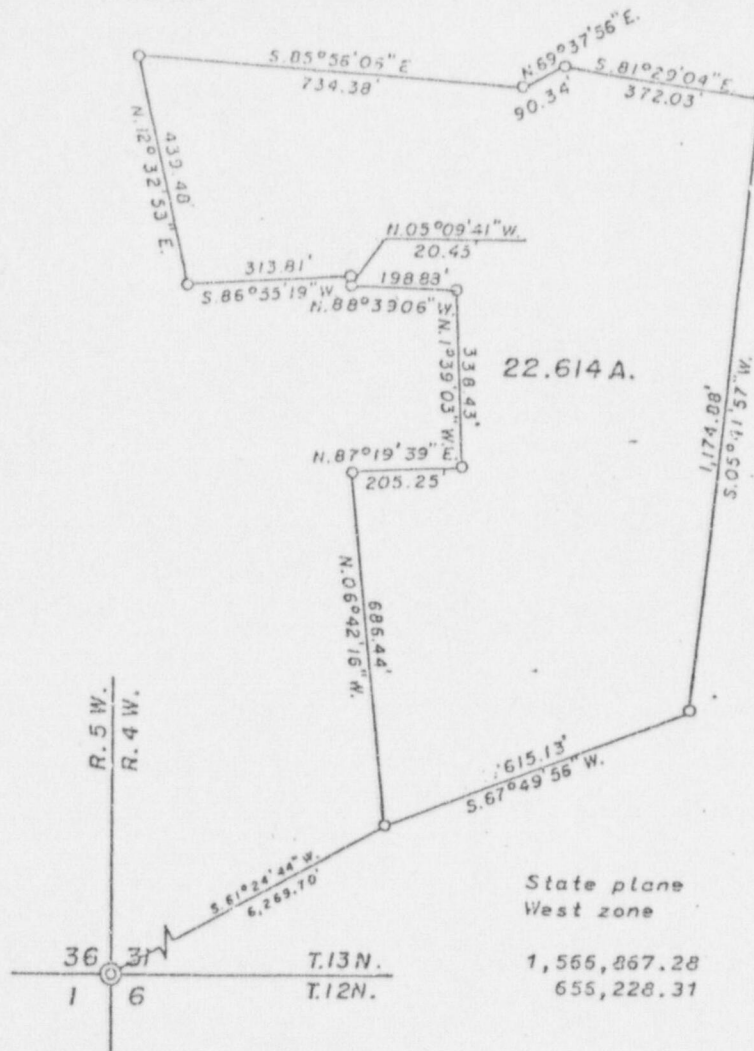
At 2:30 A.M. P.M.

Recorded in Vol. 110015
of records of said county, folio 988

ROSITA MARTINEZ, Ck. & Recorder
By: 8 Deputy

Jose Marquez

TRACT 3



Notes:

All bearings are grid,
west zone;
All distances are ground.
Section lines projected
for description purposes
only.

LEGAL DESCRIPTION

A tract of land situated in the northeast quarter of section 31, and the northwest quarter of section 32, T.13 N., R.4 W., N.M.P.M., near the village of Marquez, Sandoval County, New Mexico and being more particularly described as follows:

From the point of beginning, being the southwest corner of said tract, the southwest Township corner of T.13 N., R.4 W., a marked stone, bears S. 61° 24' 44" W. and is a distance of 6,269.70 feet. Then from the above said point of beginning, N. 6° 42' 16" W. 686.44 feet; then N. 87° 19' 39" E. 205.25 feet; then N. 1° 39' 03" W. 338.43 feet; then N. 88° 39' 06" W. 198.88 feet; then N. 5° 09' 41" W. 20.45 feet; then S. 86° 55' 19" W. 313.81 feet; then N. 12° 32' 53" W. 439.48 feet; then S. 85° 56' 06" E. 734.38 feet; then N. 69° 37' 56" E. 90.34 feet; Then S. 81° 29' 04" E. 372.03 feet; then S. 5° 41' 57" W. 1174.88 feet; then S. 67° 49' 56" W. 615.13 feet to the point and place of beginning, and containing an area of 22.614 acres, more or less.

This is to certify that this plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.



Fred D. Marmon
Fred D. Marmon, Registered Land Surveyor
Certificate No. 2031

MINERAL LEASE

THIS AGREEMENT MADE and ENTERED into this 6th day of JUNE, 1974, by and between CRESTINO MARQUEZ hereinafter called Lessor, and BOKUM RESOURCES CORPORATION, a Delaware corporation, hereinafter called Lessee;

WHEREAS, the Lessor is the owner of the fee and mineral fee, in and under the property hereinafter described in Exhibit A and hereinafter referred to as the "mineral properties" located in the County or Counties of SANDOVAL AND OR McKinley, State of New Mexico, and

WHEREAS, Lessee is desirous of leasing all of said "mineral properties" from Lessor,

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, AGREEMENTS AND COVENANTS HEREINAFTER CONTAINED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. DEMISE OF PREMISES: Lessor, for and in consideration of the covenants and agreements herein contained, does hereby let, lease, demise and grant unto Lessee all "mineral properties" located in, upon and under those properties described in Exhibit A attached hereto, which description is incorporated herein by reference as if set forth in detail, made a part hereof, and to which reference is hereby made, for the purposes of exploring, developing, mining, extracting and removing minerals (by underground, strip, solution or any other method) from the "mineral properties" and to save, mill (or otherwise treat), or market minerals which are found and contained in the "mineral properties" which Lessee may deem profitable.

2. PRIMARY AND SECONDARY TERMS: The primary term of this lease shall be for a period of two (2) years commencing on the date of execution. If, prior to the expiration of the primary term Lessee completes drilling a minimum of one hole upon each tract of land described in this lease through the west water formation, then

by said act and following the expiration of the two year primary term, Lessee shall be granted a secondary term of this lease for a period of eight (8) years and continuing thereafter so long as minerals are produced in paying quantities or so long as a mill remains upon the properties provided that the rentals described in Paragraph 5 are paid by Lessee to Lessor.

3. MINERAL PROPERTIES: "Mineral properties" are defined to be uranium, thorium, and any other fissionable material together with vanadium, manganese, and non-fissionable materials associated with fissionable materials, and any and all other types of minerals in or under the lands above described insofar as those lands in which the Lessor is the owner of the mineral content. There is excepted herefrom all oil and gas and other hydrocarbons which the Lessor may own.

4. OPERATIONS: Lessee shall have the exclusive right, but not the duty to enter into and upon the "mineral property" for the purposes set forth herein and to construct and maintain any improvements thereon which Lessee may deem necessary or convenient in connection with the purposes of this mineral lease.

Lessee shall have the right to use all or any part of the "mineral property" for operations relating to actual mining being conducted therefrom and in addition thereto, Lessee is hereby permitted to extract ore from other property through shafts, drifts, and/or entrances located upon Lessor's "mineral properties." Lessee shall have the right to commingle ores from Lessor's "mineral properties" with ores from other "mineral properties" under Lessee's control. There is no requirement that Lessee shall construct shafts, drifts, and/or underground entrances upon the leased premises for the purpose of mining therefrom.

5. ANNUAL RENTALS:

A. Lessee, upon the execution of this lease, shall pay to Lessor an annual rental of \$5.00 per acre for the first year.

Thereafter, on the anniversary date of this lease, Lessee shall pay to Lessor \$5.00 per acre per year until the royalty payments are commenced as hereinafter described or until the termination or expiration of this lease.

B. On all surface rights appropriated by Lessee pursuant to Paragraph 7, deemed necessary by Lessee in the mining and/or milling of said "mineral properties," Lessee shall pay to Lessor, commencing with the date of appropriation, \$100.00 per acre or portion thereof per year and continuing thereafter each year so long as Lessee maintains a mine or a mill upon said surface property.

~~C. All rentals paid, excepting payments for surface rights as provided in sub-paragraph 5-B, during the primary and secondary terms, shall be construed as advance royalty payments and Lessee shall be entitled to deduct said pre-paid annual rentals from all royalties due and owing to the Lessor until such time that the pre-paid annual payments equal the royalties hereinafter described and thereafter all royalties due and owing to the Lessor shall be paid by Lessee in accordance with the royalty provisions provided in this lease.~~

ED
C.M.
WEB

6. ROYALTY:

A. For all uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content, Lessee shall pay to Lessor a royalty equal to the "Specified Royalty per Pound of Contained U_3O_8 " as provided below.

B. The "Specified Royalty per Pound of Contained U_3O_8 " (Specified Royalty) shall be equal to forty cents (\$.40) for each pound of U_3O_8 contained in uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content. The Specified Royalty shall be increased by an amount equal to five cents (\$.05) for each increase of one dollar (\$1.00) in the market price of

U₃O₈ above fifteen dollars (\$15.00 per pound. Price increases of less than one dollar (\$1.00) and Specified Royalty to be paid reflecting such price increase shall be computed on the proportionate basis that the increase bears to one dollar (\$1.00) provided that such increase shall be computed to the nearest one-fifth dollar (\$.20). By way of illustration, if the price increase is thirty cents (\$.30) per pound, the Specified Royalty shall be increased to forty-one cents (\$.41) per pound. If the price increase is thirty-one cents (\$.31), the Specified Royalty shall be increased to forty-two cents (\$.42) per pound. For the purpose of this paragraph, "market price per pound of U₃O₈" is defined as the average price being paid at mills processing U₃O₈ in western New Mexico by purchasers thereof. If information as to such sales is not obtainable, the market price shall be determined by reference to representative indices of U₃O₈ prices within geographical regions of the United States including or nearest to New Mexico. If such indices are not available on a regional basis, the market price shall be determined by reference to national U₃O₈ price indices. For the purpose of determining applicable Specified Royalty rates, market price calculations shall occur no more frequently than six (6) month intervals. In the event the parties are unable to agree as to the market price for Specified Royalty adjustment purposes, the matter shall be submitted to arbitration as provided in this lease. Without impairment of the warranties contained in this lease, if the Lessor owns less than the entire and undivided mineral estate in any portion of the described "mineral properties," then, whether or not such lesser interest is referred to or described herein, the sums and royalties herein provided shall be proportionately reduced and paid to Lessor only in the proportion which the Lessor's interest in such portion bears to the entire undivided mineral estate in such portion.

7. SURFACE RIGHTS:

A. In addition to the "mineral properties" herein leased, Lessor hereby grants unto Lessee the exclusive right to enter upon the premises described in Exhibit A and any other property owned or leased by the Lessor adjacent to or surrounding or within the premises described in Exhibit A, for the purpose of appropriating any of such property as Lessee requires in order to construct, maintain, and use upon, within and over all or any portion of said properties, any machinery, tanks, motor vehicles, engines, pipes, power and telephone lines, water wells, roadways, tailings ponds, stockpiling areas, and without limitations by reason of the foregoing enumeration, any and all other structures, equipment, appurtenances or facilities necessary or convenient in prospecting for, developing, producing, storing, transporting, beneficiating, milling and marketing the "mineral properties" produced from any portion of the within described premises. Any damage to any improvement owned by Lessor caused by Lessee shall be compensated by Lessee to Lessor.

B. On all water developed by Lessee, Lessee shall have the right to use said water without any charge or payment to Lessor. In the event a water supply is developed by Lessee in the course of its drilling and it is not required by Lessee for its purposes, then the Lessee shall make available to the Lessor the water source as so developed. The Lessee shall comply with all State laws, rules and regulations pertaining to the plugging of drill holes and in the event there are no existing laws, rules and regulations pertaining to the plugging of drill holes, then Lessee agrees to plug all drill holes not required for Lessor's or Lessee's purposes.

8. WARRANTY:

A. Lessor does hereby covenant and agree with Lessee that the "mineral properties" described herein are free and clear of and from any and all liens and encumbrances and as to those "mineral properties" absolutely owned by Lessor which are not leased from other persons, Lessor warrants that there are no outstanding leases, options, liens, claims or other royalties except as herein specified.

NONE

If Lessor owns a lesser interest in and to any portion of the mining property, then the whole and undivided interest in and to such portion of the "mineral properties," then the royalties and other considerations herein provided for shall be paid to the Lessor only in the proportion in which his interest bears to the whole and undivided interest in and to such portion of the "mineral properties."

B. Lessee shall have no obligation to defend the title of Lessor to the "mineral properties" or any portion thereof. In the event any person, partnership, or corporation files suit making some claim against the "mineral properties" and Lessor does not defend, then Lessee may, if it desires, defend said suit or suits and charge Lessor for any and all reasonable expenses, including attorneys' fees incurred therewith, as determined by the court in said suit or suits, all of which shall only be payable by Lessee deducting from Lessor's future rentals and/or royalties. Lessor hereby agreed that the Lessee, at its option, shall have the right to redeem for Lessor, by payment, any mortgage, taxes or other liens on the above-described "mineral properties" in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

9. ACCESS OF LESSOR TO BOOKS AND REMISES: Lessee

shall keep accurate maps, drill logs, records and books of account in accordance with generally accepted accounting principles, covering all matters necessary to the proper computation of royalties.

Lessor may inspect and copy such maps, drill logs, records and books of account (and may inspect the "mineral property" at Lessor's sole risk) at any reasonable time during normal business hours. In addition, Lessee shall provide to Lessor one copy of all drill logs and maps showing drill hole locations, quarterly.

10. TAXES: Lessee shall pay all taxes levied against the "mineral property" by reason of Lessee's operations therein or thereon, except for taxes and assessments accruing by reason of any royalties paid or payable to Lessor.

11. FORCE MAJEURE: If Lessee shall be prevented or inhibited by any cause reasonably beyond its control, including (by way of example but not limitation) causes such as weather, mill shutdown, damage to or destruction of mine or plant facility, fire, flood, acts of the civil or military authority, insurrection, riot, strikes, labor disputes, inability to obtain competent workmen or materials, or acts of God or such other matters as are beyond the reasonable control of Lessee, in the performance of any of its obligations hereunder, such performance shall be excused, and the period for performance of such obligation shall be extended for an additional period equal to the period during which Lessee is unable to perform its obligations by reason of said cause or causes.

12. DEFAULT:

A. In the event either Lessee or Lessor considers that the other is in default in respect to an obligation hereunder, it shall give written notice of such default to the other party. The

party assertedly in default, if said default be admitted, shall have sixty (60) days from receipt of such notice within which to commence and thereafter diligently carry to completion, steps reasonably necessary to cure such default.

B. If the party assertedly in default, if said default be admitted, fails to commence and thereafter diligently carry to completion steps reasonably necessary to cure such default, within sixty (60) days from receipt of such notice, then the party asserting the admitted default may terminate or cancel this mineral lease.

C. In the event the party claimed to be in default denies said default, then and in that event, the obligation to commence steps reasonably necessary to cure such purported default shall not commence until sixty (60) days after a decision is rendered by a board of arbitration, and then only as to those matters that said final decision has determined should be cured or corrected, and the party asserting such default shall not have the right to terminate or cancel this mineral lease unless the party found by the decision of such board of arbitration to be in default, fails to commence and thereafter carry to completion, steps reasonably necessary to cure such default within sixty (60) days after said final decision has been rendered by said board of arbitration.

13. ARBITRATION:

A. It is agreed by the parties that any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), as amended, and in effect November 1, 1973, and judgment upon any arbitration award rendered thereby may be entered in any court having jurisdiction thereof.

B. The parties contemplate arbitration by three arbitrators, one of whom shall be neutral. The party filing a demand for arbitration with the AAA shall accompany it with the name of the arbitrator who will represent it. The party upon whom the demand for arbitration is made shall designate an arbitrator to represent it within five (5) days from the mailing date of notice from the AAA of the filing of the demand.

C. The arbitrators designated by the parties are authorized to appoint a neutral arbitrator from the National Panel of Arbitrators, pursuant to the provisions of Section 14 of the Commercial Arbitration Rules. It is agreed that in applying Section 12 of said Rules, each party shall have ten (10) days from the mailing date of the list of arbitrators from which a neutral is to be selected to return the list to the AAA.

D. The parties further agree that any arbitrators submitted to them by the AAA under Section 12 shall be dis-interested persons familiar with the business of mining and processing of uranium ore and the marketing of the product from the processing of uranium ore.

E. Notwithstanding any rule in the Commercial Arbitration Rules of the AAA, the decision of the Board of Arbitrators shall not be appealable and shall not be reviewed by a court of competent jurisdiction but shall be final and the party who is not successful in the alleged matter submitted to arbitration shall be responsible to the other party for all costs and attorneys' fees not exceeding \$2,500.00.

14. TERMINATION:

A. Lessee may terminate all or any portion of this Lease prior to the expiration of the primary term. Lessee may terminate this mineral lease as to any portion of the leased premises by giving written notice or notices to Lessor sixty (60) days before the anniversary date in the year in which the termination is to occur. This mineral lease shall remain in full force and effect as to any portion thereof and to which such notice or notices of termination have not been given. Upon termination of this mineral lease, as to all or any part or parts of the "mineral property," Lessee shall be freed from any and all obligations or liabilities arising out of or in any way connected with this lease or Lessee's activities in connection therewith as to the part of the "mineral property" so terminated, excepting only those obligations or liabilities which have previously become accrued, fixed and unconditional, and Lessee may remove any ore stockpiled on the "mineral property" subject to the payment of production royalties as herein provided, and any equipment, machinery, tools, supplies, rails, pipe, buildings and other improvements which may be owned or which may have been installed or placed upon the "mineral property" by, through, or under Lessee.

B. That in the event Lessee fails, within one year from the execution of this lease, to exercise its option with DeVilliers Nuclear or otherwise fails to acquire the property described in said option, to wit, the Juan Tafoya Land Tract in Valencia, Sandoval, and McKinley Counties, then this lease shall be automatically terminated by its own terms and shall be held null and void.

15. WATER AND SURVEY:

A. In addition to and coincident with those rights and obligations recited in Paragraph 7b, Lessee shall, within one year from the commencement date of the primary term, drill to completion a water well upon the common lands of the Juan Tafoya Land Tract for the common use and benefit of the inhabitants of said property and the premises described herein. The priorities of said use shall be first granted to Lessee for all of Lessee's uses and needs in the operation of its business and second to the inhabitants upon the common lands and Lessor. Lessee does not guarantee by this provision that it will, in the course of its drilling, locate a source of water, and Lessee shall have the right to remove any and all equipment necessary for the operation of said well except the casing should the Lessee discontinue its use of said well.

B. At the time Lessee places its drilling equipment upon the property of Lessor, Lessor shall notify Lessee that they desire a water well at that location, if they so desire. Lessor shall provide to Lessee all casing necessary to case said hole and Lessee shall install same free of charge to Lessor.

C. Lessee agrees to survey the exterior boundaries of the herein described lands and will make such survey plats available to Lessor upon request.

16. NOTICES: Any notice required to be given Lessor or Lessee hereunder shall be sent by registered or certified mail, postage prepaid, addressed as follows:

Lessor:

*CRESTNO MARQUEL
1346 YOUNG AVE SW
ALBU, N.M. 87105*

Lessee:

Bokum Resources Corporation
Burro Alley Plaza
P. O. Box 1833
Santa Fe, New Mexico 87501

or at such other address as Lessor or Lessee may designate in written form from time to time.

17. ASSIGNMENTS: This lease may be assigned in whole or in part by Lessor or Lessee without the consent of the other. Lessee shall not be bound by any assignment by Lessor until Lessee receives a certified copy of the instrument of assignment. Upon a whole or partial assignment by Lessee, the assignee shall be solely responsible for (and Lessee relieved of) obligations hereunder to Lessor to the extent of the pro rata portion of this mineral lease which is assigned.

18. ALL AGREEMENTS: This lease incorporates all of the agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and that all such covenants, agreements and understandings have been merged into this written lease. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this lease.

19. AMENDMENTS: This lease shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.

Cynthia Marguerite
LESSOR

LESSOR

BOKUM RESOURCES CORPORATION

By

Wm. E. Davis
Executive Vice President LESSEE

ATTEST:

William H. Davis
Assistant Secretary

967

A C K N O W L E D G M E N T

The foregoing instrument was acknowledged before me
this 6th day of June, 19 74, by Crestino Marquez.

Edward J. Lopez
Notary Public

My commission expires:

9/2/77

The foregoing instrument was acknowledged before me
this 6th day of June, 19 74, by WILLIAM E. BIAVA,
Executive Vice President of Bokum Resources Corporation, a Delaware
corporation, for and on behalf of said corporation.

Edward J. Lopez
Notary Public

My commission expires:

9/2/77

968

EXHIBIT A

A tract of land consisting of seven (7) acres, more or less,
bounded as follows:

On the South by land owned by Max Marquez;
On the North by common lands of the Juan Tafoya Grant;
On the East by common lands of the Juan Tafoya Grant; and
On the West by land owned by Max Marquez.

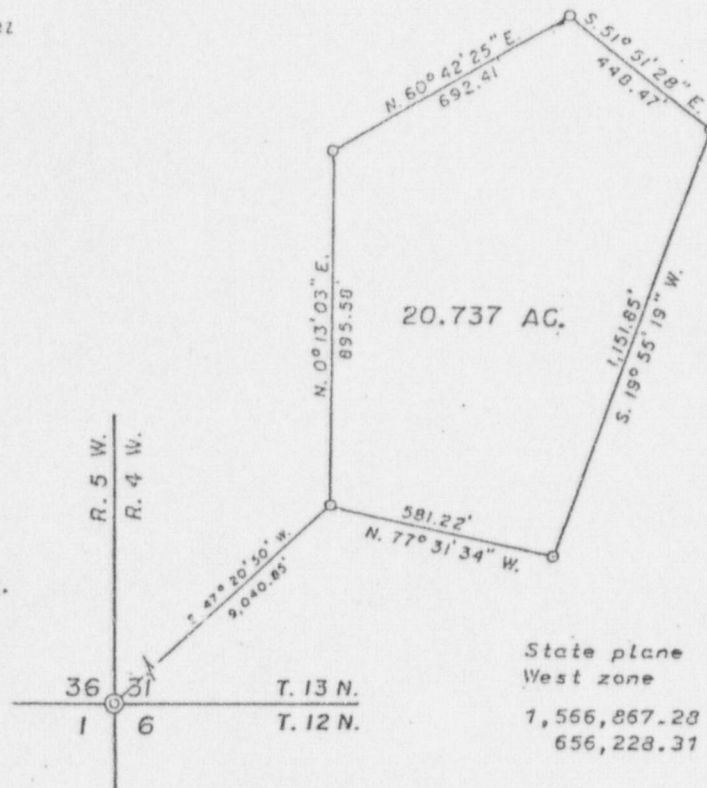
969

STATE OF NEW MEXICO) SS
COUNTY OF SANDOVAL)
This instrument was filed for record on

NOV 27 1978
At 9:30 A.M. P.M.
Recorded in Vol. 112-11-585
of records of said county, folio 556-469
ROSITA MARTINEZ, Clerk & Recorder
By: es Deputy

Crestino Marquez

TRACT 4



Notes:

All bearings are grid,
west zone;
All distances are ground.

Section lines projected
for description purposes
only.

State plane
West zone

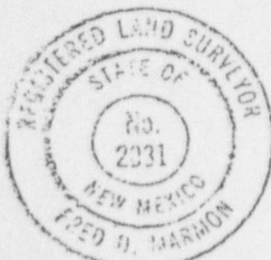
1,566,867.28
656,228.31

LEGAL DESCRIPTION

A tract of land situated in the southwest quarter of section 29,
T.13 N., R.4 W., N.M.P.M., near the village of Marquez, Sandoval County,
New Mexico and being more particularly described as follows:

From the point of beginning, being the southwest corner of said tract,
the southwest Township corner of T.13 N., R.4 W., a marked stone, bears
S. 47° 20' 50" W. and is a distance of 9,040.85 feet. Then from the above
said point of beginning, N. 0° 13' 03" E. 895.58 feet; then N. 60° 42' 25" E.
692.41 feet; then S. 51° 51' 28" E. 448.47 feet; then S. 19° 55' 19" W.
1,151.85 feet; then N. 77° 31' 34" W. 581.22 feet to the point and place
of beginning, and containing an area of 20.737 acres, more or less.

This is to certify that this plat was prepared from field notes of actual
surveys made by me or under my supervision and that the same are true and cor-
rect to the best of my knowledge and belief.



Fred D. Marmon

Fred D. Marmon, Registered Land Surveyor
Certificate No. 2031

Scale: 1" = 400'

September 8, 1974

MINERAL LEASE

THIS AGREEMENT MADE and ENTERED into this 8th day of
June, 1974, by and between David Martinez and Erlinda Martinez,
his wife; and Florenio Martinez and Mary Martinez, his wife,

hereinafter called Lessor, and BOKUM RESOURCES CORPORATION, a Delaware corporation, hereinafter called Lessee;

WHEREAS, the Lessor is the owner of the fee and mineral fee, in and under the property hereinafter described in Exhibit A and hereinafter referred to as the "mineral properties" located in the County or Counties of Sandoval and/or McKinley, State of New Mexico, and

WHEREAS, Lessee is desirous of leasing all of said "mineral properties" from Lessor,

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, AGREEMENTS AND COVENANTS HEREINAFTER CONTAINED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. DEMISE OF PREMISES: Lessor, for and in consideration of the covenants and agreements herein contained, does hereby let, lease, demise and grant unto Lessee all "mineral properties" located in, upon and under those properties described in Exhibit A attached hereto, which description is incorporated herein by reference as if set forth in detail, made a part hereof, and to which reference is hereby made, for the purposes of exploring, developing, mining, extracting and removing minerals (by underground, strip, solution or any other method) from the "mineral properties" and to save, mill (or otherwise treat), or market minerals which are found and contained in the "mineral properties" which Lessee may deem profitable.

2. PRIMARY AND SECONDARY TERMS: The primary term of this lease shall be for a period of two (2) years commencing on the date of execution. If, prior to the expiration of the primary term Lessee completes drilling a minimum of one hole upon each tract of land described in this lease through the west water formation, then

by said act and following the expiration of the two year primary term, Lessee shall be granted a secondary term of this lease for a period of eight (8) years and continuing thereafter so long as minerals are produced in paying quantities or so long as a mill remains upon the properties provided that the rentals described in Paragraph 5 are paid by Lessee to Lessor.

3. MINERAL PROPERTIES: "Mineral properties" are defined to be uranium, thorium, and any other fissionable material together with vanadium, manganese, and non-fissionable materials associated with fissionable materials, ~~[and any and all other types of minerals]~~ in or under the lands above described insofar as those lands in which the Lessor is the owner of the mineral content. There is excepted herefrom all oil and gas and other hydrocarbons which the Lessor may own.

4. OPERATIONS: Lessee shall have the exclusive right, but not the duty to enter into and upon the "mineral property" for the purposes set forth herein and to construct and maintain any improvements thereon which Lessee may deem necessary or convenient in connection with the purposes of this mineral lease.

Lessee shall have the right to use all or any part of the "mineral property" for operations relating to actual mining being conducted therefrom and in addition thereto, Lessee is hereby permitted to extract ore from other property through shafts, drifts, and/or entrances located upon Lessor's "mineral properties." Lessee shall have the right to commingle ores from Lessor's "mineral properties" with ores from other "mineral properties" under Lessee's control. There is no requirement that Lessee shall construct shafts, drifts, and/or underground entrances upon the leased premises for the purpose of mining therefrom.

5. ANNUAL RENTALS:

A. Lessee, upon the execution of this lease, shall pay to Lessor an annual rental of \$5.00 per acre for the first year.

Thereafter, on the anniversary date of this lease, Lessee shall pay to Lessor \$5.00 per acre per year until the royalty payments are commenced as hereinafter described or until the termination or expiration of this lease.

B. On all surface rights appropriated by Lessee pursuant to Paragraph 7, deemed necessary by Lessee in the mining and/or milling of said "mineral properties," Lessee shall pay to Lessor, commencing with the date of appropriation, \$100.00 per acre or portion thereof per year and continuing thereafter each year so long as Lessee maintains a mine or a mill upon said surface property.

~~C. All rentals paid, excepting payments for surface rights as provided in sub-paragraph 5-B, during the primary and secondary terms, shall be construed as advance royalty payments and Lessee shall be entitled to deduct said pre-paid annual rentals from all royalties due and owing to the Lessor until such time that the pre-paid annual payments equal the royalties hereinafter described and thereafter all royalties due and owing to the Lessor shall be paid by Lessee in accordance with the royalty provisions provided in this lease.~~

*Eff
D m
Jm*

6. ROYALTY:

A. For all uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content, Lessee shall pay to Lessor a royalty equal to the "Specified Royalty per Pound of Contained U_3O_8 " as provided below.

B. The "Specified Royalty per Pound of Contained U_3O_8 " (Specified Royalty) shall be equal to forty cents (\$.40) for each pound of U_3O_8 contained in uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content. The Specified Royalty shall be increased by an amount equal to five cents (\$.05) for each increase of one dollar (\$1.00) in the market price of

U₃O₈ above fifteen dollars (\$15.00 per pound. Price increases of less than one dollar (\$1.00) and Specified Royalty to be paid reflecting such price increase shall be computed on the proportionate basis that the increase bears to one dollar (\$1.00) provided that such increase shall be computed to the nearest one-fifth dollar (\$.20). By way of illustration, if the price increase is thirty cents (\$.30) per pound, the Specified Royalty shall be increased to forty-one cents (\$.41) per pound. If the price increase is thirty-one cents (\$.31), the Specified Royalty shall be increased to forty-two cents (\$.42) per pound. For the purpose of this paragraph, "market price per pound of U₃O₈" is defined as the average price being paid at mills processing U₃O₈ in western New Mexico by purchasers thereof. If information as to such sales is not obtainable, the market price shall be determined by reference to representative indices of U₃O₈ prices within geographical regions of the United States including or nearest to New Mexico. If such indices are not available on a regional basis, the market price shall be determined by reference to national U₃O₈ price indices. For the purpose of determining applicable Specified Royalty rates, market price calculations shall occur no more frequently than six (6) month intervals. In the event the parties are unable to agree as to the market price for Specified Royalty adjustment purposes, the matter shall be submitted to arbitration as provided in this lease. Without impairment of the warranties contained in this lease, if the Lessor owns less than the entire and undivided mineral estate in any portion of the described "mineral properties," then, whether or not such lesser interest is referred to or described herein, the sums and royalties herein provided shall be proportionately reduced and paid to Lessor only in the proportion which the Lessor's interest in such portion bears to the entire undivided mineral estate in such portion.

7. SURFACE RIGHTS:

A. In addition to the "mineral properties" herein leased, Lessor hereby grants unto Lessee the exclusive right to enter upon the premises described in Exhibit A and any other property owned or leased by the Lessor adjacent to or surrounding or within the premises described in Exhibit A, for the purpose of appropriating any of such property as Lessee requires in order to construct, maintain, and use upon, with and over all or any portion of said properties, any machinery, tanks, motor vehicles, engines, pipes, power and telephone lines, water wells, roadways, tailings ponds, stockpiling areas, and without limitations by reason of the foregoing enumeration, any and all other structures, equipment, appurtenances or facilities necessary or convenient in prospecting for, developing, producing, storing, transporting, beneficiating, milling and marketing the "mineral properties" produced from any portion of the within described premises. Any damage to any improvement owned by Lessor caused by Lessee shall be compensated by Lessee to Lessor.

B. On all water developed by Lessee, Lessee shall have the right to use said water without any charge or payment to Lessor. In the event a water supply is developed by Lessee in the course of its drilling and it is not required by Lessee for its purposes, then the Lessee shall make available to the Lessor the water source as so developed. The Lessee shall comply with all State laws, rules and regulations pertaining to the plugging of drill holes and in the event there are no existing laws, rules and regulations pertaining to the plugging of drill holes, then Lessee agrees to plug all drill holes not required for Lessor's or Lessee's purposes.

8. WARRANTY:

A. Lessor does hereby covenant and agree with Lessee that the "mineral properties" described herein are free and clear of and from any and all liens and encumbrances and as to those "mineral properties" absolutely owned by Lessor which are not leased from other persons, Lessor warrants that there are no outstanding leases, options, liens, claims or other royalties except as herein specified.

NONE

If Lessor owns a lesser interest in and to any portion of the mining property, then the whole and undivided interest in and to such portion of the "mineral properties," then the royalties and other consideration herein provided for shall be paid to the Lessor only in the proportion in which his interest bears to the whole and undivided interest in and to such portion of the "mineral properties."

B. Lessee shall have no obligation to defend the title of Lessor to the "mineral properties" or any portion thereof. In the event any person, partnership, or corporation files suit making some claim against the "mineral properties" and Lessor does not defend, then Lessee may, if it desires, defend said suit or suits and charge Lessor for any and all reasonable expenses, including attorneys' fees incurred therewith, as determined by the court in said suit or suits, all of which shall only be payable by Lessee deducting from Lessor's future rentals and/or royalties. Lessor hereby agreed that the Lessee, at its option, shall have the right to redeem for Lessor, by payment, any mortgage, taxes or other liens on the above-described "mineral properties" in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

9. ACCESS OF LESSOR TO BOOKS AND PREMISES: Lessee

shall keep accurate maps, drill logs, records and books of account in accordance with generally accepted accounting principles, covering all matters necessary to the proper computation of royalties.

Lessor may inspect and copy such maps, drill logs, records and books of account (and may inspect the "mineral property" at Lessor's sole risk) at any reasonable time during normal business hours. In addition, Lessee shall provide to Lessor one copy of all drill logs and maps showing drill hole locations, quarterly.

10. TAXES: Lessee shall pay all taxes levied against the "mineral property" by reason of Lessee's operations therein or thereon, except for taxes and assessments accruing by reason of any royalties paid or payable to Lessor.

11. FORCE MAJEURE: If Lessee shall be prevented or inhibited by any cause reasonably beyond its control, including (by way of example but not limitation) causes such as weather, mill shutdown, damage to or destruction of mine or plant facility, fire, flood, acts of the civil or military authority, insurrection, riot, strikes, labor disputes, inability to obtain competent workmen or materials, or acts of God or such other matters as are beyond the reasonable control of Lessee, in the performance of any of its obligations hereunder, such performance shall be excused, and the period for performance of such obligation shall be extended for an additional period equal to the period during which Lessee is unable to perform its obligations by reason of said cause or causes.

12. DEFAULT:

A. In the event either Lessee or Lessor considers that the other is in default in respect to an obligation hereunder, it shall give written notice of such default to the other party. The

party assertedly in default, if said default be admitted, shall have sixty (60) days from receipt of such notice within which to commence and thereafter diligently carry to completion, steps reasonably necessary to cure such default.

B. If the party assertedly in default, if said default be admitted, fails to commence and thereafter diligently carry to completion steps reasonably necessary to cure such default, within sixty (60) days from receipt of such notice, then the party asserting the admitted default may terminate or cancel this mineral lease.

C. In the event the party claimed to be in default denies said default, then and in that event, the obligation to commence steps reasonably necessary to cure such purported default shall not commence until sixty (60) days after a decision is rendered by a board of arbitration, and then only as to those matters that said final decision has determined should be cured or corrected, and the party asserting such default shall not have the right to terminate or cancel this mineral lease unless the party found by the decision of such board of arbitration to be in default, fails to commence and thereafter carry to completion, steps reasonably necessary to cure such default within sixty (60) days after said final decision has been rendered by said board of arbitration.

13. ARBITRATION:

A. It is agreed by the parties that any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), as amended, and in effect November 1, 1973, and judgment upon any arbitration award rendered thereby may be entered in any court having jurisdiction thereof.

B. The parties contemplate arbitration by three arbitrators, one of whom shall be neutral. The party filing a demand for arbitration with the AAA shall accompany it with the name of the arbitrator who will represent it. The party upon whom the demand for arbitration is made shall designate an arbitrator to represent it within five (5) days from the mailing date of notice from the AAA of the filing of the demand.

C. The arbitrators designated by the parties are authorized to appoint a neutral arbitrator from the National Panel of Arbitrators, pursuant to the provisions of Section 14 of the Commercial Arbitration Rules. It is agreed that in applying Section 12 of said Rules, each party shall have ten (10) days from the mailing date of the list of arbitrators from which a neutral is to be selected to return the list to the AAA.

D. The parties further agree that any arbitrators submitted to them by the AAA under Section 12 shall be dis-interested persons familiar with the business of mining and processing of uranium ore and the marketing of the product from the processing of uranium ore.

E. Notwithstanding any rule in the Commercial Arbitration Rules of the AAA, the decision of the Board of Arbitrators shall not be appealable and shall not be reviewed by a court of competent jurisdiction but shall be final and the party who is not successful in the alleged matter submitted to arbitration shall be responsible to the other party for all costs and attorneys' fees not exceeding \$2,500.00.

14. TERMINATION:

A. Lessee may terminate all or any portion of this Lease prior to the expiration of the primary term. Lessee may terminate this mineral lease as to any portion of the leased premises by giving written notice or notices to Lessor sixty (60) days before the anniversary date in the year in which the termination is to occur. This mineral lease shall remain in full force and effect as to any portion thereof and to which such notice or notices of termination have not been given. Upon termination of this mineral lease, as to all or any part or parts of the "mineral property," Lessee shall be freed from any and all obligations or liabilities arising out of or in any way connected with this lease or Lessee's activities in connection therewith as to the part of the "mineral property" so terminated, excepting only those obligations or liabilities which have previously become accrued, fixed and unconditional, and Lessee may remove any ore stockpiled on the "mineral property" subject to the payment of production royalties as herein provided, and any equipment, machinery, tools, supplies, rails, pipe, buildings and other improvements which may be owned or which may have been installed or placed upon the "mineral property" by, through, or under Lessee.

B. That in the event Lessee fails, within one year from the execution of this lease, to exercise its option with DeVilliers Nuclear or otherwise fails to acquire the property described in said option, to wit, the Juan Tafoya Land Tract in Valencia, Sandoval, and McKinley Counties, then this lease shall be automatically terminated by its own terms and shall be held null and void.

RECORDED
MAY 1 1975
COUNTY OF Sandoval
NEW MEXICOM I N I N G L E A S E

THIS AGREEMENT made and entered into this 31st day of March 1975 by and between the BOARD OF TRUSTEES of the JUAN TAFOYA LAND GRANT, lands of which Grant are located in the Counties of Sandoval, Valencia, and McKinley, State of New Mexico, although ad valorem taxes therefor have been paid in the Counties of Valencia and McKinley, which Grant is governed under provisions of Sections 8-1-1, et seq., N.M.S.A. 1953, and on behalf of said Grant and members thereof, hereinafter referred to as Lessor, and BOKUM RESOURCES CORPORATION, a Delaware corporation, hereinafter referred to as Lessee,

WITNESSETH:

WHEREAS, Lessor is the owner in fee of lands comprising approximately 3400 acres more or less, located as above designated and known as the JUAN TAFOYA LAND GRANT, and is desirous of entering and by these presents does enter into a Mining Lease of the common lands of said Grant, hereinafter referred to as Property,

WHEREAS, Lessee is desirous of obtaining said Mining Lease and the right to explore, mine, remove, market or otherwise exploit any mineral deposits as may be found on said Property,

WHEREAS, Lessor is authorized to enter into this leasehold agreement and shall request appropriate court approval thereof as per provisions of said Section 8-1-11, N.M.S.A. 1953,

WHEREAS, prior to the execution of this Mining Lease Lessor entered into mining leases regarding the subject Property with DeVilliers Nuclear Corporation dated March 9, 1968, and Hydro-Nuclear Corporation dated June 30, 1971; and that regarding both previous named leases Lessor herein questions the validity

of the DeVilliers lease and various litigation is now pending regarding said lease which affects the validity of the Hydro-Nuclear lease,

WHEREAS, Lessee has become the owner of said leases by virtue of assignments from Hydro-Nuclear Corporation and DeVilliers Nuclear Corporation,

NOW, THEREFORE, IN CONSIDERATION OF THE PAYMENTS, COVENANTS AND AGREEMENTS HEREINAFTER SET OUT, THE RECEIPT AND ADEQUACY OF WHICH IS HEREBY ACKNOWLEDGED, AND OTHER GOOD AND VALUABLE CONSIDERATION, IT IS AGREED AS FOLLOWS:

1. PROPERTY: Lessor is the owner of 3400 acres of land, more or less, commonly known as the Juan Tafoya Land Grant and commonly referred to as the Marquez Property, located within the counties of Sandoval, Valencia, and McKinley; that said property is not described herein by survey at this time because there is present pending litigation concerning the exterior boundaries of said property, Lessor asserting that in addition to private tract owners included within the Grant the total acreage should be 4,502 acres. Dependent upon final determination of that litigation described in Paragraph 10 LITIGATION hereunder, it is intended that Lessee be granted the total acreage resulting to Lessor from said litigation.

2. DEMISE OF PREMISES AND PURPOSES: Lessor grants, demises, leases and lets exclusively unto Lessee, its successors and assigns, the Property with the exclusive right and privilege (1) to explore for, develop, mine (by open pit, underground, strip mining, solution mining or any other method), extract, mill, store thereon and therein and to remove and market therefrom all minerals, metals, ores or materials of whatever nature

or sort; and (2) to use so much of the surface as may be necessary, useful or convenient in connection with the foregoing, including but not limited to the making, installing, construction, erecting and maintaining and removing of buildings, structures, equipment, machinery, surface and subsurface excavations, ditches, drains, railroads, roads, bridges, and other improvements necessary or incident to the foregoing (herein called production facilities); with Lessee possessing such servitudes, rights and privileges, including water rights, and such surface usage as necessary, convenient or useful in connection with any of such operations; and (3) to use said production facilities installed on the Property for the additional purpose of producing metals, ores, minerals, or materials from lands which are owned, operated or controlled by Lessee adjacent to or nearby the Property.

Such right to use and utilize said production facilities may continue after the expiration of this Lease and so long as use of said facilities is required by Lessee in connection with operations on said adjacent or nearby lands, and providing further that said area shall consist of no more than 40 acres, and if such right is so continued then Lessee may extend this Lease as to the portion of Property in excess of said 40 acres necessary or convenient to the enjoyment of said right by notifying Lessor ninety (90) days before the expiration of this Lease and by Lessee paying an annual rental of \$100.00 per acre for said excess.

3. TERM OF LEASE: This Mining Lease and agreement shall extend for a primary term of five (5) years from date hereof and shall be automatically renewed for a second term of five (5) years at the option of Lessee upon payment by Lessee of the sum

of \$35,000 in cash, and so long thereafter as Lessee in good faith is conducting mining operations or an active exploration program on the Property. Lessee herein is paying to Lessor as consideration herein the sum of \$35,000 in the following manner, to-wit:

a. The sum of \$35,000 in cash to be tendered to Edward J. Apodaca as attorney for the Juan Tafoya Land Grant with instructions to tender same to the Clerk of the District Court, Valencia County, New Mexico, who is hereby given the hereinafter designated instructions for the distribution thereof.

b. The Clerk of the District Court shall distribute said \$35,000 as follows, to-wit:

(1) The sum of \$10,000 to Edward J. Apodaca for payment of attorney fees due unto said attorney as per his retainer agreement with said land grant.

(2) The remaining sum of \$25,000 to be distributed by said Clerk of the District Court as per orders of the District Court hereinafter.

c. A copy of this lease shall be placed in the files of cause No. 17487, County of Valencia, together with Resolution of the Board of Trustees of the Juan Tafoya Land Grant and tender of said Resolution to the District Court in said cause.

4. PROSPECTING AND MINING: Lessee shall conduct its prospecting and/or mining activities with reasonable diligence and skill for the purpose of achieving and maintaining the production of ores consistent with good mining and business practices, and shall comply with all applicable local, state and Federal laws.

Further, Lessee agrees upon finding of commercial grade quantities of ores to initiate production on said Property within a period of eighteen (18) months from said event, providing all of the following conditions exist within said period, to wit:

a. Discovery is made of commercially producible ores. All data obtained by Lessee from its drilling operations shall be delivered to Lessor within ninety (90) days of its acquisition by Lessee.

b. That an inventory of the amount of discovered ore bodies proves justifiable for commercial production as determined from the accumulated data by both Lessor and Lessee. In the event there is a dispute as to the amount of inventory then the determination shall be made in accordance with the arbitration clause herein contained.

c. That the market price for said ore is at a level commensurate with good business practice and the production thereof.

d. All physical evidence and information gathered by Lessee in connection with its drilling operation shall be delivered to Lessor as set forth in sub-paragraph a above in order that Lessor may investigate and determine the justification for production.

e. In the event that the parties hereto disagree as to the justification for the immediate development, mining, excavation, and milling of the ores therein found, then the matter shall be submitted for determination in accordance with the arbitration clause herein provided.

Notwithstanding any of the foregoing, the Lessee may defer mining, excavation, and milling by payment to Lessor of

the sum of \$100,000.00 as advance royalties; said payment to be made in lieu of the 18-month provision above described and shall commence thirty (30) days following said eighteenth month and continuing annually thereafter until the commencement of mining, excavation and milling. Lessee shall be entitled to deduct said advance royalty payments from all royalties due and owing to the Lessor until such time that the pre-paid advance royalties equal the royalties hereinafter described. Thereafter, all royalties due and owing to the Lessor shall be paid by Lessee in accordance with the royalty provisions herein provided.

5. ROYALTY:

a. For all uranium-bearing ores and materials mined from the Property by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content, Lessee shall pay to Lessor a royalty equal to the "Specified Royalty per Pound of Contained U_3O_8 " as provided below.

b. The "Specified Royalty per Pound of Contained U_3O_8 " (Specified Royalty) shall be equal to forty cents (\$0.40) for each pound of U_3O_8 contained in uranium-bearing ores and materials mined from the Property by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content. The Specified Royalty shall be increased by an amount equal to five cents (\$0.05) for each increase of one dollar (\$1.00) in the market price of U_3O_8 above fifteen dollars (\$15.00) per pound. Price increases of less than one dollar (\$1.00) and Specified Royalty to be paid reflecting such price increase shall be computed on the proportionate basis that the increase bears to one dollar (\$1.00) provided that such increase shall be computed to the nearest

one-fifth dollar (\$0.20). By way of illustration, if the price increase is thirty cents (\$0.30) per pound, the Specified Royalty shall be increased to forty-one cents (\$0.41) per pound. If the price increase is thirty-one cents (\$0.31), the Specified Royalty shall be increased to forty-two cents (\$0.42) per pound. For the purpose of this paragraph, "market price per pound of U_3O_8 " is defined as the average price being paid at mills processing U_3O_8 in western New Mexico by purchasers thereof. If information as to such sales is not obtainable, the market price shall be determined by reference to representative indices of U_3O_8 prices within geographical regions of the United States including or nearest to New Mexico. If such indices are not available on a regional basis, the market price shall be determined by reference to national U_3O_8 price indices. For the purpose of determining applicable Specified Royalty rates, market price calculations shall occur no more frequently than six (6) month intervals. In the event the parties are unable to agree as to the market price for Specified Royalty adjustment purposes, the matter shall be submitted to arbitration as provided in this lease.

6. TAXES: Lessee agrees that it shall pay any additional taxes, levys, assessments or charges levied against the Property as a result of the execution of this Lease or of mine development and operation or of mill development and operation except for taxes and assessments accruing by reason of any royalties or advance royalties paid or payable to Lessor.

7. INSURANCE: Lessee agrees to carry full and adequate insurance coverage, including Workmen's Compensation Coverage on all employees engaged in operations of the Property and to cause any individual contractor employed by Lessee in

exploration, development or production work to comply with the foregoing terms of this contract, all in order that Lessor shall suffer no damages of any nature by virtue of the utilization of said Property by Lessee, and Lessee further agrees to indemnify Lessor for any damages that Lessor may suffer as owner of said Property by virtue of operations of Lessee. Lessee further agrees to post notices on the Property to prevent the assertion of any lien against the Property arising out of Lessee's operations as provided by the New Mexico statutes.

8. INDEMNIFICATION: Lessee does hereby release each member of the Board of Trustees executing this lease from any and all personal liability that they may incur as a result of executing this lease as between Lessor and Lessee and agrees to indemnify said trustees in the event they sustain any liability in any action filed by DeVilliers Nuclear Corporation or Hydro-Nuclear Corporation pertaining to the two leases heretofore executed between said entities and the Board of Trustees.

9. WARRANTY: Lessor warrants that it holds good title to the Property as per terms of Decree rendered in Cause No. 6113, Second Judicial District Court, County of Bernalillo on August 15, 1905 and as further determined in Cause No. 15596, County of Valencia, Second Judicial District Court and that the Property constituting the common lands of said JUAN TAFOYA LAND GRANT is free and clear of any liens or encumbrances which would affect the operations of Lessee in any manner. Without impairment of said warranty, if Lessor owns less than the entire and undivided mineral estate in and to the Property, then the royalties and payments herein provided shall be proportionately reduced and paid to Lessor only in the proportion which Lessor's interest bears to the entire and undivided mineral estate.

10. LITIGATION: Presently there is pending litigation styled Kerr-McGee v. DeVilliers Nuclear Corporation, No. 15361, McKinley County, and S. J. Sachs, et al. v. Board of Trustees of the Town of Cebolleta Land Grant, et al., No. 7561, McKinley County, wherein the title and boundaries of the leased premises are being questioned and Lessee, in conjunction with Lessor, has undertaken the defense of said litigation. Both parties agree to continue to cooperate in the defense of said litigation and in the establishment of the true boundaries and title of the Property owned by Lessor, each party bearing its own expense of litigation. Upon the final disposition of said causes and concerning any new litigation filed from the date of the commencement of this Lease, Lessee shall have no obligation to defend the title of Lessor to the Property or portion thereof. In the event any person, partnership, or corporation files suit making some claim against the Property and Lessor does not defend, then Lessee may, if it desires, defend said suit or suits and charge Lessor for any and all reasonable expenses, including attorneys' fees incurred therewith, as determined by the court in said suit or suits, all of which shall only be payable by Lessee deducting from Lessor's advanced royalties and/or royalties. Lessor hereby agrees that the Lessee, at its option, shall have the right to redeem for Lessor, by payment, any mortgage, taxes or other liens on the above-described Property in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

11. TERMINATION: This mining lease may be canceled by Lessor if Lessee fails to remove or cure a default or breach of the provisions of this Lease as herein provided.

a. In the event Lessor considers that Lessee is in default in respect to an obligation hereunder, it shall give written notice of such default to Lessee. If said default be admitted, then Lessee shall have sixty (60) days from receipt of such notice within which to commence and thereafter diligently carry to completion, steps reasonably necessary to cure such default.

b. If said default be admitted and Lessee fails to commence and thereafter diligently carry to completion steps reasonably necessary to cure such default, within sixty (60) days from receipt of such notice, then Lessor may terminate or cancel this Mining Lease.

c. In the event Lessee denies said default, then and in that event, the obligation to commence steps reasonably necessary to cure such purported default shall not commence until sixty (60) days after a decision is rendered by a board of arbitration, and then only as to those matters that said final decision has determined should be cured or corrected, and the Lessor shall not have the right to terminate or cancel this Mining Lease unless the Lessee, by the decision of such board of arbitration, is found to be in default and fails to commence and thereafter carry to completion steps reasonably necessary to cure such default within sixty (60) days after said final decision has been rendered by said board of arbitration.

Lessee may terminate its rights and responsibilities hereunder, except for the obligation to pay royalties due and owing, by delivering written notice by registered mail to Lessor of Lessee's intention so to terminate, said notice must be tendered to attorney for Lessor.

If this Lease expires by its own terms or is terminated as herein provided, Lessee agrees to execute a full and sufficient release thereof and to deliver the same to Lessor within thirty (30) days after said expiration.

Further, upon the expiration of this Lease either by Lessor or Lessee under the above terms and conditions, Lessee shall have 180 days from the date of such termination to remove any and all property which Lessee has located on or attached to the Property, providing that Lessee properly covers with dirt or soil the area being utilized by Lessee for its waste material in the production and milling of ores, in order that Lessor may utilize said area for grazing or otherwise.

11. ARBITRATION:

a. It is agreed by the parties that any controversy or claim arising out of or relating to this Lease, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), as amended, and in effect November 1, 1973, and judgment upon any arbitration award rendered thereby may be entered in any court having jurisdiction thereof.

b. The parties contemplate arbitration by three arbitrators, one of whom shall be neutral. The party filing a demand for arbitration with the AAA shall accompany it with the name of the arbitrator who will represent it. The party upon whom the demand for arbitration is made shall designate an arbitrator to represent it within five (5) days from the mailing date of notice from the AAA of the filing of the demand.

c. The arbitrators designated by the parties are authorized to appoint a neutral arbitrator from the National Panel of Arbitrators, pursuant to the provisions of Section 14 of the Commercial Arbitration Rules. It is agreed that in

applying Section 12 of said Rules, each party shall have ten (10) days from the mailing date of the list of arbitrators from which a neutral is to be selected to return the list to the AAA.

d. The parties further agree that any arbitrators submitted to them by the AAA under Section 12 shall be disinterested persons familiar with the business of mining and processing of uranium ore and the marketing of the product from the processing of uranium ore.

e. The decision of the Board of Arbitrators shall be appealable, if desired, and shall be reviewed by the Thirteenth Judicial District, State of New Mexico, and the party who is not successful in the alleged matters submitted to arbitration shall be responsible to the other party for all costs and attorneys' fees not exceeding \$10,000.00.

14. WATER: Lessee shall have the right to drill and maintain water wells upon any of the property herein described. Lessee shall have the right to use all of the water developed by Lessee without any charge by or payment to Lessor. In the event the water supply is developed by Lessee in the course of its drilling and is not required for Lessee for its purposes, then Lessee shall make available to Lessor the water sources as so developed if requested by Lessor. At the minimum, and prior to the termination of this Lease, Lessee shall provide to Lessor one water well for Lessor's use.

15. RESTORATION: Lessee shall restore, by leveling and seeding, any lands which Lessee has utilized, with the exception of roads, in conducting its exploration, drilling, and mining program as hereinabove described. Said restoration shall occur regarding those portions of surface land that have

been utilized by lessee and subsequently abandoned or determined by Lessee to be non-usable for Lessee's purposes.

16. EMPLOYMENT: In the event Lessor or any member of Lessor, including its family, desires employment from Lessee as it applies to Lessee's operation confined on the Property described in this lease and provided any such person is qualified to perform the type of employment required by Lessee incident to its drilling, mining, and milling operations then Lessee shall employ said person so long as the services performed are consistent with the requirements of Lessor; it being intended by this paragraph that Lessee shall endeavor to employ persons related to or being a member of Lessor where said employment is available and where, in the discretion of Lessee the person or persons requesting that employment is qualified.

17. ACCESS OF LESSOR TO BOOKS AND PREMISES: Lessee shall keep accurate maps, drill logs, records and books of account in accordance with generally accepted accounting principles, covering all matters necessary to the proper computation of royalties. Lessor may inspect and copy such maps, drill logs, records and books of account (and may inspect the Property at Lessor's sole risk) at any reasonable time during normal business hours.

18. FORCE MAJEURE: If Lessee shall be prevented or inhibited by any cause reasonably beyond its control, including (by way of example but not limitation) causes such as weather, mill shutdown, damage to or destruction of mine or plant facility, fire, flood, acts of the civil or military authority, insurrection, riot, strikes, labor disputes, inability to obtain competent workmen or materials, or acts of God or such other

Matters as are beyond the reasonable control of Lessee, in the performance of any of its obligations hereunder, such performance shall be excused, and the period for performance of such obligations shall be extended for an additional period equal to the period during which Lessee is unable to perform its obligations by reason of said cause or causes.

19. ASSIGNMENT: This Lease Agreement may be assigned upon a thirty (30) day notification made by either party assigning herein, and when it is assigned it shall bind the heirs, legal representatives, successors and assigns of the parties hereto respectively.

20. NOTICES: All written notices called for in this Lease and the payment of the bonuses and royalties herein provided may be made to the respective parties at the following designated addresses:

LESSOR: Edward J. Apodaca, Esq.
Attorney for Juan Tafoya Land Grant
Suite 1627, National Building
505 Marquette NW
Albuquerque, New Mexico 87102

LESSEE: Bokum Resources Corporation
Post Office Box 1833
Santa Fe, New Mexico 87103

21. Lessor agrees that this Mining Lease is not an extension, modification, amendment or ratification of any other and prior lease which purports to be from the Board of Trustees of the Juan Tafoya Land Grant, and Lessor represents that said Land Grant came into being by virtue of adjudication made on August 15, 1905 in Cause No. 6113, Second Judicial District Court, County of Bernalillo, State of New Mexico, and that said Grant is governed under provisions of Section 8-1-1, et seq., N.M.S.A. 1953, and that affirmation and declaration of said

status was rendered on March 3, 1971 in Second Judicial District Court, Cause No. 15586, County of Valencia, State of New Mexico, and that the Board of Trustees executing this Lease on behalf of said Grant and the members thereof are duly authorized to act on behalf of the Juan Tafoya Land Grant and all constitute the duly elected and qualified Board of Trustees in accord with the pertinent laws of the State of New Mexico.

IN WITNESS WHEREOF, this Mining Lease has been executed by Lessor and by Lessee on the day and year first above written.

TRUSTEES AND MEMBERS OF THE
JUAN TAFOYA LAND GRANT, Lessor

CONSENT & APPROVAL:

Attorney for Juan
Tafoya Land Grant

Robert L. Mangray
Alvin Mangray
David Martinez
Marciano Lucero
Ubaldo Morales

ATTEST:

Secretary
Assistant

BOOKM RESOURCES CORPORATION Lessee

Robert D. Bunker

APPROVED:

Judge

Thirteenth Judicial District

William Salinas

#155,081

STATE OF NEW MEXICO }
COUNTY OF MCKINNEY }

Filed for record in the Clerk's office
the 10th day of December
A. D. 1975 at 4:19 o'clock P. M.
and recorded in Book 46
of Leases on page 367-375
Wanda Cordova
County Clerk
Wanda Cordova - Dep

MINERAL LEASE

THIS AGREEMENT MADE and ENTERED into this 8th day of
June, 1974, by and between Orlando Martinez and Cecilia Martinez,
his wife; and Estanislado Martinez and Vivian Martinez, his wife,

hereinafter called Lessor, and BOKUM RESOURCES CORPORATION, a Delaware corporation, hereinafter called Lessee;

WHEREAS, the Lessor is the owner of the fee and mineral fee, in and under the property hereinafter described in Exhibit A and hereinafter referred to as the "mineral properties" located in the County or Counties of Sandoval and/or McKinley, State of New Mexico, and

WHEREAS, Lessee is desirous of leasing all of said "mineral properties" from Lessor,

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, AGREEMENTS AND COVENANTS HEREINAFTER CONTAINED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. DEMISE OF PREMISES: Lessor, for and in consideration of the covenants and agreements herein contained, does hereby let, lease, demise and grant unto Lessee all "mineral properties" located in, upon and under those properties described in Exhibit A attached hereto, which description is incorporated herein by reference as if set forth in detail, made a part hereof, and to which reference is hereby made, for the purposes of exploring, developing, mining, extracting and removing minerals (by underground, strip, solution or any other method) from the "mineral properties" and to save, mill (or otherwise treat), or market minerals which are found and contained in the "mineral properties" which Lessee may deem profitable.

2. PRIMARY AND SECONDARY TERMS: The primary term of this lease shall be for a period of two (2) years commencing on the date of execution. If, prior to the expiration of the primary term Lessee completes drilling a minimum of one hole upon each tract of land described in this lease through the west water formation, then

by said act and following the expiration of the two year primary term, Lessee shall be granted a secondary term of this lease for a period of eight (8) years and continuing thereafter so long as minerals are produced in paying quantities or so long as a mill remains upon the properties provided that the rentals described in Paragraph 5 are paid by Lessee to Lessor.

3. MINERAL PROPERTIES: "Mineral properties" are defined to be uranium, thorium, and any other fissionable material together with vanadium, manganese, and non-fissionable materials associated with fissionable materials, ~~and any and all other types of minerals~~ in or under the lands above described insofar as those lands in which the Lessor is the owner of the mineral content. There is excepted herefrom all oil and gas and other hydrocarbons which the Lessor may own.

4. OPERATIONS: Lessee shall have the exclusive right, but not the duty to enter into and upon the "mineral property" for the purposes set forth herein and to construct and maintain any improvements thereon which Lessee may deem necessary or convenient in connection with the purposes of this mineral lease.

Lessee shall have the right to use all or any part of the "mineral property" for operations relating to actual mining being conducted therefrom and in addition thereto, Lessee is hereby permitted to extract ore from other property through shafts, drifts, and/or entrances located upon Lessor's "mineral properties." Lessee shall have the right to commingle ores from Lessor's "mineral properties" with ores from other "mineral properties" under Lessee's control. There is no requirement that Lessee shall construct shafts, drifts, and/or underground entrances upon the leased premises for the purpose of mining therefrom.

5. ANNUAL RENTALS:

A. Lessee, upon the execution of this lease, shall pay to Lessor an annual rental of \$5.00 per acre for the first year.

Thereafter, on the anniversary date of this lease, Lessee shall pay to Lessor \$5.00 per acre per year until the royalty payments are commenced as hereinafter described or until the termination or expiration of this lease.

B. On all surface rights appropriated by Lessee pursuant to Paragraph 7, deemed necessary by Lessee in the mining and/or milling of said "mineral properties," Lessee shall pay to Lessor, commencing with the date of appropriation, \$100.00 per acre or portion thereof per year and continuing thereafter each year so long as Lessee maintains a mine or a mill upon said surface property.

~~C. All rentals paid, excepting payments for surface rights as provided in sub-paragraph 5-B, during the primary and secondary terms, shall be construed as advance royalty payments and Lessee shall be entitled to deduct said pre-paid annual rentals from all royalties due and owing to the Lessor until such time that the pre-paid annual payments equal the royalties hereinafter described and thereafter all royalties due and owing to the Lessor shall be paid by Lessee in accordance with the royalty provisions provided in this lease.~~ E.H.
E.M.
C.M.

6. ROYALTY:

A. For all uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content, Lessee shall pay to Lessor a royalty equal to the "Specified Royalty per Pound of Contained U_3O_8 " as provided below.

B. The "Specified Royalty per Pound of Contained U_3O_8 " (Specified Royalty) shall be equal to forty cents (\$.40) for each pound of U_3O_8 contained in uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content. The Specified Royalty shall be increased by an amount equal to five cents (\$.05) for each increase of one dollar (\$1.00) in the market price of

U₃O₈ above fifteen dollars (\$15.00 per pound. Price increases of less than one dollar (\$1.00) and Specified Royalty to be paid reflecting such price increase shall be computed on the proportionate basis that the increase bears to one dollar (\$1.00) provided that such increase shall be computed to the nearest one-fifth dollar (\$.20). By way of illustration, if the price increase is thirty cents (\$.30) per pound, the Specified Royalty shall be increased to forty-one cents (\$.41) per pound. If the price increase is thirty-one cents (\$.31), the Specified Royalty shall be increased to forty-two cents (\$.42) per pound. For the purpose of this paragraph, "market price per pound of U₃O₈" is defined as the average price being paid at mills processing U₃O₈ in western New Mexico by purchasers thereof. If information as to such sales is not obtainable, the market price shall be determined by reference to representative indices of U₃O₈ prices within geographical regions of the United States including or nearest to New Mexico. If such indices are not available on a regional basis, the market price shall be determined by reference to national U₃O₈ price indices. For the purpose of determining applicable Specified Royalty rates, market price calculations shall occur no more frequently than six (6) month intervals. In the event the parties are unable to agree as to the market price for Specified Royalty adjustment purposes, the matter shall be submitted to arbitration as provided in this lease. Without impairment of the warranties contained in this lease, if the Lessor owns less than the entire and undivided mineral estate in any portion of the described "mineral properties," then, whether or not such lesser interest is referred to or described herein, the sums and royalties herein provided shall be proportionately reduced and paid to Lessor only in the proportion which the Lessor's interest in such portion bears to the entire undivided mineral estate in such portion.

7. SURFACE RIGHTS:

A. In addition to the "mineral properties" herein leased, Lessor hereby grants unto Lessee the exclusive right to enter upon the premise described in Exhibit A and any other property owned or lease by the Lessor adjacent to or surrounding or within the premises described in Exhibit A, for the purpose of appropriating any of such property as Lessee requires in order to construct, maintain, and use upon, within and over all or any portion of said properties, any machinery, tanks, motor vehicles, engines, pipes, power and telephone lines, water wells, roadways, tailings ponds, stockpiling areas, and without limitations by reason of the foregoing enumeration, any and all other structures, equipment, appurtenances or facilities necessary or convenient in prospecting for, developing, producing, storing, transporting, beneficiating, milling and marketing the "mineral properties" produced from any portion of the within described premises. Any damage to any improvement owned by Lessor caused by Lessee shall be compensated by Lessee to Lessor.

B. On all water developed by Lessee, Lessee shall have the right to use said water without any charge or payment to Lessor. In the event a water supply is developed by Lessee in the course of its drilling and it is not required by Lessee for its purposes, then the Lessee shall make available to the Lessor the water source as so developed. The Lessee shall comply with all State laws, rules and regulations pertaining to the plugging of drill holes and in the event there are no existing laws, rules and regulations pertaining to the plugging of drill holes, then Lessee agrees to plug all drill holes not required for Lessor's or Lessee's purposes.

8. WARRANTY:

A. Lessor does hereby covenant and agree with Lessee that the "mineral properties" described herein are free and clear of and from any and all liens and encumbrances and as to those "mineral properties" absolutely owned by Lessor which are not leased from other persons, Lessor warrants that there are no outstanding leases, options, liens, claims or other royalties except as herein specified.

NONE

If Lessor owns a lesser interest in and to any portion of the mining property, then the whole and undivided interest in and to such portion of the "mineral properties," then the royalties and other considerations herein provided for shall be paid to the Lessor only in the proportion in which his interest bears to the whole and undivided interest in and to such portion of the "mineral properties."

B. Lessee shall have no obligation to defend the title of Lessor to the "mineral properties" or any portion thereof. In the event any person, partnership, or corporation files suit making some claim against the "mineral properties" and Lessor does not defend, then Lessee may, if it desires, defend said suit or suits and charge Lessor for any and all reasonable expenses, including attorneys' fees incurred therewith, as determined by the court in said suit or suits, all of which shall only be payable by Lessee deducting from Lessor's future rentals and/or royalties. Lessor hereby agreed that the Lessee, at its option, shall have the right to redeem for Lessor, by payment, any mortgage, taxes or other liens on the above-described "mineral properties" in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

9. ACCESS OF LESSOR TO BOOKS AND PREMISES: Lessee

shall keep accurate maps, drill logs, records and books of account in accordance with generally accepted accounting principles, covering all matters necessary to the proper computation of royalties.

Lessor may inspect and copy such maps, drill logs, records and books of account (and may inspect the "mineral property" at Lessor's sole risk) at any reasonable time during normal business hours. In addition, Lessee shall provide to Lessor one copy of all drill logs and maps showing drill hole locations, quarterly.

10. TAXES: Lessee shall pay all taxes levied against the "mineral property" by reason of Lessee's operations therein or thereon, except for taxes and assessments accruing by reason of any royalties paid or payable to Lessor.

11. FORCE MAJEURE: If Lessee shall be prevented or inhibited by any cause reasonably beyond its control, including (by way of example but not limitation) causes such as weather, mill shutdown, damage to or destruction of mine or plant facility, fire, flood, acts of the civil or military authority, insurrection, riot, strikes, labor disputes, inability to obtain competent workmen or materials, or acts of God or such other matters as are beyond the reasonable control of Lessee, in the performance of any of its obligations hereunder, such performance shall be excused, and the period for performance of such obligation shall be extended for an additional period equal to the period during which Lessee is unable to perform its obligations by reason of said cause or causes.

12. DEFAULT:

A. In the event either Lessee or Lessor considers that the other is in default in respect to an obligation hereunder, it shall give written notice of such default to the other party. The

party assertedly in default, if said default be admitted, shall have sixty (60) days from receipt of such notice within which to commence and thereafter diligently carry to completion, steps reasonably necessary to cure such default.

B. If the party assertedly in default, if said default be admitted, fails to commence and thereafter diligently carry to completion steps reasonably necessary to cure such default, within sixty (60) days from receipt of such notice, then the party asserting the admitted default may terminate or cancel this mineral lease.

C. In the event the party claimed to be in default denies said default, then and in that event, the obligation to commence steps reasonably necessary to cure such purported default shall not commence until sixty (60) days after a decision is rendered by a board of arbitration, and then only as to those matters that said final decision has determined should be cured or corrected, and the party asserting such default shall not have the right to terminate or cancel this mineral lease unless the party found by the decision of such board of arbitration to be in default, fails to commence and thereafter carry to completion, steps reasonably necessary to cure such default within sixty (60) days after said final decision has been rendered by said board of arbitration.

13. ARBITRATION:

A. It is agreed by the parties that any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), as amended, and in effect November 1, 1973, and judgment upon any arbitration award rendered thereby may be entered in any court having jurisdiction thereof.

B. The parties contemplate arbitration by three arbitrators, one of whom shall be neutral. The party filing a demand for arbitration with the AAA shall accompany it with the name of the arbitrator who will represent it. The party upon whom the demand for arbitration is made shall designate an arbitrator to represent it within five (5) days from the mailing date of notice from the AAA of the filing of the demand.

C. The arbitrators designated by the parties are authorized to appoint a neutral arbitrator from the National Panel of Arbitrators, pursuant to the provisions of Section 14 of the Commercial Arbitration Rules. It is agreed that in applying Section 12 of said Rules, each party shall have ten (10) days from the mailing date of the list of arbitrators from which a neutral is to be selected to return the list to the AAA.

D. The parties further agree that any arbitrators submitted to them by the AAA under Section 12 shall be dis-interested persons familiar with the business of mining and processing of uranium ore and the marketing of the product from the processing of uranium ore.

E. Notwithstanding any rule in the Commercial Arbitration Rules of the AAA, the decision of the Board of Arbitrators shall not be appealable and shall not be reviewed by a court of competent jurisdiction but shall be final and the party who is not successful in the alleged matter submitted to arbitration shall be responsible to the other party for all costs and attorneys' fees not exceeding \$2,500.00.

14. TERMINATION:

A. Lessee may terminate all or any portion of this Lease prior to the expiration of the primary term. Lessee may terminate this mineral lease as to any portion of the leased premises by giving written notice or notices to Lessor sixty (60) days before the anniversary date in the year in which the termination is to occur. This mineral lease shall remain in full force and effect as to any portion thereof and to which such notice or notices of termination have not been given. Upon termination of this mineral lease, as to all or any part or parts of the "mineral property," Lessee shall be freed from any and all obligations or liabilities arising out of or in any way connected with this lease or Lessee's activities in connection therewith as to the part of the "mineral property" so terminated, excepting only those obligations or liabilities which have previously become accrued, fixed and unconditional, and Lessee may remove any ore stockpiled on the "mineral property" subject to the payment of production royalties as herein provided, and any equipment, machinery, tools, supplies, rails, pipe, buildings and other improvements which may be owned or which may have been installed or placed upon the "mineral property" by, through, or under Lessee.

B. That in the event Lessee fails, within one year from the execution of this lease, to exercise its option with DeVilliers Nuclear or otherwise fails to acquire the property described in said option, to wit, the Juan Tafoya Land Tract in Valencia, Sandoval, and McKinley Counties, then this lease shall be automatically terminated by its own terms and shall be held null and void.

15. WATER AND SURVEY:

A. In addition to and coincident with those rights and obligations recited in Paragraph 7b, Lessee shall, within one year from the commencement date of the primary term, drill to completion a water well upon the common lands of the Juan Tafoya Land Tract for the common use and benefit of the inhabitants of said property and the premises described herein. The priorities of said use shall be first granted to Lessee for all of Lessee's uses and needs in the operation of its business and second to the inhabitants upon the common lands and Lessor. Lessee does not guarantee by this provision that it will, in the course of its drilling, locate a source of water, and Lessee shall have the right to remove any and all equipment necessary for the operation of said well except the casing should the Lessee discontinue its use of said well.

B. At the time Lessee places its drilling equipment upon the property of Lessor, Lessor shall notify Lessee that they desire a water well at that location, if they so desire. Lessor shall provide to Lessee all casing necessary to case said hole and Lessee shall install same free of charge to Lessor.

C. Lessee agrees to survey the exterior boundaries of the herein described lands and will make such survey plats available to Lessor upon request.

16. NOTICES: Any notice required to be given Lessor or Lessee hereunder shall be sent by registered or certified mail, postage prepaid, addressed as follows:

Lessor:
David Martinez
839 Foothill Drive, S. W.
Albuquerque, N. M. 87501

Lessee:
Bokum Resources Corporation
Burro Alley Plaza
P. O. Box 1833
Santa Fe, New Mexico 87501

or at such other address as Lessor or Lessee may designate in written form from time to time.

17. ASSIGNMENTS: This lease may be assigned in whole or in part by Lessor or Lessee without the consent of the other. Lessee shall not be bound by any assignment by Lessor until Lessee receives a certified copy of the instrument of assignment. Upon a whole or partial assignment by Lessee, the assignee shall be solely responsible for (and Lessee relieved of) obligations hereunder to Lessor to the extent of the pro rata portion of this mineral lease which is assigned.

18. ALL AGREEMENTS: This lease incorporates all of the agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and that all such covenants, agreements and understandings have been merged into this written lease. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this lease.

19. AMENDMENTS: This lease shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.

LESSOR

LESSOR

BOKUM RESOURCES CORPORATION

By

W. E. Brien
Executive Vice President LESSEE

ATTEST:

[Signature]
Assistant Secretary

921

Estanislao Martinez LESSOR

Wladimir Martinez LESSOR

Calando Martinez LESSOR

Cecilio Martinez LESSOR

____ LESSOR

____ LESSOR

____ LESSOR

____ LESSOR

____ LESSOR

____ LESSOR

____ LESSOR

____ LESSOR

____ LESSOR

____ LESSOR

A C K N O W L E D G M E N T

The foregoing instrument was acknowledged before me
this _____ day of _____, 19____, by _____
_____.

Notary Public

My commission expires:

The foregoing instrument was acknowledged before me
this 8th day of June, 1974, by WILLIAM E. BIAVA,
Executive Vice President of Bokum Resources Corporation, a Delaware
corporation, for and on behalf of said corporation.

Edward J. Lopez
Notary Public

My commission expires:

9/2/77

A C K N O W L E D G M E N T S

The foregoing instrument was acknowledged before me this
8th day of June, 1974, by Estenislado Martinez
and Vivian Martinez
Edmund J. Lopez
Notary Public
My commission expires:
9/2/77

The foregoing instrument was acknowledged before me this
8th day of June, 1974, by Orlando Martinez
and Beibia Martinez
Edmund J. Lopez
Notary Public
My commission expires:
9/2/77

The foregoing instrument was acknowledged before me this
_____ day of _____, 19____, by _____
and _____

Notary Public
My commission expires:

The foregoing instrument was acknowledged before me this
_____ day of _____, 19____, by _____
and _____

Notary Public
My commission expires:

The foregoing instrument was acknowledged before me this
_____ day of _____, 19____, by _____
and _____

Notary Public
My commission expires:

924

EXHIBIT A

A parcel of land within the exterior boundaries of the Juan Tafoya Grant, known as El Cerco Del Puente, and described as follows:

Bounded on the East by Community land;
Bounded on the North by Community land;
Bounded on the South by Arroyo Hondo; and
Bounded on the West by Jose C. Marquez.

Containing 10 acres, more or less.

STATE OF NEW MEXICO |
COUNTY OF SANDOVAL |

This instrument was filed for record on

NOV 27 1978

At 2:30 A.M.

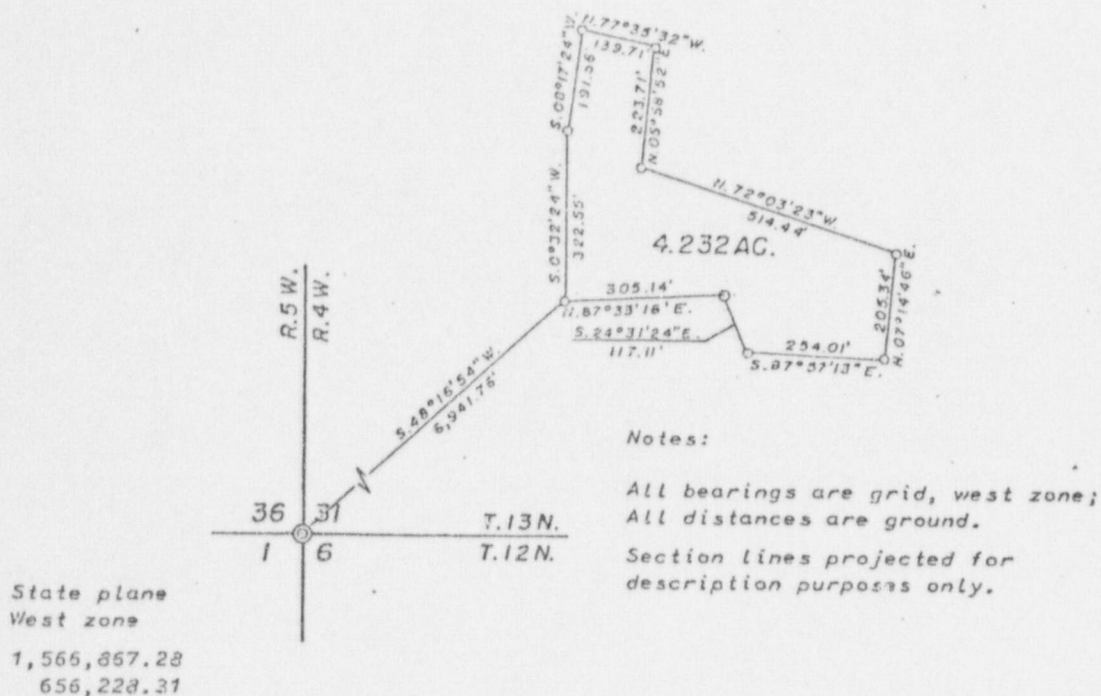
Recorded in Vol. 1002

of records of said county, folio 1-925
ROSITA MARTINEZ, C.A. & R. order

By: [Signature] Deputy

Orlando and Estanislada Martinez

TRACT 7



LEGAL DESCRIPTION

A tract of land situated within the northeast quarter of section 31, and the northwest quarter of section 32, T.13 N., R.4 W., N.M.P.M., near the village of Marquez, Sandoval County, New Mexico and being more particularly described as follows:

From the point of beginning, being the southwest corner of said tract, the southwest Township corner of T.13 N., R.4 W., a marked stone, bears, S. 48°16'54" W. and is a distance of 6,941.76 feet. Then from the above said point of beginning, N. 87°33'16" E. 305.14 feet; then S. 24°31'24" E. 117.11 feet; then S. 87°57'13" E. 254.01 feet; then N. 7°14'46" E. 205.34 feet; then N. 72°03'23" W. 514.44 feet; then N. 5°58'52" E. 223.71 feet; then N. 77°35'32" W. 139.71 feet; then S. 8°17'24" W. 191.56 feet; then S. 0°32'24" W. 322.55 feet to the point and place of beginning and containing an area of 4.232 acres, more or less.

This is to certify that this plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.



Fred D. Marmon, Registered Land Surveyor
Certificate No. 2031

Scale: 1" = 300'

September 25, 1974

MINERAL LEASE

THIS AGREEMENT MADE and ENTERED into this 8th day of
June, 1974, by and between Simplicio Sammy Martinez and
Fina Martinez, his wife,

hereinafter called Lessor, and BOKUM RESOURCES CORPORATION, a Delaware corporation, hereinafter called Lessee;

WHEREAS, the Lessor is the owner of the fee and mineral fee, in and under the property hereinafter described in Exhibit A and hereinafter referred to as the "mineral properties" located in the County or Counties of Sandoval and/or McKinley, State of New Mexico, and

WHEREAS, Lessee is desirous of leasing all of said "mineral properties" from Lessor,

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, AGREEMENTS AND COVENANTS HEREINAFTER CONTAINED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. DEMISE OF PREMISES: Lessor, for and in consideration of the covenants and agreements herein contained, does hereby let, lease, demise and grant unto Lessee all "mineral properties" located in, upon and under those properties described in Exhibit A attached hereto, which description is incorporated herein by reference as if set forth in detail, made a part hereof, and to which reference is hereby made, for the purposes of exploring, developing, mining, extracting and removing minerals (by underground, strip, solution or any other method) from the "mineral properties" and to save, mill (or otherwise treat), or market minerals which are found and contained in the "mineral properties" which Lessee may deem profitable.

2. PRIMARY AND SECONDARY TERMS: The primary term of this lease shall be for a period of two (2) years commencing on the date of execution. If, prior to the expiration of the primary term Lessee completes drilling a minimum of one hole upon each tract of land described in this lease through the west water formation, then

by said act and following the expiration of the two year primary term, Lessee shall be granted a secondary term of this lease for a period of eight (8) years and continuing thereafter so long as minerals are produced in paying quantities or so long as a mill remains upon the properties provided that the rentals described in Paragraph 5 are paid by Lessee to Lessor.

3. MINERAL PROPERTIES: "Mineral properties" are defined to be uranium, thorium, and any other fissionable material together with vanadium, manganese, and non-fissionable materials associated with fissionable materials, ~~[and any and all other types of minerals]~~ in or under the lands above described insofar as those lands in which the Lessor is the owner of the mineral content. There is excepted herefrom all oil and gas and other hydrocarbons which the Lessor may own.

4. OPERATIONS: Lessee shall have the exclusive right, but not the duty to enter into and upon the "mineral property" for the purposes set forth herein and to construct and maintain any improvements thereon which Lessee may deem necessary or convenient in connection with the purposes of this mineral lease.

Lessee shall have the right to use all or any part of the "mineral property" for operations relating to actual mining being conducted therefrom and in addition thereto, Lessee is hereby permitted to extract ore from other property through shafts, drifts, and/or entrances located upon Lessor's "mineral properties." Lessee shall have the right to commingle ores from Lessor's "mineral properties" with ores from other "mineral properties" under Lessee's control. There is no requirement that Lessee shall construct shafts, drifts, and/or underground entrances upon the leased premises for the purpose of mining therefrom.

5. ANNUAL RENTALS:

A. Lessee, upon the execution of this lease, shall pay to Lessor an annual rental of \$5.00 per acre for the first year.

Thereafter, on the anniversary date of this lease, Lessee shall pay to Lessor \$5.00 per acre per year until the royalty payments are commenced as hereinafter described or until the termination or expiration of this lease.

B. On all surface rights appropriated by Lessee pursuant to Paragraph 7, deemed necessary by Lessee in the mining and/or milling of said "mineral properties," Lessee shall pay to Lessor, commencing with the date of appropriation, \$100.00 per acre or portion thereof per year and continuing thereafter each year so long as Lessee maintains a mine or a mill upon said surface property.

~~C. All rentals paid, excepting payments for surface rights as provided in sub-paragraph 5-B, during the primary and secondary terms, shall be construed as advance royalty payments and Lessee shall be entitled to deduct said pre-paid annual rentals from all royalties due and owing to the Lessor until such time that the pre-paid annual payments equal the royalties hereinafter described and thereafter all royalties due and owing to the Lessor shall be paid by Lessee in accordance with the royalty provisions provided in this lease.~~ *EJS 7/11*

6. ROYALTY:

A. For all uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content, Lessee shall pay to Lessor a royalty equal to the "Specified Royalty per Pound of Contained U_3O_8 " as provided below.

B. The "Specified Royalty per Pound of Contained U_3O_8 " (Specified Royalty) shall be equal to forty cents (\$.40) for each pound of U_3O_8 contained in uranium-bearing ores and materials mined from the "mineral property" by Lessee and thereafter sold or fed to process in a mill by Lessee for its uranium content. The Specified Royalty shall be increased by an amount equal to five cents (\$.05) for each increase of one dollar (\$1.00) in the market price of

U₃O₈ above fifteen dollars (\$15.00 per pound. Price increases of less than one dollar (\$1.00) and Specified Royalty to be paid reflecting such price increase shall be computed on the proportionate basis that the increase bears to one dollar (\$1.00) provided that such increase shall be computed to the nearest one-fifth dollar (\$.20). By way of illustration, if the price increase is thirty cents (\$.30) per pound, the Specified Royalty shall be increased to forty-one cents (\$.41) per pound. If the price increase is thirty-one cents (\$.31), the Specified Royalty shall be increased to forty-two cents (\$.42) per pound. For the purpose of this paragraph, "market price per pound of U₃O₈" is defined as the average price being paid at mills processing U₃O₈ in western New Mexico by purchasers thereof. If information as to such sales is not obtainable, the market price shall be determined by reference to representative indices of U₃O₈ prices within geographical regions of the United States including or nearest to New Mexico. If such indices are not available on a regional basis, the market price shall be determined by reference to national U₃O₈ price indices. For the purpose of determining applicable Specified Royalty rates, market price calculations shall occur no more frequently than six (6) month intervals. In the event the parties are unable to agree as to the market price for Specified Royalty adjustment purposes, the matter shall be submitted to arbitration as provided in this lease. Without impairment of the warranties contained in this lease, if the Lessor owns less than the entire and undivided mineral estate in any portion of the described "mineral properties," then, whether or not such lesser interest is referred to or described herein, the sums and royalties herein provided shall be proportionately reduced and paid to Lessor only in the proportion which the Lessor's interest in such portion bears to the entire undivided mineral estate in such portion.

7. SURFACE RIGHTS:

A. In addition to the "mineral properties" herein leased, Lessor hereby grants unto Lessee the exclusive right to enter upon the premises described in Exhibit A and any other property owned or leased by the Lessor adjacent to or surrounding or within the premises described in Exhibit A, for the purpose of appropriating any of such property as Lessee requires in order to construct, maintain, and use upon, within and over all or any portion of said properties, any machinery, tanks, motor vehicles, engines, pipes, power and telephone lines, water wells, roadways, tailings ponds, stockpiling areas, and without limitations by reason of the foregoing enumeration, any and all other structures, equipment, appurtenances or facilities necessary or convenient in prospecting for, developing, producing, storing, transporting, beneficiating, milling and marketing the "mineral properties" produced from any portion of the within described premises. Any damage to any improvement owned by Lessor caused by Lessee shall be compensated by Lessee to Lessor.

B. On all water developed by Lessee, Lessee shall have the right to use said water without any charge or payment to Lessor. In the event a water supply is developed by Lessee in the course of its drilling and it is not required by Lessee for its purposes, then the Lessee shall make available to the Lessor the water source as so developed. The Lessee shall comply with all State laws, rules and regulations pertaining to the plugging of drill holes and in the event there are no existing laws, rules and regulations pertaining to the plugging of drill holes, then Lessee agrees to plug all drill holes not required for Lessor's or Lessee's purposes.

8. WARRANTY:

A. Lessor does hereby covenant and agree with Lessee that the "mineral properties" described herein are free and clear of and from any and all liens and encumbrances and as to those "mineral properties" absolutely owned by Lessor which are not leased from other persons, Lessor warrants that there are no outstanding leases, options, liens, claims or other royalties except as herein specified.

NONE

If Lessor owns a lesser interest in and to any portion of the mining property, then the whole and undivided interest in and to such portion of the "mineral properties," then the royalties and other consideration herein provided for shall be paid to the Lessor only in the proportion in which his interest bears to the whole and undivided interest in and to such portion of the "mineral properties."

B. Lessee shall have no obligation to defend the title of Lessor to the "mineral properties" or any portion thereof. In the event any person, partnership, or corporation files suit making some claim against the "mineral properties" and Lessor does not defend, then Lessee may, if it desires, defend said suit or suits and charge Lessor for any and all reasonable expenses, including attorneys' fees incurred therewith, as determined by the court in said suit or suits, all of which shall only be payable by Lessee deducting from Lessor's future rentals and/or royalties. Lessor hereby agreed that the Lessee, at its option, shall have the right to redeem for Lessor, by payment, any mortgage, taxes or other liens on the above-described "mineral properties" in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

9. ACCESS OF LESSOR TO BOOKS AND PREMISES: Lessee

shall keep accurate maps, drill logs, records and books of account in accordance with generally accepted accounting principles, covering all matters necessary to the proper computation of royalties.

Lessor may inspect and copy such maps, drill logs, records and books of account (and may inspect the "mineral property" at Lessor's sole risk) at any reasonable time during normal business hours. In addition, Lessee shall provide to Lessor one copy of all drill logs and maps showing drill hole locations, quarterly.

10. TAXES: Lessee shall pay all taxes levied against the "mineral property" by reason of Lessee's operations therein or thereon, except for taxes and assessments accruing by reason of any royalties paid or payable to Lessor.

11. FORCE MAJEURE: If Lessee shall be prevented or inhibited by any cause reasonably beyond its control, including (by way of example but not limitation) causes such as weather, mill shutdown, damage to or destruction of mine or plant facility, fire, flood, acts of the civil or military authority, insurrection, riot, strikes, labor disputes, inability to obtain competent workmen or materials, or acts of God or such other matters as are beyond the reasonable control of Lessee, in the performance of any of its obligations hereunder, such performance shall be excused, and the period for performance of such obligation shall be extended for an additional period equal to the period during which Lessee is unable to perform its obligations by reason of said cause or causes.

12. DEFAULT:

A. In the event either Lessee or Lessor considers that the other is in default in respect to an obligation hereunder, it shall give written notice of such default to the other party. The

party assertedly in default, if said default be admitted, shall have sixty (60) days from receipt of such notice within which to commence and thereafter diligently carry to completion, steps reasonably necessary to cure such default.

B. If the party assertedly in default, if said default be admitted, fails to commence and thereafter diligently carry to completion steps reasonably necessary to cure such default, within sixty (60) days from receipt of such notice, then the party asserting the admitted default may terminate or cancel this mineral lease.

C. In the event the party claimed to be in default denies said default, then and in that event, the obligation to commence steps reasonably necessary to cure such purported default shall not commence until sixty (60) days after a decision is rendered by a board of arbitration, and then only as to those matters that said final decision has determined should be cured or corrected, and the party asserting such default shall not have the right to terminate or cancel this mineral lease unless the party found by the decision of such board of arbitration to be in default, fails to commence and thereafter carry to completion, steps reasonably necessary to cure such default within sixty (60) days after said final decision has been rendered by said board of arbitration.

13. ARBITRATION:

A. It is agreed by the parties that any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), as amended, and in effect November 1, 1973, and judgment upon any arbitration award rendered thereby may be entered in any court having jurisdiction thereof.

B. The parties contemplate arbitration by three arbitrators, one of whom shall be neutral. The party filing a demand for arbitration with the AAA shall accompany it with the name of the arbitrator who will represent it. The party upon whom the demand for arbitration is made shall designate an arbitrator to represent it within five (5) days from the mailing date of notice from the AAA of the filing of the demand.

C. The arbitrators designated by the parties are authorized to appoint a neutral arbitrator from the National Panel of Arbitrators, pursuant to the provisions of Section 14 of the Commercial Arbitration Rules. It is agreed that in applying Section 12 of said Rules, each party shall have ten (10) days from the mailing date of the list of arbitrators from which a neutral is to be selected to return the list to the AAA.

D. The parties further agree that any arbitrators submitted to them by the AAA under Section 12 shall be dis-interested persons familiar with the business of mining and processing of uranium ore and the marketing of the product from the processing of uranium ore.

E. Notwithstanding any rule in the Commercial Arbitration Rules of the AAA, the decision of the Board of Arbitrators shall not be appealable and shall not be reviewed by a court of competent jurisdiction but shall be final and the party who is not successful in the alleged matter submitted to arbitration shall be responsible to the other party for all costs and attorneys' fees not exceeding \$2,500.00.

14. TERMINATION:

A. Lessee may terminate all or any portion of this Lease prior to the expiration of the primary term. Lessee may terminate this mineral lease as to any portion of the leased premises by giving written notice or notices to Lessor sixty (60) days before the anniversary date in the year in which the termination is to occur. This mineral lease shall remain in full force and effect as to any portion thereof and to which such notice or notices of termination have not been given. Upon termination of this mineral lease, as to all or any part or parts of the "mineral property," Lessee shall be freed from any and all obligations or liabilities arising out of or in any way connected with this lease or Lessee's activities in connection therewith as to the part of the "mineral property" so terminated, excepting only those obligations or liabilities which have previously become accrued, fixed and unconditional, and Lessee may remove any ore stockpiled on the "mineral property" subject to the payment of production royalties as herein provided, and any equipment, machinery, tools, supplies, rails, pipe, buildings and other improvements which may be owned or which may have been installed or placed upon the "mineral property" by, through, or under Lessee.

B. That in the event Lessee fails, within one year from the execution of this lease, to exercise its option with DeVilliers Nuclear or otherwise fails to acquire the property described in said option, to wit, the Juan Tafoya Land Tract in Valencia, Sandoval, and McKinley Counties, then this lease shall be automatically terminated by its own terms and shall be held null and void.

15. WATER AND SURVEY:

A. In addition to and coincident with those rights and obligations recited in Paragraph 7b, Lessee shall, within one year from the commencement date of the primary term, drill to completion a water well upon the common lands of the Juan Tafoya Land Tract for the common use and benefit of the inhabitants of said property and the premises described herein. The priorities of said use shall be first granted to Lessee for all of Lessee's uses and needs in the operation of its business and second to the inhabitants upon the common lands and Lessor. Lessee does not guarantee by this provision that it will, in the course of its drilling, locate a source of water, and Lessee shall have the right to remove any and all equipment necessary for the operation of said well except the casing should the Lessee discontinue its use of said well.

B. At the time Lessee places its drilling equipment upon the property of Lessor, Lessor shall notify Lessee that they desire a water well at that location, if they so desire. Lessor shall provide to Lessee all casing necessary to case said hole and Lessee shall install same free of charge to Lessor.

C. Lessee agrees to survey the exterior boundaries of the herein described lands and will make such survey plats available to Lessor upon request.

16. NOTICES: Any notice required to be given Lessor or Lessee hereunder shall be sent by registered or certified mail, postage prepaid, addressed as follows:

Lessor:
Simplicio Martinez
5500 Gallegos Road, S. W.
Albuquerque, New Mexico 87105

Lessee:
Bokum Resources Corporation
Burro Alley Plaza
P. O. Box 1833
Santa Fe, New Mexico 87501

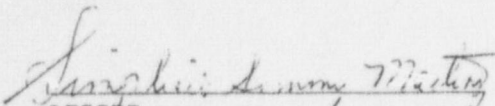
or at such other address as Lessor or Lessee may designate in written form from time to time.

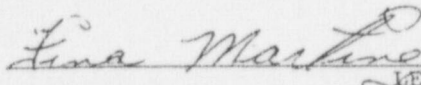
17. ASSIGNMENTS: This lease may be assigned in whole or in part by Lessor or Lessee without the consent of the other. Lessee shall not be bound by any assignment by Lessor until Lessee receives a certified copy of the instrument of assignment. Upon a whole or partial assignment by Lessee, the assignee shall be solely responsible for (and Lessee relieved of) obligations hereunder to Lessor to the extent of the pro rata portion of this mineral lease which is assigned.

18. ALL AGREEMENTS: This lease incorporates all of the agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and that all such covenants, agreements and understandings have been merged into this written lease. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this lease.

19. AMENDMENTS: This lease shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.

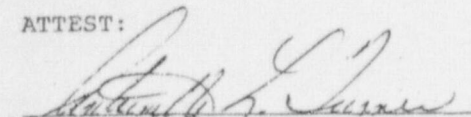

LESSOR


LESSOR

BOKUM RESOURCES CORPORATION

By 
Executive Vice President LESSEE

ATTEST:


Assistant Secretary

953

A C K N O W L E D G M E N T

The foregoing instrument was acknowledged before me
this 8th day of June, 1974, by James P. ...
James P. ... and Tina ...

Edward J. Lopez
Notary Public

My commission expires:

9/2/77

The foregoing instrument was acknowledged before me
this 2nd day of June, 1974, by WILLIAM E. BIAVA,
Executive Vice President of Bokum Resources Corporation, a Delaware
corporation, for and on behalf of said corporation.

Edward J. Lopez
Notary Public

My commission expires:

9/2/77

951

EXHIBIT A

Tract 45 as identified on Carlos Salazar's water rights map filed with the New Mexico State Engineer, October 9, 1959, numbered Declaration 01627, said tract being in the Village or Community of Marquez and consisting of 1.2 acres, more or less,

And the following two parcels:

A parcel of land within the exterior boundary of the Juan Tafoya Grant, known as Las Cuevas and described as follows:

Bounded on the North by Gilbert Marquez;

Bounded on the West by a public road;

Bounded on the East by Las Cuevas; and

Bounded on the South by El Aguaje,

containing 3.00 acres, more or less.

A parcel of land within the exterior boundaries of the Juan Tafoya Grant, known as San Augustine, and described as follows:

Bounded on the East by the Grant boundary, and the land of Lee Evans;

Bounded on the North by Community Lands;

Bounded on the West by Community Lands; and

Bounded on the South by Community Lands,

containing 13.00 acres, more or less.

955

STATE OF NEW MEXICO }
COUNTY OF SANDOVAL } SS

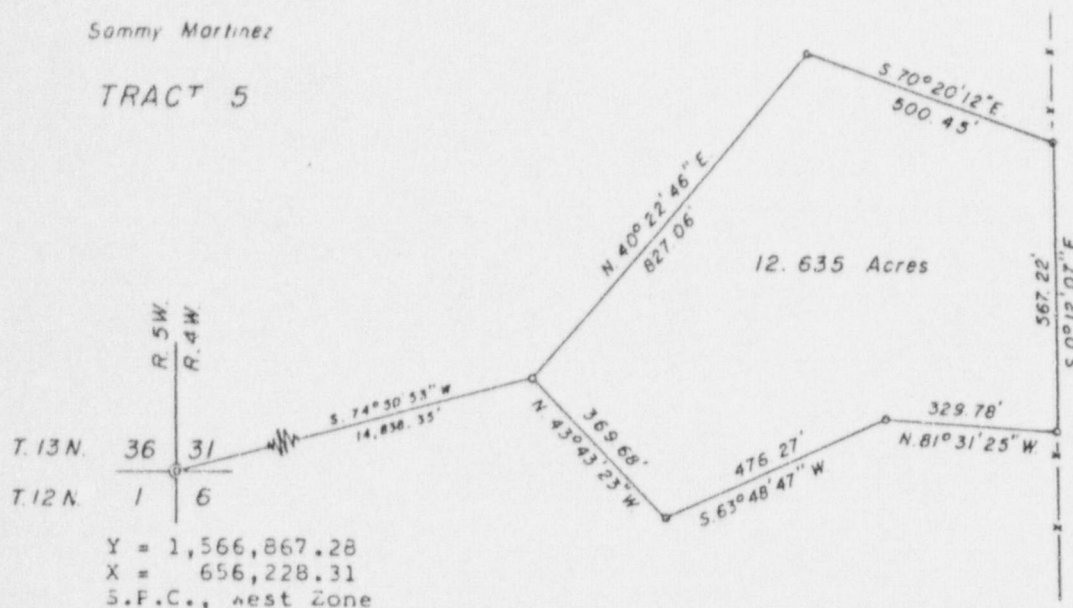
This instrument was filed for record on

NOV 27 1979

At 2:30 A.M. P.M.
Recorded in Vol. Tract 45
of records of said county, folio 942-255
ROSITA MARTINEZ, Clk. & Recorder
By 5 Deputy

Sammy Martinez

TRACT 5



LEGAL DESCRIPTION

A tract of land situated within the northeast quarter of section 33, T.13N., R.4W., N.M.F.M., near the village of Marquez, within the Juan Tafuya Grant, Sandoval County, New Mexico, and being more particularly described as follows:

From the point of beginning, being the westernmost corner of said tract, the southwest corner of section 31, a marked stone, bears S. 74° 50' 53" W. and is 14,838.35 feet distant. Then from the above said point of beginning, N. 40° 22' 46" E. 827.06 feet; then S. 70° 20' 12" E. 500.45 feet; then S. 0° 12' 07" E. 567.22 feet; then N. 81° 31' 25" W. 329.78 feet; then S. 63° 48' 47" W. 476.27 feet; then N. 43° 43' 23" W. 369.68 feet to the point and place of beginning, and containing an area of 12.635 acres, more or less.

Note: All bearings are Grid, and distances are ground.
Section lines projected for description purposes only.

This is to certify that this plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Fred D. Marmon
Fred D. Marmon, Registered Land Surveyor
Certificate No. 2031

SCALE: 1" = 300'

Revised
October 7, 1974

15. WATER AND SURVEY:

A. In addition to and coincident with those rights and obligations recited in Paragraph 7b, Lessee shall, within one year from the commencement date of the primary term, drill to completion a water well upon the common lands of the Juan Tafoya Land Tract for the common use and benefit of the inhabitants of said property and the premises described herein. The priorities of said use shall be first granted to Lessee for all of Lessee's uses and needs in the operation of its business and second to the inhabitants upon the common lands and Lessor. Lessee does not guarantee by this provision that it will, in the course of its drilling, locate a source of water, and Lessee shall have the right to remove any and all equipment necessary for the operation of said well except the casing should the Lessee discontinue its use of said well.

B. At the time Lessee places its drilling equipment upon the property of Lessor, Lessor shall notify Lessee that they desire a water well at that location, if they so desire. Lessor shall provide to Lessee all casing necessary to case said hole and Lessee shall install same free of charge to Lessor.

C. Lessee agrees to survey the exterior boundaries of the herein described lands and will make such survey plats available to Lessor upon request.

16. NOTICES: Any notice required to be given Lessor or Lessee hereunder shall be sent by registered or certified mail, postage prepaid, addressed as follows:

Lessor:
David Martinez
839 Foothill Drive, S. W.
Albuquerque, N. M. 87105

Lessee:
Bokum Resources Corporation
Burro Alley Plaza
P. O. Box 1833
Santa Fe, New Mexico 87501

or at such other address as Lessor or Lessee may designate in written form from time to time.

17. ASSIGNMENTS: This lease may be assigned in whole or in part by Lessor or Lessee without the consent of the other. Lessee shall not be bound by any assignment by Lessor until Lessee receives a certified copy of the instrument of assignment. Upon a whole or partial assignment by Lessee, the assignee shall be solely responsible for (and Lessee relieved of) obligations hereunder to Lessor to the extent of the pro rata portion of this mineral lease which is assigned.

18. ALL AGREEMENTS: This lease incorporates all of the agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and that all such covenants, agreements and understandings have been merged into this written lease. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this lease.

19. AMENDMENTS: This lease shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.

LESSOR

LESSOR

BOKUM RESOURCES CORPORATION

By

Wm E. Bivins
Executive Vice President LESSEE

ATTEST:

[Signature]
Assistant Secretary

937

David M. Marting LESSOR

Erlinda Marting LESSOR

Louise C. Marting LESSOR

Mary Z. Marting LESSOR

LESSOR

LESSOR

LESSOR

LESSOR

LESSOR

LESSOR

LESSOR

LESSOR

LESSOR

LESSOR

A C K N O W L E D G M E N T

The foregoing instrument was acknowledged before me
this _____ day of _____, 19____, by _____
_____.

Notary Public

My commission expires:

The foregoing instrument was acknowledged before me
this 8th day of June, 1974, by WILLIAM E. BIAVA,
Executive Vice President of Bokum Resources Corporation, a Delaware
corporation, for and on behalf of said corporation.

Edward J. Lopez
Notary Public

My commission expires:
9/2/77

939

ACKNOWLEDGMENTS

The foregoing instrument was acknowledged before me this

8th day of June, 1974, by David Martinez
and Esmeralda Martinez

Edward J. Lopez
Notary Public

My commission expires:

7/2/77

The foregoing instrument was acknowledged before me this

8th day of June, 1974, by Flora Martinez
and Mary Martinez

Edward J. Lopez
Notary Public

My commission expires:

9/2/77

The foregoing instrument was acknowledged before me this

_____ day of _____, 19____, by _____
and _____

Notary Public

My commission expires:

The foregoing instrument was acknowledged before me this

_____ day of _____, 19____, by _____
and _____

Notary Public

My commission expires:

The foregoing instrument was acknowledged before me this

_____ day of _____, 19____, by _____
and _____

Notary Public

My commission expires:

940

EXHIBIT A

A parcel of land within the exterior boundaries of the Juan Tafoya Grant, known as Cerro Del Bosque, and described as follows:

Bounded on the West by land of Jose C. Marquez;

Bounded on the South by La Mesa;

Bounded on the East by Community lands; and

Bounded on the North by an arroyo,

and containing 16.00 acres, more or less.

STATE OF NEW MEXICO) SS
COUNTY OF SANDOVAL)

This instrument was filed for record on

NOV 27 1978

At 1:30 A.M. P.M.
Recorded in Vol. 2122
of records of said county, folio 940
ROSITA MARTINEZ, Clk. & Recorder
By ty Deputy

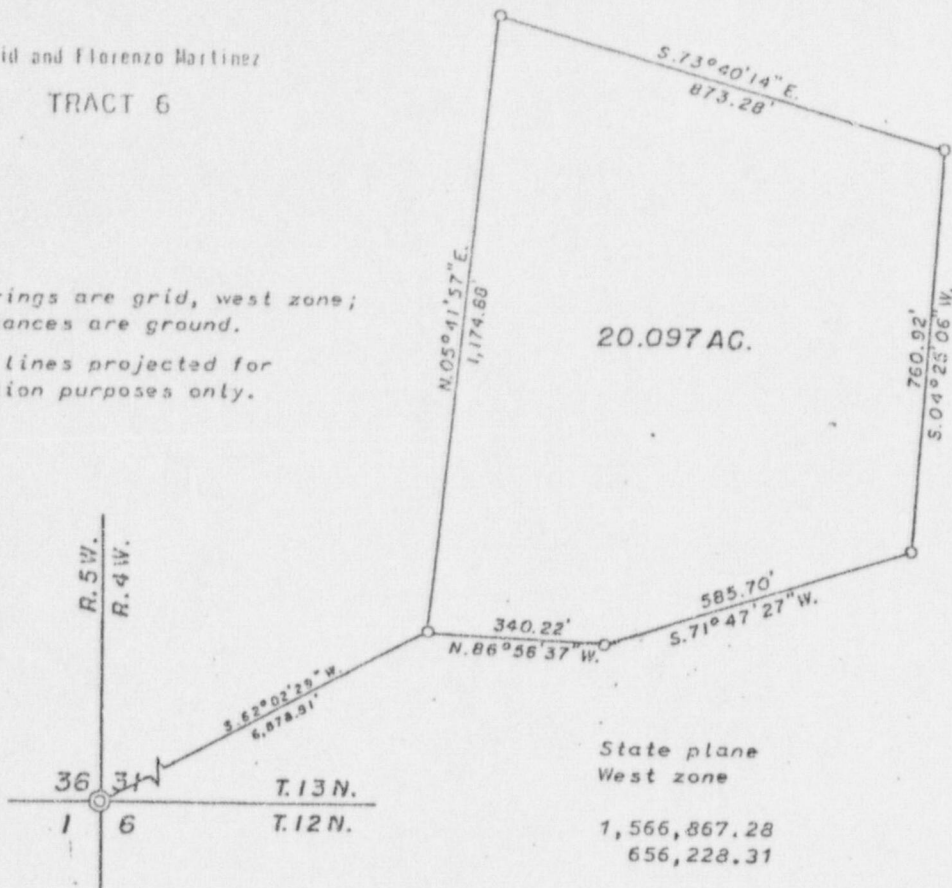
David and Florenzo Martinez

TRACT 6

Notes:

All bearings are grid, west zone;
All distances are ground.

Section lines projected for
description purposes only.

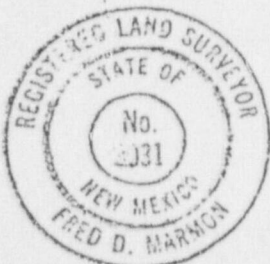


LEGAL DESCRIPTION

A tract of land situated within the northwest quarter of section 32, T.13 N., R.4 W., N.M.P.M., near the village of Marquez, Sandoval County, New Mexico and being more particularly described as follows:

From the point of beginning, being the southwest corner of said tract, the southwest Township corner of T.13 N., R.4 W., a marked stone bears, S. 62° 02' 29" W. and is a distance of 6,878.81 feet. Then from the above said point of beginning, N. 5° 41' 57" E. 1,174.88 feet; then S. 73° 40' 14" E. 873.28 feet; then S. 4° 25' 06" W. 760.92 feet; then S. 71° 47' 27" W. 585.70 feet; then N. 86° 56' 37" W. 340.22 feet to the point and place of beginning and containing an area of 20.097 acres, more or less.

This is to certify that this plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.



Fred D. Marmion
Fred D. Marmion, Registered Land Surveyor
Certificate No. 2031

Scale: 1" = 300'

September 24, 1974