



U-MATE INTERNATIONAL, INC.
9100 N. Morning Glory Rd
PARADISE VALLEY AZ. 85253 USA
Tel: 602-531-9100; E-mail: info@humate.com
Web Site: www.HUMATE.com



April 4, 2022

**New Mexico Mining and Minerals Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505**

**MINIMAL IMPACT NEW MINING OPERATIONS PERMIT
APPLICATION**

Att: Holland Shepherd

Dear Mr. Shepherd,

Enclosed is our permit application and fee. Also, our land & mineral lease with maps and amendment with Gamerco Associates who has been acquired by Gallup Land Partners.

If you have any questions, please contact me.

Dennis Yellowhorse, President U-Mate International Inc.

REV.DATE: 5/18/09

FOR MMD USE ONLY:

PROJECT NAME: _____

PERMIT #: _____

DATE RECEIVED: _____

DATE APPROVED: _____

LEAD INSPECTOR: _____

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Director

**Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3400**

**SUBPART 3
MINIMAL IMPACT NEW MINING OPERATIONS
PERMIT APPLICATION**

The following information is required under the New Mexico Mining Act (Sections 69-36-1 through 69-36-20, NMSA 1978) and associated rules. The Mining and Minerals Division of the Energy, Minerals and Natural Resources Department is the administrative agency through which this application is to be processed. See §304, Minimal Impact New Mining Operations, of the New Mexico Mining Act Rules for all regulations associated with Minimal Impact Mining operations.

Permit Application Requirements: (§304.A-C and §601)

- A minimal impact new mining operation will not be considered a minimal impact mining operation if it exceeds **10 acres of disturbed land**, except that pre-existing roads and reclaimed areas within the permit area will not be counted. Reclaimed, for this purpose means all financial assurance has been released, except the amount held to reestablish vegetation pursuant to §1204.
- Permit applications shall be submitted in ample time to have the permit issued before mining operations begin, and operations shall not begin until after the permit is issued.
- Six copies of the completed application need to be submitted.
- Confidential information needs to be **clearly** indicated and submitted separately.

- Check the "YES" or "NO" box for each of the following characteristics as related to the proposed minimal impact mining operation:

YES **NO**

- X.** Located in or having a direct surface impact on wetlands, springs, perennial or intermittent streams, lakes, rivers, reservoirs or riparian areas.
- X** Located in designated critical habitat areas as determined in accordance with the federal Endangered Species Act of 1973 or in areas determined by the Department of Game and Fish likely to result in an adverse impact on an endangered species designated in accordance with the Wildlife Conservation Act, Sections 17-2-37 through 17-2-46 NMSA 1978 or by the State Forestry Division for the Endangered Plants Act, section 75-6-1 NMSA 1978.
- X** Located in an area designated as Federal Wilderness Area, Wilderness Study Area, Area of Critical Environmental Concern, or an area within the National Wild and Scenic River System.
- X** Located in a known cemetery or other burial ground.
- X** Located in an area with cultural resources listed on either the National Register of Historic Places or the State Register of Cultural Properties.
- X** Having or expected to have a direct impact on ground water that has a total dissolved solids concentration of less than 10,000 mg/L, except exploratory drilling intersecting ground water may be performed as a minimal impact operation.
- X** Expected to use or using cyanide, mercury amalgam, heap leaching or dump leaching in its operations.
- X** Expected to result in point or non-point source surface or subsurface releases of acid or other toxic substances from the permit area.
- X** Requiring a variance from any part of these Rules as part of the permit application.

IMPORTANT NOTES!

- If you have checked "YES" to any of the above boxes, the mining operation does not qualify as a minimal impact mining operation. Do not continue to fill out the remainder of this form.
- If you do meet the above requirements and have checked "NO" to **all** of the above boxes, continue filling out this application.
- Obtaining a Mining Act permit does not necessarily satisfy the obligation to obtain permits required by other governmental entities.
- PLEASE FILL IN ALL APPLICABLE INFORMATION AS COMPLETELY AS POSSIBLE.
- PLEASE PRINT OR TYPE ALL INFORMATION.

1. OPERATOR INFORMATION (§304.D.1)

LIST PROJECT NAME U-Mate

NAME OF APPLICANT: U-Mate International Inc.

**ADDRESS: 9100 N. Morning Rd.
Paradise Valley, AZ 85253**

PHONE #: 602-531-9100

NAME OF OWNER (if different from applicant's name and address):

**Gamerco Associates/Gallup Land Partners LLC
5662 Clubhouse Dr.
Hurricane UT 84737**

ADDRESS:

PHONE #: 505-862-3841 Martin O'Malley cell 505-399-3111

NAME OF ON-SITE CONTACT OR OPERATOR'S REPRESENTATIVE:

Dennis Yellowhorse Jones

**ADDRESS: 217 Boulder Rd.
Gallup, NM 87301**

PHONE #: 602-531-9100

2. RIGHT TO ENTER INFORMATION (§304.D.1)

A. Describe or provide evidence for the basis of the applicant's right to enter the property to conduct the mining and reclamation: **See Lease of Privately owned land and assignment of lease from Sundance Holdings To U-Mate International Inc.**

B. List the names and addresses of surface and mineral ownership within the proposed permit area:

1. **Surface Owner(s):**

<u>Name</u>	<u>Address</u>	<u>Phone #</u>
Gallup Land Partners LLC	5662 W. Clubhouse Rd. Hurricane UT 84737	505-862-3841

2. **Mineral Owner(s):**

<u>Name</u>	<u>Address</u>	<u>Phone #</u>
SAMEAS ABOVE		

C. List the author(s), title(s), date(s) and report number(s) of any cultural resource survey report(s) submitted to the agency(ies) or landowner(s) listed above:

NOT KNOWN AT THIS TIME

3. MAPS (§304.D.2) SEE MAP ATTACHED

- A. Provide a legal description of the site [Township(s), Range(s) and Section(s)]:
T 15N, R 19W, SEC 10
- B. Provide a topographic map(s) of at least 1 inch = 2,000 feet (or appropriate for the size of disturbance) showing the areas of land to be disturbed by the proposed mining and reclamation. Identify general area shown on the map(s) by Township, Range and Section(s). If the area to be mined contains the following features, show them on the map(s):
1. **Boundary of the proposed permit area** with the existing and proposed area of disturbance
 2. Previously disturbed areas
 3. Perennial, intermittent and ephemeral streams; springs; wetlands; riparian areas; lakes and reservoirs
 4. Proposed and existing roads and other access routes
 5. Residences
 6. Support facilities
 7. Cemeteries, burial grounds; cultural resources listed or eligible for listing on either the National Register of Historic Places or the State Register of Cultural Properties
 8. Pipelines
 9. Oil, gas, water and monitoring wells on and within two miles of the permit area
 10. Identify the location of shafts, adits, trenches, ponds, pits, quarries, stockpiles, waste dumps, etc.

4. ENVIRONMENTAL PERMITS HELD FOR OTHER OPERATIONS (§304.D.3)

Provide a list of other environmental permits held for other mining operations within the United States and any violations issued for non-compliance with those permits.

NAMES OR TYPES OF ENVIRONMENTAL PERMITS:

NONE

LIST PERMIT VIOLATIONS; NUMBER, TYPE AND ISSUING AGENCY: NONE

5. MINING DESCRIPTION (§304.D.4)

A. Type of mineral or minerals to be mined: HUMATE

B. Check the method of proposed mining: Surface **or** Underground

C. Describe the sizes and volumes of the facilities to be used:

Plant Site/Staging Area:

How Many 1 Acreage 5

Pits or Quarries: How Many 1 Acreage 10 Volume (cu.yds.)

Stockpiles: How Many 1 Acreage 1 Volume (cu.yds.) 1000

Waste Dumps: How Many 0 Acreage 0 Volume (cu.yds.)

List the following for **New Road(s): NONE**

Length (ft.) Width (ft.)

Length (ft.) Width (ft.)

List the following for extension or widening of **Existing Road(s): NONE**

Length (ft.) Width (ft.)

Length (ft.) Width (ft.)

Other Disturbances: Type NONE

How Many Acreage Volume (cu.yds.)

TOTAL ACREAGE TO BE DISTURBED: Acres

D. Describe the type of processing that will be conducted on site: **CRUSHING EQUIPMENT-HUMATE TAKEN FROM GROUND WITH FRONTEND LOADER, TRANSPORTED TO CRUSHER FOR PROCESSING.**

E. Describe the typical equipment to be used for the mining operations: **SMALL TRACTOR, SMALL LOADER, SMALL DUMP TRUCK**

6. CHEMICAL USE (§304.D.4) NONE

A. List all chemicals proposed to be used by the mining operation.

<u>Name:</u>	<u>Use:</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

7. GROUND WATER INFORMATION (§304.D.5)

A. Provide an estimate of depth to ground water and the total dissolved solids (T.D.S.) concentration.

Depth to ground water (ft.) _____ T.D.S. concentration _____

B. Describe the source of groundwater information: **PLEASE DEFER TO CARBON COAL COMPANY GROUND WATER**

INFORMATION PROVIDED TO AND ON FILE WITH EMNRD.

- C. Describe any dewatering activities to be conducted during mining operations: **NONE**

8. PERFORMANCE STANDARDS (§304.D.7)

- A. Provide a general description of how the mining and reclamation will be designed and operated using the most appropriate technology and best management practices:
THE MINING WILL BE DONE WITH 2 OR 3 PIECES OF EARTH MOVING EQUIPMENT, WITHOUT USE OF AND CHEMICALS OR EXPLOSIVES OR DEEP MINING. THE LAND WILL BE PLACED BACK TO IT'S ORIGINAL USE AND AS CLOSE TO THE ORIGINAL CONDITION AS PRACTICAL

- B. Provide a general description of how the mining and reclamation will be designed and operated to assure protection of human health and safety, the environment, wildlife, and domestic animals:
THE MINING AND RECLAMATION WILL COMPLY WITH ALL APPLICABLE FEDERAL AND STATE LAWS & REGULATIONS. THE MINING AND RECLAMATION WILL BE LIMITED IN SIZE AND SCOPE.

- C. Provide a general description of how the mining and reclamation will be designed and operated to safeguard the public from unauthorized entry into shafts, adits and tunnels and to prevent falls from highwalls or pit edges: **THERE WILL BE NO SHAFTS, TUNNELS, THERE MAYBE A 20FT SLOPE.**
- D. Provide a general description of how the mining and reclamation will be designed and operated so the disturbed area will not contribute suspended solids above background levels, or where applicable the Water Quality Control Commission's standards, to intermittent and perennial streams: **THE MINING AND RECLAMATION WILL BE DESIGNED AND OPERATED IN SUCH A WAY AS TO VIRTUALLY ELIMINATED SUSPENDED SOLIDS ABOVE GROUND LEVELS OR ANY WATER RESOURCES.**
- E. Provide a general description of how the mining and reclamation will be designed and operated to control erosion: **THE LIMITED MINING AND RECLAMATION WILL BE DESIGNED TO LIMIT EROSION TO NATURAL CONDITIONS.**

9. RECLAMATION PLAN (§304.D.8)

The operation will be operated and reclaimed to a self-sustaining ecosystem appropriate for the life zone of the surrounding areas following closure unless conflicting with the approved post-mining land use.

- A. List adjacent land use other than mining (i.e. grazing): **GRAZING**

- B. List the proposed post mining land use (i.e. wildlife): **GRAZING**

- C. Describe how reclamation activities will avoid adverse impact to cultural resources: **IT IS EXPECTED THAT THERE WOULD BE NO MATERIAL IMPACT ON CULTURAL RESOURCES**

- D. Describe any backfilling and grading operations to be performed after mining: **BACKFILLING AND GRADING WILL BE AS CLOSE TO NATURAL LEVELS AS POSSIBLE**

- E. Describe what mitigation steps will be taken to reconstruct or protect the hydrologic balance of the site after mining: **THERE SHOULD BE NO MATERIAL IMPACT TO THE HYDROLOGIC BALANCE OF THE SITE AFTER MINING.**

- F. Describe how topsoil or topdressing will be salvaged, stockpiled and distributed for the re-establishment of vegetation: **TOPSOIL AND TOPDRESSING WILL BE SALVAGED AND WILL BE STOCKPILED WITHIN 10 ACRE MINING PERMIT.**

G. Describe what kind of seed bed preparation will take place prior to seeding. What soil amendments will be added? Scarification of the seed bed needs to take place. Will this involve discing or ripping? **RE-SEEDING OF THE SOIL WILL GENERALLY BE WITH THE SAME SEED MIX USED BY CARBON COAL OR OTHER MINING COMPANIES IN THE GENERAL AREA.**

H. Describe in detail the plant species to be used in the re-establishment of vegetation:

Plant Name:

Rate of application (lb/ac)

PLEASE SEE CARBON COAL COMPANY RE-SEEDING PLAN SUBMITTED BY CARBON COAL COMPANY.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I. Will the seeds be broadcast or drilled into the seed bed? **BROADCAST**

J. Describe the type of mulch material to be applied after seeding and its application rate: **WE WILL FOLLOW THE PLAN SUBMITTED BY CARBON COAL COMPANY.**

- K. What structures will be on the site and how will they be removed or reclaimed? (Buildings, portals, adits, shafts, bore holes, ponds, etc.): **NONE**

- L. What roads are part of the mine site and how will they be reclaimed? Please provide an estimate of road square footage and explain if reclamation will involve ripping, scarification, backfilling, recontouring, and retopsoiling, etc.: **NONE**

- M. What will be the time frame for reclamation, (e.g. time of year, during mining, after mining, etc)? **TWO YEARS AFTER SITE IS EXHAUSTED**

Proposed reclamation dates: Begin: ___ / ___ / ___ End: ___ / ___ / ___
TWO YEARS AFTER MINING STOPS ON SITE

10. OTHER REQUIRED PERMITS FOR THIS OPERATION (§304.D.9)

- A. Provide a list of other permits required for the operation and the anticipated schedule for receipt of these.

<u>Permit Name & Issuing Agency</u>	<u>Date or anticipated date of receipt</u>
---	--

NONE OTHER THAN THIS PERMIT

_____	_____
_____	_____
_____	_____
_____	_____

11. FINANCIAL ASSURANCE AND PERMIT FEES (§304.E & F)

- A. Provide a financial assurance estimate based on the cost of reclaiming the site by a third party. Include supporting calculations. Operations with less than 2 acres total disturbance are not required to provide financial assurance. **SEE RECLAMATION BOND PREVIOUSLY SUBMITTED**

- B. Attach the permit fees as determined pursuant to Subpart 2. The permit application fee for a minimal impact new mine is \$1,000.00.

12. CERTIFICATION REQUIREMENT (§304.J.5)

Each application shall be signed **and notarized** by an applicant for the operation with the following certification made:

I certify that I have personally examined and am familiar with the information

obtaining the information, I believe the submitted information is true, accurate, and complete. I agree to comply with the requirements of the permit, these Rules, and the Act. Further, I hereby allow the Director to enter the permit area for the purpose of conducting inspections until release of financial assurance.

Signature of Applicant:



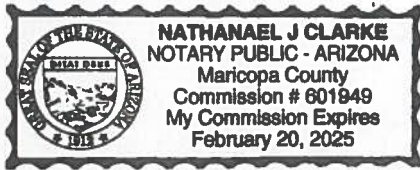
Name (typed or print):

Dennis Jones

Title/Position:

Date: April, 4, 2022

Signature of Notary:



— Notary Seal —

**Amendment to
Lease of Privately Owned Land
between
Gamerco Associates No.1, Ltd.
and
Sundance Holdings, Inc.**

The lease payment amount is \$1.00 per ton on sales by Lessee payable monthly. Payment is due by the 15th day of the preceding month end. The next scheduled payment is September 15, 2012.

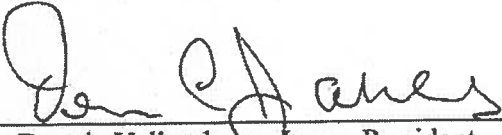
Further, the lease term is extended and will terminate on July 31, 2032.

The Lessee is current with its lease obligations.

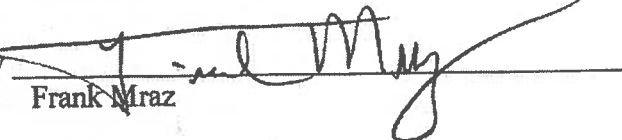
All other provisions of the original lease shall remain in effect.

Agreed to this 1st day of August 2012.

Sundance Holdings, Inc.

By 
Dennis Yellowhorse Jones, President

Gamerco Associates No. 1, Ltd.

By 
Frank Mraz

DOC# 360750

01/26/2012 10:52 AM Page: 1 of 11
AMENDMENT R-310 DE J C Sloan, McKinley County





**ASSIGNMENT OF
LEASE OF PRIVATELY OWNED LAND**

THIS ASSIGNMENT OF LEASE is made and entered into this 27 day of July, 1997 by and between **Sundance Holdings, Inc.**, an Arizona corporation, 9100 Morning Glory, Paradise Valley, Arizona 85253 ("Principal Leaseholder") and **U-Mate International, Inc.**, an Arizona corporation, P.O. Box 4131, Scottsdale, Arizona 85261 ("Sublessee").

WHEREAS, Principal Leaseholder has entered into a certain Lease of Privately owned land with Gamenco Associates No. 1, Ltd. dated May 13, 1997 together with the Affirmation and Certification thereof for certain privately owned lands in McKinley County, New Mexico. A copy of the Lease and Affirmation and Certification are attached hereto as Exhibit "A";

WHEREAS, pursuant to Paragraph 9 of the Lease, Principal Leaseholder may assign its rights under said Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties, it is hereby agreed as follows:

1. Principal Leaseholder hereby assigns its rights under the Lease to Sublessee for a term of ten (10) years.
2. Sublessee shall assume and abide by all of the terms and conditions of the Lease.
3. Sublessee shall indemnify and hold harmless Principal Leaseholder from any and all claims which may arise, directly or indirectly, associated with the underlying real estate, the Lease, operations and processing on the Property, reclamation, obligations and all other matters relating to or involving the Property and the Lease. Sublessee shall indemnify and hold harmless Principal Leaseholder and reimburse all costs, damages, and expenses, including attorneys' fees and costs.
4. In consideration of the assignment of the Lease, Sublessee shall pay Principal Leaseholder a royalty of Five Dollars (\$5.00) per ton of humates extracted from the property in each lease year. In addition, Sublessee shall pay a minimum rent in quarterly payments of \$2,500 commencing ninety (90) days from the date of this Assignment.
5. This Assignment shall be binding upon and inure to the benefit of the parties hereto and its successors in interest.
6. This Assignment of Lease shall not be further assigned to any other person or party without the consent and permission of Principal Leaseholder.



IN WITNESS WHEREOF, the parties hereto have executed this Lease this 27
day of July, 1997.

SUNDANCE HOLDINGS, INC., *Chairman*
an Arizona corporation *Dennis Jones*

By *[Signature]*
Dennis Jones

U-MATE INTERNATIONAL, INC.,
an Arizona corporation *Dennis Jones*
President

By *[Signature]*

LJC:Sundance.Asg

**Agreement of Understanding
by and between Gamarco Associates, Ltd. ("Lessor")
and Sundance Holdings, Inc., ("Lessee")**

This Agreement of Understanding is entered into this 20th day of June, 1997 by and between Gamarco Associates, Ltd., a New Mexico limited partnership, c/o Charles High, 300 West Hill Avenue, Gallup, New Mexico 87315 ("Lessor") and Sundance Holdings, Inc., an Arizona corporation, 9100 Morning Glory, Paradise Valley, Arizona 85253 ("Lessee").

Whereas, Lessor and Lessee have entered into a Lease of Privately Owned Land dated May 13, 1997 ("Lease") for Lessor's non-residential lands in McKinley County, New Mexico ("Property");

Whereas, the parties desire to clarify the interpretation of some of the provisions of the Lease and accordingly enter into this Agreement of Understanding.

1. Wherever in the Lease reference is made to Gamarco Associates No. 1, Ltd. or Lessor, the reference is hereby corrected to reflect the true and correct name of Lessor as "Gamarco Associates, Ltd."

2. Paragraph 1. Lessee understands and agrees that there may be small fees and charges assessed with respect to the loading and handling of crop coal, inferior coal or Humates for further rail transportation. The parties will use their best efforts in conjunction with now existing users of the rail siding in order to arrive at reasonable and mutually agreeable fees and charges for such loading and handling. Lessee shall make such payments either to Lessor or to the existing user of the rail siding as the parties may agree.

3. Paragraph 4. The Lease was executed on May 13, 1997 and the Lease therefore shall commence upon the earlier of November 13, 1997 or upon Lessee engaging in any substantial activity on the Property. In such event, either Lessor or Lessee may give notice to the other party and the Lease shall thereupon commence and the Lease payment shall likewise commence upon Lessee's receipt or giving of the notice as the case may be.

4. Paragraph 6 of the Lease is hereby clarified to confirm the understanding that Lessee shall receive a minimum annual rental payment of \$10,000 per each lease year. Royalty payments made by Lessee shall only be applied in the Lease year in which they are paid and cannot be carried forward to or be applied to the minimum annual lease payments for any other Lease year.

5. With respect to paragraphs 11 and 12 of the Lease, the parties understand that paragraph 11 is subject to the provisions of paragraph 12 and Lessee further agrees that paragraphs 11 and 12 are hereby modified to reflect that within six (6) months of the termination of the Lease, Lessee shall remove its personal property, buildings and fixtures from the subject Property and restore the condition of the subject Property to the original condition as much as possible.

DOC# 360750

10/26/2012 10:52 AM Page 4 of 11
CRENOM.T R \$10.00 J. C. Sloan, McKinley County

6. Paragraph 13. Lessee understands and agrees that Lessee shall not dump any hazardous waste or materials on the Property and, Lessee will at all times be subject to federal and state environmental laws and regulations, all as defined in the Lease.

7. Paragraph 14. Lessee understands that it shall provide Lessor with a Certificate of Insurance reflecting the insurance coverage in the Lease and provide in the Certificate of Insurance that there shall be no cancellation or change of the insurance policy without prior notification to Lessor.

8. Paragraph 22. Lessor's notice mailing is corrected to read as follows: As to Lessor: Gamercos Associates, Ltd., c/o Charles High, 300 West Hill Avenue, Gallup, New Mexico 87315 and Phill C. Ingram, 7410 Montgomery, Suite 203, Albuquerque, New Mexico 87109.

9. Paragraph 25. Lessor understands and agrees that paragraph 25 of the Lease refers to and is subject to the good and commercially reasonable manner of operation requirements under paragraph 8 of the Lease.

10. In all other respects, the Lease remains unchanged and unmodified.

11. This Agreement of Understanding may be executed in any number of counterparts, and all such counterparts shall be deemed to constitute a single agreement of understanding and the execution of the counterpart by Lessor shall have the same force and effect as if Lessor had signed all of the counterparts. Each of the undersigned individuals is authorized to execute this Agreement of Understanding.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Understanding as of the date first above written.

GAMERCO ASSOCIATES, LTD.,
a New Mexico partnership

By Ch P Hill

By Karen P. Head

By Phill C. Ingram

SUNDANCE HOLDINGS, INC.,
an Arizona corporation

By [Signature]

DOCH 360750



**NOTICE AND CONSENT UNDER LEASE RELATING TO
RAILROAD PAD and PROCESSING SITE
BY SUNDANCE HOLDINGS, INC., LESSEE**

Sundance Holdings, Inc., an Arizona corporation, Lessee under a Lease of privately owned land entered into on May 13, 1997 by and between Gamarco Associates No. 1, Ltd., and the Agreement of Understanding of June 30, 1997 with Gamarco Associates, Ltd., Lessor, that the site of the railroad pad, or loading site, processing site or mill site under Paragraphs 1(a)(b) and (c) of the Lease and Paragraph 2 of the Agreement of Understanding are set forth on Exhibit A attached hereto.

SUNDANCE HOLDINGS, INC.

By _____

Dated: 10/16/97

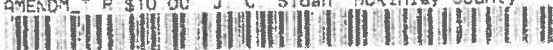
Agreed and Approved:
Gamarco Associates, Ltd.

By _____

Dated: _____

DOCH 360750

10/26/2012 10:52 AM Page 6 of 11
AMENDMENT P \$10.00 J. C. Sigan McKinley County



Lease of Privately Owned Land:

1. **Lease.** Lessor hereby grants to Lessee through its agents, servants and third parties, the sole and exclusive right to explore for, produce, extract and take Humates from the Property for organic uses such as fertilizers, soil additives, industrial uses, farm uses, and all other lawful uses. Specifically excluded from this Lease and the grant to Lessee and reserved unto Lessor is all combustible coal and other minerals which are not Humates or humate compounds.

(a) In addition thereto, for the term of the Lease, Lessor hereby grants to Lessee, a lease of a five (5) acre pad at the railroad right-of-way and right to a siding ("Railroad Pad") for the transportation of the Humates by rail and transportation of other property by rail. This Railroad Pad shall be reasonably convenient to Lessee for its use. The location of this Railroad Pad shall be mutually agreed upon, all as set forth on Exhibit B of the Lease. Lessor shall not unreasonably withhold its approval for such Railroad Pad.

(b) Furthermore, Lessor hereby grants to Lessee, a lease of a ten (10) acre site for processing and crushing purposes ("Processing Site"). The location of the Processing Site shall be mutually agreed upon and shall be reasonably conveniently located for Lessee's uses, all as set forth on Exhibit C of the Lease. Lessor shall not unreasonably withhold its approval of the specific Processing Site.

(c) Over the term of this Lease or during any extension thereof, the Railroad Pad, the Processing Site and the Extraction Site may be relocated by Lessee. Lessee shall have the right to relocate the Railroad Pad, the Processing Site and Extraction Site to meet Lessee's reasonable requirements to more convenient locations. Lessee and Lessor shall cooperate in connection with the relocation of the Railroad Pad, the Processing Site and Extraction Site. Provided further, that the parties shall jointly first obtain the approval of any tenant using the Railroad Pad and Lessor shall use its best efforts to obtain such approval for the initial Railroad Pad or any relocation thereof. Once the new Railroad Pad, Processing Site and Extraction Site are relocated, the Lessee shall restore the previous Railroad Pad, Processing Site or the Extraction Site, as the case may be, to as close to the original condition as is reasonably practical.

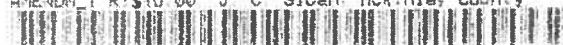
Agreement of Understanding:

1. Lessee understands and agrees that there may be small fees and charges assessed with respect to the loading and handling of crop coal, inferior coal or Humates for further rail transportation. The parties will use their best efforts in conjunction with now existing users of the rail siding in order to arrive at reasonable and mutually agreeable fees and charges for such loading and handling. Lessee shall make such payments either to Lessor or to the existing user of the rail siding as the parties may agree.

Exhibit "A" - Page 1

DOCH 360750

10/26/2012 10:52 AM Page: 7 of 11
AMENDMENT R: \$10.00 J. C. Sloan, McKinley County



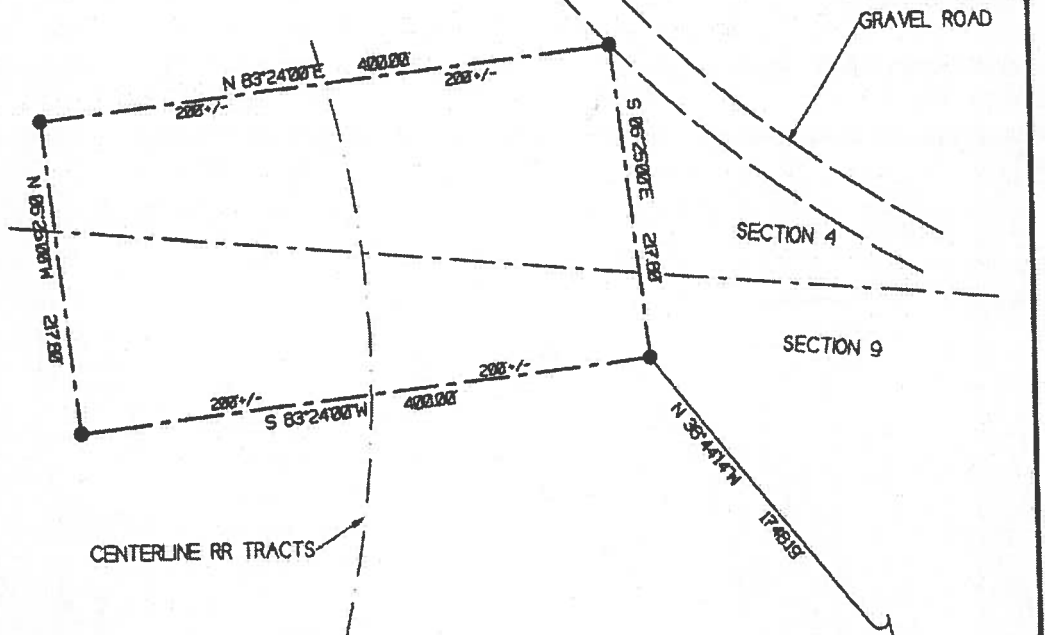
LOADING SITE

DOC# 360750

10/26/2012 10:52 AM Page 8 of 11
AMEND T R \$10.00 J. C. Sloan, McKinley County



LOADING SITE



LEGAL DESCRIPTION

A tract of land lying in Sections 4 and 9, T16N, R19W, N.M.P.M. McKinley, County, New Mexico, more particularly described as follows:

Commencing for a tie at the north 1/16th corner on the section line between Sections 9 and 10, and run North 38 degrees 44 minutes 14 seconds West for a distance of 1748.19 feet to the Real Point of Beginning;

THENCE South 83 degrees 24 minutes 00 seconds West for a distance of 400.00 feet to a point,

THENCE North 08 degrees 25 minutes 00 seconds West for a distance of 217.80 feet to a point,

THENCE North 83 degrees 24 minutes 00 seconds East for a distance of 400.00 feet to a point,

THENCE South 08 degrees 25 minutes 00 seconds East for a distance of 217.80 feet to the Real Point of Beginning.

Containing 2.000 acres more or less.

Scale: 1" = 100'



LEGEND

- Set 1/2" Rebar w/ Cap
- Found 1/2" Rebar w/ Cap
- Property Line

BASED ON:
Plat. By Michael P. Paiano, for Carbon Coal, Dated November 21 1988

CERTIFICATE

I, John P. Haynes, a registered professional surveyor under the laws of the State of New Mexico, hereby certify that I conducted and am responsible for the survey shown on this plat and that it meets the minimum requirements for surveying in New Mexico.

Date 9/26/97
John P. Haynes
JOHN P. HAYNES, P.S. #1456



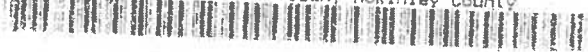
HAYNES ENGINEERING
Engineering - Surveying
518 1/2 SOUTH STRONG DR. GALLUP, NM 87301
SURVEY DATE: 9/25/97 DRAWING: CARBONS

DOC# 360750
 10/26/2012 10:52 AM Page 9 of 11
 J. C. Sloan, McKinley County
 APPLICANT
 \$10,000

MILL SITE

DOCH 360750

10/29/2012 10:52 AM Page 10 of 11
APR 10 10 00 J. C. Sigan, McKinley County

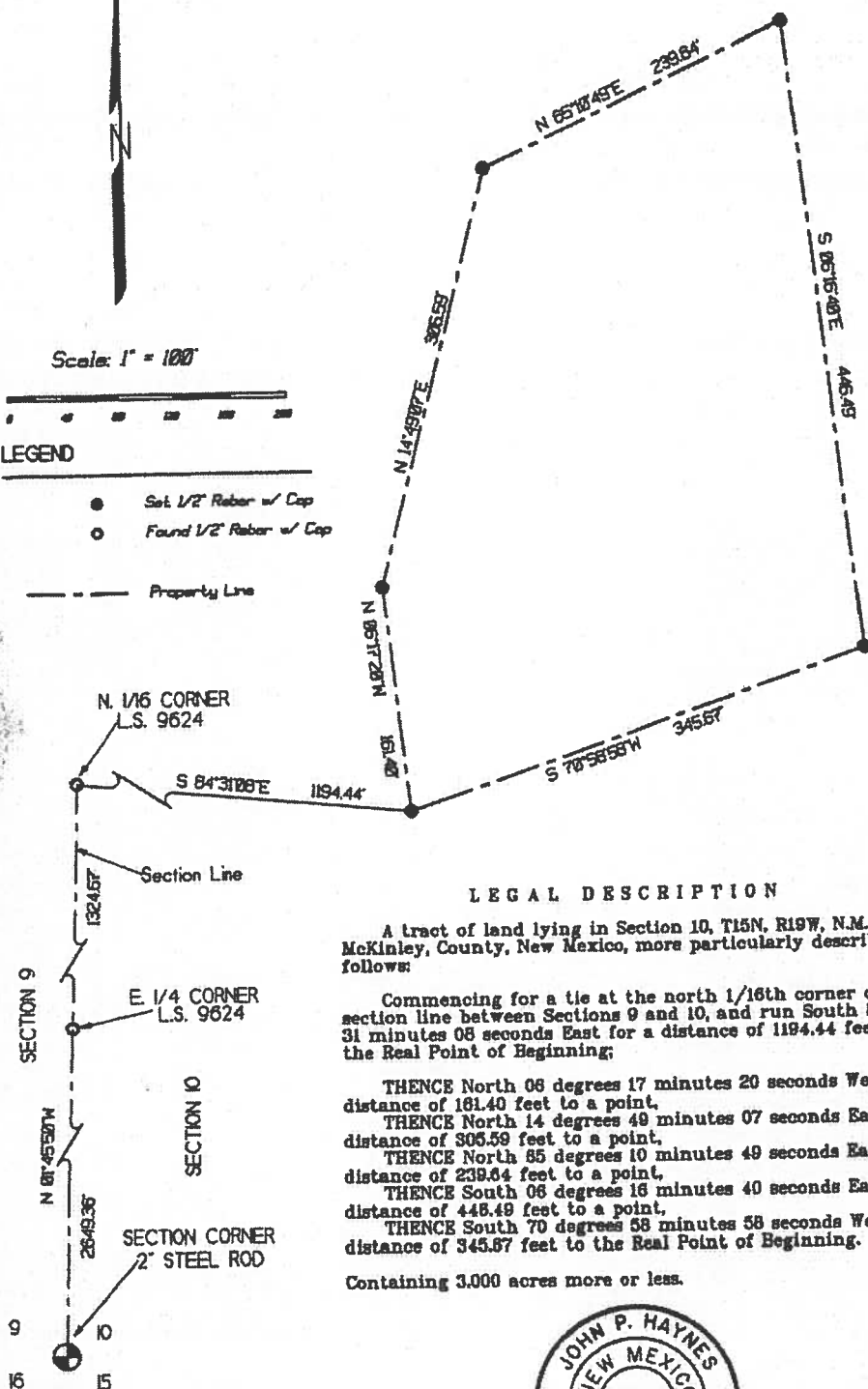


MILL SITE

Scale: 1" = 100'

LEGEND

- Set 1/2" Rebar w/ Cap
- Found 1/2" Rebar w/ Cap
- - - Property Line



LEGAL DESCRIPTION

A tract of land lying in Section 10, T15N, R19W, N.M.P.M. McKinley, County, New Mexico, more particularly described as follows:

Commencing for a tie at the north 1/16th corner on the section line between Sections 9 and 10, and run South 84 degrees 31 minutes 08 seconds East for a distance of 1194.44 feet to the Real Point of Beginning;

THENCE North 06 degrees 17 minutes 20 seconds West for a distance of 181.40 feet to a point.

THENCE North 14 degrees 49 minutes 07 seconds East for a distance of 306.59 feet to a point.

THENCE North 85 degrees 10 minutes 49 seconds East for a distance of 239.84 feet to a point.

THENCE South 06 degrees 16 minutes 40 seconds East for a distance of 448.49 feet to a point.

THENCE South 70 degrees 58 minutes 58 seconds West for a distance of 345.67 feet to the Real Point of Beginning.

Containing 3.000 acres more or less.

BASED ON:
 Plat. By Michael P. Paisano, For Carbon Coal, Dated November 21 1988

CERTIFICATE

I, John P. Haynes, a registered professional surveyor under the laws of the State of New Mexico, hereby certify that I conducted and am responsible for the survey shown on this plan and that it meets the minimum requirements for surveying in New Mexico.

Date 7/26/97

John P. Haynes
 JOHN P. HAYNES, P.S. 11456



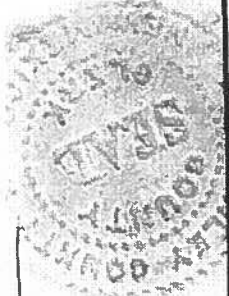
HAYNES ENGINEERING

Engineering - Surveying
 518 1/2 SOUTH STRONG DR. CALLIP, NM 87381
 SURVEY DATE 9/25/97 DRAWING: CARBONS

DOCH 360750

10/26/2012 10:52 AM Page: 11 of 11
 J. C. Slaban, McKinley County
 AMENDMENT R 310.00

Handwritten signature



**Amendment to
Lease of Privately Owned Land
between
Gamerco Associates No.1, Ltd.
and
Sundance Holdings, Inc.**

The lease payment amount is \$1.00 per ton on sales by Lessee payable monthly. Payment is due by the 15th day of the preceding month end. The next scheduled payment is September 15, 2012.

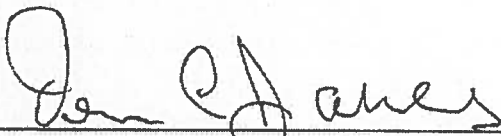
Further, the lease term is extended and will terminate on July 31, 2032.

The Lessee is current with its lease obligations.

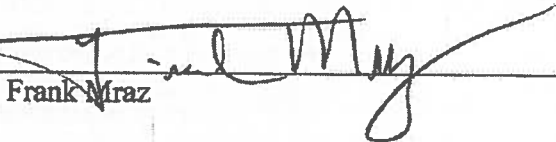
All other provisions of the original lease shall remain in effect.

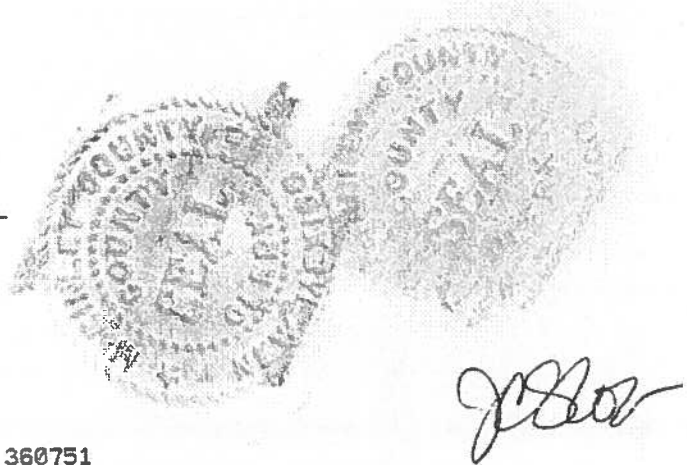
Agreed to this 1st day of August 2012.

Sundance Holdings, Inc.

By 
Dennis Yellowhorse Jones, President

Gamerco Associates No. 1, Ltd.

By 
Frank Mraz



DOCH 360751

10/26/2012 10:52 AM Page 1 of 1
AMENDMT R \$10.00 J. C. Sloan, McKinley County



**ASSIGNMENT OF
LEASE OF PRIVATELY OWNED LAND**

THIS ASSIGNMENT OF LEASE is made and entered into this 22 day of July, 1997 by and between **Sundance Holdings, Inc.**, an Arizona corporation, 9100 Morning Glory, Paradise Valley, Arizona 85253 ("Principal Leaseholder") and **U-Mate International, Inc.**, an Arizona corporation, P.O. Box 4131, Scottsdale, Arizona 85261 ("Sublessee").

WHEREAS, Principal Leaseholder has entered into a certain Lease of Privately owned land with Gamerco Associates No. 1, Ltd. dated May 13, 1997 together with the Affirmation and Certification thereof for certain privately owned lands in McKinley County, New Mexico. A copy of the Lease and Affirmation and Certification are attached hereto as Exhibit "A";

WHEREAS, pursuant to Paragraph 9 of the Lease, Principal Leaseholder may assign its rights under said Lease.

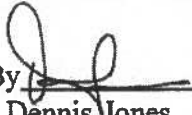
NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties, it is hereby agreed as follows:

1. Principal Leaseholder hereby assigns its rights under the Lease to Sublessee for a term of ten (10) years.
2. Sublessee shall assume and abide by all of the terms and conditions of the Lease.
3. Sublessee shall indemnify and hold harmless Principal Leaseholder from any and all claims which may arise, directly or indirectly, associated with the underlying real estate, the Lease, operations and processing on the Property, reclamation, obligations and all other matters relating to or involving the Property and the Lease. Sublessee shall indemnify and hold harmless Principal Leaseholder and reimburse all costs, damages, and expenses, including attorneys' fees and costs.
4. In consideration of the assignment of the Lease, Sublessee shall pay Principal Leaseholder a royalty of Five Dollars (\$5.00) per ton of humates extracted from the property in each lease year. In addition, Sublessee shall pay a minimum rent in quarterly payments of \$2,500 commencing ninety (90) days from the date of this Assignment.
5. This Assignment shall be binding upon and inure to the benefit of the parties hereto and its successors in interest.
6. This Assignment of Lease shall not be further assigned to any other person or party without the consent and permission of Principal Leaseholder.

IN WITNESS WHEREOF, the parties hereto have executed this Lease this 27
day of July, 1997.


SUNDANCE HOLDINGS, INC.,
an Arizona corporation

Dennis Jones
~~President~~
Chairman

By 
Dennis Jones

U-MATE INTERNATIONAL, INC.,
an Arizona corporation

Dennis Jones
President

By 

LJC:Sundance.Asg

State of Arizona)
) ss.
County of Maricopa)

Sworn to and subscribed before me this 27th day of May, 1997 by Dennis Jones,
President of Sundance Holdings, Inc.

J. Darlene Sandy
Notary Public

My Commission Expires:
December 25, 1999

State of New Mexico)
) ss.
County of McKinley)

Sworn to and subscribed before me this 26th day of May, 1997 by Charles High,
Partner of Gamarco Associates, Ltd.



OFFICIAL SEAL
ELIZABETH A. GOMEZ
NOTARY PUBLIC STATE OF NEW MEXICO
My Commission Expires: 5/21/01

Elizabeth A. Gomez
Notary Public

My Commission Expires:
may 21, 2001

[Handwritten signature]



LEASE OF PRIVATELY OWNED LAND

THIS AGREEMENT is made and entered into this 13 day of ^{May}~~April~~, 1997 by and between **Gamerco Associates No. 1, Ltd.**, a New Mexico limited partnership, c/o Charles High, 300 West Hill Avenue, Gallup, New Mexico 87315 ("Lessor") and **Sundance Holdings, Inc.**, an Arizona corporation, 9100 Morning Glory, Paradise Valley, Arizona 85253 ("Lessee").

WHEREAS, Lessor is the fee owner of all the lands in McKinley County, New Mexico described on Exhibit A attached hereto (the "Property"); and

WHEREAS, the parties are desirous of an exclusive lease for the Property to explore, produce, extract and take out crop coal, inferior coal, which is generally unusable for heating purposes and which has a high concentration of humic, ulmic, and fulmic acids or their extracts (collectively "Humates").

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein made and the rents to be paid hereunder, the parties hereby agree to the following:

1. **Lease.** Lessor hereby grants to Lessee through its agents, servants and third parties, the sole and exclusive right to explore for, produce, extract and take Humates from the Property for organic uses such as fertilizers, soil additives, industrial uses, farm uses, and all other lawful uses. Specifically excluded from this Lease and the grant to Lessee and reserved unto Lessor is all combustible coal and other minerals which are not Humates or humate compounds.

(a) In addition thereto, for the term of the Lease, Lessor hereby grants to Lessee, a lease of a five (5) acre pad at the railroad right-of-way and right to a siding ("Railroad Pad") for the transportation of the Humates by rail and transportation of other property by rail. This Railroad Pad shall be reasonably convenient to Lessee for its use. The location of this Railroad Pad shall be mutually agreed upon, all as set forth on Exhibit B attached hereto. Lessor shall not unreasonably withhold its approval for such Railroad Pad.

(b) Furthermore, Lessor hereby grants to Lessee, a lease of a ten (10) acre site for processing and crushing purposes ("Processing Site"). The location of the Processing Site shall be mutually agreed upon and shall be reasonably conveniently located for Lessee's uses, all as set forth on Exhibit C attached hereto. Lessor shall not unreasonably withhold its approval of the specific Processing Site.

(c) Over the term of this Lease or during any extension thereof, the Railroad Pad, the Processing Site and the Extraction Site may be relocated by Lessee. Lessee shall have the right to relocate the Railroad Pad, the Processing Site and Extraction Site to meet Lessee's reasonable requirements to more convenient locations. Lessee and Lessor shall cooperate in

LJC:Sundance.Lse
May 13, 1997
LJC



connection with the relocation of the Railroad Pad, the Processing Site and Extraction Site. Provided further, that the parties shall jointly first obtain the approval of any tenant using the Railroad Pad and Lessor shall use its best efforts to obtain such approval for the initial Railroad Pad or any relocation thereof. Once the new Railroad Pad, Processing Site and Extraction Site are relocated, the Lessee shall restore the previous Railroad Pad, Processing Site or the Extraction Site, as the case may be, to as close to the original condition as is reasonably practical.

(d) Notwithstanding that the Lessee has exclusive lease rights to the whole of the Property, Lessee shall limit its humate operations to 160 acres of the Property at one time. This 160 acre parcels shall be identified by Lessee at the time of the execution of the Lease ("Extraction Site"), all as set forth in Exhibit "D" attached hereto. Lessee has identified two (2) separate 160 acre parcels: NE¼, Section 10, T15N, R19W ("Parcel One") and Parcel 2: SW¼, Section 3, T15N, R19W ("Parcel Two"). Within 180 days of the execution of this Lease, Lessee shall notify Lessor of its election to commence excavation operations either in Parcel One or Parcel Two. Upon such election, Lessee shall undertake its excavation operations in the parcel so elected.

2. **Grant.** Lessee shall have the right, through agents, servants and third parties, to construct, erect, maintain, operate, use, repair, replace telephone and power lines, tanks, machinery, appliances, buildings and other structures, useful, necessary or proper for carrying out its operations on the Property together with rights-of-way for passage over, upon and across, ingress and egress to and from the Property for any or all of the above-mentioned purposes. Lessee shall have the right to extract, use, retrieve, explore, investigate, take and remove Humates from the Property. Lessor reserves the right to occupy and use the Property for agricultural and horticultural purposes and coal mining purposes and other commercial and lawful uses subject to the rights of Lessee hereunder.

It is understood that the surface of the Property may be excavated, in whole or in part, in connection with the removal of the Humates from the Property. Lessee shall reclaim and restore the surface of the Property as is reasonably required and compatible with the nature and quality of the Property. Lessee's obligation to reclaim and restore the Property shall survive any cancellation, termination, avoidance, lapse or other end to the Lease and shall survive amendment of the Lease.

3. **Term.** Lessee shall have and hold the Property for the initial term of twenty (20) years from the date hereof in consideration of Lessee paying Lessor the rents and royalties hereinafter provided.

4. **Commencement.** Lessor understands that Lessee will not commence the use or occupancy of the Property until sometime in the future and the rental and royalty payments payable to Lessee hereunder shall commence only at the earlier of six (6) months from the date of this Agreement or the date that Lessee enters on the Property and commences regular use thereof for extraction, processing and loading of Humates. Provided, however, that Lessee's

LJC:Sundance.Lse
May 13, 1997
LJC



traversal of the Property, inspection, testing or other investigations shall not constitute use and occupancy of the Property.

5. **Rent.** Lessee shall pay Lessor a minimum rent commencing on the rental commencement date as identified above in the amount of \$2,500 and thereafter on a regular and consecutive quarterly basis, \$2,500 for a minimum rental payment of \$10,000 for each lease year. The date of the rent payment shall be the commencement of the lease year.

6. **Royalty.** For the first 10 years, Lessee shall pay Lessor a royalty of \$1.00 per ton of Humates extracted from the Property, provided, however, that Lessee shall receive full credit for any quarterly minimum rent payments made by Lessee to Lessor. In short, Lessor shall receive a minimum rent under all circumstances of \$10,000 each lease year payable quarterly and Lessee shall receive a credit of all quarterly payments made to Lessor toward the royalty payment. During lease years 11 through 20, Lessee shall pay a royalty of \$1.50 per ton of Humates extracted from the Property, and during the renewal option term for years 21 through 30, Lessee shall pay Lessor a royalty of \$2.00 per ton of Humates extracted from the Property.

The obligation to pay a royalty payment shall accrue upon the crushing of the Humates and transportation of the Humates from the Property. The amount of royalty payment shall be first reduced by the cumulative total minimum rental payments. After the removal of more than 10,000 tons of Humate from the Property during a lease year, Lessee shall pay Lessor the applicable royalty payment no later than thirty (30) days after the last day of the calendar quarter in which 10,000 tons of Humates are extracted from the Property and removed from the Property. With the royalty payment, Lessee shall furnish Lessor a statement showing the amount of Humate removed from the Property. All royalty payments shall be based on actual weights and measurements.

7. **Books and Records.** Lessee shall maintain adequate books, records, plans and maps to enable Lessor to verify the payment of the royalty payments. Lessor or his designated representatives shall have the right upon reasonable prior request at all reasonable times during normal working hours to inspect all such books, records, plans and maps to verify Lessee's compliance with the royalty payments hereunder. In the event of any dispute as to the payment of royalties, Lessor shall have access to records made available by Lessee to any railroad which transports the Humates from the Property. Lessor will respect the confidentiality of all information made available to it and shall not disclose any such information without the prior written consent of Lessee except as necessary to disclose information to its attorney or account or in litigation for the sole purpose of enforcing Lessor's rights under this Lease.

8. **Method of Operation.** Lessee shall, within its sole good faith and discretion, determine the method of operation and removal of the Humates from the Property. Any and all operations on the Property shall, be conducted by Lessee in a good and commercially reasonable matter with the objective of producing as much Humate as can be reasonably and

LJC:Sundance.Lse
May 13, 1997
LJC



economically produced from the Property consistent with good operations and commercial practices.

9. **Assignment.** The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns but no change or division in the ownership of the Property or rentals or royalties or other payments hereunder or the right to receive the same, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change or division in ownership or right to receive rentals, royalties or other payment hereunder shall be binding upon the Lessee for any purpose until thirty (30) days after Lessee shall have been furnished at Lessee's office first indicated above, a duly recorded instrument or instruments or certified copies thereof or other legal authenticated written evidence of such change of ownership satisfactory to Lessee. In the event of the death of any person entitled to payments hereunder or in the event of any dispute as to the recipient of the payments, Lessee may pay or tender such payments to a depository bank to the credit of all disputing parties including their estates until such time as Lessee is furnished satisfactory evidence and instruction regarding the rightful payee of the rental payments and royalties hereunder. If at any time two or more persons are entitled to participate in payments hereunder, Lessee may pay or tender such payments jointly to such persons for their joint credit in a depository designated herein; or, at Lessee's election, the proportionate part or parts to which any participant(s) may be entitled may be paid or tendered to such participant(s) separately, or to their separate credit in such depository. Any payment or tender to any participant or his portion, jointly or separately, shall maintain this Lease as to such participant.

10. **Title.** Lessor hereby warrants and agrees to defend title to said Property, to the extent of the interest to be covered by this Lease, and agrees that Lessee, at Lessee's option, may purchase or discharge in whole or in part, any tax, mortgage or other lien upon such Property and thereupon be subrogated to the rights of the holder thereof and may apply rentals and royalties payable hereunder toward satisfying the same or toward reimbursing Lessee. Lessor further agrees that the interest of Lessor is and at all times shall be and remain primarily liable for such lien indebtedness and that in an proceeding for the enforcement or collection thereof, the interest of Lessor shall first be subjected to the payment thereof.

11. **Default.** In the event that Lessee is in breach hereof, Lessor shall notify Lessee in writing of the fact relied upon as constituting a breach and Lessee, if in default, shall have sixty (60) days after receipt of such notice, in which to commence the compliance with the obligations imposed by virtue of this instrument. In the case of cancellation or termination of this Lease under the terms hereof, Lessee shall have the right to retain, under the terms hereof, all equipment, fixtures and operations being conducted by Lessee, on 100 acres of the Property thereof. Lessee may retain such existing roadways and other easements upon such cancellation or termination of the Lease as is necessary or convenient to Lessee's operations of the Property retained hereunder. Any default by Lessee of any obligation arising hereunder shall not cause a forfeiture or termination of this Lease or cause a termination or reversion of the interest hereby

LJC:Sundance.Lsc
May 13, 1997
LJC



created, or be grounds for cancellation hereof in whole or in part, save as herein expressly provided.

12. **Rights of Lessee.** Except as provided herein, Lessee shall the right at any time during or within twelve (12) months after the expiration and termination of this Lease to remove all property, buildings and fixtures placed by Lessee on said Property. Lessee shall have the right of ingress and egress over existing roads on or to the Property. Before constructing any roads, whether temporary or permanent, Lessee shall consult with and secure the approval of Lessor with respect to the location thereof, which approval shall not be unreasonably withheld. Any permanent road constructed by Lessee, on or to the Property and all existing roads on said Property or on Property owned by Lessor, used by Lessee in its operation, shall be maintained throughout the term of the Lease in such condition as is appropriate for Lessee. Lessee shall also install at its expense, cattle guards where necessary or required on both temporary and permanent roads which Lessee uses.

13. **Obligations of Lessee.** If Lessee enters upon the Property in connection with any of Lessee's operations, Lessee agrees to provide and maintain a gate at such point (to keep the gate locked and furnish Lessor a key, or combination) and to provide and maintain a road from said point to the entrance of Lessee's processing facility or Processing Site. Lessee agrees to enclose by fence, any machinery, buildings and equipment placed on the Property to prevent cattle and livestock from entering therein or thereto. Lessee shall compensate Lessor or other proper tenants using the Property as their respective interests may appear, for any and all damage to gates, fences, roads, water wells, irrigation canals, bridges, buildings or other improvements, livestock or cattle on said Property arising out of any negligence of Lessee, its agents and employees. Lessee shall comply with all applicable federal, state and local laws and regulations relating to its use and operation of the Property including particularly all federal and state environmental laws and regulations ("EPA Laws"). Further, Lessee shall indemnify and hold Lessor harmless from and against any claims, costs or damages arising out of Lessee's violation of such EPA Laws.

14. **Insurance.** Upon the commencement of the Lease payments, Lessee shall obtain and keep in full force and effect, general liability insurance in the amount of no less than \$1 million comprehensive general liability naming Lessor as an additional insured. A copy of the policy of insurance shall be provided to Lessor upon request.

15. **Worker's Compensation Insurance.** Lessee shall carry worker's compensation insurance for any and all persons employed upon, in or about the Property in connection with any of Lessee's operations thereon. Lessee agrees to comply with the laws of the State of New Mexico with respect to worker's compensation and occupational disease and to comply and abide by all federal and state regulations and all other applicable legislation or regulations now or subsequently applicable to the operation of the Property and Lessee agrees to make all payments, returns and reports required by such laws.

LJC:Sundance.Lsc
May 13, 1997
LJC



16. **Renewal.** If Lessee is not in default, then in such event, Lessee shall, at any time during the base term, have the right to extend the base term for an additional ten (10) year term on the same terms and conditions as herein provided.

17. **Taxes.** Lessee shall pay all taxes levied upon or assessed against its improvements, fixtures and personal property on the Property including machinery and any products stored thereon.

18. **No Liens.** Lessee, at its own cost and expense, shall pay for all labor performed and materials furnished in the operations of Lessee hereunder and Lessor shall not be chargeable with or liable for any part thereof. Lessee shall protect the Property from liens of any character arising from its operations. Lessor, at all reasonable times, may inspect the Property and the work done and in progress thereon and the production thereon. Lessor may also examine the books kept by Lessee in relationship to the amount and character of the production of the Property and the disposition thereof.

19. **Default in Rent Payment.** If Lessee shall fail to promptly pay any installment of royalty or minimum rent and if such default shall continue for a period of fifteen (15) days after written demand, then at the option of Lessor, this Lease may be terminated, provided, however, that if there be a bona fide dispute as to the amount due and all undisputed amounts are paid, said fifteen (15) day period shall be extended until ten (10) days after such dispute is resolved by arbitration or mutual agreement.

20. **Termination of Lease.** Upon the expiration or sooner termination of this Lease, Lessee shall quietly and peacefully surrender possession to Lessor and deliver to Lessor or file of record a quit claim deed if so requested by Lessor.

21. **Sublease.** Lessor understands that an affiliated or related enterprise of Lessee may be conducting the processing and extraction of the Humates from the Property. Accordingly, Lessee shall have the right to sublease its rights hereunder provided, however, any sublease shall incorporate this Lease as a master lease and the sub-Lessee shall be responsible for all terms and conditions of the master Lease and fully have the same carried out.

22. **Notices.** Formal notices, demands and communications between Lessor and Lessee shall be sufficiently given if personally delivered or dispatched by certified mail, postage prepaid, return receipt requested to the principal offices of Lessor and Lessee or if delivered by confirmed fax addressed to each party as follows:

As to Lessor:

Gamerco Associates No. 1, Ltd.
c/o Charles High
300 West Hill Avenue
Gallup, New Mexico 87315
-and-

LJC:Sundance.Lse
May 13, 1997
LJC



Phil Ingram
7410 Montgomery
Albuquerque, New Mexico 87109

As to Lessee: Sundance Holdings, Inc.
9100 Morning Glory
Paradise Valley, Arizona 85253

Said notices, demands and communications may be sent in the same manner to such other addresses either party may from time to time designate as provided in this section. For purposes of this section, personal delivery shall include actual receipt of a delivery by a commercial courier or telephone facsimile transmission.

23. **Disputes.** If any good faith disputes arises out of, or in connection with any default or alleged default, the dispute shall be submitted to final and binding arbitration. Either party may submit the dispute to binding arbitration by giving the other party written notice demanding written notice of demanding arbitration of the dispute, identify the issue or issues to be arbitrated and the appointment of an arbitrator. The receiving party, by written notice to the party requesting the arbitration, shall nominate its arbitrator. The two arbitrators shall nominate a third arbitrator who shall be independent of any affiliation or interest with any of the parties hereto. Within ten (10) business days of the selection of the third arbitrator, the arbitrators shall commence a hearing at a suitable location in Gallup, New Mexico or Albuquerque, New Mexico as it deems appropriate on the arbitration issue and complete such hearing within three (3) consecutive business days thereafter. The parties shall have the right to submit evidence with the privilege of cross-examination, presentation of arguments, presentation of witness testimony and documentary evidence. Except as otherwise provided herein the arbitration shall be conducted in connection with the Commercial Arbitration Rules of the American Arbitration Association. All fees and costs of the arbitration shall be paid as determined by the arbitrator. Within five (5) days after the hearing, the arbitrator shall issue a determination in writing on the question in issue and shall give written notice to the parties. The arbitration award shall be final and binding and enforceable in any court of competent jurisdiction.

24. **Assignment.** Lessee shall have the right to assign or transfer this Lease in whole or in part provided, however, that the full amount of the minimum rental and the royalties are paid to Lessor.

25. **Termination.** Termination of Lease by Lessee. In the event that Lessee determines that it is no longer commercially viable to extract Humates from the Property, then in such event, Lessee shall give Lessor a minimum of six (6) months' notice of the lack of economic viability of further commercial processing and after such six (6) month period, this Lease shall be terminated without either party having any further obligations to the other.

LJC:Sundance.Lse
May 13, 1997
LJC



26. **Reclamation.** Upon any termination of this Lease, Lessee hereby agrees to reclaim the Property as close to the original condition as reasonably feasible and practical given the circumstance, terrain and nature of the Property. This reclamation shall be undertaken at Lessee's cost and expense.

27. **Counterparts.** This Lease may be executed in any number of counterparts, and all such counterparts shall be deemed to constitute a single lease and the execution of one counterpart by Lessor shall have the same force and effect as if he had signed all other counterparts. This Lease and any disputes under this Lease shall be governed by the laws of New Mexico.

IN WITNESS WHEREOF, the parties hereto have executed this Lease this 15 day of May, 1997.

GAMERCO ASSOCIATES NO. 1, LTD.,
a New Mexico partnership

By Charles M

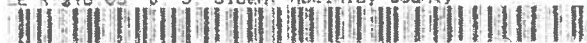
By Loren H. Head

By _____

SUNDANCE HOLDINGS, INC.,
an Arizona corporation

By [Signature]

LJC:Sundance.Lse



26. **Reclamation.** Upon any termination of this Lease, Lessee hereby agrees to reclaim the Property as close to the original condition as reasonably feasible and practical given the circumstance, terrain and nature of the Property. This reclamation shall be undertaken at Lessee's cost and expense.

27. **Counterparts.** This Lease may be executed in any number of counterparts, and all such counterparts shall be deemed to constitute a single lease and the execution of one counterpart by Lessor shall have the same force and effect as if he had signed all other counterparts. This Lease and any disputes under this Lease shall be governed by the laws of New Mexico.

IN WITNESS WHEREOF, the parties hereto have executed this Lease this 13th day of May, 1997.

GAMERCO ASSOCIATES NO. 1, LTD.,
a New Mexico partnership

By [Signature]

By [Signature]

By [Signature]

SUNDANCE HOLDINGS, INC.,
an Arizona corporation

By [Signature]

LJC:Sundance.Lse

LJC:Sundance.Lse
May 13, 1997
LJC



EXHIBIT "A"

**DESCRIPTION OF PROPERTY
(McKinley County, New Mexico)**

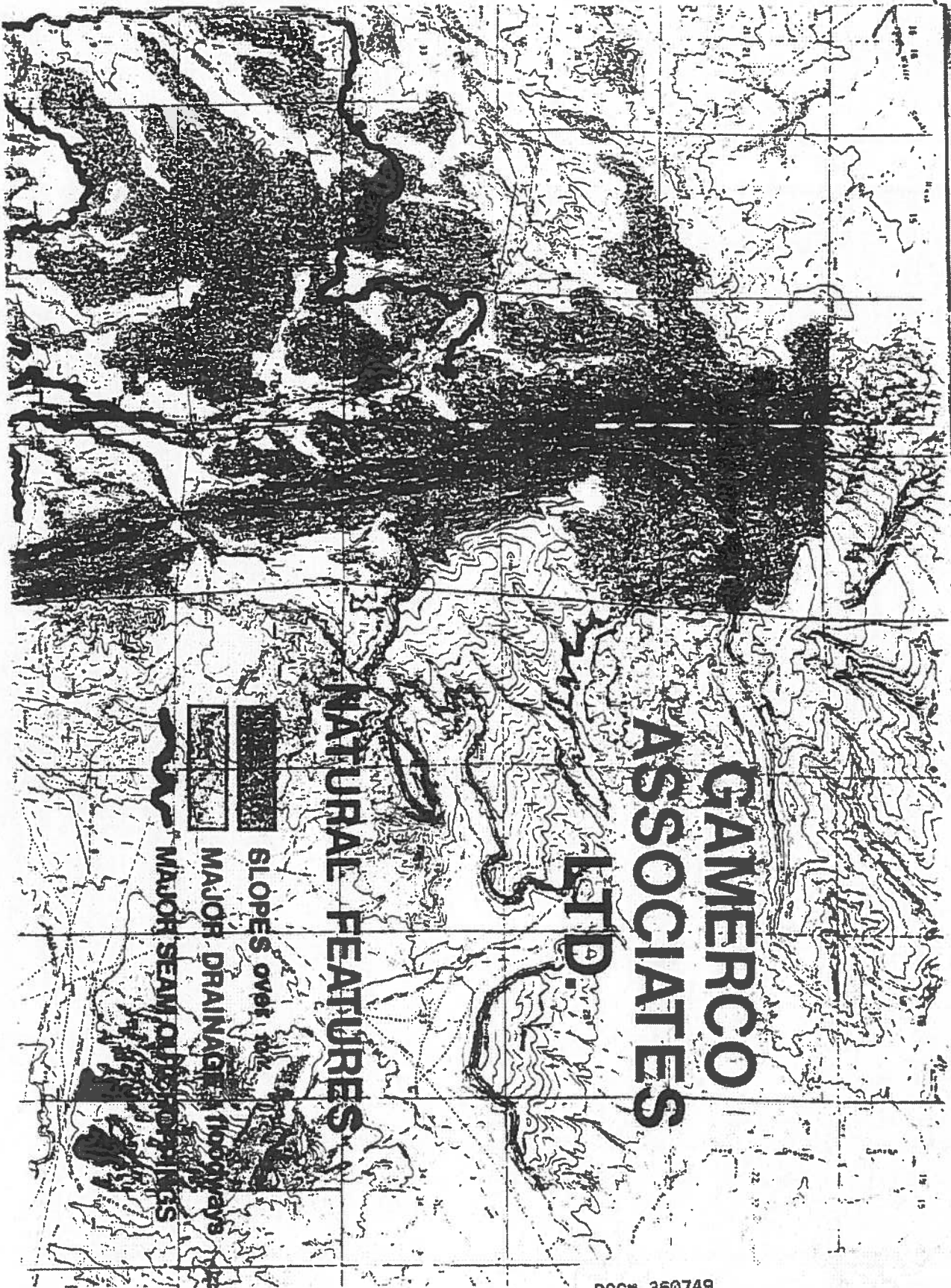
Section Nos.

Township

Range

SEE Gamarco Associates, Ltd. map of property holdings in McKinley County by
Chambers - Campbell, Isaacson - Champlan. (Non-residential only.)





**GAMERCO
ASSOCIATES**

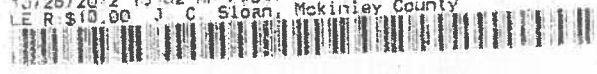
LTD.

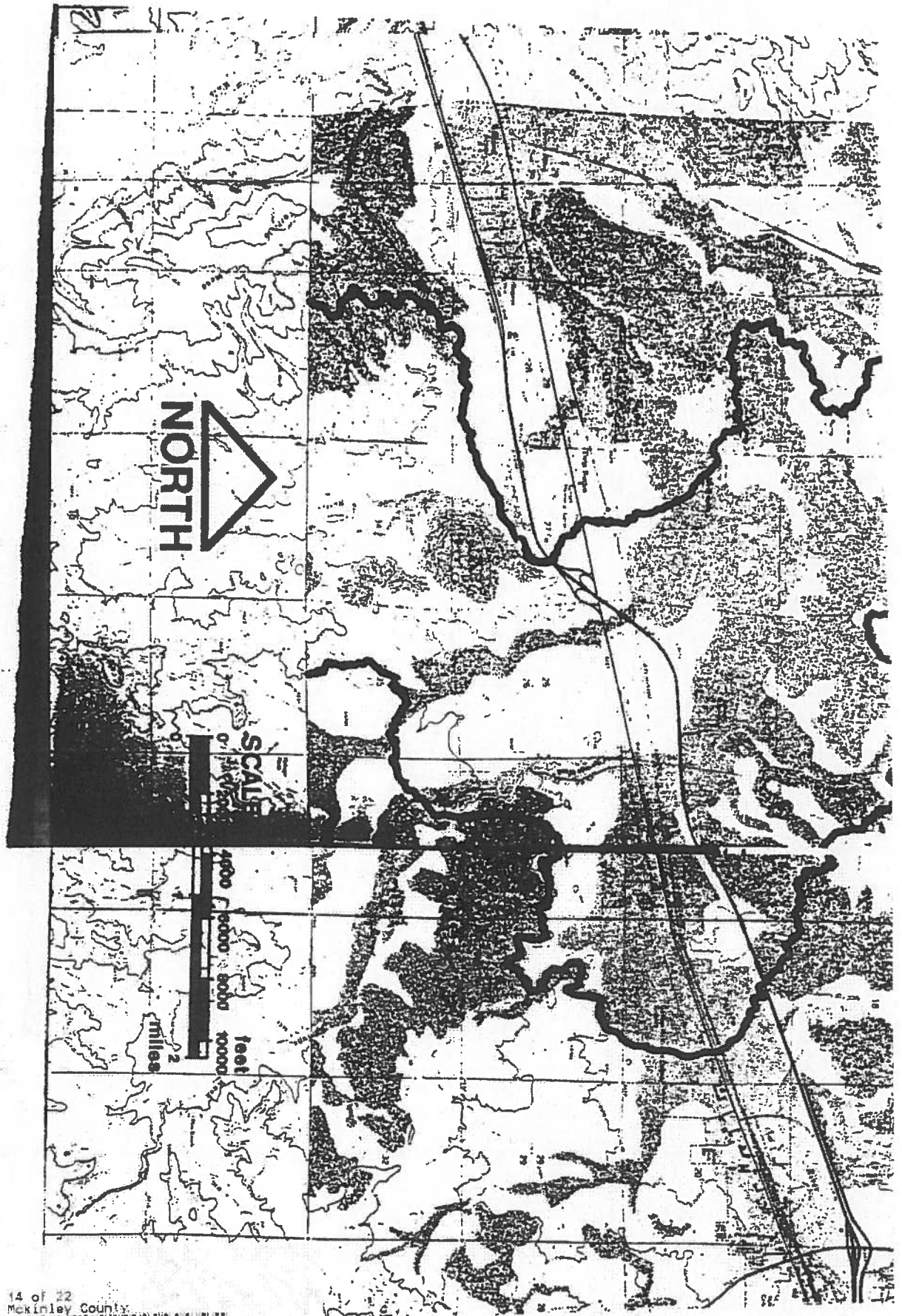
NATURAL FEATURES

-  SLOPES over 10%
-  MAJOR DRAINAGE (1000' x 1000')
-  MAJOR SEAM OPENINGS

DOC# 360749

10/26/2012 10:52 AM Page: 13 of 22
 LE R \$10.00 J. C. Sloan, McKinley County

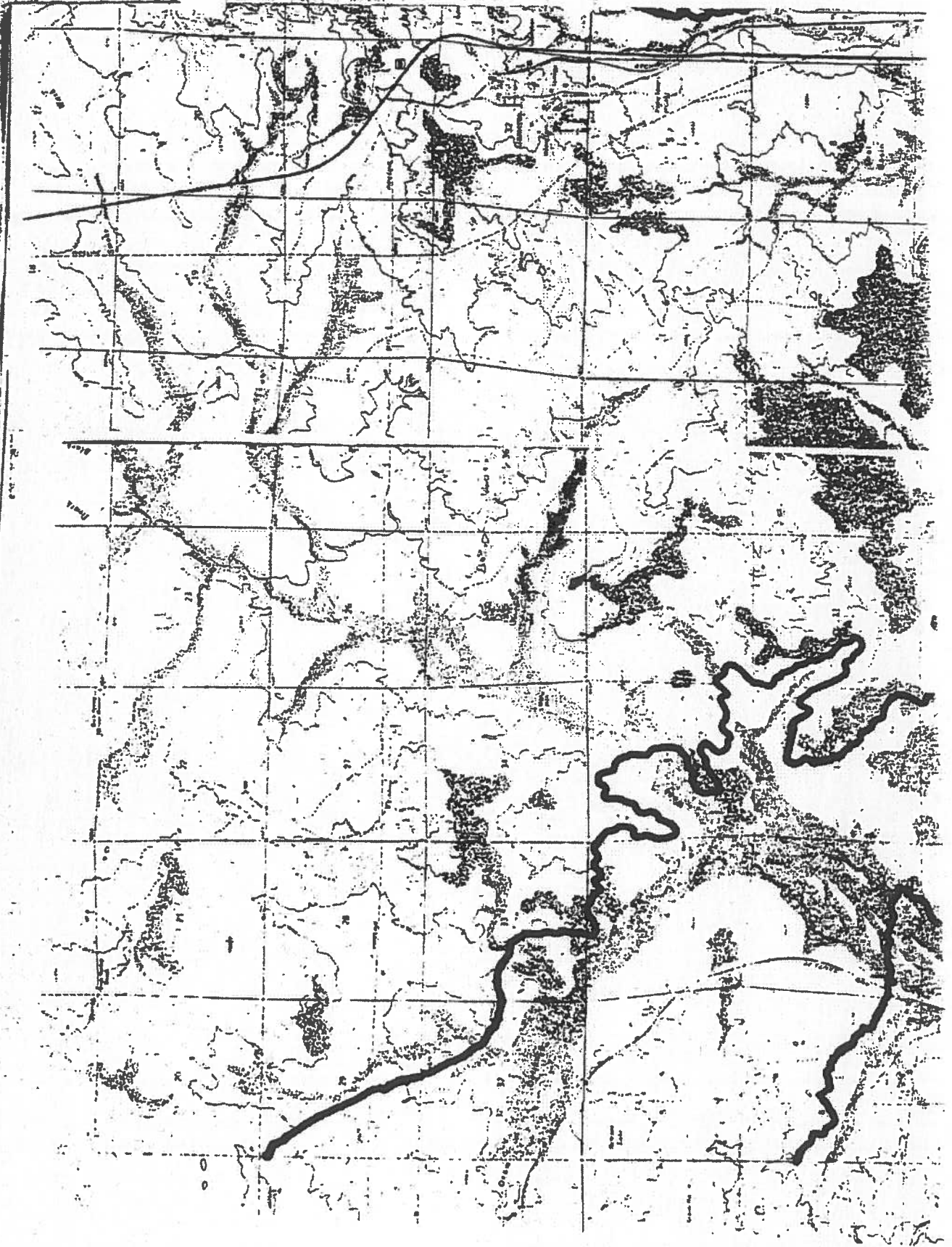




DOCH 360749

10/26/2012 10:52 AM Page 14 of 22
 LE R: \$10.00 J. C. Sloan McKinley County

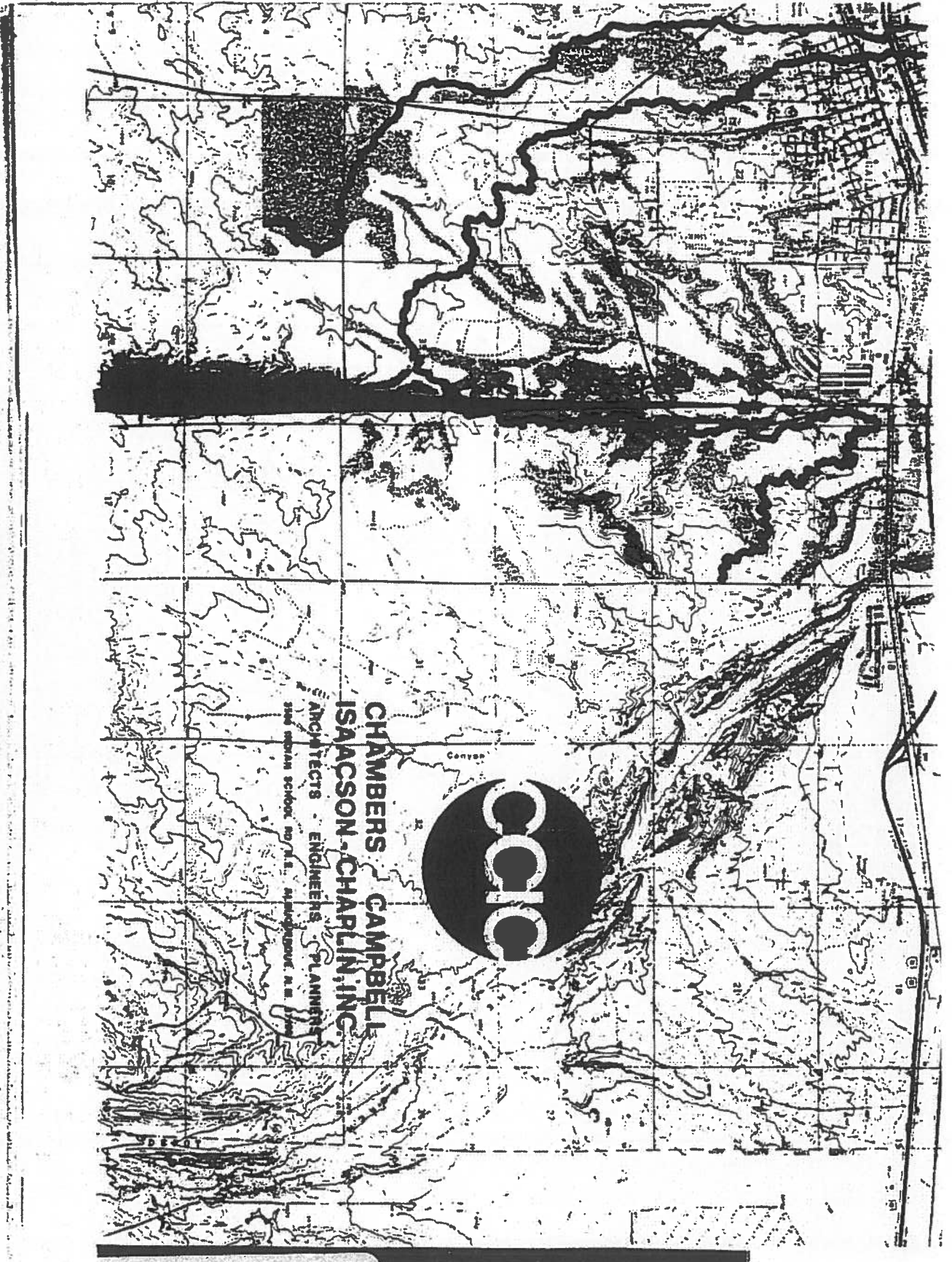




DOCH 360749

10/26/2012 10:52 AM Page 15 of 22
LE R 310 00 J. C. Sloan, McKinley County





**CHAMBERS CAMPBELL
ISAACSON-CHARLIN, INC.**

ARCHITECTS - ENGINEERS - PLANNERS
3340 WILSON SCHOOL RD, N.E., WASHINGTON, D.C. 20002

DOCH 360749

10/26/2012 10:52 AM Page 18 of 22
LE R 310 00 J. C. Sloan, McKinley County

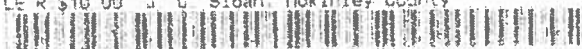


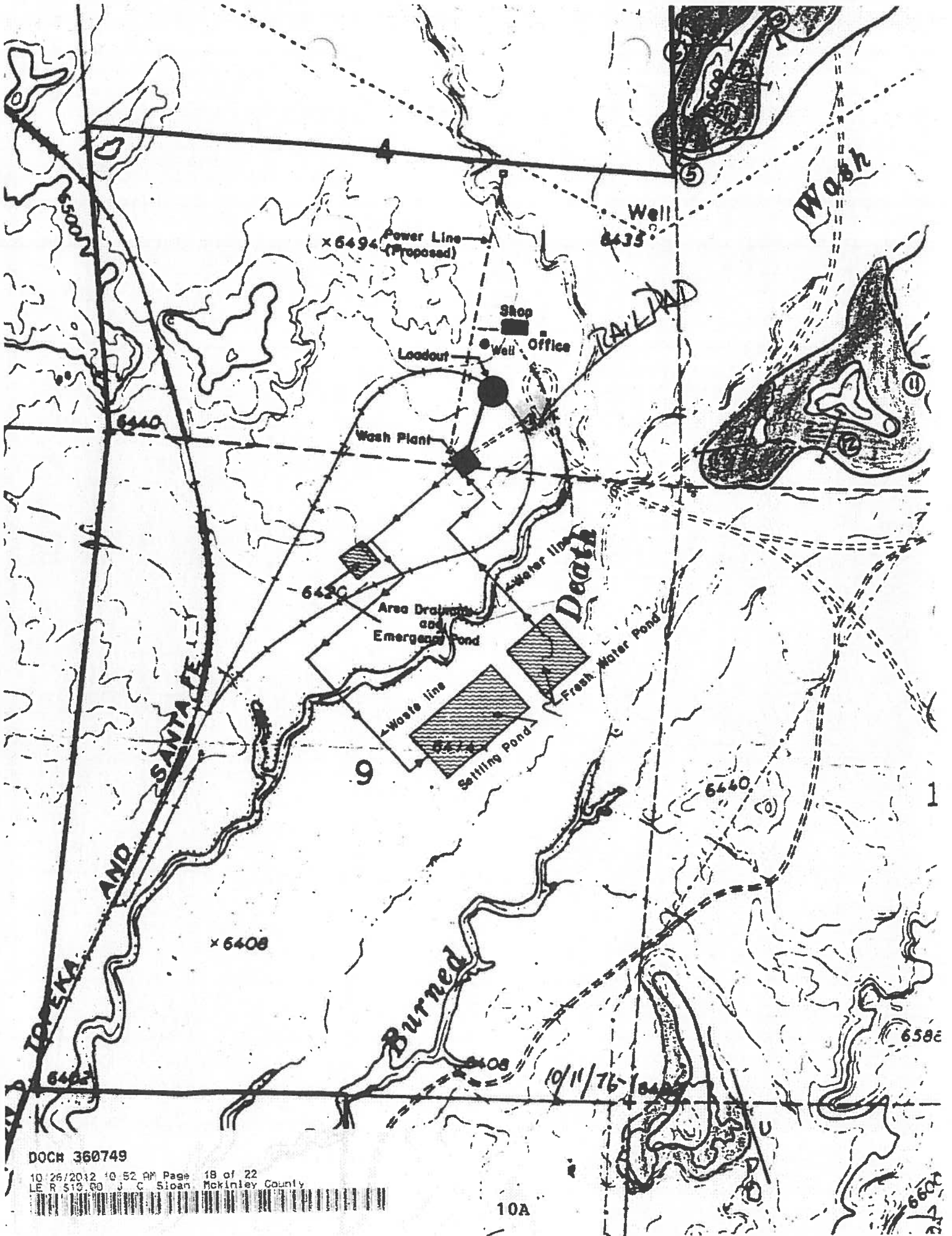
EXHIBIT "B"

LOCATION OF RAILROAD PAD

Five (5) Acres: SW¼, Section 4, T15N, R19W

LJC:Sundance.Lsc
May 13, 1997
LJC





DOCH 360749

10/26/2012 10:52 AM Page 18 of 22
 LE R \$10.00 J C Sloan McKinley County



EXHIBIT "C"

LOCATION OF PROCESSING SITE

Ten (10) Acres: NW¼, NW¼ of the NE¼, Section 10, T15N, R19W

LJC:Sundance,Lse
May 13, 1997
LJC



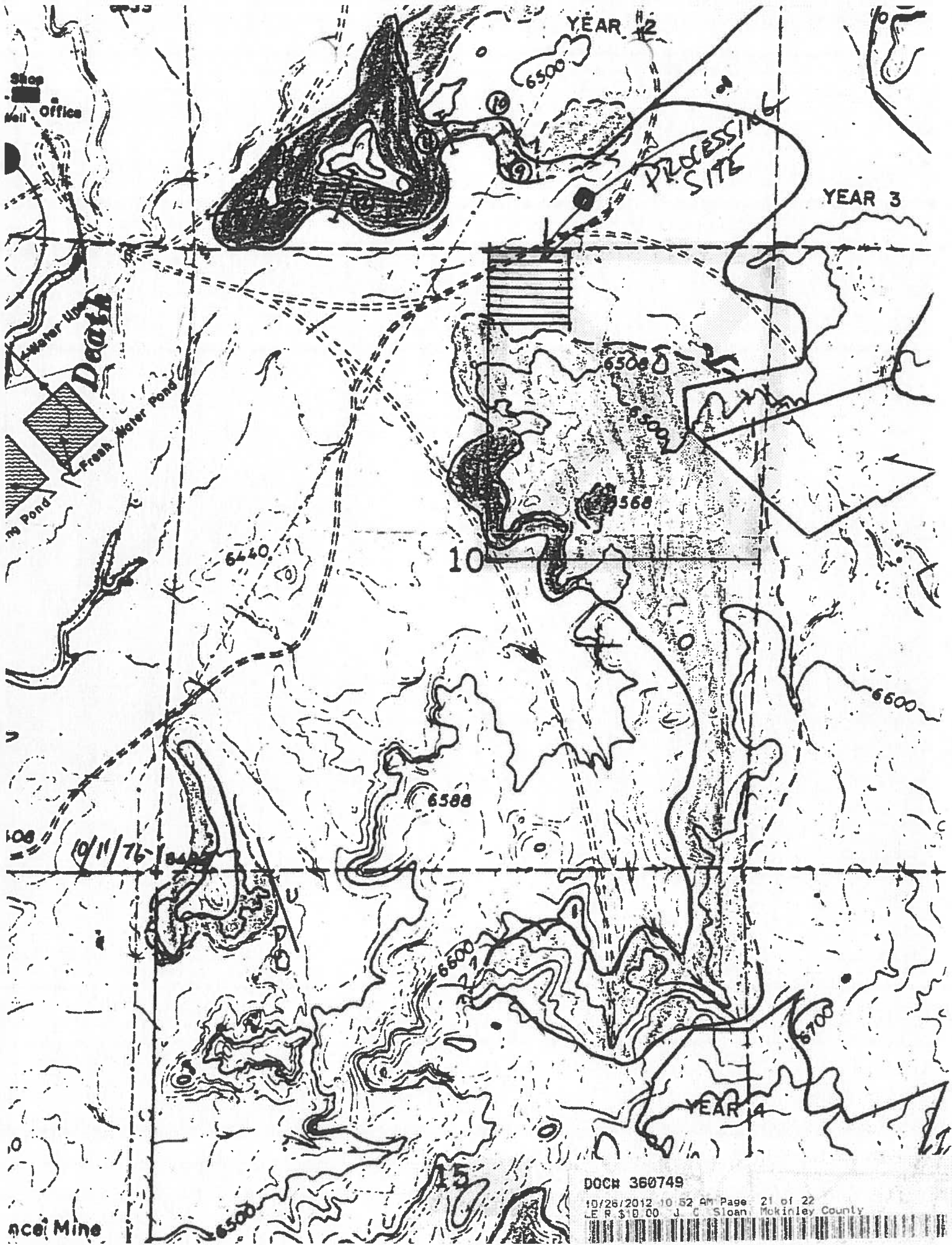
EXHIBIT "D"

LOCATION OF EXTRACTION SITE

Parcel One: 160 Acres, NE¼, Section 10, T15N, R19W

Parcel Two: 160 Acres, SW¼, Section 3, T15N, R19W



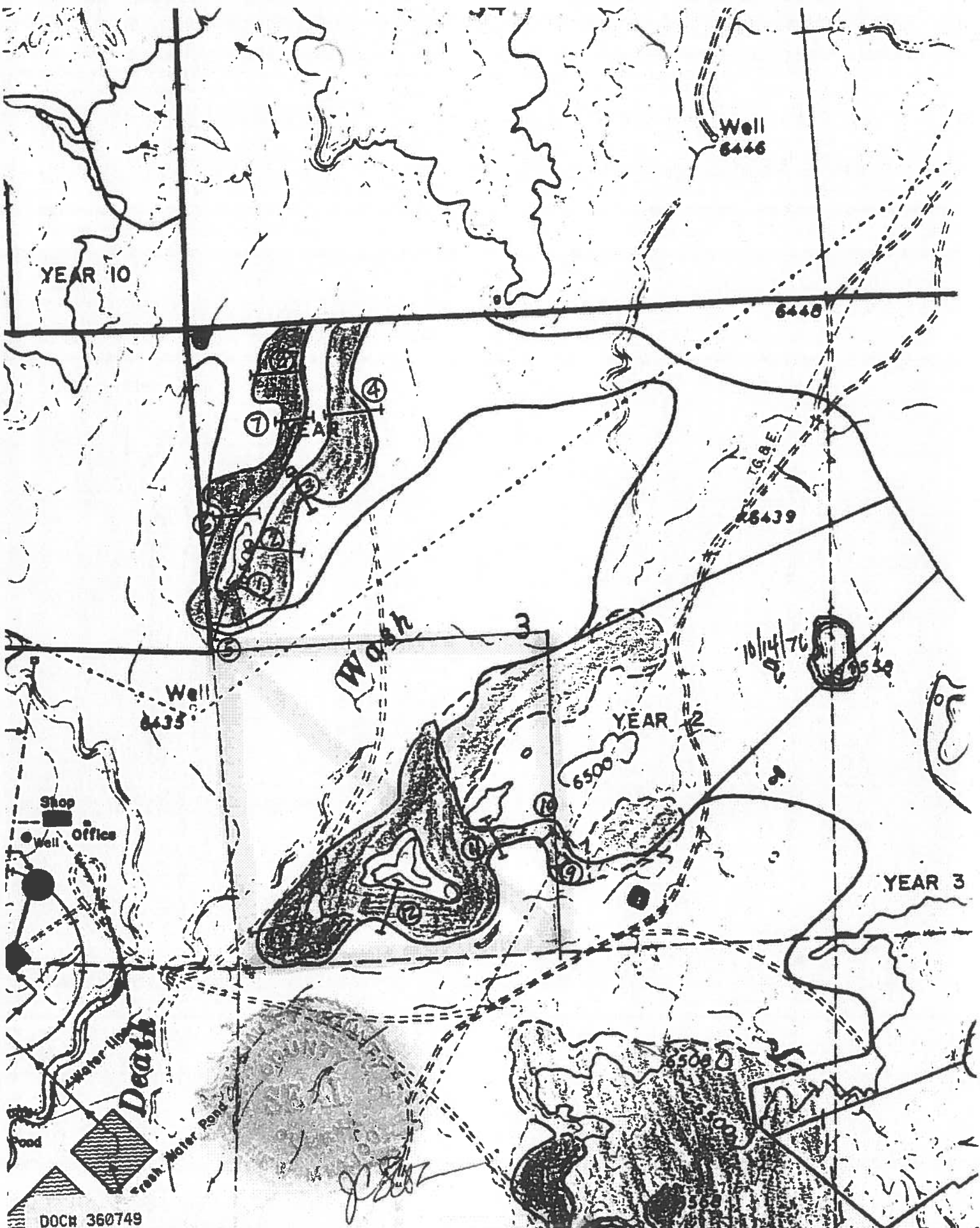


DOCN 360749

10/26/2012 10:52 Am Page 21 of 22
LE R \$10.00 J C Sloan McKinlay County



ncei Mine



YEAR 10

Well 6446

6448

⑦
⑧
⑨
⑩
⑪
⑫
⑬
⑭
⑮
⑯
⑰
⑱
⑲
⑳

T.G.B.E.
6439

Well 6433

Wash

10/14/76

6439

YEAR 2

Shop
Office
Well

6500

YEAR 3

Death

Water Line
Fresh Water Pond

6500

J. C. Sloan

DOCH 360749

10/26/2012 10:52 AM Page: 22 of 22
LE R: \$10.00 J. C. Sloan, McKinley County

