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FREQUENTLY ASKED QUESTIONS

Applying for a Renewal of a Mineral Exploration Permit on Arizona State Trust Land

The Arizona State Land Department (Department) encourages all prospective applicants to review these frequently asked questions (FAQs) prior to renewing a Mineral Exploration Permit (MEP). The FAQs are only intended to provide guidance and are not intended to provide legal or technical advice. A meeting may be scheduled with the Department to answer any questions regarding renewing a MEP.

1. When does a MEP Expire?

The expiration date for a MEP is one (1) year from the effective date of the MEP.

2. How often may a MEP be renewed?

A MEP may be renewed annually (via a renewal application) for a maximum of five years from the date the permit was first issued. If additional time beyond five years is required to continue characterization of an ore deposit, a new application for a MEP must be submitted.

Arizona Revised Statutes (A.R.S.) §§ 27-252 (A)(1) and 27-253

3. What happens if a MEP is not renewed?

If a renewal application has not been submitted prior to the expiration date of the MEP, one year from the issuance date of the MEP, the *MEP automatically expires*, and the subsurface estate will be reopened immediately.

A.R.S. § 27-252(A)(5)

4. When do you apply to renew a MEP?

The Department recommends the renewal application be submitted at least two weeks prior to the expiration date of the MEP.

5. What are the steps for renewing a MEP?

- **Step 1:** Go to the “ASLD Community Portal” on the Department’s website, www.land.az.gov, and log into your existing account.
- **Step 2:** Scroll down to “Leases” and select the MEP that needs to be renewed.
- **Step 3:** Click on “Take Action” and select “Renew”.
- **Step 4:** Submit the following documentation:
 - A U.S.G.S. topographic map that includes, at a minimum, the following items:
 - A north arrow
 - Map scale
 - MEP boundary and, if applicable, requested reduction in acreage

- Ingress and egress routes, and other roads
- Water sources
- Other structures, such as residences, utilities, old mine workings, etc.
- If geologic exploration occurred, the following documentation must be submitted:
 - A copy of the Department’s Geologic Field Operations Plan (GFOP) approval letter for the work under consideration.
 - A signed affidavit must be submitted indicating the amount of the expenditure conducted under an approved GFOP.
 - Copies of paid invoices, cancelled checks, and/or credit card receipts (redact all account number and signatures) that show the expenditure(s) have been paid.
- If the geologic exploration minimum expenditure requirement was not met or no geologic exploration activity occurred, a cash in-lieu payment must be submitted. Please note the following:
 - If the minimum expenditure requirement has been exceeded during exploration activities, the extra expenditure amount can be used towards any future expenditures associated with the MEP, until the MEP expires.
 - If two or more MEPs are contiguous, expenditure requirements can be combined.
 - If multiple MEPs with different expiration dates are combined for expenditure purposes and all the exploration work was conducted on one of the MEPs, when the one MEP where the work was conducted expires, any extra expenditure amount used for the group of contiguous MEPs is reset to \$0.00.
- **Step 5:** Submit the \$500.00 renewal application fee.

A.R.S. §§ 27-252(A)(6)(9)(10) and 27-253

6. Why does a MEP, with an approved GFOP, require yearly geologic exploration expenditures?

Expenditures provide proof that the required minimum amount of “*exploration activity*” was conducted.

A.R.S. § 27-252(A)(1) and 27-252(A)(5)

7. What are the yearly geologic exploration expenditures required for each MEP?

MEPs require yearly geologic exploration expenditures. The expenditure requirement can be met by either submitting a cash in-lieu payment and/or invoices for exploration work that was previously approved via an approved GFOP. Please note that each GFOP has an expiration date and any exploration work completed after the expiration of the GFOP will not count towards the required expenditures. Please refer to the chart below:

MEP Rental and Expenditures - With 640 Acre Examples					
MEP YEAR	Rental	Expenditure	Renewal Fee	Rent Example Based on 640 Acres	Expenditure Example Based on 640 Acres
Year 1	\$1/acre	--	\$500.00	\$640.00	\$0.00
Year 2	\$1/acre	\$10/acre for Year 1	\$500.00	\$640.00	\$6,400.00
Year 3	\$1/acre	\$10/acre for Year 2	\$500.00	\$640.00	\$6,400.00
Year 4	\$1/acre	\$20/acre for Year 3	\$500.00	\$640.00	\$12,800.00
Year 5	\$1/acre	\$20/acre for Year 4	\$500.00	\$640.00	\$12,800.00
New MEP Required	\$1/acre	\$20/acre for Year 5 of the previous MEP	\$500.00	\$640.00	\$12,800.00

8. What kind of geologic investigation is considered “*exploration activity*” that will qualify as an expenditure?

Any geological, geophysical and/or geochemical work is generally acceptable as a qualifying expense to

meet the minimum work expenditure requirement for a MEP; however, they must be pre-approved by the Department in a GFOP. Any expenditures for work conducted prior to obtaining a GFOP **will not** count toward annual expenditure requirements and such unapproved activity may result in the cancellation of the MEP. Exploration activities that qualify as an expense include, but are not limited to:

- Geological mapping
- Surface sampling
- Drilling, including mobilization and demobilization of the drill rig
- Sample testing, analysis and/or assaying
- Geophysical surveys
- Geochemical surveys
- Labor fees directly related to the exploration activity
- Consulting fees directly related to the exploration activity

To be accepted as a qualifying expenditure, receipts or invoices which clearly show and document the exploration activity or work must be submitted with annual renewals.

A.R.S. § 27-252(A)(10)(C)

9. What kind of work is not considered “exploration activity”?

Exploration activities generally not considered as acceptable or allowable exploration expenses, include, but are not limited to:

- Cultural resource surveys
- Native plant surveys
- Biological surveys
- Food, lodging, travel and/or mileage
- Per diem allowances
- Car rentals
- Vehicle or equipment purchases
- Vehicle or equipment repair
- Background research (geological, property, etc.)
- Environmental surveys or cleanup
- Administrative work
- Shipping fees
- Reclamation

A.R.S. § 27- 252(A)(10)(C)