

**PRELIMINARY ENVIRONMENTAL SITE ASSESSMENT
PAINTED DESERT DEMONSTRATION PROJECT SITE
149 LEUPP ROAD
FLAGSTAFF, ARIZONA
FOR
VERDE ENGINEERING GROUP PLLC
TEC 18C027.02 RPT.01
OCTOBER 9, 2018**

TERRANE ENGINEERING CORPORATION





TERRANE ENGINEERING CORPORATION

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October 9, 2018

Mr. Ralph Bossert
Verde Engineering Group PLLC
1109 N. McLane Rd.
Payson, AZ 85541

Re: Preliminary Environmental Site Assessment of Painted Desert Demonstration Project Site
149 Leupp Road, Flagstaff, Arizona
TEC 18C027.02 RPT.01

Dear Mr. Bossert:

The opportunity to provide this assessment for you and Painted Desert Demonstration Project, Inc. is appreciated. It was performed in general accordance with TEC Proposal 17084PR.FC, November 21, 2017. The report describes services performed, presents information from research and reconnaissance, and provides a summary and conclusions with recommendations. The appendices include recent aerial and site photographs and database-search and chain-of-title reports with related figures.

This assessment found evidence indicating the existence of significant environmental concerns or recognized environmental conditions being associated with prior activities and uses of the site. Further assessment by an environmental professional with experience assessing sites affected by ore-processing activities is recommended to evaluate effects, if any, from prior uses and activities. This recommendation is based on information from the sources and activities described in the report. If additional information or sources are discovered regarding the site, TEC should be advised, and further assessment and revised recommendations may be needed.

If you have any questions concerning this report or if we may be of service, please contact us.

Sincerely,

TERRANE ENGINEERING CORPORATION


Frank Costello, P.E.



Copies to: Addressee, rbossert1109@gmail.com (pdf only)

Earth Consultants with Rational Solutions

ENVIRONMENTAL



GEOTECHNICAL



MATERIALS

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1. INTRODUCTION

This report presents the results of a preliminary environmental assessment of the Painted Desert Demonstration Project Site, a 15.874-acre parcel on the south side of Leupp Road, about 1,000 feet west of Horn Road, in Coconino County, Arizona. It was performed in general accordance with *TEC* Proposal 17084PR.FC, November 21, 2017. The location and layout of the parcel are shown on a recent aerial photograph in Appendix A.

A preliminary assessment is the first step in meeting the due diligence requirements associated with the "innocent landowner" defense described in federal and state "Superfund" laws. These assessments are a surficial analysis of a property and surrounding neighborhood with respect to past and current uses and the existence or likelihood of regulated, environmental concerns. The depth of analysis for this assessment was in general accordance with engineering practices in Arizona and American Society for Testing and Materials (ASTM) E1527-13 for due diligence associated with the "innocent landowner" defense.

2. SCOPE OF SERVICES

The scope of services for this assessment had three components: research, reconnaissance, and analysis. The scopes of these components are described in the following subsections. The "study area" for the assessment included the site and neighboring properties in general accordance with ASTM E1527 up to one mile from the site.

2.1 Research

This component consisted of reviewing selected public records and documents and interviewing knowledgeable persons. Allands was subcontracted to provide a chain-of-title report from 1939 to the present and provide a current database-search report in general accordance with ASTM guidelines.

2.2 Reconnaissance

This consisted of a walking and driving survey of the site and a driving survey of neighboring properties within a half-mile of the site. While on site, we searched for environmental concerns such as rubbish and debris, remnants of past development, utility locations, soil stains, and distressed vegetation. Reconnaissance of neighboring properties included the property perimeter, locations such as RCRA notifiers, underground storage tanks (USTs), leaking underground storage tanks (LUSTs), registered wells, and other environmental features such as drainage.

2.3 Analysis

This component consisted of compiling data obtained during research and reconnaissance and analyzing the data with respect to environmental hazards potentially impacting the site. It also included preparation of an assessment report that described our scope of services, presented the information obtained during our assessment, provided a summary and conclusions regarding findings, and presented recommendations concerning further action.

3. CHARACTERIZATION

This section provides information regarding surface topography and subsurface characteristics of the site, neighboring properties, and study area. The information is presented in four subsections: cadastral, drainage, geology, and groundwater.

3.1 Cadastral

The site is 15.874-acre parcel with improvements in its southeast part on the south side of Leupp Road, about 1,000 feet west of Horn Road, in Coconino County, Arizona, about 16 miles east-northeast of the Flagstaff metro-area. It is a portion of the southeast quarter of Section 11, Township 22 North, Range 10 West of the Gila and Salt River Base and Meridian. Its Coconino County Tax Assessor Parcel Number (APN) is 303-25-009J. Additional title information and figures related to the site are presented in the Allands report in Appendix C. Information about surface conditions is presented in Section 6.

3.2 Drainage

The site was relatively flat with southeastward drainage across the surface and 8 feet of relief from the north side to the southeast corner of the site. From the Merriam Crater quadrangle, the site is in a basin without an outlet. A portion of the quadrangle is included in the figures in the Allands report in Appendix B. No dry wells were seen on the site.

3.3 Geology

From *A Guide to the Geology of the Flagstaff Area*, John V. Bezy, the area is on the southern margin of the Colorado Plateau, which is dominated by the San Francisco volcanic field and

underlying limestone-capped plateau. The oldest rocks underlying the area are 1.7-1.8 billion-year-old, Precambrian granites and schists that covered by volcanic and sedimentary rocks.

During the Paleozoic and Mesozoic Eras (544 to 248 and 248 to 65 million years ago, mya, respectively), level layers of sedimentary rock (sandstones, limestones, shales, and siltstones) were deposited on the Precambrian rocks. The sedimentary strata from top to bottom were Moenkopi Formation, Kaibab Formation, Toroweap Formation, Coconino Sandstone, Supai Group, Redwall Limestone, Martin Formation, Mauv Limestone and Bright Angel Shale, and Tapeats Sandstone. Thickness may have reached 10,000 feet, but much was eroded away.

Mountain building, the Laramide Orogeny, began 75 to 65 mya, which raised the Precambrian rocks and overlying sedimentary rocks thousands of feet and formed the Colorado Plateau and the Rocky Mountains. The exact causes and timing are not agreed on. Faulting began about 25 mya, and about 6 mya, magma began flowing to surface along some faults as lava flows. Eruptions continued through the period, 3 mya to 1,000 years ago. Lava from the San Francisco volcanic field flowed onto, exploded through, or intruded into the sedimentary rocks, leaving Quaternary and Tertiary volcanic rocks at the surface. There are many basalt flows and cinders cones in the vicinity of the site, where it is considered likely that the Kaibab Formation or Toroweap Formation underlie the volcanic materials at the surface.

3.4 Groundwater

Based on Allands review of ADWR records presented in Appendix B, one recorded well exists in the 1/64 section (10 acres, 660-foot square) the site lies in or in adjoining 1/64 sections. ADWR records indicate the well was drilled on September 17, 1987, is 1,394 feet deep, and the water level was 1,065 feet below the surface.

4. HISTORY

TEC compiled a history of the site and neighboring areas of interest by reviewing public records of the study area and reviewing aerial photographs.

4.1 Review of Aerial Photographs

Historical aerial photographs from 1997 to 2017 were reviewed on Google Earth. Comments and selected photographs are presented below. Rough estimates of the west, south, and east sides of the site are shown on the photographs.

1997 Ownership changed from La Vaun Harenberg (recorded owner of the well) to Jeffrey and Tammy Lobstein. Site is thought to be used for ranching. There is a ranch house in a graded area in the southeast part of the site with ancillary structures and equipment.

There is a drive from the highway to the graded area. In the central part, there appear to be several dozen rows of closely spaced soil piles, north of which, on the other side of an old road, some grading has been done.



2003 William Pierson, dba D&B Enterprises, is the owner. Site is similar. Fill piles and grading in central part have been leveled. Site is thought to be used for ranching.



- 2007 Reliance Land Company, LLC, trustee, is the owner after Agra Technologies, Inc. (2-6-04 to 3-31-06), which had constructed several structures in the southeast part of the site for its processing operations.



- 2010 Conditions were similar to 2007. The large, white, storage tanks north of the east end of the building along the south line had been moved east of the ranch house along the property line with other materials and equipment south of the tanks and along the south property line. The graded area between the north and south buildings, west of the ranch house, is surfaced with cinders.
- 2011 Conditions were similar to 2010. The remainder of the graded area west of the ranch house is surfaced with cinders. More materials and equipment are being stored along the east boundary and west of the south building.
- 2013 Conditions were similar to 2011. Drives around the ranch house and the well and access area north of the north building are surfaced with cinders.
- 2015 Mark and Catherine Sorensen are the owners. Conditions are similar to 2013. The tanks along the east side have been moved west of the north building.
- 2017 Painted Desert Demonstration Project, Inc. became the owner in December. Conditions were similar to 2015. Materials and equipment have accumulated between the ranch house and south property line.



4.2 Chain-Of-Title Report

Based on Allands review of title records presented in Appendix C, ownership has been as follows:

- Campbell Francis Sheep Company, an Arizona corporation, prior to 10-19-1939,
- Arizona Livestock Company, an Arizona corporation, 10-19-39 to 4-21-44,
- Jess B. Kellam from 4-21-44 to 9-19-58,
- Hermosa Valley Investment Company, 9-19-58 to 2-2-59,
- Phoenix Title and Trust, an Arizona corporation, later Continental Service Corporation, 2-2-59 to 7-29-83,
- Kenneth K. Roether and Leslie L. Roether, 7-29-83 to 10-10-86,
- Leroy L. Roether and Marion G. Roether, 10-10-86 to 4-29-87,
- Lavaun N. Harenberg, 4-29-87 to 7-8-97,
- Jeffrey W. Lobstein and Tammy J. Lobstein, 7-8-97 to 3-1-02,
- William J. Pierson, a married man, as his sole and separate property, dba D&B Enterprises, 3-1-02 to 2-6-04,
- Agra Technologies, Inc., a Nevada corporation, 2-6-04 to 3-31-06,
- Reliance Land Company, LLC, a New Mexico limited liability company, and subsequently or concurrently a trustee, 3-31-06 to 5-21-14,
- Mark W. Sorensen and Catherine Sorensen, 5-21-2014 to 12-19-17, and
- Painted Desert Demonstration Project, Inc., 12-19-2017 to present.

During ownership by Jess B. Kellam from April 15, 1944 to August 1, 1958, there were two oil and gas leases, one to Harkey & Associates and the other to Flagstaff Associates, Inc. There are no

environmental liens, voluntary environmental mitigation use restrictions (VEMURs), or designated environmental mitigation use restrictions (DEURs) recorded for the parcel.

4.3 Interviews and Newspaper Article

During the site visit, Mr. Costello spoke with Mark Sorenson, who administers Star School and the work on this site, and Jeff Skinner, maintenance superintendent for Star School and work on this site. After the site visit, Mr. Costello found an article about Agra Technologies, Inc. (Agra), whose activities on site are of interest.

Mr. Sorenson had knowledge of the site before Agra occupied the site. The school gets water from the well on the site, and is working on mobile equipment to treat water from wells on the Reservation. The water from the well on site meets drinking water standards, and some people come to the site to get potable water. He understood that Agra had convinced investors that it had the technology and equipment to extract precious metals (gold and platinum) from volcanic cinders, which he considered to be a scam. He did not advise me of any activities he observed on site that he considered to be of environmental concern. The scheme did not pan out for Agra, who lost ownership of the site, which was purchased by Mr. Sorenson and his wife at auction. Under his and current ownership, potable water has been provided to others from the well on site, an employee has lived in the ranch house, and the south building has been used for some commercial activities. Now, the site will be developed for Painted Desert Demonstration Project, Inc. for commercial, educational, and recreational purposes for the community.

Mr. Skinner worked for Agra for several months while it was in operation. He did not note much work on materials to extract precious metals during his tenure. Both he and Mr. Sorenson understood the process to consist of grinding the cinders to fines and trying to extract precious metals by leaching or smelting. They understood that the fines in several areas of the site, either in 55-gallon drums, large bulk bags, or spread on the ground, were ground cinders from Arizona and other states, including Alaska. After obtaining ownership, Mr. Sorenson had had the fines assayed and found the precious-metals content was not economical for extraction. Mr. Skinner had observed the dumping of acid on the ground east of the north building, which he had reported to the EPA. Neither man was certain what acid was stored in the tanks in the north building.

The Arizona Sun Times published *From Cinders to Gold?*, Cindy Cole, September, 17, 2005, which is presented below. Her article confirms Mr. Sorenson's suspicion that Agra's scheme was a scam and explains the assay results he obtained on the fines. It also addressed the spill Mr. Skinner reported and indicated ADEQ did not consider it to be a concern.

From Cinders to Gold?, Arizona Sun Times, Cindy Cole, 9/17/2005

"The volcanic cinders around the San Francisco Peaks have always held gold, platinum and silver. And since the 1980s, a succession of companies have set up shop in the rocks around

Flagstaff, promising investors they would use special technology to leach precious metals from the cinders thrown down on roads for traction.

It has never been profitable, according to the Arizona Corporation Commission, the state mining department and a Nevada securities investigator. Now another company near Sheep Hill east of Flagstaff says it has found a way to turn a profit extracting gold, platinum and silver from volcanic remnants. Its vice president was an officer in one of the companies that 20 years ago promised the same thing.

But this time, says Agra-Technologies Vice President Richard Campbell, the results will be different. "There's always been a bone of contention with cinders and whether people could get precious metals out of them ... there are new technologies in the last seven to eight years," Campbell said. "We're producing metals — precious metals — platinum, gold, and silver." The evidence, he said, is in the precious metals they've recovered that are sitting on company president William Pierson's desk. "The proof is whether or not we can get it out on a commercially economical basis, and it looks like we can," Campbell said.

REGULATORS INTERVENE

Campbell, of the Valley, was the vice president of a company named Mariah International, according to Daily Sun articles from 1993 and his own acknowledgment. In 1993, Campbell said Mariah had recovered 8.3 ounces of gold from 114 tons of cinders. He asked investors for \$3.5 million to build a mill 22 miles east of Flagstaff. Mariah is named in a Department of Mines report called "Arizona Mining Scams and Unassayable Ore Projects of the Late 20th Century."

Another company, Pantel Mineral, sued Richard and Sondra Campbell in 1994, accusing them and other Mariah International directors of securities fraud. The case was settled out of court. Mariah was also known as M.G. Natural Resources, which went by three other names, including Xenolix Technologies, Inc., the Arizona Corporation Commission said in 2001.

The Arizona Corporation Commission ordered Xenolix to offer refunds to all 100 investors who'd put \$1.7 million into Xenolix, saying the company claimed to have a patented technology for extracting gold and other precious metals from the company's volcanic cinders and misled investors about its ability to economically produce precious metals from the cinders. The state of Utah revoked Xenolix's stock.

NOT FEASIBLY RECOVERABLE

John Nelson, a criminal investigator for the Nevada Secretary of State's securities division, said his office investigated other companies 15 years ago that said they were mining gold from the cinders of Sheep Hill and other nearby cinder cones. "We actually did some gold

and platinum samples and there just was not anything there... there's one to two parts per billion of gold and platinum. It's just not (economically) feasibly recoverable," Nelson said. "It's 10 to 100 times not enough to do massive heap leaching." In other words, the flecks of precious metals in the mountains of cinder are too few and too small to cover the costs of obtaining them.

"There's no known technology ... for extracting precious minerals from basically a waste product," Arizona Corporation Commission spokeswoman Heather Murphy said. That's doubly the case for platinum. "As primary ore, platinum has never been mined in Arizona; its only production has come from trace amounts recovered in the final stages of refining copper ores... the geologic environment of Arizona, diverse as it is, does not encourage the search for platinum-group metals," according to the "Mining Scams" report.

MAKING SOIL ADDITIVES

Agra-Technologies operates far out on Leupp Road, across the street from Star School, with a business office at 5800 N. Dodge Avenue. The Leupp Road plant has been there less than a year, he said. Despite Campbell's description of his company's interest in producing precious metals, Agra-Technologies is primarily interested in agriculture, said Chief Financial Officer William Baker. It is grinding up volcanic cinders to make soil additives that farmers and gardeners can use to improve their soil.

Star School Director Mark Sorensen said he was leery of the Agra-Technologies facility across the street until his new neighbors told him they were producing special soils and soil enrichment products, which he welcomed. Star School is solar-powered, has a greenhouse, and is almost environmentally self-sustaining. Sorensen hoped to install a well this fall.

When Agra-Technologies had a small spill from a 10,000-gallon tank labeled "hydrochloric acid," no one ever notified Sorensen. The spill was perhaps 20 or 30 gallons of 30 percent hydrochloric acid, according to what the plant operators told the Arizona Department of Environmental Quality. The person who notified ADEQ said it was much larger. "There wasn't any risk of any kind of off-site release or threat to groundwater," ADEQ director Steve Owens said. ADEQ sent out hazardous materials specialists to inspect, but they did not test the potable water at a pumping station less than 200 feet away used by local homeowners and other water haulers. The water comes from a well more than 1,200 feet deep."

5. RECORDS

Allands reviewed applicable public records and lists from various federal, state, and local agencies (including ADEQ, ADWR, and EPA) for its database search. Table 5.1 presents a

summary of the sources researched, search distances, and reported facilities. Neither the site nor sites within the search distances were listed. Additional details are presented in the Allands report in Appendix B.

Table 5.1 Summary of Allands Database Research

Database	Date of Database	Approx Min Search Dist (mi)	Reported Facilities
Standard Federal ASTM Environmental Record Sources			
NPL (National Priorities List) / Proposed NPL / DOD (Department of Defense Sites)	5/18	1	0
Delisted National Priorities List	5/18	½	0
CERCLIS (Comprehensive Environmental Response, Compensation and Liability Information System)/No Further Remedial Action Planned (NFRAP)	5/18	½	0
RCRA (Resource Conservation and Recovery Act)	5/18	⅛	
RCRA – CORRACTS TSDFs (Corrective Action Treatment, Storage, and Disposal Facilities)	5/18	1	0
RCRA – Non-CORRACTS TSDFs	5/18	½	0
ERNS (Emergency Response Notification System)	5/18	⅛	0
Standard State ASTM Environmental Record Sources			
WQARF (Water Quality Assurance Revolving Fund) Areas	5/18	1	0
Superfund Program List (replaces ACIDS)	8/04	½	0
Solid Waste Facilities/Landfill Sites – Operating and Closed	5/99 & 5/04	½	0
Control Registries	5/18	Site and adjoining	0
Brownfields / Voluntary Remediation Program	12/16	½	0
Registered USTs (Underground Storage Tanks) (includes Tribal Records)	5/18	⅛	0
LUSTs (Leaking Underground Storage Tanks) Incident Reports (includes Tribal Records)	5/18	½	0
Additional Environmental Record Sources			
RCRA Compliance Facilities	5/18	⅛	0
Hazardous Materials Incidents Emergency Response Logbook	1984-06/01	⅛	0
ADEQ Drywell Registration Database (includes Tribal Records)	5/18	⅛	0
Environmental Permits	5/18	Site	0
Fire Insurance Maps	Various	Site and adjoining	0

Database	Date of Database	Approx Min Search Dist (mi)	Reported Facilities
Topographic/Aerial Maps	See text	Site and adjoining	2
VEMUR / DEUR / LIENS / DEURTRACKER	5/18	Site	0
DRYCLEANER	6/06	1/8	0
Arizona Department of Water Resources Well Registration Database	5/18	Site and adjoining	See text

6. RECONNAISSANCE

The author, a professional engineer with over 30 years of geotechnical and environmental experience, performed reconnaissance activities for this assessment on August 30, 2018. He has performed or directed several hundred preliminary environmental site assessments for commercial, industrial, and residential properties in Arizona and surrounding states, has completed the requisite OSHA safety training, and has a working knowledge of environmental regulations. Summaries of observations from the reconnaissance are presented below, and photographs from the reconnaissance presented in Appendix A.

6.1 Site

The site was relatively flat with a mild downward gradient to the southeast. The last photograph in Review of Aerial Photographs and Recent Aerial of Developed Area in Appendix A provide recent depictions of the site. Photographs 1 thru 4 in Appendix A show the general nature of the site. Other than the southeast part of the site and entrance drive, the site was undeveloped with sparse to moderately dense, native brush and a few trees. Other than fines on the surface, northwest of the west end of the south building, Photographs 5 and 6, no stains or distressed vegetation of concern were noted in the undeveloped part of the site. In the southeast part of the site there was a ranch house, two larger structures related to prior ranching and Agra activities, and related ancillary structures, including a pump house for the well. Most areas around the structures were surfaced with cinders. No staining or distressed vegetation of concern were noted. Also, no evidence that a significant amount of material was processed in any manner to extract precious metals was observed.

From west to east in the Recent Aerial of Developed Area, the former drums had been moved, and fines had been spread on the surface. There was debris west and north of the west end of the south building that appeared to be from Agra activities. Most of the south building was a canopy with a wall on the south side. No unusual conditions or evidence of significant ore processing were noted in it or the buildings at its east end. South of the building east of the south building there were several drums, and at least one contained what appeared to be waste

oil (Photographs 7 and 8). Further eastward, along the boundary, there were more drums and some bulk-material bags with fines in them. At the southeast corner of the site, there was debris that appeared to be from Agra activities, and northwest of the southeast corner there was a burn pit related to a recent resident of the ranch house that appeared to have some dross in the ashes (Photograph 9). Nothing unusual was noted around the exterior of the ranch house; the interior was not accessible. No evidence of an acid spill was noted between the ranch house and the north building. Nothing unusual or evidence of significant ore processing was noted in accessible areas of the north building. In its west part, there was a room with two large, partially filled tanks (Photograph 10) that were understood to contain some type of acid. No excessive degradation of surrounding concrete floors from acid was noted. No unusual conditions were noted in the pump house to the west.

6.2 Surrounding Properties

The site is in a native area that has been used for ranching. Within a quarter-mile, there is a school campus to its northwest and a residence with ancillary structures to its west. The low point of the basin the site lies in is about a quarter-mile to the northeast. No recognized, environmental concerns related to observed conditions or findings of the database search with an association to the site were noted while driving in the study area.

7. DISCUSSION

This environmental assessment was performed in general accordance with ASTM E1527-13 and reasonable, local engineering practices. The components of this assessment (research, reconnaissance, and analysis) were performed in a manner suitable for gathering a preponderance of evidence with respect to the existence or likelihood of recognized, environmental concerns affecting the site. The methods used for this assessment should not be considered absolutely conclusive. We have assumed that information gained from interviews, reports prepared by others, public records, and visual observation of surface features is reasonable and accurate.

8. SUMMARY

The site is a partially developed, 15.874-acre parcel on the south side of Leupp Road about 1,000 feet west of Horn Road in Coconino County, Arizona. The site is in a basin without an outlet filled with Tertiary and Quaternary volcanic materials underlain by sedimentary rocks from Paleozoic and Mesozoic Eras over Precambrian granites and schists. ADWR records indicate the well on site is 1,394 feet deep and depth to groundwater was 1,065 feet when the well was drilled about 30 years ago. An Arizona Sun Times article from 2005 indicated depth to groundwater was over 1,200 feet then.

The southeast part of the site is developed with several structures for residential, ranching, potable-water, and cinder-processing purposes and the remainder of the site is native land with a drive through it. Drainage is southeastward across the surface. Prior to Agra's tenure on site, ranching was the primary activity. During Agra's tenure, they said they were processing cinders to extract precious metals and as a soil amendment for farming; both are considered to be scams. After Agra's tenure, the site was probably not used much until owned by the Sorensons and Painted Desert Demonstration Project, Inc., during which, potable water was provided to others, some commercial activities in the south building, and an employee lived in the ranch house.

For the most part, no stains, spills, chemical storage, or unnaturally distressed vegetation of consequence were observed on the site. However, fines (understood to be ground cinders) were spread on surface northwest of the west end of the south building. Debris thought to be related to Agra activities are west and north of the west end of the south building. From the east end of the south building to the southeast corner of the site along the south boundary, there are drums, bulk bags and debris thought to be related to Agra activities fines with fines in most of the drums and bulk bags and what appeared to be waste oil in at least one of the drums. Between the southeast corner and the ranch house, there is a burn pit related to the employee that stayed in the ranch house with what appeared to be dross in the ashes. In the north building, there are two, partially filled tanks, reportedly, containing acid of some type.

The site is in a native area that was used for ranching with a few residences and related structures. Now, within a quarter-mile of the site, there is a school campus to its northwest and a residence with related structures to its west. No recognized, environmental concerns related to observed conditions or findings of the database search with an association to the site were noted while driving in the study area.

From the Allands report, the site has been owned by individuals, companies, and corporations since 1939. Agra Technologies, Inc. owned the site from February 6, 2004 to March 31, 2006. Painted Desert Demonstration Project, Inc. has owned the site since December 19, 2017. No environmental liens, voluntary environmental mitigation use restrictions (VEMURs), or designated environmental mitigation use restrictions (DEURs) were recorded for the parcel.

Research of regulatory databases for federal, state, and local agencies indicated neither the site nor surrounding properties are listed in the databases. An acid spill was reported on the site, but in an Arizona Sun Times article ADEQ indicated it did not consider the spill it to be a concern. No evidence of the spill was noted in the area where Mr. Skinned said it occurred.

9. CONCLUSIONS

Based on the findings of this assessment, *TEC* there is evidence indicating the existence of significant environmental concerns or recognized environmental conditions being associated with prior activities and uses of the site. They include:

- Fines spread on surface northwest of the west end of the south building,
- Debris west and north of the west end of the south building,
- Drums, bulk bags and debris along the south boundary east of the south building, and
- Two tanks, reportedly, containing acid of some type in the north building.

10. RECOMMENDATIONS

Based on the results of this preliminary environmental site assessment, *TEC* recommends further site assessment by a qualified environmental professional with experience assessing sites affected by ore-processing activities to evaluate effects, if any, from the concerns listed above from prior activities and uses of the site. This recommendation is based on information from the sources and activities described herein. If additional information or sources are discovered regarding the site, *TEC* should be advised, and further assessment and revised recommendations may be needed.

11. CLOSURE

This assessment was performed for the purposes previously stated; it is not being performed to indemnify past, current, or future property owners or operators for past, current, or future actions that have created or may create environmental hazards. *TEC* intends only to indemnify the client for errors and omissions where *TEC's* services are negligent and not in general accordance with the guidelines in ASTM E1527-13. This report was prepared for the exclusive use of Verde Engineering Group PLLC and Painted Desert Demonstration Project, Inc. and may not be reproduced, quoted publicly, or relied upon by others without the express written consent of *TEC*.

APPENDIX A



Recent Aerial of Developed Area, 6/12/17

Painted Desert Demonstration Project Site, 149 Leupp Road, Flagstaff, Arizona
TEC Project 18C027.02



Photograph 1 Southeastward view of site



Photograph 2 Southward view from entrance



Photograph 3 Westward view of former Agra Technologies facility



Photograph 4 Southeastward view of former Agra Technologies facility with grindings on the surface in the foreground



Photograph 5 Grindings on surface northwest of west side of former Agra Technologies facility



Photograph 6 Grindings on surface northwest of west side of former Agra Technologies facility in area designated as “former drums” on the recent aerial of developed areas of site



Photograph 7 Drums south of west end of south building; one with waste oil



Photograph 8 Waste oil from black drum on gray pipe



Photograph 9 Burn pit in southeast part of site



Photograph 10 Storage tanks for acid in north building

APPENDIX B



Allands

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Historical Title and Environmental Research

REGULATORY DATABASE (ASTM) SEARCH

YOUR FILE NO: 18C027

ALLANDS FILE NO: 2018-07-060D

DATE OF REPORT: July 18, 2018

ALLANDS hereby reports the search results of Federal and State Databases according to ASTM standards for Phase I Environmental Site Assessments E 1527-13. Allands is not responsible for errors in the available records. The total liability is limited to the fee paid for this report. This is a confidential, privileged and protected document for the use of Terrane Engineering.

1. The land referred to in this report is located in Coconino County, Arizona, described as follows:

Property located at 149 Leupp Road, Flagstaff, Arizona, being in the Southeast quarter of Section 11, Township 22 North, Range 10 East, Gila and Salt River Base and Meridian.

REGULATORY DATABASE SEARCH SUMMARY

Database	Date of Database	Approximate Minimum Search Distance (miles)	Reported Facilities
Standard Federal ASTM Environmental Record Sources			
NPL (National Priorities List) / Proposed NPL / DOD (Department of Defense Sites)	05/18	1.0	0
Delisted National Priorities List	05/18	0.5	0
CERCLIS (Comprehensive Environmental Response, Compensation and Liability Information System)/No Further Remedial Action Planned (NFRAP) / Superfund Enterprise Management Systems (SEMS)	05/18	0.5	0
RCRA (Resource Conservation and Recovery Act)	05/18	0.125	0
RCRA – CORRACTS TSDFs (Corrective Action Treatment, Storage, and Disposal Facilities)	05/18	1.0	0
RCRA – Non-CORRACTS TSDFs	05/18	0.5	0
ERNS (Emergency Response Notification System)	05/18	0.125	0
Standard State ASTM Environmental Record Sources			
WQARF (Water Quality Assurance Revolving Fund) Areas	05/18	1.0	0
Superfund Program List (replaces ACIDS)	08/04	0.5	0
Solid Waste Facilities/Landfill Sites – Operating and Closed	05/99 & 05/04	0.5	0
Control Registries	05/18	Site only	0
Brownfields / Voluntary Remediation Program	12/16	0.5	0
Registered USTs (Underground Storage Tanks) (includes Tribal Records)	05/18	0.125	0
LUSTs (Leaking Underground Storage Tanks) Incident Reports (includes Tribal Records)	05/18	0.5	0
Additional Environmental Record Sources			
RCRA Compliance Facilities	05/18	0.125	0
Hazardous Materials Incidents Emergency Response Logbook	1984-06/01	0.125	0
ADEQ Drywell Registration Database (includes Tribal Records)	05/18	0.125	0
Environmental Permits	05/18	Site only	0
Fire Insurance Maps	Various	Site and adjoining	0
Topographical / Aerial Maps	See text	Site and adjoining	2
VEMUR / DEUR / LIENS / DEURTRACKER	05/18	Site only	0
DRYCLEANER	06/06	0.125	0
Arizona Department of Water Resources Well Registration Database	05/18	Site and adjoining	See Text

Allands contacts the appropriate sources on a quarterly basis to maintain currency of data

Standard Federal ASTM Environmental Record Sources

SUPERFUND NATIONAL PRIORITIES LIST (NPL)

Under Section 105 of the Comprehensive Environmental Response, Compensation and Liability Act the Environmental Protection Agency established a National Priorities List (NPL) of Superfund sites. In addition, Proposed NPL and DOD (Department of Defense) Sites are researched in the section. These databases are provided by the EPA and the Arizona Department of Environmental Quality, dated May, 2018, and searched to identify all NPL/Proposed NPL/ DOD sites within a 1.0 mile search distance from subject property exterior boundaries.

Note: Due to inconsistency between the general area site description in the Narrative site information and the detailed site map, the distance/directions are determined based upon the most current site map available from ADEQ.

No National Priorities List (NPL) / Proposed NPL / DOD Sites were found located within a 1.0 mile search distance from subject property exterior boundaries.

DELISTED NATIONAL PRIORITIES LIST

Site may be delisted from the National Priorities List where no further response is appropriate. This database is provided by the Environmental Protection Agency, dated May, 2018, and searched to identify all Delisted NPL Sites within a 0.5 mile search distance from subject property exterior boundaries.

No Delisted National Priorities List (NPL) Sites were found located within a 0.5 mile search distance from subject property exterior boundaries.

FEDERAL CERCLIS / NFRAP LIST / SEMS

The CERCLIS list contains sites which are either proposed to or on the NPL and sites which are in the screening and assessment phase for possible inclusion on the NPL. Those sites on the NFRAP list have no further remedial action planned. This database has been archived by EPA as of November 12, 2013 and the Superfund Enterprise Management System (SEMS) has replaced the former CERCLIS/NFRAP lists and is dated May, 2018 and searched for facilities within a 0.5 mile search distance from subject property exterior boundaries.

No CERCLIS / NFRAP / SEMS facilities were found located within a 0.5 mile search distance from subject property exterior boundaries.

RESOURCE CONSERVATION AND RECOVERY ACT FACILITIES (RCRA)

Under RCRA the Environmental Protection Agency compiles a database of facilities that are involved in the generation of hazardous materials. This database is from the Arizona Department of Environmental Quality RCRAInfo Database, dated May, 2018 and checked for Federal RCRA facilities located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No Federal RCRA handlers were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

CODES:

LQG: Large quantity generator (more than 1000 kg per month)
SQG: Small quantity generator (100 – 1000 kg per month)
CEG: Conditionally exempt small quantity generator (less than 100 kg per month)
N : Not a generator verified or inactive generator

CORRACTS FACILITIES

Under RCRA the Environmental Protection Agency compiles a database of Corrective Action Sites, sites with known contamination. Also known as the RCRA CORRACTS List, this is a list maintained by the EPA of RCRA sites at which contamination has been discovered and where some level of corrective clean-up activity has been undertaken. For example, a site may have been on the RCRA TSD or the RCRA Generators site list, and was placed on the CORRACTS list once contamination was discovered and remediation was underway. This database is dated May, 2018, and checked for facilities which occurred within a 1.0 mile search distance from subject property exterior boundaries.

No Facilities were found which occurred within a 1.0 mile search distance from subject property exterior boundaries.

TSD FACILITIES

Under RCRA the Environmental Protection Agency compiles a database of facilities that are involved in the transportation, treatment, storage, or disposal of hazardous materials. This database is from the Arizona Department of Environmental Quality Arizona Hazardous Waste Treatment, Storage and Disposal Facilities, dated May, 2018, and checked for Facilities which occurred within a 0.5 mile search distance from subject property exterior boundaries.

No TSD Facilities were found which occurred within a 0.5 mile search distance from subject property exterior boundaries.

FEDERAL EMERGENCY RESPONSE NOTIFICATION SYSTEM (ERNS) LIST

The ERNS list is a national database used to collect information on reported releases of oil and hazardous substances. This database is provided by the National Response Center and the EPA through the Right of Know Net by OMB Watch and Unison Institute from 1983 to May, 2018, and checked for incidents located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No incidents were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

Standard State ASTM Environmental Record Sources

WATER QUALITY ASSURANCE REVOLVING FUND (WQARF)

The state of Arizona established a remedial program under A.R.S. 49-282 to facilitate the conservation and clean-up of Arizona drinking water and water sources. Under the authority of the WQARF program, the state actively identifies any actual or potential impact upon state waters, evaluates the extent of contamination, identifies parties responsible, and provides money grants to assist in clean-up activities. This database is provided by the Arizona Department of Environmental Quality dated May, 2018, and searched to identify all WQARF sites within a 1.0 mile search distance from subject property exterior boundaries.

Note: Due to inconsistency between the general area site description in the Narrative site information and the detailed site map, the distance/directions are determined based upon the most current site map available from ADEQ.

No WQARF Registry List sites were found located within a 1.0 mile search distance from subject property exterior boundaries.

ARIZONA SUPERFUND PROGRAM LIST

The Arizona Superfund Program List replaces the Arizona CERCLIS Information Data System (ACIDS). This list is more representative of the sites and potential sites within jurisdiction of the Arizona Department of Environmental Quality Superfund Programs Section (SPS). This database is provided by the Arizona Department of Environmental Quality, dated August, 2004, and searched to identify all sites within a 0.5 mile search distance from subject property exterior boundaries.

No facilities on the Arizona Superfund Program List were found located within a 0.5 mile search distance from subject property exterior boundaries.

Program Status codes:

Pending PI	WQARF Preliminary Investigation (PI) is scheduled or in process
On Registry	PI has resulted in inclusion of a site on the WQARF Registry
ACTIVE	The Department of Defense is presently addressing the site
On NPL	site has been listed on the CERCLA National Priorities List

LANDFILLS

The state of Arizona maintains listings of closed and permitted, operating landfills and solid waste dump sites. Lists of closed facilities are not necessarily complete - older dumping areas may not be documented. This database is from the Arizona Department of Environmental Quality Waste Programs Division; Solid Waste Section Directory of Arizona Active and Inactive Landfills dated May, 1999 and May, 2004, and checked for active and inactive landfills located within a 0.5 mile search distance from subject property exterior boundaries.

No active nor inactive landfills were found located within a 0.5 mile search distance from subject property exterior boundaries.

Codes:

MSWLF:	Municipal Solid Waste Landfills
CSWLF:	Closed Solid Waste Landfills
CSWOD:	Closed Solid Waste Dumps

CONTROL REGISTRIES

Under ASTM E 1527-13, Federal, State and Tribal institutional control / engineering control registries need to be researched. EPA Envirofacts was reviewed for federal institutional or engineering controls and The Arizona Department of Environmental Quality has developed the AZURITE Database, reviewed through ADEQ GIS eMaps, which retrieves any institutional or engineering controls, dated May, 2018, and was researched for inclusion of subject property.

No institutional or engineering controls were found which occurred at subject property

BROWNFIELDS / VOLUNTARY CLEANUP PROGRAM

The Arizona Department of Environmental Quality has developed the AZURITE Database, reviewed through ADEQ GIS eMaps, which includes the ADEQ Voluntary Remediation Program and the ADEQ Brownfields Tracking System, dated December, 2016, and searched for sites which occurred within a 0.5 mile search distance from subject property exterior boundaries.

No brownfield sites were found which occurred within a 0.5 mile search distance from subject property exterior boundaries.

REGISTERED UNDERGROUND STORAGE TANKS (UST)

State (A.R.S. 49-1001 to 1014) and Federal (RCRA Subtitle I) laws require that persons who own or have owned underground storage tanks containing “regulated substances” complete a notification form and register the tank with the state. Tribal UST records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the Arizona Department of Environmental Quality UST Log dated May, 2018, and searched for UST sites located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No registered underground storage tanks were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

REGISTERED LEAKING UNDERGROUND STORAGE TANKS (LUST)

Owners of USTs are required to report to the Arizona Department of Environmental Quality any and all releases of tank contents for which ADEQ maintains an ongoing file documenting the nature of contamination and the status of each such incident. Tribal LUST records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the ADEQ LUST Log dated May, 2018, and searched for LUST sites located within a 0.5 mile search distance from subject property exterior boundaries.

No registered leaking underground storage tanks were found located within a 0.5 mile search distance from subject property exterior boundaries.

Additional Environmental Record Sources

RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) COMPLIANCE FACILITIES

The RCRA Compliance Log lists facilities that have been or presently are under investigation for non-compliance with RCRA regulations. Inclusion of any facility on this list indicates a history of compliance problems and RCRA regulatory violation. This database is from the Arizona Department of Environmental Quality RCRA Compliance Log, dated May, 2018, and searched for compliance facilities within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No compliance facilities were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

HAZARDOUS MATERIAL INCIDENTS

The Arizona Department of Environmental Quality (ADEQ) Response Team documents spills and incidents involving hazardous materials that are reported to the unit. This database is from the Arizona Department of Environmental Quality Emergency Response Log from 1984 through June, 2001, and checked for hazardous material incidents located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No hazardous material incidents were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

ADEQ DRY WELL REGISTRATION DATA BASE

Dry wells are constructed for the purpose of collecting storm waters. Dry wells are required to be registered with ADEQ. Tribal Drywell records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the ADEQ dry well registration database dated May, 2018, and searched for dry wells located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

No registered dry wells were found located within a ≤ 0.125 mile search distance from subject property exterior boundaries.

ENVIRONMENTAL PERMITS

These lists include Groundwater Permits, Reuse Permits; National Pollutant Discharge Elimination System (NPDES) Permitted Facilities and Aquifer Protection Permits. Any facility which discharges a material that directly or indirectly adds any pollutant to the waters of the state may be required to obtain a permit as required by the Aquifer Protection Permit Rules. These databases are from the Arizona Department of Environmental Quality through its AZURITE Database System and the Environmental Protection Agency and updated to May, 2018, and checked for inclusion of subject property.

Subject property was not found on these lists.

FIRE INSURANCE MAPS

A review was made at the Arizona State Capital Archives for Fire Insurance Maps, more commonly known as Sanborn Maps, which covered the area in which the subject property is located. Subject property is not located within the boundaries of available maps.

USGS 7.5 MINUTE TOPOGRAPHICAL MAPS AERIAL PHOTOS

The United States Geological Survey Topographic maps and Aerial Photos are derived from Terrain Navigator Software from My Topo, a Trimble Company. (www.mytopo.com) and are for informational purposes only.

NAME	TYPE	DATE	REVISION	CONTOUR INTERVAL
Merriam Crater	Topo	1969	None	20 feet
Bing	Aerial	2018		

VOLUNTARY ENVIRONMENTAL MITIGATION USE RESTRICTIONS BY OWNERS (VEMUR'S); DECLARATION OF ENVIRONMENTAL USE RESTRICTIONS (DEUR); AND ENVIRONMENTAL LIENS

A.R.S. 49-152. This states that the Director of the Arizona Department of Environmental Quality shall allow property owners, who have voluntarily elected to remediate their property for nonresidential uses, to record in the applicable county recorder's office a VEMUR limiting, by legal description, the area necessary to protect public health and the environment to nonresidential uses if contamination remains on the property at or above certain levels. In accordance with Arizona Administrative Code (A.A.C.) R18-7-201 et. Seq., a Declaration of Environmental Use Restriction (DEUR) is a voluntary notice to deed which restricts the use of a property to non-residential use. ADEQ maintains a repository listing of sites remediated under programs administered by the department. This is called the Remediation and DEUR Tracking System (RDT) ADEQ's RDT was researched for inclusion of subject property.

No VEMUR'S, DEUR'S; nor Environmental Liens were found listed for subject property.

DRYCLEANERS

The Drycleaners Inventory List summarizes current and historic dry cleaners sites throughout the state of Arizona and is not all inclusive. This database is from the Report for the Arizona Department of Environmental Quality Dry Cleaners Inventory Project, dated June, 2006, and searched for dry cleaners sites located within a <=0.125 mile search distance from subject property exterior boundaries.

No drycleaners were found located within a <=0.125 mile search distance from subject property exterior boundaries.

ARIZONA DEPARTMENT OF WATER RESOURCES WELL REPORT

This database is from the Arizona Department of Water Resources Well Report Operations Division Report, dated May, 2018. This report identifies existing wells sequenced by legal description and checked for inclusion of subject site and adjacent properties within 10 Acres.

Imaged Records are available at: <http://infoshare.azwater.gov/docushare/dsweb/HomePage>

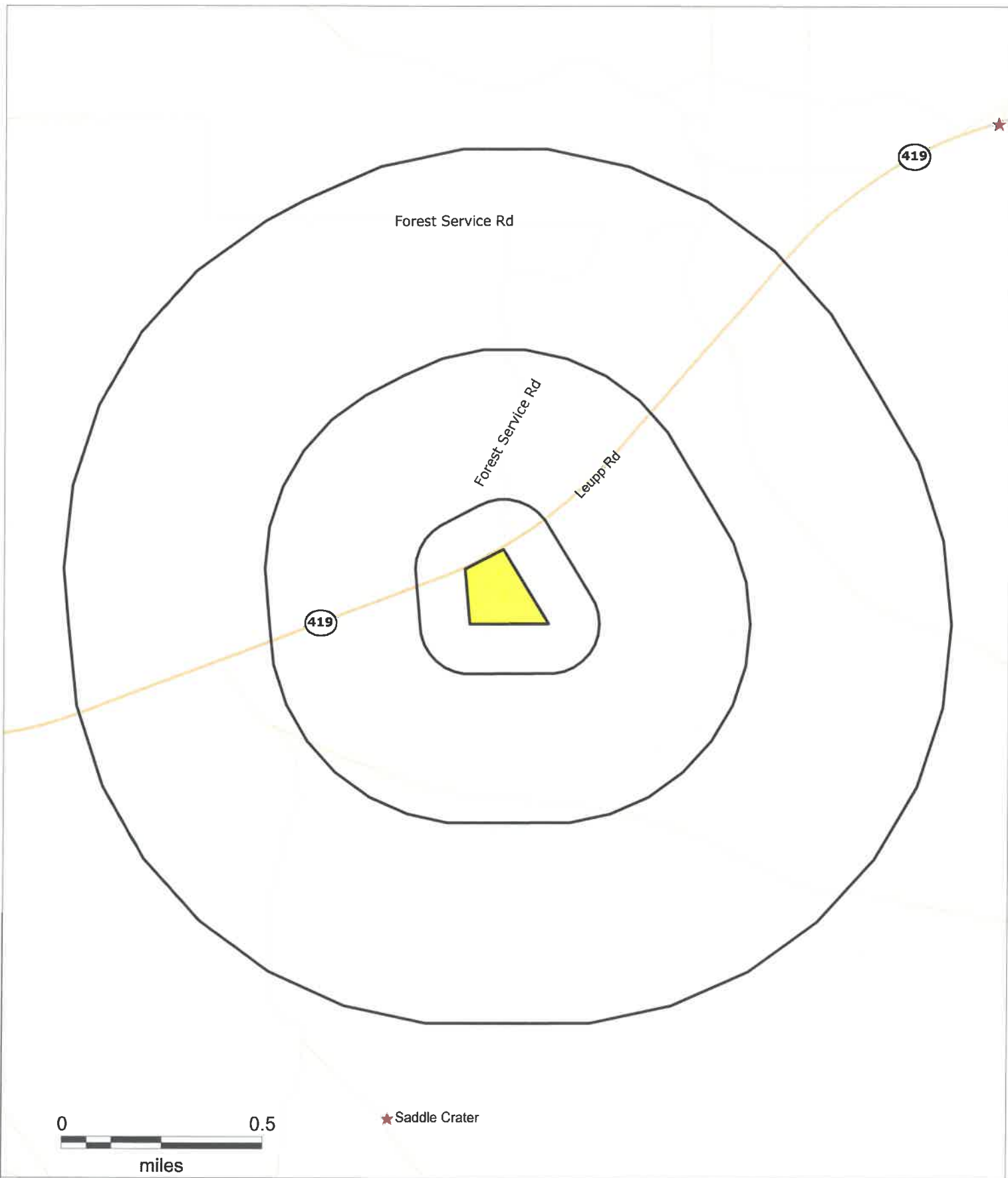
Water Uses (WU)

A Irrigation
B Utility (Water Co.)
C Commercial
D Domestic
E Municipal
F Industrial
G Recreational
H Remediation
I Mining
J Stock
K Other - Exploration
L Drainage
M Monitoring
N None
O Other - Non-Production
P Remediation
R Recharge
T Test
U Unknown
V Dewatering

Legal Description

T Township
N/S North or South
R Range
E/W East or West
S Section
Q1 Quarter of Section (160 Acres)
Q2 Quarter Quarter of Section (40 Acres)
Q3 Quarter Quarter Quarter of Section (10 acres)
ID Well Registration Number
WD Well Depth
WL Water Level
DIA Casing width

ID	T	N/S	R	E/W	S	Q1	Q2	Q3	WU	WD	WL	DIA	NAME
518314	22	N	10	E	11	SE	SE	SW	D	1394	1065	7	Harenburg, La Vaun,

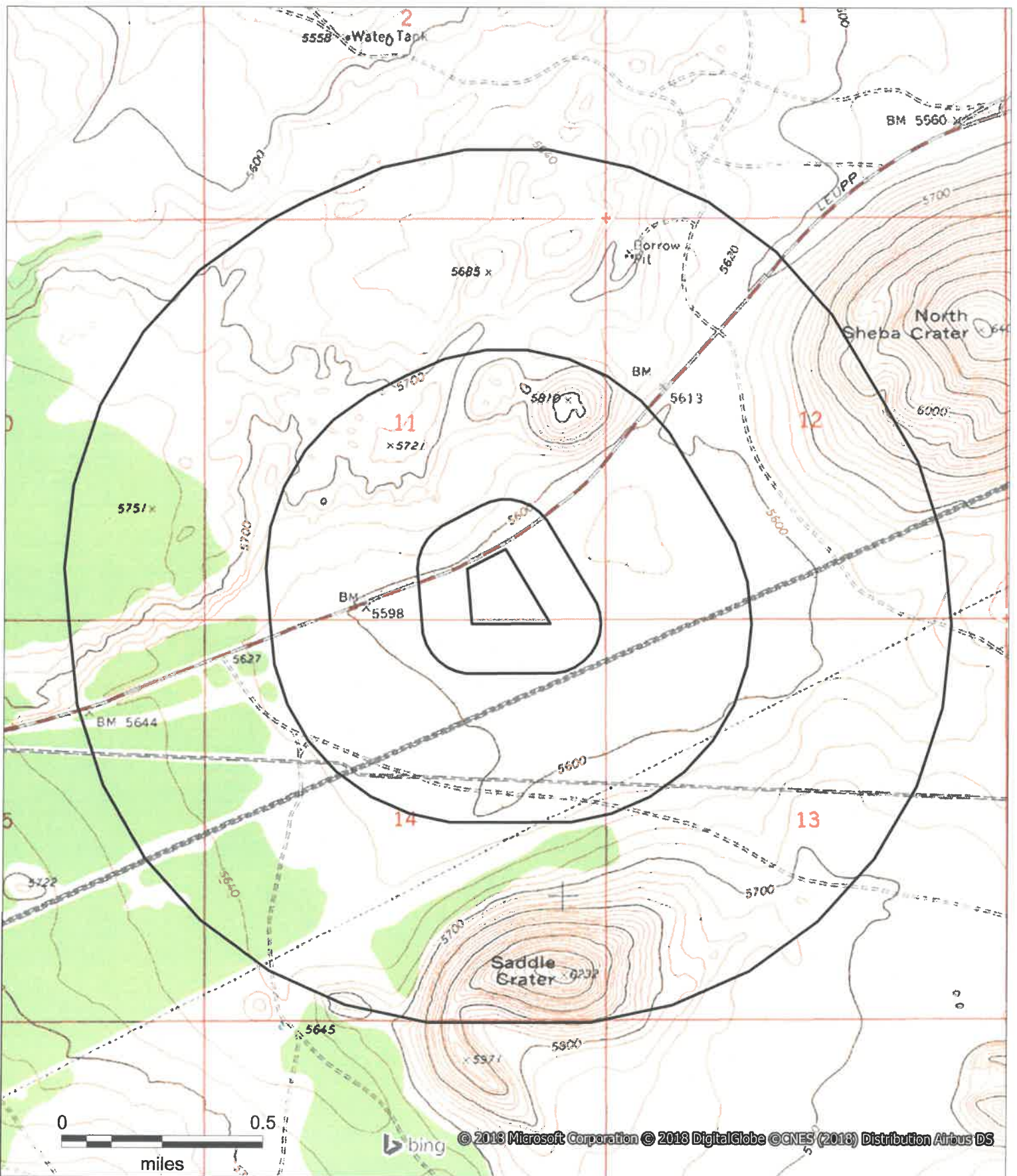


LEGEND

★ SITE

◆ USTs	● CERCLA / NFRAP	■ RCRA
▼ LUSTs	○ LANDFILLS	▲ RCRA COMPLIANCE

2018-07-060



LEGEND

★ **SITE**

USTs

CERCLA / NFRAP

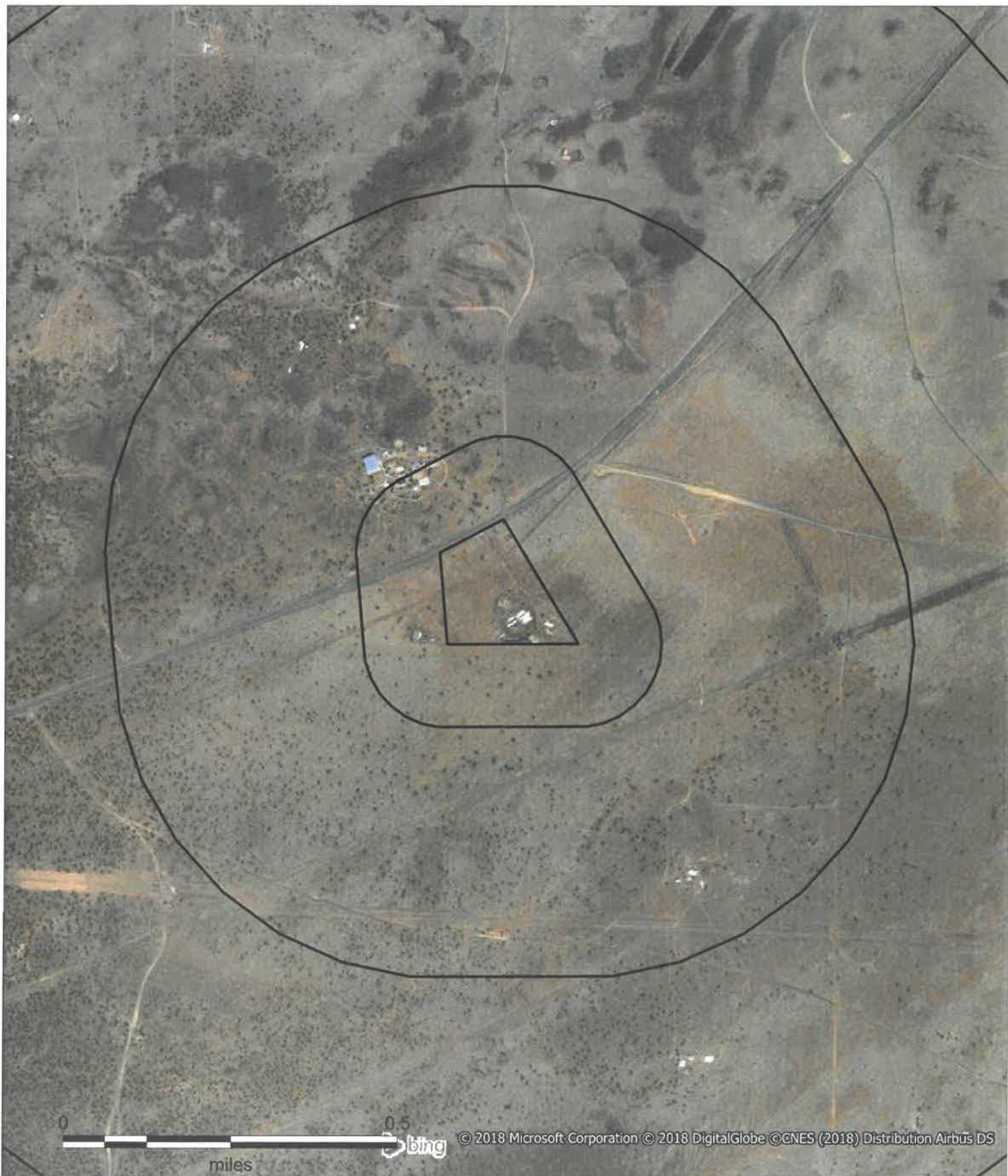
RCRA

LUSTs

LANDFILLS

RCRA COMPLIANCE

2018-07-060



LEGEND

★ **SITE**

◆ USTs

● CERCLA / NFRAP

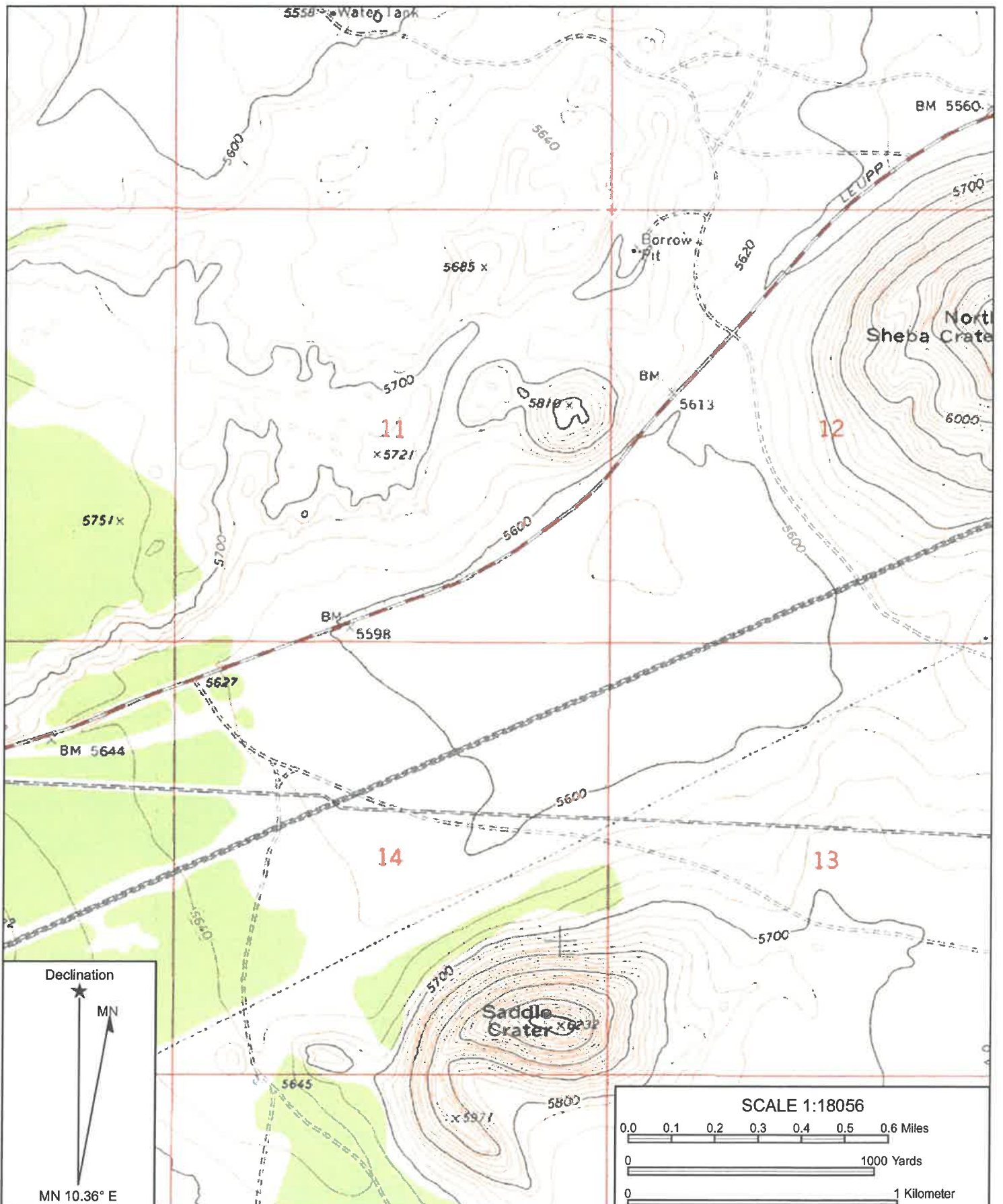
■ RCRA

▼ LUSTs

○ LANDFILLS

▲ RCRA COMPLIANCE

2018-07-060

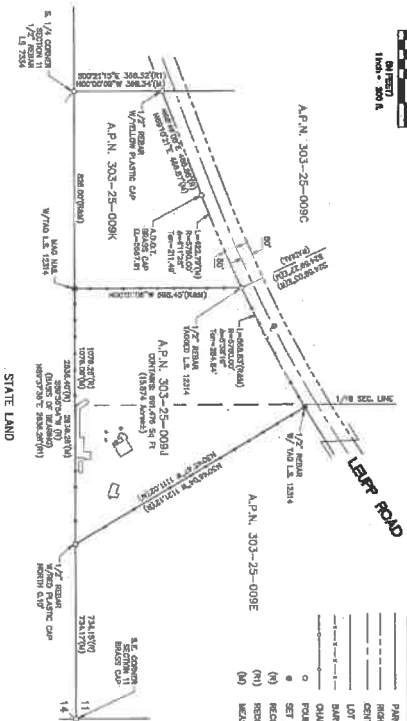


Name: MERRIAM CRATER
Date: 07/18/18
Scale: 1 inch = 1,504 ft.

Location: 035° 18' 10.0148" N, 111° 17' 39.3038" W
2018-07-060

RECORD OF SURVEY

PARCEL A.P.N. 303-25-009A
DESCRIBED IN INSTRUMENT NO. 3592403
LOCATED IN SOUTHEAST 1/4 SECTION 11, T22N, R10E,
GILA AND SALT RIVER MERIDIAN,
COCONINO COUNTY, ARIZONA



LEGEND

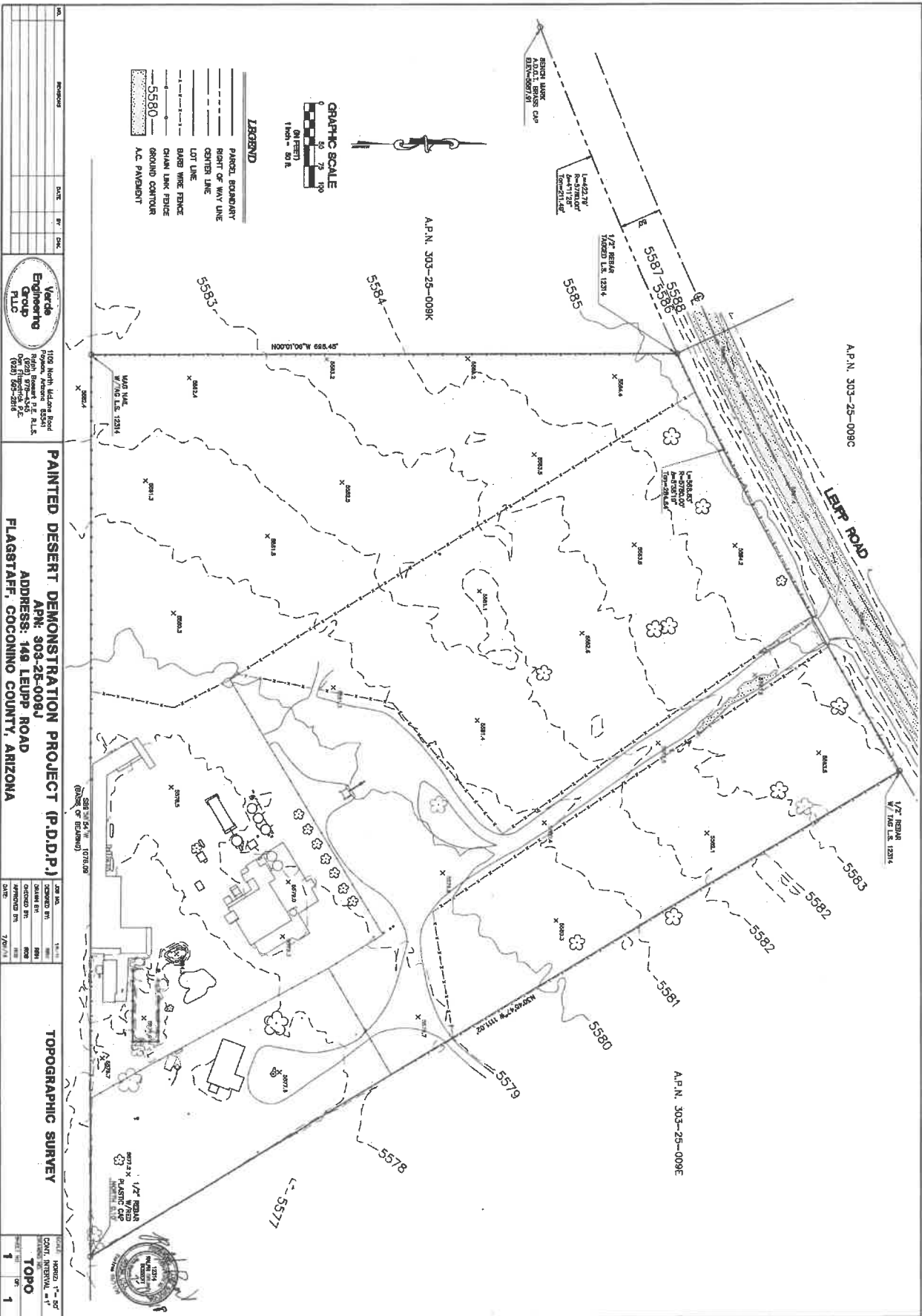
- PAVED ROADWAY
- RIGHT OF WAY LINE
- CENTER LINE
- LOT LINE
- BOUNDARY FENCE
- CHAIN LINK FENCE
- POUND AS INDICATED
- SET AS INDICATED
- RECORD INFORMATION FOR INSTRUMENT 3592403
- RECORD INFORMATION FOR B.L.S. 3592403
- MEASURED INFORMATION

SECTION 11
A RECORD OF SURVEY MADE UNDER THE SUPERVISION OF THE STATE ENGINEER



Verde
Engineering
Group
P.L.L.C.
1109 North McDowell Road
Phoenix, Arizona 85006
(602) 998-2510
(602) 998-2511
AZS No. 13-11





REVISIONS	DATE	BY	CHK.

Verde
Engineers
Group
P.C.
1420 North Williams Road
Flagstaff, Arizona 86001
Phone: (908) 825-2815
Fax: (908) 825-2816

PAINTED DESERT DEMONSTRATION PROJECT (P.D.D.P.)
ADDRESS: 148 LEPP ROAD
FLAGSTAFF, COCONINO COUNTY, ARIZONA

DATE	1/20/73
APPROVED BY	
DRAWN BY	
CHECKED BY	

TOPOGRAPHIC SURVEY

SCALE	HORIZONTAL 1" = 50'
VERTICAL	1" = 10'
CONTR. INTERVAL	1'
TOPO	1

APPENDIX C



14947 W. Piccadilly Road, Goodyear, AZ 85395 • Phone: 623-535-7800 • Fax: 623-535-7900
www.allands.com • e-mail: sharon@allands.com

Historical Title and Environmental Research

HISTORICAL TITLE REPORT

YOUR FILE NO: 18C027

ALLANDS FILE NO: 2018-07-060T

Date of Report: July 18, 2018

Title Plant Date*: July 5, 2018**

***The Title Plant Date reflects the most current data made available by the information sources used at the time the research was performed.

ALLANDS hereby reports a Historical Title Report to the land described below, subject to the items as shown in Schedule B. This is a historical title report ONLY and is neither a guarantee of title, a commitment to insure or a policy of title insurance. Allands is not responsible for errors in the available records. The total liability is limited to the fee paid for this report. This is a confidential, privileged and protected document for the use of Terrane Engineering.

1. Title to the estate or interest covered by this report is vested in: PAINTED DESERT DEMONSTRATION PROJECT, INC.,
2. By virtue of that certain chain of title attached.
3. The land referred to in this report is located in Coconino County, Arizona, described as follows:

Assessor's No.: 303-25-009J

SEE LEGAL DESCRIPTION ATTACHED

SCHEDULE B

1. Oil & Gas Lease by and between Jess B. Kellam, Lessor, and L. R. Harkey & Associates, Lessee, dated 12-6-59, recorded 1-17-50 in Docket 15, page 537 and recorded 4-24-50 in Docket 17, page 404.
2. Oil & Gas Lease by and between Jess B. Kellam, Lessor, and Flagstaff Associates, Inc., Lessee, dated 9-1-54, recorded 9-17-54 in Docket 58, page 535 and recorded 8-30-56 in Docket 94, page 475.
3. No VEMUR'S, DEUR'S; Environmental Liens, or activity and use limitations, if any, were found currently recorded against the property as searched at the subject county recorders office. ***

*** A.R.S. 49-152. This states that the Director of the Arizona Department of Environmental Quality shall allow property owners, who have voluntarily elected to remediate their property for nonresidential uses, to record in the applicable county recorders office a VEMUR limiting, by legal description, the area necessary to protect public health and the environment to nonresidential uses if contamination remains on the property at or above certain levels. In accordance with Arizona Administrative Code (A.A.C.) R18-7-201 et. Seq., a Declaration of Environmental Use Restriction (DEUR) is a voluntary notice to deed which restricts the use of a property to non-residential use. Effective July 18, 2000, the Declaration of Environmental Use Restriction (DEUR) replaced the Voluntary Environmental Mitigation Use Restriction (VEMUR) as a restrictive use covenant.

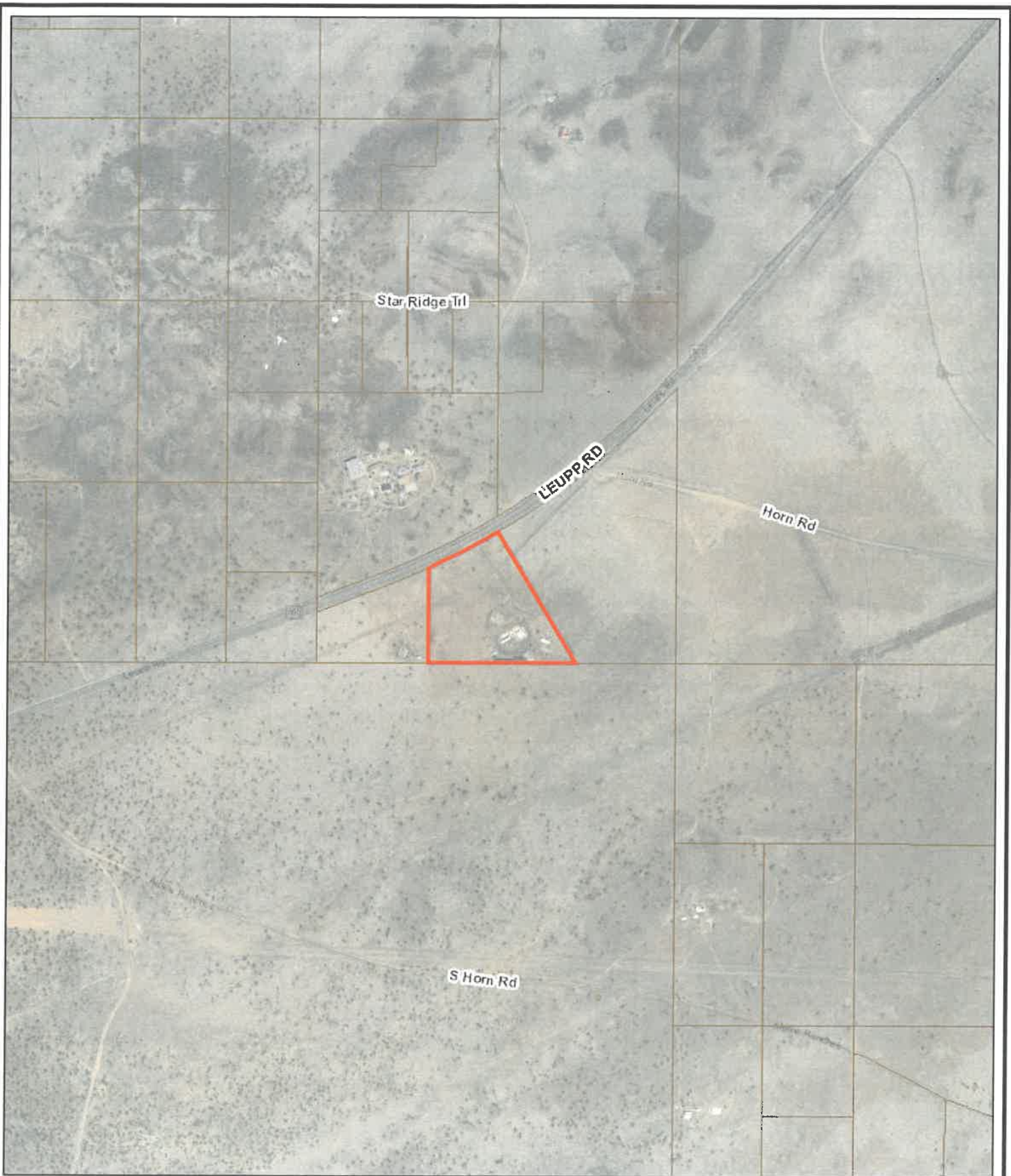
CHAIN OF TITLE

1. Deed from Campbell Francis Sheep Company, an Arizona corporation to Arizona Livestock Company, an Arizona corporation, dated 10-5-1939, recorded 10-19-1939 in Book 59 of Deeds, page 354.
2. Deed from Arizona Livestock Company, an Arizona corporation to Jess B. Kellam, dated 4-15-44, recorded 4-21-44 in Book 67 of Deeds, page 526.
3. Warranty Deed from Jess B. Kellam to Hermosa Valley Investment Company, dated 8-1-58, recorded 9-19-58 in Docket 126, page 493.
4. Warranty Deed from Hermosa Valley Investment Company to Phoenix Title and Trust Company, an Arizona corporation, as Trustee, dated 10-31-58, recorded 2-2-59 in Docket 132, page 594.
5. Deed from Continental Service Corporation, formerly known as Phoenix Title and Trust Company, an Arizona corporation, as Trustee to Kenneth K. Roether and Leslie L. Roether and Leroy L. Roether and Marion G. Roether, his wife, dated 7-29-83, recorded 7-29-83 in Docket 1011, page 656.
6. Deed from Kenneth K. Roether and Leslie L. Roether, his wife to Leroy L. Roether and Marion G. Roether, his wife, dated 10-10-86, recorded 10-10-86 in Docket 1117, page 562.
7. Deed from Leroy L. Roether and Marion G. Roether, his wife to Lavaun N. Harenberg, dated 4-29-87, recorded 4-29-87 in Docket 1154, page 476.
8. Deed from Lavaun N. Harenberg to Lavaun N. Harenburg, as Trustee of the Lavaun N. Harenburg Trust, dated 7-25-95, recorded 7-25-95 in Docket 1788, page 411.

CHAIN OF TITLE CONTINUES

CHAIN OF TITLE CONTINUED

9. Warranty Deed from Lavaun N. Harenburg, as Trustee of the Lavaun N. Harenburg Trust to Jeffrey W. Lobstein and Tammy J. Lobstein, husband and wife, recorded 7-8-97 in Docket 2001, page 936.
10. Warranty Deed from Jeffrey W. Lobstein and Tammy J. Lobstein, husband and wife to William J. Pierson, a married man, as his sole and separate property, dba D & B Enterprises International, dated 2-14-02, recorded 3-1-02 in Document No. 2002-3130350.
11. Warranty Deed from William J. Pierson, a married man, as his sole and separate property, dba D & B Enterprises International to Agra Technologies, Inc., a Nevada corporation, dated 12-30-03, recorded 2-6-04 in Document No. 04-3247559.
12. Special Warranty Deed from Agra Technologies, Inc., a Nevada corporation to Reliance Land Company, L L C, a New Mexico limited liability company, dated 3-27-06, recorded 3-31-06 in Document No. 06-3376662.
13. Trustee's Deed Upon Sale of Deed of Trust recorded in Docket 2001, page 938, awarding property to Mark W. Sorensen and Catherine Sorensen, husband and wife, dated 5-21-2014, recorded 5-21-2014 in Document No. 2014-3692403.
14. Quit Claim Deed from Mark W. Sorensen and Catherine Sorensen to Painted Desert Demonstration Project, Inc., dated 12-19-2017, recorded 12-19-2017 in Document No. 2017-3804148.



2018-07-060

July 16, 2018

THIS MAP WAS GENERATED BY THE COCONINO COUNTY WEB MAP APPLICATION.
IT IS FOR GENERAL PURPOSES ONLY. NO WARRANTY OF ACCURACY IS GIVEN OR IMPLIED.



Account: R0236215Location

Flag Code 622 - FULLY EXEMPT
PROPERTY - RELIGIOUS/SCHOOLS
629 - ORGANIZATIONAL
EXEMPTION

Neighborhood 01.31 - 2 BAR 3 AREA -
ALPINE RANCHOS

Situs Address 19722 LEUPP RD

City FLAGSTAFF

Tax Area 0100 - SD#1 ONLY

Parcel Number 303-25-009-J

Legal Summary Sixteenth: SW
Quarter: SE Section: 11 Township:
22N Range: 10E Sixteenth: SE
Quarter: SE Section: 11 Township:
22N Range: 10E POR DESC AS
FLLWS:BEG SW COR PAR
3130350; TH N 89-
58-54 E 826'TO TPOB; TH N 0-1-6
W 698.45';TH ALNG A CURVE
CONCAVE
TO THE NW 568.83'; TH S 30-46-4 E
1121.12'; TH S 89-58-54 W
1076.25' TO THE TPOB. MBL HOME
TITLE: 3132870 SERIAL: AS16407U
YEAR: 1988 MAKE: PALM HARBOR
SIZE: 25.5X52, SERIAL: AS16407X

Owner Information

Owner Name PAINTED DESERT
DEMONSTRATION PROJECTS INC

Owner Address 145 LEUPP RD
FLAGSTAFF, AZ 86004

Assessment History

Full Cash Value (FCV) \$259,468

Limited Property Value (LPV) \$255,463

Primary Assessed \$38,320

Exempt (\$38,320)

Net Primary Assessed \$0

Secondary Assessed \$38,921

Exempt (\$38,921)

Net Secondary Assessed \$0

Tax Area: 0100 Primary Rate: 5.5904

Secondary Rate: 2.3163

Legal Class	FCV	LPV	Primary Assessed	Secondary Assessed
02.R	\$259,468	\$255,463	\$38,320	\$38,921

Sale DateSale Price

\$0

Doc Description

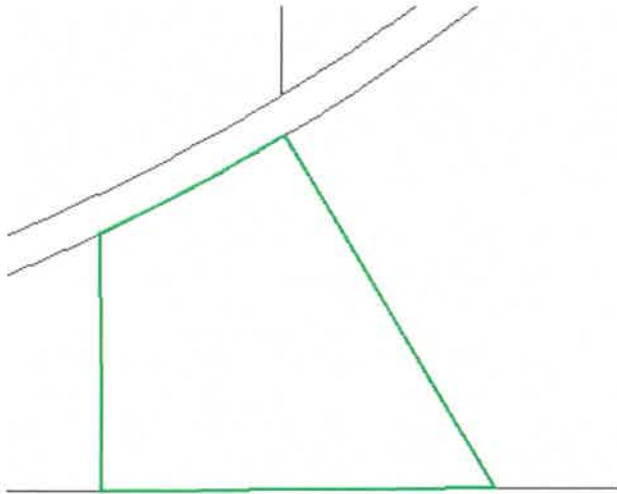
COMBINATION/SPLIT

Trustee Deed

Quit Claim Deed

Images

- [GIS](#)



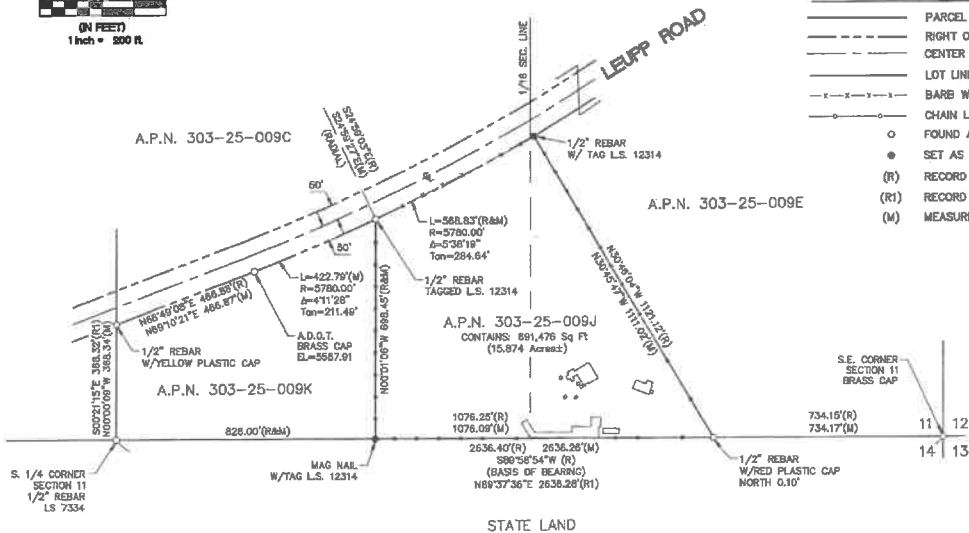
RECORD OF SURVEY

PARCEL A.P.N. 303-25-009J
DESCRIBED IN INSTRUMENT No. 3692403
LOCATED IN SOUTHEAST 1/4 SECTION 11, T22N, R10E,
GILA AND SALT RIVER MERIDIAN,
COCONINO COUNTY, ARIZONA



LEGEND

- PARCEL BOUNDARY
- - - RIGHT OF WAY LINE
- - - CENTER LINE
- LOT LINE
- - - - - BARB WIRE FENCE
- - - - - CHAIN LINK FENCE
- FOUND AS INDICATED
- SET AS INDICATED
- (R) RECORD INFORMATION PER INSTRUMENT #3692403
- (R1) RECORD INFORMATION PER R.O.S. #3586178
- (M) MEASURED INFORMATION



CERTIFICATION

THIS IS TO CERTIFY THAT THIS MAP, CONSISTING OF ONE (1) SHEET CORRECTLY REPRESENTS
A RECORD OF SURVEY MADE UNDER MY SUPERVISION DURING THE MONTH OF JUNE, 2018.



1109 North McLane Road
Payson, Arizona 85541
Ralph Boesert, P.E., R.L.S.
(928) 978-4345
Don Flapatrik, P.E.
(928) 565-2818
JOB No. 18-11



Recorded at the request of.
when recorded mail to

Mark Sorensen, CEO
Painted Desert Demonstration Projects
145 Leupp Rd.
Flagstaff, AZ 86004

QUIT CLAIM DEED

For consideration of Ten Dollars, and other valuable considerations, I or we,

Mark W. Sorensen and
Catherine Sorensen

hereby quit-claim to

Painted Desert Demonstration Projects, Inc.

all right, title or interest in the following real property situated in Coconino County, Arizona:

Property located at 19722 Leupp Rd, Flagstaff, AZ 86004, Parcel 303-25-009J.
Parcel containing 15.875 acres of land, more or less, as described
in attached legal description

Exempt A.R.S. § 11-1134 A7

Dated this _____

Mark W. Sorensen

Catherine Sorensen

STATE OF Arizona)
COUNTY OF Coconino) SS.



This instrument was acknowledged before me this 15th day of December, 2017 by:

My Commission Expires: 04/21/2021

Jennifer Schmitz
Notary Public

Arizona Notary Acknowledgement

For an Individual (on individuals own behalf):

State of Arizona

County of Cocconino

This instrument was acknowledged before me on the 16th day of Dec, 2017,
by Katherine Hawke for the quick
claim deed.

(Place Notary Stamp Here)



[Signature]
Notary Public

Angel Wilson
Notary Public Name (Printed or Typed)

My Commission Expires: 05.04.2019

For a Corporation or Limited Liability Company:

State of _____

County of _____

This foregoing instrument was acknowledged before me on this the _____ day of _____, 20____,
by _____ (name of officer or agent)
of _____ (name of corporation),
a _____ (state or place of incorporation)
corporation or limited liability company.

(Place Notary Stamp Here)

Notary Public

Notary Public Name (Printed or Typed)

My Commission Expires: _____

For a Partnership, Limited Partnership, or Limited Liability Partnership:

State of _____

County of _____

The foregoing instrument was acknowledged before me on the _____ day of _____, 20____,
by _____ (name of acknowledging partner),
on behalf of _____ (name of partnership),
a partnership, limited partnership, limited liability partnership.

(Place Notary Stamp Here)

Notary Public

Notary Public Name (Printed or Typed)

My Commission Expires: _____

PARCEL B

The following is a description of a parcel of land being a portion of the parcel described in Instrument # 3130350, Records of Coconino County, and located in Section 11, Township 22 North, Range 10 East, G&SRB&M, Coconino County, Arizona, being more particularly described by metes and bounds as follows:

FROM the southwest corner of the parcel described in Instrument # 3130350;

THENCE north $89^{\circ}58'54''$ east, along the southerly line of said parcel, 826.00 feet, to the **TRUE POINT OF BEGINNING** of this description;

THENCE north $00^{\circ}01'06''$ west, 698.45 feet, to a point on the northerly line of said parcel, and a point on a non-tangent curve, concave to the northwest, having a radius of 5780.00 feet, to which point a radial line bears south $24^{\circ}59'03''$ east;

THENCE along said curve and along the northerly line of said parcel, 568.83 feet, through a central angle of $05^{\circ}38'19''$, to the northeast corner of said parcel and a non-tangent line;

THENCE south $30^{\circ}46'04''$ east, 1121.12 feet, to the southeast corner thereof;

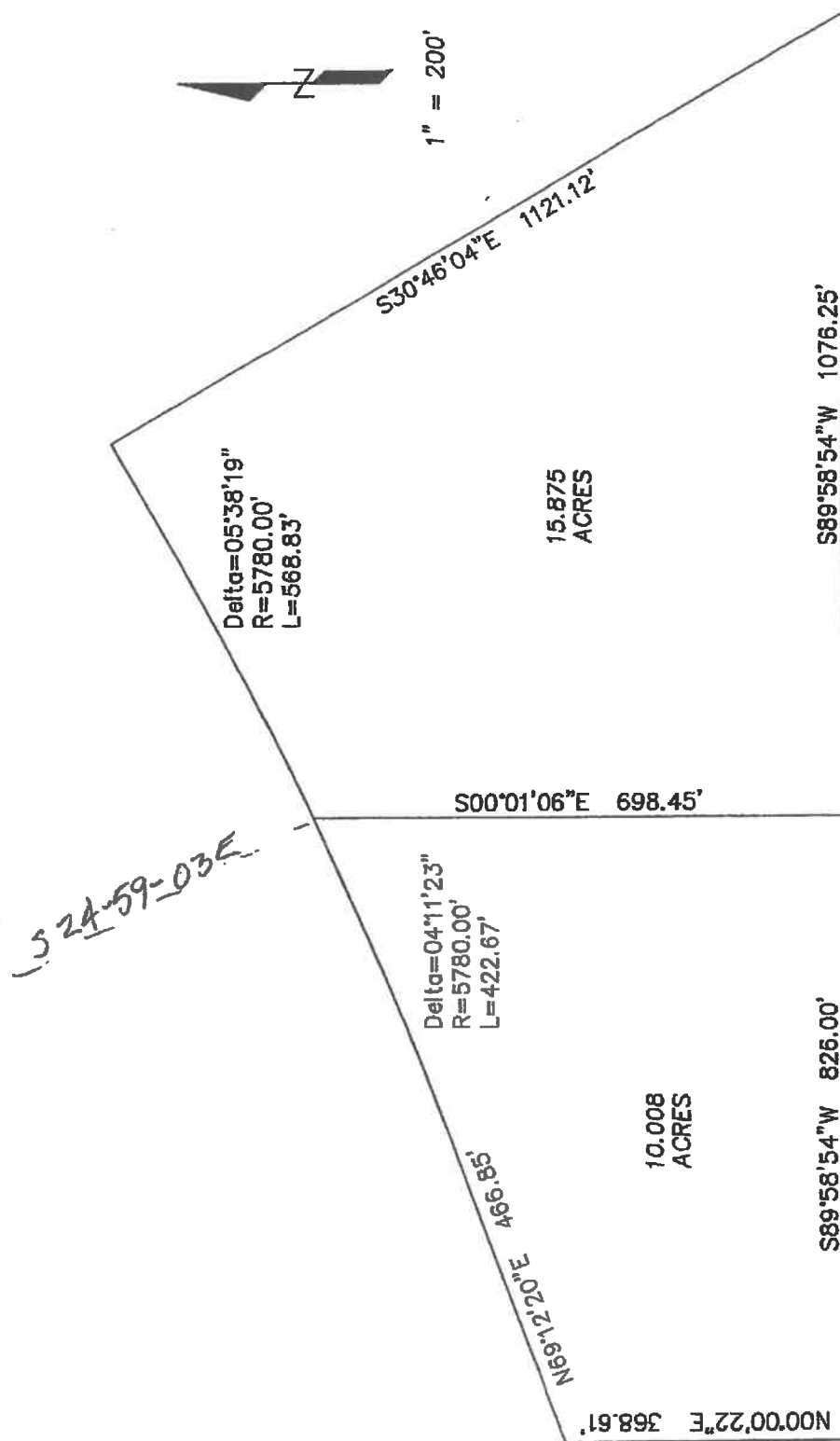
THENCE south $89^{\circ}58'54''$ west, along the southerly line of said parcel, 1076.25 feet, to the **TRUE POINT OF BEGINNING** of this description.

The parcel described above contains 15.875 acres of land, more or less.



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CSR

3252575
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CSR



PRELIMINARY
NOT FOR RECORDING

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 5th day of November, 1910, by and between Geo. B. Bellamy, Lessor,

of Phoenix, Arizona, Herein after called lessor (whether one or more), and L. L. Hurkey & Associates, hereinafter called lessee.

WITNESS: That the said lessor, for and in consideration of the sum of \$100.00 DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, have granted, devised, leased and let, and for these presents do grant, lease and let unto the said lessee for the sole and only purpose of mining and operating for oil and gas and of laying pipe lines and of building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the county of Maricopa, State of Arizona described as follows, to-wit:

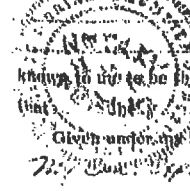
Section 1, 7, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 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626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 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1187, 1188, 1189, 1190, 1191, 1192, 1193, 1194, 1195, 1196, 1197, 1198, 1199, 1200, 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1213, 1214, 1215, 1216, 1217, 1218, 1219, 1220, 1221, 1222, 1223, 1224, 1225, 1226, 1227, 1228, 1229, 1230, 1231, 1232, 1233, 1234, 1235, 1236, 1237, 1238, 1239, 1240, 1241, 1242, 1243, 1244, 1245, 1246, 1247, 1248, 1249, 1250, 1251, 1252, 1253, 1254, 1255, 1256, 1257, 1258, 1259, 1260, 1261, 1262, 1263, 1264, 1265, 1266, 1267, 1268, 1269, 1270, 1271, 1272, 1273, 1274, 1275, 1276, 1277, 1278, 1279, 1280, 1281, 1282, 1283, 1284, 1285, 1286, 1287, 1288, 1289, 1290, 1291, 1292, 1293, 1294, 1295, 1296, 1297, 1298, 1299, 1300, 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310, 1311, 1312, 1313, 1314, 1315, 1316, 1317, 1318, 1319, 1320, 1321, 1322, 1323, 1324, 1325, 1326, 1327, 1328, 1329, 1330, 1331, 1332, 1333, 1334, 1335, 1336, 1337, 1338, 1339, 1340, 1341, 1342, 1343, 1344, 1345, 1346, 1347, 1348, 1349, 1350, 1351, 1352, 1353, 1354, 1355, 1356, 1357, 1358, 1359, 1360, 1361, 1362, 1363, 1364, 1365, 1366, 1367, 1368, 1369, 1370, 1371, 1372, 1373, 1374, 1375, 1376, 1377, 1378, 1379, 1380, 1381, 1382, 1383, 1384, 1385, 1386, 1387, 1388, 1389, 1390, 1391, 1392, 1393, 1394, 1395, 1396, 1397, 1398, 1399, 1400, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411, 1412, 1413, 1414, 1415, 1416, 1417, 1418, 1419, 1420, 1421, 1422, 1423, 1424, 1425, 1426, 1427, 1428, 1429, 1430, 1431, 1432, 1433, 1434, 1435, 1436, 1437, 1438, 1439, 1440, 1441, 1442, 1443, 1444, 1445, 1446, 1447, 1448, 1449, 1450, 1451, 1452, 1453, 1454, 1455, 1456, 1457, 1458, 1459, 1460, 1461, 1462, 1463, 1464, 1465, 1466, 1467, 1468, 1469, 1470, 1471, 1472, 1473, 1474, 1475, 1476, 1477, 1478, 1479, 1480, 1481, 1482, 1483, 1484, 1485, 1486, 1487, 1488, 1489, 1490, 1491, 1492, 1493, 1494, 1495, 1496, 1497, 1498, 1499, 1500, 1501, 1502, 1503, 1504, 1505, 1506, 1507, 1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515, 1516, 1517, 1518, 1519, 1520, 1521, 1522, 1523, 1524, 1525, 1526, 1527, 1528, 1529, 1530, 1531, 1532, 1533, 1534, 1535, 1536, 1537, 1538, 1539, 1540, 1541, 1542, 1543, 1544, 1545, 1546, 1547, 1548, 1549, 1550, 1551, 1552, 1553, 1554, 1555, 1556, 1557, 1558, 1559, 1560, 1561, 1562, 1563, 1564, 1565, 1566, 1567, 1568, 1569, 1570, 1571, 1572, 1573, 1574, 1575, 1576, 1577, 1578, 1579, 1580, 1581, 1582, 1583, 1584, 1585, 1586, 1587, 1588, 1589, 1590, 1591, 1592, 1593, 1594, 1595, 1596, 1597, 1598, 1599, 1600, 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608, 1609, 1610, 1611, 1612, 1613, 1614, 1615, 1616, 1617, 1618, 1619, 1620, 1621, 1622, 1623, 1624, 1625, 1626, 1627, 1628, 1629, 1630, 1631, 1632, 1633, 1634, 1635, 1636, 1637, 1638, 1639, 1640, 1641, 1642, 1643, 1644, 1645, 1646, 1647, 1648, 1649, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1659, 1660, 1661, 1662, 1663, 1664, 1665, 1666, 1667, 1668, 1669, 1670, 1671, 1672, 1673, 1674, 1675, 1676, 1677, 1678, 1679, 1680, 1681, 1682, 1683, 1684, 1685, 1686, 1687, 1688, 1689, 1690, 1691, 1692, 1693, 1694, 1695, 1696, 1697, 1698, 1699, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1708, 1709, 1710, 1711, 1712, 1713, 1714, 1715, 1716, 1717, 1718, 1719, 1720, 1721, 1722, 1723, 1724, 1725, 1726, 1727, 1728, 1729, 1730, 1731, 1732, 1733, 1734, 1735, 1736, 1737, 1738, 1739, 1740, 1741, 1742, 1743, 1744, 1745, 1746, 1747, 1748, 1749, 1750, 1751, 1752, 1753, 1754, 1755, 1756, 1757, 1758, 1759, 1760, 1761, 1762, 1763, 1764, 1765, 1766, 1767, 1768, 1769, 1770, 1771, 1772, 1773, 1774, 1775, 1776, 1777, 1778, 1779, 1780, 1781, 1782, 1783, 1784, 1785, 1786, 1787, 1788, 1789, 1790, 1791, 1792, 1793, 1794, 1795, 1796, 1797, 1798, 1799, 1800, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811, 1812, 1813, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, 1831, 1832, 1833, 1834, 1835, 1836, 1837, 1838, 1839, 1840, 1841, 1842, 1843, 1844, 1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2

15 538

THE STATE OF TEXAS

County of Anderson

a Notary Public in and for the County of Anderson and State of Texas on this day personally appeared James B. Kollar and L. B. Kollar



known to me to be the person James B. Kollar whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 10 day of December, A. D. 19 11
James B. Kollar
 Notary Public in and for Anderson County, Texas

THE STATE OF TEXAS

County of

Before me, James B. Kollar County, Texas, on this day personally appeared James B. Kollar and L. B. Kollar in and for James B. Kollar and L. B. Kollar

known to me to be the person James B. Kollar whose name is subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said L. B. Kollar being then examined by me

privately and apart from her husband, and having the same fully explained to her, she acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office this, the 10 day of December, A. D. 19 11

No. <u>15</u>		FROM		TO		County, Texas	
OIL AND GAS LEASE							
Date <u>10</u>		No. Acres <u>10</u>		Total <u>10</u>		County Clerk	
This instrument is filed for record on the <u>10</u> day of <u>December</u> , A. D. 19 <u>11</u>		at <u>Anderson</u> County, Texas		in Book <u>10</u> Page <u>10</u>		By <u>James B. Kollar</u> Deputy	
record in this office		When Recorded		Return to			

THE STATE OF TEXAS

County of

a Notary Public in and for the County of Anderson and State of Texas, on this day personally appeared James B. Kollar and L. B. Kollar known to me to be the person

whose name is subscribed to the foregoing instrument as James B. Kollar of Anderson

and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and as the act and deed of said James B. Kollar

Given under my hand and seal of office on this the 10 day of December, A. D. 19 11
James B. Kollar
 Notary Public in and for Anderson County, Texas

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
COUNTY OF _____ }
Before me, the undersigned, a Notary Public, within and for said County and State, on this _____
day of _____, 19____, personally appeared _____
and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me
that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.
My commission expires _____

Notary Public

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
COUNTY OF _____ }
Before me, the undersigned, a Notary Public, within and for said County and State, on this _____
day of _____, 19____, personally appeared _____
and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me
that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.
My commission expires _____

Notary Public

STATE OF _____ } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF _____ }
Be it remembered that on this _____ day of _____, 19____, before me, the undersigned, a
Notary Public, duly commissioned, in and for the county and state aforesaid, came _____
_____ president of _____

a corporation of the State of _____ personally known to me to be such officer, and to be
the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly ac-
knowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.
My commission expires _____

Notary Public

OIL AND GAS LEASE	
FROM	TO
Date _____	12
Section _____	Twp _____ Rge _____
No. of Acres _____	Term _____
County _____	
STATE OF _____	County of _____
This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the records of this office.	
By _____	Register of Deeds.
When recorded, return to _____	
THE KANSAS BLUE PRINT CO. 141 NORTH MARKET ST. WICHITA, KANSAS PHOTODUPLICATION SERVICE 616-242-0111	

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged.
For acknowledgment by mark, use regular Kansas acknowledgment.

COUNTY OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
Before me, the undersigned, a Notary Public, within and for said County and State, on this _____
day of _____, 19____, personally appeared _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me
that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.
My commission expires _____

Notary Public

94-476

Section _____ Parish _____ and containing _____

March 6, 1911

2. This lease shall remain in force for a term ending _____ and as long thereafter as oil, gas, casinghead gas, casinghead gasolene, or any of them is produced.

3. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its well the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tank.

4. The lessee shall monthly pay to the lessor as royalty on gas produced from each well where gas is found, one-eighth (1/8) of the proceeds if sold at the well, or if marketed by lessee at the lessor's option, then one-eighth (1/8) of its market value at the well. The lessee shall pay the lessor, on one-eighth (1/8) of the proceeds received by the lessee from the sale of casinghead gas, produced from any well, to one-eighth (1/8) of the value of the gas at the mouth of the well, computed at the prevailing market price, of the casinghead gas, produced from any well and used by lessee for any purpose or sold on the leased premises by the lessee for purposes other than its development and operation thereof. Lessor shall have the right to at its own risk and expense of using gas from any well on said land for steam and similar rights in the principal dwelling located on the leased premises by making his own connections thereto.

Where gas from a well or wells, capable of producing gas only, is not sold or used for a period of one year, lessee shall pay or tender as royalty, an amount equal to the delay rental as provided in paragraph (6) hereof, payable annually at the end of each year during which such gas is not sold or used, and while said royalty is so paid or tendered this lease shall be held as a producing property under paragraph numbered two hereof.

6. If, within the primary term of this lease, the well or wells on the leased premises, or on the consolidated gas household estate, shall cease to be productive, this lease shall not terminate, but production operations for the drilling of a well on the leased premises, or on the consolidated gas household estate, shall be commenced before or on the last day of the primary term of this lease, or, provided lessee begins or resumes the payment of rentals to the lessor and amount herebefore provided, it is agreed, however, that the completion of a well producing or capable of producing gas as provided by paragraph number 3 hereof, shall constitute the well or wells on the leased premises, or on the consolidated gas household estate, shall be incapable of producing, this lease shall not terminate provided full and complete development with respect to the gas household estate hereby granted. If, upon, or after the expiration of the primary term of this lease, lessee resumes operations for drilling a well on the leased premises or on the consolidated gas household estate within one hundred twenty (120) days from such cessation, and this lease shall remain in force during the pendency of such operations and, if production results therefrom, then as long as production continues.

11. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence drilling operations at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

12. It is contemplated and agreed by the lessor and lessee that this lease shall at all times and in all respects be subject to valid orders, rules and regulations of any duly constituted authority having jurisdiction of the subject matter hereof.

13. This lease and all its terms, conditions and stipulations shall extend to and be binding on all the heirs, grantees, administrators or assigns of the lessor or lessee.

14. See "General Agreement and Lease attached hereto;

17. The lessors do hereby lease, grant to the lessee hereunder and above the hydrocarbon minerals hereinabove described, a further lease, right and estate for the term hereinabove described, to and including all uranium, radium and other fissionable materials, including radio active material, cobalt, manganese, zinc, lead, copper, iron, gold, silver and any other rare earth materials of any kind or nature that may be in place discovered, found and produced upon the real estate hereinabove described.

Lessors further acknowledge and agree that they shall, as the said Jess B. Kellam and J. A. Kellam, share and share alike in the royalties herein described, save and except it is stipulated that the said Jess B. Kellam has executed certain royalty and mineral deeds to his portion of the one-eighth or 12 1/2% of any kind minerals royalties herein described.

Lessors agree with lessee that this provision to the above and foregoing oil and gas lease shall be at all times construed as separate and apart from the hydrocarbon provisions contained in said oil and gas lease, save and except as to all provisions of this instrument being compatible each with the other.

18. It is agreed and stipulated that the lessee herein shall on or before twelve (12) months from the date hereof spud in and commence the actual drilling of a well upon any part of the real estate hereinabove described, and in the event of the failure of lessee to so perform, then that the parties hereto shall agree upon the terms of delay rentals.

94-477

1956

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IN WITNESS WHEREOF, we sign the day and year first above written.

Elizabeth K. Kline
Notary Public

My Commission Expires
Sept. 7, 1957

James B. Kline
J. Kline

No. 4620
RECORDED AT REQUEST OF Theo. M. Flick
August 30th A.D. 1956 At 3:00 o'clock P.M.
In Book of Official Records 475-477
Records of Coconino County, Ariz.
Jana Mae Thornton County Recorder
By Edward J. Breda Deputy