

CONSOLIDATED LEGISLATION

Law 22/1973 of 21 July 1973 on Mining.

State Executive
Official State Gazette (BOE) No 176 of 24 July 1973
Reference: BOE-A-1973-1018

CONSOLIDATED TEXT

Latest amendment: 30 December 2010

Article 1 of the Law of 11 February 1969, approving the Second Economic and Social Development Plan, established the ultimate goal of the Plan as 'the organisation of all the resources available for the service of mankind', indicating in Article 6(a) that special attention would be given 'to natural resources, through the development of a National Mining Research Programme'.

Once the preparatory work to fulfil this legal mandate had begun, the need to give greater scope and content to the planned National Mining Research Programme soon became clear, in order to address the research and resolution of any problems that may hinder the desirable expansion of our mining industry.

With this goal, the Ministry of Industry undertook and completed the development of the National Mining Plan, in which one chapter was dedicated to the National Mining Research Programme and the remaining three chapters were dedicated to the National Mining Operations Programme, to the Update of Mining Legislation and to Social Policy in Mining. This was carried out in a simultaneous and coordinated way by the various working committees and groups appointed to conduct the research corresponding to each of the stated chapters.

The update of mining legislation was shown to be an appropriate and beneficial activity as soon as the first data on the actual status of all the mining records existing in the country became available. Verified inactivity in the majority of mines, insufficient survey of many mineral deposits, sub-optimal extraction thereof due to the use of antiquated procedures and techniques, fragmented management and other similar factors highlighted the need to conduct a review, among other provisions, of the Mining Law of 19 July 1944, in order to adapt it to technical and economic changes in the field of mining since it was issued.

However, the research led to the conclusion that the review of this Law should not result in a radical change in the general principles on which it is based, which are well established in the country's historical and legal traditions, and have notably influenced many acts of mining legislation, particularly in Central and South America.

Notwithstanding the inevitable and logical imperfections of all legal texts, the efficiency of the Mining Law of 19 July 1944 as a legal instrument of fundamental importance in the economic life of the country has been clearly demonstrated during the twenty-nine years of its application. The goal was therefore to achieve only an adaptation of its precepts to the general framework and direction of the country's industrial economy today, establishing appropriate legal measures to ensure the implementation of the content of the National Mining Plan, while at the same time finding a suitable solution for various problems which the application of said Law has revealed over the course of these years.

Title I of this Law reaffirms the legal nature of mineral deposits of natural origin and other geological resources as goods in the public domain and maintains the administrative concession as a traditional institution and basic principle of our mining regulations.

Without prejudice to achieving the most complete enumeration possible of all the resources and their different varieties within the Regulation, a more radical and simple classification has been adopted that includes the two traditional Sections A) and B), while removing the sub-categories of 'rocks' and 'minerals' used in the previous Mining Law of 19 July 1944, which were scientifically and technically incorrect for the majority of substances included in either section. Thus, three sections have been created. The first section includes the majority of substances denominated as 'rocks'. The second section covers mineral water sources and the thermal springs, underground structures and deposits formed as a consequence of the operations regulated by this Law. The third section covers all mineral deposits and geological resources not included in the previous sections.

In order to avoid the disadvantages of rigid classification, the Government is entitled to transfer resources from one section to another, in certain circumstances, through a system that respects the right to due process of the interested parties and any rights previously acquired.

As Title II is concerned with state action, it recommends to the State the periodic update of the National Mining Research Programme and the Mining Reassessment, establishing the collaboration of individuals with the Administration on obtaining samples and data of geological origin.

With regard to reserves held by the State, the variations recommended by the experience obtained through the promulgation of Decree 1009/1968 of 2 May 1968 have been introduced. The reserves have been classified as special, provisional or definitive, and notwithstanding the specificities that they inevitably imply, the procedure for declaring them has been integrated, as far as possible, into the procedure for obtaining research permits and mining concessions.

The Government is assigned the competency of regulating the rules on mines, for which it currently manages the direct operation, as well the rules of those mines retained by it in future.

A general outline is given of the systems for implementing the exploration, research and operation of reserves, and maintaining the traditional criteria in this regard, the rights acquired by the applicants or holders of mining rights located in reserved zones have been respected, while the means available to the State to ensure that the hypothetical expected rights do not hinder a rational investigation of the country's mineral resources have been improved.

Title III is intended to regulate Section A) extractions, where preferential operating rights of a general nature are attributed to the owners of the land where said resources are held.

However, the exercise of this right remains conditional upon obtaining the relevant operating authorisation and the presentation of the corresponding schedules of works, in order to ensure the most effective extraction of the wealth represented by this category of resources.

With regard to goods in the public domain, the State may extract them directly or assign their extraction to third parties, where justified by greater needs of national interest, and where the land owner rejects the invitation for this to be carried out on the land owner's behalf.

Title IV regulates the extraction of Section B) resources, defining for this purpose the mineral water sources, thermal springs, subterranean structures and deposits formed by the accumulation of waste from the activities regulated by this Law.

Within the mineral water category, the distinction is maintained between medicinal mineral water and industrial mineral water. Thermal spring water intended for therapeutic or industrial use is classified as mineral water for all the purposes of this Law.

To extract Section B) resources, the relevant extraction authorisation must be obtained, establishing the appropriate priorities for the three types of resources included in the section, and creating protection perimeters for subterranean structures that are similar to those for mineral water sources, which are so important for environmental protection.

Title V, which addresses the regulation of the research and extraction of Section C) resources, begins by defining what is meant by concessible land and registrable land, concepts which were already used in Mining Law of 19 July 1944, but which lacked the necessary precision. An important update is introduced by establishing the possibility that specific areas can be declared as non-registrable for reasons of public interest, on the joint proposal of the interested Department(s) and the Department of Industry.

Another important innovation consists of the introduction of a new legal concept, the mining exploration permit, which is intended to allow research over large areas through rapid survey methods for short periods of time, with the purpose of selecting the most interesting areas and obtaining the corresponding research permits for them.

With regard to research permits, the application of the absolute principle of priority included in the previous Law has been attenuated, whereby applicants were not requested to demonstrate they had sufficient means to complete the research at the rate and with the efficiency required by the national interest. Consequently, a large number of the research permits covering the country were for purely speculative purposes rather than for actual scientific research. Without prejudice to the aforementioned principle of priority, which is so well established in our Mining Laws, and which has been a decisive incentive for the discovery of many mineral deposits, other factors have come into play, such as the scientific, technical and financial solvency of the applicants, which will provide greater assurances with regard to the completion of mining research projects.

For land which becomes concessible as a consequence of the termination of a permit or the cancellation of a reserve, the priority among applicants shall be determined by public competition, thus avoiding the disadvantages arising at this point from the application of the previous legislation.

With regard to the mining of Section C) mineral substances, a distinction is made between direct concessions and concessions derived from research permits, defining the rights they entail and the obligations incumbent upon their owners, which are intended to ensure continuity in the implementation of

extractive activity, which should be proportionate in technical and economic means to the size of the deposits and the scale of the concessions granted. The conditions which must be in place for any mining concessions to be granted are established with the necessary precision, in particular the rigorous requirement for the existence of a resource suitable for rational extraction to have been fully confirmed.

The mining concessions shall subsequently be granted for a period of thirty years, which can be extended by periods of equal length, up to a maximum of ninety years.

Finally, a new module or unit is introduced, the mining grid cell, to replace the mining holding established by the previous legislation. The designation and demarcation of mining grid cells through meridians and parallels will facilitate the collection and classification by computer of data on the location of mining operations, with the advantages this will bring with regard to locating the available concessible land, removing errors of measurement and avoiding superimposition, and precisely determining possible intrusions between adjacent operations; in summary, avoiding surface areas that could give rise to extrusions due to irregularity in their perimeters.

Title VI details the causes that may lead to the expiry of proceedings and the cancellation of authorised operations, in a duly systematic way.

Title VII determines the causes of termination of the authorisations, permits and concessions regulated by the Law. In relation to the termination of permits and concessions, regulations have been set out to achieve more rigorous use by the Administration of the powers attributed to it by the previous legislation, albeit with the necessary modification for the exercise of these powers to be used, in special cases, to sanction conduct that demonstrates a deliberate intention not to fulfil the obligations required in terms of exploration, research or operations, or to act for speculative purposes or purposes other than those intended by this Law.

With respect to the conditions for being a holder of mining rights, which are regulated in Title VIII, the rules contained in Decree 4111/1964 of 10 December 1964, have been provided in greater detail and length, aiming to achieve the closest possible approximation to the current rules in force on foreign investment, while maintaining the specificities particular to a sector such as mining, which is traditionally subject to special regulations.

Title IX is concerned with the transfer of mining rights, reaffirming the traditional principle of freedom of contract between the interested parties and monitoring by the Administration of the compliance of the acquiring parties with the required legal conditions. With regard to Section C) research permits and resource mining concessions, the need to verify the financial solvency of the assignees is also established, in accordance with the provisions of Title V of this Law for the applicants for said permits and concessions. An important update is introduced, the need for which was experienced in practice, allowing mining concessions to be leased by levels or by resources, on condition that this is authorised by the Directorate-General of Mining.

Title X details the processes which the holders of mining rights may rely on in relation to the temporary occupation and forced expropriation of the land required for the execution of their activities, seeking the optimal balance between the specific requirements of mining and the provisions of current general legislation in this regard. The authority to use to the expropriation rights set out in the Law are explicitly recognised for legally authorised mining operators and for contractors on the provisional and definitive reserves held by the State.

Titles XI and XII relate to the regulation of mining precincts and beneficiary companies, respectively. The purpose of the Law is to optimise the creation of the former, with the goal of promoting concentrated operations, and establishing the appropriate dimensions in each case to achieve greater productivity and to reduce the existing fragmented management in many parts of the country.

Title XIII specifies the competencies corresponding to the various bodies of the Ministry of Industry and the scope of professional activity of graduates in Mining, Geological Sciences, Physics and Chemistry, as well as other university degrees which are recognised as having a corresponding specialisation. It also specifies the minimum and maximum limits of the applicable fines for offences which are not specifically sanctioned by the termination of the mining rights regulated by the Law.

The Final Provisions regulate the entry into force of the Law, including promulgation by the Government of provisions for the introduction of the exhaustion factor into our taxation system and regulation of the fiscal stimuli applicable to the creation of mining precincts, as well as adaptation of the present Statute Law on the extraction of medicinal mineral water sources. The final provisions also include a repeal.

In the ten Transitional Provisions, the necessary preventive measures are established to bring cases arising from the application of previous legislation into line with the precepts of this Law. In particular, the treatment applied to mining connections granted prior to the Mining Law of 19 July 1944 which are still inactive should be noted. This situation is highly negative for wealth creation and extremely harmful for the

development of our mining. A solution has been provided that conveniently reconciles the general interests of the country with the particular interests of the concession holders affected by the provision.

Finally, an additional provision is included, recognising the importance of the integrated processing of urban solid waste for the rational extraction of resources, which gives the Government a period of one year to submit a Draft Law to the Cortes regulating the extraction of said resources.

By virtue of these provisions and in accordance with the Law approved by the Spanish Cortes, the following is hereby endorsed:

TITLE I

Scope of the Law and classification of resources

Article 1.

1. The purpose of this Law is to establish legal regulations for the research and extraction of mineral deposits and other geological resources, of any origin or physical status whatsoever.

2. Liquid and gaseous hydrocarbons fall outside of its scope, and are regulated by the provisions applicable to them.

3. The research and extraction of radioactive minerals shall be governed by this Law, for any aspects which have not been specifically set out in the Law governing Nuclear Energy, of 29 April 1974, and additional provisions.

4. The research or use of subterranean structures for the purposes of geological storage of carbon dioxide shall be governed by specific legislation.

Article 2.

1. All existing deposits of natural origin and other geological resources within the national territory, territorial waters and continental platform are goods in the public domain, whose research and extraction may be carried out by the State directly or assigned in the form and under the conditions established in this Law and other provisions in force in each case.

2. The domain of water sources shall be governed by the provisions of the Civil Code and Special Laws, without prejudice to the provisions of this Law with regard to their research and use.

Article 3.

1. Mineral deposits and other geological resources shall be classified, for the purposes of this Law, into the following sections:

A) Those of low economic value and those which are geographically difficult to commercialise shall belong to the same section, as well as those where the only extraction is to obtain fragments of the appropriate form and size for direct use in infrastructure and construction activities, and other uses which do not require operations other than those of detachment, crushing and calibration.

B) This includes mineral water sources, subterranean structures and the deposits formed as a consequence of the operations regulated by this Law, in accordance with the definitions established in Chapter 1 of Title IV.

C) This section includes any mineral deposits and geological resources that are not included in the previous sections and are subject to extraction that is compliant with this Law.

D) Carbon, radioactive minerals, geothermal resources, bituminous rocks and any other mineral deposits or geological resources of interest for energy purposes which the Government agrees to include in this section, on proposal of the Minister of Industry and Energy, following a report from the Geological and Mining Institute of Spain.

2. Any extraction of mineral resources which is occasional or of minor importance remains outside the scope of this Law, whatever its classification, on condition that it is carried out by the land owner for the owner's exclusive use and does not require the application of any mining techniques.

3. The precise assessment criteria for the configuration of Section A) shall be determined by Decree of the Council of Ministers, on proposal of the Minister of Industry, following a report from the Ministry of Development Planning and the Trade Union Organisation.

Article 4.

1. Once the Decree referred to in the last paragraph of the previous article has been promulgated, the Ministry of Industry shall classify mineral deposits and geological resources either generally or specifically for each application for research or extraction.

2. If an assessment criteria is produced that is different from the initial one, giving rise to a change of section, the authorisations, permits and concessions granted under the previous classification shall remain in force. The previous classification shall also be used to process cases initiated prior to the new criteria.

TITLE II

State action

CHAPTER ONE

Conduct of research, data collection and environmental protection

Article 5.

1. The Ministry of Industry shall conduct the necessary studies, with the collaboration of the High Council for Scientific Research as appropriate, to adapt the National Mining Research Programme and the Mining Reassessment to the provisions of the Economic and Social Development Plans, with the goal of achieving their permanent update, adjusting state action to said programmes with regard to extraction of the resources subject to this Law.

2. The Ministry of Industry, following a report from the Geological and Mining Institute of Spain and in consultation with the Trade Union Organisation, may provide for the execution of all or some of the works included in said programmes, upon declaration of a reserved zone and in any of the forms established in Chapter 2 of this title. In compliance with the Geographic High Council, it shall publish geological, geophysical, geochemical, geotechnical, hydrogeological and metallogenic maps, on the scale established by regulation, and any others required by technological development, which are useful for the organisation of land and the rational extraction of the country's mineral resources.

3. The Ministry of Industry shall conduct the appropriate studies to determine the environmental protection conditions which are essential for the extraction of the resources subject to this Law, and shall be established by Decree, on proposal of the Ministry of Industry, following a report from the Inter-Ministerial Committee for the Environment and the Trade Union Organisation.

Article 6.

1. To improve and update the geological and mineral knowledge of the country, any legal or natural person or body of the Administration that undertakes work, of any type or for any purpose, which exceeds a depth of twenty-five metres below the surface of the ground on dry land or at any depth in underwater areas, consolidated or not, in addition to obtaining the relevant authorisations, must also inform the corresponding Provincial Delegation of the Ministry of Industry of the initiation of the works and provide the Geological and Mining Institute of Spain, upon its request, with the geological and mining data obtained from the work in question, and allow access to the works by the competent qualified staff designated by the Ministry of Industry, in order to verify said data or complete their recording.

2. The Regulation of this Law shall establish the time periods for which the confidentiality of the information obtained must be maintained, in each case.

CHAPTER TWO

Reserve zones held by the State

Article 7.

The State can reserve zones of any scale within the national territory, territorial waters and continental platform, in which the extraction of one or several mineral deposits and other geological resources may be of special interest for economic and social development or for national defence.

Article 8.

1. The reserve zones may be:

- a) Special, for one or several specific resources throughout the national territory, territorial waters and continental platform.
- b) Provisional, for the exploration and research of all or some of the resources in defined zones or areas.
- c) Definitive, for the extraction of the evaluated resources in specific zones or areas of a provisional reserve.

2. The special reserve zones shall be declared for a maximum period of five years, which can only be extended by Law.

3. The provisional or definitive reserve zones shall be established for the periods determined by regulation, which cannot be greater than those established in Articles 40, 45 and 62 of this Law for operating permits, research permits and mining concessions, respectively. A provisional reserve zone, or parts of it, cannot be declared definitive without the existence having been demonstrated of one or several reserved resources subject to rational extraction, in accordance with the criteria established in Chapter 4 of Title V.

Article 9.

1. The proposal for the declaration of a reserve zone may be agreed by the Ministry of Industry, on the initiative or application of any natural or legal person, and should be recorded in the record book held for these purposes by the Directorate-General of Mining, with the appropriate case being processed in the form and within the time period indicated by the Regulation. On registration of this case, the State shall acquire the priority right over the concessible land covered in the application, on condition that the case gives rise to the declaration of a reserved zone. The registration shall be published in the Official Gazette of the affected province(s).

2. The decision on the case shall be adopted by Decree, on proposal of the Ministry of Industry, following a report from the Geological and Mining Institute of Spain, the High Council of the Ministry of Industry, and any other relevant bodies, and in consultation with the Trade Union Organisation.

3. The declaration of the reserve zone shall give rise to the cancellation of any applications presented from the time of registration of the proposal for the reserved resource(s).

Article 10.

The reservation of zones held by the State shall not limit the rights acquired prior to the registration of reservation proposals by the applicants for or holders of exploration permits, research permits, direct concessions or concessions derived from the extraction of Section C) resources, or of authorisations for the extraction of Section A) and B) resources, without prejudice to the provisions of Articles 12, 58 and 62 of this Law.

Article 11.

1. Operations of exploration, research and extraction may take place in the reserved zones, in accordance with the degree of knowledge held about the reserved zones.

2. The exploratory phase shall be agreed by Order of the Ministry of Industry, upon report from the Ministry of Finance, and shall be conducted by the State or through its autonomous bodies or via contract with national or private companies.

3. Where knowledge of the zone allows or recommends the conduct of research activities, the Government, in consultation with the Trade Union Organisation, shall determine whether this is conducted:

- a) Directly by the State or through its autonomous bodies.
- b) By public competition between Spanish and foreign companies.
- c) By consortium between the State and the aforementioned Entities.

4. With any of the processes indicated, the right to extract the reserved resources shall be granted at the same time as the research is undertaken.

Article 12.

1. The State or the Entity to which any of the phases of the previous article has been entrusted can carry this out within the areas corresponding to the applications or holdings of pre-existing permits or concessions to which Article 10 refers, on condition that this development does not hinder the work of their holders. In the event of a dispute between the interested parties, it shall be resolved in accordance with the provisions of Articles 58 and 73 of this Law, depending respectively on whether it concerns research permits or mining concessions.

2. The stated holders shall be obliged to extend their research to the extent and within the time period required by the general research programme approved by the Government, which they can carry out themselves or by agreement with the Administration, or company or group of companies to whom the reserve zone has been allocated, or authorise the latter to do this directly, in the form indicated by the Regulation.

Article 13.

1. The Government may grant by Decree the direct extraction of the mineral deposits and other geological resources that it discovers as a result of its research in reserved zones, on proposal of the Ministries of Finance and the Ministry of Industry, in addition to the mines which it currently operates.

2. The rules on direct operation by the State shall be regulated, when thus granted by the Government, by Decree proposed by the Ministry of Industry, upon report from the Ministry of Finance and in consultation with the Trade Union Organisation.

3. When the Government decides not to manage the extraction of the resources which were researched directly by the State, and agrees to assign it by Decree, the allocation shall be decided by public competition between Spanish and foreign companies.

Article 14.

1. The reservation of zones held by the State may be cancelled at any time, in part or in full, or their conditions modified by the authority which has established them, upon compliance of the holders of the allocation, where any exist.

2. The corresponding provision shall be published in the Official State Gazette, as this publication is the starting point for the calculation of time periods, and in the Official Gazette of the affected province(s).

Article 15.

1. Exploration permits, research permits, direct operating concessions and authorisations for the extraction of resources other than those which gave rise to the reserve may be requested in reserved zones, and shall be granted, where applicable, with the necessary special conditions so that the works do not affect or disturb the research and extraction of the reserved resources.

2. When the reservation of a zone is cancelled, the permits, concessions and authorisations granted upon it shall become free of the special conditions imposed upon them due to the reservation, and the holders of the permits and concessions shall acquire the right to research, operate and extract the resources which are subject to them.

TITLE III
Regulation of the extraction of Section A) resources

Article 16.

1. The extraction of Section A) resources, when they are located in privately owned land, shall correspond to the owner of this land, except where the provisions of Article 89 apply in the event that the land owner is a foreign national, or for the legal or natural persons to whom these rights have been assigned, under the terms and conditions determined in this title, without prejudice to the provisions of Chapter 2 of Title II and Articles 20 and 21.

2. When the resources are located in land belonging to the State, Province or Municipality, their holders can extract them directly or assign their rights to others.

3. When they are located in land of public use and control, they shall be for common extraction.

Article 17.

1. To exercise the right to extract these resources, the appropriate operating authorisation must be obtained from the Provincial Delegation corresponding to the Ministry of Industry, in any of the cases described in the previous article and prior to the initiation of works, once the requirements of the Regulation of this Law have been met.

2. The Provincial Delegation, upon identification of the land and confirmation of its ownership, shall grant the operating authorisation, once the existing mineral resource has been classified, imposing the relevant conditions in order to protect the environment, as required.

3. The Government, on the proposal of the Ministry of Industry, shall indicate by Decree the technical conditions which the Orders of Local Authorities must contain in order to grant the operating authorisations referred to in Paragraph 1 of this article. Once the Orders have been approved, said Authorities may grant authorisations, reporting to the Provincial Delegation of the Ministry of Industry for their knowledge and oversight of compliance with the regulatory provisions in their field of competence.

Article 18.

1. The holder of the operating authorisation must begin the work, following their initial programme, within a period of six months from notification of the authorisation being granted, and inform the body that granted it of any suspension of the activity or changes to the initial programme, in cases where this is established by regulation.

2. A schedule of works must be presented annually to the body that granted the authorisation. Failure to present said plan shall be sanctioned by a fine, and in the event of re-occurrence without good reason, may lead to the termination of the authorisation by the body which granted it. The form and date of presentation of the schedule of works and the quantity of the fine shall be established by regulation.

Article 19.

Any extraction of Section A) resources included within the scope of this Law, for which the necessary authorisation has not been obtained, shall cause the competent authority to order the immediate suspension of the works, independently of any sanctions that may follow. The suspension shall remain in place until the situation has been legally resolved.

Article 20.

1. When justified by greater needs of national interest expressly declared by the Government, the State may itself take advantage of Section A) resources or assign their extraction via any of the processes set out in Article 11, independently of the powers granted by the Administration through the Law on Forced Expropriation.

2. To do this, the following conditions are required:

a) That the extraction has not begun or is suspended without authorisation, that the operation is insufficient or inadequate for the potential possibilities offered by this resource, or that repeat offences have been committed under the general rules or those which were declared in the authorisation in relation to work safety or environmental protection.

b) That once the operating programme has been developed by the Ministry, and the land owner, the legal possessor of the land or holder of the operation, where such a person exists, has been invited with sufficient legal assurances to carry out the operating programme out themselves or to have it carried out by a third party, they have declared their renunciation of this right or abandoned its execution within the time period indicated to them.

Article 21.

1. In the event that the State directly carries out the extraction of these resources or assigns it to third parties, the minimum conditions for this shall be those determined in the programme referred to in Article 20(b). The owners or legal possessors of the land shall have the right to receive payment of the corresponding compensation for the occupation of the surface area required to establish the extraction works and for any harm or damages caused to them by said works.

2. The value of the resources extracted or used shall not be subject to compensation, unless the deposits were already being extracted, in which case only the harm and damages applicable to the previous holder shall be payable, taking the conditions in which the extraction is taking place into account.

3. The occupation of the land and the setting of compensation shall be regulated in accordance with the Law and Regulation on Forced Expropriation and the Regulation of the present Law.

Article 22.

1. If authorisation is requested for Section A) resources, within the perimeter of a research permit or a concession to extract Section C) resources, or of an authorisation to extract Section B) resources, the compatibility of the respective works must be declared, in consultation with the interested parties, before authorisation is granted.

2. If the works are declared to be compatible, the extraction of the Section A) resources can be authorised.

3. If they are declared to be incompatible, it must be determined which ones are of greater public interest or use, and these shall prevail. If the extraction of the Section A) resources prevails, this shall be without prejudice to the rights of the holder of the extraction permit, concession or authorisation for the remaining surface area and, in any case, with the appropriate compensation, whose quantity shall be fixed in accordance with the procedure established in the Law on Forced Expropriation and with the rules determined by the Regulation of the present Law.

TITLE IV
Regulation of the extraction of Section B) resources

CHAPTER ONE

The resources

Article 23.

1. For the purposes of the present Law, mineral water sources can be classified as:
 - a) Medicinal mineral water, which has surfaced naturally or artificially, and has been declared of public utility due to its characteristics and qualities.
 - b) Industrial mineral water, which allows the rational extraction of the substances it contains.
2. Thermal springs are those with a surface temperature of more than four degrees centigrade above the annual average for the place where they appear.
3. Subterranean structure means any geological, natural or artificially produced deposit arising from the activities regulated by this Law, whose characteristics enable any product or waste poured or injected into it to be retained naturally and at depth.
4. Any accumulations consisting of waste from the activities regulated by this Law that are useful for the extraction of one or several of its components are deemed to be deposits included in Section B).

CHAPTER TWO

Authorisations for the extraction of Section B) resources

Section 1. Mineral and thermal water sources

Article 24.

1. The declaration of the mineral status of some specific water sources shall be a prior condition for the authorisation and for its extraction as such, which can be requested on the initiative or application of any person who meets the conditions established in Title VIII.
2. This declaration shall be made by decision of the Ministry of Industry, on proposal of the Directorate-General of Mining, following a report from the Geological and Mining Institute of Spain and the High Council of said Department.
3. For the classification and extraction of the water sources referred to in Item 1(a) of the previous article, the Directorate-General for Health must issue a report that shall be binding.
4. The ministerial decision shall be communicated to the interested parties and published in the Official State Gazette and in those of the corresponding provinces.

Article 25.

1. Except for the provisions of the following articles, the State shall concede the preferential right to extract the mineral water sources to their owner at the time their mineral status is declared. The owner may exercise this right directly in the form and under the conditions determined in this title or assign it to third parties.
2. The preferential right to extract the springs or water sources regulated by this Law, which are found on land in the public domain, shall correspond to the person who filed the proceedings to obtain the declaration of the mineral status of the water.
3. The preferential right of extraction shall expire one year after notification has been made of the ministerial decision referred to in Article 24, if this right has not been exercised.

Article 26.

1. To exercise the rights referred to in the previous article, the appropriate authorisation should be requested from the Provincial Delegation corresponding to the Ministry of Industry, presenting for this purpose, in addition to other documents specified in the Regulation, the general extraction plan, the budget of the investments to be made and the economic study of its financing, with the assurances provided on its viability. The designation or justification of the protection perimeter considered necessary shall also be presented, indicating the purpose for which the water is to be used.

2. The Provincial Delegation, upon determination of the perimeter land deemed adequate to guarantee sufficient protection of the aquifer, both in quantity and in quality, shall submit the case, with the proposal in question, to the Directorate-General of Mining, which shall authorise the extraction, where applicable, accepting or rectifying the proposed perimeter, following a report from the Geological and Mining Institute of Spain, and, where relevant, ruling on the modification of the plan presented.

3. In the case of medicinal mineral water sources, it has a binding obligation to inform the Directorate-General for Health, in relation to the indication to use the water for the stated purposes. Additionally, for all cases in relation to thermal and mineral water sources, they shall inform the Ministries of Public Works and of Agriculture in relation to other possible extractions that may be deemed to be of greater practicality. Where there is no agreement between the aforementioned Departments and the Department of Industry, the case shall be resolved by agreement of the Council of Ministers.

Article 27.

1. After the time period referred to in Article 25(3) has passed without the preferential right established in said article having been exercised, or the preliminary application in the relevant case having been rejected, the person or Entity that has initiated the declaration referred to in Article 24 shall enjoy a period of six months to apply for the extraction authorisation.

2. After this last time period has passed without an application having been made, or if the application is rejected, the State may open the extraction up for public competition, in the form established in Article 53, which shall be applicable with the necessary adaptations to adjust it to the characteristics of this category of cases. In any cases where an authorisation for mineral water source extraction expires, the same procedures shall apply.

3. In the case of Article 25(2), the extraction shall be granted via administrative concession.

Article 28.

1. The authorisation or concession to extract mineral water sources shall grant its holder the exclusive right to use the water, as well as to prevent work or activities within the established protection perimeter that may harm the normal extraction of the water. The implementation of any type of underground works within the stated perimeter must have the prior authorisation of the Provincial Delegation of the Ministry of Industry, without prejudice to any additional requirements in each case. Where the works affect the holder of the authorisation or concession, the implementers of it are obliged to compensate the holder.

2. The prior authorisation of the Provincial Delegation of the Ministry of Industry shall be necessary for the modification or expansion of the operation. Any modification to the installations initially approved, as well as any suspensions arising, should be communicated to said Delegation as required by law, for the appropriate decision to be made.

Article 29.

When the conditions of the authorisation or concession affect the rights of third parties not set out in the previous article, the holder of the authorisation or concession shall be obliged to pay the corresponding compensation. Where a compromise cannot be reached, the holder may request the application of the Law on Forced Expropriation for reasons of public utility.

Article 30.

Thermal springs intended for therapeutic or industrial use are classified as mineral water sources for all the purposes of Chapter 2(1) herein.

Section 2. Deposits of non-natural origin

Article 31.

The priority in the use of the waste obtained during operations of research, extraction or benefit corresponds to the holder of the mining rights where the waste was produced. If these deposits are located on land which was occupied under expired mining rights, the priority pertains to the owner or legal possessor of the land. In order to use the deposits, in this second case, authorisation must be obtained from the corresponding Provincial Delegation, in accordance with the following articles.

Article 32.

1. Any legal or natural person who meets the conditions established in Title VIII of this Law may obtain authorisation to use mining waste, by applying to the Provincial Delegation of the Ministry of Industry, with the requirements indicated by the Regulation.

2. The preferential rights referred to in the previous article shall expire within six months of the communication to its holders by the Provincial Delegation of the presentation of an application for use.

Article 33.

1. In addition to the documents specified in the Regulation, the authorisation application should include the presentation of the installation plan, an economic study establishing the investment plan and the social improvements expected, for which a report from the Trade Union Organisation is mandatory.

2. The Provincial Delegation, upon confirmation on the ground and once the public information period has passed, shall submit the case for a decision, with its report, to the Directorate-General of Mining, which may grant or deny the authorisation, imposing the necessary conditions in the first of the cases for the rational extraction of the waste and, in particular, appropriate measures for environmental protection.

3. The work to extract the waste should begin in the period of the year after notification of the authorisation being granted, and should not be suspended without prior authorisation. The authorisation may be terminated in the event of a re-occurrence of failure to comply with the agreed obligations.

Section 3. Subterranean structures

Article 34.

1. Any legal or natural person who meets the conditions established in Title VIII may obtain authorisation to use a subterranean structure. For this purpose, the person must present the corresponding application to the Provincial Delegation of the Ministry of Industry, by providing a project plan which demonstrates the practicality of said use, and the designation of the protection perimeter considered necessary, in addition to the documents indicated by the Regulation of this Law.

2. If the Delegation deems knowledge of the structure to be insufficient, it may authorise the applicant to conduct the work or activities necessary for its survey, within a time period of no more than two years and in accordance with a project plan that the Delegation shall accept, or otherwise, for which it shall recommend modifications. If the previous survey has expired or the time period granted has passed, the applicant must present the plan for use of the structure in the following six months.

3. Once the protection perimeter has been determined on the ground, the Provincial Delegation shall verify the practicality of the requested use, submitting the case, after public information, with the relevant proposal, to the Directorate-General of Mining which, with the reports of the Geological and Mining Institute, the High Council of the Ministry of Industry and the Inter-Ministerial Committee on the

Environment, shall authorise use, where applicable, for an initial time period sufficient for the plan and the structure, which can be extended for one or more periods, up to a maximum of ninety years. It may impose conditions that it deems relevant for rational use and request from the applicant the establishment of a security bond in the form and for the period stated in the Regulation of this Law.

4. When the storage capacity is exhausted, the structure shall be considered to be an exhausted resource, and the authorisation for its use shall be null and void, if used for waste, or in the event of changes to the conditions for its definition as a subterranean structure.

5. The Government can declare specific structures to be unusable for reasons of public interest, on the joint proposal of the interested Department(s) and the Department of Industry.

Article 35.

1. The authorisation to use one or several geological structures shall grant its holder the right to prevent any type of works or activities from being carried out within the established protection perimeter that may harm the normal use of the geological structures. The provisions of Article 28 of this Law shall apply with regard to the conduct of underground work or to the modification or extension of the extraction system of the installations initially approved.

2. The provisions of Article 29 are also applicable, on compensation for harm to the rights of third parties.

Section 4. Compatibility of operations

Article 36.

1. If an application is made for the extraction of Section B) resources within the perimeter of an authorisation to extract Section A) resources, or of Section B) extractions of a different nature, or for a research permit or a mining concession for Section C) resources, the Ministry of Industry must declare the compatibility or incompatibility of the respective works, in consultation with the interested parties, before authorisation is granted.

2. If the works are declared to be incompatible, the Government must determine which ones are of greater public interest or use, and these ones shall prevail.

3. If the extraction of the Section B) resources prevails, this shall be without prejudice to the rights of the holder of the authorisation, permit or concession for the remaining surface area within the perimeter that was not declared to be incompatible and, in any case, with the appropriate compensation arising, for which the quantity shall be fixed by the procedure established in the Regulation of this Law.

TITLE V

Regulation of the extraction of Section C) resources

CHAPTER ONE

Concessible land and registrable land

Article 37.

1. Exploration permits for Section C) resources shall be granted without excluding from their scope any land which is not concessible and registrable at the time when the application is presented, but their holders cannot conduct exploration on this land without the prior authorisation of the holders or contractors of the permits, concessions or reserves to whom said land belongs.

2. In order to grant the research permits and direct concessions for the extraction of Section C) resources, the land for which they are granted must fulfil the conditions of being concessible and registrable.

Article 38.

1. Land is deemed to be concessible where it is not included within the perimeter of a reserve zone of the State, proposed or declared for any type of Section C) resources, or within the perimeter of a land area for which an exploration permit, research permit or mining concession has already been granted.

2. With regard to reserve zones of the State for one or several specific resources, the land contained within them shall be deemed concessible for resources which are not reserved.

Article 39.

1. Land is deemed to be registrable when, in addition to being concessible, it contains the minimum surface area required.

2. The termination of a reserve or the expiry of an exploration permit, research permit or mining concession shall not grant the status of registrable to the land until the competition referred to in Article 53 has taken place.

3. Without prejudice to the foregoing, the Government can declare specific areas to be non-registrable for reasons of public interest, on the joint proposal of the interested ministerial department(s) and the Department of Industry, following a report from the Trade Union Organisation.

CHAPTER TWO **Exploration permits**

Article 40.

1. The Ministry of Industry may grant exploration permits, which confer the following rights on their holders:

a) Conducting studies and surveys in specific zones, through the application of techniques of any type that do not substantially alter the configuration of the land, and within the limitations established by the Regulation.

b) Priority in the application for research permits or direct mining concessions on land included within the perimeter of the permit which was concessible and registrable at the time of the exploration application.

2. Exploration permits shall be granted, without prejudice to any rights acquired by other previous applicants, for a period of one year, which can be extended for one more year at most, in the cases and under the conditions determined in the Regulation of this Law.

Article 41.

The priority for the processing of exploration permits shall be determined by the order of presentation of the applications.

Article 42.

1. The Ministry of Industry shall grant an exploration permit where it is deemed to be necessary or convenient, in accordance with the characteristics of the planned studies and surveys, determining the conditions, where relevant, that the Ministry deems applicable.

2. If a permit is denied, for a period of thirty days from the day following the notification, the applicant shall retain priority over other land included in the application which was concessible and registrable at the time of presentation. During said time period, the applicants may consolidate their rights through appropriate applications for research permits and, where relevant, direct mining concessions.

CHAPTER THREE

Research permits

Article 43.

Anyone who meets the conditions referred to in Title VII may, without prejudice to the preferential rights established in the previous chapter, conduct research work on Section C) resources, upon the corresponding permission being granted by the Ministry of Industry.

Article 44.

A research permit grants the holder the right to conduct studies and activities, within the demarcated perimeter and for a specified time period, intended to demonstrate and define one or several Section C) resources, and the right to be granted a mining concession for them once they have been defined.

Article 45.

Research permits shall be granted for the time period requested, which may not exceed three years. Said time period may be extended by three years by the Provincial Delegations of the Ministry of Industry and, exceptionally, for successive periods by the Directorate-General of Mining, taking into account the technical and financial solvency attested by the holder making the application; the scale and characteristics of the planned works; the geographical, geological and metallogenic context of the land subject to the application, as well as the activities developed, the investments made, the results obtained and the assurances maintained by the holder making the application.

Article 46.

The priority right in the application for research permits established in Article 40(1)(b) must be exercised within the time period determined by the Regulation, which must be no less than one month after the expiry of the original permit.

Article 47.

Research permits for registrable land shall be requested from the Ministry of Industry, through the corresponding Provincial Delegation, presenting for this purpose, in addition to other documents specified in the Regulation, the research project, which shall include the schedule of works, the budget of the investments to be made and the economic study of its financing, with the assurances provided on its viability.

Article 48.

1. The Provincial Delegation, upon review of the documentation presented and confirmation that the general conditions established in this Law have been met, may fully accept the project or request its modification, in part or in full, if it considers the scheduled research or the planned scientific and technical investments and resources to be insufficient or inadequate.

2. If the interested party does not accept the modifications imposed by the Provincial Delegation, the case shall be cancelled, and an appeal may be made to the Directorate-General of Mining within a period of one month from the date of communication, which shall rule in the following two months, following a report from the Geological and Mining Institute of Spain.

3. If the Provincial Delegation considers that the financing plan presented is not rationally viable, it shall require a security bond of ten per cent of the planned investment for the first year, which shall be returned to the applicant upon demonstration that the applicant has invested the difference between the security bond required and the planned investment for the first year of work.

4. In the event that the applicant does not provide the security bond in the form and time period set out in the Regulation of this Law, the case shall be cancelled.

Article 49.

1. The Administration may not grant research permits for the land included in the application where the case has been cancelled due to the applicant not accepting the conditions imposed, without setting, as a minimum, the same conditions for any subsequent applicant(s) for said land. However, it can modify them when the scale of the land that is subject to a new application is different to the content of the cancelled case.

2. A hearing shall be granted to applicants rejected for one of the causes indicated in Article 48, in relation to any subsequent case that includes all or part of the land in the initial application. This right shall expire within one year of the notification of cancellation, without prejudice to the applicant's right to request a viewing of any subsequent cases, at the appropriate time in the proceedings, after the publication referred to in Article 51 has been implemented.

Article 50.

When a case has been cancelled for any of the reasons set out in Article 48 and the land in question was included, in full or in part, within a reserve zone held by the State for all Section C) resources or for those appearing in the rejected application, the common part of the land shall be integrated into the reserve zone, without prejudice to any previous applications, in which case it shall be processed as a priority.

Article 51.

1. Once the documentation has been presented in the form established in Article 47, the Provincial Delegation shall definitively declare the application to have been approved, and shall publish it in the form established in the Regulation, so that all those with the status of interested parties can declare themselves party to the case within a period of fifteen days from the date of publication.

2. After said time period has passed, the Provincial Delegation shall implement a verification on the ground of the data presented, conducting demarcation operations in the form indicated in the Regulation of this Law.

3. If there is disagreement between the presented data and the verified data, the Provincial Delegation may impose the modifications set out in Article 35.

Article 52.

1. Once the case has been reviewed, and immediately before the decision proposal has been drafted, it shall be made available to the interested parties during the time period established in Article 91 of the Administrative Procedure Law, for them to make any claims and present the documents and justification that they deem relevant.

2. The Provincial Delegation shall issue a reasoned decision, upon consultation with the State Advocate of the respective province, if any opposition is made. In the event that no opposition is made, or any opposition is dismissed, it shall proceed to grant the research permit.

3. If the research permit affects the jurisdiction of various Provincial Delegations, the decision on the case shall be issued by the Directorate-General of Mining.

Article 53.

1. The granting of research permits on the land referred to in Article 39(2) shall be determined by public competition, for which the conditions, time period and requirements shall be established in the Regulation of this Law. As a minimum, the documentation shall include that which is indicated in Article 47 of this Law.

2. The bid selected from among those received shall be the one offering the most advantageous scientific and technical conditions and the greatest economic and social benefits.

3. In no case shall a competition be declared null and void if one bid compliant with the rules established in the call for bids is presented.

Article 54.

If the competition is declared to be null and void, the Provincial Delegation shall declare the land to be concessible and registrable, confirming this in the document of nullification, and shall publish it in the corresponding official gazettes, with the indication that applications may be made for it after eight days following its publication in the Official State Gazette.

Article 55.

Applications for research permits in land affected by any authorisation to extract Section A) or Section B) resources shall be processed in accordance with the rules established in the previous articles. It must also be determined whether the respective works are compatible or not, and if they are not compatible, which ones are of greater interest or public utility. If the extractions in question prevail, the permission to occupy the land included within their perimeter to conduct the work corresponding to research permits shall not be granted.

Article 56.

1. The holder of a research permit must begin the work within a period of six months from the date when the permit meets the conditions to occupy the land required for its execution, and the holder shall be obliged to continue the activity at the rate scheduled in the annual project plans or schedules of works.

2. For this purpose, within the period of four months from the same date, the holder must present the schedule of works to be executed in the first year to the corresponding Provincial Delegation, with the details specified in the Regulation of this Law.

3. A schedule of works must be presented annually to the Body in question. Failure to present said schedule shall be sanctioned by a fine, and in the event of re-occurrence without good reason, may lead to the termination of the permit by the Body which granted it. The form and date of presentation of the schedule of works and the quantity of the fine shall be established by regulation.

4. The initial plan and the subsequent ones shall be deemed to have been approved if the Provincial Delegation does not impose any modifications within a period of two months.

Article 57.

If a research permit holder does not reach agreement with the owners, the holders of other rights or the occupants of the land that is required for the development of the works or for access to them, the holder shall be obliged to initiate the relevant proceedings for temporary occupation within the period of two months from the date when the holder was notified of the research permit being granted.

Article 58.

1. For reasons of national interest, the State may invite the holder of a research permit to expand their works in order to locate resources other than those being researched, where other resources can be presumed to exist. In the event of failure by the holder to conduct said research, the State may declare the land to be a reserve zone for the resource(s) in question.

2. For the extension of the research, which shall be agreed in each case by the Council of Ministers, the provisions of Articles 20 and 21 of this Law shall be applicable, adding the permit holder to the reference made in them to the owner or legal possessor of the land.

Article 59.

The holder of a research permit can conduct any works required on the land included within it to improve knowledge of the potential resources, but cannot use the resources for any purposes other than research, without the express authorisation of the corresponding Provincial Delegation.

CHAPTER FOUR Extraction

Section 1. General rules

Article 60.

The right to extract Section C) resources shall be granted by the State by means of a mining concession with the form, requirements and conditions established in this Law.

Article 61.

For a mining concession to be granted, it is necessary for one or several Section C) resources suitable for rational extraction to have been demonstrated.

Article 62.

1. The mining concession shall be granted for a period of thirty years, which can be extended by periods of equal length up to a maximum of ninety years. To obtain each extension, the regulatory proceedings must demonstrate the continuity of the resource or the discovery of a new one, as well as the update of the extraction techniques in line with technological progress. Without prejudice to the foregoing, the concession shall be terminated for the reasons established in Article 86 of this Law.

2. The granting of a mining concession shall confer on its holder the right to extract all of the Section C) resources which are found within its perimeter, except any which have previously been reserved for the State.

3. The concession shall always be granted for a fixed and specific area, measured in complete mining grid cells, except in the case of the extrusions referred to in Transitional Provision 7 of this Law.

4. On one piece of land, no more than one single concession may be granted for the extraction of Section C) resources.

5. The concession holder must immediately report the discovery of resources of presumed interest, other than those for which the concession was granted, to the corresponding Provincial Delegation, and may begin to extract them or expressly renounce this right. In the latter case, the State may reserve the right to extract them, following the relevant proceedings, as established in the Regulation of this Law.

Section 2. Direct mining concessions

Article 63.

A mining concession may be applied for directly without the need to obtain a research permit in advance in the following cases:

a) When a Section C) resource is demonstrated such that knowledge of it is considered sufficient and its rational extraction is considered viable.

b) When for resources that are sufficiently well known through expired mining rights, data and proof exists that enable their extraction to be defined as a consequence of technical improvements or new market prospects.

Article 64.

1. Direct mining concession applications shall be processed in the same way as research permit applications. The provisions of Chapter 3 of this title and the specificities corresponding to this category of applications shall be applicable.

2. In addition to the documentation referred to in Article 47, in which the research project is replaced by a project to extract the resource in question, a technical report must be presented that justifies proceeding with the application as a direct concession.

Article 65.

1. Once the case has been processed and issued as public information, the Provincial Delegation shall submit it, with a report, to the Directorate-General of Mining, which, in the event that it has not been opposed or dismissed, shall grant or reject the concession, upon report from the Geological and Mining Institute of Spain.

2. If the concession is rejected, due to the existence of the resource(s) in question having been insufficiently demonstrated, the applicant shall have a period of sixty days to apply for a research permit on the land, for the resources which are subject to the application.

3. The Directorate-General of Mining may grant the mining concession for a surface area smaller than that requested, always respecting the minimum requirement, if it considers that the resource subject to the application does not justify a concession for the entire area of land, without prejudice to the applicant launching proceedings for a research permit for the remaining surface area, within the time period indicated in the previous paragraph.

Article 66.

The rules contained in Articles 70 to 74 of this Law shall be applicable to direct mining concessions, and any conditions considered relevant may be imposed, including those intended for environmental protection, referred to in Article 69(1).

Section 3. Mining concessions derived from research permits

Article 67.

As soon as the research sufficiently demonstrates the existence of Section C) resource(s), within the validity period of the research permit, its holder may apply for a mining concession for all or part of the land included within the research perimeter.

Article 68.

1. Mining concession applications should be made to the Directorate-General of Mining, through the corresponding Provincial Delegation, presenting for this purpose, in addition to other documents specified in the Regulation, the resource extraction plan in question, which shall include the schedule of works, the budget of the investments to be made and the economic study of its financing, with the assurances provided on its viability.

2. If the documentation presented meets the regulatory requirements and the plan is deemed sufficient for the rational extraction of the resource defined by the research conducted, the Provincial Delegation shall verify its existence on the ground, and also the area applied for within all or part of the area of the original permit, implementing the corresponding demarcation, where relevant.

Article 69.

1. The Provincial Delegation shall submit the case, with its report, to the Directorate-General of Mining, which shall grant or reject the mining concession, and may impose any special conditions it deems to be relevant, including those intended for environmental protection.

2. In the event that the concession is rejected because the research failed to demonstrate the existence of resources, the research can continue until the corresponding permit has expired.

3. The Directorate-General of Mining may grant the concession for a surface area smaller than that requested, always respecting the minimum requirement, if it considers that the resource discovered does not justify a concession over the whole land area, with the remaining surface area subject to the provisions of the previous paragraph.

4. The decisions referred to in the previous paragraphs shall complete the government proceedings and must be issued by the Directorate-General of Mining within a period of sixty days. They will be communicated to the respective Provincial Delegations, which will notify the interested parties.

Article 70.

1. The holder of a mining concession shall begin the extraction work within a period of one year from the date when said concession was granted, and must present the schedule of works and installations to be implemented in the first year to the Provincial Delegation of the Ministry of Industry, within a period of six months from the same date.

2. A schedule of works must be presented annually to the body in question. Failure to present said schedule shall be sanctioned by a fine, and in the event of re-occurrence without good reason, the concession may be terminated by the Directorate-General of Mining. The form and date of presentation of the schedule of works and the quantity of the fine shall be established by regulation.

3. The planned works must be proportionate to the size of the resource in terms of technical, economic and social means.

4. The Provincial Delegation shall approve or order the modification of the plan presented, and it shall be deemed to have been approved if no modifications have been ordered within three months.

Article 71.

1. The works should be conducted in accordance with the approved project plan or schedule of works. Their launch cannot be delayed and they cannot be suspended without the prior authorisation of the corresponding Provincial Delegation or the Directorate-General of Mining, following the conditions set out in the Regulation of this Law.

2. When the Administration authorises the temporary suspension of the works, for which the report of the Trade Union Organisation shall be required, the work of conservation, supervision, ventilation and drainage should continue, where relevant.

Article 72.

When a legal or natural person is the holder of various mining concessions for the same resource, in the case of mineral resources in the same metallogenic zone, the simultaneous extraction of all the resources shall not be mandatory, as long as the person obtains the corresponding authorisation from the Directorate-General of Mining to concentrate the work in one or several of the concessions. In any case, it should be demonstrated that the level of importance of the operations is proportionate to the resources contained in the concessions for which the person is the holder, and the social and economic impact of the extraction on the nation should also be demonstrated. The relevant proceedings must be undertaken in the form established by regulation.

Article 73.

1. For reasons of national interest, the State may oblige the concession holders to expand their research or to conduct the extraction in the form and to the extent considered suitable for said interest, and may even require that the metallurgical and mineralogical processing and benefit take place in Spain, following the provisions of the National Plans for Mining Research and the Mining Reassessment in this regard. For this purpose, the Administration shall provide the necessary means, where possible and appropriate, in the form established in the Regulation of this Law.

2. The Ministry of Industry, following a report from the High Council of the Department, from the Geological and Mining Institute of Spain and from the Trade Union Organisation, shall submit the relevant measures, in each case, to the Council of Ministers, to make the fulfilment of the obligation viable.

3. Failure by the concession holders to accept or comply with the agreements of the Council of Ministers shall lead to the termination of the respective concessions, and shall entail, where applicable, the expropriation of the existing installations.

Article 74.

1. The mining concession holders shall notify the Provincial Delegation of the Ministry of Industry of any collection of water they undertake as a consequence of the works carried out, where underground springs that surface can be used for mining purposes, unless, due to classification under Section B), they are considered by the Administration to be of greater utility for other purposes. In addition, the springs can be used for other purposes, made available to the State, or discharged into public channels, following the relevant authorisations, paying particular attention to environmental protection.

2. If the planned works could affect the system of springs and water sources in any way, the Provincial Delegation, in consultation with the competent Bodies, shall make approval of the works conditional upon specific provisions to guarantee the conservation of the springs and water sources, and shall require, where applicable, the security bond established by regulation.

3. When water that feeds into springs, water sources or pre-existing uses of any type which are duly compliant is cut off, or when aquifers are harmed, the concession holders shall be obliged to restore the affected water in quantity and in quality, and in any case, to pay the corresponding compensation for the harm and damages caused, independently of any legal liability that they may incur.

CHAPTER FIVE

General conditions

Article 75.

1. For the purposes of this Law, a mining grid cell shall be defined as the volume of indefinite depth whose surface area lies between two parallels and two meridians, with a separation of twenty sexagesimal seconds, which must correspond to whole degrees and minutes and, as applicable, with a number of seconds that must necessarily be twenty or forty.

2. Mining grid cells shall be indivisible, with the exception of the extrusions referred to in Transitional Provision 7 and surface areas which do not complete a grid cell, where one side is extended by the prolongation of meridians or parallels to the boundary lines of the national territory or the territorial waters.

Article 76.

1. Exploration or research permits and mining concessions shall be granted for a fixed and specific area, and measured in mining grid cells that are grouped continuously, such that those with a common point are linked throughout the longitude of at least one of its sides.

2. The perimeters of research permits and mining concessions must be applied for and defined using geographical coordinates, taking the intersection of the meridian with the parallel that corresponds to one of the vertices of the perimeter as the starting point, such that the surface area is made up of one or several mining grid cells. The longitudes shall refer to the Madrid meridian.

3. The minimum scale of an exploration permit shall be three hundred grid cells, and must not exceed three thousand, with an approximate tolerance of ten per cent. It should be designated and defined by two meridians and two parallels expressed in degrees and sexagesimal minutes, constituting a quadrilateral surface area lying between the set boundaries, where any of the four intersections shall be taken as the starting point. The scale in longitude and latitude up to the boundary lines referred to in Article 75(2) shall be applicable.

4. The minimum scale of a research permit and of a mining concession shall be one mining grid cell. The permit may not exceed three hundred grid cells and the concession may not exceed one hundred grid cells.

5. The signs that must be posted on the land for the purposes of this article shall be deemed as geographical, and declared to be of public utility. The Regulation of this Law shall determine the rules for their maintenance and access.

Article 77.

Each Provincial Delegation shall keep a record book of applications for exploration permits, research permits and direct mining concessions, in which applications shall be recorded strictly in the order in which they were presented.

Article 78.

1. The costs arising from the processing of permits for exploration and research and for direct and indirect concessions shall be borne by the applicants, and the amount shall be set in the Regulation of this Law.

2. The granting of the aforementioned permits and concessions shall be published in the Official State Gazette and in the Official Gazette of the corresponding province(s).

Article 79.

The applicants for or holders of exploration permits, research permits and mining concessions may renounce their rights at any time over all or part of the grid cells applied for or granted, on condition that, if the renunciation is partial, the minimum number of grid cells required is maintained.

Article 80.

1. The holders of permits and mining concessions shall be obliged to facilitate the drainage and ventilation of nearby or adjacent mining works, and allow the passage of roads or tunnels for access, traffic or transport that do not essentially affect the works, upon agreement with the interested parties.

2. The agreement shall be subject to the approval of the Provincial Delegation, and shall be deemed granted if the Provincial Delegation does not communicate to the parties any modifications it considers appropriate to ensure the most effective extraction of the resources, within a period of thirty days. Where no agreement is reached, the Provincial Delegation shall submit the proceedings, with its report, to the Directorate-General of Mining, which shall make a decision within a period of two months.

Article 81.

Any holder or possessor of mining rights recognised in this Law shall be responsible for any harm or damages caused by their works, as well as those affecting adjacent extractions due to intrusion of works, accumulation of water, gas intrusion and other similar causes, and for any violations of the environmental protection regulations established when the rights were granted, which shall be sanctioned in the form indicated in the Regulation, and may lead to termination of the rights in the event of a serious infringement.

TITLE VI

Expiry of cases and cancellation of registrations

Article 82.

1. Cases which are processed in order to grant the authorisations, permits or concessions referred to in this Law shall expire due to the reasons which are expressly indicated therein and the provisions of the Administrative Procedure Law.

2. When a case expires, this shall be recorded as such in the corresponding record book. In the event that the expiry is not due to a favourable decision, the registration shall be cancelled.

3. The expiry of a case processed by the Local Authorities shall be communicated to the respective Industry Delegation.

TITLE VII

Terminations

Article 83.

Authorisations for the extraction of Section A) resources and for the extraction of Section B) resources shall be declared terminated:

1. Due to voluntary renunciation of the holder, accepted by the Administration.
2. Due to failure to pay mining taxes, where this entails termination, following the provisions by which they are regulated, and in the form established therein.
3. Due to failure to start the works within the period of six months from the date when the authorisation was granted, or before the end of any extensions which have been granted for this purpose. For mining waste, the time period shall be one year.
4. Due to ongoing suspension of the works for more than six months without authorisation from the corresponding Provincial Delegation of the Ministry of Industry.
5. Due to exhaustion of the Resource.
6. Due to the premises set out in the articles of this Law, where this entails termination, or failure to comply with the conditions imposed in the authorisation or in the annual schedule of works, where this failure is expressly punishable by termination.

Article 84.

Exploration permits shall be declared terminated:

1. Due to any of the reasons set out in Article 83(1), 83(2) and 83(6).
2. Due to failure to start the works or carry out the studies, explorations or surveys within the time periods, in the form and at the rate required.
3. Due to expiry of the time periods for which they were granted or, where applicable, the extension agreed, without prejudice to the processing of applications for research permits or direct mining concessions to which they may give rise.

Article 85.

Research permits shall be declared terminated:

1. Due to any of the reasons set out in Article 83(1), 83(2) and 83(6).
2. Due to expiry of the time periods for which they were granted or, where applicable, the extension agreed, unless during said time period an application has been made for the related mining concession, in which case the permit shall be automatically extended until a decision is reached on the concession application.
3. Due to a Section C) resource suitable for rational extraction not having been found by the end of the permit's validity period.
4. Due to failure to start or carry out the works within the time periods, in the form and at the rate required.
5. When, after suspension of the works without the prior authorisation of the Provincial Delegation, they are not relaunched within a period of six months from the relevant requirement. In the event of re-occurrence of an unauthorised suspension of works, the termination shall be decreed without need for any prior requirements.

Article 86.

Mining concessions for Section C) resources shall be declared terminated:

1. Due to expiry of the time periods for which they were granted or, where applicable, the extension agreed.
2. Due to any of the reasons set out in Article 83(1), 83(2), 83(5) and 83(6).
3. Due to a serious violation or, where applicable, repeat violation of the obligations imposed by Article 62(5) or Articles 70 and 71.
4. When, after suspension of the works without the prior authorisation of the Provincial Delegation or the Directorate-General of Mining, as applicable, they are not relaunched within a period of six months from the relevant requirement. In the event of re-occurrence of an unauthorised suspension of works, the termination shall be decreed, in consultation with the Trade Union Organisation, without need for any prior requirements.

Article 87.

1. Independently of the reasons indicated in the previous articles of this chapter, the Government, on proposal of the Ministry of Industry and in consultation with the Trade Union Organisation, may grant the termination due to serious or repeated infringement of the conditions contained within the document granting the authorisation, permit or concession, or rules of mandatory observance on harm to public order or the national interest.
2. The terminations referred to in this chapter shall be decreed with regard to the rights of recognised third parties under the current legislation, particularly in relation to labour laws.

Article 88.

The Minister of Industry is responsible for agreeing the terminations referred to in Articles 83 and 87, in the form established by regulation. The holder shall be obliged to deliver the works in safe conditions and once this requirement has been met, may freely dispose of any machinery and installations it owns.

TITLE VIII **Conditions to be a holder of mining rights**

Article 89 to 93.

(No content)

TITLE IX **Transfer of mining rights**

Article 94.

1. The rights granted by an authorisation for Section A) resources or for the extraction of Section B) resources may be transferred, leased out, or encumbered, in whole or in part, by any means accepted in Law, to persons who meet the conditions established in Title VIII.
2. To do this, the appropriate approval must be requested from the Provincial Delegation of the Ministry of Industry, accompanied by the draft contract to be signed or the corresponding transfer document and the documents demonstrating that the acquirer meets the stated legal conditions.
3. Once the sufficient legal status of the assignee has been confirmed, the granting body shall, where applicable, grant authorisation, considering the transferee to be the legal holder for all purposes, once the corresponding public or private document has been presented and payment of the applicable tax has been made.
4. The application for transfer of the rights arising from an authorisation to extract Section A) resources granted by a Local Authority shall be determined in accordance with the conditions set out in the Order in force, reporting to the Provincial Delegation.

Article 95.

1. Exploration and research permits may be transferred, in whole or in part, by any means accepted in Law, to persons who meet the conditions established in Title VIII.

2. To benefit from this right, authorisation must be requested from the authority that granted the permit, via proceedings presented to the competent Provincial Delegation, accompanied by the draft contract to be signed or the corresponding transfer document, as well as the documents demonstrating that the acquirer meets the aforementioned legal conditions, and the reports and studies referred to in Articles 47 and 48, with the assurances provided on its viability.

3. The Provincial Delegation or the Directorate-General of Mining, as applicable, shall grant the authorisation once the sufficient legal status of the acquirer has been confirmed, as well as their technical and economic solvency and the viability of the financing plan, recording the transfer of rights when the corresponding public deed is formally presented and payment of the applicable tax is made.

4. If the economic solvency of the assignee is deemed insufficient or the proposed financing plan is not deemed to be rationally viable, the security deposit referred to in Article 48 may be requested.

5. If the transfer does not affect the entire permit, the demarcation of the various perimeters shall be undertaken, and the permit divided into two or more, on condition that each one maintains the minimum requirements.

Article 96.

1. The permit holders may contract third parties to conduct all or part of the exploration or research activities, giving prior notification to the Provincial Delegation, with a copy of the established agreement. The Provincial Delegation shall give its approval or raise any objections to it.

2. In any case, the activities shall be under the direction of a Technical Director who is officially responsible for them.

Article 97.

1. The rights granted by a mining concession for Section C) resources may be transferred, leased out, or encumbered, in whole or in part, by any means accepted in Law, to persons who meet the conditions established in Title VIII, subject to the procedure established in Article 95.

2. The presumed rights of an application being processed for a concession arising from the operation may also be transferred, with prior authorisation of the Directorate-General of Mining.

3. The provisions of Article 96 shall be applicable to mining concessions, when contracting out extraction activities.

Article 98.

For bequeathed transfers of any mining rights, the competent Provincial Delegation of the Ministry of Industry must be informed, within a period of one year after the death of the originator, in order to obtain the authorisation referred to in Articles 94, 95 and 97 of this Law.

Article 99.

The concession holder may not lease out or assign, in return for consideration or payment, the operation of certain levels of extraction or of one or several Section C) resources while maintaining or reserving rights over other levels or resources, unless specifically authorised by the Directorate-General of Mining, following a report from the corresponding Provincial Delegation of the Ministry of Industry.

Article 100.

1. If the transfer is formalised before the required authorisation mandated in the previous articles is requested, its administrative effect shall be subject to the granting of said authorisation.

2. It shall be stated in the corresponding contracts or transfer documents that the acquirer, leaseholder, or person who has acquired a mining right in any way, shall be subject to the conditions established for the granted right, permit or concession in question and, in any case, to the provisions of this Law and its Regulation, and that the mining rights holder also has a commitment to carry out the schedules of works already approved and to fulfil all the obligations corresponding to the mining rights holder.

Article 101.

The authorisations regulated by this title shall be solely for administrative purposes and shall not affect rights and obligations under civil law.

TITLE X

Temporary occupation and forced expropriation of land Article 102.

Those who conduct the extraction of Section A) resources may rely on the provisions of the Law on Forced Expropriation to occupy the land necessary for the establishment of the corresponding works, installations and services, following the relevant declaration of public utility, which shall indicate the form of the occupation.

Article 103.

1. The holder of an exploration permit or the contractor for the exploratory phase of a provisional reserve zone shall have the right of temporary occupation of the registrable land required to complete the operations defined in Article 40.

2. The granting of the permit shall implicitly entail the right referred to in Article 108(1) of the Law on Forced Expropriation.

Article 104.

1. The holder of a research permit and the contractor for a provisional reserve zone shall have the right of temporary occupation of the land required to complete the works and the corresponding services.

2. The granting of the research permit and the establishment of a provisional reserve zone shall implicitly entail declaration of the public utility of both of these actions, to ensure they are covered by Article 108(1) and 108(2) of the Law on Forced Expropriation.

3. The approval of the project and the initial and annual plans referred to in Articles 47 and 48 of this Law shall implicitly entail declaration of the need to occupy the land, if the conditions established in Article 17(2) of the Law on Forced Expropriation have been fulfilled.

4. Where the validity of a research permit or a provisional reserve zone is extended, the right of temporary occupation of the land required for the works and services shall be automatically extended, without prejudice to any new compensation that may arise due to the extended duration of the occupation.

Article 105.

1. The legal holder of a mining concession, as well as the contractor of a definitive reserve zone, shall have the right of forced expropriation or temporary occupation of the land required to establish the works, installations and services.

2. The granting of a mining concession and the declaration of a provisional reserve zone shall implicitly entail declaration of their public utility, and their inclusion within the premises of Article 108(2) of the Law on Forced Expropriation.

3. The approval of the project and of the initial and annual plans referred to in Articles 68 and 70 shall implicitly entail declaration of the need to occupy the land, if the conditions established in Article 17(2) of the Law on Forced Expropriation have been met.

4. When the legal holder needs to initiate proceedings for expropriation or temporary occupation, the period of one year set in Article 70 for initiating the works shall be extended, where applicable, to two months after the date of occupation of the land, on condition that the proceedings for expropriation or temporary occupation were initiated within a period of six months from notification of the concession being granted.

Article 106.

1. The holder of an authorisation to extract Section B) resources shall have the right of temporary occupation or forced expropriation of the land required to establish the works, installations and services.

2. For this purpose, the granting of an authorisation to extract resources will entail the declaration of public utility, as well as its inclusion in the case of Article 108(2) of the Law on Forced Expropriation.

3. In the event that the holder of an authorisation or operating concession for mineral water sources is different from the owner of the sources when they were considered to be substantive or common water sources, the value of the common water sources which said owner was using shall also be subject to compensation, unless the holder of the authorisation replaces them with an equivalent volume.

4. The holder of the authorisation or concession shall compensate the owners or users of the land included within the protection perimeters referred to in Articles 26 and 34(1), where applicable.

Article 107.

1. The processing of cases of temporary occupation and other damages and of forced expropriation referred to in this title shall be conducted in accordance with the provisions of the Law on Forced Expropriation, for any matters not set out in the present Law and its Regulation.

2. The need for occupation shall be determined by the corresponding Provincial Delegation of the Ministry of Industry. A higher appeal may be made against this decision within the period of fifteen days to the Directorate-General of Mining, for the purposes set out in Article 22 of the Law on Forced Expropriation.

TITLE XI

Mining precincts

Article 108.

In order to achieve more effective extraction of resources, the State shall promote the creation of mining precincts, which shall mean the pooling of interests of the holders of operating rights in various zones of the same deposit or various deposits, located in a way that enables the joint use of all or part of the services required for their extraction. The State shall grant these precincts the established fiscal benefits or those established in the relevant provisions, among other incentives.

Article 109.

1. The holders of mining rights who are interested in the creation of a precinct can apply to the Ministry of Industry, for joint services of drainage, ventilation and transport, as well as for the joint use by the beneficiary companies of the content of Title XII of this Law.

2. They may also request the creation of mining precincts for more profitable extraction, by adding, separating or even breaking up authorisations and concessions if required, in order to establish a mining entity that enables greater efficiency of extraction, simplification or reduction in installations, or facilitating output of the products.

3. The request, which should be presented to the corresponding Provincial Delegation of Industry, must be accompanied by: the technical plan which demonstrates the benefits to be derived from the creation of the precinct, with an explanation of its technical and economic conditions, and their social implications; the draft agreement between the interested parties, the statutes which govern it and the schedule of works to be carried out, as well as an indication of the support requested from the State to implement said works. The Delegation of Industry shall publish the application in the Official Gazette of the

corresponding province(s) and once the relevant information has been provided and the Trade Union Organisation consulted, the case shall be submitted, with its judgement, to the Directorate-General of Mining. The Directorate-General shall propose the applicable decision to the Minister, and once it has been communicated to the interested parties and published in the Official State Gazette, the government proceedings shall be complete.

Article 110.

1. The state may require the creation of precincts by the legal holders of rights to extract resources that have been declared of national interest as a result of the studies set out in Article 5(1), or when the lack of unity of systems in adjacent or nearby extractions belonging to different holders may affect the safety of the works, the integrity of the surface area, continuity of the resource or environmental protection, or when it would result in more effective extraction of the resources.

2. Proposals for the creation of a mandatory precinct must be submitted to the Directorate-General of Mining, either by the departments reporting to it, or by other bodies that deal with mining, or by the holders of mining rights who wish to create a more profitable precinct for extraction. In the first two cases, the proposal must be accompanied by a plan demonstrating the practicality of the precinct creation, with an explanation of the support that may be granted to it. In the case of rights holders, the documents indicated must also be accompanied by one demonstrating the economic means available to them for the purposes of the new entity.

3. Directorate-General of Mining shall proceed, where applicable, to process the case, submitting it to the corresponding Provincial Delegation for notification of the interested parties, which may make any observations they consider relevant within a period of sixty days. After this time period, the Provincial Delegation shall submit the case, with its report, to the Directorate-General, which shall propose the applicable decision to the Minister.

4. The Minister of Industry, after consultation with the Geological and Mining Institute of Spain, the Higher Council of the Department, the Trade Union Organisation and the interested bodies, shall submit the proposed Decree for approval to the Council of Ministers.

Article 111.

1. If the creation of a precinct is declared mandatory, within a period of six months from the agreement to create it, the interested parties must form a consortium for its extraction, which shall be governed by Statutes approved by all the holders of mining rights, and where agreement cannot be reached, by the decision of the Directorate-General of Mining after consultation with the interested parties. Said consortium shall perform the administration and management of the Company.

2. If the time period set out in the previous paragraph passes without the obligations indicated about the formation of the consortium having been implemented, this shall automatically entail the imposition of fines of the quantity and in the form determined in the Regulation of this Law, up to a maximum limit of 100,000 pesetas. When the sanction is agreed, a new time period of no more than three months shall be granted to form the consortium, and if the new term passes without due implementation, the Ministry of Industry shall launch proceedings for the termination of the authorisations or concessions whose holders have failed to comply.

TITLE XII

Beneficiary companies

Article 112.

1. To set up a company intended for the preparation, concentration or use of resources, prior authorisation must be obtained from the Directorate-General of Mining, via proceedings presented to the Provincial Delegation of the Ministry of Industry, accompanied by the installation plan and the basic study used to prepare it.

2. The Regulation of this Law shall govern the processing of the case and the intervention and supervision of the Administration. The report of the Geological and Mining Institute of Spain shall be

required to establish suitable procedures to ensure the rational extraction of resources, and the adoption of suitable technical measures for environmental protection.

3. With regard to transformation facilities that are functionally linked to the beneficiary companies, the relevant authorisations shall be granted by the Bodies of the Administration to which said competence has been attributed, in accordance with the provisions in force.

Article 113.

The owners of the companies to which this title refers may rely on the provisions of the Law on Forced Expropriation, when advisable due to their size or for reasons of national interest, following the declaration of public utility granted by the Council of Ministers on proposal of the Minister of Industry.

TITLE XIII

Administrative competency and sanctions

Article 114.

1. The documents dictated in execution of the present Law shall be governed, according to their nature, by the precepts of this Law and the regulatory provisions; they shall also be governed by the remaining rules of Administrative law, and in their absence, by Private law.

2. Any cases opened in application of this Law shall be processed by the corresponding Provincial Delegation of the Ministry of Industry. The administrative decision of final appeal shall be made by the Directorate-General of Mining, the Minister of Industry, or the Council of Ministers, in accordance with the provisions of this Law.

3. Any questions arising among the holders of mining rights or between them and the affected third parties, resulting from a conflict of interest due to the incompatibility of demarcation, superimposition, rectification of demarcation perimeters, or protection and intrusion of works, shall be of the same category, with the same administrative proceedings.

Article 115.

1. The intervention of the Courts of ordinary jurisdiction in matters of criminal or civil law attributed to their competency shall not interrupt the administrative processing of cases or the continuity of works, and nor shall the exercise of the management or monitoring functions of the Administration.

2. When the Courts order the embargo of the output of the extractions, in relation to resources that must legally be made available to the State, only the Amount resulting from their official evaluation can be embargoed, as delivery of them is made.

Article 116.

1. No administrative authority other than the Minister of Industry can suspend works for the extraction of resources that have been authorised in accordance with the provisions of this Law. Duly authorised exploration or research works can be suspended by the Minister of Industry or the Directorates-General reporting to the Minister.

2. The Provincial Delegations of Industry, in urgent cases where personal safety, the integrity of the surface area, the conservation of the resource or the installations, or environmental protection may be in danger, and in the case of intrusion of works beyond the perimeters granted, may provisionally suspend the works, reporting to their superiors, who shall confirm or lift the suspension within a maximum period of fifteen days, without prejudice to the recognition of the economic and labour rights that may correspond to the affected staff, or the processing, in consultation with the interested parties, of the final decision on the fundamental question raised.

3. The provisions of this article shall apply without prejudice to the functions and competencies that the provisions in force confer upon the Work Inspectorate.

4. When the suspension is agreed for reasons not attributable to the rights holder, the authorisation, permit or concession shall be extended by the time period of the suspension.

Article 117.

1. The Ministry of Industry is responsible, in the form established by regulation, for the inspection and supervision of all works of exploration, research, operation and extraction of the resources regulated by this Law, and also of the beneficiary companies and the products obtained, without prejudice to the competencies that the legislation in force confers upon other Bodies of the Administration. The stated functions of inspection and supervision with regard to the prevention of accidents at work and occupational illness, and precise compliance with occupational health and safety rules, are restricted to mining operations of any type and to any works regulated by this Law which require the application of mining techniques.

2. Exploration and research activities must be planned and managed by Mining Engineers, Geological Science graduates, Mining Technical Engineers, Mining Experts or Mining Technicians. When said works have a basic requirement for the use of geophysical or geochemical techniques, these skills shall be extended to include graduates of Physics and Chemistry, as well as other university degrees recognised to have the corresponding specialisation. In any case, operations which may affect the safety of goods or persons, or which require the use of explosives, must be managed by Mining graduates.

3. Extraction activities must be planned and managed by Mining graduates, in accordance with their respective skills.

Article 118.

To be an expert in the administrative proceedings undertaken in matters pertaining to this Law shall require one of the qualifications listed in paragraphs 2 and 3 of the previous Article, in the field of the expert's respective skill.

Article 119.

The Provincial Delegations of the Ministry of Industry, upon request of the interested party and the proceedings set out in the Regulation of this Law, shall be responsible for declaring the existence of an intrusion of works and the relevant measures, or its non-existence.

Article 120.

When proceedings are brought before the Courts in relation to a dispute between the holder or possessor of a mining right and a third party laying claim to it, the latter shall retain any corresponding right after a ruling in its favour, even when the former has relinquished its rights to the authorisation, permit or concession or given rise to a declaration of their termination, on condition that these actions have taken place subsequent to the legal claim, settlement proceeding or notarised request. For this purpose, the formal communication of the plaintiff's claim to the Provincial Delegations of Industry shall be required.

Article 121.

1. Committing a serious infringement with knowledge of circumstances of re-occurrence or serious risk to persons or the environment shall be deemed to be a very serious infringement.

2. Any of the following shall be a serious infringement:

a) Engaging in any resource extraction activity regulated by this Law without the corresponding authorisation or concession.

b) The intrusion of works and engaging in any extraction beyond the authorised perimeter.

c) Failure to present the Schedule of Works in the time period and with the content established by regulation.

d) Engaging in activities regulated by this Law without the Project Managers referred to in Article 117.

e) Inadequate conservation and maintenance of operations and installations, if this may result in a serious risk to persons or the environment.

f) Failure to meet the obligations included in a Restoration Plan without authorisation from the body that approved it, including the obligation to establish and maintain sufficient assurance of compliance with it, to the extent and within the time period established.

g) Those which carry a risk to persons or the environment due to failure to comply with mining safety.

h) Committing a minor infringement with knowledge of circumstances of re-occurrence or serious risk to persons or the environment.

3. Failure to meet any of the obligations arising from this Law and the applicable regulatory provisions, the approved Schedule of Works or a requirement imposed for compliance with this Law by the competent body shall be deemed a minor infringement, on condition that it is not represented in sections 1 or 2 of this article.

4. Infringements of the precepts of this Law, without prejudice to any declaration of termination or suspension of works where applicable, shall be subject to the following sanctions:

1. Sanctions of very serious infringements, with fines of up to one million euros.

2. Sanctions of serious infringements, with fines of up to three hundred thousand euros.

3. Sanctions of minor infringements, with fines of up to thirty thousand euros.

5. To determine the amount of the sanctions, the following circumstances shall be taken into account:

a) The danger caused to persons or the environment.

b) The scale of the damage or deterioration caused.

c) The level of participation and the benefit obtained.

d) The intention to commit an infringement.

e) Any re-occurrence, understood to be committing an infringement of the same type and degree within a period of one year, determined by final appeal.

6. Within the scope of the General State Administration, sanctions of very serious infringements shall be imposed by the Council of Ministers; sanctions of serious infringements shall be imposed by the Minister of Industry, Tourism and Commerce; sanctions of minor infringements shall be imposed by the Director-General for Energy Policy and Mining.

7. Infringements shall expire two years after they have been committed.

8. The sanctioning process shall expire one year after it begins.

Article 122.

Any prohibition contained in the instruments for governing activities included in the Mining Law must be reasoned and must not be of a generic nature.

FINAL PROVISIONS

Provision 1.

This Law shall enter into force twenty days after its publication in the Official State Gazette. Within a period of no more than one year the General Regulation shall be issued, as well as any special regulations deemed necessary. Until then, the current Regulations for the Mining Rules and the Mining Policy shall remain in force, on condition that they do not contradict the provisions of this Law.

Provision 2.

Within the same time period of one year, on proposal of the Ministry of Finance, the Government shall adopt the necessary provisions to introduce the exhaustion factor into the levy of taxes imposed on the outputs of Mining Companies, and to determine the tax benefits attributable to mining precincts, in order to establish more appropriate fiscal proceedings for the extractive industry.

Provision 3.

In order to promote the extraction of the resources subject to this Law, on proposal of the Minister of Industry, the Government may grant the title of preferential interest industries to certain mining sectors or

parts thereof and further **declare**, where applicable, **certain mining zones to be preferential industrial locations**, in order to obtain the benefits set out in the corresponding legislation.

The section highlighted in black is hereby repealed, following the repeal provision of Law 50/1985 of 23 December 1985. [Ref. BOE-A-1986-85](#).

Provision 4.

Within the period of one year, on the joint proposal of the Ministry of Governance and the Ministry of Industry, the Decree to adapt the Statute on the extraction of medicinal mineral water of 25 April 1928 to this Law shall be promulgated.

Provision 5.

1. The following are hereby repealed:

a) The Mining Law of 19 July 1944; the Decree of 10 December 1964, on the involvement of foreign capital in mining; the Decree of 2 May 1968, on reserve zones, and the Orders of the Ministry of Industry of 22 December 1944, 16 August 1949, 25 February 1953, 25 April 1960, 9 February 1967 and 18 April 1969, on the classification, respectively, of bentonite lacustrine salt flats, graphite zones, serpentines, attapulgite, wollastonite and pyrophyllite.

b) Where they contradict this Law, Articles 15 and 16 of the Law on Water Sources of 13 June 1879 and Titles I and II of Article 77 of the Royal Decree and Law of 25 April 1928.

c) Any other provisions, where they are contrary to the precepts set out in this Law.

2. Decree 3069/1972 of 26 October 1972, on packaged drinking water, shall remain in force.

3. The special legislation applicable to the Sahara shall remain in force.

TRANSITIONAL PROVISIONS

Provision 1.

1. All mining concessions for Section C) resources granted in accordance with the aforementioned legislation shall be subject to the provisions of the present Law.

2. The holders of concessions that are already being extracted when this Law enters into force shall have a period of one year to consolidate their rights. In this case, when the holder has fulfilled the obligations arising thereof, the time period of the concession shall be up to ninety years from when it was newly granted.

3. The holders of mining concessions that are not already being extracted when this Law enters into force, which are not part of duly approved reserves of other active mining concessions, shall have a period of two years, if a Section C), resource has been demonstrated, to begin the extraction activities or, where applicable, request the authorisation set out in Article 72 for the concentration of the activity in one or several concessions.

4. If said resource is not demonstrated, the holders must present the project referred to in Article 47 for research on the land for which they hold a concession within a period of one year. If the research is approved, it must be undertaken in the time periods established in Article 45 of this Law. If these time periods pass without a resource having been demonstrated, the concession in question shall be declared terminated. Where the research conducted leads to a positive result, the stated concession shall be subject to the provisions of paragraph 3 of this transitional provision.

5. If the time periods referred to in the previous paragraphs end without the provisions therein having been fulfilled for reasons attributable to the holder, the concessions shall be terminated.

6. For the purposes of the previous sections, inactive mining concessions shall not include those which have been suspended with the prior authorisation of the corresponding Provincial Delegation.

7. The content of this transitional provision shall be applicable to the reservation of zones held by the State, which shall be considered, whether provisional or definitive, like exploration or research permits or

mining concessions, where the provisions of Article 8(3) of this Law shall be applicable with regard to time periods.

Provision 2.

Mines originally acquired through any legal title other than a mining concession granted in accordance with the legislation in force at the time shall be regulated in accordance with the provisions of this Law, without prejudice to any rights that, where expressly stated in said titles, must be deemed as continuous, and inseparable from the legal or contractual nature of said titles. Any failure to comply with the precepts of this Law affecting them or with the conditions imposed in the original acquisition title shall give rise, as applicable, to the termination of the extraction right or the forced expropriation of said mines.

Provision 3.

1. The holders of Section A) substances, 'Rocks', under Article 2 of the Mining Law of 19 July 1944, that continue to be classified as Section A) resources under Article 3 of the present Law, shall have a period of two years from its entry into force to consolidate their rights through an application for the relevant extraction authorisation, in accordance with the proceedings set out in Title III.

2. When this time period has passed without an application having been made, any operations shall be deemed illegal.

Provision 4.

1. The holders of Section A) substances, 'Rocks', under Article 2 of the Mining Law of 19 July 1944, who are already extracting mineral resources classified as Section C) resources under Article 3 of the present Law, shall have a period of two years from its entry into force to apply for a mining concession in the form established in Title V, Chapter 4(2) with no requirement to present the technical report referred to in Article 64(2).

2. The mining grid cells where these operations have been established shall not be deemed registrable, except for the holders of the right to extract said resources, until the two-year period stated in the previous paragraph has passed.

3. If two or more operations exist in the same grid cell, it may be divided, granting each interested party the section which corresponds to their respective operations.

4. If the land where the operations are established is not concessible and registrable when this Law enters into force, they shall be granted an extraction authorisation exclusively for the resource(s) in question, which shall be governed by the rules of Title III of this Law, without prejudice to the rights of applicants or holders of research permits or mining concessions to extract other Section C) resources.

5. Where the reasons that prevented the land from being concessible and registrable no longer apply, the holder of the authorisation referred to in the previous paragraph shall be informed so that, within a period of two years from the notification, the holder may transform the authorisation into a mining concession, with the right to all Section C) resources.

Provision 5.

1. The current holders of extraction concessions for mineral water and industrial mineral water shall have a period of two years from the entry into force of this Law to apply for a continuation of the validity of the extraction concession, or its transformation into an authorisation or concession to extract mineral water from the land for which it was granted. If no request has been made within that time, they shall be presumed to have chosen the first option.

2. In the event that the authorisation is not granted, the rules of the previous concession shall continue to apply to the holder.

Provision 6.

The holders of research permits or mining concessions that are currently valid shall have the right to extract the resources for which they were specifically granted, regardless of the corresponding classification under the terms of Article 3 of this Law, as well as to all Section C) resources, except those referred to in Transitional Provision 4.

Provision 7.

1. All mining grid cells that include land covered within the demarcation perimeter of research permits or mining concessions granted in accordance with previous legislation shall be deemed to be non-registrable, and the concessible spaces that they include shall be granted as extrusions to the holders of mining concessions whose land is located, in part or in full, within contiguous mining grid cells, where all the concessible land may be attributed to a single concession holder, or divided between two or more, based on the technical suitability of the extraction and social and economic benefits offered by the concession holders.

2. The Regulation of this Law shall determine how these cases are processed.

Provision 8.

1. Cases that were being processed on the entry into force of this Law shall be determined in accordance with the Mining Law of 19 July 1944 and its supplementary provisions.

2. Once the processing of the cases is complete, the provisions established in this Law shall be applicable.

Provision 9.

All persons, Entities or Corporations that were already extracting or using Section B) resources other than mineral water sources on the entry into force of this Law shall have a period of one year to adapt to the conditions required by Articles 31 to 35 inclusive of this Law, in order to obtain the corresponding authorisations.

Provision 10.

Companies with foreign capital investment shall adapt the quantity of this and the other provisions of Title VIII, where applicable, to the rules of this Law within a period of two years. In the event of failure to meet or comply with this requirement, the content of Transitional Provisions 1 and 2 shall apply.

ADDITIONAL PROVISION

Within a period of one year, the Government shall submit a Draft Law to the Cortes regulating the extraction of urban solid waste, in order to ensure the adequate recovery of mineral resources and protect other geological resources, among other objectives.

Granted in El Pardo Palace on 21 July 1973.

FRANCISCO FRANCO

President of the Spanish Cortes,
ALEJANDRO RODRIGUEZ DE VALCARCEL Y NEBREDA

This consolidated text has no legal status.
More information at info@boe.es