

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Office NEVADA

OFFER TO LEASE AND LEASE FOR OIL AND GAS
(Sec. 17 Noncompetitive Public Domain Lease)

Serial No. 15885

The undersigned hereby offers to lease all or any of the lands described in item 2 that are available for lease, pursuant and subject to the terms and provisions of the Act of February 25, 1920 (41 Stat. 437, 30 U. S. C. sec. 181), as amended, hereinafter referred to as the Act and to all reasonable regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof.

Bureau of Land Management

1. Mr. M.M. Koch Industries, Inc.

10:00
A.M. DEC 10 1976

(First Name, Middle Initial, Last Name)
PO Box 2256

(Number and Street)

Wichita, Kansas 67201

(City, State, ZIP Code)

NEVADA STATE OFFICE
RENO, NEVADA

2. Land requested: State NEVADA County Lincoln T. : R. 64 : Meridian

Section 2: Lots 1, 2, 3, 4, SW 1/4, S 1/2 (638.28 acres)
Section 4: Lots 1, 2, 3, 4, SW 1/4, S 1/2 (638.52 acres)
Section 7: Lots 1, 2, 3, 4, SW 1/4, S 1/2 (637.68 acres)
Section 8: All (646.00 acres)

3. Land included in lease: State NEVADA County Lincoln Total Area 2777.64 Acres
T. : R. : Meridian

T 2 S, R 64 E, MDM, Nevada - Lincoln County;
Sec 7: Lot 1, 2, 3, 4, E 1/2, E 1/4 (all);
Sec 8: all.

(Offeror does not fill in this block)

Total Area 1277.64 Acres Rental retained \$ 1277.64

- 4. Amount remitted: Filing fee \$10, Rental \$... Total \$...
5. Undersigned certifies as follows:
(a) Offeror is a citizen of the United States. Native born... Naturalized... Corporation or other legal entity (specify what kind)...
(b) Offeror's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options or 246,080 chargeable acres in leases, offers to lease and options in each leasing district in Alaska. (c) Offeror accepts as a part of this lease, to the extent applicable, the stipulations provided for in 43 CFR 3103.2. (d) Offeror is 21 years of age or over (or if a corporation or other legal entity, is duly qualified as shown in 43 CFR 3103.2. (e) Offeror has described all surveyed lands by legal subdivisions, all lands covered by state-tractured surveys by appropriate subdivisions thereof, or all unsurveyed lands not covered by protracted surveys by metes and bounds, and further states that there are no settlers on unsurveyed lands described herein.
6. Offeror is not the sole party in interest in this offer and lease, if issued. (If not the sole party in interest, statements should be filed as prescribed in Item 6 of the Special Instructions.)
7. Offeror's signature to this offer shall also constitute offeror's signature to, and acceptance of, this lease and any amendment thereto that may cover any land described in this offer open to lease application at the time the offer was filed but omitted from this lease offer for any reason, or signature to, and acceptance of, any separate lease for such land. The offeror further agrees that (a) this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the land office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed in behalf of the United States, and (b) this offer and lease shall apply only to lands not within a known geologic structure of a producing oil or gas field.
8. If this lease form does not contain all of the terms and conditions of the lease form in effect at the date of filing, the offeror further agrees to be bound by the terms and conditions contained in that form.
9. It is hereby certified that the statements made herein are complete and correct to the best of offeror's knowledge and belief and are made in good faith.

Offeror duly executed this instrument this 10th day of December 1976

D. D. WHITE, ASSISTANT SEC'Y.

R. T. BUCK, VICE PRESIDENT

This lease for the lands described in item 2 above is hereby issued, subject to the provisions of the offer and on the reverse side hereof. Subject to the NOT IN A KNOWN GEOLOGIC STRUCTURE ON DATE OF USGS REPORT

THE UNITED STATES OF AMERICA

By Roger A. Jarrell Chief, Lands & Minerals Administration MAR 22 1978

Effective date of lease APR 01 1978

THIS OFFER MAY BE REJECTED AND RETURNED TO THE OFFEROR AND WILL AFFORD THE OFFEROR NO PRIORITY IF IT IS NOT PROPERLY FILLED IN AND EXECUTED OR IF IT IS NOT ACCOMPANIED BY THE REQUIRED DOCUMENTS OR PAYMENTS.

18 U. S. C. sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

This form may be reproduced provided that the copies are exact reproductions on one sheet of both sides of this official form, in accordance with the provisions of 43 CFR 3103.11.

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(N-943.3)

Stipulation

Section 603 of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743; 43 USC 1701 et. seq.) requires the identification and inventory of roadless areas of 5,000 acres or more and roadless islands of the public lands. This is for the purpose of determining whether the lands are suitable for preservation and management under the Wilderness Act of 1964.

During the period of inventory and review, the lands must be managed in such a manner so as not to impair their suitability for preservation as wilderness.

Accordingly, the BLM will not allow any drilling permits to be issued on these lands until such time as the required roadless inventory and, if appropriate, wilderness review have been completed.

On completion of the roadless inventory, those lands determined not roadless will be released immediately from this stipulation.

KOCH INDUSTRIES, INC.


Lessee's Signature

R. T. BICK, VICE PRESIDENT

Title

February 27, 1978
Date

ATTEST,


H. J. WHISNAND, ASSISTANT SECY

N-15888
N-15889
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3111A
(N-943.3)

ARCHAEOLOGICAL STIPULATION

Antiquities and Objects of Historic Value -

To secure specific compliance with the stipulations under Sec. 2, paragraph (q) of the oil and gas lease form, the lessee shall, prior to operations, furnish to the Authorized Officer a certified statement that either no archaeological values exist or that they may exist on the leased lands to the best of the lessee's knowledge and belief and that they might be impaired by oil and gas operations. Such certified statement must be completed by a qualified archaeologist acceptable to the Authorized Officer.

If the lessee furnishes a statement that archaeological values may exist where the land is to be disturbed or occupied, the lessee will engage a qualified archaeologist, acceptable to the Authorized Officer, to survey and salvage, in advance of any operations, such archaeological values on the lands involved. The responsibility for the cost for the certificate, survey and salvage will be borne by the lessee, and such salvaged property shall remain the property of the lessor or the surface owner.

KOCH INDUSTRIES, INC.

[Signature]
Lessee's Signature

ATTEST

[Signature]
H. J. WHISNAND, ASSISTANT SECY

R. T. BICK, VICE PRESIDENT

Title

February 27, 1978
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SURFACE DISTURBANCE STIPULATIONS

Area Oil and Gas Supervisor or
District Engineer (Address, include zip code)
District Geologist, USGS
7744 Federal Building
300 N. Los Angeles Street
Los Angeles, California 90012

<p>Management Agency (name) Las Vegas District Manager Bureau of Land Management 4765 Vegas Drive Las Vegas, Nevada 89108</p>	<p>Address (include zip code)</p>
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1. Notwithstanding any provision of this lease to the contrary, any drilling, construction, or other operation on the leased lands that will disturb the surface thereof or otherwise affect the environment, hereinafter called "surface disturbing operation," conducted by lessee shall be subject, as set forth in this stipulation, to prior approval of such operation by the Area Oil and Gas Supervisor in consultation with appropriate surface management agency and to such reasonable conditions, not inconsistent with the purposes for which this lease is issued, as the Supervisor may require to protect the surface of the leased lands and the environment.

2. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes, lessee shall submit for approval two (2) copies of a map and explanation of the nature of the anticipated activity and surface disturbance to the District Engineer or Area Oil and Gas Supervisor, as appropriate, and will also furnish the appropriate surface management agency named above, with a copy of such map and explanation.

An environmental analysis will be made by the Geological Survey in consultation with the appropriate surface management agency for the purpose of assuring proper protection of the surface, the natural resources, the environment, existing improvements, and for assuring timely reclamation of disturbed lands.

3. Upon completion of said environmental analysis, the District Engineer or Area Oil and Gas Supervisor, as appropriate, shall notify lessee of the conditions, if any, to which the proposed surface disturbing operations will be subject.

Said conditions may relate to any of the following:

- (a) Location of drilling or other exploratory or developmental operations or the manner in which they are to be conducted;
- (b) Types of vehicles that may be used and areas in which they may be used; and
- (c) Manner or location in which improvements such as roads, buildings, pipelines, or other improvements are to be constructed.

No. **61746**
FILED AND RECORDED AT REQUEST OF
Koch Exploration Co.
April 12, 1978
AT 1 MINUTES PAST 1 O'CLOCK
P.M. IN BOOK 25 OF OFFICIAL
RECORDS, PAGE 128 LINCOLN
COUNTY, NEVADA

[Signature]
COUNTY RECORDER
Fee \$7.00

Form 3109-5 (August 1973)

BOOK **25** PAGE **132**