

Form 1120-2
Eleventh Edition
(September 1967)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form approved
Budget Bureau No. 42 R0990
Office **NEVADA**
Serial No. **13076**

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

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.

Mr. Mrs.
1. Name **John P. Erwin, Jr.**
1410 Security Life Bldg.
Denver, Colorado 80202

12:50.4

2. Land requested: State **Nevada** County **Ely** T. **2N** R. **57E** Meridian **MDN**

Section 9: All
Section 10: All
Section 11: All
Section 12: All

3. Land included in lease: State _____ County _____ Total Area **2560.00** Acres
: R. _____ Meridian _____

Subject to the attached stipulations.

This lease embraces the
lands described in item 2.

(Offeror does not fill in this block) Total Area **2560.00** Acres Rental retained **\$2560.00**

4. Amount remitted: Filing fee \$10, Rental \$ **1280.00**, Total \$ **1290.00**

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 options, offers to lease and leases in the same State, or 300,000 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 by statements made or referred to herein). (e) Offeror has described all surveyed lands by legal subdivisions, all lands covered by protracted 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 for any reason, or signature to, or 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 **19th** day of **October**, 19 **76**

(Offeror signature)

(Lessee signature)

(Attorney-in-fact)

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.

NOY IN A KNOWN GEOLOGIC
STRUCTURE ON DATE OF
USES REFLECT

THE UNITED STATES OF AMERICA

By **[Signature]**
(Signing officer)
Chief, Lands & Minerals Operations

Effective date of lease **MAY 1 1977**

APR 15 1976

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 replicas of the original. (11/66)

27-136 (11/66)

Shelden & P

LEASE TERMS

Article 1. Rights of Miner. The owner grants the exclusive right and privilege to the lessee to explore for, locate, mine, develop, produce, transport, store, market, sell, lease, convey, and otherwise dispose of all minerals, including but not limited to coal, oil, gas, and other hydrocarbons, and all other minerals, on the land hereinafter described...

1. The Lessee shall have the right to explore for, locate, mine, develop, produce, transport, store, market, sell, lease, convey, and otherwise dispose of all minerals, including but not limited to coal, oil, gas, and other hydrocarbons, and all other minerals, on the land hereinafter described...

2. The Lessee shall have the right to explore for, locate, mine, develop, produce, transport, store, market, sell, lease, convey, and otherwise dispose of all minerals, including but not limited to coal, oil, gas, and other hydrocarbons, and all other minerals, on the land hereinafter described...

INSTRUCTIONS

1. The offeror shall be deemed to have accepted the offer if the offeror has not received a written notice of withdrawal or withdrawal of the offer within the time specified in the offer...

2. The offeror shall be deemed to have accepted the offer if the offeror has not received a written notice of withdrawal or withdrawal of the offer within the time specified in the offer...

3. The offeror shall be deemed to have accepted the offer if the offeror has not received a written notice of withdrawal or withdrawal of the offer within the time specified in the offer...

RECEIVED:
 Div of Land Management
 NEVADA LAND OFFICE

10:00
 A.M. MAR 24 1977

NEVADA STATE OFFICE
 RENO, NEVADA

N-13874
 N-13875
 N-13876
 N-13877
 N-13878
 N-13879
 N-13880
 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.

John A. ...
 Lessee's Signature

Title

3/18/77
 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
U. S. Geological Survey
7744 Federal Building
Los Angeles, California 90012

Management Agency (name)

Ely District Manager
Bureau of Land Management
Pioche Star Route
Ely, Nevada 89301

Address (include zip code)

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.

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.

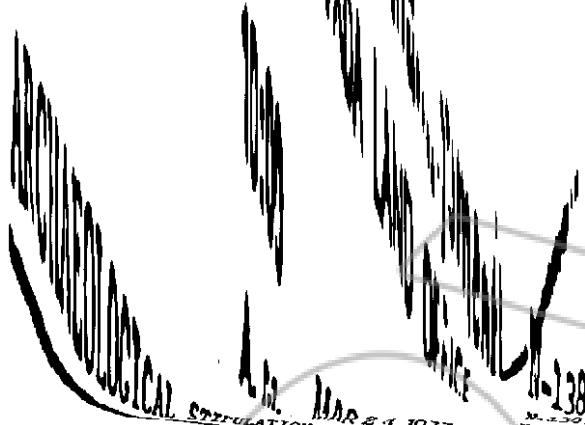
2. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes, lessee shall submit for approval two (2) copies of a map and explanation of the nature of the anticipated activity and surface disturbance to the District Engineer or Area Oil and Gas Supervisor,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

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.

REGISTRY
OF LAND



Antiquities and Objects of Historic Value

MAR 24 1977
NEVADA STATE OFFICE
RENO, NEVADA

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Robert L. ...
Lessee's Signature

Title

3/18/77
Date

No. **62755**
FILED AND RECORDED AT REQUEST OF
Reading & Bates
Sept. 7, 1978
AT 1 MINUTES PAST 1 O'CLOCK
P.M. IN BOOK 27 OF OFFICIAL
RECORDS, PAGE 136 LINCOLN
COUNTY, NEVADA

[Signature]
COUNTY RECORDER