

Lincoln County

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Form approved Budget Bureau No. 41-20320

Office NEVADA Serial No. 22111

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.

Mc-Moan-Freepot Oil Co. Freepot Oil Company (First Name, Middle Initial, Last Name)

Please send the return office of the Bureau of Land Management

P. O. Box 61922 (Number and Street)

New Orleans, Louisiana 70161 (City, State, ZIP Code)

2. Land requested: State Nevada County Lincoln T. 7-N : R. -69-E : Meridian Mount Diablo

Section 3: ALL Section 4: ALL Section 5: ALL Section 6: ALL Section 7: ALL Section 8: ALL Section 9: ALL Section 10: ALL Section 15: ALL As Described In Protraction Diagram No. 56 Section 16: ALL Section 17: ALL Section 18: ALL Section 19: ALL Section 20: ALL As Described in Protraction Diagram No. 56

3. Land included in lease: State Nevada County Lincoln Total Area 8,928.00 Acres T. : R. : Meridian

This lease embraces the land described in item 2.

NOT IN A KNOWN GEOLOGIC STRUCTURE ON DATE OF USGS REPORT

(Offeror does not fill in this block)

Total Area 8928.00 Acres Rental retained \$8928.00

4. Amount remitted: Filing fee \$10, Rental \$8,928.00, Total \$8,938.00

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): A Delaware Corporation (See Corporate Qualification File No. W-56943 at the Bureau of Land Management Office in Cheyenne, Wyoming.)
(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 state-tracted surveys by appropriate subdivisions thereof, or all unsurveyed lands by legal subdivisions, all lands covered by protracted surveys by appropriate subdivisions thereof, or all unsurveyed lands not covered by protracted surveys by merit and bounds, and further states that there are no settlers on unsurveyed lands described herein.
(e) Offeror has described all surveyed lands not covered by protracted surveys by merit 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, statement 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 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 14th day of February, 1981

(Lessee signature)

FREEPOT OIL COMPANY By: James H. Frizell, Sr. 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 attached stipulations

THE UNITED STATES OF AMERICA By: William X. Stone Acting Chief, Branch of Lease & Minerals Operations JUL 15 1981

Effective date of lease AUG 01 1981

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 regulations of the Bureau of Land Management.

0023-00

Lincoln County

LEASE TERMS

Section 1. Rights of Lease. The lessor hereby grants the lessee the right to... Section 2. Term of Lease. This lease shall be in full force and effect... Section 3. Location of Land. The land to be leased is located in Lincoln County...

Section 4. Leasehold Improvements. The lessee shall be responsible for... Section 5. Maintenance and Repairs. The lessee shall maintain the premises... Section 6. Insurance. The lessee shall obtain and maintain insurance...

Section 7. Assignment and Sublease. The lessee shall not assign or sublease... Section 8. Termination. This lease shall terminate on the expiration... Section 9. Entire Agreement. This lease constitutes the entire agreement...

GENERAL INSTRUCTIONS. The lessee shall comply with all applicable laws... The lessee shall not engage in any illegal activities...

SPECIAL INSTRUCTIONS. The lessee shall adhere to the following special instructions... The lessee shall maintain accurate records of all operations...

INSTRUCTIONS. The lessee shall follow these instructions regarding... The lessee shall report any safety hazards immediately...

