

Form approved
Budget Bureau No. 41-2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Office NEVADA
Serial No. 32118

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-Moran - Freeport Oil Company
1. Name Freeport Oil Company
(First Name, Middle Initial, Last Name)

Please verify the mailing address of any change of address

P. O. Box 61922
(Number and Street)

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

2. Land requested: State Nevada County Lincoln Mount Diablo Meridian T.-7-N : R.-68-E : /
Section 25: ALL }
Section 26: ALL } Section 34: ALL } As Described In
Section 27: ALL } Section 35: ALL } Protraction Diagram No.
Section 28: ALL }
Section 29: ALL } As Described In
Section 30: ALL } Protraction Diagram
Section 31: ALL } No. 56
Section 32: ALL }
Section 33: ALL }

3. Land included in lease: State _____ County _____ Total Area 7,680.00 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 7,680.00 Acres Rental retained \$680.00

4. Amount remitted: Filing fee \$10, Rental \$ 7,680.00 Total \$ 7,690.00

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 344,000 chargeable acres in options, offers to lease and leases in the same State, or 300,000 chargeable acres in leases, offers to lease and leases in each leasing district in Alaska. (c) Offeror accepts as a part of this lease, to the extent applicable, the stipulations provided for in 41 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 records made or referred to herein). (e) Offeror has described all surveyed lands by legal subdivisions, all lands covered by state tract 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 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 the lease, as amended 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

(Name signature)

FREEPORT OIL COMPANY
By: James H. Frizeff, Sr.
James H. Frizeff, Sr. Vice President
(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 terms and conditions hereof.

Subject to the attached stipulations

THE UNITED STATES OF AMERICA
By: William J. [Signature] Acting
Chief, Office of Lease & Mineral Operations
(Title)

Effective date of lease AUG 01 1981

JUL 15 1981
(Date)

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. 1005 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 third of both sides of this official form, in accordance with the provisions of 41 CFR 101-11.6.

Lincoln County

LEASE TERMS

SECTION 1. Purpose of Lease. The purpose of the lease is to provide for the use of the land described in the lease for the purposes of the lease.

2. Term of Lease. The term of the lease shall be for a term of years as stated in the lease, and shall terminate at the expiration of the term.

3. Rent. The rent for the land shall be as stated in the lease, and shall be payable in advance at the beginning of each year.

4. Covenants. The lessee shall perform all covenants and conditions stated in the lease, and shall not assign or sublet the land without the consent of the lessor.

5. Termination. The lease shall terminate at the expiration of the term, and the land shall be returned to the lessor in the same condition as when it was first leased.

6. Force and Effect. This lease shall be in full force and effect from the date of its execution, and shall not be subject to any oral agreement.

7. Assignment. The lessee shall not assign or sublet the land without the written consent of the lessor, and any such assignment shall be void.

8. Remedies. The lessor shall have all remedies available to him at law or in equity, and shall not be limited to the remedies provided in the lease.

9. Waiver. The lessor shall be deemed to have waived any breach of the lease if he fails to exercise his remedies within the time specified in the lease.

10. No Oral Agreement. No oral agreement shall be binding on the parties, and the lease shall be governed by its terms.

11. Entire Agreement. This lease shall constitute the entire agreement between the parties, and shall not be subject to any oral agreement.

12. Successors. The lease shall bind the parties and their heirs, assigns, and successors, and shall not be subject to any oral agreement.

13. Counterparts. This lease may be executed in counterparts, and each counterpart shall be deemed to be an original copy of the lease.

14. Governing Law. This lease shall be governed by the laws of the State of California, and shall not be subject to any oral agreement.

15. Severability. If any provision of this lease is held to be unenforceable, the remaining provisions shall remain in full force and effect.

16. Waiver of Notice. The lessor shall be deemed to have waived notice of any breach of the lease if he fails to exercise his remedies within the time specified in the lease.

17. Assignment. The lessee shall not assign or sublet the land without the written consent of the lessor, and any such assignment shall be void.

18. Remedies. The lessor shall have all remedies available to him at law or in equity, and shall not be limited to the remedies provided in the lease.

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35. Severability. If any provision of this lease is held to be unenforceable, the remaining provisions shall remain in full force and effect.

36. Waiver of Notice. The lessor shall be deemed to have waived notice of any breach of the lease if he fails to exercise his remedies within the time specified in the lease.

37. Assignment. The lessee shall not assign or sublet the land without the written consent of the lessor, and any such assignment shall be void.

38. Remedies. The lessor shall have all remedies available to him at law or in equity, and shall not be limited to the remedies provided in the lease.

39. Waiver. The lessor shall be deemed to have waived any breach of the lease if he fails to exercise his remedies within the time specified in the lease.

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INSTRUCTIONS

1. The lessee shall not assign or sublet the land without the written consent of the lessor, and any such assignment shall be void.

2. Remedies. The lessor shall have all remedies available to him at law or in equity, and shall not be limited to the remedies provided in the lease.

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STATE OF LOUISIANA)
) SS
PARISH OF ORLEANS)

On MAY 12 1983 personally appeared before me,
a notary public, James R. Frizell, who acknowledged that he executed the
above instrument as his free and voluntary act on behalf of Freeport Oil
Company whose name was changed by merger to McMoran-Freeport Oil Company.

Walter H. Sanchez
Notary Public

At death
My commission expires:



No. 77897
FILED AND RECORDED AT REQUEST OF
McMoran Expl. Co.
MAY 25 1983
AT 5 MINUTES PAST 12 O'CLOCK
P.M. IN BOOK 55 OF OFFICIAL
RECORDS, PAGE 277 LINCOLN
COUNTY, NEVADA.
Spence Selzer
COUNTY RECORDER