

## Lincoln County

Form 3100-11-  
(Rev. 1988)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**OFFER TO LEASE AND LEASE FOR OIL AND GAS**

3-28-27-017-0002-00

Serial No.

N-51285

The undersigned (lessee) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Att'y. Gen. 41), or the

## READ INSTRUCTIONS BEFORE COMPLETING

1. Name                    Anadarko Petroleum Corporation  
 Street                    P.O. Box 5050  
 City, State, Zip Code    Denver, CO 80217

2. This application/offer/lease is for: (Check only One)  PUBLIC DOMAIN LANDS ACQUIRED LANDS (please U.S. interest \_\_\_\_\_)

Surface managing agency if other than BLM: \_\_\_\_\_

Unit/Project \_\_\_\_\_

Legal description of land requested:

Parcel No. NY-05-29-119

Sale Date (dd/mm) 9 9 / 89

\*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T.                          R.                          M.                          S.                          C.

Milepost

State

County

RECEIVED

JUN 01 1989

NORTHERN REGION

Amount remitted: Filing fee \$ \_\_\_\_\_

Rental fee \$ \_\_\_\_\_

Total acres applied for \_\_\_\_\_

Total \$ \_\_\_\_\_

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T.                          R.                          M.                          S.                          C.

Milepost

State

County

T. 02 N., R. 57 E., MOD, Nevada  
sec. 21, all;  
sec. 22, all.

Lincoln County, Nevada

Total acres in lease 1280.00

Rental remitted \$ 1920.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 2 together with the right to build and maintain necessary improvements thereon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and restrictions of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereinafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to higher duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of their bid or nomination and those specified on this form.

Type and primary term of lease:  Noncompetitive lease (no years)

THE UNITED STATES OF AMERICA

 Noncompetitive lease (no years)by *Wayne M. Johnson* Competitive lease (five years)

Acting Chief, Branch of Oil, Gas, and Minerals Operations

MAY 26 1989

(Date)

 Other \_\_\_\_\_

EFFECTIVE DATE OF LEASE

JUN 1 1989

(Continued on reverse)

## **Lincoln County**

or any state or territory thereof; (c) all partners holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (d) other's leaseable interests, usage and endorsed in written public document or acquired lands do not exceed 40,000 acres in Federal oil and gas leases in the State of New Mexico nor more than 200,000 acres held under option; or \$300,000 acres in leases and 200,000 acres in options in other leasing District in Alaska; (g) Offer is considered a minor violation of the laws of the State in which the lands covered by this offer are located; (k) Offer is in compliance with qualifications concerning Federal oil lease holdings provided in sec. 206(b)(2) of the Mineral Leasing Act; (l) Offer is in compliance with the requirements of section 10 of the Mineral Leasing Act; (m) Offer is in compliance with the recommendations requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (n) Offer is in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and covenants of which notice has been given notice and any amendment thereto, which amendment, if any, may be made by the offeror prior to the time this offer is accepted, shall be binding upon the undersigned, and that the day mentioned above will lease. The offeror further agrees that this offer is subject to withdrawal, either in whole or in part, unless the withdrawal is recovered by the offeror through arbitration, or injunction, or injunctions, or proceedings in this lease, for a deposit issued, or otherwise

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 13 U.S.C. Sec. 1001 makes it a crime for any person knowingly and wilfully to make to any Department or agency of the United States any false, fictitious or fraudulent statement or representation in any matter within its jurisdiction.

**LEASE TERMS**  
The term of this lease shall commence at the date of delivery of the premises to the lessee and shall end at the time of termination of the lease as provided in the lease or by mutual agreement between lessor and lessee. The term of this lease is for one year, commencing January 1, 2023, and ending December 31, 2023. The term of this lease may be renewed for successive periods of one year each, subject to the terms and conditions of the lease.

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
  - (b) Competitive lease, \$1.50; for primary term; thereafter \$2.00;
  - (c) Other, see attachment, or

as prescribed in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well-qualified producer leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a certificated area. COOPERATIVE UNIT PLAN

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing

**Sec. 2. Royalties.**—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12½%;
- (b) Competitive lease, 12½%;
- (c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessee reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessor be held liable for loss or destruction of royalty oil or other products in storage from causes beyond his reasonable control or lesser.

Minimum royalty in lieu of rental or net less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above quantity rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest practicable recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease or when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

**Sec. 3. Bonds**—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, utilization, and drainage—Lessee shall exercise reasonable diligence in developing and producing; and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessee reserves right to rapidly rates of development and production to the public interest and to require lessor to subscribe to a cooperative or pool plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from unnecessary waste, contamination, or damage to adjacent leased lands.

made from damage or pay compensatory royalty, or otherwise as mutually determined by lessor.  
**Sec. 3. Documents, evidence, and inspection.** Lessor shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, processed, retransferred, and amount used for production purposes or reasonably lost. Lessee may be required to provide plots and schematic diagrams showing development work and improvements, and reports with respect to parties of interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, stereogram, or well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, reservoirs, structures, machinery, and fixtures, and all books, accounts, maps, and records relative to operations, surveys, or investigations under the leasehold title. Lessee shall promptly pay all reasonable costs of agreements, negotiations, and documents, and any other expenses of lessor in connection with the preparation, execution, and delivery of documents, contracts, leases, or agreements, including attorney's fees, expenses, and costs of recording, filing, and recording in the office of lessor, and any other expenses of lessor in connection therewith.

TERMS  
1. The term of this agreement shall be three years from the date hereof, and shall automatically renew thereafter unless terminated by either party giving written notice to the other party at least 90 days prior to the end of the term.  
2. The Company agrees to pay to the Agent, during the term of this agreement, all reasonable expenses incurred by the Agent in connection with the performance of his services under this agreement, including, but not limited to:  
a) the cost of any field service personnel to be retained by the Agent in connection with the performance of his services under this agreement;  
b) the cost of any equipment or supplies required by the Agent in connection with the performance of his services under this agreement; and  
c) costs claimed as manufacturing, preparation, or handling and transportation costs. All such records shall be maintained by Agent's accounting offices for future audit by Agent. Agent shall maintain required records for 6 years after they are generated or, if an audit or investigation is made thereby, until released of his obligation to maintain such records by Agent.

During existence of this lease, information obtained under this section shall be held by the public in accordance with the Freedom of Information Act (3 U.S.C. § 322).  
Sec. 6. Conduct of operations.—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to string or design of fractured, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing use and/or authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamations measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessor may be required to complete major inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations.—To the extent that impacts from mining operations would be

**Sec. 8. Substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.**

**Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessor or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.**

**Sec. 8. Damages to property—Lessee shall pay lessor for damage to lessor's unconsolidated**

**Section V. Damages to property --** Lessee shall pay lessee for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

**Sec. 10. Protection of diverse interests and equal opportunity—**Lessor shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Leasee reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 34 of the Mineral Land Act, Act of 1900.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither

**Sec. 11. Transfer of lease interest and relinquishment of lease.**—As required by regulations, lessor shall file with lessee any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written

any relinquishment or release of any right, reservation or right of the lessee to the property or to the relationship, which shall be effective as of the date of filing, subject to the continued obligations of the lessee and trustee to pay all accrued rentals and royalties.

**Sec. 12. Delivery of premises.**—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and within a reasonable period of time, remove equipment and

Improvements not deemed necessary by lessor for preservation of productive wells.

Sec. 13. Proceedings to case of default.—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is commuted to an approved conservator or unit.

plan or communication agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessee of other rights and privileges, including waiver of the default. Any such

by reason of any other legal and equitable remedy, including waiver of the default, any remedy or waiver shall not prevent lessor from cancellation for the same default occurring at any other time. Lessor shall be subject to applicable provisions and penalties of TIGRMA (30 U.S.C. §701).

BOOK-55 OF OTHER RECORDS PAGE 365  
LINCOLN COUNTY NEVADA RECORDS

## Lincoln County

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
COMPETITIVE OIL AND GAS OR  
GEOTHERMAL RESOURCES LEASE BID  
30 U.S.C. 181 et seq.; 30 U.S.C. 351-359;  
30 U.S.C. 1001-1025; 42 U.S.C. 6508

FORM APPROVED  
OMB NO. 1004-0074  
Expires: Feb. 28, 1991

PARCEL NUMBER <i>(Include name of known geothermal resource area if bid is for geothermal resources lease)</i>	AMOUNT OF BID <i>(See instructions on reverse)</i>	
	TOTAL BID	PAYMENT SUBMITTED WITH BID
Parcel No. NV-05-89-119 1280.00 acres	\$	\$ 4,555.00

The appropriate regulations applicable to this bid are: (1) for oil and gas leases—43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases—43 CFR 3132; and (3) for Geothermal resources leases—43 CFR 3220. *(See details concerning lease qualifications on reverse.)*

I CERTIFY THAT I have read and am in compliance with, and not in violation of, the lessee qualification requirements under the applicable regulations for this bid.

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that the bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

**IMPORTANT NOTICE:** Execution of this form, where the offer is the high bid, constitutes a binding lease offer, including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made shall result in rejection of the bid and forfeiture of all monies submitted.

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BOOK

AMAROKO PETROLEUM CORPORATION

(Print or type name of Bidder) (Lessee)

P. O. Box 5050

(Address of Bidder) (Lessee)

By:

Paul B. Feldman (Signature of Bidder) (Lessee) Agent and Attorney-in-Fact (City, State, and zip code)

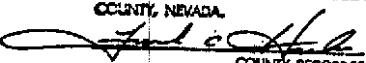
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

(Continued on reverse)

Lincoln County

91440

No. 91440  
FILED AND RECORDED AT REQUEST OF  
Anadarko Petroleum Corp.  
9 June 1989  
AT 30 MINUTES PAST 2 O'CLOCK  
P.M. IN BOOK 85 OF OFFICIAL  
RECORDS, PAGE 364 LINCOLN  
COUNTY, NEVADA.

  
Frank C. Hulse COUNTY REC'D-FO