

Form 3100-1  
(June 1988)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Serial No.

90-5237  
Asm

OFFER TO LEASE AND LEASE FOR OIL AND GAS

N-53055

The undersigned (reverses) 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. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Marathon Oil Company  
Street P.O. Box 3128  
City, State, Zip Code Houston, Texas 77253

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

Surface managing agency if other than BLM: \_\_\_\_\_ Unit/Project \_\_\_\_\_

Legal description of land requested: \_\_\_\_\_ \*Parcel No.: NV-90-11-0512 \*Sale Date (m/d/y): 11 / 06 / 90

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

T. \_\_\_\_\_ R. \_\_\_\_\_ Meridian \_\_\_\_\_ State \_\_\_\_\_ County \_\_\_\_\_

Amount retained: Piling fee \$ 75.00

Rental fee \$ 1,702.50

Total acres applied for 1,134.98

Total \$ 1,777.50

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. \_\_\_\_\_ R. \_\_\_\_\_ Meridian \_\_\_\_\_ State \_\_\_\_\_ County \_\_\_\_\_

T. 05 N., R. 67 E., MDM, Nevada  
sec. 06, lots 1-6, E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ ;  
sec. 07, lots 1-4, E $\frac{1}{2}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$ .  
Lincoln County, Nevada

WHEN RECORDED RETURN TO:  
MARATHON OIL COMPANY  
CONTRACTS & DIVISION ORDER  
P. O. BOX 2059 - ROOM 2388  
HOUSTON, TEXAS 77252-2069

Total acres in lease 1,134.98

Rental retained \$ 1,702.50

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 3 together with the right to build and maintain necessary improvements thereupon 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 attached stipulations 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 hereafter 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 his/her duly executed bid or notification form submitted under 43 CFR 3120 and is subject to the provisions of that bid or notification and those specified on this form.

Type and primary term of lease:

Noncompetitive lease (ten years)

Competitive lease (five years)

Other \_\_\_\_\_

THE UNITED STATES OF AMERICA

by Marla B. Bell DEC 5 - 1989  
(Signing Officer)

Chief, Branch of Lands and Minerals Operations  
(Title)

EFFECTIVE DATE OF LEASE: JAN 1 1991  
(Date)

BAR# 05-248

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

MARATHON OIL COMPANY

*L.M. Bullock, III*

L.M. Bullock, III, Attorney-in-Fact

Duly executed this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_

STATE OF TEXAS

§

§

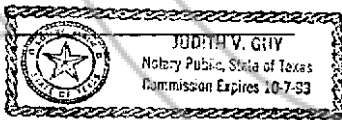
COUNTY OF HARRIS

§

On this 30<sup>th</sup> day of JANUARY in the year 1991, before me, a Notary Public, personally appeared L. M. Bullock, III, known to me to be the person whose name is subscribed to the within instrument as the Attorney-in-Fact of Marathon Oil Company and acknowledged to me that he subscribed his own name as Attorney-in-Fact, freely and voluntarily and for the uses and purposes therein mentioned.

My commission expires:

*Judith V. Gray*  
Notary Public



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 site 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, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent avoidable damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for pipeline development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessor shall file with proper office of lessor, no 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, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to quality of production, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily driling record, a log, photographs on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when requested. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

Lessor 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 28 of the Mineral Leasing Act of 1920.

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 lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor 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 relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety 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 in case of default—If lessee fails to comply with any provisions of this lease, and the non-compliance 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 committed to an approved cooperative or unit plan or communication agreement which ensures a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries or assignees of the respective parties hereto.

*Jan*

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

	State <u>NEVADA</u>	Date of sale <u>11/6/90</u>
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
<u>Parcel 512</u>	<u>2,304.50</u>	<u>2,304.50</u>
<p style="text-align: center;"><b>096139</b> No. _____</p> <p>FILED AND RECORDED AT REQUEST OF <u>Marathon Oil Company</u> <u>March 22, 1991</u></p> <p>AT <u>01</u> MINUTES PAST <u>1</u> O'CLOCK <u>P</u> M IN BOOK <u>95</u> OF OFFICIAL RECORDS, PAGE <u>218</u>, LINCOLN COUNTY, NEVADA.</p> <p><u>YURIKO SETZER</u> COUNTY RECORDER</p> <p>By <u>Shonda Zehner</u>, Deputy</p> <p style="text-align: right;">WHEN RECORDED RETURN TO: MARATHON OIL COMPANY CONTRACTS &amp; DIVISION ORDER P. O. BOX 2068 - ROOM 2388 HOUSTON, TEXAS 77252-2068</p>		

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 this bid was arrived at independently and is rendered 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.

MARATHON OIL COMPANY  
*(Print or type name of Bidder) (Lessee)*

P. O. Box 3128  
*(Address of Bidder) (Lessee)*

L. M. Bullock  
*(Signature of Bidder) (Lessee) Attorney-in-Fact*

Houston, Texas 77253  
*(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 statements or representations as to any matter within its jurisdiction.

*(Continued on reverse)*