

Form 3110-2
(January 1978)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTLEASE FOR OIL AND GAS
(Sec. 17 Noncompetitive Public Domain Lease)
Act of February 25, 1920 (41 Stat. 437), as amended (30 U.S.C. 181-263)Name **Marjorie DaCosta**
Street **315 Bartlett St.**
City **Reno, NV**
State **89512**
Zip CodeN. 26722
(Serial Number)

This oil and gas lease is issued for a period of ten (10) years to the above-named lessee pursuant and subject to the provisions of the Mineral Leasing Act and subject to all rules and 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.

Lands included in the lease: State: **Nevada** County: **Eureka**

T. 29 N., R. 50 E., MDH.

sec. 10, $1\frac{1}{2}$, $3\frac{1}{2}$, $1\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 12, $1\frac{1}{2}$;
sec. 14, $1\frac{1}{2}$;
sec. 16, All.Containing a total of **1680.00** acres Annual Rental \$ **1880.00**

This lease is issued to the successful drawee pursuant to his "Simultaneous Oil and Gas Entry Card" application filed under 43 CFR 3112, and is subject to the provisions of that application and those specified on the reverse side hereof.

Effective date of lease: **FEB 01 1980**

THE UNITED STATES OF AMERICA

NOT IN A KNOWN GEOLOGIC
STRUCTURE ON DATE OF
USGS REPORTBy *William K. Slavin* Acting
(Signature of Signing Officer)SUBJECT TO ATTACHED STIPULATIONS CHIEF, BRANCH OF LANDS & MINERALS OPERATIONS
(Title)

JAN 14 1980

(Date)

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LEASE TERMS

Sec. 1. Aims of lease.—The lessee it is granted the exclusive right and privilege to drill for, mine, extract, remove and dispose of all the oil and gas deposits, except helium gas or other nonhydrocarbon gases, contained in the leased lands, to maintain thereon all works, buildings, plants, waterways, roads, telephone or telegraph lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 10 years, and so long thereafter as will give the lessee a reasonable opportunity to recover its investment; provided, however, that no such agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the land subject thereto where inconsistent with the terms of this lease shall survive.

Sec. 2.

(a) *Bond.*—(1) To file any bond required by this lease and the current regulations and until such bond is filed not to enter upon the land under this lease. (2) To cause the amount of bond furnished to be paid to the Secretary of the Interior as follows: (3) To furnish a bond in a sum double the amount of \$2 per acre an annual rental but not less than \$1,000 nor more than \$10,000 upon the inclusion of any part of the leased land within the perimeter of the well to be drilled or produced on the leased land. (4) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of \$10,000 with approved corporate surety, or if the lessee is producing oil or gas from the leased land, to comply with the terms of this lease, unless a bond is already being maintained or unless such a bond is furnished by an operator of the lease is accepted. (5) Until general lease bond is filed to furnish and maintain a bond in the penal sum of \$10,000 with approved corporate surety, or if a bond is required by law for the protection of the owners of the fee rights. In lieu of any of the bonds described herein, the lessee may file such other bond as the regulations may permit.

(c) *Cooperative or unit plan.*—Within 30 days of demand made by the lessor, the lessee shall execute and deliver to the Secretary of the Interior and such plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for development and production of oil or gas, whether or not or pool or part thereof embracing the lands included hereon, as the Secretary of the Interior may then determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(d) *Wells.*—(1) To produce and produce all oil and gas found on the leased land and from any wells on lands not the property of the lessor, or lands of the United States leased at a lower royalty rate, or to as to which the royalties and rentals are paid at different rates, from the leased land, or from any lands owned by any party to the drilling and production, to compensate the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through conformity of the amount determined by said Director; (2) at the expense of the lessee, to install production facilities conforming with the system of well-spacing and production controls affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing by the Secretary of the Interior, to take such action as the Interior may reasonably require in order that the leased premises may be properly and timely developed and produced in accordance with good operating practice.

(e) *Rentals and royalties.*—(1) To pay rentals and royalties in cash or in kind for production removed or sold from the leased lands as follows:

Rentals.—To pay the lesser in advance an annual rental at the following rates:

(a) If the lands are wholly outside the known geologic structure producing oil or gas field;

(b) For each lease year a rental of \$1.00 per acre or fraction of an acre.

(c) If the lands are wholly or partly within the known geologic structure producing oil or gas field:

(i) Beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands producing royalty or gas, the minimum royalty shall be:

(ii) If this lease is committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, the provisions prescribed for the respective lease years in subparagraph (a) of this section, shall apply to the acreage not within a participating area.

Minimum royalty.—Commencing with the lease year beginning on or after January 1, 1967, the minimum royalty in lieu of rental, a minimum royalty of \$1 per acre or fraction thereof at the expiration of each lease year, or the difference between the actual royalty paid during the year if less than \$1 per acre, and the prescribed minimum royalty of \$1 per acre, shall be payable only on the participating acreage and rental shall be payable on the nonparticipating acreage as provided in subparagraph (b)(ii) above.

Royalty on production.—(1) To pay the lesser 12½ percent royalty on the production removed or sold from the leased lands computed in accordance with the Oil and Gas Operating Regulations (30 CFR Pl. 221).

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on production removed or sold from the leased lands produced from gas, due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices, and to other relevant matters and, whenever appropriate, after consultation with the Bureau of Land Management.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in kind, such royalties shall be delivered to the lessor in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as may be necessary to enable the lessor to receive the same. If the lessor be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced nor be responsible or held liable for the loss or destruction of royalty oil or other products.

(4) Rentals or minimum royalties may be waived, suspended, or reduced or royalties on the entire leasehold or any portion thereof segregated for royalty purposes may be reduced if the Secretary of the Interior finds that, for the purpose of encouraging exploration and production, and in the interest of conservation of natural resources, it is necessary, in his judgment, to do so in order to promote development, or because the lease cannot be successfully operated under the terms fixed herein.

Other payments.—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor, to the order of the Bureau of Land Management at the places mentioned in the regulation 43 CFR 3102.2-1. If there is no such order, the Secretary of the Interior shall, if he is paying quantities, the failure to pay rental on or before anniversary date shall automatically terminate the lease by operation of law. However, if the time for payment falls on a day in which the proper office to receive payment is closed, payment shall be made on the next business day.

(f) *Contracts for disposal of products.*—To file with the Oil and Gas Supervisor of the Geological Survey not later than 30 days after the effective date thereof any contract, or evidence of other arrangement, for the sale or disposal of oil, gas, natural gasoline, and condensate, or other hydrocarbon liquids, or gas, nothing in any such contract or other arrangement shall be construed as modifying any of the provisions of this lease, including, but not limited to, provisions relating to gas waste, taking royalty in kind, and the method of computing royalties due as based on production and in accordance with the Oil and Gas Operating Regulations.

(g) *Statements, plans and reports.*—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the quantity and quality of all products removed and sold from the lease, the location of all wells drilled or used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands; and a report with respect to stockholders, investments, depreciation accounts, etc.,

(h) *Well record.*—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled or

leased lands, to keep an acceptable record of all subsurface investments affecting said lands, and to furnish them, or copies thereof, to the lessor when required. All information obtained pursuant to this paragraph shall be confidential and shall not be open to inspection by the public until the expiration of the lease.

(3) *Inspection.*—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the lessor shall permit the use of all buildings, machinery, and fixtures thereon and all books, accounts, maps and records relative to operations and surveys or investigations on the leased lands, and to enter the lease. All information obtained pursuant to any such inspection shall be confidential and shall not be open to inspection by the public until the expiration of the lease.

(4) *Diligence.*—The United States upon improvements, oil, and safety workmen.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practices; to use the best equipment and materials; to take all reasonable due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to other measures or other mineral deposits, for conservation of gas and oil; to use the best methods and equipment for conducting future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells drilled in accordance with the provisions of this lease and to plug any prior lease or permit upon which the right to this lease was based before abandoning the same; to carry out all orders of the lessee all reasonable orders of the lessor relating to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to take such action as may be necessary at the lessee's cost. *Provided:* That the purpose of such orders at the lessee's cost.

(5) *Equal Opportunity clause.*—During the performance of this contract the lessee agrees as follows:

(i) *Equal Opportunity clause.*—During the performance of this lease, the lessee agrees as follows:

(1) The lessee shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or benefits; compensation; and selection for training or apprenticeship. The lessee will not discriminate on the basis of race, color, religion, sex, or national origin in any conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this Equal Opportunity clause.

(2) The lessee will, in all solicitations or advertisements for employees placed by or on behalf of the lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be placed in the hands of the union or representative of the labor union or workers' representative of the lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books and records for examination by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the lessee's noncompliance with the Equal Opportunity clause, or with the rules, regulations, or orders of the said rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further award of contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The lessee will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor, or pursuant thereto, and by the Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The lessee will take such action with respect to subcontracting and purchasing as may be required by the contracting agency may direct as may be required by the contracting agency including sanctions for noncompliance: *Provided, however,* That in the event the lessee becomes involved in such a contract or purchase order, and the contracting agency or vendor as a result of such direction by the contracting agency, the lessee may request the United States to enter into such litigation to protect the interests of the United States.

(ii) *Arrest and applicants for employment.*

(A) *Arrest and applicants for employment.*—The lessee shall not discriminate against any applicant for employment because of race, color, religion, sex, or national origin. The lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or benefits; compensation; and selection for training or apprenticeship. The lessee will not discriminate on the basis of race, color, religion, sex, or national origin in any conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this Equal Opportunity clause.

(B) *Equal Opportunity clause.*—During the performance of this lease, the lessee agrees as follows:

(1) The lessee shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or benefits; compensation; and selection for training or apprenticeship. The lessee will not discriminate on the basis of race, color, religion, sex, or national origin in any conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this Equal Opportunity clause.

(2) The lessee will, in all solicitations or advertisements for employees placed by or on behalf of the lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be placed in the hands of the union or representative of the labor union or workers' representative of the lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

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(6) In the event of the lessee's noncompliance with the Equal Opportunity clause, or with the rules, regulations, or orders of the said rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further award of contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

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(2) The lessee will, in all solicitations or advertisements for employees placed by or on behalf of the lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be placed in the hands of the union or representative of the labor union or workers' representative of the lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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(6) In the event of the lessee's noncompliance with the Equal Opportunity clause, or with the rules, regulations, or orders of the said rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further award of contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The lessee will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor, or pursuant thereto, and by the Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The lessee will take such action with respect to subcontracting and purchasing as may be required by the contracting agency may direct as may be required by the contracting agency including sanctions for noncompliance: *Provided, however,* That in the event the lessee becomes involved in such a contract or purchase order, and the contracting agency or vendor as a result of such direction by the contracting agency, the lessee may request the United States to enter into such litigation to protect the interests of the United States.

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(B) *Equal Opportunity clause.*—During the performance of this lease, the lessee agrees as follows:

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(3) The lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be placed in the hands of the union or representative of the labor union or workers' representative of the lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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(5) The lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books and records for examination by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules,

to relinquish or cancel the cancellation or expiration of this lease, or at any other time prior thereto when required and to the extent deemed necessary by the lessor to fill any pits, ditches and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and structures and as if required. The lessor may prescribe the steps to be taken and restoration to be made with respect to the leased lands and improvements thereon whether or not owned by the lessee. *Section 2. Assignment and interests.*—This lease shall remain in full force and effect notwithstanding the death of either party. When American Indians or other aboriginal inhabitants own any scientific interest including but not limited to historic or prehistoric ruins, fossils or artifacts are discovered in the performances of this lease, the items or condition(s) will be left intact and immediately reported to the attention of the contracting officer or his authorized representative.

(f) *Overriding royalties.*—Not to create overriding royalties in excess of five percent except as otherwise authorized by the relevant law.

(g) *Deliver premises in case of forfeiture.*—To deliver up to the lessor in good order and condition the land leased including all improvements which are necessary for the preservation of production.

Sec. 3. The lessor reserves:

(a) *Easements and right-of-way.*—The right to permit for joint or several use easements or rights of way, including easements in tunnels upon, through, or in the lands leased, occupancies, and rights of way, for the purpose of drilling, mining, or the same or of other lands containing the deposits described by the act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) *Surface.*—The right to lease, sell, or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of helium and gas therein, or disposal of any resource in such lands which would not unreasonably interfere with operations under this lease.

(c) *Maintenance and fair prices.*—Full power and authority to promulgate and enforce all orders necessary to insure the safe delivery of helium from the well to the consumer, and to require the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) *Helium.*—That pursuant to Section 6 of the act, he may extract from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. If the lessor elects to take the helium, the lessee shall have no claim against the lessor for the helium so taken, in the manner required by the lessor, at any point on the leased premises, or, if the area is leased at the time of production by a gas-gathering system owned or operated by the lessee, at any point in that system specified by the lessor, for extraction of helium from the gas; nor shall the lessor have any right to receive said helium, but it shall be returned to the lessee, with no substantial delay in the delivery of the gas produced from the well to the owner or purchaser thereof. Save for the value of the helium extracted, the lessee shall suffer no diminution of the value of the gas produced from the well, and the lessor shall not be entitled to compensation solely by the requirement of the delivery of the gas to permit the extraction of helium, for which he is not reasonably compensated. The lessor reserves the right to erect, maintain, and operate any and all reduction works necessary for extraction of helium from the gas, and the lessor may further authorize him or any other gas-gathering system and extract the helium and return the gas to the owner thereof, without delay other than caused by the extraction process; save for the value of the helium, the owner shall not suffer any diminution of the value of the gas produced from the well, and the lessor shall not be entitled to compensation from the extraction of helium, including any expense caused solely by the requirement of the delivery of the gas to permit the extraction of helium, for which he is not reasonably compensated. If the lessor agrees and any right reserved vests in the lessor under this paragraph shall run from any agent or assignee of the lessor or any purchaser of the rights of the lessor.

(e) *Taking of royalties.*—All rights pursuant to section 36 of the act to take royalties in amount or in value of production, or in kind, shall be retained by the lessor, and the right to take purchasing cash, and lease or operate valuable water wells.

Sec. 4. *Drilling and producing restrictions.*—It is agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to the approval of the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both, and the lessor may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

Sec. 5. *Surrender.*—If the lessee desires to surrender the lease, he may surrender this lease or a written subdivision thereof by filing in the proper land office a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of the lessee and his surety to make payment of the rentals due until the expiration of the term of the lease. The lease to be relinquished in condition for suspension or abandonment in accordance with the applicable lease terms and regulations.

Sec. 6. *Purchase of materials.*—On or termination of this lease, or expiration of this lease, or the earlier termination thereof, pursuant to the last sentence of the preceding paragraph, the lessee shall have the privilege at any time within a period of 90 days thereafter of removing from the premises all machinery, equipment, tools, and materials other than improvements needed for producing wells.

The lessor shall have the right to remove all buildings, structures, and equipment subject to removal as above provided, which are allowed to remain on the leased lands shall become the property of the lessor on expiration of the 90-day period or on termination of the lease, unless the Secretary of the Interior, in climatic conditions throughout said period; *Provided*, That the lessee shall remove any or all of such property where directed by the lessor.

Sec. 7. *Proceedings in case of default.*—If the lessee shall not comply with any of the provisions of the act or the regulations thereunder, or fail to pay the rentals due, or fail to perform or observance of any of the terms hereof (except that of payment of annual rental which results in the automatic termination of the lease), and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lessor may cause proceedings to be instituted in accordance with section 31 of the act, except that if this lease covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the district court of the United States. No such proceeding shall not be construed to prevent the exercise by the lessor of legal or equitable remedy which the lessor might otherwise have. Upon cancellation of this lease, any casing, material, or equipment determined by the lessor to be necessary for use in the production of gas shall remain the property of the lessor and become the property of the lessor. A waiver of any particular cause of cancellation and forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of cancellation and forfeiture, or for the same cause occurring at any other time.

Sec. 8. *Hire and services to mineral.*—It is further agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 9. *Unlawful interests.*—It is also further agreed that no part of this lease shall be assigned, conveyed, or transferred, either before or after his qualification and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior shall acquire any interest in the lease, or any share or part in this lease, or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Revised Statutes of the United States, as amended (41 U.S.C., relating to contracts, enter into and form a part of the lease, so far as the same may be applicable.

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
300 N. Los Angeles Street
Los Angeles, California 90012

Management Agency (name)

Elko District Manager
Bureau of Land Management
2002 Idaho Street
Elko, Nevada 89801

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.

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.

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.

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.

Form 3109-5 (August 1973)

GPO 849-238

BOOK 79 PAGE 442

62-11122



RECEIVED
BUREAU OF LAND MANAGEMENT
NEVADA STATE OFFICE

SIMULTANEOUS OIL AND GAS DRAWING ENTRY CARD

26722

1974 OCT 16 PM 2 21 5

Print or type

Do Costa MARJORIE NM

Last name

First name

Middle initial

3150 Bantlett A1

Last name

First name

Middle initial

Bent

Street Address

NV

City

State

Zip code

Social Security
or Taxpayer Number

Parcel number
applied for

NV-24

The return of this card indicates that you were not successful in the drawing and your offer is rejected.

Undersigned offers to lease for oil and gas all or any portion of the identified parcel of land which may be available for noncompetitive leasing, and certifies: (1) applicant is a citizen of the United States, an association of such citizens, a partnership, a corporation, or a municipality organized under the laws of the United States or any State thereof; (2) applicant's interests in oil and gas offers to lease, leases, and options do not exceed the limitation provided by 43 CFR 3101.1-5; (3) applicant has not filed any other entry card for the parcel involved; and (4) applicant is the sole party in interest in this offer and the lease if issued, or if not the sole party in interest, that the names and addresses of all other interested parties are set forth below. The undersigned agrees that the successful drawing of this card will bind him to a lease, on Forms 3110-2 or 3110-3, and the appropriate stipulations as provided in 43 CFR 3109.4-2 and the posted notice.

INSTRUCTIONS

This card must be fully completed, signed, and sent to the appropriate Office of the Bureau of Land Management. It must be accompanied by a \$10 filing fee. Compliance must also be made with the provisions of 43 CFR 3102. If qualifications of association or corporation have been filed previously, identify serial record involved.

If you are successful in the drawing, you will be required to pay the first year's rental of \$1.00 per acre or fraction thereof prior to issuance of lease. No copies or facsimiles of this form will be accepted.

Other parties in interest - All interested parties named below must furnish evidence of their qualifications to hold such lease interest. See 43 CFR 3102.7.

Signature of Applicant

Magina de Costa

Date

10/16/77

Other parties in interest

Signature of Applicant

Date

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. IF YOU FILE MORE THAN ONE CARD FOR THE SAME PARCEL, YOU ARE AUTOMATICALLY DISQUALIFIED.

GPO 775-770

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.

Margie La Costa
Lessee's Signature

Title

10/31/79
Date

WILDERNESS PROTECTION STIPULATION

By accepting this lease, the lessee acknowledges that the lands contained in this lease are being inventoried or evaluated for their wilderness potential by the Bureau of Land Management under section 603 of the Federal Land Policy and Management Act of 1976, 90 Stat. 2743, 2785 (43 U.S.C. Sec. 1782).

Until the BLM determines that the lands covered by this lease do not meet the criteria for a wilderness study area as set forth in section 603, or until Congress decides against the designation of lands included within this lease as "wilderness," the following conditions apply to this lease, and override every other provision of this lease which could be considered as inconsistent with them and which deal with operations and rights of the lessee:

1. Any oil or gas activity conducted on the leasehold for which a surface use plan is not required under NTL-6 (for example; geophysical and seismic operations) may be conducted only after the lessee first secures the consent of the BLM. Such consent shall be given if BLM determines that the impact caused by the activity will not impair the area's wilderness characteristics.
2. Any oil and gas exploratory or development activity conducted on the leasehold which is included within a surface use plan under NTL-6 is subject to regulation (which may include no occupancy of the surface) or, if necessary, disapproval until the final determination is made by Congress to either designate the area as wilderness or remove the section 603 restrictions.

If all or any part of the area included within the leasehold estate is formally designated by Congress as wilderness, oil and gas exploration and development operations taking place or to take place on that part of the lease shall become subject to the provisions of the Wilderness Act of 1964 which apply to national forest wilderness areas, 16 U.S.C. Sec. 1131 et seq., as amended, the Act of Congress designating the land as wilderness, and Interior Department regulations and policies pertaining thereto.

Description of Land

All lands included in this lease.

Martin La Costa
Lessee's Signature

Title

Date

12/3/79

OG-22

BOOK 79 PAGE 446

MULE DEER SPECIAL STIPULATION

The following described lands have been identified as critical habitat for wintering herds of mule deer. Therefore, prior to entry onto the lands within the described area, the lessee (operator) will discuss the proposed activities jointly with the Area Oil and Gas Supervisor and the surface management agency's authorized officer who may require additional measures for the protection of mule deer. Such measures may include:

- a. Restriction of activity in identified areas during the winter months of November through March;
- b. No surface occupancy of selected sites;
- c. Special reclamation techniques.

Description of Lands

Signature *Marina de Costa*

Date 1/10/3, 199

BOOK 79 PAGE 447

PRAIRIE FALCON SPECIAL STIPULATION

The following described lands have been identified as favorable habitat supporting relatively high population densities of prairie falcons. Therefore, prior to entry onto the lands within the described areas, the lessee (operator) will discuss the proposed activities jointly with the Area Oil and Gas Supervisor and the surface management agency's authorized officer who may require additional measures for the protection of prairie falcons. Such measures may include:

- a. No surface occupancy of selected areas;
- b. Restriction of activity near nest sites during the months of March through June.

Description of Lands

Signature Wayne du Croix

Date 10/2/78

OG-29

BOOK 79 PAGE 448

DEPARTMENT OF ENERGY

Special Stipulation

This lease is issued pursuant and subject, to the extent applicable, to the terms and provisions of Section 302 of the Department of Energy Organization Act (42 U.S.C. 7152) and to the regulations of the Secretary of Energy promulgated thereunder relating to the:

- (1) fostering of competition for Federal leases (including but not limited to, prohibition on bidding for development rights by certain types of joint ventures);
- (2) implementation of alternative bidding systems authorized for the award of Federal leases;
- (3) establishment of diligence requirements for operations conducted on Federal leases (including, but not limited to, procedures relating to the granting or ordering by the Secretary of the Interior of suspension of operations or production as they relate to such requirements);
- (4) setting rates of production for Federal leases; and
- (5) specifying the procedures, terms, and conditions for the acquisition and disposition of Federal royalty interests taken in kind.

William de C...
Signature
10/3/79
Date

72795

RECORDED AT THE REQUEST OF Texas Oil & Gas Corp.
on March 20, 1980, at 05 mins. past 11 A. M. In
Book 79 of OFFICIAL RECORDS, page 440-449, RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 72795 Fee \$ 12.00

BOOK 79 PAGE 449