

75496

Form 3110-2
(January 1978)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

LEASE 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: Russell W. Brown
Street: 300 South Greeley Hwy.
City: Cheyenne, WY 82001
State: WY
Zip Code: 82001

(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. 22 N., R. 52 E., NDE. (Prot. Dia. No. 166)

sec. 7, All;
sec. 18, All;
sec. 19, All;
sec. 30, All.

Record Number / - NV - 142

Containing a total of 2560.00 acres Annual Rental \$ 2560.00

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: JAN 01 1980

THE UNITED STATES OF AMERICA

NOT A KNOWN GEOLOGIC
STRUCTURE ON DATE OF
USGS REPORT

By William K. Stover Acting
(Signature of Signing Officer)

SUBJECT TO ATTACHED STIPULATIONS CHIEF, BRANCH OF LANDS & MINERALS OPERATIONS
(Title)

DEC 17 1979
(Date)

LEASE TERMS

Sec. 1. Rights of lessee.—The lessee 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, in the lands leased, together with the right to construct and maintain thereupon, all works, buildings, plants, waterways, roads, telegraph or telephone 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 oil or gas is produced in paying quantities from the lands covered by this agreement hereafter or hereinafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistent with the terms of this lease.

Sec. 2. The lessee agrees:

(a) **Bond.**—To file any bond required by this lease and the current regulations and until such bond is filed not to enter on the land under this lease. (2) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (3) To furnish a bond in a sum double the amount of \$2 per acre 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 known geologic structure of a producing oil or gas field. (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 with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease and the regulations. That amount is to be maintained unless such a bond furnished by an operator of the lease is accepted. (5) Until a general lease bond is filed to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In lieu of any of the bonds described herein, the lessee may file such other bond as the regulations may permit.

(b) **Cooperative or unit plan.**—Within 30 days of demand, or if the leased land is committed to an approved cooperative or unit plan 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 responsible cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein 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. (c) **Drilling.**—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor, or lands of the United States leased at a lower royalty rate, or as to which the royalties and rentals are paid into different funds than are those of the leased land, in which any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined by said Director. (2) At the election of the lessee, to drill and produce other wells on lands adjoining with any system of well spacing or production allotments 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 to drill and produce such other wells as the Secretary of 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.

(d) **Rentals and royalties.**—(1) To pay rentals and royalties in amounts or value of production removed or sold from the leased lands as follows:

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

- (i) If the lands are wholly outside the known geologic structure of a producing oil or gas field:
 - (a) For each lease year a rental of \$1.00 per acre or fraction of an acre.
- (ii) If the lands are wholly or partly within the known geologic structure of a producing oil or gas field:
 - (a) 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 producing gas on the lands leased, \$2 per acre or fraction of an acre.
 - (b) 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 rentals provided for in this section shall apply to the acreage not within a participating area.

Minimum royalty.—Commencing with the lease year beginning on or after a discovery on the leased land, the lessee shall pay the lessor 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, provided that if the lease is unitized, the minimum royalty will 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 lessor 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 Pt. 221).

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gas, and other products obtained 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 and in such areas, and to the extent as may be reasonably required by the lessor, but in no case shall the lessee 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 in storage from causes over which he has no control.

(4) Rentals or minimum royalties may be waived, suspended or reduced and 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 the most ultimate recovery of oil or gas 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 hereof.

(e) **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 regulations (43 CFR 310.2). If there is no well on the leased lands capable of producing oil or gas in paying quantities, the failure to pay rental on or before the 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 deemed timely if made on the next official working 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 date of the sale of oil, gas, natural gas, gasoline, and other products of the leased land. Provided, That nothing in any such contract or other arrangement shall be construed as modifying in any way the provisions of this lease, in any kind, and the method of computing royalties due as based on a minimum valuation 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 amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount developed and improvements on the leased lands, and a report with respect to stockholders, investments, depreciation and costs.

(h) **Well records.**—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 on

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

(i) **Inspection.**—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises, the wells, improvements, machinery, and fixtures thereon and all books, accounts, maps and records relative to operations and surveys or investigations on the leased lands or under the lease. In the event of an inspection pursuant to this paragraph, upon the request of the lessee, shall not be open to inspection by the public until the expiration of the lease.

(j) **Diligence, prevention of waste, health and safety of operations.**—To exercise reasonable care in the 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 as provided in the Oil and Gas Operating Regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy for the preservation and health of the population, 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 or of any prior lease or permit upon which the right to this lease was based before the expiration of the same, to carry out at expense of the lessee all reasonable orders of the lessor relative 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 accomplish the purpose of such order at the expense of the lessee. Provided, That the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) **Taxes and taxes, freedom of purchase.**—To pay when due all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase and sale of their own property, to men and employees at least twice each month in the lawful money of the United States.

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

(1) **Equal Opportunity clause.**—During the performance of this lease, 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 their 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; compensation; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices of this Equal Opportunity clause 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 such solicitations or advertisements are 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 in each area in which he has active business operations a notice of this Equal Opportunity clause, and a copy of this notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the lessee's commitments under this Equal Opportunity clause, and shall post copies of this 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 cooperate in his investigation, and accounts 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 of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contract may be referred to the Equal Opportunity Government 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 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 issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, and to such provisions of such subcontracts or purchase orders as the contracting agency may direct as a means of enforcing such provisions with respect to subcontractors and vendors. However, in the event the lessee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, such litigation shall not constitute a bar to the filing of such litigation to protect the interests of the United States.

(m) **Assignment of oil and gas lease or interest therein.**—As required by applicable law, to file for approval by the lessor any instrument of transfer made of this lease or any part thereof, including any assignment, lease, operating agreements and subleases, working or royalty interests, within 90 days from the date of final execution thereof.

(n) **Pipelines to purchase or convey at reasonable rates and without discrimination.**—If owner, or operator, or owner of a controlling interest in any pipeline or any company operating in the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey, and if a purchaser of such products to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipeline, operating a lease or purchasing or selling all or part of the lease, or other products under the provisions of the act, or under the provisions of the act of August 7, 1947 (51 Stat. 913, 30 U.S.C. sec. 351).

(o) **Lands patented with oil and gas deposits reserved to the United States.**—To comply with the requirements herein that have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) **Reserved or leased lands.**—If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be imposed by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which land shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) **Protection of surface, natural resources, and improvements.**—The lessee shall take such precautions as may be needed to prevent operations on the leased lands from unnecessarily: (1) causing or contributing to soil erosion or damaging crops, including forage, and timber growth thereon or Federal or non-Federal lands in the vicinity; (2) polluting or contaminating surface waters or streams; (3) damaging improvements owned by the United States or other parties; or (4) destroying, or damaging or removing fossils or prehistoric ruins, or artifacts and upon any partial or

total relinquishment or 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 remove all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former condition, including the removal of structures as and if required. The lessor may prescribe the steps to be taken and restoration to be made with respect to the leased lands thereupon which shall be the responsibility of the owner of the United States. *Antiquities and objects of historic value.*—When American antiquities or other objects of historic or scientific interest including but not limited to historic or prehistoric ruins, fossils, or artifacts are discovered on the leased lands under this lease, the item(s) or condition(s) will be left intact and immediately brought to the attention of the contracting officer or his authorized representative.

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

(s) **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 producing wells.

Sec. 3. The lessor reserves:

(a) **Estoments and right-of-way.**—The right to permit for joint or several use easements or rights-of-way, including easements in turnpike upon, through, or on the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the act, and the treatment and shipment of products therefrom by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) **Disposition of 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 necessary for the use of the lessee in the extraction and removal of the oil and gas therein, or to dispose of any resource in such lands which will not unreasonably interfere with operations under this lease.

(c) **Monopoly and fair prices.**—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to prevent the interest of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) **Helium.**—Pursuant to Section 1 of the act as amended, the ownership of helium and the right to extract or have it extracted for all gas produced under this lease, subject to the terms and regulations as shall be prescribed by the Secretary of the Interior. If the lessor elects to take the helium, the lessee shall deliver all or any portion of gas containing the same to the lessor, in the manner required by the lessor, at any point on the leased premises, or, if the area is served 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 the helium by such means as the lessor may provide. The residue shall be returned to the lessee, with no substantial delay, in the form of the gas produced from the well to the purchaser thereof. Save for the value of the helium extracted, the lessee shall not suffer a diminution of the value of the gas produced from the well, or loss otherwise, 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. The lessor reserves the right to erect, maintain, and operate any and all reduction works necessary for extraction of helium on the leased premises. The lessee further agrees to include in any contract of sale of gas from the leased lands under this lease provisions setting forth that the lessor owns, and reserves the right to extract or have extracted, any helium in the gas sold, and that the lessor may take the gas from a pipeline carrier or any other gas gathering system and extract the same, and that the gas to be owned by the lessor shall be that gas 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 from which helium has been extracted, or any other loss arising 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. It is further agreed that any rights reserved vested in the lessor under this paragraph shall also run to any agent or assignee of the lessor or any purchaser of the rights of the lessor.

(e) **Timing of royalties.**—All rights pursuant to section 16 of the act to take royalties in amount or in value of production.

(f) **Casing.**—All rights pursuant to section 40 of the act to purchase casing, and lease or operate valuable water wells.

Sec. 4. Drilling and producing restrictions.—The lessee shall agree to the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may make such regulations, orders, or orders, as may be necessary to carry out the purposes of the act, and the laws, regulations, and orders of the Secretary of the Interior, or State or Federal officer or any person authorized in the unit plan, 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 and termination of lease.—The lessee may terminate this lease or any legal substitution thereof by filing in the proper land office a written relinquishment, in duplicate, 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 all accrued rentals and royalties and to place all wells on the lease in a state of readiness to be drilled or plugged or abandoned in accordance with the applicable lease terms and regulations.

Sec. 6. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the expiration of the term hereof, or the expiration of the term hereof, 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 the production of oil, gas, or other products. Any materials, tools, appliances, machinery, 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 automatic termination of the lease, and shall be deemed to be the property of the lessor as of the date of expiration of the lease. The lessee shall remove any or all of such property hereon so 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 any of the lease, or shall make default in the performance 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, this lease may be cancelled by the Secretary of the Interior 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 cancelled only by judicial proceedings in the manner provided in section 31 of the act; but this provision shall not apply to the cancellation of this lease by the lessor by 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 plugging or preserving any well drilled on the leased lands shall 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. Heirs and successors-in-interest.—It is further agreed that such 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 interest.—It is also further agreed that no member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR 7.44(1), shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Statutes of the United States, as amended (41 U.S.C. 3741) and Sec. 4312, 4313, and 4314 of Title 18 U.S.C., relating to contracts, enter into and form a part of this 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 North Los Angeles Street
Los Angeles, California 90012

Management Agency (name)

Battle Mountain District Manager
Bureau of Land Management
P. O. Box 194
Battle Mountain, Nevada 89820

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.

BOOK 85 PAGE 147

Form 3109-5 (August 1973)

NONCOMPETITIVE OFFER TO LEASE FOR OIL & GAS

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	Date	Other parties in interest
<i>Russell W. Brown</i> 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 778-770

BOOK 85 PAGE 149

N-2622

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.

Russell W. Brennan
Signature

10-17-79
Date

RECEIVED
Bureau of Land Management

10:00
A. M. OCT 16 1979

NEVADA STATE OFFICE
RENO, NEVADA

BOOK 85 PAGE 150

N-26221

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.

Russell W. Brown
Lessee's Signature

Title

10-12-79
Date

RECEIVED
Bureau of Land Management

10:00
A. M. OCT 16 1979

NEVADA STATE OFFICE
RENO, NEVADA

BOOK 85 PAGE 151

2624

SPECIAL STIPULATIONS FOR OIL AND GAS LEASING IN THE BATTLE MOUNTAIN DISTRICT

1. The lease area contains critical habitat for wild horses. Therefore, prior to entry on the lands, the lessee (operator) will discuss the proposed activities jointly with the Area Oil and Gas Supervisor and the District Manager who may require additional measures for the protection of the wild horses.
2. Federally owned or controlled springs and water developments may be used only with the prior written approval of the Authorized Officer.

Russell W. Brown
Signature of Lessee

10-12-79
Date

RECORDED AT REQUEST OF
Marathon Oil Company
BOOK 85 PAGE 1457

80 AUG 19 A10:49

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DEPAOLI-RECORDER
FILE NO. 75496
FEES 10.00

RECEIVED
Bureau of Land Management

10:00
A. M. OCT 16 1979

NEVADA STATE OFFICE
RENO, NEVADA

BOOK 85 PAGE 153 OG-33