

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Office NEVADA
Serial No. 32124

OFFER TO LEASE AND LEASE FOR OIL AND GAS
(Sec. 17 Noncompetitive Public Domain Lease)

The undersigned hereby offers to lease all or any of the lands described in item 2 that are available for lease, pursuant and subject to the terms and provisions of the Act of February 25, 1920 (41 Stat. 437, 30 U. S. C. sec. 181), as amended, hereinafter referred to as the Act and to all reasonable regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof.

McMoran-Freeport Oil Co.
Freeport Oil Company
(First Name, Middle Initial, Last Name)

Please verify the mailing address of the owner of address.

P. O. Box 61922
(Number and Street)

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

Mount Diablo

2. Land requested: State Nevada County Elko & Eureka T. T.-27-N : R. R.-53-E : Meridian

- Section 17: ALL
- Section 19: Lots 1,2,3,4,5,6,7&8, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
- Section 21: ALL
- Section 27: N $\frac{1}{2}$, SW $\frac{1}{4}$
- Section 29: ALL
- Section 31: Lots 1,2,3,4,5,6,7&8, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
- Section 33: ALL
- Section 34: W $\frac{1}{2}$

Total Area 4,786.54 Acres

3. Land included in lease: State _____ County _____ T. _____ : R. _____ : Meridian

This lease embraces the land described in item 2.

NOT IN A KNOWN GEOLOGIC STRUCTURE ON DATE OF USGS REPORT

(Offeror does not fill in this block) Total Area 4786.54 Acres Rental retained \$ 4787.00

4. Amount remitted: Filing fee \$10, Rental \$ 4,787.00 Total \$ 4,797.00

5. Undersigned certifies as follows:

(a) Offeror is a citizen of the United States. Native born _____ Naturalized _____ Corporation or other legal entity (specify what kind): A Delaware Corporation (See Corporate Qualification File No. W-56943 at the Bureau of Land Management Office in Cheyenne, Wyoming.)

(b) Offeror's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options or 246,080 chargeable acres in leases, offers to lease and leases in the same State, or 300,000 chargeable acres in leases, offers to lease and options in each leasing district in Alaska. (c) Offeror accepts as a part of this lease, to the extent applicable, the stipulations provided for in 43 CFR 3103.2. (d) Offeror is 21 years of age or over (or if a corporation or other legal entity, is duly qualified as shown by statements made or referred to herein). (e) Offeror has described all surveyed lands by legal subdivisions, all lands covered by protracted surveys by appropriate subdivisions thereof, or all unsurveyed lands not covered by protracted surveys by metes and bounds, and further states that there are no settlers on unsurveyed lands described herein.

6. Offeror is is not the sole party in interest in this offer and lease, if issued. (If not the sole party in interest, statements should be filed as prescribed in Item 6 of the Special Instructions.)

7. Offeror's signature to this offer shall also constitute offeror's signature to, and acceptance of, this lease and any amendment thereto that may cover any land described in this offer open to lease application at the time the offer was filed but omitted from this lease for any reason, or signature to, or acceptance of, any separate lease for such land. The offeror further agrees that (a) this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the land office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed in behalf of the United States, and (b) this offer and lease shall apply only to lands not within a known geologic structure of a producing oil or gas field.

8. If this lease form does not contain all of the terms and conditions of the lease form in effect at the date of filing, the offeror further agrees to be bound by the terms and conditions contained in that form.

9. It is hereby certified that the statements made herein are complete and correct to the best of offeror's knowledge and belief and are made in good faith.

Offeror duly executed this instrument this 14th day of February, 1981

(Lessee signature)

FREEPORT OIL COMPANY
By: James H. Frizell
(Lessee signature)
James H. Frizell, Sr. Vice President
(Attorney-in-fact)

This lease for the lands described in item 3 above is hereby issued, subject to the provisions of the offer and on the reverse side hereof.

Subject to the attached stipulations

THE UNITED STATES OF AMERICA Acting
By: Wilbur Kesteven
Chief, Branch of Lands (Signing officer)
& Minerals Operations (1513) JUL 15 1981 (1513)

AUG 01 1981

Effective date of lease

THIS OFFER MAY BE REJECTED AND RETURNED TO THE OFFEROR AND WILL AFFORD THE OFFEROR NO PRIORITY IF IT IS NOT PROPERLY FILLED IN AND EXECUTED OR IF IT IS NOT ACCOMPANIED BY THE REQUIRED DOCUMENTS OR PAYMENTS.

18 U. S. C. sec. 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.

This form may be reproduced provided that the copies are exact reproductions on one sheet of both sides of this official form, in accordance with the provisions of 43 CFR 31.21 (L)

LEASE TERMS

Section 1. Rights of lease. The lease is granted the exclusive right and privilege to the lessee to use, occupy, and enjoy the premises...

Section 2. Term of lease. The term of this lease shall be for a period of 10 years, commencing on the date hereinafter specified...

Section 3. Rent. The lessee shall pay to the lessor the sum of \$100.00 per month as rent for the premises...

Section 4. Maintenance and repairs. The lessee shall be responsible for the maintenance and repairs of the premises...

Section 5. Insurance. The lessee shall be responsible for insuring the premises against fire and other risks...

Section 6. Assignment and sublease. The lessee shall not assign or sublease the premises without the written consent of the lessor...

Section 7. Termination. This lease may be terminated by either party upon the expiration of the term hereof...

Section 8. Force majeure. In the event of a fire, flood, or other disaster, the lease shall be terminated and the lessor shall be liable for the cost of reconstruction...

Section 9. Miscellaneous. The parties hereto have read and understood the contents of this lease and agree to be bound by its terms...

Section 10. Governing law. This lease shall be governed by the laws of the State of California...

Section 11. Entire agreement. This lease constitutes the entire agreement between the parties and supersedes all other agreements...

Section 12. Counterparts. This lease may be executed in counterparts, each of which shall be deemed to be an original copy...

Section 13. Notices. All notices under this lease shall be in writing and shall be delivered to the party to whom such notice is directed...

Section 14. Assignment of benefits. The lessor assigns to the lessee all benefits under the lease, including the right to sue for damages...

Section 15. Waiver. The parties hereto have read and understood the contents of this lease and agree to be bound by its terms...

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Section 17. Waiver. The parties hereto have read and understood the contents of this lease and agree to be bound by its terms...

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Section 51. Waiver. The parties hereto have read and understood the contents of this lease and agree to be bound by its terms...

Recorder's Note: Legibility of writing, typing or printing unsatisfactory in this document when recorded.

A GENERAL INSTRUCTIONS

1. The offer must be in writing and must be signed by the offeror... 2. The offer must be received by the offeree before the expiration of the time specified...

INSTRUCTIONS

1. If the offer is a contract, it must contain a statement containing the following information: The date and time when the offer was made... 2. The offer must be received by the offeree before the expiration of the time specified...

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STATE OF LOUISIANA)
) ss
PARISH OF ORLEANS)

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

Walter D. Sanchez
Notary Public

At Death
My commission expires:



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RECORDED AT REQUEST OF
McMoran-Freeport Oil Co.
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OFFICIAL RECORDS
ELKO COUNTY, NEVADA
PLN. REG. & LIT. RECORDER
FILE NO. 88952
FEE \$ 7.00

46.00 176121
FILED FOR RECORD
AT REQUEST OF
McMoran Exploration Co.

83 MAY 23 11: 56

RECORDED BY 423 283 **INDEXED**
JERRY D. REYNOLDS
ELKO CC. RECORDER

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176121

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