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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
Street
City
State
Zip Code

Marathon Oil Company
P.O. Box 120
Casper, WY 82602

11-38291

(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. 49 E., (Pro. Dia. No. 158) MDN
- sec. 5, Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all);
- sec. 6, Lots 1 thru 7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{2}$ (all);
- sec. 7, Lots 1, 2, 3, 4, E $\frac{1}{2}$ N $\frac{1}{2}$, E $\frac{1}{2}$ (all);
- sec. 8, N $\frac{1}{2}$, SW $\frac{1}{4}$;
- sec. 9, W $\frac{1}{2}$;
- sec. 16, NW $\frac{1}{4}$, S $\frac{1}{2}$;
- sec. 17, NW $\frac{1}{4}$, S $\frac{1}{2}$;
- sec. 18, Lots 1, 2, 3, 4, E $\frac{1}{2}$, E $\frac{1}{2}$ N $\frac{1}{2}$ (all).

NOT IN A KNOWN GEOLOGIC
STRUCTURE ON DATE OF
MMS REPORT

Permanent Number 1-975-172

A COPY OF LIMITED POWER OF ATTORNEY
AUTHORIZING EXECUTION OF INSTRUMENTS OF
THIS NATURE IS FILED IN N-7015
AND SUCH AUTHORITY IS STILL IN EFFECT

Containing a total of 4308.24 acres Annual Rental \$ 4309.00

This lease is issued to the successful drawee pursuant to his "Simultaneous Oil and Gas" 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: MAR 01 1984
MARATHON OIL COMPANY

Robert H. Stead
(Signature of Offeror/Lessee)
Robert H. Stead, Attorney in Fact

JUL 19 1983

(Date)

THE UNITED STATES OF AMERICA

By: *Richard G. Morrison*
(Signature of Signing Officer)

Subject to the attached notice(s)/
Stipulation(s)
CHIEF, BRANCH OF LANDS & MINERALS
OPERATIONS (Title)

FEB 16 1984

(Date)

LEASE TERMS
Sec. 2(d)(a)(i) to read:

An annual rental of \$1.00 per acre or fraction thereof for each of the first five years and \$3.00 per acre or fraction thereof thereafter shall be paid on all leases issued under Subpart 3112 of 43 CFR, effective 2/19/82.

LEASE TERMS

Sec. 1. Rights of lease.—The lessee is granted the exclusive right and power to drill for, mine, extract, remove and dispose of all the oil and gas deposits, except helium gas...

Sec. 2. The lessee agrees.—(1) To file any bond required by this lease and the current regulations and will such bond be filed not later than the date upon which 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...

(4) To furnish a bond in a sum double the amount of \$2 per acre upon the inclusion of any part of the leased land within the known geologic structure of a producing oil or gas field...

(5) To furnish a bond in a sum double the amount of \$2 per acre upon the inclusion of any part of the leased land within the known geologic structure of a producing oil or gas field...

(6) To pay rentals and royalties in amounts or value of production as provided in this lease...

(7) To pay rentals and royalties in amounts or value of production as provided in this lease...

(8) To pay rentals and royalties in amounts or value of production as provided in this lease...

(9) To pay rentals and royalties in amounts or value of production as provided in this lease...

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(21) To pay rentals and royalties in amounts or value of production as provided in this lease...

(22) To pay rentals and royalties in amounts or value of production as provided in this lease...

(23) To pay rentals and royalties in amounts or value of production as provided in this lease...

leased lands, and an acceptable record of all subsurface investigations, including maps, logs, and reports thereon, or copies thereof, in the lessee's possession...

(4) Diligence, preservation of water, health and safety of workmen.—To exercise reasonable diligence and to see that operations temporarily granted by the lessee...

(5) Taxes and water, freedom of passage.—To pay when due all taxes lawfully assessed and levied upon the land of the State or the United States...

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

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

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

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

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

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

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

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

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

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

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

total relinquishment or the cancellation, or expiration of this lease, or any other time prior to the expiration of the term of this lease...

(3) Oil and gas proceeds.—The lessee shall pay to the lessor the proceeds from the sale of the oil and gas produced from the leased land...

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CONTRACTS & DIVISION

P. O. BOX 12

CASPER, WYOMING

NOTICE

N 147

BUREAU OF LAND MANAGEMENT

CULTURAL RESOURCES PROTECTION STIPULATION

CULTURAL RESOURCES - The Federal surface management agency is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the authorized officer of the Federal surface management agency, shall:

1. Contact the appropriate Federal surface management agency to determine if a site specific cultural resource inventory is required. If an inventory is required, then;
2. Engage the services of a cultural resource specialist acceptable to the Federal surface management agency to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the authorized officer for review and approval no later than that time when an otherwise complete application for approval of drilling or subsequent surface disturbing operation is submitted.
3. Implement mitigation measures required by the Federal surface management agency. Mitigation may include the relocation of proposed lease-related activities or other protective measures such as testing salvage and recordation. Where impacts to cultural resources cannot be mitigated to the satisfaction of the Federal surface management agency, surface occupancy on that area must be prohibited.

The lessee or operator shall immediately bring to the attention of the authorized officer of the Federal surface management agency any cultural resources discovered as a result of approved operations under this lease, and not disturb such discoveries until directed to proceed by the authorized officer of the Federal surface management agency.

NON-CONVENTIONAL OIL RECOVERY

Under the provisions of Public Law 97-78, this lease includes all deposits of non-gaseous hydrocarbon substances other than coal, oil shale, gilsonite (including all vein-type solid hydrocarbons). Development by methods not conventionally used for oil and gas extraction such as fire flooding and including surface mining will require the lessee to submit a plan of operations and will be subject to regulations governing development by such methods when those rules are issued by the Bureau of Land Management (BLM), the Minerals Management Service (MMS) and the rules or procedures of the surface managing agency, if other than BLM. Development may proceed only if the plan of operations is approved.

4/21-7

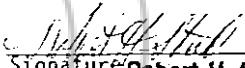
SAGE GROUSE SPECIAL STIPULATION

Crucial sage grouse winter habitat occurs within the lease area. Therefore, exploration, drilling, and other development activity will be restricted from March 1 through May 1. Prior to entry onto these lands, the lessee (operator) will discuss the proposed activities jointly with the Minerals Management Service Oil and Gas Supervisor and the District Manager.

This limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation in any year may be specifically authorized in writing by the District Engineer, Minerals Management Service, with the concurrence of the District Manager, Bureau of Land Management.

Additional measures for the protection of the sage grouse may include:

- a. No surface occupancy within 1/2 mile of the actual strutting grounds.
- b. Restriction of activity during the months of March through May in brood rearing or nesting area within 2 miles of the actual strutting grounds.

<u>Description of Lands</u>		<u>Part B</u>
NV-104	T. 7 N., R. 28 E., MDM, Nevada All lands	NV-187 T. 13 N., R. 60 E., MDM, Nevada sec. 25, N1/2, N1/2SE1/2, NE1/2SW1/2; sec. 26, NE1/2; sec. 36, SW1/2.
NV-145	T. 29 N., R. 47 E., MDM, Nevada sec. 28, SE1/2.	NV-191 T. 26 N., R. 61 E., MDM, Nevada sec. 2, E1/2NW1/2.
NV-147	T. 22 N., R. 49 E., MDM, Nevada sec. 16, S1/2; sec. 18, SE1/2.	NV-220 T. 6 N., R. 69 E., MDM, Nevada sec. 16, NW1/2.
NV-159	T. 41 N., R. 52 E., MDM, Nevada sec. 3, SE1/2.	MARATHON OIL COMPANY
NV-169	T. 42 N., R. 55 E., MDM, Nevada sec. 2, SW1/2.	 Signature Robert H. Steed, Attorney in Fact
NV-170	T. 42 N., R. 55 E., MDM, Nevada sec. 8, All.	JUL 19 1983
NV-196	T. 30 N., R. 62 E., MDM, Nevada sec. 1, W1/2.	Date _____
NV-197	T. 28 N., R. 63 E., MDM, Nevada sec. 24, NW1/2; sec. 25, NW1/2.	

06-40

NV147

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

* Area Oil and Gas Supervisor or
District Engineer (Address, include zip code)

SURFACE DISTURBANCE STIPULATIONS

Management Agency (name)

BUREAU OF LAND MANAGEMENT
NEVADA STATE OFFICE

Address (include zip code)

P.O. BOX 12000
RENO, NV 89520

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.

* Now is State Director, Nevada State Office, Bureau of Land Management

Marathon Oil Company
2011-121 453

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OFFICIAL RECORDS
FURNISHED BY THE
NATIONAL ARCHIVES
FILE NO. 92934
FEE \$9.00