

98544
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form approved
Budget Bureau No. 42-R0990

Office NEVADA

Serial No. 36362

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.

Mr. SCOTT A. CRANSTON
Mrs. _____
Miss _____
(First Name, Middle Initial, Last Name)
BOX 233
(Number and Street)
BILLINGS, MONTANA 59103
(City, State, ZIP Code)

2. Land requested: State NEVADA County EUREKA T. : R. : MD Meridian

T. 30 N., R. 50 E.
Sec. 10: All

T. 30 N., R. 51 E.
Sec. 32: All

3. Land included in lease: State _____ County _____ T. : R. : Meridian
Total Area 1280.00 Acres

This lease embraces the land described in Item 2.

NOT IN A KNOWN GEOLOGIC
STRUCTURE ON DATE OF
MMS REPORT

(Offeror does not fill in this block) Total Area 1280.00 Acres Rental retained \$ 1280.00

4. Amount remitted: Filing fee \$10, Rental \$ 1280.00, Total \$ 1355.00

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): _____

(b) Offeror's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options or 246,080 chargeable acres in options, 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 8 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 20th day of APRIL, 19 82

(Lessee signature)

(Lessee signature)

(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
Subject to the attached notice(s)
Effective date of lease FEB 01 1983

THE UNITED STATES OF AMERICA

By Richard M. Mounin
Chief, Branch of Lands (Signing officer)
& Minerals Operations
(Title)

JAN 31 1983
(Date)

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 3123.1(a).

BOOK 134 PAGE 317

NOTICE TO LESSEE

By accepting this lease, the lessee acknowledges that restrictive measures may be applied for the protection of the environment and improvements by the Bureau of Land Management and others at the time an application for a permit to drill is submitted. Stipulations may apply but are not limited to the following resources:

PROTECTION OF THE ENVIRONMENT (LAND, AIR AND WATER) AND IMPROVEMENTS -- The Lessee shall take all mitigating actions required by the Lessor to prevent: (a) soil erosion or damage to crops or other vegetative cover on Federal or non-Federal lands in the vicinity; (b) the pollution of land, air, or water; (c) land subsidence, seismic activity, or noise emissions; (d) damage to aesthetic and recreational values; (e) damage to fish or wildlife or their habitats; (f) damage to or removal of improvements owned by the United States or other parties; or (g) damage to or destruction or loss of fossils, historic or prehistoric ruins, or artifacts. Prior to the termination of bond liability or at any other time when required and to the extent deemed necessary by the Lessor, the Lessee shall reclaim all surface disturbances as required, remove or cover all debris or solid waste, and, so far as possible, repair the offsite and onsite damage caused by his activity or activities incidental thereto, and return access roads or trails and the leased lands to an acceptable condition including the removal of structures, if required. The Supervisor or the Authorized Officer shall prescribe the steps to be taken by Lessee to protect the surface and the environment and for the restoration of the leased lands and other lands affected by operations on the leased lands and improvements thereon, whether or not the improvements are owned by the United States. Timber or mineral materials may be obtained only on terms and conditions imposed by the Authorized Officer.

NON-CONVENTIONAL OIL RECOVERY

Under the provisions of Public Law 97-78, this lease includes all deposits of nongaseous 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.

BUREAU OF LAND MANAGEMENT
NOTICE TO LESSEE
CULTURAL RESOURCES STIPULATION

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 surface management agency or BLM as appropriate, shall:

1. Contact through the Minerals Management Service the appropriate BLM office on lands managed by BLM or the appropriate surface management agency on lands where the surface is administered by such agency to determine if a site specific cultural resource inventory is required. If a survey is required, then;
2. Engage the services of a qualified cultural resource specialist acceptable to the Federal surface management agency to conduct an intensive inventory for evidence of cultural resource values;
3. Submit a report acceptable to the authorized officer of the surface management agency and the Minerals Management Service; and
4. Implement mitigation measures required by the surface management agency to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing and salvage or other protective measures. Where impacts cannot be mitigated to the satisfaction of the surface management agency, surface occupancy on that area must be prohibited.

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

BOOK 134 PAGE 319

N-5

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 Minerals Management Service 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

All lands included in this lease.

Scott A. Cleveland
Signature

RECORDED AT REQUEST OF
Nicox Exploration
BOOK 134 PAGE 317

November 15, 1982
Date

85 FEB 25 A10: 32

OFFICIAL RECORDS
-FORREKA COUNTY, NEVADA
M.N. REG/LEAS/RECORDER
FILE NO. 98544
FEE \$ 8.00

RECEIVED
Bureau of Land Management

7:30
A.M. NOV 22 1982

NEVADA STATE OFFICE
BEND, NEVADA

OG-29

BOOK 134 PAGE 320