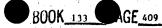


## 121659

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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## OFFER TO LEASE AND LEASE FOR OIL AND GAS

1. Name The Anschutz Corporation		
Some 555 17th Street, Suite 2400		
City, State, Zip Code Denver, Colorado 80202		
2. This offer/lease is for: (Check Only One)	UBLIC DOMAIN LANDS ACQUIRED	LANDS (percent U.S. interest
Surface managing agency if other than BLM:	Unit/Project	
Legal description of land requested:		No. 1 To a second of the
T. 18 N R 54 E	Meridian Mount Diablo State Nevada	County White Pine &
Section 2: Lots 1,2,3,4,5,6,7,SWL Section 3: Lots 1,2,3,4,SLNLLL,SLL Section 4: Lots 1,2,3,4,SLNLL,SLL Section 5: Lots 1,2,3,4,SLNLL,SLL Section 6: Lots 1,2,3,4,5,6,7,SLNL		Eureka
Section 7: Lots 1,2,3,4,E12W12, E12		$\forall$
Section 8: All	Section 15: All	
Section 9: All	Section 16: All	
Section 10: All	Section 17: All	
Section 11: Lots 1,2,3,4,W15E12,W15	Section 18: Lots 1,2,3,4,E-1844	, NE', N'SE'
Section 14: Lots 1,2,3,4,W\(\frac{1}{2}\)E\(\frac{1}{2}\),W\(\frac{1}{2}\)		Total acres applied for 9,414.1
Amount remitted Filing fee \$ 75.00	Rental fee \$ 9415.00	Total 5 9,490.00
J. Land included in lease:	DO NOT WRITE BELOW THIS LINE    State	County White Dine
J. Land included in lease:		County White Pine and Eureka
J. Land included in lease: T. 18 N., R. 54 E., M		White Pine
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I. Land included in lease:  T. 18 N., R. 54 E., M.  SAME AS ITEM 2  NOT IN A KNOWN GEOLOGICAL  STRUCTURE  In accordance with the above offer, or the previously submitted simultaneous autact, remove and dispose of all the oil and gas rescept belium) in the lands delium, subject to renewal or extension in accordance with the appropriate lease, the Secretary of the Interior's regulations and formal orders in effect at transed or specific provisions of this lease.	as oil and gas lease application or competitive bid, this lease is in terminal in item 3 application or competitive bid, this lease is in terminal in item 3 applicable laws, the same automation process against automatic process are superior to applicable laws, the soft lease usualice, and to regulations and formul orders bereafter	Total acres in lessand 20.07  Rental retained 5 9421 00  sued granting the exclusive right to drill for, municipally unprovenients thereupon for the term undicate terms, conditions, and attached stipulations of the promulgiated when not inconsissent with lesse right
SAME AS ITEM 2  NOT IN A KNOWN GEOLOGICAL STRUCTURE  a accordance with the above offer, or the previously submitted simultaneous stract, remove and dispose of all the oil and gas rescept helium in the lands delaw, subject to renew alor extension in accordance with the appropriate te cause, the Secretary of the internor's regulations and formal orders in effect at ranted or specific provisions of this lease.  Type and primary term of lease:	as oil and gas lease application or competitive bid, this lease is in terminal in item 3 application or competitive bid, this lease is in terminal in item 3 applicable laws, the same automation process against automatic process are superior to applicable laws, the soft lease usualice, and to regulations and formul orders bereafter	Total acres in lease 420.07  Rental retained \$ 9421.00  seed granting the exclusive right to drill for, mine harry improvements thereupon for the term indicate rems, conductors, and naturaled stipulations of the promulgated when not inconsistent with lease right
SAME AS ITEM 2  NOT IN A KNOWN GEOLOGICAL STRUCTURE  In accordance with the above offer, or the previously submitted simultaneous states, remove and dispose of all the oil and gas rescept helium) in the lands delium, subject to renew a) or extension in accordance with the appropriate to easier, the Socretury of the Internet's regulations and formal orders in effect as familied or specific provisions of this lease.  Symmittaneous moncompetitive lease (fee years)	as od and gas lease application or competitive bid, this lease is is teaming along the manufacture of the ma	Total acres in less 9420.07 Rental retained 5.9421.00  sued graning the exclusive right to drill for, mine havy improvements thereupon for the term indicate terms. Conditions, and stracked stipulations of the promulgiand when not incontinued with lease right promulgiand when not incontinued with lease right promulgiand when not incontinued in the promulgiand in the promulg
J. Land included in lease: T. 18 N., R. 54 E., M SAME AS ITEM 2  NOT IN A KNOWN GEOLOGICAL	as od and gas lease application or competitive bid, this lease is to learned in term 3 together with the right to build and maintain necessaring authority. Rights granted are subject to applicable laws; the as of lease usualice, and to regulations and formul orders hereafter.  THE UNITED STATES OF AME  Chive F. Branch of La	Total acres in lessay420.07  Rental retained \$ 9421.00  sued granting the exclusive right to drill for, mine starry improvements thereupon for the term indicate terms, conditions, and artiched stipulations of the promulgated when not inconsistent with lease right.

NV-5672-HHH

4 (a) Undersigned certifies that (1) offeror is a entire of the United States; an association of such circums, a municipality; or a corporation organized under the laws of the United States or for any State or Territory thereof. (2) all parties holding an interest in the offer are in compliance with 42 CFR 3100 and the leasing arithmetes. (3) offeror's chargeoble interests, direct and indirect, of any State or Territory thereof. (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing arithmetes. (3) offeror's chargeoble interests, direct and indirect in either placed domain or acquired limits do not exceed 2(0,060 acres in oil smitgas opportunity. (4) On a cress in openions an eather leasing District in Alaska, and (4) offeror interests, directly an openion in eather leasing District in Alaska, and (4) offeror interests. Acceptance of one interests, in minimal and inspirations of which offeror has been given notice, and any simenteness of the least of the any social arithmetes. Acceptance of one interests, in minimal and inspirations of which offeror has been given notice, and any simenteness or expansion that it is not accompanied by the required of six offer with the withdrawal, shat been superior do in the withdrawal, shat been superior on retain from the first offeror in the original and exercised in the withdrawal, shat been superior and entire controlled and exercised in the withdrawal, shat been superior and withdrawal, shat been superior on retain of the first offeror in the original and entire and offeror in the original and entire and offeror in the original and entire and entire

I PASE TERMS

ic. 1. Remais—Rentals shall be paid to proper office of lessor in advance of each lease y neural rental rates per acre or fraction thereof are:

- (a) Sumulaneous noncompetitive lease, \$1.00 for the first 5 years, thereafter, \$3.00, (b) Regular noncompetitive lease, \$1.00, (c) Competitive lease, \$2.00, or (d) Other, see authorment.

If all or part of a noncompetitive leasehold is determined to be within a known goological structure or a favorable petroleum geological province, annual rettal shall become \$2.00 beginning with the lease year following notice of such determination. However, a lease that would otherwise be subject to rettal of more than \$2.00 shall continue to be subject to the higher rental

otherwise be subject to tental of more than \$5.00 shall continue to be subject to the higher rental.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalities shall be pead on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), (c), or (d) for those lands not within a participating area.

ior, mose tames not within a participating area.

Faulure to pay annual rental, if due, on or before the anniversary date of this lease (or next
official working days) forfice is closed shall automatically terminate this lease by operation of
law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be or puted in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Simultaneous noncompetitive lease, 12%5;
  (b) Regular noncompetitive lease, 12%5;
  (c) Competitive lease, see attachment; or
- (c) Competitive lease, see attachment; or (d) Other, see attachment:

(d) Other, see attachment:

Lessor reserves the right to specify whether royally is to be paid in value or in kind, and the right to establish reasonable minimum values on products after going lessee notice and the right to establish reasonable minimum values on products after going lessee notice and any of the month following the month in which production occurred. When paid in haid, production stall be delivered, unless otherwise agreed to by lessor, it among the required to hold such production as the production in storage from a few products on its originate beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royally oil or other products in storage from causes beyond the reasonable control of lesses.

Minimum royally shall be due for any lease year after discovery in which royally payments agregate less than \$1.00 per acre. Lessee shall pay such difference at end of lease year. This minimum royally may be waised, suspended, or reduced, and the above royally rates may be reduced, for all or portions of this lease if the Secretary determines that with a truin in necessary to encourage the greatest ultimate recovery of the lessed resources, or is otherwise position. An interest charge shall be assessed on late royal hy havments or undergramment in accordance with the Federal Oil and Gas Royally Management Act of 1932 (FOGRMA) (90 Stat 2447). Lessee shall be liable for royal payments on of and agas to or wasted from a lease time based with any rule, regulation, order, or citation study of the wasted order to comply with any rule, regulation, order, or citation study of the resources.

Sec. 3. Bonds-Lessee shall file and maintain any bond required under regulations

Sec. 3. month—Lessee shall file and maintain any bord required under regulations.

Sec. 4. Diligence, rate of development, unititation, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall precent unincessing damage to loss of, or waster of leasted resources. Lessor reverses right to specify rates of development and producing in the public interest and to require lessee to subscribe to a conjecture or unit plant within 30 days of instea, if demend necessary to proper development and operation of area, feeld, or pool embracing these reased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royality for drainage in amount determined by lessor.

determined by tessor.

See 3. Decuments, evidence, and inspection—Lessee shall file with proper office of lessor, molifact than 30 days after effective date thereof, any contract or evidence of other arrangement for sale of disposal of production. At such times and in such form as lessor may presente, lessee ability than the festival statements show not amounts and quality of all product enteriored and sold, proceeds their from and amount used for prediction, provides or unavoidably lost. Lessee may be required to provide plat and schematic deagrams. Notward development work and improvement, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form precisioned by testor, lessee shall keep a sale striking record, a log, information were unavoired and easily sold as record of subswiftle, investigations and furnish copies to lessor when required. Lessee shall seep open as all recordable lenses for imprecion by any authorities of order of lessor. The travel permises and this well, impricing means, such exists affecting and all beings, accounts, maps, and revolutive retains to open anisms, such exists of investigations.

supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lesser's accounting offices for fature's audit by lessor. Lesses shall mau-tiain required records for 6 years after they are generated or, if an audit or assessingation is underway, until released of the colligation to maintain such records by lessor.

way, untal released of the obligation to maintain such records by lessor.

During equience of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (3 U.S.C. 552).

Sec. 6. Conduct of operations—Leases shall conduct operations in a manner that maintains softene impacts to the land, air, and water, to cultural, biological, visual, and other resources, and is impacts to the land, air, and water, to cultural, biological, visual, and other resources, and is occorded in an interest of users. The section of the land water deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease right granted, such measures may include, but are not limited to, modification to ning or design of facilities, naming of operations, and specification of interim and final reclamation measures. Lessor reserve to the right to continue existing uses and to authorize their uses upon on in the leased lands, including the approval of easements, or rights of-ways. Such uses shall be conditioned so as to prevent unnecessary or unreasonable mirriterines with rights of leasee.

unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be approach
of procedures to be followed and modifications or reclamation measures that may be necessary.

Areas to be disturbed may require inventiones or special studies to determine the extent of impact to other resources. Lessee may be required to complete minor inventiones or whore term
special studies under guidelines provided by lessor. If in the conduct of operations, threatened
or endangered species, objects of historic or scientific interior, or substantal unanticipated era
vironmental effects are observed, lessee shall immediately contact lessor, Lessee shall cease any
operations that would result in the destruction of such species or objects.

- Sec 7. Mining operations—To the extent that impacts from mining operations woo substantially different or greater than those associated with normal drilling operations, reserves the fight to deny approval of such operations.
- Sec. 5. Extraction of helium—Lessor reserves the option of extracting or having extracted betturn from gas production in a manner specified and by means provided by lessor at no extreme or loss to lessee or owner of the gas. Lessee shall include in any contract or sale of gas the provisions of this section.
- Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's impre-and shall save and hold lessor harmless from all claims for damage or harm to person-erry as a result of lease operations.
- Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all takes legally assessed and levired under laws of the State or the United States; accord all employees compire freedom of purchase, pay all wages at least twice each month in lawful mixes of the United States, minution a size dwisting environment in accordance with standard industry practices, and take measures necessary to protect the health and safety of the public.

- industry practices, and take measures necessary to protect the health and safety of the public. Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. Hersee operates a pipitine, or owns controlling interest in a popeline or a company operating a piptine, which may be operated accessible to out derived from these leased lands, lessee shall comply with section 28 of the himeral Leasing Act of 1920. Lessee shall comply with Executive Order Nor. 1124 or 5 spenmer 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee not lessee is subcontractors shall maintain segregated facilities.

  Sec. 11. Transfer oil lease interests and relinquishment of lease—As required by regulations, itssee shall fife with lesses any assignment or other transfer of an interest in this lease. Lessee has relinquishment, which shall be effective as of the date of fitting, subject to the continued obligation of the lessee and surery to pay all accrued remains and toy-like lease are returned to lessee.
- Sec. 12. Delivery of premises—At such time as all or pursions of this lease are returned to leaser, leasee shall place affected wells in condition for suspension or abandonment, rectain the land as specified by leasor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of productibe wells.
- improvements my accessary by testor for preservation of productive wells.

  Sec. 13. Proceedings in case of detail—If lessee fails to comply with any provisions of this lease, and the noncompliance confinence for Do days after winter notice thereof, this lease shall be ablect to cancellation. Lessee shall also be subject to applicable provisions and penalties of FURMA (so Stat. 242). However, if this lease includes land almost no contain valuable adjects to the provision of FURMA (so Stat. 242). However, this lease includes land almost no contain valuable adjects to the control resource in may be cancelled only by judicial provedings. This provision shall not be construed to prevent the exercise by resort of any other legal and qualitation removes the detail of the state of the details. Any such remove or waster shall not prevent later cancellation for the stand default occurring at any other time.
- Sec. 14. Heirs and successors in interest—Each obligation of this lease shall estend to and be briding upon, and every rendit hereof shall insite to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

BOOK 1 8 4 PAGE 3 7 8

FEE\$7.00 FILE #254826 FILED FOR RECORD AT THE REGUEST OF The Anschutz Corporation

'88 AUG 15 P1:08

RECORLES 133 125 412-414 LISA CIANGL MECK WHITE PINE COUNTY RECORDER

RECORDED AT THE REQUEST OF 800# /84 PAGE 377

The anschut Corp 88 SP 19 P3:30

OFFICIAL RECORDS EUREMA COUNTY, NEVADA M.N. REBALEATI, RECORDER i≌1659

BOOK | 84 PAGE 379

9598.4

WHEN RECORDED, PLEASE RETURN TO THE ANSCHUTZ CORPORATION 2400 ANACONDA TOWER DENVER, COLORADO 80202