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Form 3200-24
(May 1984)
(Formerly 3200-6 & 3200-21)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1604-0008
Expires January 31, 1996

OFFER TO LEASE AND LEASE FOR GEOTHERMAL RESOURCES

The undersigned (see reverse) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025).

NEVADA

Serial No.
46700

Read Instructions Before Completing

1. Name **BARRICK GOLDSTRIKE MINES, INC.**

Street **251 West Commercial Street, P.O. Box 29**

City, State, Zip Code **Elko, Nevada 89801**

2. Surface managing agency if other than BLM: _____ Unit/Project: _____

Legal description of land required (beginning by public domain and acquired lands):

T. 36 N.	* 50 E.	Meridian	M.D.B. & M.	State	Nevada	County	Eureka
Section 19 - SW _{1/4} - NE _{1/4} , SE _{1/4} -SW _{1/4} , Lots 3 & 4							
T. 36 N., R. 49 E.				M.D.B. & M.	Nevada	Eureka	
Section 13 - NW _{1/4} , NE _{1/4} -SW _{1/4} , SE _{1/4} -SE _{1/4} , SW _{1/4} -SW _{1/4}							
Section 14 - NE _{1/4} -NE _{1/4} , SW _{1/4} -NE _{1/4} , SE _{1/4} , W _{1/4} -W _{1/4}							
Section 15 - NW _{1/4} -NW _{1/4} , E _{1/4}							
Section 22 - NE _{1/4} , SE _{1/4} -NW _{1/4} , NW _{1/4} -SE _{1/4}							
Section 23 - W _{1/4} -NW _{1/4} , NW _{1/4} -NE _{1/4} , SW _{1/4} -NE _{1/4} , S _{1/4} -SE _{1/4}							
Section 24 - SE _{1/4} -NW _{1/4} , SW _{1/4} -NE _{1/4} , S _{1/4}							

Total acres applied for **2518.85**

Percent U.S. interest **100**

Total \$ **2594.00**

Amount retained: Filing fee \$ **75.00**

Rental fee \$ **2519.00**

3. Land included in lease:

DO NOT WRITE BELOW THIS LINE

T. _____ R. _____ Meridian _____ State _____ County _____

Claim #144-145-2

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Total acres in lease **2518.85**

Rental retained \$ **2519.00**

Barrick Goldstrike Mine Inc.

In accordance with the above offer, or the previously submitted competitive bid, this lease is issued granting the exclusive right to drill for, extract, produce, remove, utilize, sell, and dispose of all the geothermal resources in the lands described in item 3 together with the right to build and maintain necessary improvements thereon, for a primary term of 10 years. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance and, when not inconsistent with lease rights granted or specific provisions of this lease, regulations and formal orders hereafter promulgated.

Type of lease

Non-competitive

Competitive

Other _____

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THE UNITED STATES OF AMERICA

by *Melvin B. Beck*
Chief, Geothermal Resources
& Minerals Operations

Deputy
General Counsel

1988

REACTIVE DATE OF LEASE

MAR 01 1988

4. (a) Undersigned certifies that:

(1) Offeree is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States, any State or the District of Columbia; (2) All parties holding an interest in the offer are in compliance with 30 CFR 3200 and the authorizing Act; (3) Offeree's assignable interests, direct and indirect, do not exceed that allowed under the Act; and (4) Offeree is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions and regulations of which offer has been given notice, and any amendment or supreme lease that may cover any land described in this offer open to lease application at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the BLM State Office before this lease, in amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal. This offer, which ever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford the offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. Title 43 U.S.C. Sec. 1001 makes it a crime for any person knowingly and wilfully 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.

Duly executed this 2nd day of June, 1987

John T. McDaniel

(Signature of Lessee or Attorney-in-Fact)

LEASE TERMS

Sec. 1. Rentals—Rents shall be paid to proper office of lessor an advance of each lease year until there is production in commercial quantities from the leased lands. Annual rental rates per acre or fraction thereof are \$1 for noncompensatory leases and \$2 for compensatory leases.

If this lease is for a period of less than one year, the annual rental rate shall be prorated based upon the number of days in the month in which production begins and the number of days in the month in which production ceases.

Rents shall be paid monthly in advance. If there is no production in any month, the annual rental rate shall be prorated based upon the number of days in the month in which production begins and the number of days in the month in which production ceases.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations and orders. Royalty rates on production are 10 percent for steam, heat, or energy, 5 percent for hydrocarbons, and 5 percent for demineralized water.

Lessor reserves the right to establish reasonable minimum values on production after giving lessor notice and an opportunity to be heard. Royalties shall be due and payable on the last day of the month following the month in which production occurred.

A minimum royalty shall be due for any lease year beginning on or after the commencement of production in commercial quantities in which royalty payments aggregate less than \$2 per acre. Lessor shall pay such difference at the end of lease year. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or if otherwise justified.

Sec. 3. Bond—Lessee shall file and maintain any bond required under regulations.

Sec. 4. Diligence, use of development, utilization, and drainage—Lessor shall perform diligent exploration as required by regulations and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessor to subdivide in a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of the area, field, or pool embracing these leased lands. Lessor shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage as amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, no later than 140 days, after effective date thereof, any contract or evidence of other arrangement for lease or for production. At such times and in such form as lessor may prescribe, lessor shall have the right to inspect all for production purposes or unavoidable test. Lessor shall be required to provide plots and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation on costs.

In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, and complete information on well surveys and tests and keep a record of subsurface investigations and furnish copies to lessor when required. Lessor shall keep open at all reasonable hours for inspection by any authorized officer of lessor the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessor shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as bills of lading, invoices, or similar documentation that support costs claimed as manufacturing, preparation, and transportation costs. All such records shall be maintained by lessor in accounting offices for future audit by lessor. Lessor shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to an inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. § 552).

Sec. 6. Conduct of operations—Lessor shall conduct operations in a manner that minimizes adverse impacts to the land, air, water, cultural, biological, visual, and other resources, and for other land uses or users. Lessor shall take reasonable measures deemed necessary by

lessee to accomplish the intent of this section. To the extent consistent with leased rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to require lessee to implement the most stringent measures necessary to eliminate or minimize impact of easements or rights-of-way. No such measure shall be a prevent unnecessary or unreasonable interference with lessee's use of the leased lands.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessor may be required to complete minor surveys or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessor shall immediately contact lessor. Lessor shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Production of hydrocarbons—If the production, use, or conversion of geothermal resources from these leased lands is susceptible of producing a valuable byproduct or byproducts, including commercially demineralized water for beneficial uses in accordance with applicable State water laws, lessor may require substantial beneficial production or use thereof by lessor.

Sec. 8. Damages to property—Lessor shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage of harm to persons or property as a result of lease operations.

Sec. 9. Protection of diverse interests and equal opportunity—Lessor shall maintain a safe working environment in accordance with standard 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.

Lessor shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessor nor lessor's subcontractor shall maintain segregated facilities.

Sec. 10. Transfer of lease interests and relinquishment of lease—As required by regulations, lessor shall file with lessor, any assignment or other transfer of an interest in this lease. Lessor may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the consummation obligation of the lessee to pay all accrued rentals and royalties.

Sec. 11. Delivery of premises—At the time of abandonment, reversion, or release of the land as specified by lessor, and within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells or continued protection of the environment.

Sec. 12. Proceedings in case of default—if lessor fails to comply with any provision of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation in accordance with the Act. However, if the lease includes land known to contain a well capable of production in commercial quantities, it may be canceled only by judicial proceeding. This provision shall not be construed to prevent the exercise by lessor or any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Whenever the lessor fails to comply in a timely manner with any of the provisions of the Act, this lease, the regulations, or formal orders, and immediate action is required, the lessor may enter on the leased lands and take measures deemed necessary to correct the failure at the expense of the lessor.

Sec. 13. Heirs and successors in interest—Each obligation of this lease shall extend to and be binding upon, and every beneficiary shall move to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

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BLM NEVADA
B-46 700

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RAIRIE 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 Area Geothermal 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

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BUREAU OF LAND MANAGEMENT
NEVADA STATE OFFICE

9:00 AM FEB 17 1988

NEVADA STATE OFFICE
RENO, NEVADA

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MAR 2 1988

Barrick Goldstrike Mine Inc.

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J.O. Moyer
Signature
February 3, 1988
Date



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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APR 24 1989

NEVADA STATE OFFICE
160 Harvard Way
P.O. Box 12000
Reno, Nevada 89520-0006



IN REPLY REFER TO

N-46700
3210
(NV-943.3)

APR 19 1989

Barrick Goldstrike Mine Inc.

DECISION

Barrick Goldstrike Mine, Inc.
P. O. Box 29
Elko, NV 89801

: Geothermal Resources
:

Lease Corrected

Geothermal resources lease N-46700 issued effective March 1, 1988 indicates the lands are located in Eureka County. The lease is hereby corrected to also show Elko County.

This decision is hereby made a part of geothermal resources lease N-46700. All other terms and conditions of the lease remain the same. Subsequent assignments of this lease are affected by this decision.

Marla B. Bohl

Marla B. Bohl, Chief
Branch of Lands and Minerals Operations

RECORDED AT THE REQUEST OF

ENR 196 PAGE 514
BARRICK GOLDSTRIKE MINES, INC.
'89 MAY 10 NO:47

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