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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FIRM APPROVED
CIBAT NO. 1004-0038
Expires January 31, 1986

OFFER TO LEASE AND LEASE FOR GEOTHERMAL RESOURCES

NEVADA
46700

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).

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 requested (segregate by public domain and acquired lands):

T. 36 N. R. 50 E. Meridian M.D.B. & M. State Nevada County Eureka
Section 19 - SW $\frac{1}{4}$ - NE $\frac{1}{4}$, SE $\frac{1}{4}$ -SW $\frac{1}{4}$, Lots 3 & 4

T. 36 N., R. 49 E. M.D.B. & M. Nevada Eureka
Section 13 - N $\frac{1}{2}$, N $\frac{1}{2}$ -S $\frac{1}{2}$, SE $\frac{1}{4}$ -SE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 14 - NE $\frac{1}{4}$ -NE $\frac{1}{4}$, S $\frac{1}{2}$ -NE $\frac{1}{4}$, SE $\frac{1}{4}$, W $\frac{1}{2}$ -W $\frac{1}{2}$
Section 15 - NW $\frac{1}{4}$ -NW $\frac{1}{4}$, E $\frac{1}{2}$
Section 22 - NE $\frac{1}{4}$, SE $\frac{1}{4}$ -NW $\frac{1}{4}$, N $\frac{1}{2}$ -SE $\frac{1}{4}$
Section 23 - W $\frac{1}{2}$ -NW $\frac{1}{4}$, N $\frac{1}{2}$ -NE $\frac{1}{4}$, SW $\frac{1}{4}$ -NE $\frac{1}{4}$, S $\frac{1}{2}$ -SE $\frac{1}{4}$
Section 24 - SE $\frac{1}{4}$ -NW $\frac{1}{4}$, S $\frac{1}{2}$ -NE $\frac{1}{4}$, S $\frac{1}{2}$

Total acres applied for 2518.85
Percent U.S. interest 100
Total \$ 2594.00

Amount retained: Filing fee \$ 75.00 Rental fee \$ 2519.00

DO NOT WRITE BELOW THIS LINE

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

SECTION 19

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MAR 2 1988

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 thereupon, 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 on or after the date hereof, 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 Mark A. Bell (Signing Officer)
Chief, Financial Services & Minerals Operations (Title) MAR 2 1988 (Date)

EFFECTIVE DATE OF LEASE **MAR 0 1 1988**

4. (a) Undersigned certifies that:
 (1) Offeree is a citizen of the United States, an association of such citizens, a trust, public, 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 offeree are in compliance with 43 CFR 3200 and the authorizing Act; (3) Offeree's chargeable 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 stipulations of which Offeree has been given notice, and any amendment or separate lease that may cover any land described in this offer open to lease application at the time that 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, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.
 This offer will be received and will afford the offeree no privity of it 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 willfully to make in 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 22ND day of June, 1987 John T. McEntarough
 (Signature of Lessee or Attorney-in-Fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in 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 noncompetitive leases and \$2 for competitive leases.
 If the lessor is a participating area, the lessor shall provide a proof of oil, gas, geothermal, and other resources, and the plan contains a proof of oil and gas on the production allocated to the lease. However, if the lessor is not a participating area, the lessor shall provide a proof of oil and gas on those lands not within a participating area.
 If the lessor is a participating area, the annual rental, if due, on or before the anniversary date of this lease for each official working day of office is closely shall automatically terminate this lease by operation of law. Rentals may be suspended by the Secretary upon a sufficient showing by lessor.

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 proving lessor's right 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. Lessee 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 is otherwise justified.

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

Sec. 4. Diligence, rate of development, mitigation, and drainage—Lessee shall perform diligent operations as required by regulations and shall prevent unnecessary damage to, loss of, or waste of, oil, gas, geothermal, or other resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessor to submit to a cooperative or unit plan, within 90 days of notice if deemed necessary for proper development and operation of the area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence and inspection—Lessee shall file with proper office of lessor, not later than 15 days after effective date thereof, any contract or evidence of other arrangement for the lease or production. At such times and in such form as lessor may prescribe, lessor shall be permitted to inspect the leased lands for production purposes or unavoidably lost. Lessee shall be required to provide plans and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs.

In the form prescribed by lessor, lessor 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. Lessee shall keep open at all reasonable times 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. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation or has bills of lading, invoices, or similar documentation that support cost claims as manufacturing, preparation, and transportation costs. All such records shall be maintained in lessor's accounting offices for future audit by lessor. Lessee 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 inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land and water resources, cultural, historic, and other resources, and to other land uses or users. Lessee 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, modifications to siting or design of facilities, timing of operations, and specification of amount and final reclamation measures. Lessee reserves the right to establish a permit or easement to prevent unnecessary or unreasonable interference with the use of land.
 Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be applied of procedures to be followed and provide information or information necessary to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories 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 unoccupied environmental 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. Production of byproducts—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 use in accordance with applicable State water laws, lessor may require substantial beneficial production or use thereof by lessee.

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

Sec. 9. Protection of diverse interests and equal opportunity—Lessee 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 in accordance 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 lessee's subcontractor shall maintain segregated facilities.

Sec. 10. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor, any assignment or other transfer of an interest in this lease. Lessee 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 continued obligation of the lessor to produce all account rentals and royalties.

Sec. 11. Delivery of premises—At the time of abandonment, revocation 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. Proceeedings in case of default—If lessor fails to comply with any provisions 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 this lease includes land known to contain a well capable of production in commercial quantities, it may be cancelled only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor or any other legal and equitable remedies, 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 lessee 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 Lessee.

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

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4-46-11

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 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

RECEIVED
Dir. of Land Management
NEVADA LAND OFFICE

9:00 AM FEB 17 1988

NEVADA STATE OFFICE
Reno, NEVADA

RECEIVED
MAR 2 1988

Barrick Goldstrike Mine Inc.

J.L. Moore
Signature
February 3, 1988
Date

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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APR 24 1989

CANADA STATE OFFICE
180 Harvard Way
P.O. Box 12000
Las Vegas, 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 : Geothermal Resources
Elko, NV 89801 :

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, Chief
Branch of Lands and Minerals Operations

RECORDED AT THE REQUEST OF

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Barrick Goldstrike Mines, Inc.
89 MAY 10 10:47

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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