

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**  
**OFFER TO LEASE AND LEASE FOR OIL AND GAS**

Serial No. 53

N-51261

The undersigned (*reverse*) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

## READ INSTRUCTIONS BEFORE COMPLETING

127344

1. Name **Anadarko Petroleum Corporation**  
Street **P.O. Box 5050**  
City, State, Zip Code **Denver, CO 80217**

2. This application/offer/lease is for: **(Check only One)** PUBLIC DOMAIN LANDS ACQUIRED LANDS (percent U.S. interest \_\_\_\_\_)

Surface managing agency if other than BLM: \_\_\_\_\_ Unit/Project \_\_\_\_\_

Legal description of land requested: \*Parcel No.: **NV-05-89-068** \*Sale Date (m/d/y): **5/9/89**

\*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

T. R. Meridian State County

Amount remitted: Filing fee \$ \_\_\_\_\_ Rental fee \$ \_\_\_\_\_

Total acres applied for \_\_\_\_\_

Total \$ \_\_\_\_\_

## DO NOT WRITE BELOW THIS LINE

## 3. Land included in lease:

T. R. Meridian State County

**T. 17 N., R. 51 E., MDH, Nevada (Pro. Dia. No. 116)**  
sec. 04, all;  
sec. 06, all;  
sec. 18, all.

**Eureka County, Nevada**Total acres in lease **2243.00**  
Rental retained \$ **3364.50**

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (*except helium*) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. 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 to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

**NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.**

Type and primary term of lease:

 Noncompetitive lease (ten years) Competitive lease (five years) Other \_\_\_\_\_

THE UNITED STATES OF AMERICA

by *Wayne M. Freeman*  
Acting Chief, Branch of Minerals  
and Mineral Operations

(Title)

MAY 26 1989

(Date)

EFFECTIVE DATE OF LEASE **JUN 1 1989**

(Continued on reverse)

4. (iii) Undersigned certifies that (1) offeror is a citizen of the United States, an incorporation of such citizen, a municipality, or a corporation organized under the laws of the United States or of any State or territory thereof; (2) properties being offered in this offer are in compliance with 30 CFR 410.0 and the terms and conditions of offeror's assignable interests, direct and indirect in either public offering or required (which do not exceed 346,000 acres in Federal oil and gas leases in the same State, of which less than 700,000 acres are held under option, or 300,000 net production interest), except as provided for in Paragraph 14(d); (3) offeror is not considered a citizen under the laws of the State in which the lands covered by this offer are located; (4) offeror is not a corporation controlled, directly or indirectly, by another corporation provided in section 13(b)(1) of the Federal Leasing Act; (5) in compliance with reclamation requirements contained in the leasehold lands and subject to the terms of the Federal Leasing Act; and (6) offeror is not in violation of section 14 of the Act.

5. This offeror certifies that the offer is made with the consent of the lessee, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or supplement thereto, and that the offeror has obtained the consent of the lessee at the time this offer was filed but exempt from the law. The offeror further agrees that this offer is not subject to any condition or stipulation of the leasehold lands, except as may be expressly set forth in the leasehold lands, or the lease, or an amendment to the lease, or a separate lease, whichever is earlier, or the final decision of the Secretary of the Interior made on behalf of the United States.

This offer will be rejected and withdrawn after one month if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 13 CFR 1.104 and 1.105 make it a crime for any person knowingly and willfully to make to my Department or agency of the United States any false, fictitious or fraudulent statements or representations or to any person assisting in preparation.

Duly executed this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

(Signature of Lessee or Attorney-in-fact)

LEAVE LETTER

**Section 4: Rentals** - Rentals shall be paid to proper office of the company in advance of each leave year. Annual rental rates per year of leave by the following:

- (c) Noncompetitive license \$1,50 (per day for first 7 days, thereafter \$1,000);  
 (d) Competitive license \$1,50 (per day), from thereafter \$1,000;  
 (e) Other, one equipment or  
 as specified in regulations at the time the license is issued.

If the loan or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased revenue, and the plan contains a provision for direct oil production or drilling, production royalties shall be paid to the lessor. However, mineral interest shall not be due until the rate specified in the lease or unit for the lease is reached in participation.

Failure to pay annual rental, due on or before the anniversary date of this lease term offered, will render the lessor entitled to terminate the lease by operation of law. Removal may be required, induced or compelled by the lessor upon a sufficient showing by lessee.

**Sec. 2. Procedure.** The stamp shall be paid to proper office of Revenue. Royalties shall be computed in accordance with regulations on production or income due to oil field. Royalty rates are:

- (c) Noncompetitive,  $K_m = 1.2$
  - (d) Competitive,  $K_m = 1.2$
  - (e) Other, no attachment or

Each member of the right to receive dividends may exercise the right to establish a reasonable number of shares of products or income and the opportunity to be paid. When paid, the due dividends shall be due and payable on the last day of the month following the month in which the products or income were paid and included, products or income received by the member during the month in which the products or income were received by the member in the previous month, provided that the products or income received by the member in the previous month were not paid to him during the month in which they were received by the member.

Minimum royalty period of one year — during the term of which otherwise would be required for that less year shall be payable at the rate of 1½% per annum on all or a portion of the gross amount of paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rate may be reduced in other portions of the lease at the Secretary determining that such reduction is necessary to encourage cultivation of any part of the land in consequence of a deficiency in water.

An independent audit shall be conducted by the lessee at its expense, or under agreement made with the lessor, in accordance with generally accepted accounting principles, to determine whether the lessee's capital lease obligations are being accounted for in accordance with generally accepted accounting principles. The audit shall be conducted at such times as the lessor may require, and the lessee shall be required to furnish to the lessor all information and documents requested from time to time, including financial statements, audit reports, and other information concerning the lessee's financial condition, including the lessee's financial position relative to the lessee's obligations under the lease, and under EOGPMSA or the lessee's audited financial statements.

costs claimed as manufacturing, preparation, and/or 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 a final audit of the obligation to maintain such records by lessor.

During existence of the 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. Conduits of operations.** Lessor shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses on lease. Lessor shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease 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 continue existing uses, and to authorize future uses upon or in the leased lands, including the approval of easements or rights of way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedure 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 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 unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operation that would result in the destruction of such species or objects.

Well-known operational risks to the oil and gas industry from mining operations would be substantially different or greater than those associated with normal drilling operations, lessening the creditability of such operations.

**Sec. 8. Extraction of helium.** Lessor reserves the option of extracting or having extracted helium from gas production as may be required and by means provided by lessor at no expense other than the cost of extraction of the gas. Lessor shall include in any contract of sale of gas the provision of the system:

**Sec. 9. Damage to property. Landlord responsible for damage to lessor's improvements**

and shall save and hold him harmless from all claims for damage or harm to persons or property as a result of lease operation.

**Lessor** reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. It further operates a pipeline or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, subject to the rules and regulations of the Oklahoma State Oil and Gas Board.

Lessee shall comply with section 3 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order 11216 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessor nor lessee's subcontractors shall maintain segregated facilities.

**Sec. 11. Transfer of lease interest and relinquishment of lease.** As required by regulations, lessor shall file with lessor in the event of or other transfer of an interest in this lease, Lessor may relinquish the lease by giving 60 days' notice by filing in the proper office a written relinquishment of lease, certifying the date of filing, subject to the continued obligation of the lessee to pay all rents and expenses as and when due.

10.11 The lessor may repossess. At such time as all or portion of this lease are returned to lessor by the lessee, plus costs of the re-possession or abandonment, reclaim the land so specified, the lessor and lessee in reasonable period of time, remove equipment and improvements, not desired process by lessor for preservation of producible wells.

(e) If the lessee fails to pay any rent due, or to comply with any provisions of the lease, and the non-compliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation and the leasedhold continue a well capable of productive agricultural purposes.

plan or communication agreement which contains a well-explicable provision of limitation of liability in favor of the creditor. The provision shall not be construed to prevent the exercise by the creditor of any other legal and equitable remedy, including waiver of the default. Any such provision shall not be construed to limit the creditor's right to sue for damages resulting from the creditor's reasonable reliance on the creditworthiness of the debtor.

comply with such standards prior to the date of occupancy or during the same period of occupancy at any time. Tenant shall be subject to applicable provisions and penalties of FOIRMA (90 U.S.C. 1701 et seq.). Rents and expenses are non-negotiable. The obligation of this lease shall extend to and bind upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, and assigns of the respective parties hereto.

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**COMPETITIVE OIL AND GAS OR  
GEOTHERMAL RESOURCES LEASE BID**  
30 U.S.C. 181 et seq.; 30 U.S.C. 351-359;  
30 U.S.C. 1001-1025; 42 U.S.C. 6508

FORM APPROVED  
OMB NO. 1004-0074  
Expires: Feb. 28, 1991

<b>PARCEL NUMBER</b> <i>(Include name of known geothermal resource area if bid is for geothermal resources lease)</i>	<b>State</b>	<b>Date of sale</b>
	NEVADA	May 9, 1989
<b>AMOUNT OF BID (See Instructions on reverse)</b>		
<b>TOTAL BID</b>	<b>PAYMENT SUBMITTED WITH BID</b>	
Parcel No. NV-05-89-068  2243.00 acres	\$	\$ 7,925.50

RECORDED AT THE REQUEST OF  
BOOK 197 PAGE 261  
Anadarko  
09 JUN 12 AM 02

OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
M.N. REBAL CALL RECORDER  
FILE NO. FEE \$7.00  
127341

The appropriate regulations applicable to this bid are: (1) for oil and gas leases—43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases—43 CFR 3132; and (3) for Geothermal resources leases—43 CFR 3220. (See details concerning lease qualifications on reverse.)

**CERTIFY THAT** I have read and am in compliance with, and not in violation of, the lessee qualification requirements under the applicable regulations or this bid.

**CERTIFY THAT** this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

**IMPORTANT NOTICE:** Execution of this form, where the offer is the high bid, constitutes a binding lease offer, including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made shall result in rejection of the bid and forfeiture of all monies submitted.

**ANADARKO PETROLEUM CORPORATION**

P. O. Box 5050

(Print or type name of Bidder) (Lessee)

(Address of Bidder) (Lessee)

  
Jim E. Feldman

Denver, CO 80217-5050

Jim E. Feldman (Signature of Bidder) (Lessee) Agent and Attorney-in-Fact

(City, State, and zip code)

title 18 U.S.C. Section 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 statement or representations as to any matter within its jurisdiction.

Form 3000-2 (June 1988)

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