

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

127345

Serial No. 00000000

N-51263

OFFER TO LEASE AND LEASE FOR OIL AND GAS

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

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-05-89-070 \*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., MDM, Nevada (Pro. Dia. No. 116)  
sec. 10, all;  
sec. 17, all.

Eureka County, Nevada

Total acres in lease 1280.00  
Rental retained \$ 1920.00

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 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. Soumerai  
Acting Chief, Branch of Regulatory Affairs  
and Minerals Operations  
(Title)

MAY 26 1989  
(Date)

EFFECTIVE DATE OF LEASE JUN 1 1989

(Continued on reverse)

BOOK 187 PAGE 254

1. The undersigned certifies that (1) offeror 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 or any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 1190 and the leasing authorities, (3) offeror's changeable interests, direct and indirect in surface public domain as required lands do not exceed 106,090 acres in Federal oil and gas leases in the same State, of which not more than 700,000 acres are held under option, or 300,000 acres in lease and 700,000 acres in option, in the State of Alaska, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located, (5) offeror is in compliance with applicable state requirements for oil and gas leaseholdings provided in Part 301A of the Mineral Leasing Act, and (6) offeror is not an individual over 71 of age.

The undersigned certifies that in entering this offer, offeror is not accepting this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendments or requests thereon, in whole or in part, and in the offeror is not filing this offer with the proper BLM State Office before this lease, or in amendment to the lease, or a separate lease, which ever is the first filed in the land file. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, until the withdrawal is received by the proper BLM State Office before this lease, or in amendment to the lease, or a separate lease, whichever is the first filed in the land file. The offeror is not a resident of the United States.

This offer will be rejected and will affect offeror's priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments, 43 CFR 1190.10. No person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations or to any matter within its jurisdiction.

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

(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. Annual rental rates per acre of fraction thereof are:

- (a) Noncooperative lease, \$1.50 for the first 5 years, thereafter \$2.00;
- (b) Cooperative lease, \$1.50 for primary term, thereafter \$2.00;
- (c) Other, see attachment, or as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased acreage, and the plan contains a provision for allocated production, the offeror shall be subject to the production allocation lease. However, consent of the BLM is required to allocate the rate specified on the offer for those lands not subject to the unit plan.

Unless in part covered by a unit plan or before the monetary date of this lease for most of the working life of the well, the offeror shall terminate this lease by operation of law. Production shall be held in payment of the lease until a sufficient showing is made.

Sec. 2. **Provision of the lease.** shall be paid to proper office of lessor. Provisions shall be computed in accordance with regulations on production in oil and gas. Provisions are:

- (a) Noncooperative lease, 12 1/2%;
- (b) Cooperative lease, 12 1/2%;
- (c) Other, see attachment, or as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify when the royalty is to be paid in value or in kind, and the right to establish a reasonable minimum royalty on production after giving lessee notice and an opportunity to be heard. When paid in kind, royalties shall be due and payable on the first day of the month following the month in which production is earned. When paid in kind, production shall be held under other conditions. Lessor may not hold production on the premises where produced without consent of the lessee. The lessee shall not be required to hold such production in storage beyond the first day of the month following the month in which production is earned, nor shall he be held liable for the transportation of royalty oil or other production, in the event of a fire, and the responsibility of control of the lease.

Minimum royalty shall be paid at least once a year, but the royalty which otherwise would be required for this lease may be paid in whole or in part each lease year by pumping or after a discovery in paying operations. This minimum royalty may be waived, suspended, or reduced, and the above royalty rate may be reduced, for all or part of this lease if the Secretary determines that on the basis of a report, based on the production and recovery of the leased resources, or otherwise, is justified.

An amount in kind of all royalties and production payments or underpayments in accordance with the Federal Oil and Gas Revenue Management Act of 1982 (40 CFR 1190.10 U.S.C. 1701). The lessee shall be liable for the payment of such royalties and underpayments from a lease, whether such royalties are paid or otherwise, on the date of the operation, or due to the failure to comply with the regulations under the authority of 43 CFR 1190.10 of the leasing authority.

Sec. 3. **Regulation.** A lease shall be held and operated for lease operations as required under regulation.

Sec. 4. **Development and production.** Lessee shall exercise reasonable diligence in developing and producing and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessee shall prevent unnecessary damage to, loss of, or waste of the public lands and resources, including the use of the land for development and production in the public interest. Lessee shall not use the land for development or unit plan, in whole or in part, without the approval of the BLM. Lessee shall not use the land for development or unit plan or production for lease operations, or for any other purpose, which is not in the public interest, or which is not in the best interest of the lessee, or which is not in the best interest of the lessee, or which is not in the best interest of the lessee.

Sec. 5. **Development and production.** Lessee shall comply with proper office of lessor, not later than 30 days after the date of the lease, with the following conditions: (a) Lessee shall formally file a description of the lease, including a well capable of production, for the site or disposal of production. Also, lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (b) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (c) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (d) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (e) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (f) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (g) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (h) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (i) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (j) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (k) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (l) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (m) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (n) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (o) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (p) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (q) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (r) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (s) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (t) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (u) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (v) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (w) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (x) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (y) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production. (z) Lessee shall file a description of the lease, including a well capable of production, for the site or disposal of production.

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain records for 6 years after they are generated or, if an audit or investigation is underway, until release 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, air, and water, to cultural, biological, visual, and other resources, and to other land uses on lease. Lessee 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 interior and final reclamation measures. Lessor reserves the right to continue existing operations 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 procedures to be followed and reclamation measures that may be necessary. Areas to be disturbed may require investigations or special studies 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 unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that could result in the destruction of such species or objects.

Sec. 7. **Mining operations.** To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. **Extraction of helium.** Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessor or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. **Damage to property.** Lessee shall pay lessor for damage to lessor's improvements, and shall pay and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. **Protection of diverse interests and equal opportunity.** Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States; 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. If lessee 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, lessee shall comply with section 15 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11,746 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessor's subcontractors shall maintain segregated facilities.

Sec. 11. **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 part thereof 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 lessee and sureties to pay all accrued rentals and royalties.

Sec. 12. **Lease termination.** At such time as all obligations of this lease are returned to lessor, lessee shall place affected well on condition for suspension or abandonment, reclaim 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 productive wells.

Sec. 13. **Provision of a well capable of production.** If lessee 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 the challenge under or under the leasehold contains a well capable of production of sufficient size and capacity to produce gas from the lease in connection to an approved cooperative or unit plan or a communitarian agreement of which contains a well capable of production of unitized substance in paying production. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy of remedy shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGSMA (30 U.S.C. 1701).

Sec. 14. **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, beneficiaries, or assigns, of the respective parties hereto.

BOOK 1 97 PAGE 265

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

State <b>NEVADA</b>		Date of sale <b>May 9, 1989</b>
PARCEL NUMBER <i>(Include name of known geothermal resource area if bid is for geothermal resources lease)</i>	AMOUNT OF BID <i>(See Instructions on reverse)</i>	
	TOTAL BID	PAYMENT SUBMITTED WITH BID
Parcel No. NV-05-89-070  1280.00 acres	\$	\$ 4,555.00

RECORDED AT THE REQUEST OF  
BOOK 197 PAGE 264  
*Anadarko*  
89 JUN 12 10:02

OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
MIN. REBALLING RECORDER  
FILE NO. FEB 5/89  
127345

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 of this bid.

CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation 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)

By:

Denver, CO 80217-5050

*Paul E. Feider*  
Paul E. Feider (Signature of Bidder) (Lessee)

Agent and Attorney-in-Fact (City, State, and zip code)

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 statements or representations as to any matter within its jurisdiction.

BOOK 197 PAGE 266

Form 3000-2 (June 1988)