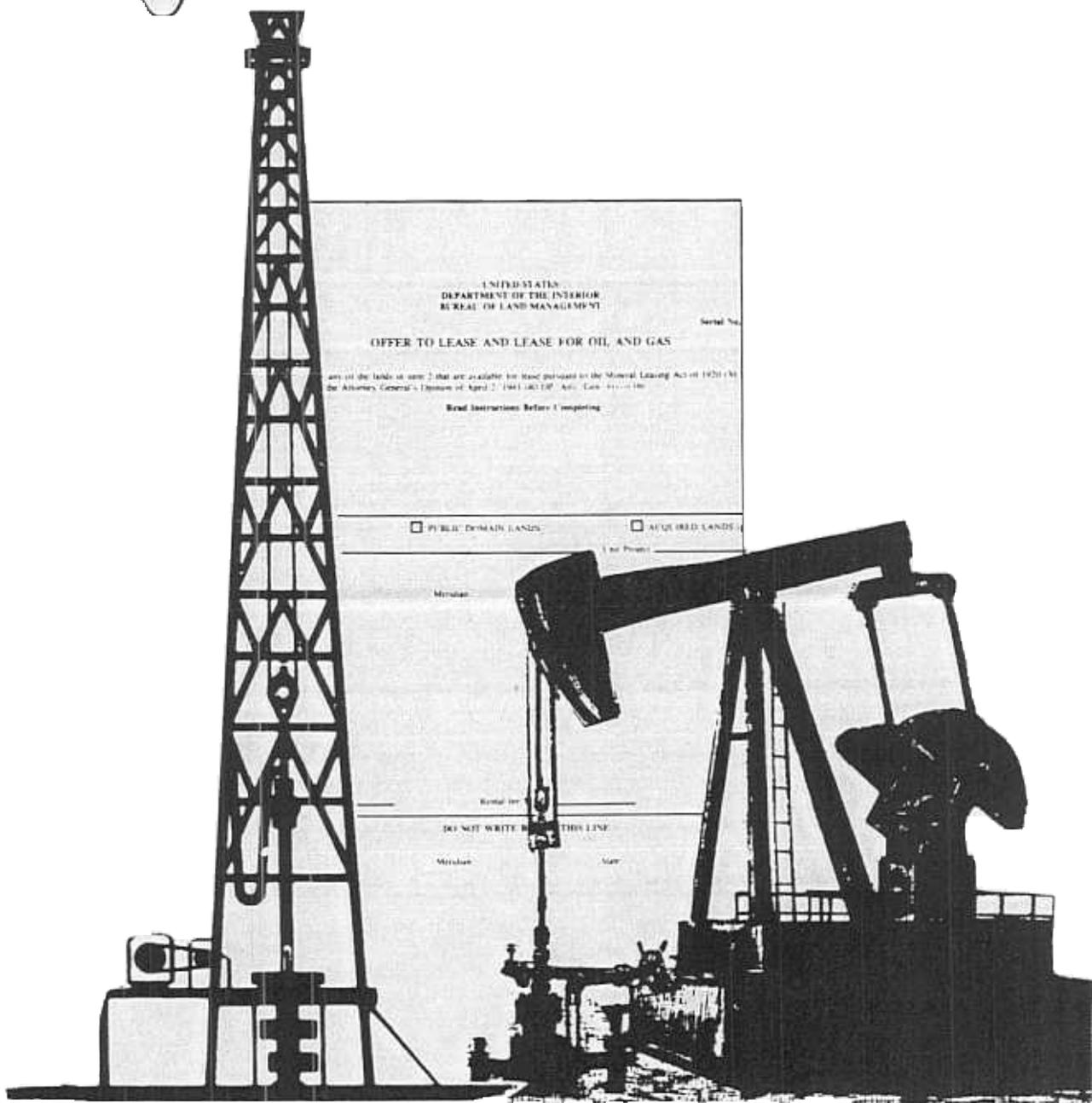


OIL & GAS

ADJUDICATION HANDBOOK



BLM Manual Handbook 3111-1



Over-the-Counter Offers

H-3111-1 - OVER-THE-COUNTER OFFERS

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I. Over-the-Counter Offers - Public Domain and Acquired Lands

This section provides guidelines for the processing of noncompetitive over-the-counter offers for leasing of oil and gas under the Mineral Leasing Act of 1920 and Mineral Leasing Act for Acquired Lands of 1947. This Handbook should be used in conjunction with Manual 3111.

A. Lease Offer Submission

The lease offer must be made on a form approved by the Director or a valid reproduction (see Illustrations 1 and 2). The offer must be typed or printed plainly in ink and manually signed in ink. The original and two copies of each offer to lease with each copy showing evidence of having been signed shall be filed in the proper BLM State Office. No offer may include both public domain and acquired lands. The agency from which consent is needed should be named on the offer (see Illustration 2, Item 2).

B. Priority Established

Priority of an offer received shall be determined as of the time and date the offer is filed in the State Office. Simultaneously filed offers are those offers to lease which are received in the same mail or over-the-counter at the same time or during the period established by an opening order or similar notice. Priority of the offers, to the extent of the conflicts between them, shall be determined by drawing in accordance with 43 CFR 1821.2-3.

C. Action on Lease Offer

Responsible Official	Step	Action	Keywords
Receiving Clerk	1.	Receive offer Form 3100-11 and check for correct number of copies (original and two) and sufficient rental (see Manual Section 3103.22) and filing fee, then time stamp. Assign serial number, and validate \$75 filing fee. Prepare Accounting Advice and attach two copies to case file. Send case file through Docket to official responsible for ALMRS data entry.	RECEIPT OF OFFER ACCOUNTING ADVICE - INITIATE
ALMRS Data Entry	2.	Enter offer into ALMRS. Send case file to Title Records through Docket.	
Title Records	3.	Sort offers by township, range, and State. Draft offer area on oil and gas plat(s). Copy oil and gas plat(s) and file in case file. Send case file to Adjudication through Docket.	NOTE RECORDS

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Responsible Official	Step	Action	Keywords
Adjudication	4.	Adjudicate offer, checking for the following:	
		a) Proper form and sufficient number of copies, that is, original and two copies with each copy showing evidence of having been signed. Original must be holographically signed. The date may be either typed or manually cited.	
		b) Proper rental in accordance with 43 CFR 3103.2-1(a). See Manual Section 3103.2.	
		c) Check the oil and gas plat(s) for available land, conflicts, KGS land, unit areas, acquired or public domain (PD) land and surface management agency. Examples of possible conflicts are: lands in prior leases or offers, designated wilderness areas, withdrawn lands within a wildlife refuge, lands within other withdrawals, patented lands, lands within city limits, lands covering more than the 6-mile limitation, acreage less than 640 acres for PD, lands not open to leasing, lands in litigation, uncertainty of mineral ownership, acquired surface and no Federal minerals, and, acquired surface and PD minerals.	CHECK AND IDENTIFY CONFLICTS
		d) For stipulations, either check special plats which outline stipulations or check printouts which outline stipulations or request a report from the District or Area Office Manager. If an acquiring agency or other agency is involved, request a title report (Form 3100-7) and stipulations from the appropriate office of that agency; that is, reports for Forest Service lands should be requested from the appropriate office of the Department of Agriculture.	STIPULATIONS AND/OR TITLE REPORT

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Responsible Official	Step	Action	Keywords
		<p>e) If the agency having jurisdiction over the land consents to leasing, subject to certain terms and conditions, the lease cannot be issued until the offeror executes such stipulations which will become a part of the lease.</p> <p>Note: Action steps f and g apply only to agencies outside the Department of the Interior (except the Forest Service).</p>	<p>ACQUIRING AGENCY CONSENTS TO LEASING</p>
		<p>f) If the agency having jurisdiction over the land does not consent to leasing, Adjudication shall timely forward a decision to the offeror, with a copy of the denial of consent and title report, advising the offeror that unless BLM is notified <u>in writing</u> within 30 days from receipt of the decision that the offeror is pursuing administrative remedies with the surface managing agency (SMA), the offer is rejected (see Illustration 3).</p> <p>Note: The Forest Service (FS) is taking the direct responsibility to notify the offeror of the appeal rights for FS decisions to deny consent to lease; therefore, for FS acquired lands, Adjudication need <u>not</u> notify the offeror regarding any administrative remedies because this step will already have been completed. Adjudication shall instead prepare a decision of rejection.</p>	<p>ACQUIRING AGENCY DENIES CONSENT TO LEASING</p>

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Responsible Official	Step	Action	Keywords
		g) If the agency having jurisdiction over the land requires restrictive stipulations, Adjudication shall timely forward to the offeror such stipulations for signature. The decision transmitting the stipulations should also outline, except for FS acquired lands, the administrative remedies available if the offeror does not agree with the stipulations, and the consequences for noncompliance (see Illustration 4).	RESTRICTIVE STIPULATIONS
		Note: For FS lands, follow Step IE1.	
D. <u>Action for Completing Offer for Approval</u>			
Adjudication	1.	If there are no conflicts, the required reports are received, no signed stipulations are required, and all lands in the offer can issue, then prepare offer for lease issuance.	PREPARE LEASE FORM
Typist	2.	a) From instructions from Adjudication, Examiner, send copy of offer or serial page to State Office for clearlisting needed.	CLEARLISTING REQUIRED
		b) Stamp "Original" on the original lease offer case file copy. Stamp "Lessee" on the first copy. The second copy is designated for the District, and a third copy is made for the acquiring agency, if any.	LEASE COPIES DESIGNATED
		c) When clearlisting is received and lands are <u>not</u> KGS, stamp the effective date of lease, date of signing, and signing official's title on all copies. Attach appropriate stipulations and assemble copies in order for signature.	
		d) If additional rental is required, type decision requesting the necessary amount as instructed by Adjudication (see Illustration 5).	ADDITIONAL RENTAL

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Responsible Official	Step	Action	Keywords
Adjudication	3.	Complete Accounting Advice (see Illustration 6) and prepare routing slip and Records Worksheet. Route lease for signature.	ACCOUNTING ADVICE - COMPLETE
Signing Official	4.	Sign the original and lessee's copy.	
ALMRS Data Entry	5.	Update ALMRS as to lease issuance. Send file to Title Records through Docket for noting of oil and gas plat and historical index. Send Accounting Advice to Accounts.	NOTE RECORDS
Title Records	6.	Note oil and gas plat and historical index. Return case file to Docket.	
Docket	7.	File case file with inactive cases	

E. Incomplete Offers or Signature Required for Stipulations

Adjudication	1.	a) Issue decision requesting signature on stipulations (see Illustration 7) and/or additional evidence rejecting offer in whole or in part (see Illustrations 8 and 9) or suspending offer in whole or in part (see Illustrations 10 and 11). b) Send case file with decision to signing official.	DECISION OUTLINING REQUIREMENTS
Signing Official	2.	Check and sign decision.	
Mail Clerk	3.	Send decision to Mail Room for the certified card notation and mailing. Send case file to Docket to await necessary action by offeror.	MAILING
Adjudication	4.	a) When certified card returns, retain the card for 30 days from the date the decision was received by the offeror.	

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Responsible Official	Step	Action	Keywords
		b) If it is a partial rejection and the lease can issue for the remaining lands, or if the stipulations have been signed and returned and the lease can issue as to all the lands, follow the procedures for issuing leases as outlined above in Steps D1-3.	
		c) If the applicant has not complied with the decision or if he/she has not appealed, the case file may be closed at the end of 30 days plus a 10-day grace period after receipt of decision (see 43 CFR 4.401(a)). Complete the Accounting Advice and send to Accounts.	NONCOMPLIANCE WITH DECISION
ALMRS Data Entry	5.	Update ALMRS as to rejection and case closure.	CLOSE CASE
Clerk Typist	6.	Prepare routing slip and Records Worksheet and send case file to Title Records through Docket.	
Title Records	7.	Remove area from oil and gas plat. Send case file to Docket.	NOTE RECORDS
Docket	8.	File case file with closed files.	

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II. Description of Lands in OfferA. Public Domain

This section provides guidelines for checking the proper description of lands in noncompetitive over-the-counter lease offers.

1. Surveyed Lands. If the lands have been surveyed under the rectangular system of the public land surveys, they must be described by legal subdivision, section, township, range, and meridian. Lands not so surveyed must be described in the manner set forth in 43 CFR 3111.2-1(b).

2. Protracted Surveys. Where protracted surveys have been approved and the effective date thereof published in the Federal Register, all offers to lease lands shown on such protracted surveys, filed on or after such effective date, shall describe the lands by legal subdivision, section, township, range, and meridian.

3. Conforming Land Descriptions. Where unsurveyed lands covered by pending offers are surveyed prior to lease issuance, the description of such lands will be conformed to the approved protracted or public land survey, whichever is appropriate. Likewise, the description of lands in an existing lease will be conformed to a subsequent resurvey or amended protraction survey, as may be appropriate.

4. Lands in Lakebeds and Riverbeds. Such lands are available for leasing if the waters were determined to have been nonnavigable at the time of admission of the State to the Union, and the United States is the owner of the abutting uplands, or the lands were patented with a reservation of the oil and gas to the United States. The lands must be described by metes and bounds in the same manner as other unsurveyed lands (see 43 CFR 3111.2-1(b)).

5. Conversion of Unpatented Oil Placer Mining Claims. A petition for a lease under 43 CFR 3108.2-4 must conform to the requirements of 43 CFR 3111.2 by specifying the proper description of the lands involved in the abandoned unpatented oil placer mining claim.

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B. Acquired Lands

1. Surveyed Lands. If the lands have been surveyed under the rectangular system of public surveys, the lands must be described by legal subdivision, section, township, range, and meridian. Where the description cannot be conformed to public land surveys, any boundaries which do not so conform shall be described by metes and bounds giving courses and distances between the successive angle points with appropriate ties to the nearest existing official survey corner. If not so surveyed but within the area of public land surveys, the lands shall be described by metes and bounds, giving courses and distances between the successive angle points on the boundary of the tract, and connected with a reasonably nearby corner of these surveys by courses and distances.

2. Unsurveyed Lands. If the lands have not been surveyed under the rectangular system of public land surveys, they shall be described as in the deed or other document by which the U.S. acquired title to the lands or minerals. The acreage in some tracts acquired by the U.S. may be larger than that permitted to be included in single leases, or the minerals in the entire tract may not be available for leasing. In that event, the land must be described by courses and distances between successive angle points on its boundary tying by course and distance into the description in the deed or other document by which the U.S. acquired title to the land.

3. Acquisition Tract Number. If an acquiring agency has assigned an acquisition tract number, a description by such tract number shall be required in addition to the description otherwise required of surveyed lands and in lieu of the description otherwise required of unsurveyed lands. Once rejected, an offer lacking tract numbers cannot be cured. A new offer must be filed.

4. Map Required. Offers submitted under items 2 and 3 above shall be accompanied by three copies of a map upon which the desired lands are clearly marked showing their location with respect to the administrative unit or project of which they are a part.

5. Accreted Lands. The description of lands by legal subdivisions, including lots, does not include any land which may have accreted to such legal subdivision or lot. The accreted land shall be described by metes and bounds, giving courses and distances between the successive angle points on the boundary of the tract and connected by courses and distances to an angle point on the perimeter of the tract to which the accretion appertains.

6. Conflicting Descriptions. If the original and two copies of the offer are not identical, the copy showing the date and time of receipt shall be the controlling copy.

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III. Future Interest Offers

This section provides guidance and procedures for adjudicating and issuing noncompetitive future interest oil and gas leases and should be used in conjunction with Manual Section 3111.3.

A noncompetitive future interest lease shall be issued only to an offeror who owns all or substantially all (generally, more than 50 percent) of the present operating rights in the land, either as an operator holding such rights or as mineral fee owner, lessee, or another party in interest.

A. Application

There is no required form for an offer to lease a future interest. Applicants should be encouraged to use Form 3100-11 and show Future Interest beside "other" at the bottom of the form. An offer may be filed at any time prior to the date of vesting in the United States of the present interest in the minerals. Upon the vesting in the United States of the present possessory interest in the minerals, all such offers for future interest leases pending at the time shall be considered for lease, retaining priority for consideration, as of the original date of filing; and thereafter only offers for present interest shall be considered.

B. Acceptance of Application

Responsible Official	Step	Action	Keywords
Receiving Clerk	1.	Receive application and time stamp. Assign serial number and validate \$75 filing fee. Prepare Accounting Advice and attach two copies to case file. Send case file to official responsible for ALMRS data entry through Docket.	FILING OF APPLICATION FILING FEE
ALMRS Data Entry	2.	Note ALMRS, and file a copy in serial register book. Send case file to Title Records through Docket.	
Title Records	3.	Sort applications by township, range, and State. Draft applications onto oil and gas plat(s) and file in case file. Send case file to Adjudication through Docket.	NOTE RECORDS

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Responsible Official	Step	Action	Keywords
<u>Action on Lease Offer</u>			
Adjudication	1.	Check case file for the following:	
		a) Vesting date, conflicts, and KGS lands.	
		b) The offer shall, to the extent applicable, conform to and include the terms of the noncompetitive lease form currently in use, if not on the actual lease Form 3100-11.	
		c) The offer shall be accompanied by a certified abstract of title containing record evidence of the creation of, and offeror's right to, the claimed mineral interest. In lieu of an abstract, a certificate of title may be furnished, provided that the State in which the lands are located authorizes abstracting and title companies to certify as to title to lands.	ABSTRACT OF TITLE OR CERTIFICATE OF TITLE
		d) If the offeror acquired the operating rights under a lease or contract, the offeror must submit a copy.	COPY OF PRIVATE LEASE OR CONTRACT
		e) If the application is submitted by another party in interest, compliance with 43 CFR 3102.4 must be met.	
		f) If all evidence is in order, request a title report, consent, and stipulations from acquiring agency (see Illustration 12).	TITLE REPORT REQUEST
		g) If acquiring agency agrees to leasing, but the title is unclear, transmit the abstract together with the case file to the Field Solicitor for an opinion as to whether or not the applicant owns a substantial majority of the operating rights on the land (see Illustration 13).	ACQUIRING AGENCY CONSENTS TO LEASING - FUTURE INTEREST OFFER

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Responsible Official	Step	Action	Keywords
Field Solicitor	2.	Submit opinion on filed material, as necessary.	TITLE OPINION
<u>D. Action on Completing Offer for Approval</u>			
Adjudication	1.	a) If Field Solicitor's opinion is favorable, prepare original plus two copies of lease form, supplemental agreement, and stipulations, and send to offeror for signature (see Illustrations 14, 15, and 16).	LEASE FORMS AND STIPULATIONS
		b) Request clearlisting from appropriate BLM office when executed lease forms are returned. Send original copy for clearlisting.	CLEARLISTING REQUIRED
		c) When clearlisting is received, prepare lease and supplemental agreement for signing official.	
		d) The supplemental agreement is effective on the date the authorized officer executes the agreement and remains in effect until the mineral interests vest and the future interest lease goes into effect.	SUPPLEMENTAL AGREEMENT
		e) Future interest leases shall become effective on the date when the United States becomes vested with the mineral rights as stated in the lease.	FUTURE INTEREST LEASE EFFECTIVE
		Note: Where the effective dates of the vesting of the United States title to the minerals are different for different tracts, separate leases covering each of the different tracts shall be issued.	
		f) Complete the Accounting Advice and send a copy to Accounts (see Illustration 17).	ACCOUNTING ADVICE - FUTURE INTEREST OFFER

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Responsible Official	Step	Action	Keywords
		g) BRASS is not programmed to handle anniversary date and expiration date of both the supplemental agreement and the future interest lease. Therefore, 3 months prior to effective date of a future interest lease, a new Accounting Advice must be prepared with revised dates and applicable rental rate.	BRASS
	2.	Prepare routing slip and Records Worksheet.	
	3.	Stamp "Original" on the original case file copy. Stamp "Lessee" on the first copy, District on the second copy, and acquiring agency, if any, on the third copy.	DESIGNATE LEASE COPIES
Signing Official	4.	Sign the original and lessee's copy of lease and supplemental agreement.	SIGN LEASE
ALMRS Data Entry	5.	Enter proper notation onto ALMRS serial page.	
Mail Clerk	6.	Mail lease and supplemental agreement, and route case file to Title Records through Docket.	
Title Records	7.	Note lease issuance on oil and gas plat and historical index. Return case file to Docket.	NOTE RECORDS
Docket	8.	File case file with inactive cases.	

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Public Domain Noncompetitive Lease Offer (Form 3100-11)

Form 3100-11*
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986
Serial No. NM 70003

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 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (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 Beard Oil Company
Street 2000 Classer Center South
City, State, Zip Code Oklahoma City, OK 73106

2. This 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:

T. 19 S. R. 3 E. Meridian NMPM State New Mexico County Dona Ana

Section 19: All
Section 30: All
Section 31: All

Amount remitted: Filing fee \$ 75 Rental fee \$ 1,920.00 Total acres applied for 1,920.00
Total \$ 1,995.00

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:
T. 19 S. R. 3 E. Meridian NMPM State New Mexico County Dona Ana

Section 19: Lots 1, 2, 3, 4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$
Section 30: Lots 1, 2, 3, 4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$
Section 31: Lots 1, 2, 3, 4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$

Total acres in lease 1,917.05
Rental retained \$ 1,918.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, 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.

Type and primary term of lease:

- Simultaneous noncompetitive lease (ten years)
- Regular noncompetitive lease (ten years)
- Competitive lease (five years)
- Other _____

THE UNITED STATES OF AMERICA

by /s/ Authorized Official (Signing Officer)

9/13/84 (Date)

EFFECTIVE DATE OF LEASE 10/1/1984

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

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Public Domain Noncompetitive Lease Offer (Form 3100-11)

4 (a) 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 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 authorities; (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror 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 offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing 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, 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 rejected and will afford 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. 18 U.S.C. Sec. 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.

Duly executed this 8th day of July, 19 84, /s/ Attorney-in-Fact

(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 or fraction thereof are:

- (a) Simultaneous 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 attachment.

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

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office 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 by lessee.

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

- (a) Simultaneous noncompetitive lease, 12½%;
- (b) Regular noncompetitive lease, 12½%;
- (c) Competitive lease, see attachment; or
- (d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to move such production in storage 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 royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than \$1.00 per acre. Lessee shall pay such difference at 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.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

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

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, 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 lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of 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 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats 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, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and 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 such as billings, invoices, or similar documentation that

supports 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 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, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. 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 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-ways. 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 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. 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 would 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 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 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. 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 28 of the Mineral Leasing Act of 1920.

Lessee 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 lessee nor lessee'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 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 lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in 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 producible wells.

Sec. 13. Proceedings in case of default—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 cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. 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 or waiver shall not prevent later cancellation for the same default occurring at any other time.

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 assignees of the respective parties hereto.

H-3111-1 - OVER-THE-COUNTER OFFERS

Acquired and Noncompetitive Lease Offer (Form 3100-11)

Form 3100-11*
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986
Serial No. NM-A 58568-OK

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 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (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 Harris-Headrick, An Oklahoma General Partnership

Street P.O. Box 1746

City, State, Zip Code Stillwater, OK 74076

2 This offer lease is for: (Check Only One) PUBLIC DOMAIN LANDS ACQUIRED LANDS (percent U.S. interest 75%)

Surface managing agency if other than BLM: Oklahoma State University Unit/Project Lake Carl Blackwell

Legal description of land requested

T 20 N., R. 1 E., Meridian Indian State Oklahoma County Noble

Section 31: Lot 7
Section 32: Lots 3, 4, 5, 6, 7, 8,

Amount remitted Filing fee \$ 75.00 Rental fee \$ 316.00 Total acres applied for 315.30
Total \$ 390.30

DO NOT WRITE BELOW THIS LINE

3 Land included in lease
T 20 N., R. 1 E., Meridian Indian State Oklahoma County Noble

Section 31: Lot 7 51.31 Acres
Section 32: Lot 8 52.00 Acres

75% U.S. Mineral Interest

Total acres in lease 103.31
Rental retained \$ 104.00

In accordance with the above offer or the previously submitted simultaneous oil and gas lease application or competitive bid, 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.

Type and primary term of lease

- Simultaneous noncompetitive lease (ten years)
- Regular noncompetitive lease (ten years)
- Competitive lease (five years)
- Other _____

THE UNITED STATES OF AMERICA

by Authorized Official (Signing Officer)

10/19/84 (Date)

EFFECTIVE DATE OF LEASE 11/1/84

*Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

H-3111-1 OVER-THE-COUNTER OFFERS

Land Noncompetitive Lease Offer (Form 3100-11)

4. (a) 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 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 authorities, (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska, and (4) offeror 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 offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing 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, 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 rejected and will afford 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. 18 U.S.C. Sec. 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.

Duly executed this 10th day of August 19 84 /s/ Gary W. Harris

(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 or fraction thereof are:

- (a) Simultaneous 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 attachment.

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

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office 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 by lessee.

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

- (a) Simultaneous noncompetitive lease, 12½%;
- (b) Regular noncompetitive lease, 12½%;
- (c) Competitive lease, see attachment, or
- (d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage 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 royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than \$1.00 per acre. Lessee shall pay such difference at 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.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

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

Sec. 4. Diligence, rate of development, utilization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, 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 lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of 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 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats 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, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and 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 such as billings, invoices, or similar documentation that

supports 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 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, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. 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 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-ways. 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 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. 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 would 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 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 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. 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 28 of the Mineral Leasing Act of 1920.

Lessee 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 lessee nor lessee'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 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 lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in 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. Proceedings in case of default—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 cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. 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 or waiver shall not prevent later cancellation for the same default occurring at any other time.

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 assignees of the respective parties hereto.

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Decision of Lease Offer Rejected Due to
Nonconsent by Surface Management Agency



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

CERTIFIED MAIL-- RETURN RECEIPT REQUESTED

DECISION

:
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:

Oil and Gas

Lease Offer Rejected

The (name of agency) has withheld consent to lease in response to your offer (serial number). A copy of its report is enclosed. Therefore, in accordance with 43 CFR 3101.7-4(b), your offer to lease is hereby rejected.

This decision will become final 30 days from receipt.

Standard appeal paragraph (see H-3100-1).

In accordance with 43 CFR 3101.7-5(b), you may pursue administrative remedies provided by the surface management agency with respect to its consent report. If you elect to pursue action with that agency, you must notify this office in writing within 30 days of receipt of this decision so that it may be rescinded and final BLM action on your offer suspended to allow you to resolve your action with that agency. Absent such notification to this office, this decision to reject your offer will become final at the end of the 30-day appeal period.

Authorized Officer

Enclosures:
SMA Report
Form 1842-1

Distribution:
SMA

NOTE: This decision format is not to be used for Forest Service (FS) lands, since the FS will previously give direct notice to the offeror of the FS decision to deny consent to lease.

Stipulations Required by Surface



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

Oil and Gas

Stipulations Transmitted for Signature
Offer Held for Rejection

The (name of agency) has consented to the issuance of oil and gas lease (serial number) subject to certain stipulations. A copy of its report is enclosed.

Pursuant to 43 CFR 3101.7-4, the stipulation will be made a part of the lease. Therefore, you must sign and return the enclosed stipulations to this office within 30 days of receipt of this decision.

Failure to return the signed stipulations to this office within the time allowed will result in your offer being rejected without further notice.

Standard appeal paragraph (see H-3100-1).

In accordance with 43 CFR 3101.7-5(b), you may pursue administrative remedies provided by the surface management agency with respect to its consent report. If you elect to pursue action with that agency, you must notify this office in writing within 30 days of receipt of this decision so that it may be rescinded and final BLM action on your offer suspended to allow you to resolve your action with that agency. Absent such notification to this office or receipt of the signed stipulations, this decision holding your offer for rejection will become final at the end of the allowed 30-day appeal period.

Authorized Officer

Enclosures:
SMA Report
Form 1842-1

Distribution:
SMA

NOTE: This decision format is not to be used for Forest Service (FS) lands, since the FS will previously give direct notice to the offeror of the FS decision to deny consent to lease.

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Decision of Additional Rental Required



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

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Oil and Gas

Additional Rental Required

Oil and gas lease offer (serial number) indicates a total area applied for of (number) acres. The total acreage in (serial number) is (number) acres. Therefore, the additional rental of (dollars) is required within 30 days from receipt of this decision.

Failure to return the additional rental required will result in the rejection of your offer without further notice from this office.

This decision will become final 30 days from receipt, in the absence of an appeal.

Standard appeal paragraph (see H-3100-1).

Authorized Officer

Enclosure:
Form 1842-1

Distribution:

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Accounting Advice for Public Domain
Noncompetitive Lease

Form 1370-11
(December 1983)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIPT AND ACCOUNTING ADVICE

No. 1144160 30

Subject: New Oil & Gas Lease

Applicant: Beard Oil Company
2000 Classer Center South
Oklahoma City, OK 73106

Remitter:

Assignor:

LEASE MANAGEMENT DATA										<input checked="" type="checkbox"/> NEW <input type="checkbox"/> UPDATE <input type="checkbox"/> PAYMENT		NEW LEASE	
ORIGINAL SERIAL NO.	ASG.	TYPE	ST	CTY.	FUND SYMBOL			ACRES/UNITS	RATE				
NM 70003		OG	P	35	013	14	5003	1,917.05					
AMOUNT	ANV. DATE	EXP. DATE	BILL. CYC.	S/C	DISTRICT	NEXT BILL	MISC. DATA	U of M	ACTUAL UNITS				
1,918.00	10/01/84	9/30/94		A	030								
ASSIGNMENT SERIAL NO.	ASG.	TYPE	ST	CTY.	FUND SYMBOL			ACRES/UNITS	RATE				
AMOUNT	ANV. DATE	EXP. DATE	BILL. CYC.	S/C	DISTRICT	NEXT BILL	MISC. DATA	U of M	ACTUAL UNITS				

APPLY REMITTANCE			
	FUND SYMBOL	CTY.	AMOUNT
FILING FEE			
RENTAL	145003	013	1,918.00
UNEARNED			
REFUND			
TOTAL			1,918.00
AMOUNT DUE			

Remarks:
Lease Issued

BY: Adjudicator DATE: Current

- Lease in Escrow?
- RGS? Of Interest?
- Auto Escalates? Operating Rights?
- Auto Renew? Operator
- Bond Filed? Bond Filed?

FOR MMS USE ONLY	
BILLEE	FOREST REFUGE
NUMBER	
OCS SECTION	
CODE	

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Decision of Special Stipulations Required



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

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Oil and Gas

Special Stipulations Required

Before an oil and gas lease may be issued, involving lands in oil and gas lease offer (serial number), the offeror must sign and return the enclosed special stipulations which will be made a part of the lease.

All copies of the enclosed forms must be executed by the offeror and returned to this office within 30 days from the date this decision is received.

Failure to do so will result in the rejection of your offer without further notice from this office.

This decision will become final 30 days from receipt, in the absence of an appeal.

Standard appeal paragraph (see H-3100-1).

Authorized Officer

Enclosures:
Stipulations
Form 1842-1

Distribution:

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Decision of Offer to Lease Rejected



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

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: Oil and Gas
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Offer to Lease Rejected

Oil and gas lease offer (serial number) is rejected in its entirety for the following reason(s):

() Regulations contained in 43 CFR 3111.2-2(d) require that a lease offer be accompanied by 3 copies of a map clearly marked showing the administrative unit or project of which they are a part. Your offer did not comply with this requirement.

() Lands in cancelled, relinquished, terminated or expired leases may be leased only under the provisions of Title 43 CFR 3112. At the time your offer was filed, the lands were not available for over-the-counter filing as outlined in Title 43 CFR 3111.

() The first year's rental is deficient by more than 10% or \$200. See 43 CFR 3103.2-1(a).

() The total available acreage in your offer is less than 640 acres and is not within the exceptions named in 43 CFR 3110.1-3(a).

() The following lands are included in a private patent which reserves no mineral rights to the United States.

() The following lands in your offer are included in an existing oil and gas lease which has been issued to another party. In the event of an appeal, you must send a copy of the appeal to the adverse party (lessee).

() Other.

This decision will become final 30 days from receipt, in the absence of an appeal. A refund of the first year's advance rental will be initiated at the end of the appeal period unless this decision is appealed.

Standard appeal paragraph (see H-3100-1).

Authorized Officer

Enclosure:
Form 1842-1

Distribution:

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Decision of Offer to Lease Rejected in Part
and Lease Issued



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

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Oil and Gas

Offer to Lease Rejected in Part and Lease Issued

Your oil and gas lease offer (serial number) is hereby rejected to the
extent and for the reason indicated below:

A lease is issued for the balance of the land applied for and a copy is
enclosed.

This decision will become final 30 days from the day it is received, in the
absence of an appeal.

Standard appeal paragraph (see H-3100-1).

NOTE -- Add when applicable: In the event of an appeal, the adverse party
to be served with a copy of the appeal is:

Authorized Officer

Enclosures:
Lease Form
Form 1842-1

Distribution:

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Decision of Offer Suspended



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

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Oil and Gas

Offer Suspended

Oil and gas lease offer (serial number) is suspended in its entirety
for the following reasons:

This decision will become final 30 days from the day it is received, in the
absence of an appeal.

Standard appeal paragraph (see H-3100-1).

Authorized Officer

Enclosure:
Form 1842-1

Distribution:

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Decision of Offer Suspended in Part



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

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Oil and Gas

Offer Suspended in Part

Oil and gas lease offer (serial number) is suspended in part for the following reasons:

This decision will become final 30 days from the day it is received, in the absence of an appeal.

Standard appeal paragraph (see H-3100-1).

Authorized Officer

Enclosure:
Form 1842-1

Distribution:

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Title Report Request (Form 3100-7)

Form 3100-7
(November 1970)
(formerly 3200-1)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

TITLE REPORT REQUEST

Serial Number

NM-A 58991(TX)

Date

August 9, 1984

U. S. Forest Service
1720 Peachtree Rd., NW
Atlanta, GA 30309

Name of Applicant

The Moran Corporation

Address (include zip code)

970 First City Tower, Houston, TX 77002

Has applied for a (specify mineral) Oil and Gas Future Interest lease permit for the following-described lands:

4,682.6 acres in Tracts J1-III and J1-VI within the Sam Houston National Forest, in Montgomery and Walker Counties, Texas. The minerals will revert to the United States of America on January 1, 1985, unless the date is extended as a result of commercial operations or production in paying quantities as provided on the attached deed. The Moran Corporation is the present owner of all the operating rights in the 4,682.6 acres.

Enclosed are copies of: The application, oil and gas plats, deed, certificate of title with attachments, and U. S. Forest Service Map. Please return with your report.

Also, please submit any surface and environmental protection stipulations which you may require for this lease.

In accordance with the Act of August 7, 1947 (61 Stat. 913), or Reorganization Plan No. 3 of 1946 (60 Stat. 1097), furnish this office the following requested information

Authorized Officer

(Signature)

(Title)

1. Does the description conform to that contained in the deed to the United States? Yes No (If "no," describe the lands as shown on your records)

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Title Report Request (Form 3100-7)

2. Specify any mineral or royalty reservations contained in the conveyance to the United States, or in any prior conveyance, as evidenced by the abstract of title

3. If the land has been conveyed by the United States, specify any provision in the conveyance reserving minerals to the United States

4. Under what Act was the land acquired or is it being administered?

5. Give the following:

a. Symbol number of the fund to receive collections

b. Name, address, and symbol of the disbursing officer to receive credit for the deposit of collections

c. Name, address, and accounting location code of your office to receive credit for the deposit of collections

6a. Does your agency control, or has it supervisory interest in, the surface of the land? Yes No

b. Will development of these deposits interfere with the primary purposes for which the land was acquired?
 Yes No (If "yes," specify any special terms and conditions)

7. Give the name of the forest or project in which the land is located

8. Name the designated representative of the agency for this lease permit

9. Give the name of person who should be contacted for additional title information

(Signature) _____ (Title) _____

GPO 848 - 964

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Title Opinion Requested from Field Solicitor



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

Memorandum

To: Field Solicitor, USDI

From: Authorized Officer

Subject: Future Interest Lease Offer (serial number)

Enclosed is the subject lease offer containing record evidence filed by (name) on behalf of his claim to the mineral interest in the lands described in the offer.

Please provide your opinion.

Enclosures:
Title Abstract
Case File

Distribution:

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Decision of Lease Forms with Supplemental
Agreements Submitted for Signature and Special Stipulations



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

IN REPLY
REFER TO:
Serial No.

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

:
:
:
:
:

Oil and Gas

Lease Forms With Supplemental Agreements
Submitted for Signature
Special Stipulations Required

Transmitted herewith are three copies of the lease form with supplemental agreements and special stipulations to be signed and returned within 30 days from receipt of this decision.

Failure to return all copies of the executed documents within the time allowed will result in rejection of your offer without further notice from this office.

This decision will become final 30 days from receipt, in the absence of an appeal.

Standard appeal paragraph (see H-3100-1).

Authorized Officer

Enclosures:
Lease Forms w/Supplemental Agreements
Stipulations
Form 1842-1

Distribution:

H-3111-1 - OVER-THE-COUNTER OFFERS

Lease Form - Future Interest (Form 3100-11)

Form 3100-11*
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0008
Expires January 31, 1986
Serial No. NM-A 57393 (TX)

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 (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands (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 Seymour S. Smith
Street 7 South Dearborne
City, State, Zip Code Chicago, IL 60603

2. This offer/lease is for: (Check Only One) PUBLIC DOMAIN LANDS ACQUIRED LANDS (percent U.S. interest _____)
Surface managing agency if other than BLM: USDA, Forest Service Unit/Project LBJ National Grasslands

Legal description of land requested:

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

Amount remitted: Filing fee \$ _____ Rental fee \$ _____ Total \$ _____
Total acres applied for _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. _____ R. _____ Meridian _____ State Texas County Hunt

Tract 408 in Blocks 2 and 3, League 2, Hunt County School Land Survey described by metes and bounds

Total acres in lease 132.676
Rental retained \$133.00

In accordance with the above offer, or the previously submitted simultaneous oil and gas lease application or competitive bid, 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.

Type and primary term of lease:

- Simultaneous noncompetitive lease (ten years)
- Regular noncompetitive lease (ten years)
- Competitive lease (five years)
- Other Future Interest - Noncompetitive

THE UNITED STATES OF AMERICA

by _____ (Signing Officer)

Authorized Officer Current
(Title) (Date)

EFFECTIVE DATE OF LEASE September 5, 1989

*(Formerly 3110-1, 2, 3, 3120-1, 7, 3130-4, 5, and 7)

H-3111-1 - OVER-THE-COUNTER OFFERS

Lease Form - Future Interest (Form 3100-11)

4. (a) 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 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 authorities; (3) offeror's chargeable interests, direct and indirect, in either public domain or acquired lands do not exceed 200,000 acres in oil and gas options or 246,080 acres in options and leases in the same State, or 300,000 acres in leases and 200,000 acres in options in either leasing District in Alaska; and (4) offeror 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 offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing 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, 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 rejected and will afford 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. 18 U.S.C. Sec. 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.

Duly executed this _____ day of (date of signing), 19 _____

/s/ Seymour S. Smith

(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 or fraction thereof are:

- (a) Simultaneous 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 attachment.

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

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office 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 by lessee.

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

- (a) Simultaneous noncompetitive lease, 12½%;
- (b) Regular noncompetitive lease, 12½%;
- (c) Competitive lease, see attachment; or
- (d) Other, see attachment.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage 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 royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty shall be due for any lease year after discovery in which royalty payments aggregate less than \$1.00 per acre. Lessee shall pay such difference at 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.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (96 Stat. 2447). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

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

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, 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 lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of 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 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats 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, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and 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 such as: billings, invoices, or similar documentation that

supports 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 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, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. 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 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-ways. 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 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. 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 would 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 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 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. 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 28 of the Mineral Leasing Act of 1920.

Lessee 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 lessee nor lessee'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 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 lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in 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 producible wells.

Sec. 13. Proceedings in case of default—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 cancellation. Lessee shall also be subject to applicable provisions and penalties of FOGRMA (96 Stat. 2447). However, if this lease includes land known to contain valuable deposits of leased resources, it may be cancelled only by judicial proceedings. 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 or waiver shall not prevent later cancellation for the same default occurring at any other time.

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 assignees of the respective parties hereto.

H-3111-1 - OVER-THE-COUNTER OFFERS

Supplemental Agreement to Future Interest Lease (Form 3100-11a)

Form 3100-11a
(October 1984)

Serial Number NM-A 57393 TX
Effective Date current date

Supplemental Agreement to Lease

This supplemental agreement between the UNITED STATES OF AMERICA, as lessor, and _____
Seymour S. Smith, as prospective lessee, has an effective date of
current date, and remains in effect until September 4, 1989, at which time the
future interest oil and gas lease, serialized as NM-A 57393 TX, will become effective in
its entirety.

This supplemental agreement constitutes a condition to the lease. Compliance with the terms and conditions of
this agreement is a prerequisite for continued entitlement to the prospective lease. In the event of any non-
compliance which continues for 30 days, this supplemental agreement shall be subject to cancellation. Not-
withstanding such cancellation and subject to continued availability of the land for leasing, the defaulting party
may reapply for the lease and enter into a new supplemental agreement without penalty.

As part of the consideration for issuance of the lease and as a supplemental thereto, the lessee hereby agrees:

*

- ~~Sec. 1: Rentals and Royalties - To pay rentals and royalties on the land described in the lease, until the lease becomes effective, in the amount or value of production removed or sold from the land as follows:~~
- ~~(a) \$1.00 per acre or fraction thereof if the land described in the lease is wholly outside the known geological structure of a producing oil or gas field.~~
- ~~(b) \$2.00 per acre or fraction thereof beginning with the first year after all or part of the land described in the lease is included in a known geological structure, and for each year thereafter, prior to a discovery of oil or gas on the leased land.~~
- ~~Annual rental shall not be prorated for the year or years in which the lease becomes effective or the year that production is obtained.~~
- ~~Sec. 2: Royalties on Production - When the interval from the date that production is obtained to the date when the oil and gas rights vest to the United States, Royalty Rates shall be in accordance with 43 CFR 3111.3-4(c), and CFR 3120.8-2.~~
- ~~Where the United States owns only a fractional future mineral interest in the leased lands, royalty on production shall be payable only on the mineral interest that will vest to the United States.~~
- ~~Sec. 3: Minimum Royalty - Minimum royalty shall be due for any year of this agreement after discovery in which royalty payments aggregate less than \$2.00 per acre or fraction thereof. Lessee shall pay such difference at the end of each year of this agreement.~~
- ~~Sec. 4: Cooperative, Communitization, or Unit Plan - If the land covered by this supplemental agreement is committed to an approved cooperative, communitization, or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to the land under this agreement. However, annual rental shall continue to be due at the rate of \$2.00 per acre or fraction thereof for those lands not within a participating area of a unit or a producing communitization or cooperative agreement.~~

*NOTE: In accordance with the policy directive issued March 20, 1985, the requirement that rental and royalty is due prior to the vesting of the mineral interests in the Government is now waived.

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Accounting Advice for Future Interest Lease

Form 1370-41
(December 1983)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIPT AND ACCOUNTING ADVICE

no.1144158

Subject: Supplemental Agreement to Future Interest Lease
Applicant: Seymour S. Smith
7 South Dearborne
Chicago, IL 60603

*Note: In accordance with the directive issued March 20, 1985, the requirement that rental is due prior to the vesting of the mineral interests in the Government is now waived.

Remitter:

Assignor:

LEASE MANAGEMENT DATA										
<input type="checkbox"/> NEW <input type="checkbox"/> UPDATE <input type="checkbox"/> PAYMENT										
ORIGINAL SERIAL NO.	ASG.	TYPE	ST.	CTY.	FUND SYMBOL		ACRES/UNITS	RATE		
NM-A 57393 TX		OG A	48	497	125896	4111-06	132.676	1.00		
AMOUNT	ANV. DATE	EXP. DATE	BILL CYC.	S/C	DISTRICT	NEXT BILL	MISC. DATA	U of M	ACTUAL UNITS	
133.00	7/02/1984	9/04/1989			040					
ASSIGNMENT SERIAL NO.	ASG.	TYPE	ST.	CTY.	FUND SYMBOL		ACRES/UNITS	RATE		
AMOUNT	ANV. DATE	EXP. DATE	BILL CYC.	S/C	DISTRICT	NEXT BILL	MISC. DATA	U of M	ACTUAL UNITS	

APPLY REMITTANCE			
ACTION	FUNDSYMBOL	CTY.	AMOUNT
FILING FEE			
RENTAL *	125896.4111-06	497	133.00
UNEARNED			
REFUND			
TOTAL			
AMOUNT DUE			

Remarks: Supplemental agreement effective July 2, 1984, thru September 4, 1989. Future interest lease goes into effect September 5, 1989.

*Annual rental at the rate of \$1.00 per acre due under supplemental agreement.

BY: _____ DATE: _____

- Lease in Escrow?
- KGS?
- Auto Escalates?
- Auto Renew?

Of Interest? Future Interest
Operating Rights? Forest Service
Operator
Bond Filed?

FOR MMS USE ONLY

BILLEE	NUMBER	FOREST REFUGE
OCS SECTION	CODE	

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Accounting Advice for Private Lease Acquired Through Exchange

Form 1370-41
(March 1984)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIPT AND ACCOUNTING ADVICE

NO. 130506125

Subject: OIL & GAS LEASE
Applicant: AMOCO PRODUCTION COMPANY
BOX 800
DENVER CO 80201

Remitter:

Assignor:

LEASE MANAGEMENT DATA									
<input checked="" type="checkbox"/> NEW <input type="checkbox"/> UPDATE <input type="checkbox"/> PAYMENT									
ORIGINAL SERIAL NO.	ASG.	TYPE	ST.	CTY.	FUND SYMBOL			ACRES/UNITS	RATE
M		OG	F 30	001	14	5003		212.50	\$1.00
AMOUNT	ANV. DATE	EXP. DATE	BILL CYC.	S/C	DISTRICT	NEXT BILL	MISC. DATA	U of M	ACTUAL UNITS
	2/7/77	2/6/87		A	MT 07				
ASSIGNMENT SERIAL NO.	ASG.	TYPE	ST.	CTY.	FUND SYMBOL			ACRES/UNITS	RATE
AMOUNT	ANV. DATE	EXP. DATE	BILL CYC.	S/C	DISTRICT	NEXT BILL	MISC. DATA	U of M	ACTUAL UNITS

APPLY REMITTANCE			
ACTION	FUND SYMBOL	CTY.	AMOUNT
FILING FEE			
RENTAL			
UNEARNED			
REFUND			
TOTAL			

Remarks:
Private lease transferred to BLM for administration as a result of Forest exchange.
(WARRANTY DEED TO U.S. EXECUTED 2/21/85)
BY: *Shoupe* kls DATE: 1/14/86

<input type="checkbox"/> Lease in Escrow?	
<input type="checkbox"/> KGS?	Of Interest?
<input type="checkbox"/> Auto Escalates?	Operating Rights?
<input type="checkbox"/> Auto Renew?	Operator
	Bond Filed?

FOR MMS USE ONLY	
BILLEE NUMBER	FOREST REFUGE
OCS SECTION	
CODE	

ACCOUNTING ADVICE COPY

H-3111-1 - OVER-THE-COUNTER OFFERS

Format for Notice of Private Lease Acquired Through Exchange



United States Department of the Interior

Serial Number
(922. __)

BUREAU OF LAND MANAGEMENT
222 North 32nd Street
P.O. Box 36800
Billings, Montana 59107

CERTIFIED--RETURN RECEIPT REQUESTED

Date

NOTICE

OIL AND GAS

OIL AND GAS LEASE TRANSFERRED

In exchange for federally-owned lands, (Grantor's Name) executed a Warranty Deed on (Date) conveying to the U.S. Forest Service the following lands:

The Forest Service has furnished this office a copy of your oil and gas lease with (Lessor's Name) as lessor. That portion of your lease conveyed to the U.S. by the Warranty Deed identified above will now be administered by the Bureau of Land Management with the U.S. Forest Service as the surface managing agency.

The lease terms on the copy of the lease furnished by the Forest Service are difficult to read, but it appears the lease was issued for a 10-year term from (Date) ending (Date). We would appreciate your furnishing this office with a more legible copy of the lease to be retained in (Serial Number) which is the serial number assigned by this office for your future reference.

You are hereby notified that future rentals for the above lands must be submitted to the following address:

Minerals Management Service (BRASS)
P.O. Box 5640
Denver, Colorado 80217

The District Ranger identified on the enclosed stipulation (Form MT 3109-12) should be contacted prior to commencement of any surface disturbing activities on the lands in the lease.

Chief, Leasing Unit

2 Enclosures
1-Warranty Deed
2-Stipulation MT 3109-12

cc:
Regional Forester (2)

H-3111-1 - OVER-THE-COUNTER OFFERS

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