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LEASE TERMS

SECTION 1. *Rights of lessee.*—The lessee is granted the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits, except helium gas, in the lands leased, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities, subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistent with the terms of this lease. At the expiration of the initial 5-year term, an application may be made for extension of the lease in accordance with the regulation 43 CFR 192.120.

SEC. 2. The lessee agrees:

(a) *Bonds.*—(1) To file any bond required by this lease and the current regulations and until such bond is filed not to enter on the land under this lease. (2) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (3) To furnish a bond in a sum double the amount of $1 per acre annual rental, but not less than $1,000 nor more than $5,000, upon the inclusion of any part of the leased land within the known geologic structure of a producing oil or gas field. (4) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of $5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained or unless such a bond furnished by an operator of the lease is accepted. (5) Until a general lease bond is filed to furnish and maintain a bond in the penal sum of not less than $1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In lieu of any of the bonds described herein, the lessee may file such other bond as the regulations may permit.

(b) *Cooperative or unit plan.*—Within 30 days if demanded, or, if the leased land is committed to an approved unit or cooperative plan and such plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or pool thereof, embracing the lands included herein as the Secretary of the Interior may then determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) *Wells.*—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor, or lands of the United States leased at a lower royalty rate, or as to which the royalties and rentals are paid into different funds than are those of the lessor, or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the equivalent loss of royalty through drainage in the amount determined by said Director. (2) at the election of the lessor to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior, and (3) promptly after due notice in writing to drill and produce such other wells as the Secretary of the Interior may reasonably require in order that the leased premises may be properly and timely developed and produced in accordance with good operating practice.

(d) *Rentals and royalties.*—(1) To pay rentals and royalties in amount or value of production removed or sold from the leased lands as follows:

Rentals.—To pay the lessor in advance an annual rental at the following rates:

(a) If the lands are wholly outside the known geologic structure of a producing oil or gas field:

(i) For the first lease year, a rental of 50 cents per acre or fraction thereof, if the lands are in Alaska, 25 cents per acre or fraction thereof.

(ii) For the second and third lease years, no rental.

(iii) For the fourth and fifth years, 25 cents per acre or fraction thereof.

(iv) For the sixth and each succeeding year, 50 cents per acre or fraction thereof, if in Alaska, 25 cents per acre or fraction thereof.

(b) If the lands are wholly or partly within the known geologic structure of a producing oil or gas field:

(i) Beginning with the first lease year after 30 days notice that all or part of the land is included in such a structure and for each year thereafter, prior to discovery of oil or gas on the lands leased, $1 per acre or fraction thereof.

(ii) If this lease is committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, the rental prescribed for the respective lease years in subparagraph (a) of this section, shall apply to the acreage not within a participating area, except that the rental for the second and the third lease years for such acreage shall be 25 cents per acre or fraction thereof.

Minimum royalty.—Commencing with the lease year beginning on or after a discovery on the leased land, to pay the lessor in lieu of any other royalty a minimum royalty of $1 per acre or fraction thereof at the expiration of each lease year, or the difference between the actual royalty paid during the year if less than $1 per acre, and the prescribed minimum royalty of $1 per acre, provided that if the lessor's interest in the minimum royalty shall be payable only on the participating acreage as provided in subparagraph (b) (ii) above.

Royalties on production.—To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands computed in accordance with the Oil and Gas Operating Regulations (43 CFR 192.221). Provided, however, that if this lease covers lands in Alaska and the lessor finds and makes the best determination of fact on the evidence that the royalty on any geologic structure the royalty on such production shall be 5 percent for 10 years following the date of such discovery, and thereafter the royalty rate shall be 12½ percent. If this lease is committed to an approved unit or cooperative plan under which such a discovery is made, the 5-percent rate for 10 years following such discovery shall for the purpose of computing royalty due the United States inure to the benefit of all the land to which an allocation is made under such plan.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas, the consideration being given to the highest price paid for a portion or a majority of production of like quality in the same field, to the price paid to the lessor, to posted prices, and to other relevant matters, and whenever appropriate, after notice, shall so establish a value.

(3) Where royalty is payable on production [illegible] royalty shall be computed on the production removed or sold from the leased land, or in lieu thereof at the option of the lessor in value or quantity of the production removed or sold, but royalty on oil or gas shall be paid in kind if demanded by the lessor in accordance with regulations. When royalty is payable in kind, royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced nor be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Rentals or minimum royalties may be waived, suspended or reduced and royalties on the entire leasehold or any portion thereof segregated for royalty purposes may be reduced if the Secretary of the Interior finds that, for the purpose of encouraging the greatest ultimate recovery of oil or gas and in the interest of conservation of natural resources, it is necessary, in his judgment, to do so in order to promote development, or because the lease cannot be successfully operated under the terms fixed herein.

(e) *Payments.*—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor, to the order of the Bureau of Land Management at the places mentioned in the regulation 43 CFR 192.42. If there is no well on the leased lands capable of producing oil or gas in paying quantities, the failure to pay rental on or before the anniversary date shall automatically terminate the lease by operation of law. However, if the time for payment falls on a day in which the proper office to receive payment is closed, payment shall be deemed timely if made on the next official working day.

(f) *Contracts for disposal of products.*—To file with the Oil and Gas Supervisor of the Geological Survey not later than 30 days after the effective date thereof any contract, or evidence of other arrangement, for the sale or disposal of oil, gas, natural gasoline, and other products of the leased land: *Provided*, That nothing in any such contract or other arrangement shall be construed as modifying any of the provisions of this lease, including, but not limited to, provisions relating to gas waste, taking royalty in kind, and the method of computing royalties due as based on a minimum valuation and in accordance with the Oil and Gas Operating Regulations.

(g) *Statements, plats and reports.*—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost, a plat showing development work and improvements on the leased lands, and a report with respect to stockholders, investments, depreciation and costs.

(h) *Well records.*—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof, to the lessor when required. All information obtained under this paragraph, upon the request of lessee, shall not be open to inspection by the public until the expiration of the lease.

(i) *Inspection.*—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps and records relative to operations and surveys or investigations on the leased lands or under the lease. All information obtained pursuant to any such inspection, upon the request of the lessee, shall not be open to inspection by the public until the expiration of the lease.

(j) *Diligence, prevention of waste, health and safety of workmen.*—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor, to carry on all operations in accordance with approved methods and practice as provided in the Oil and Gas Operating Regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water, or to coal deposits or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees, to place property and effectively cap wells or take other measures with the provisions of this lease or of any unit agreement upon which the right to the lease was predicated [illegible] value, to carry out at expense of the lessee all [illegible] and to adhere to the requirements in the paragraph (c) (1) [illegible] of the property and to accomplish the [illegible] at the lessee's cost: *Provided*, That the lessee shall [illegible] responsible for delays or casualties occasioned by causes [illegible] lessee's control.

(k) *Taxes and [illegible] purchase.*—To pay when due all taxes lawfully assessed and levied under the laws of the State or the United States upon the [illegible] oil and gas produced from the lands hereunder or other [illegible] property, or assets of the lessee, to accord all workmen and employees [illegible] of purchase, and to pay wages at least once each month in the [illegible] money of the United States.

(l) *Nondiscrimination.*—In connection with the performance of work under this contract the contractor agrees not to discriminate against any employee or applicant [illegible] employment because of race, creed, color, or national origin. The aforesaid provision shall include, but not limited to the following [illegible] employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; [illegible] termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available for employees and applicants for employment notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

The contractor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

(m) *Assignment of oil and gas lease or interest therein.*—As required by applicable law, to file for approval within 90 days from the date of final execution, any instrument of transfer made of this lease, or any interest therein, including assignments of record title, working or royalty interests, operating agreements and subleases, such instrument to take effect upon the final approval by the Bureau of Land Management of the first day of the lease month following the date of filing in the proper office.

(n) *Purchase of [illegible] for resale.*—To purchase and without discrimination, to accept delivery to a connecting pipeline or any company operating the same which may be organized accessible to the lessee, gas derived from lands under this lease, to accept and convey into the pipeline of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any other person or company not the owner of any pipeline operating a lease or contracting or selling oil, gas, natural gasoline or other products [illegible] the provisions of this act, or under the provisions of the act of August 7, 1914 (38 Stat. 913, 30 U. S. C. sec. 351).

(o) *Lands patented and oil and gas deposits reserved to the United States.*—To comply with all statutory requirements and regulations thereunder, if the land embraced in this lease is patented or sold under the laws governing the disposal of the public lands, [illegible] reserve in the patent the deposits of oil and gas, or any of them, hereafter patented or sold subject to such reservation, and to insert in all instruments of conveyance covering such deposits of oil or gas, a provision to the effect that the grantee, his heirs or assigns, shall be subject to the laws governing the disposal of such deposits of oil or gas.

(p) *Barren or nonproducing lands.*—If any [illegible] hereunder shall be found to be barren of oil or gas, or incapable of production in paying quantities, to surrender such land or any part thereof, or any interest therein, or any right or privilege with respect thereto, upon the requirements being made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) *Protection of surface, natural resources and improvements.*—To take such reasonable steps as may be needed to prevent operations from unnecessarily: (1) Causing or contributing to soil erosion or damaging any forage and timber growth thereon, (2) polluting the waters of reservoirs, springs, streams, or wells, (3) damaging crops, including forage, timber, or improvements of a surface owner, or (4) damaging range improvements whether owned by the United States or by its grazing permittees or lessees; and upon conclusion of operations, so far as can reasonably be done, to restore the surface to its former condition. The lessor may prescribe the steps to be taken and restoration to be made with respect to lands of the United States and improvements thereon.

(r) *Overriding royalties.*—Not to create overriding royalties in excess of five percent, except as otherwise authorized by the regulations.

(s) *Delivery of premises in case of forfeiture.*—To deliver up to the lessor in good order and condition the land leased including all improvements which are necessary for the preservation of producing wells.

SEC. 3. The lessor reserves:

(a) *Easements and rights-of-way.*—The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) *Disposition of surface.*—The right to lease, sell, or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein, or to dispose of any resource in such lands which will not unreasonably interfere with operations under the lease.

(c) *Monopoly and fair prices.*—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) *Helium.*—Pursuant to section 1 of the act, and section 1 of the act of March 3, 1927 (44 Stat. 1387), as amended, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof deemed to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plan or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the wall to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all extraction works and other equipment necessary for the extraction of helium on the premises leased.

(e) *Taking of royalties.*—All rights pursuant to section 36 of the act, to take royalties in amount or in value of production.

(f) *Casing.*—All rights pursuant to section 40 of the act to purchase casing, and lease or operate valuable water wells.

SEC. 4. *Drilling and producing restrictions.*—It is agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by the lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both. After limitation, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

SEC. 5. *Surrender and termination of lease.*—The lessee may surrender this lease or any legal subdivision thereof by filing in the proper land office a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the applicable lease terms and regulations.

SEC. 6. *Purchase of materials, etc., on termination of lease.*—Upon the expiration of the lease, or the earlier termination thereof pursuant to the last preceding section, the lessee shall have the privilege at any time within a period of 90 days thereafter of removing or disposing of machinery, equipment, tools, and materials other than improvements needed for producing wells. Any materials, tools, appliances, machinery, structures, and equipment subject to removal as above provided, which are allowed to remain on the leased lands shall become the property of the lessor on expiration of the 90-day period or such extension thereof as may be granted because of adverse climatic conditions throughout said period. After the lessee shall remove any or all of such property where so directed by the lessor.

SEC. 7. *Proceedings in case of default.*—If the lessee shall not comply with any of the provisions of the act or the regulations thereunder or of the lease or make default in the performance or observance of any of the terms hereof except payment of rental, and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, this lease may be canceled by the Secretary of the Interior in accordance with section 31 of the act, except that if this lease covers lands known or to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the manner provided in section 31 of the act, but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. Upon cancellation of the lease, any mining material or equipment determined by the lessor to be necessary for use in plugging or preserving any well drilled on the leased land shall become the property of the lessor. A waiver of any particular cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same causes occurring at any other time.

SEC. 8. *Heirs and successors-in-interest.*—It is further agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 9. *Unlawful interest.*—It is also further agreed that no Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, or either before or after he has published and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR 7.4 (a) (1), shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom, and the provisions of sections 431 of the Revised Statutes of the United States, as amended (41 U. S. C. Sec. 22) and sections 433, 434 and 435 Title 18 U. S. Code, relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

INSTRUCTIONS

A. GENERAL INSTRUCTIONS

1. This offer must be filled in in a legible manner, printed plainly in ink and must be signed in ink.

2. This form is to be used in offering to lease Government-owned public lands for oil and gas deposits under the United States mineral leasing act of February 25, 1920, as amended, including, in addition to leasing and drilling for oil and gas, reports of production.

This form should not be used in offering to lease acquired lands or lands on a known geologic structure of a producing oil or gas field.

3. Offers to lease may be made by qualified persons of age or over who are citizens of the United States, and by corporations, partnerships or associations.

4. This offer must be prepared in quadruplicate and filed in the proper land office. The term "land office" means the office of the officer the proper land office. If the land is not surveyed or where there is no land office, the offer must be filed with the Bureau of Land Management, Department of the Interior, Washington, D. C. See 43 CFR 192.42 (a). If less than five copies are filed, the offeror will have 30 days from the date of filing to file the other required copies. Failure to do so will cause the offer to be rejected and returned to the lessee and to afford no priority.

5. The offeror should mark one of the copies best filed at the top with the word "original." If this is not done, the manager will so mark one copy. If there is any variation in the land descriptions among the copies, the one marked "original" shall govern as to the lands offered.

6. If additional space is needed in furnishing any of the required information, it should be prepared on additional sheets, initialed and attached and made part of the offer to lease, such additional sheets to be attached to each copy of the form submitted.

7. If any of the land described in item 2 of the offer is open to oil and gas lease filing when the offer is filed but is omitted from the lease for any reason and thereafter becomes available for leasing to the offeror, the original lease will be amended to include the omitted land, unless before the issuance of the amendment on Form 4-1163, the land office receives the withdrawal of the offer as to such land, or an election to receive a separate lease to be dated in accordance with 43 CFR 192.40 in which case such separate lease will be issued. If the lease is amended, the rental charged and the lease term will be the same as though the added land had been included in the original lease when it was issued.

8. As an incident to the assignment of the whole interest in all or any part of the lease, the lessee may assign the whole interest in all or any part of the offer. As an incident to the assignment of an undivided fractional interest in the whole lease, the lessee may assign an undivided fractional interest in the whole offer. Applications for approval of assignments of an offer must include a statement that the assignee agrees to be bound by the offer to the extent it is assigned and must be signed by the assignee. In other instances assignments of the offer will not be approved prior to the issuance of a lease for the lands or deposits covered by said assignments.

9. The offer will be rejected and returned to the offeror and will afford the applicant no priority if: (a) The land description is insufficient to identify the lands or the lands are not described with a legal support, (b) the total acreage exceeds 2,560 acres, except where the excess appropriation applies, or is less than 640 acres or the equivalent of a section and is not within the exceptions in 43 CFR 192.42 (d). This does not apply where the total acreage is in excess of and exceeds 10 percent, (c) the full filing fee and the first year's rental has not accompanied the offer, the rental payment to be for the total acreage if known, and if not known, for the total acreage computed on the basis of 40 acres for each smallest legal subdivision, except where the rental is in error by not more than 10 percent, (d) the offer is signed by an agent in behalf of the offeror and the offer is not accompanied by a statement over the offeror's own signature with respect to holding and citizenship and by the statements and evidence required by 43 CFR 192.42 (e) (4). (e) The offer is signed by a corporate officer in behalf of a corporation and is not accompanied by the evidence required by 43 CFR 192.42 (e) (5). (f) More than five copies of the offer are filed and the copies lacking are not received in the land office before the expiration of 30 days from the date of receipt of the copies first filed, or (g) There is noncompliance with item 5 (a) [illegible] of the special instructions. The offeror will be given an opportunity to file a new offer within 30 days from service of the rejection and the fee and rental payments on the old offer will be applied to the new offer if the new offer shows the serial and receipt numbers of the old offer. The advance rental will be returned unless within the 30-day period another offer is filed.

B. SPECIAL INSTRUCTIONS [1]

Item 2.—Total area of land requested should be shown in acres in space provided at bottom of item 2. That area, except where the rule of approximation applies, must not exceed 2,560 acres or be less than 640 acres or the equivalent of a section except as provided in 43 CFR 192.42 (d). All of the land must be within a 5-mile square. The lands requested if surveyed should be described by legal subdivisions, showing meridian, State, township, range, and section, and if unsurveyed, by metes and bounds connected by courses and distances with some corner of the public land survey. Where possible the approximate legal subdivisions of unsurveyed lands should be stated.

Item 3.—This space is not to be filled in. When lease is issued this space will contain the identification of the leased area and total acres.

Item 4.—The total amount remitted should include a $10 filing fee and the first year's rental of the land requested at the rate of 50 cents an acre or fraction of an acre. The $10 filing fee is retained as a service charge, even in those cases where the offer to lease is completely rejected. In order to protect the offeror's priorities with respect to the land requested, it is important that the rental payment submitted with the offer be sufficient to cover all the land requested at the rate of 50 cents an acre or fraction thereof. If the land requested includes lots or irregular quarter-quarter sections, the exact area of which is not known to the offeror, rental may be submitted for the purpose of the offer on the basis of each such lot or quarter-quarter section containing 40 acres. If the offer is withdrawn in whole or in part before a lease is issued or if the offer is rejected in whole or in part, the rental remitted for the parts withdrawn or rejected will be returned. Where at the time the lease is to be issued, the land applied for or any part of it is within a known geologic structure of a producing oil or gas field, the lessee will be billed the additional rental of 50 cents an acre on all the leased land as the yearly rental on such lands is $1 per acre. In Alaska, the rental payment to accompany the offer should be at the rate of 25 cents per acre.

Item 5 (a).—Offeror will indicate whether a citizen by birth or naturalization. If production is obtained under this lease or allocated to it, the citizenship status of the lessee will be verified.

If offeror is an unincorporated association (including a partnership), the offer must be accompanied by a statement giving the same showing as to citizenship and holdings of its members as required of an individual.

If offeror is a corporation it must submit a statement containing the following information: the State in which it is incorporated; that it is authorized to hold oil and gas leases and that the officer executing the lease is authorized to act on behalf of the corporation in such matters; the percentage of the voting stock and of all of the stock owned by aliens or those having addresses outside the United States. Where such ownership is over 10 percent, additional information may be required by the Bureau before the lease is issued or when production is obtained. If any appreciable percentage of the stock is held by aliens of the excepted class the application will be denied. If 20 percent or more of the stock of any class is owned or controlled by or on behalf of any one stockholder a separate showing of his citizenship and holdings must be furnished.

Item 5 (b).—Acreage included in unit plans and certain section 18 and 19 leases is not chargeable.

Item 5 (c).—Whenever applicable the stipulations referred to will be made a part of this lease and will be furnished the lessee with the lease when issued. The forms covering them with a brief description are as follows: 4-216 (stipulations for lands where the surface control is under the jurisdiction of the Department of Agriculture, 4-467. Lands potentially dangerous to [illegible] Lands within the flow limits of a reservoir site; and 4-487 [illegible] Lands within the drainage area of a constructed reservoir. Whenever these stipulations are necessary, lessee will be required to agree to them before the issuance of the lease.

Item 5 (d).—If there are settlers attach a sheet giving the name and post-office address of each and description of the lands claimed by metes and bounds and approximate legal subdivision.

[1] Items numbered according to numbers on offer form.

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