

LEASE TERMS

Section 1. Right of lease.—The lease is granted the exclusive right to prospect for, mine, extract, remove, and dispose of all the oil and gas deposits, except helium gas, in the lands leased...

Sec. 2. The lease agrees.—(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition for the issuance of the lease. (2) To furnish a bond in a sum double the amount of \$1 per acre annual rental...

(b) Cooperative unit plan.—Within 30 days of the date of this lease the lessee is committed to an approved unit or cooperative plan of operation...

(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 lessee...

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

- (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...

Minimum royalty.—Commencing with the lease year beginning on or after the discovery of oil or gas in the leased lands...

Royalty on production.—To pay the lessee 12 1/2 percent royalty on the production removed or sold from the leased lands...

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on gas...

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced.

of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessee...

(4) Rentals of minimum royalties may be waived, suspended or reduced and royalties on the entire amount of any production thereof...

(5) The Secretary of the Interior may, in his discretion, require the lessee to furnish a report with respect to stockholders, investments, liquidation, and other matters...

(6) The lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of the Interior, the leased premises and all wells, improvements, machinery, and fixtures thereon...

(7) Diligence, preservation of lands, health and safety of workmen.—To exercise reasonable diligence in drilling and producing the wells hereon...

(8) Taxes and wages, freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or of the United States upon improvements, oil and gas produced from the lands...

(9) Labor conditions.—To comply with all statutory laws, regulations and orders of the Government or of any citizen or company not the owner of any pipeline, operating a lease or purchasing or selling oil, gas, natural gasoline, or other products...

(10) Leases of the leased with oil and gas deposits covered to the United States.—To comply with all statutory laws, regulations and orders of the Government or of any citizen or company not the owner of any pipeline...

(11) Royalties on production.—To pay the lessee 12 1/2 percent royalty on the production removed or sold from the leased lands...

(12) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on gas...

(13) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced.

INSTRUCTIONS

A. GENERAL INSTRUCTIONS

- 1. This offer must be filled in on a typewriter or printed plainly in ink and must be signed in ink. 2. This form is to be used in offering to lease mineral rights in public domain lands or oil and gas deposits...

B. SPECIAL INSTRUCTIONS

- 1. Total area of land requested should be shown in acres in square feet at the bottom of item 2. The acreage shown should be approximately equal to the acreage shown on the map...

force, timber, or improvements of surface features of the leased lands, or improvements of surface features of the leased lands...

(f) Overriding royalties.—Not to create overriding royalties in favor of any person or persons, or to create overriding royalties in favor of any person or persons...

(g) Statements and rights.—The right to permit for other persons to use the lands leased, accepted, or sold or to be used by necessary or appropriate to the working of the same or of other lands...

(h) 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...

(i) Marketing 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 at reasonable market prices...

(j) Gas.—(1) Pursuant to section 1 of the act, and section 1 of the act of August 1, 1947, and section 2 of the act of August 1, 1947...

(k) Gas.—(1) Pursuant to section 40 of the act to purchase casing and lease or other valuable water wells.

(l) Petroleum products.—Pursuant to the provisions of section 5 of the act of August 1, 1947, and section 42 of the act of August 1, 1947...

(m) Leasehold and development.—It is agreed that the rate of production and development and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior...

(n) 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...

(o) Purchase of materials, etc., on termination of lease.—Upon the expiration of this 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...

(p) Rights and easements.—It is further agreed that every benefit hereon shall extend to and be binding upon, and every benefit hereon shall extend to and be binding upon, successors, administrators, assigns, or assigns of the respective parties hereto.

(q) U.S. Delegation.—The lessee also further agrees that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or after his term of office has expired, and during his continuing term of office, and the members of the staff of any employee of the Department of the Interior, shall be admitted to any share or part in the lease or lease any benefit that may arise therefrom...

(r) U.S. Delegation.—The lessee also further agrees that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or after his term of office has expired, and during his continuing term of office, and the members of the staff of any employee of the Department of the Interior, shall be admitted to any share or part in the lease or lease any benefit that may arise therefrom...

C. GENERAL INSTRUCTIONS

- 1. This offer must be filled in on a typewriter or printed plainly in ink and must be signed in ink. 2. This form is to be used in offering to lease mineral rights in public domain lands or oil and gas deposits...