

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 thereon, 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 as 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 leased 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 bond is furnished by an operator of the lease is accepted. (5) To furnish a general lease bond in the amount of \$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 of demand, 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 part 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 on lands to which the royalties and rentals are paid into different funds than are those of this lease; 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 estimated loss of royalty through drainage in the amount determined by said Director; (2) at the election of the lessee, 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:

- If the lands are wholly outside the known geologic structure of a producing oil or gas field:
 - For the first lease year, a rental of 50 cents per acre or fraction thereof in Alaska, 25 cents per acre or fraction thereof.
 - For the second and third lease years, no rental.
 - For the fourth and fifth years, 25 cents per acre or fraction thereof.
 - For the sixth and each succeeding year, 50 cents per acre or fraction thereof, or, if the lands are in Alaska, 25 cents per acre or fraction thereof.
- If the lands are wholly or partly within the known geologic structure of a producing oil or gas field:
 - 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 a discovery of oil or gas on the lands leased, \$1 per acre or fraction thereof.
 - 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 rental, 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, provided that if this lease is unitized, the minimum royalty shall be payable only on the participating acreage and rental shall be payable on the nonparticipating acreage as provided in subparagraph (b) (3) above.

Royalty 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 (30 CFR Pt. 221). Provided, however, that if this lease covers lands in Alaska and the lessee drills and makes the first discovery of oil or gas in commercial quantities in any geologic structure, the royalty on all production hereafter 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, be 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, due consideration being given to the highest price paid for a part or for a majority of production of the same kind and quality to the price received by the lessee, to posted prices, and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(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. When paid in amount, such royalties on production shall be delivered in merchandise form 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 lessor as reasonably may be required by the lessor, but in no case shall the lessor 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 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 part thereof aggregated 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 191.13. 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 lease obtained pursuant to this paragraph, and to make such disposal or other arrangement shall be construed as modifying any of the provisions of this lease, including, but not limited to, provisions for computing gas waste, taking royalty in kind, and the method of computing royalties due as laid 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 formations accessible to or prescribed by a licensed or duly authorized engineer or geologist, and to furnish them, or copies thereof, to the lessor when requested. All information obtained under this paragraph upon the request of the lessor, 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 in order to determine the accuracy of the lessor's statements and reports, and to select for training purposes, 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 applicable laws, 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 the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells drilled in accordance with the provisions of this lease or of any prior lease or permit upon which the right to this lease was predicated before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph; and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost; *Provided*, That the lessee shall not be liable for delays or costs occasioned by causes beyond the lessee's control.

(k) **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 Federal Government, or other rights, property, or assets of the lessor; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) **Noninterference.**—In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; discharge; discipline; fringe benefits; and selection for training. The contractor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting office setting forth the provisions of the noninterference clause.

(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 royalty, title, working interest, or royalty interests, operating agreements and subleases, such instrument to take effect upon the final approval by the Bureau of Land Management as of the first day of the lease month following the date of filing in the proper land office.

(n) **Provision to purchase or convey at reasonable rates and without discrimination.**—If owner, operator, or owner of a controlling interest in any pipeline or of any company operating the same which may be operated accessible to this oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company owning, operating, or producing oil or gas, or the lease or purchase or selling oil, gas, natural gasoline, or other products under the provisions of the act, or under the provisions of the act of August 7, 1947 (61 Stat. 913, 30 U. S. C. sec. 351).

(o) **Lands patented with oil and gas deposits reserved to the United States.**—To comply with all statutory requirements and regulations of the Department of the Interior, and to file with the Secretary of the Interior, if the lands embraced herein have been or are to be disposed of under the laws of the United States the deposits of oil or gas, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) **Reserved or segregated lands.**—If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management.

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 noncompetitively public domain lands or oil and gas deposits reserved to the United States in disposals of such lands for the purpose of drilling, mining, extracting, removing and disposing of oil and gas deposits, except helium. This form should not be used in offering to lease acquired lands or lands from a known geologic structure of a producing oil or gas field.

3. Offers to lease may be made by individuals 21 years of age or over who are citizens of the United States, and by corporations, partnerships or associations.

4. This offer must be prepared in quintuplicate and filed in the proper land office. The term "filing" means the actual receipt of the offer in the proper land office. If the land is in a State for which there is no land office, the offer must be filed with the Bureau of Land Management, Department of the Interior, Washington 25, D. C. See 43 CFR 192.42 (b). If less than five copies are filed, the offeror will have 30 days from the date of first filing to file the other required copies, failing in which the offer will be rejected and returned to the offeror and will afford no priority.

5. The offeror shall mark one of the copies first filed at the top with the word "original." If that is not done, the manager will so mark one copy. If there is any variation in the land descriptions among the five copies, the one marked "original" shall govern as to the lands covered by the lease.

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 a part of this 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 1113, the land office receives 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 in which case term 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, 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 lease. 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 entirely within the rule of the offer. (b) The land is less than 2,500 acres, except where 6-mile square. (c) The land is less than 640 acres or the rule of the offer is not within the exceptions in 43 CFR 192.42 (d). This does not apply to the full filing fee and the first year's rental do not accompany 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. (e) 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 holdings and citizenship and by the statements and evidence required by 43 CFR 192.42 (e) (4). (f) The offer is signed by a guardian or trustee in behalf of a minor and is not accompanied by the evidence required by 43 CFR 192.42 (e) (5). (g) Less 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 offer. (h) There is noncompliance with item 5 (a) of the copies first filed, or (i) There is noncompliance with item 5 (a) of the offer 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

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 2,500 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 6-mile square. The lands requested if surveyed shall be described by legal subdivisions of the section, by metes and bounds connected by courses and distance surveying, State, and by metes and bounds connected by courses and distance surveying with some other of the public land survey. Where possible, 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 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

ment, 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 required of 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 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 lessee 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) **Deliver premises in cases 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 thereby or under authority of the Government, of the lessee, 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 leased lands for the production 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 this lease.

(c) **Monopoly and fair prices.**—Full power and authority to promulgate and enforce all orders and regulations 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 may 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 desired, to the lessor at any point on the leased premises in compliance with the regulations for the extraction of the helium in such plan required by the Secretary of the Interior for 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 well 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 lessee shall reserve the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) **Taking of royalties.**—All rights pursuant to section 30 of the act, to take royalties in kind or in value of production.

(f) **Convey.**—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 development of the leased lands and the 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, 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 termination, the Secretary of the Interior, or any person, committee, or board of State or Federal officers or agencies 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 payment of all accrued rentals and royalties 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 this lease, or the earlier termination thereof pursuant to the last preceding section, the lessee shall have the privilege, in any time within a period of 90 days thereafter of removing from the premises all machinery, equipment, tools, and materials other than improvements needed for producing wells. Any materials, tools, appliances, machinery, structures, and equipment subject to removal as aforesaid, which are not removed within the 90-day period shall become the property of the lessor on expiration of the 90-day period or such extension thereof as may be granted by the Secretary of the Interior without said period. *Provided*, That 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 with 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 shall be deemed to have been forfeited by the lessor, in accordance with section 31 of the act, except that if this lease covers lands known 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 this lease, any property, material, or equipment which may be on the leased land for use in prospecting 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 cause of forfeiture and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

Sec. 8. Heirs and successors-in-interest.—It is further agreed that each obligation hereunder shall extend 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 before or after he has qualified and during his qualification, or 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 hold any share or part in this lease or derive any benefit therefrom; and the provisions of Sec. 3741 of the Revised Statutes of the United States, as amended (41 U. S. C. sec. 22) and Secs. 431, 432 and 453, Title 18 U. S. C., relating to contract and enter into and form a part of this lease so far as the same may be applicable.

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 the rental is issued, or if the offer is rejected in whole or in part, the rental retained 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 for 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 the 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 the 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 offeror executing the lease is authorized to act on behalf of the corporation in such matters as 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, 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. The forms covering them with a brief description are as follows: 4-210 Stipulations for lands where the surface control is potentially irrevocable; 4-407 (a) Lands within the flow limits of a reservoir site; and 4-407 (b) Lands within the drainage area of a constructed reservoir. Whenever other 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.