

111-8003-008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OFFER TO LEASE AND LEASE FOR OIL AND GAS

Serial No.
NM NM 95630

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

1. Name SCHUTZ DOUG J
Street PO BOX 973
City, State, Zip Code SANTA FE NM 87504

2. This application/offer/lease is for: (Check only One) PUBLIC DOMAIN LANDS ACQUIRED LANDS (percent U.S. interest _____)

Surface managing agency if other than BLM: _____ Unit/Project _____

Legal description of land requested: _____ *Parcel No.: _____ *Sale Date (m/d/y): _____ / _____ / _____

*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.

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

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

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 16S R. 28E Meridian NMPM State NM County EDDY

SECTION:

- 10 N2;
- 11 N2SW, SESW;
- 13 W2;
- 14 ALL;
- 22 S2NE, SENW, E2SW, SE;

Before the Oil Conservation Division
Case Nos. 14323, 14382, 14365 & 14366
Hearing May 20, 2010
Chesapeake Energy Corporation &
Chesapeake Operating, Inc.
Exhibit No. _____

Total acres in lease: 1,760.0000
Rental retained: \$2,640.00

XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

THE UNITED STATES OF AMERICA

Noncompetitive lease (ten years)

BY Louise B. Orty
(Signing Officer)

Competitive lease, ^{ten} (ten years)

LAND LAW EXAMINER, FLUIDS ADJUDICATION TEAM

AUG 09 1988

(Title)

(Date)

RECEPTION
977053

EFFECTIVE DATE OF LEASE SEP 01 1988

CONTROLLED SURFACE USE STIPULATION

Unless otherwise authorized, surface use or occupancy within the leased lands will be strictly controlled, or if absolutely necessary, excluded for the purpose of protecting the following special areas, values, purposes, and sensitive resource conditions:

- 1. Slopes over 20 per cent, or on extremely erodable or slumping soils.
- 2. Identified flood hazard zones or 100-year floodplains.

On the lands described below:

All Lands in Lease

Any changes to this stipulation will be made in accordance with the Land Use Plan and/or the regulatory provisions for such changes.

BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT OFFICE

Roswell 49
Revised May 1994

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the 25 day of June, 19 97 at 12:17 o'clock P. M., and recorded



in BOOK 284 PAGE 1008 of Eddy County Records
by LAREN DAVIS, County Clerk By [Signature] Deputy

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COMPETITIVE OIL AND GAS OR
GEOHERMAL RESOURCES LEASE BID
30 U.S.C. 181 et seq.; 30 U.S.C. 351-359;
30 U.S.C. 1001-1025; 42 U.S.C. 6508

FORM APPROVED
OMB NO. 1004-0074
Expires: April 30, 1994

State <i>NM</i>	Date of sale <i>7-19-95</i>	
PARCEL NUMBER	AMOUNT OF BID (See Instructions below)	
	TOTAL BID	PAYMENT SUBMITTED WITH BID
THE BID IS FOR (Check one): <input checked="" type="checkbox"/> Oil and Gas Parcel Number <i>9507124</i>	<i>\$79,200.00</i>	<i>\$31,915.00</i>
<input type="checkbox"/> Geothermal Parcel Number _____ Name of Known Geothermal Resource Area (KGRA) _____		

The appropriate regulations applicable to this bid are: (1) for oil and gas leases—43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases—43 CFR 3132; and (3) for Geothermal resources leases—43 CFR 3220. (See details concerning lease qualifications on reverse.)

I CERTIFY THAT I have read and am in compliance with, and not in violation of, the lessee qualification requirements under the applicable regulations for this bid.

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

IMPORTANT NOTICE: Execution of this form, where the offer is the high bid, constitutes a binding lease offer, including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made shall result in rejection of the bid and forfeiture of monies submitted.

Doug J. Schuitz

Print or Type Name of Lessee

Signature of Lessee or Bidder

P.O. Box 973

Address of Lessee

SANTA FE
City

NM
State

87504
Zip Code

INSTRUCTIONS

INSTRUCTIONS FOR OIL AND GAS BID
(Except NPR-A)

INSTRUCTIONS FOR GEOHERMAL OR
NPR-A OIL AND GAS BID

1. Separate bid for each parcel is required. Identify parcel by the parcel number assigned in the *Notice of Competitive Lease Sale*.
2. Bid must be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance must be in the form specified in 43 CFR 3103.1-1. The remainder of the bonus bid, if any, must be submitted to the proper BLM office within 10 working days after the last day of the oral auction. Failure to submit the remainder of the bonus bid within 10 working days will result in rejection of the bid offer and forfeiture of all monies paid.
3. If bidder is not the sole party in interest in the lease for which the bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.
4. This bid may be executed (signed) before the oral auction. If signed before the oral auction, this form cannot be modified without being executed again.
5. In view of the above requirement (4), bidder may wish to leave AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the Bureau of Land Management at the oral auction.

1. Separate bid for each parcel is required. Identify parcel by the number assigned to a tract.
2. Bid must be accompanied by one-fifth of the total amount of bid. The remittance must be in the form specified in 43 CFR 3220.4 for a Geothermal Resources bid and 3132.2 for a NPR-A lease bid.
3. Mark envelope Bid for Geothermal Resources Lease in (Name of KGRA) or Bid for NPR-A Lease, as appropriate. Be sure correct parcel number of tract on which bid is submitted and date of bid opening are noted plainly on envelope. No bid may be modified or withdrawn unless such modification or withdrawal is received prior to time fixed for opening of bids.
4. Mail or deliver bid to the proper BLM office or place indicated in the *Notice of Competitive Lease Sale*.
5. If bidder is not the sole party in interest in the lease for which bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Continued on reverse

BIDDER COPY

Form 5067-2 (July 1991)

U.S. DEPARTMENT OF INTERIOR
 BUREAU OF LAND MANAGEMENT
 NEW MEXICO STATE OFFICE
 P.O. BOX 27115
 SANTA FE, NM 87502-0115
 TEL (505) 438-7808

30

DATE: 07/19/95

SUBJECT: O & G COMPETITIVE SALE RECEIPT

RECEIPT NO: NM NM 95630

APPLICANT: SCHUTZ DOUG J
 PO BOX 973
 SANTA FE

AMOUNT RECEIVED: 81915.00

NM 87504 FUND CODE: 01 76.00

07 81840.00

SERIAL NUMBER
 NM NM 95630

TYPE	P/A	ST	CTY	FUND SYMBOL	ACRES	RATE	AMOUNT
OE					1760.0000	1.50	2640.00

ANV DATE	EXP DATE	BILL CYCLE	REC STATUS	DISTRICT
			A	

APPLY:	FUND SYMBOL	CTY	AMOUNT	REMARKS:
RENTAL			2640.00	ENERGY ACT 10/24/92

REFUND
 UNEARNED

TOTAL BY: DATE:

() LEASE IN ESCROW
 (X) AUTO ESCALATES

OF INTEREST?
 BOND FILED?

FOR MMS USE ONLY

BILLER NUMBER

FOREST REFUGE

Acq Date	Acq Code	Acquired From	Pros #	Pros Name	Lease Number	TRF No	Lease Type	Instrument Type	Roy	Lessor Min Int	Lessor Lease Name	Lessee	Lease Date
1/30/04	A&D	CONCHO	357	EDDY NORTH	NM0010076-000	003	STATE ONSHORE	ROW		0.00	ST/NM - RW-28206	CONCHO OIL & GAS CORP	10/4/02
1/30/04	A&D		357	EDDY NORTH	NM7760003-000	001	FEDERAL PUBLIC DOMAIN	LSEHOLD	0.1250	1.00	BLM - NMI/NM 95630	SCHULTZ DOUG	9/1/95
1/30/04	A&D	CONCHO	357	EDDY NORTH	NM9990057-000	002	FEDERAL PUBLIC DOMAIN	ROW		1.00	BLM - NM NM 101486A	NEARBURG PROD CO	4/26/99
1/30/04	A&D	CONCHO	357	EDDY NORTH	NM9990081-000	004	FEDERAL ACQUIRED	ROW		1.00	BLM - NMI/NM 108384	CONCHO OIL & GAS CORP	9/24/02

ET Date	Exp Date	SI	County	Status	TWP	RG E	SEC	QTR	Tract GA	Tract MA	Tract Co	Tract NA	Well X-Ref	Contract Ref
10/4/02	10/4/37	NM	EDDY	ACTIVE	16S	28E	11	SWSW	0.00	0.00			890399	ACQ 000-0206
9/1/95	9/1/05	NM	EDDY	PROD	16S	28E	11	N2SW, SESW	120.00	120.00			890399	ASN 357-0021 ASN 761-0035 COM 357-0036
4/26/99	4/26/29	NM	EDDY	ACTIVE	16S	28E	11	NWSW, NENE, W2NE, NESW	0.00	0.00			890399	ACQ 000-0206
9/24/02	9/24/32	NM	EDDY	ACTIVE	16S	28E	11		0.00	0.00			890399	ACQ 000-0206