

119234 Skamania County
BOOK 128 PAGE 38

9203240322

BK 0758 PG 0798

Form 1860-9
(January 1988)

The United States of America

To all to whom these presents shall come, Greeting:

OR 46909(W)

9201909

544585

PATENT
MERIDIAN MINERALS COMPANY

Real Estate Excise Tax

Exempt

SALLY SCHORMANN, TREAS.

Kittitas County Treasurer

By

11-12-91

33149

Registered

Indexed, Utr

Indirect

Filed 4/14/92

Mailed

WHEREAS,

being the owner of certain tracts of land situated and included within the limits of or adjacent to the Gifford Pinchot National Forest, Washington, has under provisions of the General Exchange Act of March 20, 1922 (42 Stat. 465, as amended; 16 U.S.C. 485, 486); and the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2743; 43 U.S.C. 1715, 1716, 1717), and the Mount St. Helen's National Volcanic Monument Act of August 26, 1982, P.L. 97-243 (96 Stat. 301), reconveyed and relinquished ALL MINERAL INTERESTS ONLY, in the said tracts to the United States of America and has, under provisions of the said Acts, selected in lieu thereof, ALL MINERAL INTERESTS ONLY, in the following tracts of land:

Willamette Meridian, Kittitas County, Washington

T. 22 N., R. 16 E.
sec. 33, All.

Willamette Meridian, Lewis County, Washington

T. 13 N., R. 6 E.
sec. 28, All.

Willamette Meridian, Pierce County, Washington

T. 16 N., R. 7 E.
sec. 4, All, Fractional;
sec. 6, lots 1 to 5, inclusive, S1/2NE1/4, SE1/4NW1/4, and N1/2SE1/4;
sec. 8, All;
sec. 18, All, Fractional;
sec. 20, All;
sec. 28, W1/2E1/2NE1/4, SE1/4SE1/4NE1/4, W1/2NE1/4, NW1/4, and S1/2;
sec. 30, All, Fractional.

Willamette Meridian, Skamania County, Washington

T. 7 N., R. 5 E.
sec. 2, lots 3 and 4, S1/2NW1/4, and SE1/4;
sec. 3, lots 1 to 4 inclusive, S1/2N1/2, and S1/2.

T. 7 N., R. 6 E.
sec. 6, All, Fractional;
sec. 8, E1/2, W1/2E1/2NW1/4NW1/4, W1/2W1/2NW1/4, NW1/4NE1/4SW1/4NW1/4, S1/2NE1/4SW1/4NW1/4, SE1/4SW1/4NW1/4, S1/2N1/2SE1/4NW1/4, S1/2SE1/4NW1/4, and SW1/4;
sec. 10, All.

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OFFICIAL RECORDS

Patent Number 46-91-0033
EXC. AFF. FEE \$2.00

APR 07 1992

REAL ESTATE EXCISE TAX

14863

KITTITAS COUNTY AUDITOR
FILED REQUEST OF:

1991 NOV 12 AM 10:50

13542

2-30-92

RECORDED

EXCISE TAX PAID \$

NO. 804949

DATE 3-24-92

BY HANOVER

Anta. Sta

SKAMANIA COUNTY AUDITOR
By: J. J. KIMMEL, Skamania County Auditor
EXCISE TAX PAID \$

Meridian Oil Inc.
5613 DTC Parkway
Englewood, CO 80111

Attn: Land Administration

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BK0758PG0799

OR 46909(W)

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Sta. Co.

T. 8 N., R. 5 E.

- sec. 26, S1/2;
sec. 28, SE1/4SE1/4, E1/2SW1/4SE1/4,
SW1/4SW1/4SE1/4, S1/2NW1/4SW1/4SE1/4,
NE1/4NW1/4SW1/4SE1/4, NE1/4SE1/4,
E1/2NW1/4SE1/4, and SE1/4SE1/4SW1/4;
sec. 32, NE1/4SE1/4, SE1/4NE1/4, SE1/4NE1/4NE1/4,
SE1/4SW1/4NE1/4NE1/4, SE1/4NE1/4SW1/4NE1/4,
SE1/4SW1/4NE1/4, NE1/4NW1/4SE1/4, and
NE1/4SE1/4NW1/4SE1/4;
sec. 36, All.

T. 8 N., R. 6 E.

- sec. 30, lots 1 to 4 inclusive, E1/2W1/2, and E1/2;
sec. 32, All.

Willamette Meridian, Stevens County, Washington

T. 30 N., R. 38 E.

- sec. 4, lots 1, 2, 5 to 8, inclusive, S1/2NE1/4,
N1/2SE1/4, and SW1/4.

T. 31 N., R. 38 E.

- sec. 30, lots 3 and 4.

T. 32 N., R. 41 E.

- sec. 7, lot 6.

T. 33 N., R. 38 E.

- sec. 15, N1/2SE1/4 and SW1/4SE1/4.

T. 34 N., R. 38 E.

- sec. 32, SE1/4NE1/4 and E1/2SE1/4;
sec. 33, SW1/4NE1/4, S1/2NW1/4, and SW1/4.

T. 38 N., R. 37 E.

- sec. 22, S1/2SE1/4.

Willamette Meridian, Okanogan County, Washington

T. 35 N., R. 26 E.

- sec. 4, lot 1;
sec. 15, W1/2SW1/4;
sec. 21, NW1/4NE1/4, and NE1/4NW1/4;
sec. 29, SE1/4SW1/4, S1/2SE1/4, and NE1/4SE1/4;
sec. 32, N1/2N1/2.

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T. 36 N., R. 27 E.

sec. 18, NW1/4 and W1/2SW1/4;
sec. 19, lot 5;
sec. 27, N1/2N1/2, SW1/4NE1/4, and N1/2SE1/4;
sec. 33, E1/2NE1/4, SE1/4SW1/4, and SE1/4.

T. 37 N., R. 27 E.

sec. 11, NE1/4 and E1/2NW1/4.

T. 37 N., R. 29 E.

sec. 29, SE1/4SW1/4 and S1/2SE1/4.

T. 38 N., R. 27 E.

sec. 1, lots 2, 3, 4, and SW1/4NE1/4.

T. 38 N., R. 31 E.

sec. 10, S1/2SE1/4;
sec. 11, S1/2S1/2;
sec. 14, NE1/4 and N1/2NW1/4;
sec. 15, NE1/4NE1/4.

T. 39 N., R. 26 E.

sec. 4, SW1/4SE1/4, SW1/4NW1/4, and E1/2SW1/4;
sec. 5, SE1/4NE1/4 and SW1/4NE1/4;
sec. 9, E1/2SW1/4, SW1/4SW1/4, SE1/4NW1/4,
SW1/4NE1/4, and W1/2SE1/4;
sec. 10, lots 7 to 10, inclusive, and S1/2SW1/4;
sec. 11, lots 17 and 18;
sec. 12, lots 3, 6, 7, SW1/4NE1/4, SE1/4NW1/4,
and NE1/4SW1/4;
sec. 13, lot 1, W1/2NE1/4, NE1/4NW1/4, and NW1/4SE1/4;
sec. 14, lots 10 to 14, inclusive;
sec. 20, lot 1 and NW1/4SW1/4;
sec. 23, NW1/4NE1/4 and SE1/4NW1/4.

T. 39 N., R. 31 E.

sec. 1, SE1/4SW1/4 and SW1/4SE1/4;
sec. 12, NW1/4NE1/4 and N1/2NW1/4.

T. 40 N., R. 30 E.

sec. 4, lot 5, NW1/4SW1/4, NW1/4SE1/4, and SW1/4NE1/4;
sec. 28, lot 4;
sec. 34, SW1/4NE1/4.

The areas described aggregate 16,266.27 acres according to the official plats of the surveys of the said lands, on file in the Bureau of Land Management.

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S.A.G.

NOW KNOW YE, that there is, therefore, granted by the UNITED STATES OF AMERICA unto MERIDIAN MINERALS COMPANY, all mineral interests only in the lands above described; TO HAVE AND TO HOLD the said mineral interests in said lands with all the rights, privileges, immunities, and appurtenances, of whatsoever nature thereunto belonging, unto the said Meridian Minerals Company, its successors and assigns, forever; in accordance with "RIGHTS, COVENANTS AND CONDITIONS OF THE EXERCISE OF THE RIGHTS CONVEYED BY THIS PATENT" attached hereto as Exhibit "A"

EXCEPTING AND RESERVING TO THE UNITED STATES and its assigns, from the rights so granted:

1. A right-of-way thereon for ditches or canals constructed by the Authority of the United States (Act of August 30, 1890, 43 U.S.C. 945)
2. Common variety surface rock resources in $21/2SE1/4$ of sec. 2, T. 7 N., R. 5 E., W.M., which can be used for road construction and maintenance purposes on National Forest System roads. NOTE: This specific reservation pertaining to common variety surface rock resources does not limit or detract from Clause III. Reservation of Mineral Materials, on Page 4 of 5 of the "RIGHTS, COVENANTS AND CONDITIONS OF THE EXERCISE OF THE RIGHTS CONVEYED BY THIS PATENT" attached hereto as Exhibit "A".



IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 Stat. 476), has, in the name of the United States, caused these letters to be made Patent, and the Seal of the Bureau to be hereunto affixed.

GIVEN under my hand, in Portland, Oregon
the Fifth day of August
in the year of our Lord one thousand nine hundred and
Ninety-One and of the Independence of the
United States the two hundred and Fiftteenth

920324032a

By Robert E. S. Mollahan
Chief, Branch of Lands and
Minerals Operations

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OR 46909(W)

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RIGHTS, COVENANTS AND CONDITIONS OF THE EXERCISE OF THE RIGHTS
CONVEYED BY THIS PATENT

The UNITED STATES OF AMERICA, acting by and through the Department of Agriculture, Forest Service (hereafter "Forest Service"), and MERIDIAN MINERALS COMPANY (hereafter "Meridian"), (the Forest Service and Meridian are referred to collectively as the "Parties"), mutually agree as follows:

I. Authority, Purposes and Intent of this Conveyance:

A. The conveyance of the mineral and geothermal interests together with ancillary rights of surface access (hereafter "subsurface rights") by this instrument along with attendant covenants and conditions is made pursuant to the Act establishing the Mount St. Helens National Volcanic Monument in the State of Washington (Public Law 97-243; 96 Stat. 301).

B. It is the intent of the Forest Service to exchange to Meridian the herein described subsurface rights to afford it the opportunity to explore and develop such rights for economic profit while, at the same time, assuring that the surface shall remain suitable for National Forest purposes and, to the extent practicable, be consistent with other multiple uses of the surface.

C. Any subsequent changes in Forest Service land management plans or regulations affecting the exercise of the agency discretion shall not affect the terms and conditions of this agreement. Nothing herein is intended to waive or disclaim the applicability of any State or Federal law.

D. These terms and conditions are binding on the Parties, their agents, permit holders, successors and assigns. The powers of the Forest Service provided herein may be transferred at any time under applicable law to another agency.

II. Covenants and Restrictions. The conveyance of the subsurface rights is subject to the following:

A. Prior Notice and Permit Requirements - Whoever undertakes to exercise the subsurface rights (hereafter "permit holder") shall give prior written notice to the Forest Service and shall submit satisfactory evidence of authority to exercise such rights. A surface occupancy permit shall be required for any occupancy and use of National Forest surface. The permit shall interpret and insure compliance with these covenants and restrictions and may require the posting of an adequate bond for that purpose and payment of reasonable fees for surface use.

B. Minimal Surface to be Affected - Only so much of the surface of the lands shall be occupied, used or disturbed as is reasonably necessary in bona fide prospecting for, drilling, mining (including the milling or concentration of ores) and removal of the mineral, oil, gas, geothermal, or other inorganic substances. For geothermal resources, use of the surface includes processing, recovery and utilization of steam. Strip and similar surface mining methods

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for coal shall not be permitted on National Forest surface lands overlying conveyed subsurface rights. Strip and similar surface mining methods for other than coal on such lands shall be permitted only to the extent such methods would have been permissible under the reservations of subsurface rights in a deed (No. 34609) dated March 14, 1983, from Burlington Northern Railroad Company to the United States (Deed Book 82, Pages 49-50, Auditor's File No. 95488, records of Skamania County, Washington).

C. **Timber Resources** - Timber and/or young growth cut or destroyed in connection with the exercise of the subsurface rights shall be paid for at rates determined by the Forest Service to be fair and equitable for comparable timber and/or young growth in the locality. All slash resulting from cutting or destruction of timber or young growth shall be disposed of as required by the Forest Service.

D. **Pollution Abatement** - In all operations for the prospecting, mining, and removal of minerals, oil, gas, geothermal resources and any other subsurface rights, reasonable provisions shall be made for the disposal of tailings, dumpage substances and wastes and other deleterious materials in such manner as to minimize adverse impact upon the environment and forest surface resources. Meridian and the permit holder will comply with all applicable Federal and State laws or regulations pertaining to pollution abatement including, but not limited to, the Clean Air Act, Clean Water Act, Safe Drinking Water Act and the Resource Conservation and Recovery Act, as they may be amended from time to time.

E. **Fire Prevention and Control** - While conducting any activities and operations, the permit holder, contractors, subcontractors, agents and assigns shall diligently prevent and suppress fires and comply with all rules and regulations applicable to fires on the land.

F. **Improvements** - The permit holder shall repair or replace any improvements damaged or destroyed by operations. Prior to damage or destruction of any improvements or to breaching any road or trail in the exercise of these rights, satisfactory arrangements must be made with the Forest Service to provide a suitable replacement facility in a mutually acceptable location on a suitable schedule. The parties agree that a suitable schedule will generally provide for replacement prior to breaching. All new structures and other improvements and materials shall be removed from the lands within one year after the date of termination of the permit. Should the permit holder fail to remove them on time, the Forest Service may remove, destroy or otherwise dispose of them at the permit holder's expense or, in the alternative, at the option of the Forest Service, such structures, improvements and materials can be deemed abandoned and be thereafter the property of the United States of America.

G. **Indicator, Sensitive, Threatened and Endangered Species** -

1. No surface occupancy will be permitted that would constitute a "taking" under section 9 of the Endangered Species Act (16 USC 1531, et seq.), or would jeopardize the continued existence of any plant or animal species listed under the Endangered Species Act.

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OR 46909(W)

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2. Any surface occupancy within areas designated by the U.S. Fish and Wildlife Service as critical habitat under the Endangered Species Act, or identified as essential habitat in lieu of critical habitat designation, must be consistent with any Recovery Plan for the listed species and with any additional conditions imposed by the Forest Service for the protection of the listed species. Essential habitat is determined by the Regional Forester for listed species prior to formal designation of critical habitat by the Fish and Wildlife Service.

3. Certain areas (described by legal description or map on appendix A to this instrument) are believed to contain spotted owls, pileated woodpeckers, pine martens and other species which might be listed under the Endangered Species Act. Meridian acknowledges that surface use of these areas could be prohibited under paragraph (1) or restricted under paragraph (2) if the species is listed and continues to occupy the area. It is believed that these species do not occupy the remaining areas covered by the patent at this time, but Meridian acknowledges that changes in habitat conditions or populations or other events could cause other areas to become subject to paragraphs (1) and (2).

4. Meridian acknowledges that the Forest Service provides for the viability of wildlife and plants not listed under the Endangered Species Act, in particular, pine martens, spotted owls, pileated woodpeckers and other species identified in the agency's planning process as "indicator" and "sensitive" species, to the extent consistent with its other policies, goals and legal obligations. Although Meridian has valid and existing rights to access and certain uses on reasonable terms, it acknowledges that such terms may include wildlife and plant protection conditions comparable to those then being imposed by the Forest Service under easements and contracts for surface occupancy of similar lands having comparable resource values in the Gifford Pinchot and other relevant National Forests.

H. Reclamation and Restoration - All geothermal activities and mineral prospecting, drilling, mining and removal of material shall be performed in a prompt workmanlike manner that will allow the use and management of the surface for National Forest purposes to be resumed without unreasonable delay. Upon completion or cessation of operations on a given area, the surface shall be restored to a safe condition which, in the opinion of the Forest Service, is reasonably satisfactory for National Forest purposes. Such restoration measures prescribed by the Forest Service may include, but are not necessarily limited to:

1. Control of erosion and landslides;
2. Control of water runoff;
3. Appropriate disposal, deployment, arrangement or treatment of wastes and tailings to minimize adverse impact upon the environment and forest surface resources, and the isolation, removal or control of toxic materials;

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4. Reshaping, reseeding and revegetation of disturbed areas, where reasonably practicable;
5. Rehabilitation of fisheries and wildlife habitat, and
6. Unless otherwise approved by an authorized Forest Service officer, roads no longer needed for operations shall be closed to normal vehicular traffic; bridges and culverts removed; cross drains, dips, or water bars shall be constructed, and the road surface shaped to as near a natural contour as practicable, stabilized and revegetated to the satisfaction of the Forest Service.

I. Public Safety - In the permit, the authorized Forest service officer may impose reasonable restrictions to assure that operations do not pose an unreasonable danger to National Forest users.

J. Other Terms and Conditions - The authorized Forest Service officer may provide other terms and conditions reasonably necessary or desirable for the protection of National Forest resources consistent with the valid and existing rights of the subsurface owner to reasonable use and enjoyment of the subsurface rights.

III. Reservation of Mineral Materials. - The United States reserves the right to quarry or otherwise remove at no cost those mineral materials defined in the Act of July 31, 1947 (30 U.S.C. 601), generally referred to as the act dealing with common varieties of mineral materials. Such mineral materials must be utilized for National Forest purposes only.

IV. Access Over National Forest Lands - As provided herein, appurtenant to the rights to prospect and develop subsurface rights as defined in this instrument is the right of adequate access over National Forest lands for such prospecting and development purposes:

A. Applicable Law - Rights-of-way shall be issued under the authority of and consistent with the Federal Land Policy and Management Act of 1976; section 1323(a) of the Alaska National Interests Lands Conservation Act; and the Forest Roads and Trails Act of 1964 for those areas now or hereafter covered by a road right-of-way construction and use agreement.

B. Cooperative Construction and Use - Where there are areas subject to this instrument of mixed Forest Service and Meridian ownership, or their successors or assigns, the Parties agree that to the extent mutually feasible and advantageous, the Parties will join in planning, constructing, reconstructing, improving, maintaining, and using an adequate road system on the basis of each party bearing the proportion of the costs attributable to the anticipated use as provided at 36 C.F.R. 212.11. The Parties may require reciprocal benefits in providing access across lands of intermingled ownership.

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OR 46909(W)

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C. **Public Use** - The public may have free use of any road for which the United States shares in the costs of construction or maintenance, provided that Meridian will not be required to perform maintenance required as a result of use by the general public. The Forest Service may restrict public use for safety or resource protection purposes.

D. **Use of Existing Roads** - The use of any road or segment thereof may be conditioned upon the payment to the United States of the proportionate share of the cost and bearing of proportionate maintenance as determined by the Forest Service to be attributable to the mineral owner's or hauler's use. All use shall be subject to the traffic rules imposed on other users of the road.

E. **Cost Share Agreements** - The parties agree that the Forest Roads and Trails Act of 1964 shall be authority for rights-of-way in cost share areas. The parties further agree that in the event there is a cost share agreement now or hereafter in effect, such agreement may be mutual agreement of the Parties supersede provisions of Part IV-B, C & D above.

V. **Indemnification** - The owner and operators of the subsurface rights shall indemnify the United States for any and all injury, loss, or damage, including fire suppression costs, the United States shall suffer as the result of the owner's or operator's use or occupancy of the land or interests in land.

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RECORDED
SERIALS UNIT
AUDITOR PIERCE & FENNER

FILED FOR RECORD
SKAMANIA CO. WASH
BY *Meridian Oil*

APR 7 4 05 PM '92

P. Olson
AUDITOR
GARY M. OLSON

INDEXED
PAGE
Meridian Oil

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EARLY LANDILL, AUDITOR

Early

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113234 Skamania County
BOOK 128 PAGE 38

9203240322

BK0758PG0798

Form 1860-9
(January 1988)

The United States of America

To all to whom these presents shall come, Greeting:

OR 46909(W)

9201909

544585

PATENT
MERIDIAN MINERALS COMPANY

Real Estate Excise Tax

Exempt

SALLY SCHORMANN, TREAS.

Kittitas County Treasurer

By

11-12-91

add 33149

Registered

Indexed, Dir

Indirect

Filmed 4/14/92

Mailed

WHEREAS,

being the owner of certain tracts of land situated and included within the limits of or adjacent to the Gifford Pinchot National Forest, Washington, has under provisions of the General Exchange Act of March 20, 1922 (42 Stat. 465, as amended; 16 U.S.C. 485, 486); and the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2743; 43 U.S.C. 1715, 1716, 1717), and the Mount St. Helen's National Volcanic Monument Act of August 26, 1982, P.L. 97-243 (96 Stat. 301), reconveyed and relinquished ALL MINERAL INTERESTS ONLY, in the said tracts to the United States of America and has, under provisions of the said Acts, selected in lieu thereof, ALL MINERAL INTERESTS ONLY, in the following tracts of land:

Willamette Meridian, Kittitas County, Washington

T. 22 N., R. 16 E.
sec. 33, All.

Willamette Meridian, Lewis County, Washington

T. 13 N., R. 6 E.
sec. 28, All.

Willamette Meridian, Pierce County, Washington

T. 16 N., R. 7 E.
sec. 4, All, Fractional;
sec. 6, lots 1 to 5, inclusive, S1/2NE1/4, SE1/4NW1/4, and N1/2SE1/4;
sec. 8, All;
sec. 18, All, Fractional;
sec. 20, All;
sec. 28, W1/2E1/2NE1/4, SE1/4SE1/4NE1/4, W1/2NE1/4, NW1/4, and S1/2;
sec. 30, All, Fractional.

Willamette Meridian, Skamania County, Washington

T. 7 N., R. 5 E.
sec. 2, lots 3 and 4, S1/2NW1/4, and SE1/4;
sec. 3, lots 1 to 4 inclusive, S1/2N1/2, and S1/2.

T. 7 N., R. 6 E.
sec. 6, All, Fractional;
sec. 8, E1/2, W1/2E1/2NW1/4NW1/4, W1/2W1/2NW1/4, NW1/4NE1/4SW1/4NW1/4, S1/2NE1/4SW1/4NW1/4, SE1/4SW1/4NW1/4, S1/2N1/2SE1/4NW1/4, S1/2SE1/4NW1/4, and SW1/4;
sec. 10, All.

KITTITAS COUNTY AUDITOR
FILED REQUEST OF:

1991 NOV 12 AM 10:50

13542

meridian
oil
inc.

EXCISE TAX PAID \$

804949

3-24-92

By *Harvans*

Auth. Sign

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Patent Number

46-91-0033

EXC. AFF. FEE \$2.00

REAL ESTATE EXCISE TAX

14863

APR 07 1992

SKAMANIA COUNTY TREASURER

SKAMANIA COUNTY TREASURER

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Meridian Oil Inc.
5613 DTC Parkway
Englewood, CO 80111

Attn: Land Administration

BK0758PG0799

OR 46909(W)

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T. 8 N., R. 5 E.

- sec. 26, S1/2;
sec. 28, SE1/4SE1/4, E1/2SW1/4SE1/4,
SW1/4SW1/4SE1/4, S1/2NW1/4SW1/4SE1/4,
NE1/4NW1/4SW1/4SE1/4, NE1/4SE1/4,
E1/2NW1/4SE1/4, and SE1/4SE1/4SW1/4;
sec. 32, NE1/4SE1/4, SE1/4NE1/4, SE1/4NE1/4NE1/4,
SE1/4SW1/4NE1/4NE1/4, SE1/4NE1/4SW1/4NE1/4,
SE1/4SW1/4NE1/4, NE1/4NW1/4SE1/4, and
NE1/4SE1/4NW1/4SE1/4;
sec. 36, All.

T. 8 N., R. 6 E.

- sec. 30, lots 1 to 4 inclusive, E1/2W1/2, and E1/2;
sec. 32, All.

Willamette Meridian, Stevens County, Washington

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- sec. 4, lots 1, 2, 5 to 8, inclusive, S1/2NE1/4,
N1/2SE1/4, and SW1/4.

T. 31 N., R. 38 E.

- sec. 30, lots 3 and 4.

T. 32 N., R. 41 E.

- sec. 7, lot 6.

T. 33 N., R. 38 E.

- sec. 15, N1/2SE1/4 and SW1/4SE1/4.

T. 34 N., R. 38 E.

- sec. 32, SE1/4NE1/4 and E1/2SE1/4;
sec. 33, SW1/4NE1/4, S1/2NW1/4, and SW1/4.

T. 38 N., R. 37 E.

- sec. 22, S1/2SE1/4.

Willamette Meridian, Okanogan County, Washington

T. 35 N., R. 26 E.

- sec. 4, lot 1;
sec. 15, W1/2SW1/4;
sec. 21, NW1/4NE1/4, and NE1/4NW1/4;
sec. 29, SE1/4SW1/4, S1/2SE1/4, and NE1/4SE1/4;
sec. 32, N1/2N1/2.

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T. 36 N., R. 27 E.

sec. 18, NW1/4 and W1/2SW1/4;
sec. 19, lot 5;
sec. 27, N1/2N1/2, SW1/4NE1/4, and N1/2SE1/4;
sec. 33, E1/2NE1/4, SE1/4SW1/4, and SE1/4.

T. 37 N., R. 27 E.

sec. 11, NE1/4 and E1/2NW1/4.

T. 37 N., R. 29 E.

sec. 29, SE1/4SW1/4 and S1/2SE1/4.

T. 38 N., R. 27 E.

sec. 1, lots 2, 3, 4, and SW1/4NE1/4.

T. 38 N., R. 31 E.

sec. 10, S1/2SE1/4;
sec. 11, S1/2S1/2;
sec. 14, NE1/4 and N1/2NW1/4;
sec. 15, NE1/4NE1/4.

T. 39 N., R. 26 E.

sec. 4, SW1/4SE1/4, SW1/4NW1/4, and E1/2SW1/4;
sec. 5, SE1/4NE1/4 and SW1/4NE1/4;
sec. 9, E1/2SW1/4, SW1/4SW1/4, SE1/4NW1/4,
SW1/4NE1/4, and W1/2SE1/4;
sec. 10, lots 7 to 10, inclusive, and S1/2SW1/4;
sec. 11, lots 17 and 18;
sec. 12, lots 3, 6, 7, SW1/4NE1/4, SE1/4NW1/4,
and NE1/4SW1/4;
sec. 13, lot 1, W1/2NE1/4, NE1/4NW1/4, and NW1/4SE1/4;
sec. 14, lots 10 to 14, inclusive;
sec. 20, lot 1 and NW1/4SW1/4;
sec. 23, NW1/4NE1/4 and SE1/4NW1/4.

T. 39 N., R. 31 E.

sec. 1, SE1/4SW1/4 and SW1/4SE1/4;
sec. 12, NW1/4NE1/4 and N1/2NW1/4.

T. 40 N., R. 30 E.

sec. 4, lot 5, NW1/4SW1/4, NW1/4SE1/4, and SW1/4NE1/4;
sec. 28, lot 4;
sec. 34, SW1/4NE1/4.

The areas described aggregate 16,266.27 acres according to the official plats of the surveys of the said lands, on file in the Bureau of Land Management.

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NOW KNOW YE, that there is, therefore, granted by the UNITED STATES OF AMERICA unto MERIDIAN MINERALS COMPANY, all mineral interests only in the lands above described; TO HAVE AND TO HOLD the said mineral interests in said lands with all the rights, privileges, immunities, and appurtenances, of whatsoever nature thereunto belonging, unto the said Meridian Minerals Company, its successors and assigns, forever; in accordance with "RIGHTS, COVENANTS AND CONDITIONS OF THE EXERCISE OF THE RIGHTS CONVEYED BY THIS PATENT" attached hereto as Exhibit "A"

EXCEPTING AND RESERVING TO THE UNITED STATES and its assigns, from the rights so granted:

1. A right-of-way thereon for ditches or canals constructed by the Authority of the United States (Act of August 30, 1890, 43 U.S.C. 945)
2. Common variety surface rock resources in $21/2SE1/4$ of sec. 2, T. 7 N., R. 5 E., W.M., which can be used for road construction and maintenance purposes on National Forest System roads. NOTE: This specific reservation pertaining to common variety surface rock resources does not limit or detract from Clause III. Reservation of Mineral Materials, on Page 4 of 5 of the "RIGHTS, COVENANTS AND CONDITIONS OF THE EXERCISE OF THE RIGHTS CONVEYED BY THIS PATENT" attached hereto as Exhibit "A".



IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 Stat. 476), has, in the name of the United States, caused these letters to be made Patent, and the Seal of the Bureau to be hereunto affixed.

GIVEN under my hand, in Portland, Oregon
the Fifth day of August
in the year of our Lord one thousand nine hundred and
Ninety-One and of the Independence of the
United States the two hundred and Fifteenth

9203240328

By Robert C. S. Gallahan
Chief, Branch of Lands and
Minerals Operations

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RIGHTS, COVENANTS AND CONDITIONS OF THE EXERCISE OF THE RIGHTS
CONVEYED BY THIS PATENT

The UNITED STATES OF AMERICA, acting by and through the Department of Agriculture, Forest Service (hereafter "Forest Service"), and MERIDIAN MINERALS COMPANY (hereafter "Meridian"), (the Forest Service and Meridian are referred to collectively as the "Parties"), mutually agree as follows:

I. Authority, Purposes and Intent of this Conveyance:

A. The conveyance of the mineral and geothermal interests together with ancillary rights of surface access (hereafter "subsurface rights") by this instrument along with attendant covenants and conditions is made pursuant to the Act establishing the Mount St. Helens National Volcanic Monument in the State of Washington (Public Law 97-243; 96 Stat. 301).

B. It is the intent of the Forest Service to exchange to Meridian the herein described subsurface rights to afford it the opportunity to explore and develop such rights for economic profit while, at the same time, assuring that the surface shall remain suitable for National Forest purposes and, to the extent practicable, be consistent with other multiple uses of the surface.

C. Any subsequent changes in Forest Service land management plans or regulations affecting the exercise of the agency discretion shall not affect the terms and conditions of this agreement. Nothing herein is intended to waive or disclaim the applicability of any State or Federal law.

D. These terms and conditions are binding on the Parties, their agents, permit holders, successors and assigns. The powers of the Forest Service provided herein may be transferred at any time under applicable law to another agency.

II. Covenants and Restrictions. The conveyance of the subsurface rights is subject to the following:

A. Prior Notice and Permit Requirements - Whoever undertakes to exercise the subsurface rights (hereafter "permit holder") shall give prior written notice to the Forest Service and shall submit satisfactory evidence of authority to exercise such rights. A surface occupancy permit shall be required for any occupancy and use of National Forest surface. The permit shall interpret and insure compliance with these covenants and restrictions and may require the posting of an adequate bond for that purpose and payment of reasonable fees for surface use.

B. Minimal Surface to be Affected - Only so much of the surface of the lands shall be occupied, used or disturbed as is reasonably necessary in bona fide prospecting for, drilling, mining (including the milling or concentration of ores) and removal of the mineral, oil, gas, geothermal, or other inorganic substances. For geothermal resources, use of the surface includes processing, recovery and utilization of steam. Strip and similar surface mining methods

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for coal shall not be permitted on National Forest surface lands overlying conveyed subsurface rights. Strip and similar surface mining methods for other than coal on such lands shall be permitted only to the extent such methods would have been permissible under the reservations of subsurface rights in a deed (No. 34609) dated March 14, 1983, from Burlington Northern Railroad Company to the United States (Deed Book 82, Pages 49-50, Auditor's File No. 95488, records of Skamania County, Washington).

C. **Timber Resources** - Timber and/or young growth cut or destroyed in connection with the exercise of the subsurface rights shall be paid for at rates determined by the Forest Service to be fair and equitable for comparable timber and/or young growth in the locality. All slash resulting from cutting or destruction of timber or young growth shall be disposed of as required by the Forest Service.

D. **Pollution Abatement** - In all operations for the prospecting, mining, and removal of minerals, oil, gas, geothermal resources and any other subsurface rights, reasonable provisions shall be made for the disposal of tailings, dumpage substances and wastes and other deleterious materials in such manner as to minimize adverse impact upon the environment and forest surface resources. Meridian and the permit holder will comply with all applicable Federal and State laws or regulations pertaining to pollution abatement including, but not limited to, the Clean Air Act, Clean Water Act, Safe Drinking Water Act and the Resource Conservation and Recovery Act, as they may be amended from time to time.

E. **Fire Prevention and Control** - While conducting any activities and operations, the permit holder, contractors, subcontractors, agents and assigns shall diligently prevent and suppress fires and comply with all rules and regulations applicable to fires on the land.

F. **Improvements** - The permit holder shall repair or replace any improvements damaged or destroyed by operations. Prior to damage or destruction of any improvements or to breaching any road or trail in the exercise of these rights, satisfactory arrangements must be made with the Forest Service to provide a suitable replacement facility in a mutually acceptable location on a suitable schedule. The parties agree that a suitable schedule will generally provide for replacement prior to breaching. All new structures and other improvements and materials shall be removed from the lands within one year after the date of termination of the permit. Should the permit holder fail to remove them on time, the Forest Service may remove, destroy or otherwise dispose of them at the permit holder's expense or, in the alternative, at the option of the Forest Service, such structures, improvements and materials can be deemed abandoned and be thereafter the property of the United States of America.

G. **Indicator, Sensitive, Threatened and Endangered Species** -

1. No surface occupancy will be permitted that would constitute a "taking" under section 9 of the Endangered Species Act (16 USC 1531, et seq.), or would jeopardize the continued existence of any plant or animal species listed under the Endangered Species Act.

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2. Any surface occupancy within areas designated by the U.S. Fish and Wildlife Service as critical habitat under the Endangered Species Act, or identified as essential habitat in lieu of critical habitat designation, must be consistent with any Recovery Plan for the listed species and with any additional conditions imposed by the Forest Service for the protection of the listed species. Essential habitat is determined by the Regional Forester for listed species prior to formal designation of critical habitat by the Fish and Wildlife Service.

3. Certain areas (described by legal description or map on appendix A to this instrument) are believed to contain spotted owls, pileated woodpeckers, pine martens and other species which might be listed under the Endangered Species Act. Meridian acknowledges that surface use of these areas could be prohibited under paragraph (1) or restricted under paragraph (2) if the species is listed and continues to occupy the area. It is believed that these species do not occupy the remaining areas covered by the patent at this time, but Meridian acknowledges that changes in habitat conditions or populations or other events could cause other areas to become subject to paragraphs (1) and (2).

4. Meridian acknowledges that the Forest Service provides for the viability of wildlife and plants not listed under the Endangered Species Act, in particular, pine martens, spotted owls, pileated woodpeckers and other species identified in the agency's planning process as "indicator" and "sensitive" species, to the extent consistent with its other policies, goals and legal obligations. Although Meridian has valid and existing rights to access and certain uses on reasonable terms, it acknowledges that such terms may include wildlife and plant protection conditions comparable to those then being imposed by the Forest Service under easements and contracts for surface occupancy of similar lands having comparable resource values in the Gifford Pinchot and other relevant National Forests.

H. Reclamation and Restoration - All geothermal activities and mineral prospecting, drilling, mining and removal of material shall be performed in a prompt workmanlike manner that will allow the use and management of the surface for National Forest purposes to be resumed without unreasonable delay. Upon completion or cessation of operations on a given area, the surface shall be restored to a safe condition which, in the opinion of the Forest Service, is reasonably satisfactory for National Forest purposes. Such restoration measures prescribed by the Forest Service may include, but are not necessarily limited to:

1. Control of erosion and landslides;
2. Control of water runoff;
3. Appropriate disposal, deployment, arrangement or treatment of wastes and tailings to minimize adverse impact upon the environment and forest surface resources, and the isolation, removal or control of toxic materials;

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4. Reshaping, reseeding and revegetation of disturbed areas, where reasonably practicable;
5. Rehabilitation of fisheries and wildlife habitat, and
6. Unless otherwise approved by an authorized Forest Service officer, roads no longer needed for operations shall be closed to normal vehicular traffic; bridges and culverts removed; cross drains, dips, or water bars shall be constructed, and the road surface shaped to as near a natural contour as practicable, stabilized and revegetated to the satisfaction of the Forest Service.

I. **Public Safety** - In the permit, the authorized Forest service officer may impose reasonable restrictions to assure that operations do not pose an unreasonable danger to National Forest users.

J. **Other Terms and Conditions** - The authorized Forest Service officer may provide other terms and conditions reasonably necessary or desirable for the protection of National Forest resources consistent with the valid and existing rights of the subsurface owner to reasonable use and enjoyment of the subsurface rights.

III. **Reservation of Mineral Materials** - The United States reserves the right to quarry or otherwise remove at no cost those mineral materials defined in the Act of July 31, 1947 (30 U.S.C. 601), generally referred to as the act dealing with common varieties of mineral materials. Such mineral materials must be utilized for National Forest purposes only.

IV. **Access Over National Forest Lands** - As provided herein, appurtenant to the rights to prospect and develop subsurface rights as defined in this instrument is the right of adequate access over National Forest lands for such prospecting and development purposes:

A. **Applicable Law** - Rights-of-way shall be issued under the authority of and consistent with the Federal Land Policy and Management Act of 1976; section 1323(a) of the Alaska National Interests Lands Conservation Act; and the Forest Roads and Trails Act of 1964 for those areas now or hereafter covered by a road right-of-way construction and use agreement.

B. **Cooperative Construction and Use** - Where there are areas subject to this instrument of mixed Forest Service and Meridian ownership, or their successors or assigns, the Parties agree that to the extent mutually feasible and advantageous, the Parties will join in planning, constructing, reconstructing, improving, maintaining, and using an adequate road system on the basis of each party bearing the proportion of the costs attributable to the anticipated use as provided at 36 C.F.R. 212.11. The Parties may require reciprocal benefits in providing access across lands of intermingled ownership.

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C. Public Use - The public may have free use of any road for which the United States shares in the costs of construction or maintenance, provided that Meridian will not be required to perform maintenance required as a result of use by the general public. The Forest Service may restrict public use for safety or resource protection purposes.

D. Use of Existing Roads - The use of any road or segment thereof may be conditioned upon the payment to the United States of the proportionate share of the cost and bearing of proportionate maintenance as determined by the Forest Service to be attributable to the mineral owner's or hauler's use. All use shall be subject to the traffic rules imposed on other users of the road.

E. Cost Share Agreements - The parties agree that the Forest Roads and Trails Act of 1964 shall be authority for rights-of-way in cost share areas. The parties further agree that in the event there is a cost share agreement now or hereafter in effect, such agreement may be mutual agreement of the Parties supersede provisions of Part IV-B, C & D above.

V. Indemnification - The owner and operators of the subsurface rights shall indemnify the United States for any and all injury, loss, or damage, including fire suppression costs, the United States shall suffer as the result of the owner's or operator's use or occupancy of the land or interests in land.

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RECORDED
BRIAN SOUTHWICK
AUCTIONEER

FILED FOR RECORD
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BY *Meridian Oil*

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AUDITOR
GARY H. OLSON

Meridian Oil

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GARY E. ZANDILL, AUDITOR

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