

BLM

New Mexico Oklahoma Kansas Texas

Bureau of Land Management

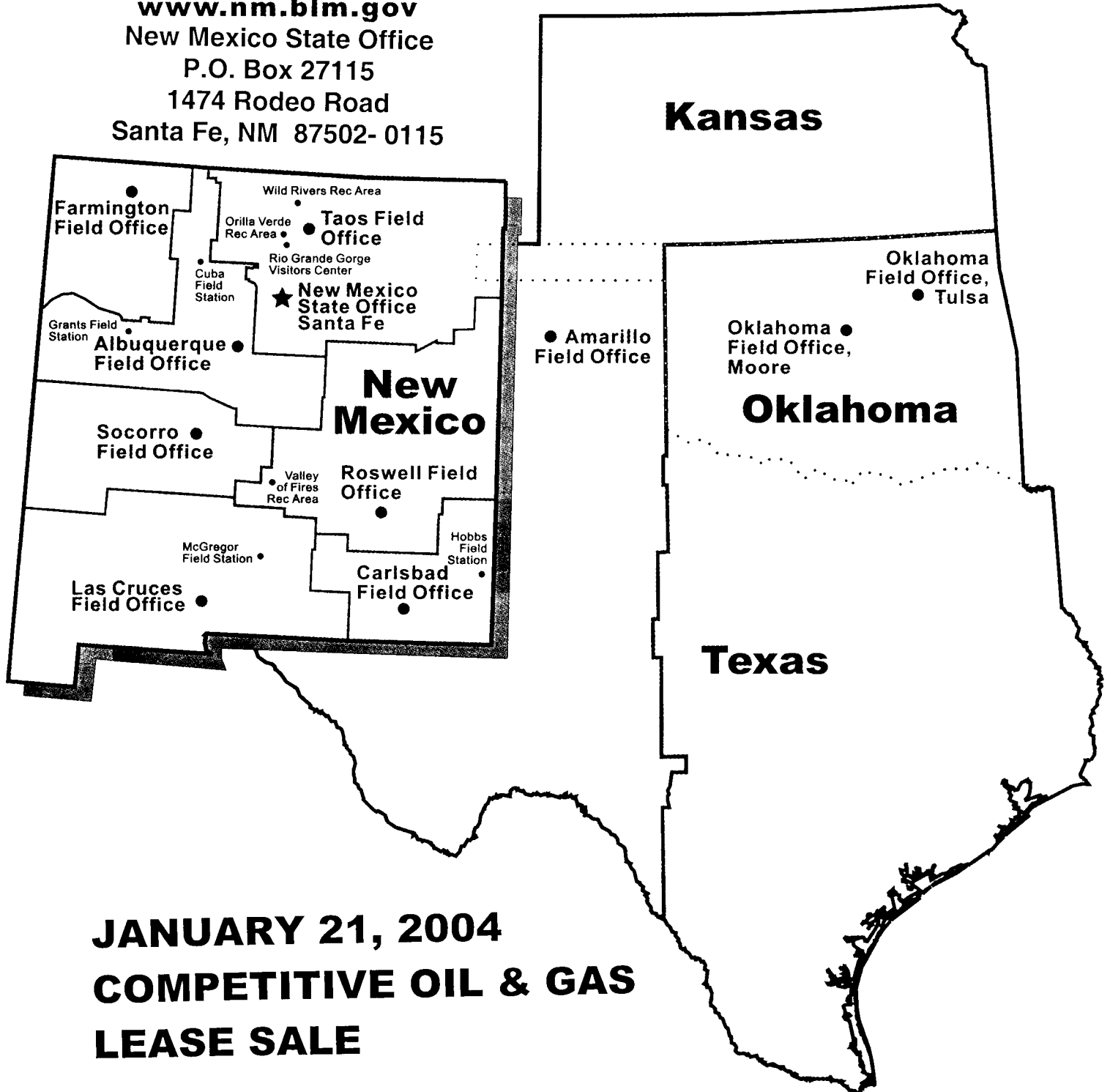
www.nm.blm.gov

New Mexico State Office

P.O. Box 27115

1474 Rodeo Road

Santa Fe, NM 87502-0115



**JANUARY 21, 2004
COMPETITIVE OIL & GAS
LEASE SALE**



United States Department of the Interior

Bureau of Land Management

New Mexico State Office
1474 Rodeo Road
P.O. Box 27115
Santa Fe, New Mexico 87502-0115
www.nm.blm.gov

IN REPLY REFER TO:
3120 (921-btm)

NOTICE OF COMPETITIVE LEASE SALE Oil and Gas

We are pleased to announce that we will offer for competitive sale certain Federal lands in the States of New Mexico, Kansas, Oklahoma, and Texas for oil and gas leasing. This notice describes-

- The time and place of the sale;
- How the sale will be conducted;
- How to participate in the bidding process;
- The sale process;
- How long the sale will last;
- The conditions of the sale;
- How to file a noncompetitive offer after the sale; and
- How to file a pre-sale noncompetitive offer;
- How to file a protest to our offering the lands in this Notice.

Attached to this notice, beginning on page 1, is a list of the lands we are offering. The lands are described by parcel number and legal land description. Next to each parcel we have listed any stipulations that will be made a part of the lease at the time of issuance. We have also identified those parcels where the United States owns less than 100 percent interest in the oil and gas mineral rights, have pending pre-sale noncompetitive offers to lease, and are not available for noncompetitive offers to lease if they receive no bid at this sale. For your convenience, we are also including copies of the stipulations, affecting the parcels in this sale notice.

When and where will the sale take place?

When: The competitive sale will begin at 9:00 a.m. on Wednesday, January 21, 2004. The sale room will open one hour earlier so you can register and get your bidding number.

Where : We will hold the sale at the Bureau of Land Management, New Mexico State Office, 1474 Rodeo Road, Santa Fe, New Mexico 87504. The sale will be held in the second floor conference room.

Access: The sale room is accessible to persons with disabilities. If you need an auxiliary aid or service to participate in the sale, such as sign language interpreter or material in an alternate format, contact the New Mexico State Office, Marcella Montoya at (505) 438-7537 by January 12, 2004.

How will the sale be conducted?

The sale will be conducted by oral auction. You must make your bids verbally. The winning bid is the highest verbal bid equal to or exceeding the National minimum acceptable bid.

How do I participate in the bidding process?

To participate in the bidding process, you must fill out a Bidder Registration form identifying the lessee's name and address that will be shown on the lease form and get a bidding number. We will begin registering bidders at 8:00 a.m. on the day of the sale in the Accounts Section. If you plan to bid, you must be registered before the sale begins. You must display your bid number to the auctioneer when you make a bid.

What is the sale process?

Starting at 9:00 a.m. on the day of the sale:

- The auctioneer will offer the parcels in the order they are shown in this Notice.
- All bids are on a per-acre basis for the entire acreage in the parcel;
- The winning bid is the highest oral bid
- The decision of the auctioneer is final.

The minimum bid BLM can accept is \$2 per acre. If a parcel contains fractional acreage, round the acreage up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x101 acres).

How long will the sale last?

We begin the sale at 9:00 a.m. and it continues until all of the parcels in this Notice have been offered. The length of the sale depends on the number of parcels we are offering and the pace of the bidding. Normally, the sale is done before noon.

What conditions apply to the lease sale?

-Parcel withdrawal or sale cancellation: We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the New Mexico State Office Information Access Center (Public Room) before the day of the sale. We will announce withdrawn parcels before beginning the sale. If we cancel the sale, we will notify you as soon as possible.

-Fractional interests: If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel we will show that information with the parcel. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2 X 200 acres) and the advance annual rental will be \$300 (\$1.50 X 200 acres) for the first 5-years and \$400 (\$2 X 200 acres) for the remainder of the lease term. Conversely, your chargeable acreage and royalty on production will be calculated on the United States net oil and gas mineral interest.

-Payment due on the day of the sale: For each parcel you are the successful high bidder, you must pay the minimum bonus bid of \$2 per acre or fraction of an acre; the first years' advance annual rental of \$1.50 per acre or fraction of an acre; and a non-refundable administrative fee of \$75. You must make this payment in our Accounts Section at the BLM office either during, or immediately following the sale.

-Remaining payments: If your bonus bid was more than \$2 per acre or fraction of an acre and you didn't pay the full amount on the day of the sale, you must pay the balance of your bonus bid by **4:00 p.m. on Wednesday, February 4, 2004**, which is the 10th working day following the sale. If you do not pay in full by this date, you lose the right to the lease and you will forfeit the money you paid on the day of the sale. If you forfeit a parcel, we may offer it at a later sale.

-Forms of payment: You may pay by personal check, certified check, money order, or credit card. Make checks payable to: **'Department of the Interior-BLM.'** We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. However, we cannot grant you any extension of time to pay the money that is due the day of the sale.

Bid Form: On the day of the sale, if you are a successful bidder you must give us a properly completed and signed competitive bid form (Form 3000-2, October 1989, or later edition) with your payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. ***We will not accept any bid form that has information crossed out or is otherwise altered.***

We recommend you get a copy of the bid form and complete all, but the money part, before the sale. You can fill out the money part at the sale. Your completed bid form certifies that:

- (1) You and the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and

- (2) Both of you have complied with 18 U.S. C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.

A copy of the bid form is included with this notice.

-Lease terms: A lease issued as a result of this sale will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas is produced in paying quantities on or for the benefit of the lease. Advance rental at \$1.50 per acre or fraction of an acre for the first 5 years (\$2 per acre after that) is due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11, June 1988 or later edition, copy included).

-Stipulations: Some parcels have special requirements or restrictions which are called stipulations. These are noted with each of the parcels. Stipulations are part of the lease and supercede any inconsistent provisions of the lease form.

-Lease Issuance: After we receive the bid form and all the money due, and, if appropriate, your unit joinder information, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.

-Legal Land Descriptions: We prepared this Notice with land status information from our Legacy Rehost 2000 (LR2000) case recordation system. We are providing you with the following information to assist you in understanding the legal descriptions given for each parcel:

-Numbers shown after the Section are a listing of the lots in the parcel.

-Lands are described separately by lots, aliquot parts, tracts, and exceptions to survey for each section.

-LR2000 will code a ½ township as a 2 in the database. This 2 will appear as the last digit in the number. For example, T. 14 ½ N., will appear as T. 0142N.

-Cellular Phone Usage: You are restricted from using cellular phones in the saleroom during the oral auction. You must confine your cellular phone usage to the hallway or area outside the saleroom when the auction is taking place.

-Other Conditions of the Sale: At the time the sale begins, we will make any rules regarding sale procedures that we feel are necessary for the proper conduct of the sale.

NONCOMPETITIVE OFFERS TO LEASE

What parcels are available for noncompetitive offers to lease?

Unless stated in this notice, parcels that do not receive a bid at the competitive sale are available for noncompetitive offers to lease beginning the first business day following the day of the sale. If not withdrawn, or shown with a noncompetitive Pre-sale offer pending, these parcels are available for noncompetitive offers to lease for a period of two years following the day of the sale.

How do I file a noncompetitive offer after the sale?

If you want to file a noncompetitive offer to lease on an unsold parcel, you must give us-

-Three copies of form 3100-11, Offer to Lease and Lease for Oil and Gas properly completed and signed. **(Note: We will accept copies of the official form, including computer generated forms, that are legible and have no additions, omissions, other changes, or advertising. If you copy this form you must copy both sides on one page. If you copy the form on 2 pages or use an obsolete lease form, we will reject your offer).** You must describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and

-Your payment for the total of the \$75 filing fee and the first year's advance rental (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the rental amount.

For your convenience, you may leave your noncompetitive offers for any parcel which has received no bid with the Accounts Staff. We consider all offers filed the day of the sale and the first business day after it, for any of the unsold parcels, to be filed as of 9:00 a.m. the first business day following the day of the sale. If a parcel receives more than one offer, we will hold a drawing to select the winner (see 43 CFR 1822.17). We have identified those parcels that have pending presale offers. A noncompetitive presale offer to lease has priority over any other noncompetitive offer to lease filed after the sale. The Non-Competitive Drawing will be held on Monday, January 26, 2004, at 3:00 p.m. at the NMSO Public Room.

How do I file a noncompetitive presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that-

- Are available, and;
- Have not been under lease during the previous one-year period, or;
- Have not been included in a competitive lease sale within the previous two-year period.
- Your noncompetitive presale offer to lease must be filed prior to the official posting of this sale notice.

If your presale offer was timely filed, was complete and we do not receive a bid for the parcel that contains the lands in your offer, it has priority over any other noncompetitive offer to lease for that parcel filed after the sale. Your presale offer to lease is your consent to the terms and conditions of the lease, including any additional stipulations. If you want to file a presale offer, follow the guidance listed above for filing a noncompetitive offer after the sale and the regulations at 43 CFR 3110.1(a).

When is the next competitive oil and gas lease sale scheduled?

We have tentatively scheduled our next competitive sale for April 21, 2004. Please send nominations for that sale by Friday, December 12, 2003.

How can I find out the results of this sale?

We will post the sale results in the New Mexico State Office Information Access Center (Public Room). You can buy (\$5.00) a printed copy of the results by contacting our Accounts Staff, at (505) 438-7462. The results list is also available on our public internet website:

<http://www.nm.blm.gov>

May I protest BLM's Decision to offer the lands in this notice for lease?

-If you are adversely affected by our decision to offer the lands in this Notice for lease, you may protest the decision to the State Director under regulations 43 CFR 3120.1-3. You must submit your protest in writing to the State Director prior to the day of the sale. Generally, if we are unable to decide the protest before the sale, we will hold the sale while we consider the merits of your protest.

-You may review the decision to offer the lands for lease and the supporting National Environmental Policy Act documents at our New Mexico State Office Business Information Access Center. Our office hours are from 8:00 a.m. to 4:00 p.m. Monday through Friday, except on National Holidays.

Inclement Weather Conditions

On occasion the Santa Fe area will have an abundance of snow or other weather conditions that prohibit the staff to make it to work safely at regular scheduled business hours. In the event of hazardous weather, please tune in to local television or radio stations. The Bureau of Land Management (BLM), New Mexico State Office follows the direction given to the Santa Fe, State of New Mexico Employees. If a 2-hour delay is broadcast for State Employees, BLM will also have a 2-hour delay.

The procedure for future Oil and Gas Lease Sales scheduled on a business day with a 2-hour delay or the Office is closed for Business the BLM will proceed as follows:

1. In the event of a 2-hour delay - the doors to the BLM, NMSO will remain locked until 9:30 a.m. The Oil and Gas Lease Sale will begin at 11:00 a.m. with registration starting at 10:00 a.m., please call in the recorded information on delays at (505) 438-7400.
2. In the event that the BLM office is CLOSED for Business on the day of an Oil and Gas Lease Sale, the sale will be cancelled and rescheduled at a later date. Please call in for recorded information on closures at (505) 438-7400.

Every effort will be made to post the information on delays of Closed for Business on the main entrance exterior doors of the building.

Your safety and the safety of our BLM employees is our major concern.

Power Outages

In the event of a power outage, the office will be CLOSED.

Whom should I contact if I have a question?

For general information, please contact our Information Access Center at (505) 438-7565 or 438-7530.

/s/Bernadine T. Martinez

*Bernadine T. Martinez
Land Law Examiner
Fluids Adjudication Team 1*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. _____

OFFER TO LEASE AND LEASE FOR OIL AND GAS

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

Name _____
Street _____
City, State, Zip Code _____

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 remitted: Filing fee \$ _____

Rental fee \$ _____

Total acres applied for _____
Total \$ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:
T. _____ R. _____ Meridian _____ State _____ County _____

Total acres in lease _____
Rental retained \$ _____

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 _____
(Signing Officer)
 Competitive lease (ten years) _____
(Title) _____ (Date) _____
 Other _____ EFFECTIVE DATE OF LEASE _____

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 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.

Duly executed this _____ day of _____, 19 _____.

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12½ %;
- (b) Competitive lease, 12½ %;
- (c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COMPETITIVE OIL AND GAS OR
GEOTHERMAL 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: May 31, 2000

		State	Date of sale
PARCEL NUMBER		AMOUNT OF BID (See Instructions below)	
		TOTAL BID	PAYMENT SUBMITTED WITH BID
THE BID IS FOR (Check one) :			
<input type="checkbox"/> Oil and Gas Parcel Number _____			
<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 all monies submitted.

Print or Type Name of Lessee			Signature of Lessee or Bidder		
Address of Lessee					
City	State	Zip Code			

INSTRUCTIONS

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

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.

INSTRUCTIONS FOR GEOTHERMAL OR
NPR-A OIL AND GAS BID

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.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make 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)

OFFICIAL FILE COPY

Form 3000-2 (July 1997)

QUALIFICATIONS

For leases that may be issued as a result of this sale under the Mineral Leasing Act (The Act) of 1920, as amended, the oral bidder must: (1) Be a citizen of the United States; an association (*including partnerships and trusts*) of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, in oil and gas leases in the State identified do not exceed 246,080 acres each in public domain or acquired lands including acreage covered by this bid, of which not more than 200,000 acres are under options. If this bid is submitted for lands in Alaska, the bidder's holdings in each of the Alaska leasing districts do not exceed 300,000 acres, of which no more than 200,000 acres are under options in each district; (3) Be in compliance with Federal coal lease holdings as provided in sec. 2(a)(2)(A) of the Act; (4) Be in compliance with reclamation requirements for all Federal oil and gas holdings as required by sec. 17 of the Act; (5) Not be in violation of sec. 41 of the Act; and (6) Certify that all parties in interest in this bid are in compliance with 43 CFR Groups 3000 and 3100 and the leasing authorities cited herein.

For leases that may be issued as a result of this sale under the Geothermal Steam Act of 1970, as amended, the bidder must: (1) Be a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; and (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, do not exceed 51,200 acres; and (3) Certify that all parties in interest in this bid are in compliance with 43 CFR Group 3200 and the leasing authority cited herein.

For leases that may be issued as a result of this sale under the Department of the Interior Appropriations Act of 1981, the bidder must: (1) Be a citizen or national of the United States; an alien lawfully admitted for permanent residence; a private, public or municipal corporation organized under the laws of the United States or of any State or Territory thereof; an association of such citizens, nationals, resident aliens or private, public or municipal corporations, and (2) Certify that all parties in interest in this bid are in compliance with 43 CFR Part 3130 and the leasing authorities cited herein.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this bid for a Competitive Oil and Gas or Geothermal Resources Lease.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

PRINCIPAL PURPOSE: The information is to be used to process your bid.

ROUTINE USES: (1) The adjudication of the bidder's right to the resources for which this bid is made. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when comment or concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, your bid may be rejected.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected in accordance with 43 CFR 3120, 43 CFR 3130, or 43 CFR 3220..

This information will be used to determine the bidder submitting the highest bid.

Response to this request is required to obtain a benefit..

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 2 hours per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (WO-630), 1620 L Street, Washington, D.C. 20036 and the Office of Management and Budget, Desk Officer for the Interior Department, Office of Regulatory Affairs (1004-0074), Washington, D.C. 20503.

**PLEASE FILL IN THE NAME AND ADDRESS AS IT SHOULD
APPEAR ON THE ISSUED LEASE**

NEW BIDDER REGISTRATION FORM

**BIDDER NO. _____
(Leave Blank)**

NAME: _____

TELEPHONE: _____

ADDRESS: _____

CITY: _____

STATE: _____ ZIP CODE: _____

E-MAIL ADDRESS: _____

**THE LESSEE MUST BE QUALIFIED TO HOLD A FEDERAL OIL
AND GAS LEASE.**

SIGNATURE

DATE

**PARCELS WITH PRESALE OFFERS
AND
PARCELS WITHOUT PRESALE OFFERS**

01/21/2004 LEASE SALE

STATE	PARCELS WITH PRESALE OFFER	PARCELS WITHOUT A PRESALE OFFER	TOTAL PARCELS	ACRES WITH PRESALE OFFER	ACRES WITHOUT A PRESALE OFFER	TOTAL ACRES
NM	2	56	58	720.570	58,093.240	58,813.810
KS	0	3	3	0.000	400.000	400.000
OK	0	7	7	0.000	458.280	458.280
TX	0	2	2	0.000	2,494.887	2,494.887
TOTALS	2	68	70	720.570	61,446.407	62,166.977

**U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
JANUARY 21, 2004, OIL AND GAS LEASE SALE**

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401001 KS SEWARD 6TH 100.00%	35S	31W	09	W2NE;	80.000 ORA-4 KSNM 67820	P	N
200401002 KS CHEYENNE 6TH 50.00%	02S	41W	25	NE;	160.000 ORA-2 KSW 46239	A	N
200401003 KS MORTON 6TH 100.00%	35S	43W	07	SE;	160.000 FS1 FS2(KS)(LN1) KSNM 90932	A	N
CIMARRON NATIONAL GRASSLANDS							
200401004 OK LEFLORE IM 100.00%	05N	25E	01 02 11 12	SWSW; S2SESE; NENE; W2NE,E2NW,N2NWNW;	280.000 ORA-1 ORA-2 NM-8 OKNM 89849	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401005 OK WOODS IM 100.00%	23N	14W	29 29 29 29	LOT 2; PLUS THE ACCR & RIPARIAN; ACREAGE TO LOT 2; SEE EXHIBIT A FOR M&B;	103.740 ORA-1 ORA-2 ORA(LN-1) OKNM 31424	P	N
200401006 OK JACKSON IM 0.00%	01N	20W	23 23 24 24	TR 748(DWG 1792A) 1.75AC; TR 758(DWG 1832A) 5.89AC; TR 756(DWG 1833A) 3.00AC; SEE EXB B FOR M&B/MAPS;	10.640 BOR GP-135: (TR 748) BOR-GS: (TR 756, TR 758) OKNM 18867 OKNM 54604	A	N
<p>BUREAU OF RECLAMATION W.C. AUSTIN PROJECT</p> <p>MINERAL INTEREST BREAKDOWN: 100% MINERAL INTEREST: SEC. 23: TR 748 (DWG 1792A)-1.75 ACRES 50% MINERAL INTEREST: SEC. 23: TR 758 (DWG 1832A)-5.89 ACRES SEC. 24: TR 756 (DWG 1833A)-3.00 ACRES</p>							
200401007 OK BEAVER CM 100.00%	01S	22E	01	1,2,3;	15.950 ORA-3	P	N
200401008 OK BEAVER CM 100.00%	01S	22E	02	1,2;	15.990 ORA-3	P	N
200401009 OK BEAVER CM 100.00%	01S	22E	03	1,2;	16.000 ORA-3	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401010 OK BEAVER CM 100.00%	01S	22E	04	1,2;	15.960 ORA-3	P	N
200401011 TX TRINITY TX 100.00%			TX TX	K-2a-I PARCEL #1; SEE EXHIBIT C FOR M&B;	2,344.770 FS1 FS8(TX)CSU#1A FS8(TX)CSU#1E FS8(TX)CSU#1J FS8(TX)TLS#1A	A	N
DAVY CROCKETT NATIONAL FOREST QUAD NOS. 3194223 & 3194224							
200401012 TX ZAPATA TX 100.00%			TR TR	Z-23A; SEE EXHIBIT D FOR M&B;	150.117 IBWC-SS-(1B) IBWC-NSO TXNM 90927	A	N
INTERNATIONAL BOUNDARY AND WATER COMMISSION FALCON DAM & RESERVOIR PROJECT							
200401013 NM RIO ARRIBA NMPM 100.00%	27N	02E	29	N2,SE;	480.000 NMNM 33218	P	N
200401014 NM MCKINLEY NMPM 100.00%	20N	05W	22	S2SW,SE;	240.000 NMNM 33909 <u>PENDING PRESALE OFFER NO. NMNM 98413</u>	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401015 NM SANDOVAL NMPM 100.00%	23N	06W	21 28 33	W2E2,E2W2,SWNW,NWSW,E2SE; ALL; ALL;	1,760.000	P	N
					NMNM 57385 NMNM 62968 NMNM 81637 NMNM 90841		
200401016 NM MCKINLEY NMPM 100.00%	20N	08W	11 12	TRACT 54(NE); TRACT 53(W2);	480.570	P	N
					<u>PENDING PRESALE OFFER NO. NMNM 98404</u>		
200401017 NM SAN JUAN NMPM 100.00%	24N	10W	01 01 03 11 12	2,3,4; SWNE,S2NW,S2; SENE,NESE; N2,SW; ALL;	1,761.690	P	N
					NMNM 28754 NMNM 62972 NMSF 078301		
200401018 NM SAN JUAN NMPM 100.00%	24N	10W	23 27	N2,SE; N2NE,SWNE,W2SE,SESE;	720.000	P	N
					NMNM 80493 NMNM 83515 NMNM 84693		

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401019 NM SAN JUAN NMPM 100.00%	25N	10W	33 34 35	ALL; E2,SW; N2,SW;	1,600.000	P	N
					NMNM 23070 NMNM 41653 NMNM 62978 NMNM 62979 NMNM 87234		
200401020 NM SAN JUAN NMPM 100.00%	23N	11W	04 04 08 09	1,2,3,4; S2N2,S2; S2; ALL;	1,599.880	P	N
					NMNM 54219 NMNM 61934 NMNM 76854 NMNM 85826 NMNM 90481		
200401021 NM SAN JUAN NMPM 100.00%	24N	11W	21 21 28 33	7,8,9,10; SE; ALL; ALL;	1,598.190	P	N
					NMNM 76856 NMNM 85827		
200401022 NM SAN JUAN NMPM 100.00%	25N	11W	29	S2;	320.000	P	N
					NMNM 22592		

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401023 NM SAN JUAN NMPM 100.00%	25N	12W	25	N2SE;	80.000 BIA-1 NMNM 67093	P	N
BUREAU OF INDIAN AFFAIRS							
200401024 NM SAN JUAN NMPM 100.00%	27N	12W	08	SE;	160.000 BIA-1 NMNM 032325A	P	N
BUREAU OF INDIAN AFFAIRS							
200401025 NM SAN JUAN NMPM 100.00%	27N	12W	25	NWNW;	40.000 NMSF 079114C	P	N
200401026 NM SAN JUAN NMPM 100.00%	30N	16W	11	NWNE;	 BIA-1 BIA-3 NMNM 57584 NMNM 57584A,B,C F,H,K,L NMNM 86498	P	N
BUREAU OF INDIAN AFFAIRS							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401027 NM SOCORRO NMPM 100.00%	04S	03E	12 13 27	ALL; ALL; ALL;	1,920.000 NM-5 NMNM 28231 NMNM 36726 NMNM 45560 NMNM 57479	P	N
200401028 NM SOCORRO NMPM 100.00%	04S	04E	07 07 18 18	1,2,3,4; NE,NENW,SESW; 1,2,3,4; W2NE,E2W2,SE;	925.360 NM-5 NMNM 57480 NMNM 62079 NMNM 69678	P	N
200401029 NM SOCORRO NMPM 100.00%	04S	04E	12 13 14 23 26	W2E2,W2; W2NE,NW,N2SW,NWSE; N2,N2S2; N2,SE; ALL;	2,440.000 NM-5 NMNM 41676 NMNM 62078 NMNM 62079	P	N
200401030 NM SOCORRO NMPM 100.00%	04S	04E	22 27 28	ALL; ALL; ALL;	1,920.000 NM-5 SRA-1: (SEC. 28: ALL) NMNM 41676 NMNM 62079	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401031 NM SOCORRO NMPM 100.00%	05S	04E	01 01 11 12	1,2,3,4; S2N2,S2; ALL; ALL;	1,924.000 NM-5 NMNM 27246 NMNM 52511	P	N
200401032 NM SOCORRO NMPM 100.00%	05S	04E	08 21 24 25 29	ALL; E2,SW; ALL; ALL; E2NE,N2SE;	2,560.000 NM-5 NMNM 27248 NMNM 27249 NMNM 52511 NMNM 63673	P	N
200401033 NM SOCORRO NMPM 100.00%	05S	04E	26 27 34 35	ALL; ALL; ALL; ALL;	2,560.000 NM-5 NMNM 27248 NMNM 27249	P	N
200401034 NM SOCORRO NMPM 100.00%	04S	05E	07 07 08 17 18 18	1,2,3,4; E2,E2W2; ALL; ALL; 1,2,3,4; E2,E2W2;	2,542.080 NM-5 NMNM 38515 NMNM 41677	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401035 NM SOCORRO NMPM 100.00%	04S	05E	21 22 30 30 31 31	ALL; ALL; 1,2,3,4; E2,E2W2; 1,2,3,4; E2,E2W2;	2,543.490 NM-5 NMNM 38539 NMNM 62083	P	N
200401036 NM SOCORRO NMPM 100.00%	04S	05E	23 26 35	ALL; ALL; ALL;	1,920.000 NM-5 NMNM 41677	P	N
200401037 NM SOCORRO NMPM 100.00%	04S	05E	24 25	ALL; ALL;	1,280.000 NM-5 NMNM 41677	P	N
200401038 NM SOCORRO NMPM 100.00%	04S	05E	27 28 33 34	ALL; ALL; ALL; ALL;	2,560.000 NM-5 NMNM 38539 NMNM 41677	P	N
200401039 NM SOCORRO NMPM 100.00%	05S	05E	01 01 12	1,2,3,4; S2N2,S2; ALL;	1,282.930 NM-5 NMNM 54769 NMNM 56329	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401040 NM SOCORRO NMPM 100.00%	05S	05E	03 03 04 04 05 05 08 09 17	1,2,3,4; S2N2; 1,2,3,4; S2N2,N2S2; 1,2,3,4; S2N2; E2NE,SWNE,E2NW; NENW,SWNW; E2;	1,727.840 NM-5 NMNM 43056 NMNM 56329	P	N
200401041 NM SOCORRO NMPM 100.00%	05S	05E	06 06 07 07 18 18	1,2,3,4,5,6,7; S2NE,SENW,E2SW,SE; 1,2,3,4; E2,E2W2; 1,2; NE,E2NW;	1,589.010 NM-5 NMNM 43056	P	N
200401042 NM SOCORRO NMPM 100.00%	05S	05E	29 30 30 33	W2; 1,2,3,4; E2,E2W2; ALL;	1,600.750 NM-5 NMNM 54768 NMNM 56329	P	N
200401043 NM SOCORRO NMPM 100.00%	03S	06E	34	ALL;	640.000 NM-5 NMNM 35600 NMNM 41301 NMNM 45874 NMNM 83477	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401044 NM SOCORRO NMPM 100.00%	04S	06E	01 01 12 13 24	1,2,3,4; S2N2,S2; ALL; W2; NE,W2;	2,076.440 NM-5	P	N
PRIOR LEASE NOS: NMNM 22051A NMNM 29804 NMNM 33091 NMNM 36120 NMNM 55870 NMNM 57481 NMNM 83477 NMNM 87183							
200401045 NM EDDY NMPM 100.00%	22S	21E	10 11 12	ALL; N2NE,SENE,W2,SE; ALL;	1,880.000 SENM-LN-3 SENM-S-6* SENM-S-13 SENM-S-17** SENM-S-18*** NMNM 86504 NMNM 88231	P	N
* SENM-S-6 APPLIES TO: SEC. 10: SWSWSW ** SENM-S-17 APPLIES TO: SEC. 10: N2,NESW,SE SEC. 11: W2 ***SENM-S-18 APPLIES TO: SEC. 12: S2N2,N2SE							
200401046 NM CHAVES NMPM 100.00%	15S	22E	04 04 08	1,2,3,4; S2N2,S2; NENE,S2NE,NW,S2;	1,242.600 SENM-LN-1 SENM-S-18* SENM-S-21 SENM-S-25 NMNM 88232	P	N
*SENM-S-18 APPLIES TO: SEC. 4: S2 SEC. 8: NENE,NW							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401047 NM EDDY NMPM 100.00%	21S	22E	21 22	E2; N2,SW,N2SE,SESE;	920.000 SENM-S-18 SENM-S-20 NMNM 51047 NMNM 88235	P	N
200401048 NM CHAVES NMPM 100.00%	04S	23E	18 18 19 30	1,2,3,4; E2,E2W2; E2; E2;	1,292.600 SENM-S-21 SENM-S-25 NMNM 87318	P	N
200401049 NM CHAVES NMPM 100.00%	08S	24E	03 04 04	SW,E2SE; 1,2,3; S2NW,NESW,N2SE;	560.510 SENM-LN-1 SENM-S-18* SENM-S-21 SENM-S-25 NMNM 37596 NMNM 55891 NMNM 78183 NMNM 88239	P	N
*SENM-S-18 APPLIES TO: SEC. 3: SW,E2SE SEC. 4: LOT 2,S2NW,NESW,N2SE							
200401050 NM CHAVES NMPM 100.00%	08S	24E	05 05 06 06	4; S2NW; 1,2,3,4,6,7,8,9,10; S2NE,NWSE;	586.570 SENM-LN-1 SENM-S-18* SENM-S-21 SENM-S-25 NMNM 88240	P	N
*SENM-S-18 APPLIES TO: SEC. 5: LOT 4, S2NW SEC. 6: LOTS 4,6,7,8,9,10, S2NE,NWSE							

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401051 NM CHAVES NMPM 100.00%	13S	24E	03 03 20	4; SENE,SWNW; W2E2,W2;	600.510 SENM-S-21 SENM-S-25 NMNM 44511 NMNM 75739 NMNM 81680 NMNM 88242	P	N
200401052 NM CHAVES NMPM 100.00%	07S	25E	31	SENW;	40.000 SENM-LN-1 SENM-S-21 SENM-S-25 NMNM 54381	P	N
200401053 NM EDDY NMPM 100.00%	24S	25E	25	SW;	160.000 SENM-LN-1 SENM-S-22 NMNM 64484	P	N
200401054 NM CHAVES NMPM 100.00%	09S	26E	05	1;	39.930 SENM-LN-1 SENM-S-21 SENM-S-25 NMNM 90863	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401055 NM CHAVES NMPM 100.00%	11S	26E	10 11	S2NE,NW,N2SW,NWSE; ALL;	1,000.000 SENM-LN-1 SENM-S-21 SENM-S-25 NMNM 14760B NMNM 69153 NMNM 84704	P	N
200401056 NM EDDY NMPM 100.00%	16S	26E	22	SW;	160.000 NMNM 88247	P	N
200401057 NM EDDY NMPM 100.00%	16S	26E	25	NENE;	40.000 SENM-S-17: (SEC. 25: NENE) SENM-S-18 NMNM 88248	P	N
200401058 NM EDDY NMPM 100.00%	24S	26E	13	N2NE,SW,N2SE,SWSE;	360.000 SENM-LN-1 SENM-S-18: (SEC. 13: S2NWNE) NMNM 76975 NMNM 81911	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401059 NM CHAVES NMPM 100.00%	05S	27E	13 24 25	S2; N2N2; ALL;	1,120.000 SENM-LN-1 SENM-S-19 (SEC. 25: ALL) SENM-S-21 SENM-S-22 SENM-S-25	P	N
	NMNM 18619 NMNM 66704 NMNM 69580 NMNM 81230 NMNM 88251						
200401060 NM EDDY NMPM 100.00%	19S	27E	06	SESE;	40.000 SENM-S-9 SENM-S-18 NMNM 14206	P	N
200401061 NM EDDY NMPM 100.00%	25S	27E	18 18	3,4; E2,E2SW;	478.860 SENM-LN-1 SENM-S-18 NMNM 85872 NMNM 476505	P	N
200401062 NM CHAVES NMPM 100.00%	03S	28E	11 15 24	ALL; N2,SW; NE;	1,280.000 SENM-S-19 SENM-S-21 SENM-S-25 NMNM 88254	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401063 NM CHAVES NMPM 100.00%	03S	29E	20 28 29 33	S2; NW; SW; N2,SE;	1,120.000 SENM-S-19 SENM-S-21 SENM-S-25 NMNM 22076 NMNM 28872A NMNM 70212 NMNM 82883	P	N
200401064 NM EDDY NMPM 100.00%	24S	29E	31 32	S2NE,SENW,E2SW,NWSE; NESW,S2SW;	360.000 SENM-S-11: (SEC. 32: NESW) SENM-S-18: (SEC. 32: S2SW) NMNM 57260 NMNM 87259	P	N
200401065 NM LEA NMPM 100.00%	12S	32E	14	S2NE;	80.000 NMNM 56391 NMNM 82908	P	N
200401066 NM LEA NMPM 100.00%	21S	32E	13	NESE;	40.000 SENM-S-1 SENM-S-22 SENM-S-30 NMNM 64599	P	N

PARCEL STATE COUNTY MERIDIAN U.S.INTEREST	TOWN SHIP	RANGE	SEC.	SUBDIVISION (A NUMERIC W/O A PREFIX IS A LOT)	ACRES STIPULATIONS NAME OLD SERIAL NO.	ACQUIRED OR PUBLIC DOMAIN	FUTURE INTEREST (YES/NO) REV DATE
200401067 NM LEA NMPM 100.00%	20S	33E	11	E2SE;	80.000 SENM-S-1 SENM-S-22 SENM-S-30 NMNM 42412	P	N
200401068 NM LEA NMPM 100.00%	13S	35E	04	SENW,N2SE;	120.000 NMNM 88261	P	N
200401069 NM LEA NMPM 100.00%	13S	35E	25	S2;	320.000 NMNM 16648	P	N
200401070 NM LEA NMPM 100.00%	12S	38E	06	NWSE;	40.000 NMNM 97822	P	N

METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
OF LOT 2, SECTION 29, T. 23 N., R. 14 W.,
LOCATED ALONG THE CIMARRON RIVER,
WOODS COUNTY, OKLAHOMA
(Bearing and Distances are Geodetic)

Beginning at the Southeast corner of Lot 2, said point being South 00° 25' 59" East a distance of 1571.43 feet from an Iron Rod with cap at the North Quarter corner of Section 29, T. 23 N., R. 14 W., Woods County, Oklahoma;

Thence South 15° 33' 09" West a distance of 1914.20 feet to a proportional point on the 2003 left bank;

Thence South 40° 58' 05" West a distance of 264.03 feet to a point on the 2003 medial line;

Thence along the 2003 medial line the following courses and distances:

North 49° 01' 56" West a distance of 1155.13 feet;

North 40° 02' 00" West a distance of 528.05 feet to a point;

Thence North 49° 58' 01" East a distance of 234.03 feet to a proportional point on the 2003 left bank;

Thence North 17° 34' 01" East a distance of 1328.06 feet to the Southwest corner of said Lot 2;

Thence along the adjusted ancient left bank, South 68° 01' 14" East a distance of 1423.89 feet to the POINT OF BEGINNING, and containing 64.24 acres of land more or less.

Total of Lot 2 (39.50 acres), plus the accretion and riparian acreage of Lot 2 (64.24 acres), Section 29 is 103.74 acres of land more or less.

Tract No. 748

Parcel No. 1 – Altus 21.7d91 Lateral:

All that tract or parcel of land lying and situated in the South Half (S2) of the Southwest Quarter (SW) of Section 23, T. 01 N., R. 20 W., of the Indian Base and Meridian, Jackson County, Oklahoma, more particularly described as follows:

Beginning at a point on the West boundary of the said South Half of the Southwest Quarter of Section 23, Whence the southwest corner of the said south Half of the Southwest quarter of Section 23 bears South 00° 27' West, a distance of 451.8 feet:

Thence North 00° 27' East along the said West boundary of the South Half of the southwest quarter of Section 23, a distance of 50.0 feet;

Thence South 89° 02' East a distance of 33.0 feet;

Thence North 00° 27' East along a line parallel, to and 33.0 feet Easterly of the said West boundary of the South Half of the southwest Quarter of Section 23, a distance of 599.80 feet;

Thence South 89° 33' East, a distance of 15.0 feet;

Thence North 00° 27' East, a distance of 50.0 feet;

Thence North 89° 33' West, a distance of 15.0 feet;

Thence North 00° 27' East, a distance of 156.7 feet, to a point on the North boundary of the said South Half of the southwest quarter of Section 23;

Thence South 89° 47' East along the said North boundary of the South Half of the southwest quarter of Section 23, a distance of 75.0 feet;

Thence South 00° 27' West, a distance of 857.6 feet;

Thence North 89° 02' West, a distance of 108.0 feet, to the point of beginning.

The above described tract contains 1.50 acres, more or less.

Parcel No. 2 – Altus 21.7d Lateral:

All that tract or parcel of land lying and situated in the south Half (S2) of the southwest quarter (SW) of Section 23, T. 01 N., R. 20 W., of the Indian Base and Meridian, Jackson County, OK, more particularly described as follows:

Beginning at the Southeast corner of the said South Half of the Southwest Quarter of Section 23;

Thence North 89° 27' West along the south boundary of the said south Half of the Southwest quarter of Section 23, a distance of 100.0 feet;

Thence North 00° 44' West, a distance of 100.0 feet;

Thence South 89° 27' East, a distance of 100.0 feet, to a point on the East boundary of the said South Half of the southwest quarter of Section 23;

Thence South 00° 44' East along the said East boundary of the south Half of the Southwest Quarter of Section 23, a distance of 100.0 feet, to the point of beginning.

The above described tract contains 0.25 acres, more or less.

The total area hereinabove described as Parcel No. 1 and Parcel No. 2 contains 1.75 acres, more or less.

Tract No. 758

Parcel No. 1 – Altus 21.7 d Lateral:

All that tract or parcel of land lying and situated in the Southeast Quarter (SE) of Section 23 Township one (1) North, Range Twenty (20) West of the Indian Base and Meridian, Jackson County, Oklahoma, more particularly described as follows:

Beginning at a point on the West boundary of the said southeast Quarter of Section 23, whence the southwest corner of the said southeast Quarter of Section 23 bears South 00° 44' East, a distance of 33.0 feet;

Thence North 00° 44' West along the said West boundary of the southeast quarter of Section 23, a distance of 70.0 feet;

Thence South 89° 27' East, a distance of 1,182.2 feet;

Thence North 67° 05' East, a distance of 91.7 feet;

Thence North 43° 37' West, a distance of 1,842.6 feet;

Thence South 89° 27' East, a distance of 108.6 feet, to a point on the East boundary of the said southeast Quarter of Section 23;

Thence South 00° 28' West, a distance of 85.0 feet, whence the southeast Corner of the said southeast Quarter of Section 23 bears South 00° 28' West, a distance of 1,400.0 feet;

Thence North 89° 27' West, a distance of 71.8 feet;

Thence South 43° 37' West, a distance of 1,872.1 feet;

Thence North 89° 27' West along a line parallel, to and 33.0 feet Northerly of the said south boundary of the southeast Quarter of Section 23, a distance of 1,281.6 feet, to the point of beginning.

The above described tract contains 5.89 acres, more or less.

Tract No. 756

Parcel No. 1 – Altus 21.7d Lateral:

All that tract or parcel of land lying and situated in the East Half (E2) of Section 24, T. 01 N., R. 20 W., of the Indian Base and Meridian, Jackson County, Oklahoma, more particularly described as follows:

Beginning at a point on the West boundary of the said East Half of Section 24, whence the southwest corner of the said East Half of Section 24 bears South 00° 22' West, a distance of 1430.00 feet;

Thence North 00° 22' East along the said West boundary of the East Half of Section 24, a distance of 2,007.8 feet;

Thence South 89° 38' East, a distance of 65.0 feet;

Thence South 00° 22' West, a distance of 2,007.9 feet;

Thence North 89° 27' West, a distance of 65.0 feet, to the point of beginning.

The above described tract contains 3.00 acres, more or less.

DESCRIPTION FOR MINERAL LEASING
OF TRACT K-2a-I PARCEL #1
2,344.77 ACRES
DAVY CROCKETT NATIONAL FOREST
TRINITY COUNTY, TEXAS

All that certain tract or parcel of land lying and being in Trinity County, Texas, embracing in whole or in part the following patented surveys: G. W. Wilson, A-634, dated May 27, 1873; James A. Lee, A-389 dated January 5, 1876; Jacob Hobbs, A-292, dated January 15, 1864; T. J. Ford, A-206, dated August 31, 1860; Heirs of Major John Ward, A-671, dated October 14, 1861; W. W. Slay, A-556, dated Oct. 12, 1858; J. W. Latham, A-394, dated Dec. 12, 1862; John Faglie Survey, A-221, dated Sept. 27, 1860; T. B. White, A-663, dated May 9, 1873; T. E. Faglie Survey, A-220, dated Sept. 27, 1860; I. & G. N. R. R. Survey No. 33, A-324, dated October 28, 1876; I. & G. N. R. R. Survey No. 31, A-351, dated March 28, 1877; and John Faglie, A-222, dated Sept. 27, 1860, C. Williams, A-936, dated April 7, 1909; D. W. Pennington, A-929, dated July 29, 1910; McKinney & Williams, A-448, dated May 16, 1873; C. Williams, A-935, dated April 7, 1909, and being a portion of Forest Service Tract K-2a-I identified as Parcel #1 containing a net area of 2,344.77 acres herein described for mineral leasing purposes only. Tract K-2a-I was acquired from Trinity County Lumber Company by deed dated November 8, 1935 and recorded in Volume 83, Page 370 et seq., Deed Records, Trinity County, Texas. This Parcel #1 is described as being all of Tract K-2a-I LESS AND EXCEPT NM-61094 containing 5,704.62 acres, NM-61096 containing 6,125.01 acres, Exception No. 2 to Tract K-2a-I containing 231.00 acres, and a 10.40 acre block of outstanding minerals in the D. W. Pennington Survey, A-929, as reserved by the State of Texas in patent dated July 29, 1910 as recorded in Volume 43, Page 58, Trinity County Deed Records, leaving a balance of called 2,344.77 acres available for Parcel #1. Said exceptions are described as follows:

Exception No. 2: Beginning at corner 1 of Exception No. 2 of Tract K-2a-I, on the westerly line of the J. W. Latham Survey, a Forest Service standard concrete post marked K-50. From this corner, corner 73 of Tract K-2a-I bears South, 17.00 chains distant.

Thence two lines within the W. W. Slay Survey:

West, 41.84 chains to corner 2 of Exception No. 2;

North, 33.15 chains to corner 3 of Exception No. 2;

Thence West, common to the W. W. Slay and T. B. White Surveys, 9.63 chains to corner 4 of Exception No. 2;

Thence North, within the T. B. White Survey, 19.10 chains to corner 5 of Exception No. 2;

Thence N 89° 30' E, partly within the T. B. White and I. & G.N.R.R. Co. No. 31 Surveys, 48.79 chains to corner 6 of Exception No. 2;

Thence S 01° 00' E, within the I. & G.N.R.R. Co. No. 31 Survey, 19.07 chains to corner 7 of Exception No. 2;

Thence S 02° 00' E, common to the W. W. Slay and J. W. Latham Surveys, 33.00 chains to the place of beginning, containing 231 acres, be the same more or less.

10.4 acres Outstanding Minerals: All that certain 10.40 acres of land in the D. W. Pennington Survey, A-929, as reserved by the State of Texas in patent dated July 29, 1910 as recorded in Volume 43, Page 58, Trinity County Deed Records. Beginning at the northwest corner of the McKinney and Williams Survey, A-448, on the south boundary line of the W. G. Faglie Survey, A-218;

Thence South with the west boundary line of said McKinney and Williams Survey, 370 varas to a point, the southwest corner of same on the north boundary line of the John Faglie Survey, A-221;

Thence West with said north boundary line, 159 varas to a point, a southeast corner of the I. & G.N.R.R. Co. Survey No. 30;

Thence North with the east boundary line of said Survey No. 30, 370 varas to a point, a northeast corner of same on the south boundary line of said W. G. Faglie Survey;

Thence East with said south boundary line, 159 varas to the place of beginning.

NM-61094, 5,704.62 acres: All that certain tract or parcel of land lying and being in Trinity County, Texas, embracing in whole or in part the following patented surveys: Heirs of Major John Ward, A-671, dated October 14, 1861; John Young, A-690, dated July 7, 1857; Trinity County School Land Survey, A-589, dated July 6, 1872; Felix W. Goff, A-228, dated October 27, 1860; M. P. Mead, A-417, dated August 9, 1860; I. & G. N. R. R. Survey No. 53, A-359, dated March 27, 1877; W.G. Faglie Survey, A-219, dated April 21, 1862; J. A. Faglie Survey, A-223, dated April 19, 1862; John Faglie Survey, A-221, dated Sept. 27, 1860; T. B. White, A-663, dated May 9, 1873; T. E. Faglie Survey, A-220, dated Sept. 27, 1860; I. & G. N. R. R. Survey No. 42, A-352, dated March 28, 1877; I. & G.N.R. R. Survey No. 41, A-354, dated March 27, 1877; I. & G. N. R. R. Survey No. 32, A-325, dated December 1, 1876; I & G. N. R. R. Survey No. 33, A-324, dated October 28, 1876; and John. D. Long, A-386, dated May 21, 1862, identified as Tract K-2a-I Parcel #A containing 5,704.62 acres of land, more or less, herein described for mineral leasing purposes only. Tract K-2a-I was acquired from Trinity County Lumber Company by deed dated November 8, 1935 and recorded in Volume 83, Page 370 et seq., Deed Records, Trinity County, Texas.

Beginning at corner 4 of Forest Service Tract K-2a-I, within the Heirs of Major John Ward Survey, A-671, a stake witnessed by scribed bearing trees.

Thence S 01° 00 E, common to the James A. Lee Survey, A-389, and the Heirs of Major John Ward Survey, 17.84 chains to corner 5 of Tract K-2a-I, a F. S. standard concrete post marked K-61;

Thence West, common to the Heirs of Major John Ward Survey and in part to the James B. White Survey, A-665, and the Benj. L. White Survey, A-649, 90.84 chains to corner 6 of Tract K-2a-I, a F.S. standard concrete post marked K-39;

Thence North, common to the Heirs of Major John Ward Survey and John W. Young Survey, A-690, 30.15 chains to corner 7 of Tract K-2a-I;

Thence West, common to the John W. Young Survey and the Trinity County School Land Survey, A-589, 20.00 chains to corner 8 of Tract K-2a-I;

Thence South, partly within the John W. Young and Trinity County School Land Surveys. At 75.00 chains the southerly line of the John W. Young Survey. At 78.00 chains corner 9 of Tract K-2a-I, a F.S. standard concrete post marked K-44;

Thence West, common to the Trinity County School Land Survey and the T. H. W. Forsythe Survey, A-204, 43.76 chains to corner 10 of Tract K-2a-I;

Thence across Tract K-2a-I within the Trinity Co. School Land Survey and the Felix W. Goff Survey, A-228 and common to BLM Lease NM-61096, a calculated bearing and distance of

N 15° 33' 20" W, 287.71 chains to corner 60 of Tract K-2a-I, the beginning corner of the Monroe

Mark Survey and the second corner of the Felix W. Goff Survey, a F.S. standard concrete post marked K-63;

Thence East, common to the Felix W. Goff Survey and in part to the Monroe Mark Survey, A-455, the Richard Miller Survey, A-415, and the B.B.B. & C.R.R. Co. Survey, A-105. At 53.80 chains the west bank of Sandy Creek. At 77.80 chains corner 61 of Tract K-2a-I;

Thence North, common to the B.B.B. & C.R.R. Co. Survey and the M. P. Mead Survey, A-417. At 32.60 chains the south bank of Sandy Creek. At 46.60 chains corner 62 of Tract K-2a-I, a F.S. standard concrete post marked K-58;

Thence N 89° 00' E, common to the A. J. Womack Survey, A-666 and the M. P. Mead Survey. At 19.00 chains the left bank of Sandy Creek. At 38.75 chains corner 63 of Tract K-2a-I;

Thence North, common to the A. J. Womack Survey and in part to the I. & G.N.R.R. Co. Survey No. 53, A-359, and the W. G. Faglie Survey, A-219. At 20.00 chains the right bank of Sandy Creek. At 46.60 chains corner 64 of Tract K-2a-I, a F.S. standard concrete post marked K-57;

Thence S 89° 00' E, common to the W. G. Faglie Survey and in part to the B.B.B. & C.R.R. Co. Survey, A-117, the Napoleon McClendon Survey, A-454, and the Wm. G. Faglie Survey, A-208, 30.60 chains to corner 65 of Tract K-2a-I;

Thence East, common in part to the J. A. Faglie Survey, A-223, T. B. White Survey, A-663, John Faglie Survey, A-221, Wm. G. Faglie, A-208, and I. & G.N.R.R. Co. Survey No. 30, A-344. At 22.10 chains the left bank of Sandy Creek. At 64.14 chains corner 66 of Tract K-2a-I;

Thence across Tract K-2a-I within the John Faglie Survey, T. E. Faglie Survey, A-220, T. B. White Survey, I. & G.N.R.R. Co. Survey No. 33, A-324, John D. Long Survey, A-386,

and the Heirs of Major John Ward Survey and common to BLM Lease offer Tract K-2a-I Parcel #1, a calculated bearing and distance of S 03° 47' 05" E, 305.49 chains the place of beginning, containing 5,704.62 acres, more or less.

NM-61096, 6,125.01 acres: A portion of Tract K-2a-I identified as Parcel #B containing a net acreage of 6,125.01 acres of land, more or less, embracing in whole or in part the following patented surveys: Trinity County School Land Survey, A-589, dated July 6, 1872; Felix W. Goff, A-228, dated October 27, 1860; L. C. Pope, A-737, dated February 9, 1885; L. E. Downes Survey, A-163, dated December 21, 1850; A. B. Lovett, A-767, dated January 17, 1898; S. Watson, A-699, dated November 19, 1878; A. W. Turner, A-595, dated January 15, 1859; Philip Dixon, A-179, dated June 14, 1860; Joseph Hutchison, A-273, dated September 22, 1877; I. & G. N. R. R. Survey No. 7, A-320, dated October, 28, 1879; and I. & G. N. R. R. Survey No. 6, A-348, dated November 1, 1877, herein described for mineral leasing purposes. Parcel #B consists of 6,708.81 acres less and except Exception No. 1 to Tract K-2a-I containing 477.00 acres and Exception No. 3 to Tract K-2a-I containing 106.80 acres, leaving a net acreage available of 6,125.01 acres, more or less. Tract K-2a-I was acquired from Trinity County Lumber Company by deed dated November 8, 1935 and recorded in Volume 83, Page 370 et seq., Deed Records, Trinity County, Texas.

Beginning at corner 10 of Forest Service Tract K-2a-I, the second corner of the T. H. W. Forsythe Survey, A-204, and the tenth corner of the Trinity County School Land Survey, a stake witnessed by scribed bearing trees;

Thence South, common to the Trinity County School Land and T. H. W. Forsyth Surveys, 30.50 chains to corner 11 of Tract K-2a-I;

Thence three lines within the Trinity County School Land Survey;

S 86° 01' W, 7.04 chains to corner 12 of Tract K-2a-I;
South, 7.90 chains to corner 13 of Tract K-2a-I;
East, 6.80 chains to corner 14 of Tract K-2a-I;

Thence South, common to the Trinity County School Land Survey and the T. H. W. Forsythe Survey, 6.40 chains to corner 15 of Tract K-2a-I, a F.S. standard concrete post marked K-43;

Thence West, common to the John D. Windham Survey, A-653, and the Trinity County School Land Survey, 16.80 chains to corner 15a of Tract K-2a-I, common to corner 4 of F.S. Tract K-2a-III;

Thence three lines with tract K-2a-III and within the Trinity County School Land Survey:

N 37° 00' W, 4.50 chains to corner 15b of Tract K-2a-I, common to corner 3 of Tract K-2a-III;

S 49° 30' W, 3.20 chains to corner 15c of Tract K-2a-I, common to corner 2 of Tract K 2a-III;
S 15° 00' E, 1.60 chains to corner 15d of Tract K-2a-I, common to corner 1 of Tract K-2a-III;

Thence West, common to the Trinity County School Land Survey and in part to the John D. Windham Survey and the Jesse James Survey, A-364, 99.40 chains to corner 16 of Tract K-2a-I, a F.S. standard concrete post marked K-53;

Thence two lines within the Trinity County School Land Survey:

North, 20.00 chains to corner 17 of Tract K-2a-I;
West, 41.40 chains to corner 18 of Tract K-2a-I;

Thence two lines common to the Trinity County School Land Survey and the L. E. Downes Survey, A-163:

N 01° 30' W, 42.00 chains to corner 19 of Tract K-2a-I;
S 88° 30' W, 29.60 chains to corner 20 of Tract K-2a-I;

Thence S 01° 30' E, within the L. E. Downes Survey, 22.20 chains to corner 21 of Tract K-2a-I, a F.S. standard concrete post marked K-40;

Thence three lines within the L. E. Downes Survey;

S 88° 30' W, 6.30 chains to corner 22 of Tract K-2a-I;
S 01° 30' E, 9.40 chains to corner 23 of Tract K-2a-I;
S 88° 00' W, 43.80 chains to corner 24 of Tract K-2a-I on the easterly line of the William Hope Survey, A-272;

Thence N 01° 30' W, common to the L. E. Downes and William Hope Surveys, 32.30 chains to corner 25 of Tract K-2a-I;

Thence N 89° 30' E, common to the L. E. Downes Survey and the Wm. Burkhalter Survey, A-773, 10.00 chains to corner 26 of Tract K-2a-I;

Thence North, common to the Wm. Burkhalter and Trinity County Lumber Company School Land Surveys, 27.00 chains to corner 27 of Tract K-2a-I;

Thence West, common to the Wm. Burkhalter Survey and the A. B. Lovett Survey, A-767, 20.60 chains to corner 28 of Tract K-2a-I;

Thence N 02° 00' W, common to the A. B. Lovett Survey and the G. W. Butler Survey, A-762, 28.10 chains to corner 29 of Tract K-2a-I, a F.S. standard concrete post marked K-41;

Thence West, common to the G. W. Butler Survey and in part to the A. B. Lovett Survey and the S. S. Watson Survey, A-699, 21.40 chains to corner 30 of Tract K-2a-I;

Thence three lines within the S. S. Watson Survey;

North, 13.10 chains to corner 31;
West, 7.90 chains to corner 32;
South, 13.10 chains to corner 33;

Thence West, common to the G. W. Butler and S. S. Watson Surveys, 29.74 chains to corner 34 of Tract K-2a-I;

Thence N 45° 17' 36" E, common to the S. S. Watson Survey and the Jesse James Survey, A-365, 22.59 chains to corner 34a of Tract K-2a-I;

Thence N 54° 01' 47" E, within the S. S. Watson Survey, 16.68 chains to the intersection of a fence, corner 34b of Tract K-2a-I;

Thence N 45° 20' 56" W, within the S. S. Watson Survey, 2.68 chains to corner 34c of Tract K-2a-I, a point on the line common to the S. S. Watson and Jesse James Surveys;

Thence N 45° 02' 35" E, with the S. S. Watson Survey and the Elizabeth Jones Survey, A-369, 27.81 chains to corner 35 of Tract K-2a-I, a F.S. standard concrete post marked K-42 bears S 28° 00' E, 0.38 chain distant;

Thence N 20° 00' W, common to the S. S. Watson Survey and the A. W. Turner Survey, A-595, 13.30 chains to corner 36 of Tract K-2a-I;

Thence N 70° 00' E, common to the A. W. Turner Survey and the Oliff Turner Survey, A-599, 41.24 chains to corner 37 of Tract K-2a-I;

Thence S 20° 00' E, common to the A. W. Turner Survey and the J. J. Warren Survey, A-648, 31.74 chains to corner 38 of Tract K-2a-I;

Thence N 70° 00' E, common to the J. J. Warren Survey and the L. C. Pope Surveys, A-737, 41.20 chains to corner 39 of Tract K-2a-I;

Thence N 19° 30' W, common to the J. J. Warren Survey and the Philip Dixon Survey, A-179, and partly within the Philip Dixon Survey. At 11.70 chains a creek. At 58.40 chains corner 40 of Tract K-2a-I, a F.S. standard concrete post marked K-266;

Thence S 70° 00' W, within the Philip Dixon Survey. At 30.70 chains Crib Creek. At 32.00 chains 41 of Tract K-2a-I;

Thence N 20° 00' W, common to the Oliff Turner and Philip Dixon Surveys. At 17.00 chains a small creek. At 28.10 chains corner 42 of Tract K-2a-I;

Thence S 66° 30' W, common to the Oliff Turner Survey and the Joseph Hutchison Survey, A-273. At 16.10 chains a creek. At 25.70 chains corner 43 of Tract K-2a-I;

Thence two lines within the Joseph Hutchison Survey:

N 01° 30' W, at 10.00 chains a creek. At 22.30 chains corner 44 of Tract K-2a-I;
S 89° 00' W, at 8.20 chains a creek. At 34.50 chains corner 45 of Tract K-2a-I, a F.S. standard concrete post marked K-265 bears West, 0.41 chain distant;

Thence N 01° 30' W, common to the John Dix Survey, A-157, and in part to the Joseph Hutchison Survey and I. & G.N.R.R. Co. No. 7 Survey, A-320, 65.20 chains to corner 46 of Tract K-2a-I;

Thence East, partly within the I. & G.N.R.R. Co. Survey No. 7 and common to the I. & G.N.R.R. Co. Survey No. 7 and the L. C. Longino Survey, A-390, 76.40 chains to corner 47 of Tract K-2a-I, a F.S. standard concrete post marked K-47;

Thence North, within the I. & G.N.R.R. Co. Survey No. 7, 25.70 chains to corner 48 of Tract K-2a-I;

Thence East, common to the I. & G.N.R.R. Co. Survey No. 7 and the W. T. White Survey, A-686, 21.80 chains to corner 49 of Tract K-2a-I;

Thence N 01° 00' E, common to the W. T. White Survey and in part to the I. & G.N.R.R. Co. Surveys No. 6 & 7, 41.34 chains to corner 50 of Tract K-2a-I;

Thence East, common to the I. & G.N.R.R. Co. Survey No. 6 and the B.B.B. & C.R.R. Co. Survey, A-112, 12.90 chains to corner 51 of Tract K-2a-I;

Thence two lines within the I. & G.N.R.R. Co. Survey No. 6:

South, 16.30 chains to corner 52 of Tract K-2a-I;
East, 4.55 chains to corner 53 of Tract K-2a-I;

Thence South, common to the I. & G.N.R.R. Co. Survey No. 6 and the Felix Goff Survey, A-229, 9.20 chains to corner 54 of Tract K-2a-I;

Thence S 55° 00' W, common to the I. & G.N.R.R. Co. Survey No. 6 and the Heirs of John Webb Survey, A-643, 7.80 chains to corner 55 of Tract K-2a-I, a F.S. standard concrete post marked K-60;

Thence S 36° 00' E, common to the Heirs of John Webb Survey and the I. & G.N.R.R. Co. Survey No. 6, 81.40 chains to corner 45, a F.S. standard concrete post marked K-64;

Thence N 55° 00' E, common to the Heirs of John Webb and I. & G.N.R.R. Co. No. 6 Surveys, 22.84 chains to corner 57;

Thence two lines common to the Monroe Mark Survey, A-455, and the I. & G.N.R.R Co. Survey No. 6:

South, 11.70 chains to corner 58 of Tract K-2a-I;
N 88° 30' E, 48.70 chains to corner 59 of Tract K-2a-I;

Thence North, common to the Monroe Mark and Felix W. Goff Surveys, 28.00 chains to corner 60, a F.S. standard concrete post marked K-63;

Thence across Tract K-2a-I within the Felix W. Goff and Trinity County School Land Surveys and common to BLM Lease NM-61094, a calculated bearing and distance of S 15° 33' 20" E, 287.71 chains to the place of beginning, containing 6,708.81 acres, more or less, SUBJECT TO Exception No. 1 to Tract K-2a-I containing 477 acres, more or less, and Exception No. 3 to Tract K-2a-I, containing 106.80 acres, more or less, leaving a net acreage available for lease of 6,125.01 acres, more or less, with said Exceptions described as follows:

Exception No. 1: Beginning at corner 1 of Exception No. 1 to Tract K-2a-I, beginning corner of the I. & G.N.R.R. Co. Survey No. 6, a F.S. standard concrete post marked K-45. From this corner, corner 59 of Tract K-2a-I bears N 00° 30' W, 26.82 chains distant.

Thence S 01° 30' E, common to the A. W. Slawson Survey and in part to the Felix W. Goff and Philip Dixon Surveys, 66.18 chains to corner 2 of Exception No. 1;

Thence two lines common to the Philip Dixon and A. W. Slawson Surveys:

West, 72.50 chains to corner 3 of Exception No. 1;
N 02° 00' W, at 66.07 chains corner 4 of Exception No. 1;

Thence S 89° 30' E, common to the I. & G.N.R.R. Co. No. 6 and the A. W. Slawson Surveys, 73.67 chains to the place of beginning, containing 477 acres, be the same more or less.

Exception No. 3: Beginning at corner 1 of Exception No. 3 to Tract K-2a-I, common to the Trinity County School Land Survey. From this corner, corner 27 of Tract K-2a-I bears S 01° 00' W, 9.00 chains distant.

Thence N 02° 00' E, common to the Trinity County School Land Survey and the A. B. Lovett Survey, 32.00 chains to corner 2 of Exception No. 3;

Thence East, common to the A. B. Lovett and Trinity County School Land Surveys, 1.52 chains to corner 3 of Exception No. 3;

Thence three lines within the Trinity County School Land Survey:

South, 1.60 chains to corner 4 of Exception No. 3;
East, 3.20 chains to corner 5 of Exception No. 3;
North, 1.60 chains to corner 6 of Exception No. 3;

Thence East, common to the L. C. Pope Survey, A-737, and the Trinity School Land Survey, 28.16 chains to corner 7 of Exception No. 3, a F.S standard concrete post marked K-284;

Thence two lines within the Trinity County School Land Survey:

South, 31.69 chains to corner 8 of Exception No. 3;

S 89° 30' W, 34.44 chains to the place of beginning, containing 106.80 acres, be the same more or less.

LEAVING A NET AREA OF 2,344.77 ACRES FOR TRACT K-2a-I PARCEL #1.

METES AND BOUNDS DESCRIPTION
OF SHARE NO. 32 (TRACT Z-23-A)
150.117 ACRES, MORE OR LESS (AS CALCULATED),
ZAPATA COUNTY, TEXAS

SUBJECT ALSO TO ADDITIONAL STIPULATIONS REQUIRED BY THE INTERNATIONAL BOUNDARY AND WATER COMMISSION. NO SURFACE DISTURBANCE SHALL BE ALLOWED ON THE LANDS INVOLVED. DIRECTIONAL DRILLING WILL BE PERMITTED.

Share 32 of a partition of Porciones 14, 15, 16 and 17, Zapata County, Texas, in Cause No. 145 on the docket of the District Court of Zapata County, Texas, styled Santos Yzaguirre, et al. vs. Candelario Ramirez, et al., certified copies of which appear of record in vol. 16, pages 507 to 525 of the Zapata County Deed Records which Share 32 contains 166.056 acres (platted), 150.177 (calculated), more or less and is situated in said Porciones 14 and 15, said Share 32 is Parcel Z-23-A of condemnation proceedings had a Civil Action 529 in the United States District Court for the Southern District of Texas, Laredo Division. Such condemnation proceedings as they appear on file in the above court and in the Minutes of such Court and certified copies thereof appearing of record in the Zapata County Deed Records, are hereby referred to and made a part hereof for all pertinent purposes.

The Metes and Bounds Description of Share No. 32, Tract Z-23-A, 150.117 acres, more or less (as calculated), Zapata County, Texas.

Beginning at the northeast corner of Share No. 32, Tract Z-23-A;
Thence South 35° 00' East, 1594.18 feet along the eastern boundary of Share 32, Tract Z-23-A, to a point;
Thence South 55° 00' West, 475.00 feet on southeastern boundary to a point;
Thence South 35° 00' East, 2115.29 feet on the eastern boundary to a point;
Thence South 55° 00' West, 1152.79 feet on the southern boundary to a point;
Thence South 35° 00' West, 2115.29 feet on the western boundary to a point;
Thence South 55° 00' West, 944.45 feet on the southwestern boundary to a point;
Thence North 35° 00' West, 1594.18 feet on the western boundary to a point;
Thence North 55° 00' East, 2572.24 feet on the northern boundary to the point of beginning of Share 32, Tract Z-23-A, containing 150.117 acres (calculated), more or less.

NAVAJO AREA, BUREAU OF INDIAN AFFAIRS
SURFACE MANAGEMENT AGENCY LEASE STIPULATIONS
FOR FEDERAL OIL AND GAS LEASE OFFERING

- 1. Lessee shall carry on all operations in a good and workmanlike manner in accordance with approved methods and practices.**

- 2. Lessees shall abide by and conform to appropriate provisions of Titles 25, 36, and 43, Code of Federal Regulations, and any and all other applicable regulations and manuals of the Secretary now or hereafter in force relative to surface leasing rights-of-way and as amended, and National Area Environmental Protection guidelines; the National Historic Preservation Act of 1966, as amended, Archaeological Resources Protection Act, and American Indian Religious Freedom Act and other applicable laws, 30 BIA, 36 CFR 800 and 43 CFR 7.**
 - a. Prior to issuing any cultural clearances, the Lessee shall provide the necessary cultural clearances to the Bureau of Land Management after consultation with the Navajo Nation Historic Preservation Department, P. O. Box 2898, Window Rock, AZ 86515, and provide copies of all historic preservation related documents associated with an undertaking. The Navajo Nation contracted under Public Law 93-638 the Navajo Area Archaeology Office.**

 - b. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes, Lessee shall submit a development plan for surface use to the Area Manager, Farmington Resource Area, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. An Environmental Analysis will be made by the Bureau of Land Management in consultation with the BIA Navajo Area Office for the purpose of ensuring proper protection of the surface, the natural resources, the environment and existing improvements and for assuring timely reclamation of disturbed lands. Upon completion of said environmental analysis, the Oil and Gas Field Manager shall notify Lessee of the conditions to which the proposed surface disturbing operations will be subject. (Note: Prior to operations beginning; Lessee shall furnish a copy of its development plan and Bureau of Land Management conditions to the BIA. The BIA reserves the right to require site specific archaeological surveys and environmental reviews on tracts selected for development prior to giving concurrence to proposed actions(s). The BIA will consult with the Navajo Nation prior to concurring in such actions.)**

- 3. The Lessee shall not use or permit to be used any part of said leased land for any unlawful conduct or purpose whatsoever. Lessee will not use or permit to be used any part of said leased land for the manufacture, sale, gift, transportation, or storage of intoxicating liquors, beverages or drugs. In the event any representative of Lessee or its contractor or subcontractor, employed in connection with the operations on the lease premises shall be responsible for any of the unlawful acts described in this clause,**

Bureau of Land Management shall give Lessee information as to such violation(s) with a copy of the notice to BIA and Navajo Nation. Lessee shall immediately take steps to cure the violations, including the termination or transfer of such employee. (25 CFR 162.5(g) (3); 18 U.S.C. Sections 1151, 1154, and 1156, as amended.)

4. Except as otherwise stated herein, copies of correspondence and notices shall be mailed to the Bureau of Indian Affairs in care of the Area Director, Navajo Area Office, Attention: Branch of Real Property Management, Bureau of Indian Affairs, P. O. Box 1060, Gallup, NM 87305-1060; and to the Navajo Nation in care of the President, Navajo Nation, Attention: Navajo Tribal Minerals Department, P. O. Box 146, Window Rock, AZ 86515.

THE NAVAJO NATION STIPULATIONS

1. The surface ownership of lands contained in this lease may be all or partly managed by the Navajo Tribe. Site specific rights-of-way clearances and/or inventories may be required prior to entry upon the surface for operation of the lease holdings. Prior contact with the Navajo Nation will be required prior to operations beginning. All applicable laws of the Navajo Nation (including tax laws, water codes, requirements of Environmental Protection Administration, etc.) shall be complied with by the Lessee.

2. The Navajo Nation requires a copy of complete exploration and development data (drilling logs, seismic data, etc.) obtained by the Lessee on the subject lands will be provided to the Navajo Nation at no cost. All materials data will be held confidential as described in 43 CFR 3162.8.

3. Navajo grazing rights to the surface of the lands so leased shall be protected, and the Nation's rights respecting the use of water shall be unimpaired.

4. Lessee shall not obtain water for use in drilling from Indian-owned wells, tanks, springs, or stock water reservoirs without prior written permission from the Navajo Nation. Lessee shall not drill any water wells for its use without prior written consent of the Navajo Nation and the Area Director.

5. Lessee shall compensate the Navajo Nation and its grazing permittees (if any), for all surface use(s) as well as damages to crops, buildings, and other improvements of surface landowner, including loss of grazing lands, occasioned by the Lessee's operations except the Lessee's control. Compensation for surface use shall be negotiated by Lessee and the Navajo Nation and will be based upon the duration of activity on the land.

6. Lessee shall not drill any well within 500 feet of any house, structure, or reservoir of water without the Navajo Nation's written consent.

7. Lessee shall bury all pipelines crossing tillable lands below plow depth unless other arrangements are made with the Navajo Nation.

8. Upon the request of the Navajo Nation or if so required by the Area Director or his authorized representative, and under the direction of the Field Manager, Bureau of Land Management, the Lessee shall condition any well drilled which does not produce oil or gas in paying quantities, but which is capable of producing water satisfactorily for domestic, agricultural, or livestock use by the Navajo Nation. Otherwise, after the expiration or termination of the lease, the Lessee shall remove all pumping equipment installed by Lessee at any well.

NAVAJO AREA, BUREAU OF INDIAN AFFAIRS
SURFACE MANAGEMENT AGENCY LEASE STIPULATIONS
FOR FEDERAL OIL AND GAS LEASE OFFERING

The pipeline will be so installed that it will not interfere with the construction and/or development of the area for agricultural purposes and/or operation of same in connection with the Navajo Indian Irrigation Project. Any changes or relocations found to be necessary during said construction and/or development will be accomplished at the Company's expense.

In addition, the pipeline will be buried to a depth of 48 inches and any permanent metering and production equipment installed at the actual site will conform to "no well and/or production equipment within irrigable fields of the Navajo Indian Irrigation Project will exceed two feet above natural surface elevation and be adequately barricaded for safety." Further, if crops are planted prior to accomplishment of the pipeline work, surface damages must be negotiated with Navajo Agricultural Products Industry.

SPECIAL STIPULATION
BUREAU OF RECLAMATION

To avoid interference with recreation development and/or impacts to fish and wildlife habitat and to assist in preventing damage to any Bureau of Reclamation dams, reservoirs, canals, ditches, laterals, tunnels, and related facilities, and contamination of the water supply therein, the lessee agrees that the following conditions shall apply to all exploration and developmental activities and other operation of the works thereafter on lands covered by this lease:

1. Prior to commencement of any surface-disturbing work including drilling, access road work, and well location construction, a surface use and operations plan will be filed with the appropriate officials. A copy of this plan will be furnished to the Area Manager Oklahoma-Texas Area Office, Great Plains Region, Bureau of Reclamation, 4149 Highline Blvd., Suite 200, Oklahoma City, Oklahoma 73108, for review and consent prior to approval of the plan. Such approval will be conditioned on reasonable requirements needed to prevent soil erosion, water pollution, and unnecessary damages to the surface vegetation and other resources, including cultural resources, of the United States, its lessees, permittees, or licensees, and to provide for the restoration of the land surface use and vegetation. The plan shall contain provisions as the Bureau of Reclamation may deem necessary to maintain proper management of the water, recreation, lands, structures, and resources, including cultural resources, within the prospecting, drilling, or construction area.

Drilling sites for all wells and associated investigations such as seismograph work shall be included in the above-mentioned surface use and operation plan.

If later explorations require departure from, or additions to the approved plan, these revisions or amendments, together with a justification statement for proposed revisions, will be submitted for approval to the Area Manager, Oklahoma-Texas Area Office, Bureau of Reclamation, or his authorized representative.

Any operations conducted in advance of approval of an original, revised, or amended prospecting plan, or which are not in accordance with an approved plan, constitute a violation of the terms of this lease. The Bureau of Reclamation reserves the right to close down operations until such corrective action, as is deemed necessary, is taken by the lessee.

2. No occupancy of the surface of the following excluded areas is authorized by this lease. It is understood and agreed that the use of these areas for Bureau of Reclamation purposes is superior to any other use. The following restrictions apply only to mineral

tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100 percent of the fee mineral interest.

- a. Within 500 feet on either side of the centerline of any and all roads or highways within the leased area.
- b. Within 200 feet on either side of the centerline of any and all trails within the leased area.
- c. Within 500 feet of the normal high-water line of any and all live streams in the leased area.
- d. Within 400 feet of any and all recreation developments within the leased area.
- e. Within 400 feet of any improvements either owned, permitted, leased, or otherwise authorized by the Bureau of Reclamation within the leased area.
- f. Within 200 feet of established crop fields, food plots, and tree/shrub plantings within the leased area.
- g. Within 200 feet of slopes steeper than a 2:1 gradient within the leased area.
- h. Within established rights-of-way of canals, laterals, and drainage ditches within the leased area.
- i. Within a minimum of 500 feet horizontal from the centerline of the facility or 50 feet from the outside toe of the canal, lateral, or drain embankment, whichever distance is greater, for irrigation facilities without clearly marked rights-of-way within the leased area.
- j. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation may consider, on a case-by-case basis, waiving the requirements specified in Section 2 hereof.

HOWEVER, LESSEES ARE ADVISED THAT OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.

3. No occupancy of the surface or surface drilling will be allowed in the following areas. In addition, no directional drilling will be allowed that would intersect the subsurface zones delineated by a vertical plane in these areas. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100% of the fee mineral interest.

- a. Within 1,000 feet of the maximum water surface, as defined in the Standard Operating Procedures (SOP), of any reservoirs and related facilities located within the leased area.
- b. Within 2,000 feet of dam embankments and appurtenance structures such as spillway structures, outlet works, etc.

- c. Within one-half(1/2) mile horizontal from the centerline of any tunnel within the leased area.
- d. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation may consider, on a case-by-case basis, waiving the requirements specified in Section 3 hereof.

HOWEVER, LESSEES ARE ADVISED THE OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.

4. The distances stated in items 2 and 3 above are intended to be general indicators only. The Bureau of Reclamation reserves the right to revise these distances as needed to protect Bureau of Reclamation facilities.

5. The use of explosives in any manner shall be so controlled that the works and facilities of the United States, its successors and assigns, will in no way be endangered or damaged. In this connection, an explosives use plan shall be submitted to and approved by the Area Manager, Oklahoma-Texas Office, Bureau of Reclamation, or his authorized representative.

6. The lessee shall be liable for all damage to the property of the United States, its successors and assigns, resulting from the exploration, development, or operation of the works contemplated by this lease, and shall further hold the United States, its successors and assigns, and its officers, agents, and employees, harmless from all claims of third parties for injury or damage sustained, or in any way resulting from, the exercise of the rights and privileges conferred by this lease.

7. The lessee shall be liable for all damage to crops or improvements of any entry man, non-mineral applicant, or patentee, their successors and assigns, caused by or resulting from, the drilling or other operations of the lessee, including reimbursement of any entry man or patentee, their successors and assigns, for all construction, operation, and maintenance charges becoming due on any portion of their said lands damaged as a result of the drilling or other operations of the lessee.

8. In addition to any other bond required under the provisions of this lease, the lessee shall provide such bond as the United States may at any time require for damages which may arise under the liability provisions of sections six(6) and seven (7) above.

OIL AND GAS
BUREAU OF RECLAMATION GENERAL STIPULATIONS
(USE AS A SUPPLEMENT TO BLM LEASES AND PERMITS ONLY)

A. All rights under this lease are subordinate to the right of the United States to flood and submerge the lands, permanently or intermittently, in connection with the construction and operation of the Altus Dam and Reservoir, W. C. Austin Project, Oklahoma.

B. Predrilling Conditions

- 1. No wells shall be drilled for oil or gas below the surface elevation of 1564.0 feet. (This elevation does not apply to areas downstream of the dam.) No drilling will be allowed within 300 feet of any developed recreation area.**
- 2. All storage tanks shall be placed above surface elevation 1575.0 feet. This elevation restriction does not apply to areas downstream of the dam. Berms shall be constructed around storage batteries, tanks, and separators to contain their entire volume should an accidental spill or rupture occur.**
- 3. Drilling a well for oil or gas is prohibited within 500 feet of any dam, dike, or other major structure.**
- 4. No well shall be drilled within 1/8 mile (660 feet) of a river, channel, permanent stream, tributary, marsh, or riparian habitat. To protect watersheds, slopes in excess of 40 percent (2.5:1) should be avoided where possible.**
- 5. No "mud pits" shall be constructed below elevation 1564.0 feet. (This elevation restriction does not apply to areas downstream of the dam.)**

()¹ a. The pit shall be lined with an impervious material such as plastic and properly installed and anchored to prevent seepage.

() b. A closed mud system is required with containerization of drill cuttings.

() 6. See attached special stipulations.

¹ When indicated by a checkmark within the parenthesis, the designed stipulation shall be complied with.

BUREAU OF RECLAMATION
SPECIAL STIPULATIONS

1. The following stipulations apply to drilling within the Altus-Lugert Wildlife Management Area, Altus Reservoir, Oklahoma:

A. Leasing for pooling purposes only (i.e., no surface occupancy) will be allowed within the Federal boundaries of the Altus Reservoir in:

- 1. Township 6 North, Range 20 West, Sections 4,5,8,9,17,18,19,20, the N $\frac{1}{2}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 30, and the N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 29 - This is a critical turkey roosting habitat.**

2. The following stipulations apply to drilling with Quartz Mountain State Park, Altus Reservoir, Oklahoma:

A. Leasing for pooling purposes only (i.e., no surface occupancy) will be allowed within the Federal boundaries of Altus Reservoir in:

- 1. Township 5 North, Range 20 West, Section 22 and the SW $\frac{1}{4}$ of Section 15 - This is a highly developed recreation area.**
- 2. Township 5 North, Range 20 West, the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, and the S $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 9 - This is a bald eagle roosting and feeding area.**

B. Any production well within 1,500 feet of any campsite or sleeping quarters must be powered with an electric motor.

C. A 5-foot cyclone fence with two strands of barbed wire on top must be constructed around any well in production.

3. The following stipulations apply to lands with the projects canal system right-of-way:

A. The lessee agrees that there will be no drilling operations conducted on the right-of-way. The lessee further agrees that no improvements or structures will be constructed on the right-of-way.

B. The lessee agrees that existing operating roads on the right-of-way are not to be used for transportation of drilling or service equipment.

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

The permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

To : Forest Supervisor
National Forests in Texas
At : 701 North First Street
Lufkin, TX 75901
Telephone No : (936) 639-8501

Who is the authorized representative of the Secretary of Agriculture.

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

The permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

To : District Ranger
At : Cimarron National Grasslands
242 Highway 56 East
P.O. Box 300
Elkhart, KS 67950
Telephone No. : (620) 697-4621

Who is the authorized representative of the Secretary of Agriculture.

LEASE NOTICE

CULTURAL AND PALEONTOLOGICAL RESOURCES - The FS is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the FS, shall:

1. Contact the FS to determine if a site specific cultural resource inventory is required. If a survey is required, then:
2. Engage the services of a cultural resource specialist acceptable to the FS to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the FS for review and approval at the time a surface disturbing plan of operation is submitted.
3. Implement mitigation measures required by the FS and BLM to preserve or avoid destruction of cultural resource values. Mitigation may include re-location or proposed facilities, testing, salvage, and recordation or other protective measures. All costs of the inventory and mitigation will be borne by the lessee or operator, and all data and materials salvaged will remain under the jurisdiction of the U. S. Government as appropriate.

The lessee or operator shall immediately bring to the attention of the FS and BLM any cultural or paleontological resources or any other objects of scientific interest discovered as a result of surface operations under this lease, and shall leave such discoveries intact until directed to proceed by FS and BLM.

ENDANGERED OR THREATENED SPECIES - The FS is responsible for assuring that the leased land is examined prior to undertaking any surface-disturbing activities to determine effects upon any plant or animal species listed or proposed for listing as endangered or threatened, or their habitats. The findings of this examination may result in some restrictions to the operator's plans or even disallow use and occupancy that would be in violation of the Endangered Species Act of 1973 by detrimentally affecting endangered or threatened Species or their habitats.

The lessee/operator may, unless notified by the FS that the examination is not necessary, conduct the examination on the leased lands at his discretion and cost. This examination must be done by or under the supervision of a qualified resource specialist approved by the FS. An acceptable report must be provided to the FS identifying the anticipated effects of a proposed action on endangered or threatened species or their habitats.

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS

Surface occupancy or use is subject to the following special operating constraints.

Portions of this lease contain streamside management zones (flood plains, wetlands). As a minimum, these areas are established within the 100 year flood plain of all intermittent streams and perennial streams, and 100 feet from the normal pool level contour of lakes. Site- specific proposals for surface-disturbing activities (such as pipelines and seismic surveys) within these areas will be analyzed and will normally result in establishment of protective requirements or limitations for the affected site. Surface occupancy for oil and gas wells will not be allowed within the streamside management zone. (MA-4-63)

On the lands described below:

For the purpose of: To meet visual quality objectives and protect stream side management zones in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS

Surface occupancy or use is subject to the following special operating constraints.

Areas within the bottom land associated with the East Fork of the San Jacinto River may be subject to special requirements or limitations, such to be determined on a case by case basis. Drilling and production facilities will be located at least 100 feet from the river.
(MA-8b-62)(MA-8b-63)

On the lands described below:

For the purpose of: To meet visual quality objectives and protect rivers and associated bottom land areas in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS

Surface occupancy or use is subject to the following special operating constraints.

Portions of the land in this lease are, or may be, occupied by clusters of the endangered red-cockaded woodpecker. Exploration and development proposals may be modified and/or limited, including no surface occupancy, within ¼ mile of an active red-cockaded woodpecker cluster. In addition, if foraging habitat is limited, no surface occupancy may occur within ½ mile of an active red-cockaded woodpecker cluster. Upon receipts of a site-specific proposal, the Forest Service will provide current inventory records of cluster locations any may require that localized surveys be performed to assure no un-inventoried clustered are present. (MA-2-80-4.6)

On the lands described below:

For the purpose of:

To protect red-cockaded woodpecker clusters foraging and habitat areas in accordance with the National Forest and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

TIMING LIMITATION STIPULATION #1A
NATIONAL FORESTS AND GRASSLANDS IN TEXAS

Surface use may be deferred during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Site-specific proposals for activities within these areas will be analyzed. Such analysis could result in establishment of protective requirements or limitations for the affected site.

February 15 through May 15

On the lands described below:

For the purpose of (reasons): To avoid disturbance of actual or probable turkey nesting locations in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, as amended, March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

STIPULATION
WHITE SANDS SAFETY EVACUATION AREA

All or portions of the lands contained in this lease are located within the White Sands Missile Range Safety Evacuation Area and shall be evacuated on those days that missiles are to be fired. Prior to beginning exploration activities, the lessee shall contact the Corps of Engineers in Albuquerque and the Master Planning Branch at White Sands Missile Range in order to be advised of the terms of the safety evacuation agreement and missile firing schedules.

Bureau of Land Management
New Mexico State Office

NM-5
October 1, 1989

LEASE NOTICE
COAL PROTECTION

Federal coal resources exist on this lease. Operations authorized by this lease may be altered or modified by the authorized officer (at the address shown below) in order to conserve and protect the mineral resources and provide for simultaneous operations.

Address:

**Tulsa Field Office
7906 E. 33Rd Street, Suite 101
Tulsa, OK 74145
(918) 621-4100**

FLOODPLAIN PROTECTION STIPULATION
CONTROLLED SURFACE USE

All or portions of the lands under this lease lie in and/or adjacent to a major watercourse and are subject to periodic flooding. Surface occupancy of these areas will not be allowed without specific approval, in writing, of the Bureau of Land Management.

For the following described land(s):

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

WETLAND/RIPARIAN STIPULATION
CONTROLLED SURFACE USE

All or portions of the lands under this lease contain wetland and/or riparian areas. Surface occupancy of these areas will not be allowed without the specific approval, in writing, of the Bureau of Land Management. Impacts or disturbance to wetlands and riparian habitats which occur on this lease must be avoided, or mitigated. The mitigation shall be developed during the application for permit to drill process.

For the following described land(s):

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

SEASON OF USE STIPULATION

Surface occupancy of this lease will not be allowed from February 15 to May 15, as well as all applicable hunting seasons without the specific approval, in writing, from the authorized officer of the Bureau of Land Management. This stipulation does not apply to operation and maintenance of production facilities.

One the land(s) described below:

For the Purpose of: Wildlife seasonal use requirements or recreation use conflicts with drilling activities.

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

Bureau of Land Management
Oklahoma Field Office

ORA-3
November 1991

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below. The lands may be drilled directionally from an off-site location where occupancy is allowed.

On the lands described below:

For the purpose of: Protection of a resource or use not compatible with oil and gas development.

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

LEASE NOTICE
THREATENED AND ENDANGERED SPECIES

According to preliminary information all or portions of this lease area could contain Federal and/or State-listed threatened or endangered species and/or their habitats. Any proposed surface disturbing activity may require an inventory and consultation with the U.S. Fish and Wildlife Service and/or the State Wildlife agency. The consultation could take up to 180 days to complete. Surface occupancy could be restricted or not allowed as a result of the consultation. Appropriate modifications of the imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.

LEASE NOTICE
POTENTIAL CAVE OR KARST OCCURRENCE AREA

All, or portion of the lease, are located in a potential cave or karst occurrence area. Within this area, caves or karst features such as sinkholes, passages, and large rooms may be encountered from the surface to a depth of as much as 2,000 feet, within surface areas ranging from a few acres to hundreds of acres. Due to the sensitive nature of the cave or karst systems of this area, special protective measures may be developed during environmental analyses and be required as part of approvals for drilling or other operations on this lease. These measures could include: changes in drilling operations; special casing and cementing programs; modifications in surface activities; or other reasonable measures to mitigate impacts to cave or karst values. These measures may be imposed in accordance with 43 CFR 3101.1-2; 43 CFR 3162.5-1; Onshore Oil and Gas Order No. 1; and Section 6 of the lease terms.

LEASE NOTICE
PROTECTION OF ENDANGERED OR THREATENED
OR SENSITIVE SPECIES

The following species have been identified as occurring on or in the vicinity of the lease areas. The lease areas may contain essential habitat for the continued existence of these species: Kuenzler hedgehog cactus (*Echinocereus fendleri* var. *Kuenzleri*).

The Federal surface management agency is responsible for assuring that the leased lands are examined prior to undertaking any surface disturbing activities on lands covered by these leases, to determine effects on any plant or animal species listed or proposed for listing as endangered or threatened or their habitats.

In accordance with Section 6 of the lease terms and in order to comply with the Endangered Species Act of 1972, the lessee may be required to conduct an examination on the lands (including access routes to the lease areas) to be affected by the proposed action to determine if threatened or endangered species are present or may be affected by the proposed action. This survey would be done by a resource specialist approved by the surface management agency. An acceptable report is to be submitted for approval to the surface management agency identifying the anticipated effects of the proposed action on endangered or threatened species and their habitat. If the examination determines that the action may detrimentally affect a species listed or proposed for listing as an endangered or threatened species, restriction to the lessee's proposal or even denial of any beneficial use of the lease may result. The lessee will take such measures as may be required by the authorized officer to protect such species.

POTASH STIPULATION

Stipulations to be made part of any oil and gas lease involving lands described in Secretarial Order, 51 Federal Register 39425 (October 28, 1986).

The lessee further agrees that:

- (1) Drilling for oil and gas shall be permitted only in the event that the lessee establishes to the satisfaction of the Authorized Officer, Bureau of Land Management, that such drilling will not interfere with the mining and recovery of potash deposits, or the interest of the United States will best be served by permitting such drilling.
- (2) No wells shall be drilled for oil or gas at a location which, in the opinion of the Authorized Officer, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.
- (3) When it is determined by the Authorized Officer, that unitization is necessary for orderly oil and gas development and proper protection of potash deposits, no well shall be drilled for oil or gas except pursuant to a unit plan approved by the Authorized Officer.
- (4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations (43 CFR 3160), including such requirements as the Authorized Officer may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.

On the land(s) described below:

Bureau of Land Management
Carlsbad Field Office

SENM-S-1
Revised December 1996

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below:

For the purpose of: **Protecting representative Chihuahuan Desert Ecosystem Habitat for research purposes within South Texas Hill Canyon, Research Natural Area (CRA SMA NO. 3) as discussed in the Carlsbad RMP.**

If circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable Land Use Plan, or if not consistent, through a planning amendment. If the authorized officer determines that the waiver, exception, or modification is substantial, the waiver, exception, or modification will be subject to a 30-day public review period.

NO SURFACE USE STIPULATION

No surface occupancy or use is allowed on the lands described below:

For the purpose of: Protecting designated Critical Habitat for the Federally listed threatened and endangered Bluntnose Shiner species (CRA SMA No. 8) as discussed in the Carlsbad Resource Management Plan.

If circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable Land Use Plan, or if not consistent, through a planning amendment. If the authorized officer determines that the waiver, exception, or modification is substantial, the waiver, exception, or modification will be subject to a 30-day public review period.

PECOS RIVER/CANYON COMPLEX
NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the land(s) described below:

For the purpose of: Protecting a combination of significant resource values including scenic landscape, prime wildlife and threatened and endangered species habitat, and large and culturally complex archaeological sites within the Pecos River/Canyons Complex ACEC (CRA SMA No. 18) as discussed in the Carlsbad Resource Management Plan.

If circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable Land Use Plan, or if not consistent, through a planning amendment. If the authorized officer determines that the waiver, exception, or modification is substantial, the waiver, exception, or modification will be subject to a 30-day public review period.

GUADALUPE ESCARPMENT HABITAT MANAGEMENT AREA
CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use is subject to the following special operating constraints:

Unless otherwise authorized, surface use or occupancy within the leased lands will be strictly controlled, or if absolutely necessary, excluded.

On the lands described below:

For the purpose of: Protecting the following special areas, values, purposes, and sensitive resource conditions:

1. Surface lands within four hundred (400) meters of:
 - o Existing and potential wildlife watering sites;
 - o Riparian areas, wetlands, springs, water wells, and ephemeral, intermittent, or perennial streams;
 - o Raptor nest sites which have been active for the past two years;
2. On slopes over 30 percent, or over 20 percent on extremely erodable or slumping soils.
3. Within identified flood hazard zones.

SLOPES OR FRAGILE SOILS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed on slopes over 30 percent. Exceptions will be considered for authorized mineral material extraction sites and designated OHV areas, for the installation of projects designed to enhance or protect renewable natural resources, or if a plan of operating and development which provides for adequate mitigation of impacts was approved by the Authorized Officer. Occupancy or use of fragile soils will be considered on a case-by-case basis.

On the lands described below:

For the purpose of: Protecting Slopes or Fragile Soils

STREAMS, RIVERS, AND FLOODPLAINS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of the outer edge of 100-year floodplains, to protect the integrity of those floodplains. On a case-by-case basis, an exception to this requirement may be considered based on one or more of the criteria listed below. The first three criteria would not be applied in areas of identified critical or occupied habitat for federally listed threatened or endangered species.

--Additional development in areas with existing developments that have shown no adverse impacts to the riparian areas as determined by the Authorized Officer, following a case-by-case review at the time of permitting.

--Suitable off-site mitigation if habitat loss has been identified.

--An approved plan of operations ensures the protection of water or soil resources, or both.

--Installation of habitat, rangeland or recreation projects designed to enhance or protect renewable natural resources.

For the purpose of: Protecting Streams, Rivers and Floodplains

On the lands described below:

PLAYAS AND ALKALI LAKES

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of PLAYAS of Alkali Lakes. Waiver of this requirement will be considered on a case-by-case basis for projects designed to enhance or protect renewable natural resources. An exception for oil and gas development will be considered if Playa lake loss was mitigated by the protection and development of another playa exhibiting the potential for improvement. Mitigation could include: installing fencing; developing a supplemental water supply; planting trees and shrubs for shelter belts; conducting plays basin excavation; constructing erosion control structures or cross dikes; or by improving the habitat in another area.

On the lands described below:

For the purpose of: Protecting Playas and Alkali Lakes

SPRINGS, SEEPS AND TANKS

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of the source of a spring or seep, or within downstream riparian areas created by flows from the source or resulting from riparian area management. Surface disturbance will not be allowed within up to 200 meters of earthen tanks or the adjacent riparian areas created as a result of the presence of the tanks. Exceptions to this requirement will be considered for the installation of habitat or rangeland projects designed to enhance the spring or seep, or downstream flows.

For the purpose of: Protecting Springs, Seeps and Tanks

CAVES AND KARST

Surface occupancy or use is subject to the following special operating constraints:

Surface disturbance will not be allowed within up to 200 meters of known cave entrances, passages or aspects of significant caves, or significant karst features. Waiver of this requirement will be considered for projects that enhance or protect renewable natural resource values, or when an approved plan of operations ensures the protection of cave and karst resources.

For the purpose of: Protecting Caves and Karst Features

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to the operation and maintenance of production facilities.

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m.. The 3:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise. Exceptions to these requirements will be considered for areas of no or low prairie chicken booming activity, or unoccupied habitat, including leks, as determined at the time of permitting, or in emergency situations.

For the purpose of: Protecting Prairie Chickens

VISUAL RESOURCE MANAGEMENT

Surface occupancy or use is subject to the following special operating constraints:

Painting of oil field equipment and structures to minimize visual impacts will be conducted according to the requirements of Notice to Lessees (NTL) 87-1, New Mexico. Low profile facilities also may be required, when needed to reduce the contrast of a project with the dominant color, line, texture, and form of the surrounding landscape. Other surface facilities or equipment approved by the BLM, such as large-scale range improvements or pipelines, will be painted, when needed, to conform with the requirements of visual resource management to minimize visual impacts. Paint colors will be selected from the ten standard environmental colors approved by the Rocky Mountain Coordinating committee. The selected paint color will match as closely as possible the predominant soil or vegetation color of the area.

For the purpose of: Protecting Visual Resources Management

NO SURFACE OCCUPANCY
POTASH AREA

All or portion of the lease is over known potash deposits. The drilling of oil and gas wells which would penetrate these deposits is prohibited. For this purpose, and in addition to the conditions imposed by Stipulation SENM-S-1, no surface occupancy (NSO) will be allowed on the lands described below. These NSO lands are leased with the requirement that they are to be explored and/or developed by wells directionally drilled from surface locations on adjacent lands. The well bore of any directionally drilled well shall be drilled vertically until it penetrates USGS Marker Bed 126 or, if not present, its stratigraphic position, both as determined by the BLM authorized officer.

No surface occupancy is allowed on the lands described below:

For the purpose of: To prevent the drilling of wells for oil or gas which would result in an undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.

CONTROLLED SURFACE USE
STIPULATION

Surface occupancy or use is subject to the following special operating constraints:

All or part of the lease area contains special values, is needed for special purposes, or requires special attention to prevent damage to surface resources. Any surface use or occupancy within such areas will be strictly controlled. Use or occupancy will be authorized only when the operator demonstrates that the area is essential for operations and when the operator submits a surface use and operations plan which is satisfactory to the BLM for the protection of these special values and existing or planned uses. Appropriate modifications to the imposed restrictions will be made for the maintenance and operations or producing oil and gas wells.

After the BLM has been advised of the proposed surface use or occupancy of these lands and on request of the operator, the BLM will furnish further data on such areas.

Reason(s) for Restrictions: (one or more of the following)

- A. Minimize damage to watersheds having critical erosion potential.
- B. Prevent damage to cultural resources.
- C. Class I and II visual resource areas.
- D. Threatened and Endangered Species habitat.
- E. Riparian habitat.
- F. Other resource values.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provision for such changes.

SPECIAL STIPULATIONS
INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
UNITED STATES SECTION

1. The Lessee understands and agrees that drilling operations and deepening of any well for the purpose of producing oil and/or gas and other minerals under said lands, are prohibited below the 307-foot elevation traverse. However, exploration, development and producing operations will be permitted by directional drilling from locations off the said land and above the 307-foot elevation traverse;
2. No drilling operations are permitted which will cause contaminations of the Falcon Reservoir or the Rio Grande. Before any drilling operations commences, works including, but not limited to, a reserve pit, satisfactory to the United States Commissioner, International Boundary and Water Commission, United States and Mexico, shall be constructed of sufficient size and be maintained so as to hold all contaminants, well cuttings, trash, debris, refuse, etc., and to prevent them from getting into Falcon Reservoir or into the Rio Grande; and further, the lessee shall be liable for all damages due to contamination of the Falcon Reservoir, or the Rio Grande, resulting from his operations.
3. The Lessee agrees that all drilling, exploration, development and producing operations will be in conformance with the requirements of the Texas Railroad Commission and agencies of the States of Texas responsible for environmental concerns. Upon completion of the well, all pits—after settling or drying—will be filled and the location area will be graded so as to resemble, as nearly as practicable, the land conditions prior to drilling;
4. The Lessee agrees not to subdivide or assign any portion of this lease without prior written approval of the United States Commissioner, International Boundary and Water Commission, United States and Mexico, The Commons, Building C, Suite 310, 4171 North Mesa, El Paso, Texas 79902-1441, first hand and obtained prior to any submission for approval to the Department of the Interior.
5. Prior to any drilling operations, all requirements of the National Environmental Policy Act (NEPA) will be completed and reports provided to the Bureau of Land Management (BLM) and the International Boundary and Water Commission (IBWC).

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
UNITED STATES SECTION

1. The surface of the land described herein shall not be used for the extraction of oil and/or gas. Drilling operations by the Lessee/Operator on adjacent lands for removing oil and/or gas under the leased land shall be accomplished only in such a manner as will not damage or interfere with use of said leased land by the United States.
2. Copies of all records of oil and gas operations during the term of the lease must be provided to the U.S. Section of the IBWC as they are filed with the regulatory agencies or, in the case of unfiled data, once they become available.
3. All leases on these Federal lands must require that subsurface pressure tests be taken every six months on any wells drilled and completed as producing or injection wells and that the results be promptly provided to the U.S. Section of the IBWC. This data should also be requested from all oil and gas operators in the vicinity of the dam and related engineering structures.

Bureau of Land Management

New Mexico Oklahoma Texas Kansas

New Mexico State Office

1474 Rodeo Road
P.O. Box 27115
Santa Fe, NM 87502-0115
(505) 438-7400 | (505) 438-7435 FAX

Albuquerque Field Office

435 Montano NE
Albuquerque, NM 87107-4935
(505) 761-8700 | (505) 761-8911 FAX

Cuba Field Station

County Road 11, Suite C
P.O. Box 670
Cuba, NM 87103
(505) 289-3748 | (505) 289-3762 FAX

Grants Field Station

2001 Santa Fe Avenue
P.O. Box 846
Grants, NM 87020
(505) 287-7911 | (505) 285-5041 FAX

El Malpais Ranger Station

Route 117, Off I-40, Exit 89
(505) 240-0300

Amarillo Field Office

801 South Fillmore St., Suite 500
Amarillo, TX 79101-3545
(806) 324-2617 | (806) 324-2633 FAX

Carlsbad Field Office

620 East Greene Street
Carlsbad, NM 88220-6292
(505) 234-5972 | (505) 885-9264 FAX

Hobbs Field Station

414 W. Taylor
Hobbs, NM 88240-1157
(505) 393-3612 | (505) 393-3612 FAX

Farmington Field Office

1235 La Plata Highway, Suite A
Farmington, NM 87401
(505) 599-8900 | (505) 599-8998 FAX

Las Cruces Field Office

1800 Marquess Street
Las Cruces, NM 88005-3371
(505) 525-4300 | (505) 525-4412 FAX

McGregor Field Station

(505) 525-4300

Oklahoma Field Office, Moore

221 N. Service Road
Moore, OK 73160-4946
(405) 794-9624 | (405) 790-1050 FAX

Oklahoma Field Office, Tulsa

7906 E. 33rd Street, Suite 101
Tulsa, OK 74145-1352
(918) 621-4100 | (918) 621-4130 FAX

Roswell Field Office

2909 West Second Street
Roswell, NM 88201
(505) 627-0272 | (505) 627-0276 FAX

Valley of Fires Recreation Area

P.O. Box 871
Carrizozo, NM 88301
(505) 648-2241 | (505) 648-2241 FAX

Socorro Field Office

198 Neel Avenue, NW
Socorro, NM 87801
(505) 835-0412 | (505) 835-0223 FAX

Taos Field Office

226 Cruz Alta Road
Taos, NM 87571
(505) 758-8851 | (505) 758-1620 FAX

Orilla Verde Recreation Area

Pilar, NM
(505) 758-4060

Rio Grande Gorge Visitors Center

Pilar, NM
(505) 751-4899

Santa Cruz Lake

Between Rio Chiquito and Cundiyo, NM
(505) 770-1601

Wild Rivers Recreation Area

Cerro, NM
(505) 770-1600

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Oil & Gas Information includes:

- Sale Notice
- Sale Schedule
- FAQs
- Leasing Instructions & Guidelines
- NTLs, Onshore Orders
- Sale Results
- Forms
- Contacts

Email links are provided at the site
for your comments and suggestions