

BLM

New Mexico
Oklahoma
Texas & Kansas

Competitive Oil and Gas Lease Sale

July 16, 2008

Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
Santa Fe, New Mexico, 87505

www.blm.gov/nm

BLM





In Reply
Refer To:

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.blm.gov/nm



3120 (NM921-btm)

May 30, 2008

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, Oklahoma, Texas and Kansas** 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.

Beginning on page 1, is a list of the lands we are offering. The lands are described by parcel number and legal land description. They are listed in Range and Township order by state and land type and will be offered in that sequence. Below each parcel we have included any stipulations, lease notices, special conditions, or restrictions that will be made a part of the lease at the time we issue it. 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, lease notices, etc. 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, July 16, 2008.** The **Accounts Office at the Bureau of Land Management, New Mexico State Office Building,** will be used to register all bidders. Registration will start at 8:00 a.m. through 9:00 a.m. so you can obtain 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 87505, 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 **July 1, 2008.**

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 Office at the Bureau of Land Management**. 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. However, if you believe the auctioneer has made an error or not acknowledged your bid, you must immediately make your concerns known to the auctioneer. Once the auctioneer has opened the bidding on the next parcel available for an oil and gas lease, the decisions made on the previous parcels offered are final.

The minimum bid BLM can accept is \$2.00 per acre. If a parcel contains fractional acreage, round it 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(s), 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. 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 **\$140**. You must make this payment in our Accounts Office at the BLM office either during, or immediately following the sale.

-Remaining payments: If your bonus bid was more than \$2.00 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 July 30, 2008**, which is the 10th working day following the sale. Send the remaining balance payment to: **Attn: Accounts Staff – Bureau of Land Management, New Mexico State Office, 1474 Rodeo Road, Santa Fe, New Mexico 87505**. **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.

-Method of payment: You can pay by personal check, cashier's check, money order, or credit card (Visa, MasterCard, American Express or Discover Card only). 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 money order. **Note for customers planning to pay with Credit Card, effective February 1, 2005, BLM will not accept credit or debit card payments to the Bureau for any amount equal to or greater than \$100,000. Payments of \$100,000 or more should be made by Automated Clearing House (ACH) or Federal Wire Transfer. We suggest that no one plan to make a payment of \$100,000 or more by credit card.** 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, November 2001**, or earlier edition, copy included) 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 Title 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.

-Federal acreage limitations: Qualified individuals, associations, or corporations may only participate in a competitive lease sale and purchase Federal oil and gas leases from this office if such purchase will not result in exceeding the State limit of **246,080** acres of public domain lands and **246,080** acres of acquired lands (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than 10 percent. Lease acreage committed to a unit agreement or development contract that you hold, own or control is excluded from chargeability for acreage limitation purposes.

The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, transfer of interest by assignment of record title or operating rights, and options to acquire interest in leases regardless of whether an individual, association, or corporation has received, under 43 CFR 3101.2-4, additional time to divest excess acreage acquired through merger or acquisition.

-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 (\$2.00 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, February 2003**) 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:

- The township and range contains additional zeros. For example, T. 28 N., R. 32 E., is shown as T 0280 N, R 0320 E (additional zeros Underlined).

-The section numbers contain additional leading zeros. For example, section 4 is shown as sec. 004.

-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 0142 N.

-Cellular Phone Usage: You are restricted from using cellular phones in the sale room 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 **\$360** filing fee and the first year's advance rental computed at (\$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.

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 **October 22, 2008**. Please send nominations for that sale by **June 6, 2008**.

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) 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: www.blm.gov/nm (click on Programs, then click on Energy).

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

Yes, under regulation 43 CFR 3120.1-3, you may protest the inclusion of a parcel listed in this sale notice. All protests must meet the following requirements:

- We must receive a protest no later than close of business on the 15th calendar day **prior** to the date of the sale. If our office is not open on the 15th day prior to the date of the sale, a protest received on the next day our office is open to the public will be considered timely filed. The protest must also include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons.
- A protest must state the interest of the protesting party in the matter.
- You may file a protest either by mail in hardcopy form or by telefax. You may not file a protest by electronic mail. A protest filed by fax must be sent to **(505) 438-7458**. A protest sent to a fax number other than the fax number identified or a protest filed by electronic mail will be dismissed.
- If the party signing the protest is doing so on behalf on an association, partnership or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act for it, the individual cannot make a protest in the group's name.

If BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?

We will announce receipt of any protests at the beginning of the sale. We will also announce a decision to either withdraw the parcel or proceed with offering it at the sale.

If I am the high bidder at the sale for a protested parcel, when will BLM issue my lease?

We will make every effort to decide the protest within 60 days after the sale. We will issue no lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?

No. In accordance with BLM regulations (43 CFR 3120.5-3) you may not withdraw your bid.

If BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will refund your first year's rental, bonus bid and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations prior to lease issuance. If you do not accept the additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid and administrative fee.

If BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?

Yes, you may. Note, an appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

May I withdraw my bid if the protestor files and appeal?

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid. We will issue your lease concurrently with the decision to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize refund of the bonus bid, rentals and administrative fee if--

- There is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it, and;
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid and administrative fee.

Whom should I contact if I have a question?

For general information, please contact our Information Access Center at (505) 438-7471 or for information or questions about the sale, contact: **Bernadine T. Martinez at (505) 438-7530.**

/s/Bernadine T. Martinez

Bernadine T. Martinez
Land Law Examiner
Fluids Adjudication Team

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: December 31, 2009

State

Date of Sale

PARCEL NUMBER	AMOUNT OF BID <i>(see instructions below)</i>	
	TOTAL BID	PAYMENT SUBMITTED WITH BID
<p>THE BID IS FOR <i>(check one)</i>:</p> <p><input type="checkbox"/> Oil and Gas Parcel Number _____</p> <p><input type="checkbox"/> Geothermal Parcel Number _____</p> <p>Name of Known Geothermal Resource Area (KGRA)</p> <p>_____</p>		

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 next page.)*

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 will result in rejection of the bid and forfeiture of all monies submitted.

Print or Type Name of Lessee

Address of Lessee

City

State

Zip

Signature of Lessee or Bidder

- 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 Bureau of Land Management (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 the 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 BLM.
 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), the bidder may wish to leave the AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the BLM at the oral auction.

- INSTRUCTIONS FOR GEOTHERMAL OR NPR-A OIL AND GAS BID**
1. Separate bid for each parcel is required. Identify the parcel by the number assigned to a tract.
 2. Bid must be accompanied by one-fifth of the total amount of the 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 the 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 the 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 the 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 BLM.

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.

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.

NOTICES

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.

The BLM collects this information to determine the bidder submitting the highest bid.

Response to this request is required to obtain a benefit.

The 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 10 minutes 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 (1004-0074), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number _____

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 Combined Hydrocarbon Leasing Act of 1981 (95 Stat 1070).

READ INSTRUCTIONS BEFORE COMPLETING

1. 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 _____

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 _____

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 _____

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 _____, 20 _____.

(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.

**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

BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
July 16, 2008, Lease Sale Statistics by State
Parcels With and Without Pre-sale Noncompetitive Priority Offers

STATE	PARCELS WITH PRESALE OFFERS	PARCELS WITHOUT PRESALE OFFERS	TOTAL PARCELS	ACRES WITH PRESALE OFFERS	ACRES WITHOUT PRESALE OFFERS	TOTAL ACRES
NM	6	45	51	5,911.93	37,257.56	43,169.49
KS	0	2	2	0.00	159.88	159.88
OK	0	16	16	0.00	9,751.51	9,751.51
TX	0	11	11	0.00	9,696.19	9,696.19
TOTAL	6	74	80	5,911.93	56,865.14	62,777.07

KANSAS PUBLIC DOMAIN - SE

NM-200807-001 39.880 Acres

T.0020S, R.0060E, 06 PM, KS
Sec. 001 LOTS 1;
Marshall County
Tulsa FO
KSC 39419
Stipulations:
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act

KANSAS ACQUIRED - SE

NM-200807-002 120.000 Acres

T.0120S, R.0040E, 17 PM, KS
Sec. 012 E2SW,SWSW;
Geary County
Tulsa FO
U.S. MINERAL INTEREST - 50%
KSC 39418
Stipulations:
WO-ESA-7 Endangered Species Act

NEW MEXICO PUBLIC DOMAIN - SE

NM-200807-003 316.120 Acres

T.0230S, R.0240E, 23 PM, NM
Sec. 004 LOTS 1-4;
 004 S2N2;
Eddy County
Carlsbad FO
NMNM 76945
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200807-004 389.200 Acres

T.0220S, R.0250E, 23 PM, NM
Sec. 029 LOTS 1-8;
 029 E2NW;
Eddy County
Carlsbad FO
NMNM 92751
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200807-005 720.000 Acres

T.0250S, R.0260E, 23 PM, NM
Sec. 033 E2,E2W2,SWNW,W2SW;
 034 NESE,S2SE;
Eddy County
Carlsbad FO
NMNM 100325, NMNM 100326
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, & Floodplains
SENM-S-21 Caves and Karst
SENM-S-39 Plan of Development
SENM-S-42 Southern Guadalupe Escarpment

NM-200807-006 400.000 Acres

T.0260S, R.0260E, 23 PM, NM
Sec. 003 NE,E2NW,SW;
Eddy County
Carlsbad FO
NMNM 100327
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst
SENM-S-39 Plan of Development
SENM-S-42 Southern Guadalupe Escarpment

NM-200807-007 40.000 Acres

T.0250S, R.0280E, 23 PM, NM
Sec. 025 SENE;
Eddy County
Carlsbad FO
NMNM 94600
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-25 Visual Resource Management

NM-200807-008 480.390 Acres

T.0130S, R.0290E, 23 PM, NM
Sec. 005 LOTS 1,3,4;
 005 SENE,S2NW,SW,E2SE;
Chaves County
Roswell FO
NMNM 81683, NMNM 90576,
NMNM 92175, NMNM 94771
Stipulations:
SENM-S-22 Prairie Chickens
SENM-S-23 Sand Dune Lizard
SENM-S-39 Plan of Development

NM-200807-009 480.190 Acres

T.0130S, R.0290E, 23 PM, NM

Sec. 006 LOTS 1,2,3;

006 S2NE, SENW, E2SW, SE;

Chaves County

Roswell FO

NMNM 57255

Stipulations:

SENM-S-22 Prairie Chickens

SENM-S-23 Sand Dune Lizard

SENM-S-39 Plan of Development

NM-200807-010 320.000 Acres

T.0130S, R.0290E, 23 PM, NM

Sec. 008 E2;

Chaves County

Roswell FO

NMNM 98814

Stipulations:

SENM-S-22 Prairie Chickens

SENM-S-23 Sand Dune Lizard

SENM-S-39 Plan of Development

NM-200807-011 40.000 Acres

T.0240S, R.0290E, 23 PM, NM

Sec. 033 SWSE;

Eddy County

Carlsbad FO

NMNM 100336

Stipulations:

NM-11-LN Special Cultural Resource

SENM-LN-1 Cave - Karst Occurrence Area

SENM-S-11 (NSO) Pecos River/Canyon Complex

SENM-S-19 Playas and Alkali Lakes

NM-200807-012 40.000 Acres

T.0240S, R.0290E, 23 PM, NM

Sec. 034 SWSE;

Eddy County

Carlsbad FO

NMNM 100336

Stipulations:

NM-11-LN Special Cultural Resource

SENM-LN-1 Cave - Karst Occurrence Area

SENM-S-11 (NSO) Pecos River/Canyon Complex

SENM-S-19 Playas and Alkali Lakes

NM-200807-013 1280.000 Acres

T.0250S, R.0290E, 23 PM, NM

Sec. 023 ALL;

024 ALL;

Eddy County

Carlsbad FO

NMNM 100337, NMNM 100338

NMNM 100339, NMNM 100340

Stipulations:

NM-11-LN Special Cultural Resource

SENM-LN-1 Cave - Karst Occurrence Area

SENM-S-19 Playas and Alkali Lakes

NM-200807-014 80.000 Acres

T.0160S, R.0300E, 23 PM, NM

Sec. 025 S2NW;

Eddy County

Carlsbad FO

NMNM 94609

Stipulations:

NM-9-NSO Unit Participation/Pooling

NM-11-LN Special Cultural Resource

SENM-S-17 Slopes or Fragile Soils

SENM-S-22 Prairie Chickens

SENM-S-23 Sand Dune Lizard

NM-200807-015 320.000 Acres

T.0240S, R.0300E, 23 PM, NM

Sec. 013 S2NW, SW, W2SE;

Eddy County

Carlsbad FO

NMNM 92766

Stipulations:

NM-11-LN Special Cultural Resource

SENM-LN-1 Cave - Karst Occurrence Area

SENM-S-1 Potash Stipulation

NM-200807-016 161.160 Acres

T.0250S, R.0300E, 23 PM, NM

Sec. 018 LOTS 1,2;

018 E2NW;

Eddy County

Carlsbad FO

NMNM 100341

Stipulations:

NM-11-LN Special Cultural Resource

SENM-LN-1 Cave - Karst Occurrence Area

NM-200807-017 160.000 Acres

T.0250S, R.0300E, 23 PM, NM

Sec. 025 SE;

Eddy County

Carlsbad FO

NMNM 0157756

Stipulations:

NM-11-LN Special Cultural Resource

SENM-LN-1 Cave - Karst Occurrence Area

NM-200807-018 **160.000 Acres**
T.0190S, R.0310E, 23 PM, NM
Sec. 015 NENW,N2SW,NWSE;
Eddy County
Carlsbad FO
NMNM 100343, NMNM 100344
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-19 Playas and Alkali Lakes

NM-200807-019 **360.000 Acres**
T.0240S, R.0310E, 23 PM, NM
Sec. 012 E2;
 024 SWSE;
Eddy County
Carlsbad FO
NMNM 30070, NMNM 96234
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-1 Potash Stipulation

NM-200807-020 **40.000 Acres**
T.0250S, R.0310E, 23 PM, NM
Sec. 010 NWSE;
Eddy County
Carlsbad FO
NMNM 106535
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-19 Playas and Alkali Lakes
SENM-S-20 Springs, Seeps and Tanks

NM-200807-021 **40.000 Acres**
T.0250S, R.0310E, 23 PM, NM
Sec. 015 NWSE;
Eddy County
Carlsbad FO
NMNM 96852
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-19 Playas and Alkali Lakes
SENM-S-20 Springs, Seeps and Tanks

NM-200807-022 **360.000 Acres**
T.0260S, R.0310E, 23 PM, NM
Sec. 010 SWSW;
 012 SE;
 013 NE;
Eddy County
Carlsbad FO
NMNM 96853
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-16 Raptor Nests and Heronries
SENM-S-19 Playas and Alkali Lakes
SENM-S-20 Springs, Seeps and Tanks

NM-200807-023 **320.000 Acres**
T.0210S, R.0320E, 23 PM, NM
Sec. 035 N2;
Lea County
Carlsbad FO
NMNM 97890
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-1 Potash Stipulation
SENM-S-17 Slopes or Fragile Soils
SENM-S-22 Prairie Chickens

NM-200807-024 **560.030 Acres**
T.0240S, R.0320E, 23 PM, NM
Sec. 005 LOTS 4;
 005 SWNW,S2;
 009 NE;
Lea County
Carlsbad FO
NMNM 93212, NMNM 113602
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-19 Playas and Alkali Lakes
SENM-S-22 Prairie Chickens

NM-200807-025 **1840.000 Acres**
T.0240S, R.0320E, 23 PM, NM
Sec. 023 E2,E2SW;
 026 ALL;
 027 NE;
 035 ALL;
Lea County
Carlsbad FO
NMNM 00091, NMNM 86928, NMNM 93212,
NMNM 96241, NMNM 97893, NMNM 97894
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-19 Playas and Alkali Lakes
SENM-S-22 Prairie Chickens

NM-200807-026 1891.720 Acres

T.0240S, R.0320E, 23 PM, NM
Sec. 029 NE,W2,W2SE;
030 LOTS 1-4;
030 E2,E2W2;
031 LOTS 1-4;
031 E2,E2W2;

Lea County
Carlsbad FO
NMNM 90905, NMNM 92189
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-15 Wildlife Habitat Projects
SENM-S-19 Playas and Alkali Lakes
SENM-S-22 Prairie Chickens

NM-200807-027 240.040 Acres

T.0250S, R.0320E, 23 PM, NM
Sec. 031 LOTS 3,4;
031 E2SW;
033 W2SW;

Lea County
Carlsbad FO
NMNM 67498, NMNM 93486
Stipulations:
NM-11-LN Special Cultural Resource

NM-200807-028 1418.620 Acres

T.0260S, R.0320E, 23 PM, NM
Sec. 003 E2;
005 SWSE;
006 LOTS 1,4;
006 NENW;
007 SE;
008 NW;
010 E2,SWSW;
031 LOTS 1-5;
031 N2NE,NENW;

Lea County
Carlsbad FO
NMLC 068281, NMNM 18849, NMNM 19447,
NMNM 62226, NMNM 64609, NMNM 83608,
NMNM 96857
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-19 Playas and Alkali Lakes

NM-200807-029 1680.000 Acres

T.0090N, R.0330E, 23 PM, NM
Sec. 027 N2NE,E2NW,SW,S2SE;
028 S2;
033 S2NE,W2,SE;
034 NE,S2NW,SW;

Quay County
Roswell FO
NM 36083, NM 36084, NM 43415
Stipulations:
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains
(Sec. 27: E2NW,SW,S2SE)
(Sec. 28: S2)
(Sec. 33: W2)

NM-200807-030 120.000 Acres

T.0240S, R.0350E, 23 PM, NM
Sec. 035 S2NE,SENW;

Lea County
Carlsbad FO
NMNM 88266, NMNM 90552
Stipulations:
NM-11-LN Special Cultural Resource

NM-200807-031 159.750 Acres

T.0250S, R.0350E, 23 PM, NM
Sec. 006 LOTS 7;
006 SESW,S2SE;

Lea County
Carlsbad FO
NMNM 113907
Stipulations:
NM-11-LN Special Cultural Resource

NM-200807-032 640.000 Acres

T.0250S, R.0360E, 23 PM, NM
Sec. 008 ALL;

Lea County
Carlsbad FO
NMNM 053646-A
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-17 Slopes or Fragile Soils
SENM-S-19 Playas and Alkali Lakes
SENM-S-20 Springs, Seeps and Tanks

NM-200807-033 **160.000 Acres**
T.0250S, R.0380E, 23 PM, NM
Sec. 017 SE;
Lea County
Carlsbad FO
NMNM 56416
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-22 Prairie Chickens

NM-200807-037 **1280.000 Acres**
T.0210N, R.0080W, 23 PM, NM
Sec. 017 ALL;
 023 ALL;
San Juan County
Farmington FO
PENDING PRESALE OFFER NO. NMNM 98399
NMNM 66596, NMNM 76841,
NMNM 86864, NMNM 87233
Stipulations:
BIA-1
NM-11-LN Special Cultural Resource

NEW MEXICO PUBLIC DOMAIN - NW

NM-200807-034 **801.080 Acres**
T.0170N, R.0050W, 23 PM, NM
Sec. 003 LOTS 1-4;
 003 S2N2,S2;
 004 SE;
McKinley County
Farmington FO
NMNM 95615, NMNM 96790
Stipulations:
BIA-1
NM-11-LN Special Cultural Resource

NM-200807-038 **1285.590 Acres**
T.0210N, R.0080W, 23 PM, NM
Sec. 025 ALL;
 027 LOTS 1-4;
 027 N2,SE;
San Juan County
Farmington FO
PENDING PRESALE OFFER NO. NMNM 98391
NMNM 66596
Stipulations:
BIA-1
F-40-CSU
(Sec. 27: NWNWSE)
NM-11-LN Special Cultural Resource

NM-200807-035 **945.110 Acres**
T.0200N, R.0080W, 23 PM, NM
Sec. 001 TR 37;
 003 TR 40,41,48;
San Juan County
Farmington FO
PENDING PRESALE OFFER NO. NMNM 98395
NMNM 50997
Stipulations:
BIA-1
F-39-NSO
(Sec. 1: S2NWNE, N2SWNE)
F-40-NSO
(Sec. 1: N2NWNE)
NM-11-LN Special Cultural Resource

NM-200807-039 **640.000 Acres**
T.0210N, R.0080W, 23 PM, NM
Sec. 035 ALL;
San Juan County
Farmington FO
PENDING PRESALE OFFER NO. NMNM 98389
NMNM 66596
Stipulations:
BIA-1
F-40-CSU
(Sec. 35: NWNWSWNW, SWSWNWNW)
NM-11-LN Special Cultural Resource

NM-200807-036 **1120.000 Acres**
T.0210N, R.0080W, 23 PM, NM
Sec. 003 S2;
 007 E2E2;
 009 E2;
 011 SE;
 018 E2E2;
San Juan County
Farmington FO
PENDING PRESALE OFFER NO. NMNM 98402
NMNM 04539, NMNM 66596, NMNM 76841,
NMNM 86864, NMNM 87232
Stipulations:
BIA-1
F-40-CSU
(Sec. 3: S2SE)
(Sec. 11: SE)
NM-11-LN Special Cultural Resource

NM-200807-040 **641.230 Acres**
T.0220N, R.0090W, 23 PM, NM
Sec. 006 LOTS 1-7;
 006 S2NE,SE,SE,SE;
San Juan County
Farmington FO
PENDING PRESALE OFFER NO. NMNM 98390
Stipulations:
BIA-1
F-40-CSU
(Sec. 6: NWNENW)
NM-11-LN Special Cultural Resource

NM-200807-041 1280.000 Acres

T.0250N, R.0100W, 23 PM, NM

- Sec. 015 NE;
- 022 SE;
- 023 NW,SE;
- 025 E2,SW;
- 026 SW;

San Juan County

Farmington FO

NMNM 98739

Stipulations:

BIA-1

F-40-CSU

(Sec. 22: W2NWSE)

NM-11-LN Special Cultural Resources

NM-200807-042 320.000 Acres

T.0250N, R.0100W, 23 PM, NM

- Sec. 021 NE;
- 025 NW;

San Juan County

Farmington FO

NMNM 23064, NMNM 28756, NMNM 81639

Stipulations:

BIA-1

F-40-CSU

(Sec. 21: E2NE)

NM-11-LN Special Cultural Resource

NEW MEXICO PUBLIC DOMAIN - SW

NM-200807-043 1881.660 Acres

T.0020S, R.0200W, 23 PM, NM

- Sec. 001 LOTS 1-12;
- 001 S2N2;
- 011 ALL;
- 012 LOTS 1-8;
- 012 S2;

Catron County

Socorro FO

NMNM 100904

Stipulations:

NM-11-LN Special Cultural Resource

SFO-CSU-3 Raptor and Prairie Dog

SFO-CSU-4 Cultural Resources

NM-200807-044 2243.600 Acres

T.0020S, R.0200W, 23 PM, NM

- Sec. 003 LOTS 1-4;
- 003 S2N2,S2;
- 004 LOTS 1-4;
- 004 S2N2,S2;
- 009 E2;
- 010 ALL;

Catron County

Socorro FO

NMNM 61489, NMNM 63261, NMNM 100809

Stipulations:

NM-11-LN Special Cultural Resource

SFO-CSU-3 Raptor and Prairie Dog

SFO-CSU-4 Cultural Resources

NM-200807-045 1761.850 Acres

T.0020S, R.0200W, 23 PM, NM

- Sec. 005 LOTS 1-4;
- 005 S2N2,S2;
- 006 LOTS 1-5;
- 006 S2NE,SENW;
- 007 E2E2;
- 008 ALL;

Catron County

Socorro FO

NMNM 98772, NMNM 98773

Stipulations:

NM-11-LN Special Cultural Resource

SFO-CSU-3 Raptor and Prairie Dog

SFO-CSU-4 Cultural Resources

NM-200807-046 2453.260 Acres

T.0020S, R.0200W, 23 PM, NM

- Sec. 013 LOTS 1-8;
- 013 N2;
- 014 LOTS 1-16;
- 023 ALL;
- 024 ALL;

Catron County

Socorro FO

NMNM 100905

Stipulations:

NM-11-LN Special Cultural Resource

SFO-CSU-3 Raptor and Prairie Dog

SFO-CSU-4 Cultural Resources

NM-200807-047 2281.140 Acres

T.0020S, R.0200W, 23 PM, NM

- Sec. 017 LOTS 1-8;
- 017 W2;
- 018 E2,SENW,E2SW;
- 019 LOTS 3,4;
- 019 E2,E2W2;
- 020 LOTS 1-8;
- 020 W2;

Catron County

Socorro FO

NMNM 98774, NMNM 100811

Stipulations:

NM-11-LN Special Cultural Resource

SFO-CSU-3 Raptor and Prairie Dog

SFO-CSU-4 Cultural Resources

NM-200807-048 1972.640 Acres

T.0020S, R.0200W, 23 PM, NM
Sec. 025 ALL;
026 LOTS 1-16;
035 ALL;

Catron County
Socorro FO
NMNM 100906
Stipulations:
NM-11-LN Special Cultural Resource
SFO-CSU-3 Raptor and Prairie Dog
SFO-CSU-4 Cultural Resources

NM-200807-049 1461.760 Acres

T.0020S, R.0200W, 23 PM, NM
Sec. 027 LOTS 1-16;
028 LOTS 1-16;

Catron County
Socorro FO
NMNM 100812
Stipulations:
NM-11-LN Special Cultural Resource
SFO-CSU-3 Raptor and Prairie Dog
SFO-CSU-4 Cultural Resources

NM-200807-050 1984.530 Acres

T.0020S, R.0200W, 23 PM, NM
Sec. 029 LOTS 1-16;
030 LOTS 1-4;
030 E2,E2W2;
031 LOTS 1,2,5-16;
031 E2NW;

Catron County
Socorro FO
NMNM 100813
Stipulations:
NM-11-LN Special Cultural Resource
SFO-CSU-3 Raptor and Prairie Dog
SFO-CSU-4 Cultural Resources

NM-200807-051 1280.000 Acres

T.0020S, R.0200W, 23 PM, NM
Sec. 033 ALL;
034 ALL;

Catron County
Socorro FO
NMNM 100814
Stipulations:
NM-11-LN Special Cultural Resource
SFO-CSU-3 Raptor and Prairie Dog
SFO-CSU-4 Cultural Resources

NM-200807-052 1858.060 Acres

T.0200S, R.0200W, 23 PM, NM
Sec. 015 LOTS 1-16;
021 LOTS 1-4;
021 E2,SW;
022 ALL;

Catron County
Socorro FO
NMNM 100810
Stipulations:
NM-11-LN Special Cultural Resource
SFO-CSU-3 Raptor and Prairie Dog
SFO-CSU-4 Cultural Resources

NM-200807-053 460.760 Acres

T.0010N, R.0210W, 23 PM, NM
Sec. 003 LOTS 4;
003 SWNW;
009 LOTS 1-4;
009 W2E2;
010 SE;

Catron County
Socorro FO
NMNM 98754
Stipulations:
NM-11-LN Special Cultural Resource
SFO-CSU-3 Raptor and Prairie Dog
SFO-CSU-4 Cultural Resources

OKLAHOMA PUBLIC DOMAIN - NE

NM-200807-054 40.000 Acres

T.0030N, R.0030E, CM, OK
Sec. 028 SENW;

Cimarron County
Tulsa FO
OKNM 29836
Stipulations:
WO-ESA-7 Endangered Species Act

OKLAHOMA PUBLIC DOMAIN - SW

NM-200807-055 185.070 Acres

T.0040S, R.0140W, 17 PM, OK
Sec. 034 LOTS 11;
035 LOTS 5;
T.0050S, R.0140W, 17 PM, OK
Sec. 002 LOTS 2;
003 LOTS 1,6,12,15,16;

Tillman County

Tulsa FO

OKBLM 035512

Stipulations:

ORA-COA

ORA-LS-1

ORA-NTL

ORA-1-CSU Floodplain Protection

ORA-2-CSU Wetland/Riparian

WO-ESA-7 Endangered Species Act

NOTE: The successful bidder is required to submit evidence and maintain a bond in the amount of no less than \$200,000.00 prior to lease issuance.

OKLAHOMA PUBLIC DOMAIN - NW

NM-200807-056 5.610 Acres

T.0240N, R.0160W, 17 PM, OK
Sec. 008 LOTS 6;
017 REMAINING ACC & RIP;
017 ACREAGE TO LOT 8;
017 WITHIN SEC 8;
017 SEE EXH A FOR M&BS W/MAP;

Woods County

Tulsa FO

OKNM 98651

Stipulations:

ORA-1-CSU Floodplain Protection

ORA-2-CSU Wetland/Riparian

WO-ESA-7 Endangered Species Act

NM-200807-057 40.000 Acres

T.0280N, R.0160W, 17 PM, OK
Sec. 003 NWSE;

Woods County

Tulsa FO

OKNM 97918

Stipulations:

ORA-2-CSU Wetland/Riparian

WO-ESA-7 Endangered Species Act

NM-200807-058 30.030 Acres

T.0170N, R.0170W, 17 PM, OK
Sec.017 ACCR & RIPR TO L4 (3.72 AC);
017 ACCR & RIPR AC TO LOT 5;
019 ACCR & RIPR AC TO LOT 1;
019 ACCR & RIPR AC TO LOT 2;
019 ACCR & RIPR AC TO LOT 3;
019 SEE EXH B FOR M&B & MAPS;

Dewey County

Tulsa FO

Stipulations:

ORA-1-CSU Floodplain Protection

ORA-2-CSU Wetland/Riparian

WO-ESA-7 Endangered Species Act

OKLAHOMA ACQUIRED - NE

NM-200807-059 1137.970 Acres

T.0030N, R.0260E, 17 PM, OK
Sec. 025 SEE EXH C FOR LLD W/MAP;
026 SEE EXH C FOR LLD W/MAP;
035 SEE EXH C FOR LLD W/MAP;
036 SEE EXH C FOR LLD W/MAP;

Le Flore County

Tulsa FO

OUACHITA NATIONAL FOREST

OKNM 58100, OKNM 62670, OKNM 64043,

OKNM 64093, OKNM 86003, OKNM 86004

Stipulations:

FS1

FS-8 (OK) NSO-1*

*See Stip for Legal Land Desp. (LLD)

FS-8 (OK) LN-3

FS-8 (OK) LN-4

U.S. Mineral Interest - 93.75%

40.00 Acres

U.S. Mineral Interest - 50.00%

676.54 Acres

U.S. Mineral Interest - 25.00%

40.00 Acres

NM-200807-060 1046.450 Acres

T.0040N, R.0270E, 17 PM, OK
Sec. 021 ALL;
022 LOTS 1,2;
022 W2;

Le Flore County

Tulsa FO

FOREST SERVICE

OUACHITA NATIONAL FOREST

OKNM 37273, OKNM 78313

Stipulations:

FS1

FS8 (OK) CSU1-C

FS8 (OK) LN-3

FS8 (OK) LN-4

NM-200807-061 1765.550 Acres

T.0040N, R.0270E, 17 PM, OK

- Sec. 027 LOTS 1,3;
- 027 SW;
- 028 N2NE,NW,NESW,SE;
- 033 ALL;
- 034 LOTS 1-4;
- 034 W2;

Le Flore County
Tulsa FO
OUACHITA NATIONAL FOREST
OKNM 37273, OKNM 37274, OKNM 78313
Stipulations:
FS1
FS8 (OK) CSU1-C
FS8 (OK) LN-3
FS8 (OK) LN-4

NM-200807-062 960.000 Acres

T.0040N, R.0270E, 17 PM, OK

- Sec. 029 W2,W2SE,SESE;
- 030 N2NE,S2SE;
- 031 N2NE;
- 032 N2N2,SENE;
- 032 E2NESE,S2SWSE;
- 032 SESE;

Le Flore County
Tulsa FO
OUACHITA NATIONAL FOREST
OKNM 37274, OKNM 37331
Stipulations:
FS1
FS8 (OK) LN-3
FS8 (OK) LN-4

OKLAHOMA ACQUIRED - NW

NM-200807-063 120.000 Acres

T.0090N, R.0120W, 17 PM, OK

- Sec. 028 NENESW,S2NESW,SENWSW;
- 028 S2SW;

Caddo County
Tulsa FO
BUREAU OF RECLAMATION
WASHITA BASIN PROJECT - FT. COBB RESERVOIR
OKNM 25025
Stipulations:
BOR-GP-135
BOR-GS (FT. COBB)
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
U.S. Mineral Interest - 50%
(Sec. 28: NENESW, S2NESW, SESW)

NM-200807-064 160.000 Acres

T.0090N, R.0120W, 17 PM, OK

- Sec. 030 E2SW,W2SE;

Caddo County
Tulsa FO
BUREAU OF RECLAMATION
WASHITA BASIN PROJECT - FT. COBB RESERVOIR
OKNM 20084-A
Stipulations:
BOR-GP-135
BOR-GS (FT. COBB)
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act

NM-200807-065 479.440 Acres

T.0140N, R.0240W, 17 PM, OK

- Sec. 003 LOTS 1-4;
- 003 S2N2,N2S2;

Roger Mills County
Tulsa FO
FOREST SERVICE
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 99088
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2

NM-200807-066 1830.170 Acres

T.0140N, R.0250W, 17 PM, OK

- Sec. 003 SE;
- 005 LOTS 1-4;
- 005 S2N2,S2;
- 008 E2;
- 009 NW,E2SW;
- 011 W2NE,E2SW;
- 014 W2, LESS 10.63AC TO RR;

Roger Mills County
Tulsa FO
FOREST SERVICE
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 99112, OKNM 99114, OKNM 99116,
OKNM 99117, OKNM 99118
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
FS3 (OK) NSO3
(Sec. 14: SENW,SW, That portion
lying South of the existing
RR ROW)

NM-200807-067 **311.220 Acres**
T.0140N, R.0250W, 17 PM, OK
Sec. 015 S2NE,N2SE,LESS .84 AC RR;
 017 N2NE;
 021 E2SE,LESS 7.94 AC FOR RR;
Roger Mills County
Tulsa FO
FOREST SERVICE
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 62956, OKNM 78003, OKNM 83012
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
FS3 (OK) NSO3
 (Sec. 21: NESE, W2SESE)

NM-200807-068 **480.000 Acres**
T.0150N, R.0250W, 17 PM, OK
Sec. 010 N2NE;
 011 S2SE;
 012 NW;
 015 NW;
Roger Mills County
Tulsa FO
FOREST SERVICE
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 60082, OKNM 71656,
OKNM 78008, OKNM 78315
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2

NM-200807-069 **1160.000 Acres**
T.0150N, R.0260W, 17 PM, OK
Sec. 014 SE;
 022 W2NW,SE;
 023 NE,W2SW,N2SE,SWSE;
 034 NW,N2SW,SE;
Roger Mills County
Tulsa FO
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 01294, OKNM 12178, OKNM 12651,
OKNM 14349, OKNM 37906, OKNM 90926,
OKNM 0424671-A
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
FS3 (OK) NSO3
 (Sec. 22: SE)
 (Sec. 23: W2SW, N2SE)

TEXAS ACQUIRED

NM-200807-070 **283.600 Acres**
TX PM, TX
TR 107,108,109,110,111;
TR 146,147;
Burleson County
Tulsa FO
CORPS OF ENGINEERS
SOMERVILLE LAKE
TXNM 96114
U.S. Mineral Interest - 25%
 (Sec. 22: N2SE, SWSE)
 (Sec. 23: NWSW)
Stipulations:
COE-NSO (SOMERVILLE LAKE)
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
Quad No. 3096241

NM-200807-071 2272.880 Acres

TX PM, TX
TR J-1B PARCEL #2;
SEE EXH D FOR M&BS W/MAP;
San Jacinto County
Tulsa FO
FOREST SERVICE
SAM HOUSTON NATIONAL FOREST
TXNM 99075
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1B
FS8 (TX) CSU#1I
Quad No. 3095421

NM-200807-072 1493.850 Acres

TX PM, TX
TR J-1B PARCEL #3;
SEE EXH E FOR M&BS W/MAP;
San Jacinto County
Tulsa FO
FOREST SERVICE
SAM HOUSTON NATIONAL FOREST
TXNM 99076
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1I
Quad Nos. 3095421 & 3095412

NM-200807-073 183.190 Acres

TX PM, TX
TR J-1B PARCEL #5;
SEE EXH F FOR M&BS W/MAP;
San Jacinto County
Tulsa FO
FOREST SERVICE
SAM HOUSTON NATIONAL FOREST
TXNM 60931
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1I
FS8 (TX) CSU#1G
Quad Nos. 3095412, 3095421, 3095424

NM-200807-074 1237.060 Acres

TX PM, TX
TR J-1-III PARCEL #2;
SEE EXH G FOR M&BS W/MAP;
Montgomery County
Tulsa FO
FOREST SERVICE
SAM HOUSTON NATIONAL FOREST
TXNM 99062
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1B
FS8 (TX) CSU#1I
FS8 (TX) NSO-3B
Quad No. 3095312

NM-200807-075 2258.750 Acres

TX PM, TX
TR J-1-III PARCEL #3;
SEE EXH H FOR M&BS W/MAP;
Montgomery County
Tulsa FO
FOREST SERVICE
SAM HOUSTON NATIONAL FOREST
TXNM 99063
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1B
FS8 (TX) CSU#1I
FS8 (TX) NSO-3
(Montgomery County - 1311.75 Acres)
(Walker County - 947.00 Acres)
Quad Nos. 3095311 & 3095312

NM-200807-076 65.000 Acres

TX PM, TX
TR J-1892;
SEE EXH I FOR M&BS W/MAP;
Montgomery County
Tulsa FO
FOREST SERVICE
SAM HOUSTON NATIONAL FOREST
TXNM 96124
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1I
Quad No. 3095321

NM-200807-077 90.020 Acres

TX PM, TX
TR J-64;
SEE EXH J FOR M&BS W/MAP;
Montgomery County
Tulsa FO
FOREST SERVICE
SAM HOUSTON NATIONAL FOREST
TXNM 96123
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1I
Quad No. 3095321

NM-200807-078 438.790 Acres

TX PM, TX
TR J-1-III PARCEL #8;
SEE EXH K FOR M&BS W/MAP;
Montgomery County
Tulsa FO
FOREST SERVICE
SAM HOUSTON NATIONAL FOREST
TXNM 99068
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1I
FS8 (TX) NSO-3
Quad No. 3095244

NM-200807-079 728.690 Acres

TX PM, TX
TR W-G 601,604,605,606,608;
TR 609,616,619-1,619-2;
TR 619-3,619-4,619-5,619-6;
TR 619-7,619-8,619-9,619-10;
TR 619-11;
Hill County
Tulsa FO
CORPS OF ENGINEERS
WHITNEY LAKE - MID-BRAZOS PROJECT
TXNM 57571
Stipulations:
COE-NSO (WHITNEY LAKE)
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
U.S. Mineral Interest - 50%
(TRS W-G 619-1 thru 6 - 65.19 Acres)
U.S. Mineral Interest - 37.50%
(TRS W-G 619-7 and 8 - 2.86 Acres)
BLM Segment G Map - Whitney Lake

NM-200807-080 644.360 Acres

TX PM, TX
TR W-E 404,405-A,405-B;
TR W-E 406,408,425,426,427;
TR W-E 428,435,436,438;
TR W-G 603,611,612,614-A;
TR W-G 614-B,614-C,615,617;
TR W-G 619-12,619-13,619-14;
TR W-G 619-15,619-16,619-17;
TR W-G 619-18,619-19;
Hill County
Tulsa FO
CORPS OF ENGINEERS
WHITNEY LAKE - MID-BRAZOS PROJECT
TXNM 57571
Stipulations:
COE-NSO (WHITNEY LAKE)
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
U.S. Mineral Interest - 75%
(TR W-G 603 - 55.00 Acres)
U.S. Mineral Interest - 50%
(TRS W-G 619-12 thru 19 - 12.00 Acres)
BLM Segments E & G Maps - Whitney Lake

Number of Parcels - 80

Total Acreage - 62777.07

Total number of Parcels with Presale Offers - 6

Parcel Number of Parcels with Presale Offers - 35, 36, 37, 38, 39, 40

Total Acreage With Presale Offers - 5911.93

Any portion of the listed lands may be deleted upon determination that such lands are not available for leasing.

**METES AND BOUNDS DESCRIPTION
OF THE REMAINING ACCRETION AND RIPARIAN ACREAGE
TO LOT 8, SECTION 17, T 24 N – R 16 W, IN SECTION 8,
LOCATED ALONG THE CIMARRON RIVER,
WOODS COUNTY, OKLAHOMA**

Beginning at the intersection of the 2007 accretion line and the South line of Section 8, said point being South 89°34'01' East a distance of 783.86 feet from a 3/8" Iron Rod with cap at the South Quarter corner of Section 8, T. 24 N., R. 16 W., Woods County, Oklahoma.

Thence continuing along the 2007 accretion line, North 72°54'36" East a distance of 312.21 feet to a point on the 2007 medial line;

Thence along the 2007 medial line, South 17°23'33" East a distance of 98.76 feet to the intersection of the 2007 medial line and the South line of said Section 8;

Thence along the South line of said Section 8, North 89°34'01" West a distance of 327.96 feet to the POINT OF BEGINNING, and containing 0.35 acres of land more or less.

AND

Beginning at the intersection of the 2007 accretion line and the South line of Section 8, said point being South 89°34'01' East a distance of 225.39 feet from a 3/8" Iron Rod with cap at the South Quarter corner of Section 8, T. 24 N., R. 6 W., Woods County, Oklahoma.

Thence along the South line of said Section 8, North 89°34'01" West a distance of 179.32 feet to the intersection of the South line of said Section 8 and the ancient medial line on the West side of a GLO island, said point being 46.07 feet east of a 3/8" Iron Rod with cap at the South Quarter corner of said Section 8;

Thence along the ancient medial line, North 12°36'25" East a distance of 37.81 feet to a point;

Thence South 77°23'34" East a distance of 175.29 feet to the POINT OF BEGINNING, and containing 0.08 acres of land more or less.

Total of said Lot 8, Section 17, accretion and riparian acreage within Section 8 being 0.43 acres of land, more or less.

**METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 5, SECTION 17, T17 N., R 17 W, IM
NOT COVERED BY EXISTING
BLM LEASES OKNM 66448, 73505, 88586,
LOCATED ALONG THE CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the 2007 right bank at the intersection of the accretion line to Lot 5 and the Westerly boundary of BLM Lease OKNM 88586, said point being North 73 Degrees 20' 56" West a distance of 460.26 feet from a 3/8" Iron Rod with cap at the Northeast corner of Section 17, T. 17 N., R. 17 W., Dewey County, Oklahoma;

Thence along the Westerly boundary of existing BLM Lease OKNM 88586, South 34 Degrees 56' 52" West a distance of 55.93 feet to the intersection of the Westerly boundary of said BLM Lease OKNM 88586, and OKNM 73505;

Thence along the Northerly and Westerly boundary of said BLM Lease OKNM 73505, the following courses and distances:

North 66 Degrees 10' 58" West a distance of 84.36 feet;

South 34 Degrees 20' 03" West a distance of 176.96 feet to the intersection of the Westerly boundary of said BLM Lease OKNM 73505, and the Northerly boundary of BLM Lease OKNM 66448;

Thence along the Northerly boundary of said BLM Lease OKNM 66448, North 89 Degrees 57' 19" West a distance of 356.70 feet to a point on the 2007 medial line;

Thence along the 2007 medial line the following courses and distances:

North 22 Degrees 18' 17" East a distance of 81.23 feet;

North 44 Degrees 04' 49" East a distance of 365.15 feet;

North 48 Degrees 28' 32" East a distance of 40.41 feet to a point;

Thence South 41 Degrees 31' 27" East a distance of 127.79 feet to a proportional point on the 2007 left bank;

Thence south 56 Degrees 13' 35" East a distance of 199.57 feet to the point of beginning, and containing 2.41 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 3, SECTION 19, T. 17 N., R 17 W, IM
NOT COVERED BY EXISTING
BLM LEASES OKNM 80655, 88586, 20990A
LOCATED ALONG THE CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the ancient meander corner on the ancient left bank between Sections 19 and 30, said point being South 89 Degrees 59' 51" East a distance of 1468.16 feet from a 3/8" Iron Rod with cap at the south Quarter corner of Section 19, T. 17 N., R. 17 W., Dewey County, Oklahoma;

Thence along said existing BLM Lease OKNM 88586 the following courses and distances:

North 85 Degrees 15' 00" East a distance of 1597.27 feet;
North 04 Degrees 45' 00" West a distance of 231.00 feet;
North 12 Degrees 00' 00" West a distance of 572.38 feet to the intersection of the Easterly boundary of said existing BLM Lease and the accretion line of Lot 3;

Thence North 82 Degrees 52' 03" East a distance of 242.92 feet to a point on the 2007 medial line;

Thence along the 2007 medial line the following courses and distances:

South 07 Degrees 07' 57" East a distance of 152.92 feet;
South 03 Degrees 11' 40" East a distance of 150.50 feet;
South 10 Degrees 35' 48" East a distance of 506.40 feet;
South 00 Degrees 00' 00" East a distance of 100.87 feet;
South 00 Degrees 18' 37" East a distance of 681.39 feet to a point;
Thence South 89 Degrees 41' 22" West a distance of 128.49 feet to a proportional point on the 2007 left bank;

Thence North 69 Degrees 33' 12" West a distance of 69.76 feet to a point on the Southerly boundary of existing BLM Lease OKNM 20990A;

Thence along the boundaries of BLM Lease OKNM 80655 the following courses and distances:

North 88 Degrees 30' 39" East a distance of 155.20 feet;
North 01 Degrees 29' 21" West a distance of 531.43 feet;
North 06 Degrees 44' 30" West a distance of 65.46 feet;
North 89 Degrees 49' 11" West a distance of 613.61 feet;
South 02 Degrees 06' 29" West a distance of 417.84 feet to a point on the accretion line to said Lot 3;

Thence North 69 Degrees 33' 12 " West a distance of 1205.66 feet to the point of beginning, and containing 13.44 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 4, SECTION 17, T 17 N., R. 17 W, IM
NOT COVERED BY EXISTING
BLM LEASES OKNM 66447, 20990A,
LOCATED ALONG THE CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the ancient meander corner on the ancient left bank between Sections 17 and 20, said point being North 89 Degrees 56' 20" East a distance of 554.47 feet from a 3/8" Iron Rod at the Southwest corner of Section 17, T. 17 N., R. 17 W., Dewey County ,Oklahoma;

Thence along the South boundary of existing BLM Lease OKNM 66447, North 89 Degrees 48' 51" East a distance of 915.86 feet to a point on the 2007 medial line;

Thence along the 2007 medial line the following courses and distances:

South 52 Degrees 24' 06" West a distance of 146.20 feet;

South 63 Degrees 52' 31" West a distance of 235.55 feet;

South 52 Degrees 20' 20" West a distance of 102.43 feet to a point;

Thence North 27 Degrees 39' 40" West a distance of 147.14 feet to a proportional point on the 2007 left bank;

Thence North 71 Degrees 57' 03" West a distance of 439.13 feet to the point of beginning, and containing 2.28 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 4, SECTION 17, T17N-R17W,
NOT COVERED BY EXISTING BLM LEASES
OKNM 20990A, OKNM 88586, OKNM 66447
LOCATED ALONG THE CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the intersection of the accretion line of Lot 4 and the North boundary of existing BLM Lease OKNM 66447, said point being North 26 Degrees 03' 24" East a distance of 1457.57 feet from the ancient meander corner on the ancient left bank between Sections 17 and 20, said point being North 89 Degrees 56' 20" East a distance of 554.47 feet from a 3/8" Iron Rod at the Southwest corner of Section 17, T. 17 N., R. 17 W., Dewey County, Oklahoma;

Thence South 69 Degrees 07' 37" East a distance of 989.77 feet to a proportional point on the 2007 left bank;

Thence South 63 Degrees 47' 21" East a distance of 167.70 feet to a point on the 2007 medial line;

Thence along the 2007 medial line the following courses and distances:

South 26 Degrees 12' 39" West a distance of 44.49 feet;

South 38 Degrees 45' 25" West a distance of 192.41 feet;

South 30 Degrees 09' 54" West a distance of 155.33 feet;

South 48 Degrees 56' 10" West a distance of 234.72 feet;

South 36 Degrees 00' 19" West a distance of 40.07 feet to a point on the

East line of said existing BLM Lease;

Thence along said existing BLM Lease the following courses and distances:

North 32 Degrees 11' 53" East a distance of 430.56 feet;

North 22 Degrees 27' 26" East a distance of 178.92 feet;

North 67 Degrees 32' 35" West a distance of 126.15 feet;

North 66 Degrees 45' 50" West a distance of 911.73 feet to the point of beginning, and containing 1.44 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 1, SECTION 19, T 17N., R 17 W, IM
NOT COVERED BY EXISTING
BLM LEASES OKNM 88586,
LOCATED ALONG THE CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the intersection of the accretion line to Lot 1 and the Easterly boundary of existing BLM Lease OKNM 88586, said point being North 25 Degrees 40' 18" East a distance of 2770.10 feet from the ancient meander corner on the ancient left bank between Sections 19 and 30, said point being South 89 Degrees 59' 51" East a distance of 1468.16 feet from a 3/8" Iron Rod with cap at the South Quarter corner of Section 19, T. 17 N., R. 17 W., Dewey County, Oklahoma;

Thence along said existing BLM Lease, North 11 Degrees 13' 00" East a distance of 378.78 feet to a point on the 2007 medial line;

Thence along the 2007 medial line the following courses and distances:

South 00 Degrees 44' 07" East a distance of 134.73 feet;

South 10 Degrees 52' 54" East a distance of 218.34 feet to a point;

Thence South 79 Degrees 07' 05" West a distance of 118.76 feet to the point of beginning, and containing 0.42 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 2, SECTION 19, T17N-R17W,
NOT COVERED BY EXISTING BLM LEASE
OKNM 88586,
LOCATED ALONG THE CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the intersection of the accretion line to Lot 2 and the Easterly boundary of BLM Lease OKNM 88586, said point being North 25 Degrees 40' 18" East a distance of 2770.10 feet from the ancient meander corner on the ancient left bank between Sections 19 and 30, said point being South 89 Degrees 59' 51" East a distance of 1468.16 feet from a 3/8" Iron Rod with cap at the South Quarter corner of Section 19, T.17 N., R.17 W., Dewey County, Oklahoma;

Thence North 79 Degrees 07' 05" East a distance of 118.76 feet to a point on the 2007 medial line;

Thence along the 2007 medial line the following courses and distances:

South 10 Degrees 52' 54" East a distance of 69.97 feet;
South 22 Degrees 18' 09" East a distance of 369.06 feet;
South 32 Degrees 42' 14" East a distance of 154.44 feet;
South 17 Degrees 32' 41" East a distance of 275.16 feet;
South 04 Degrees 09' 19" East a distance of 194.48 feet;
South 00 Degrees 25' 56" West a distance of 204.68 feet;
South 07 Degrees 07' 57" East a distance of 368.19 feet to a point;

Thence south 82 Degrees 52' 03" West a distance of 242.92 feet to a point on the Easterly boundary of said existing BLM Lease;

Thence along said existing BLM Lease the following courses and distances:

North 12 Degrees 00' 00" West a distance of 1407.62 feet;
North 11 Degrees 13' 00" East a distance of 201.20 feet to the point of beginning, and containing 10.04 acres of land more or less.

**LEGAL LAND DESCRIPTION
LE FLORE COUNTY, OKLAHOMA
T. 3 N., R. 26 E., INDIAN MERIDIAN**

<p>Sec. 25: N2NE, lying S of Big Creek approximate boundry of BFMW*, less 7.31 acres for RR ROW, NWNW, S of Big Creek approximate boundry of BFMW*, less 3.10 acres for RR ROW, S2N2, less 3.88 acres for RR ROW, S2,</p>	<p>[34.69] [10.90] 50% USMI [156.12] 50% USMI [320.00] 50% USMI</p>
<p>Sec. 26: N2NE S of Big Creek approximate boundry of BFMW*, less 7.26 acres for RR ROW, NWNW, S2N2, less 0.48 acres for ROW, N2N2SE, N2SW, SWSW, N2SESW, SESESW, SWSESW, S2N2SE,</p>	<p>[44.74] [40.00] 25% USMI [159.52] 50% USMI [40.00] [80.00] [40.00] [20.00] 50% USMI [10.00] 50% USMI [10.00] [40.00] 93.75% USMI</p>
<p>Sec. 35: Part of the SWNE, lying North of the Talimena Scenic Drive approximate boundry of UKRW** containing 7.00 acres, NENENE, E2NWNENE,</p>	<p>[10.00] [5.00]</p>
<p>Sec. 36: Part of the N2NW, NWNE lying North of the Talimena Scenic Drive approximate boundry of UKRW** containing 110.00 acres.</p>	

TOTAL ACRES: 1,137.97

***BFMW = Black Fork Mountain Wilderness;**

****UKRW = Upper Kiamichi River Wilderness;**

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1b PARCEL #2
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS
2,272.88 ACRES**

All that certain parcel of land lying and being in San Jacinto County, Texas, embracing in whole or in part the following patented Surveys: Vital Flores, A-14, dated December 14, 1833; William Reeves, A-258, dated July 28, 1845; David Hollis, A-159, dated August 21, 1852; Ruthy Miller, A-37, dated August 17, 1835, and being identified for mineral leasing purposes as Tract J-1b Parcel #2. Parent Tract J-1b was acquired from Delta Land and Timber Company by warranty deed dated December 27, 1935, and recorded in Volume 32, Pages 332-345, Deed Records, San Jacinto County, Texas. Tract J-1b Parcel #2 contains approximately 2,272.88 acres, more or less, and is described as follows for mineral leasing purposes only. It is not the intent of this description of Tract J-1b Parcel #2 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or private minerals.

Beginning at corner 24 of Tract J-1b, on line common to the Ruthy Miller, A-37, and Hezekiah Farris, A-116, Surveys, a fence corner witnessed by an old marked bearing tree;

Thence N 89° 30' E, common to the Hezekiah Farris and Ruthy Miller Surveys, 8.80 chains to corner 25 of Tract J-1b;

Thence six lines with Tract J-1b, within the Ruthy Miller Survey:

S 61° 15' E, 1.70 chains to corner 26 of Tract J-1b;

N 70° 00' E, 2.30 chains to corner 27 of Tract J-1b, a FS standard concrete post marked J-278;

South, 75.30 chains to corner 28 of Tract J-1b, a FS standard concrete post marked J-279;

West, 46.00 chains to corner 29 of Tract J-1b;

North, 31.50 chains to corner 30 of Tract J-1b;

S 89° 30' W, 57.50 chains to corner 31 of Tract J-1b;

Thence South, common to the David Hollis Survey, A-159, and the Ruthy Miller Survey, 68.40 chains to corner 32 of Tract J-1b, the third corner of the David Hollis A-159 Survey and the fourth corner of the Ruthy Miller Survey;

Thence N 50° 00' W, common to the David Hollis Survey, A-159 and the Vital Flores Survey, A-14. At 38.90 chains a F.S. standard concrete post marked J-281. At 49.30 chains corner 33 of Tract J-1b, the second corner of the David Hollis Survey, A-159 and the second corner of the E. F. Grinstead Survey, A-426;

Thence North, common to the David Hollis A-159 and E. F. Grinstead Surveys, 25.50 chains to corner 34 of Tract J-1b, the beginning corner of the E. F. Grinstead Survey and the fourth corner of the William Reeves Survey;

Thence West, common to the William Reeves and E. F. Grinstead Surveys, 29.30 chains to corner 35 of Tract J-1b, the third corner of the E. F. Grinstead Survey and the third corner of the William Reeves Survey;

Thence S 50° 00' E, common to the E. F. Grinstead and Vital Flores Surveys, 8.30 chains to corner 36 of Tract J-1b;

Thence thirteen lines within the Vital Flores Survey:

**S 40° 30' W, 82.20 chains to corner 37 of Tract J-1b;
S 50° 00' E, 42.00 chains to corner 38 of Tract J-1b;
S 40° 00' W, 30.50 chains to corner 39 of Tract J-1b;
N 50° 00' W, 59.10 chains to corner 40 of Tract J-1b;
N 40° 45' E, 31.30 chains to corner 41 of Tract J-1b;
N 49° 00' W, 33.50 chains to corner 42 of Tract J-1b;
N 39° 45' E, 20.30 chains to corner 43 of Tract J-1b;
N 48° 15' W, 66.20 chains to corner 44 of Tract J-1b;
N 42° 00' E, 4.60 chains to corner 45 of Tract J-1b;
N 50° 00' W, 4.50 chains to corner 46 of Tract J-1b;
S 42° 00' W, 4.50 chains to corner 47 of Tract J-1b;
N 48° 15' W, 5.50 chains to corner 48 of Tract J-1b;
N 03° 00' E, 12.00 chains to corner 49 of Tract J-1b;**

Thence N 65° 00' E, common to the Vital Flores Survey and in part to the David Hollis Survey, A-158, and the Francisco Acosta Survey, A-61, 55.60 chains to corner 50 of Tract J-1b, the second corner of the Vital Flores Survey and the third corner of the Francisco Acosta Survey;

Thence S 49° 15' E, common to the Vital Flores and Francisco Acosta Surveys, 20.00 chains to corner 51 of Tract J-1b, the second corner of the Francisco Acosta Survey and the second corner of the William Reeves Survey;

Thence East, common to the William Reeves and Francisco Acosta Surveys, 52.20 chains to corner 52 of Tract J-1b, the beginning corner of the Francisco Acosta Survey and the second corner of the Jacob A. Ward Survey, A-319, a F.S. standard concrete post marked J-282;

Thence a calculated bearing and distance across Tract J-1b of N 89° 34' 32" E, common with the William Reeves and Jacob Ward Surveys and the David Hollis, A-159, Ruthy Miller and Hezekiah Farris, A-116, Surveys, and common to BLM lease offers Tract J-1b Parcel #4 and Parcel #3, 168.22 chains to the place of beginning, containing 2,321.88 acres, more or less, SUBJECT TO Exception No. 1 of 49.00 acres, now known as Forest Service Tract J-74h, leaving a net acreage available of 2,272.88 acres, more or less.

Exception No. 1, 49.00 acres: Beginning at corner 1 of Exception No. 1 of Tract J-1b, the third corner of the Ruthy Miller Survey and the fourth corner of the David Hollis Survey, A-159, on the southerly line of the Hezekiah Farris Survey, a F.S. standard concrete post marked J-280;

Thence N 89° 30' E, common to the Hezekiah Farris and Ruthy Miller Surveys, 21.50 chains to corner 2 of Exception No. 1 of Tract J-1b;

Thence two lines within the Ruthy Miller Survey:

 South, 22.90 chains to corner 3 of Exception No. 1 of Tract J-1b;
 S 89° 30' W, 21.50 chains to corner 4 of Exception No. 1 of Tract J-1b. From this corner, corner 31 of Tract J-1b bears South, 21.20 chains distant;

Thence North, common to the Ruthy Miller Survey and the David Hollis Survey, A-159, 22.90 chains to the place of beginning, containing 49.00 acres, more or less.

NET AREA FOR TRACT J-1b PARCEL #2: 2,272.88 ACRES

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1b PARCEL #3
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS
1,493.85 ACRES**

All that certain parcel of land lying and being in San Jacinto County, Texas, embracing in whole or in part the following patented Surveys: Hezekiah Farris, A-166, dated October 31, 1850; James H. Collard, A-8, dated September 28, 1835, and being identified for mineral leasing purposes as Tract J-1b Parcel #3. Parent Tract J-1b was acquired from Delta Land and Timber Company by warranty deed dated December 27, 1935, and recorded in Volume 32, Pages 332-345, Deed Records, San Jacinto County, Texas. Tract J-1b Parcel #3 contains approximately 1,493.85 acres, more or less, and is described as follows for mineral leasing purposes only. It is not the intent of this description of Tract J-1b Parcel #3 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or private minerals.

Beginning at corner 9 of Tract J-1b, within the Hezekiah Farris Survey, A-116, a F.S. standard concrete post marked J-219;

Thence North, within the Hezekiah Farris Survey, 76.20 chains to corner 10 of Tract J-1b;

Thence East, within the Hezekiah Farris Survey, 36.40 chains to corner 11 of Tract J-1b;

Thence N 00° 30' E, common to the Hezekiah Farris Survey and the James H. Collard Survey, A-8, 12.90 chains to corner 12 of Tract J-1b, the seventh corner of the Hezekiah Farris Survey, the fourth corner of the James H. Collard Survey and the beginning corner of the Samuel McCombs Survey;

Thence N 89° 00' E, common to the James H. Collard and Samuel McCombs Surveys, at 12.90 chains the East Fork of San Jacinto River. At a calculated distance of 24.10 chains, a point for corner for Parcel #3, said point being on the boundary line of lease offer Tract J-1b Parcel #5;

Thence South, with the west boundary line of Tract J-1b Parcel #5, in part within the James H. Collard and Hezekiah Farris Surveys, approximately 103.96 chains to a point for corner for Parcel #3, said point being on line between corners 16 and 17 of Tract J-1b, and bears West, 27.00 chains from corner 16 of Tract J-1b;

Thence West, within the Hezekiah Farris Survey, 4.50 chains to corner 17 of Tract J-1b;

Thence three lines with Tract J-1b within the Hezekiah Farris Survey:

**South, 31.80 chains to corner 18 of Tract J-1b;
S 89° 30' W, 18.50 chains to corner 19 of Tract J-1b;
South, 22.20 chains to corner 20 of Tract J-1b, common to corner 1 of
F. S. Tract J-1f;**

**Thence seven lines within the Hezekiah Farris Survey and with the lands
quitclaimed to J. A. Caldwell by Quitclaim Deed dated September 11, 1980 and
recorded in Volume 198, Page 478, San Jacinto County Deed Records;**

**N 89° 30' W, 0.80 chains to corner 20a of Tract J-1b;
N 00° 30' E, 0.08 chains to corner 20b of Tract J-1b;
N 88° 59' W, 13.64 chains to corner 20c of Tract J-1b;
N 80° 41' 20" W, 1.53 chains to corner 20d of Tract J-1b;
S 89° 51' 20" W, 23.59 chains to corner 20e of Tract J-1b;
S 00° 30' W, 0.17 chains to corner 20f of Tract J-1b;
N 89° 30' W, 5.83 chains to corner 21 of Tract J-1b;**

**Thence in a general Southeasterly direction, down and with the meanders of
Miller Creek, 10.00 chains to corner 22 of Tract J-1b, in the center of Miller Creek,
having a calculated chord bearing and distance of S 15° 57' 13" E, 9.52 chains;**

Thence two lines within the Hezekiah Farris Survey:

**S 89° 30' W, 29.30 chains to corner 23 of Tract J-1b;
South, 24.80 chains to corner 24 of Tract J-1b;**

**Thence a calculated bearing and distance of S 89° 34' 32" W, common to the
Hezekiah Farris Survey and the Ruthy Miller Survey, A-37, 38.22 chains to a point
for corner, said line being common with offered lease Tract J-1b Parcel #2;**

**Thence a calculated bearing and distance of North, within the Hezekiah Farris
Survey and across Tract J-1b, approximately 102.38 chains to a point on line
between corners 8 and 9 of Tract J-1b, said point bears N 89° 45' E, 90.04 chains
from corner 8 of Tract J-1b and said line being common with offered lease
Tract J-1b Parcel 4;**

**Thence N 89° 45' E, within the Hezekiah Farris Survey, 72.66 chains to the place of
beginning, containing 1,493.85 acres, more or less.**

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1b PARCEL #5
SAM HOUSTON NATIONAL FOREST
SAN JACINTO COUNTY, TEXAS
183.19 ACRES**

All that certain parcel of land lying and being in San Jacinto County, Texas, embracing in part the James H. Collard patented Survey, A-8, dated September 28, 1835, and the Hezekiah Farris patented Survey, A-116, dated October 31, 1850, and being identified for mineral leasing purposes as Tract J-1b Parcel #5. Parent Tract J-1b was acquired from Delta Land and Timber Company by warranty deed dated December 27, 1935, and recorded in Volume 32, Pages 332-345, Deed Records, San Jacinto County, Texas. Tract J-1b Parcel #5 contains approximately 183.19 acres, more or less, and is described as follows for mineral leasing purposes only. It is not the intent of this description of Tract J-1b Parcel #5 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or private minerals.

Beginning at corner 13 of Tract J-1b, on line common to the James H. Collard Survey, A-8, and the Samuel McCombs Survey, A-27, a F.S. standard concrete post marked J-220;

Thence South, within the James Collard Survey, at 35.10 chains the East Fork of the San Jacinto River. At 76.50 chains corner 14 of Tract J-1b;

Thence S 89° 30' E, common to the Hezekiah Farris Survey, A-116, and the James H. Collard Survey, 12.80 chains to corner 15 of Tract J-1b, the beginning corner of the Hezekiah Farris Survey and the sixth corner of the Jonathan S. Collard Survey, A-9, a F.S. standard concrete post marked J-277;

Thence South, common to the Hezekiah Farris and the Jonathan S. Collard Surveys, 27.60 chains to corner 16 of Tract J-1b;

Thence West, within the Hezekiah Farris Survey, 27.00 chains to a point for corner for Parcel #5 between corners 16 and 17 of Tract J-1b;

Thence North, within the Hezekiah Farris and James Collard Surveys, approximately 103.96 chains to a point for corner for Parcel #5 on line between corners 12 and 13 of Tract J-1b, said line common with offered lease J-1b Parcel #3;

Thence N 89° 00' E, common to the James Collard and Samuel McCombs Surveys, approximately 14.20 chains the point of beginning, containing 183.19 acres, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-III PARCEL #2
SAM HOUSTON NATIONAL FOREST
MONTGOMERY COUNTY, TEXAS
1,237.06 ACRES**

All that certain parcel of land lying and being in Montgomery County, Texas, embracing in part the following patented surveys: James I. Foster, A-204, dated July 22, 1853; Michael Looby, A-330, dated September 12, 1867; Heirs of Thomas Betts, A-95, dated January 10, 1861, and being identified for mineral leasing purposes as Tract J-1-III Parcel #2. Parent Tract J-1-III was acquired from Delta Land and Timber Company by warranty deed dated December 27, 1935, and recorded in Volume 183, Pages 509-547, Deed Records, Montgomery County, Texas. Tract J-1-III Parcel #2 contains approximately 1,237.06 acres, more or less, and is described as follows for mineral leasing purposes only. It is not the intent of this description of Tract J-1-III Parcel #2 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or private minerals.

Beginning at corner 14 of Tract J-1-III, within the James I. Foster Survey, witnessed by scribed bearing trees;

Thence four lines within the James I. Foster Survey and Tract J-1-III:

S 89° 30' W, 13.60 chains to corner 15 of Tract J-1-III;
N 00° 30' W, 22.70 chains to corner 16 of Tract J-1-III;
N 89° 30' E, 18.00 chains to corner 17 of Tract J-1-III;
N 00° 30' W, 22.50 chains to corner 18 of Tract J-1-III;

Thence, across Tract J-1-III common with the James I. Foster Survey and in part with the Thomas James Survey, A-288 and the J. M. Hall, Jr. Survey, A-767, a calculated bearing and distance of N 89° 00' 59" E, 41.72 chains to corner 35 of Tract J-1-III, the fifth corner of the J. M. Hall, Jr. Survey, and the third corner of the T. & N.O.R.R. Co. Survey No. 19, A-574, a F.S. standard concrete post marked J-83, said line common to offered Tract J-1-III Parcel #1;

Thence East, common to the T. & N.O.R.R. Co. No. 19 and James I. Foster Surveys and with F.S. Tract J-1-VI, 75.30 chains to corner 36 of Tract J-1-III;

Thence North, common to the Michael Looby Survey, A-330, and the T. & N.O.R. Co. Survey No. 19 and with Tract J-1-VI, 18.00 chains to corner 37 of Tract J-1-III;

Thence S 89° 00' E, continuing with Tract J-1-VI, common to the Michael Looby Survey and in part with the T. & N.O.R.R. Co. No. 19 and the George W. Cheshire, A-695, Surveys, 58.90 chains to corner 38 of Tract J-1-III;

Thence South, common to the Michael Looby Survey and in part with the William Taylor, A-545 (M) and A-540 (W), James B. Cheshire, A-696, and Heirs of Thomas Betts, A-95 Surveys, approximately 94.86 chains to a point for corner within Tract J-1-III for Parcel #2, said line common in part to offered Tract J-1-III Parcel #3 and Exception No. 5 to Tract J-1-III, which is also known as F.S.Tract J-274;

Thence across Tract J-1-III and within the Heirs of Thomas Betts and James I. Foster Surveys, a calculated bearing and distance of N 79° 56' 09" W, 182.72 chains to the place of beginning, containing 1,237.06 acres of land, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-III PARCEL #3
SAM HOUSTON NATIONAL FOREST
MONTGOMERY AND WALKER COUNTIES, TEXAS
2,258.75 ACRES**

All that certain parcel of land lying and being in Montgomery and Walker Counties, Texas, embracing in whole or in part the following patented surveys: Wm. M. Addison, A-705 (Walker) and A-694 (Montgomery), dated July 5, 1905; George W. Cheshire, A-695, dated June 12, 1905; Larkin Day, A-163 (Walker), dated March 22, 1849; William S. Taylor, A-540 (Walker) and A-545 (Montgomery), dated April 14, 1847; James B. Cheshire, A-696, dated September 9, 1905; Christopher Vandevander, A-506, dated December 5, 1850, and being identified for mineral leasing purposes as Tract J-1-III Parcel #3. Parent Tract J-1-III was acquired from Delta Land and Timber Company by warranty deed dated December 27, 1935, and recorded in Volume 183, Pages 509-547, Deed Records of Montgomery County, Texas, and Volume 82, Page 176-215, Deed Records of Walker County, Texas. Tract J-1-III Parcel #3 contains approximately 2,258.75 acres, more or less, and is described as follows for mineral leasing purposes only. It is not the intent of this description of Tract J-1-III Parcel #3 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or private minerals.

Beginning at corner 38 of Tract J-1-III, the second corner of the Michael Looby Survey, A-330 and the fourth corner of the George W. Cheshire Survey, A-695, a stake;

Thence two lines within the George W. Cheshire Survey:

North, 7.00 chains to corner 39 of Tract J-1-III;
East, 12.60 chains to corner 40 of Tract J-1-III;

Thence N 00° 15' W, common to the George W. Cheshire Survey and the William S. Taylor Survey, A-545 (Montgomery Co.) and A-540 (Walker Co.), 18.70 chains to corner 41 of Tract J-1-III, the beginning corner of the George W. Cheshire Survey and the second corner of the Wm. M. Addison Survey, A-705 (Walker Co.) and A-694 (Montgomery Co.);

Thence West, common to the Wm. M. Addison Survey and in part to and partly within the George W. Cheshire Survey, 36.70 chains to corner 42 of Tract J-1-III, a F.S. standard concrete post marked J-77;

Thence N 00° 30' W, with F. S. Tract J-1-VI and common to the T. & N.O.R.R. Co. No. 19 Survey, A-574 and in part to the Wm. M. Addison and George W. Cheshire Surveys, 56.70 chains to corner 43 of Tract J-1-III, the sixth corner of the Wm. M. Addison Survey and the seventh corner of the T. & N.O.R.R. Co. Survey No. 19;

Thence S 89° 45' E, with F.S. Tract J-1-I, common to the Thomas A. Cresup Survey, A-111, and Wm. M. Addison Surveys, 36.60 chains to corner 44 of Tract J-1-III, common to corner 136 of Tract J-1-I, the beginning corner of the Wm. M. Addison Survey and the eighth corner of the Thomas A. Cresup Survey;

Thence South, continuing with Tract J-1-I, common to the Charles Clabough Survey, A-131, and the Wm. M. Addison Survey, 10.90 chains to corner 45 of Tract J-1-III, common to corner 135 of Tract J-1-I, the fifth corner of the Charles Clabough Survey and the fourth corner of the Larkin Day Survey, A-163 (Walker Co.);

Thence N 89° 30' E, continuing with Tract J-1-I and common to the Charles Clabough and the Larkin Day Surveys, 86.30 chains to corner 46 of Tract J-1-III, common to corner 134 of Tract J-1-I, the beginning corner of the Larkin Day Survey and the fourth corner of the Charles Clabough Survey;

Thence S 45° 30' E, continuing with Tract J-1-I and common to the Alexander Whittaker Survey, A-581 and in part to the Larkin Day and William S. Taylor Surveys, 57.80 chains to corner 47 of Tract J-1-III, common to corner 133 of Tract J-1-I;

Thence N 44° 30' E, continuing with Tract J-1-I and common to the William S. Taylor and Alexander Whittaker Surveys, 59.80 chains to corner 48 of Tract J-1-III, common to corner 132 of Tract J-1-I;

Thence S 00° 30' E, continuing with Tract J-1-I and common to the William S. Taylor Survey and the John Harper Survey, A-247, 46.00 chains to corner 49 of Tract J-1-III, common to corner 131 of Tract J-1-I;

Thence West, continuing with Tract J-1-I and common to the William S. Taylor Survey and the John B. Tong Survey, A-537 (Walker Co.) and A-548 (Montgomery Co.), 28.60 chains to corner 50 of Tract J-1-III, common to corner 130 of Tract J-1-I;

Thence South, in part with Tract J-1-I and common to the John B. Tong Survey and in part to the William S. Taylor Survey and the Christopher Vandevander Survey, A-506, 87.90 chains to corner 51 of Tract J-1-III;

Thence two lines within the Christopher Vandevander Survey:

S 89° 45' W, 31.00 chains to corner 52 of Tract J-1-III;
S 50° 30' E, 36.80 chains to corner 53 of Tract J-1-III;

Thence S 01° 00' E, continuing with Tract J-1-I and common to the Christopher Vandevander Survey and the Thomas James Survey, A-287, 6.90 chains to corner 54 of Tract J-1-III;

Thence three lines within the Christopher Vandevander Survey:

N 70° 00' W, 35.70 chains to corner 55 of Tract J-1-III;
S 17° 00' W, 21.20 chains to corner 56 of Tract J-1-III;
S 50° 00' E, 32.30 chains to corner 57 of Tract J-1-III;

Thence across Tract J-1-III, common to Parcel #6 north line, and within the Christopher Vandevander Survey, a calculated bearing and distance of N 79° 56' 09" W, 137.79 chains to a point for the southwest corner of J-1-III Parcel #3;

Thence North, common in part to the Heirs of Thomas Betts, James B. Cheshire, and Michael Looby, A-330, Surveys, 94.86 chains to the place of beginning, containing 2,687.75 acres of land, more or less, SAVE AND EXCEPT Exception No. 5, also known as F.S. Tract J-274, containing 100.00 acres, Exception No. 6, also known as F.S. Tracts J-1p and J-42, containing 197.00 acres, Exception No. 7 containing 25.00 acres, and Exception No. 8 containing 107.00 acres, described as follows, leaving a net acreage available for lease of 2,258.75 acres, more or less.

Exception No. 5, 100.00 acres, aka F.S. Tract J-274: Beginning at corner 1 of Exception No. 5, identical with the second corner of the Geo. W. Cheshire Survey, A-695, and the beginning corner of

the James B. Cheshire Survey, A-696. From this corner, corner 40 of Tract J-1-III bears N 00° 15' W, 26.40 chains distant.

Thence S 00° 15' E, common to the James B. Cheshire Survey and in part to the William S. Taylor and Christopher Vandevander Surveys, 70.00 chains to corner 2 of Exception No. 5, a F.S. standard concrete post marked J-78;

Thence West, within the James B. Cheshire Survey, 14.50 chains to corner 3 of Exception No. 5;

Thence North, common to the James B. Cheshire Survey and the Heirs of Thomas Betts Survey, 31.80 chains to corner 4 of Exception No. 5;

Thence N 01° 30' E, common to the James B. Cheshire and Michael Looby Surveys, 38.20 chains to corner 5 of Exception No. 5;

Thence East, common to the George W. Cheshire and James B. Cheshire Surveys, 13.50 chains to the place of beginning, containing 100 acres, be the same more or less.

Exception No. 6, 197.00 acres, aka F.S. Tracts J-1p and J-42: Beginning at corner 1 of Exception No. 6, in boundary line of Wm. M. Addison and William S. Taylor Surveys. From this corner, corner 41 of Tract J-1-III bears S 00° 15' E, 5.70 chains distant.

Thence N 00° 15' W, common to the Wm. M. Addison Survey and in part to the William S. Taylor and Larkin Day Surveys, 30.70 chains to corner 2 of Exception No. 6;

Thence two lines within the Larkin Day Survey:

N 89° 45' E, 29.70 chains to corner 3 of Exception No. 6;
S 00° 15' E, 16.80 chains to corner 4 of Exception No. 6;

Thence N 89° 45' E, common to the William S. Taylor and Larkin Day Surveys, 41.10 chains to corner 5 of Exception No. 6;

Thence five lines within the William S. Taylor Survey:

S 45° 15' E, 19.60 chains to corner 6 of Exception No. 6;
S 89° 45' W, 10.80 chains to corner 7 of Exception No. 6;
S 00° 15' E, 15.50 chains to corner 8 of Exception No. 6;
West, 26.00 chains to corner 9 of Exception No. 6;
N 00° 15' W, 15.40 chains to corner 10 of Exception No. 6,
a F.S. standard concrete post marked J-40;

Thence S 89° 45' W, within the William S. Taylor Survey, 47.70 chains to the place of beginning, containing 197 acres, be the same more or less.

Exception No. 7, 25.00 acres: Beginning at corner 1 of Exception No. 7, in the William S. Taylor Survey. From this corner, corner 9 of Exception No. 6 of Tract J-1-III bears East, 0.20 chain distant;

Thence four lines within the William S. Taylor Survey:

South, 18.40 chains to corner 2 of Exception No. 7;
West, 13.70 chains to corner 3 of Exception No. 7;
North, 18.40 chains to corner 4 of Exception No. 7;
East, 13.70 chain to the place of beginning, containing 25 acres,
be the same more or less.

Exception No. 8, 107.00 acres: Beginning at corner 1 of Exception No. 8, in the Christopher Vandevander Survey. From this corner, corner 52 of Tract J-1-III bears East, 17.90 chains distant;

Thence four lines within the Christopher Vandevander Survey:

South, 32.60 chains to corner 2 of Exception No. 8;
West, 32.80 chains to corner 3 of Exception No. 8;
North, 32.60 chains to corner 4 of Exception No. 8;
East, 32.80 chain to the place of beginning, containing 107 acres,
be the same more or less.

NET AREA FOR TRACT J-1-III PARCEL #3: 2,258.75 acres

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1892
SAM HOUSTON NATIONAL FOREST
MONTGOMERY COUNTY, TEXAS
65.00 ACRES**

All that certain tract or parcel of land lying and being in Montgomery County, Texas, on the waters of Caney Creek, embracing in part the Nancy Lynch Survey, A-309, dated June 17, 1841, and described herein for mineral leasing purposes only as Tract J-1892. Tract #1892 (J-1892) was acquired from M. G. Joy by deed dated September 19, 1939 and recorded in Volume 210, Page 28, et seq., Deed Records of Montgomery County, Texas, containing 65.00 acres, more or less. It is not the intent of this description of Tract J-1892 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or private minerals.

Beginning at Corner 1 of Forest Service Tract J-1892, identical with corner 23 of F.S. Tract J-1-IV, an iron stake witnessed by scribed bearing trees;

Thence South, with FS Tract J-1-IV, 0.67 chain to corner 2 of Tract J-1892, identical with corner 22 of Tract J-1-IV;

Thence S 89° 30' W, with Tract J-1-IV, 13.65 chains to corner 3 of Tract J-1892, common to a corner of FS Tract J-64;

Thence North, with the boundary of FS Tract J-64, 18.74 chains to corner 4 of Tract J-1892;

Thence N 89° 15' E, in part with the boundary of Tract J-64, 35.70 chains to corner 5 of Tract J-1892;

Thence South, 18.30 chains to corner 6 of Tract J-1892, on line between corners 23 and 24 of F.S. Tract J-1-IV;

Thence S 89° 30' W, with said Tract J-1-IV, 22.00 chains to the place of beginning, containing 65.00 acres, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-64
SAM HOUSTON NATIONAL FOREST
MONTGOMERY COUNTY, TEXAS
90.02 ACRES**

All that certain tract or parcel of land lying and being in Montgomery County, Texas, embracing in part and lying entirely within the Nancy Lynch patented Survey, Abstract No. 309, dated June 17, 1841, and being out of and a part of that land conveyed by J. C. Stovall, et ux., to M. A. Morris by deed dated August 30, 1919 and recorded in Volume 98, Page 158, Deed Records, Montgomery County, Texas, and being described herein for mineral leasing purposes only. Tract J-64 was acquired from Norman H. Peden, et vir., by deed dated September 12, 1990 and recorded in File #678-01-0707, Deed Records of Montgomery County, Texas, containing 90.02 acres, more or less. It is not the intent of this description of Tract J-64 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or private minerals.

Beginning at the northeast corner of Tract J-64, same being the southeast corner of a 33.8 acre tract of land;

Thence eight lines within the Nancy Lynch Survey:

S 89° 53' W, along a fence on south line of 33.8 acre tract, 1670.00 feet to a point for Corner 2 of Tract J-64, a concrete monument for the southwest corner of the 33.8 acre tract;

S 89° 25' W, 70.70 feet to a point for Corner 3 of Tract J-64, an iron pipe for the northwest corner of Tract J-64, common to a northeast corner of Forest Service Tract J-1-IV;

S 00° 13' W, common to FS Tract J-1-IV, 1051.73 feet to an iron pipe for corner 4 of Tract J-64;

N 89° 34' W, continuing with FS Tract J-1-IV, 1015.13 feet to a post for corner 5 of Tract J-64;

S 00° 02' W, continuing with FS Tract J-1-IV, 1247.20 feet to an iron pipe for corner 6 of Tract J-64;

S 89° 34' E, continuing with FS Tract J-1-IV, 1651.61 feet to an iron pipe for corner 7 of Tract J-64, said corner being common to the southwest corner of F.S. Tract J-1892;

N 00° 07' E, common with FS Tract J-1892, 1239.49 feet to a post for corner 8 of Tract J-64;

S 89° 38' E, continuing with FS Tract J-1892, 1115.71 feet to a stake for corner 9 of Tract J-64;

Thence N 00° 30' W, within the Nancy Lynch Survey, 1074.49 feet to the place of beginning, containing 90.02 acres, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT J-1-III PARCEL #8
SAM HOUSTON NATIONAL FOREST
MONTGOMERY COUNTY, TEXAS
438.79 ACRES**

All that certain parcel of land lying and being in Montgomery County, Texas, embracing in whole or in part the following patented surveys: John W. Fowler, A-208, dated December 28, 1844; Samuel D. Hay, A-268, dated September 5, 1844; William McBride, A-360, dated August 14, 1857, and being identified for mineral leasing purposes as Tract J-1-III Parcel #8. Parent Tract J-1-III was acquired from Delta Land and Timber Company by warranty deed dated December 27, 1935, and recorded in Volume 183, Pages 509-547, Deed Records, Montgomery County, Texas. Tract J-1-III Parcel #8 is the residue of Tract J-1-III, being Tract J-1-III LESS AND EXCEPT the portions of Tract J-1-III identified as Parcel #2 containing 1,237.06 acres, Parcel #3 containing 2,258.75 acres, Parcel #4 containing 1,072.20 acres, Parcel #6 containing 2,177.75 acres, Parcel #7 containing 2,078.58 acres, and those lands leased under BLM lease NM-61101 containing 177.77 acres, BLM lease NM-115442 (Parcel #1) containing 1,825.59 acres, and NM-99065 (Parcel #5) containing 2,116.51 acres, leaving a total area available for lease of 438.79 acres, more or less. The area identified as Parcel #8 is described as follows for mineral leasing purposes only. It is not the intent of this description of Tract J-1-III Parcel #8 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or private minerals.

Beginning at corner 63 of Tract J-1-III, the second corner of the John W. Fowler Survey and the third corner of the Samuel D. Hay Survey, a post;

Thence S 00° 30' E, common to the Samuel D. Hay and John W. Fowler Surveys, 46.20 chains to corner 64 of Tract J-1-III, in the center of Peach Creek;

Thence in a general southeasterly direction, down and with the meanders of Peach Creek, within the John W. Fowler Survey, 28.00 chains to corner 65, in the center of Peach Creek, having a calculated chord bearing and distance of S 63° 21' 37" E, 21.12 chains;

Thence two lines within the John W. Fowler Survey: West, 11.30 chains to corner 66 of Tract J-1-III;
S 11° 00' E, 26.30 chains to corner 67 of Tract J-1-III;

Thence S 89° 30' W, common to the David Pevehouse Survey, A-422, and in part with the John W. Fowler and Samuel D. Hay Surveys, 52.10 chains to corner 68 of Tract J-1-III, the beginning corner of the Samuel D. Hay Survey and the beginning corner of the Wm. McBride Survey, A-360;

Thence N 01° 00' W, common to the Samuel D. Hay and William McBride Surveys, 33.30 chains to corner 69 of Tract J-1-III;

Thence two lines within the William McBride Survey: West, 22.80 chains to corner 70 of Tract J-1-III; N 00° 30' W, 22.80 chains to corner 71 of Tract J-1-III;

Thence across Tract J-1-III and partly within the William McBride and Samuel Hay Surveys, said line common to Tract J-1-III Parcel # 6 lease offer, a calculated bearing and distance of N 67° 35' 35" E, 67.80 chains the place of beginning, containing approximately 438.79 acres, 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 stockwater 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.

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, 5924 NW 2nd Street, Suite 200, Oklahoma City, Oklahoma 73127, 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 entryman, 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 entryman 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.

GENERAL STIPULATIONS

**UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION
FORT COBB DAM AND RESERVOIR
FORT COBB DIVISION, WASHITA BASIN PROJECT, OKLAHOMA**

1. All rights under this oil, gas, and mineral lease are subordinate to the right of the United States to flood and submerge the lands, permanently or intermittently, in connection with the construction, operation, and maintenance of the Foss Dam and Reservoir, Foss Division, Washita Basin Project, Oklahoma (Project lands).

2. All surface work performed by the Lessee and/or operator on the Foss Reservoir lands shall be under the general supervision of the Area Manager, Bureau of Reclamation (BOR) in direct charge of the project, and shall be subject to such conditions and regulations as he/she may prescribe. Detailed plans and location for all structures, appurtenances thereto, and surface disturbance work on project lands shall be submitted to the said Area Manager for approval in advance of commencement of any surface work on the said project lands. At least 60 days or more lead time is preferred. Authorized representatives of Reclamation shall have the right to enter on the leased premises at any time to inspect both the installation and operational activities of the Lessee and/or operator.

A. Pre-drilling Conditions:

1. No exploratory drilling, flow line trenching or site clearing will occur until approval is granted by the appropriate Reclamation representatives in consultation with the local managing agency(s).

2. No wellhead shall be below the top of flood control pool elevation of 1354.4 feet, mean sea level (MAXIMUM WATER SURFACE). 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. All storage tanks shall be constructed elevation 1374.4 feet (maximum water surface). 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.

4. Drilling a well for oil and gas is prohibited within 2,000 feet of any dam, dike, or other major structure, unless otherwise approved by the Area Manager in consultation with the local managing agency(s).

5. No well shall be drilled within 1/8 mile (660 feet) of a river, channel, permanent stream, tributary, or marsh site unless otherwise approved by the Area Manager in consultation with the local managing agency(s). To protect watersheds, slopes in excess of 40 percent (2.5:1) should be avoided where possible.

6. All drilling operations shall be conducted in accordance with applicable State laws relative to municipal water supplies.

7. No surface disturbance shall occur until completion of an environmental analysis of the proposed drilling activity by Reclamation and all coordination matters are completed. This analysis will involve review of federally listed threatened and endangered plant and animal species, protection of wetlands, cultural resources, and water quality concerns. Certain data needs may be requested from the applicant proposing a surface disturbance action.

8. Where surface operations and facilities could reasonably be expected to discharge petroleum products into navigable waters and should oil or petroleum products be stored on site and facilities have an aggregate storage of 1,320 gallons or more or single containers with capacity of 660 gallons or more, a "Spill Prevention Control and Counter Measure Plan" shall be prepared and must be maintained and kept available for inspection on site (if manned) or at the nearest field office, if unmanned. In the event of a spill or leakage, the Lessee assumes all responsibility for cleanup and damages.

9. At Lessee's expense, a cultural resource survey of lands that may be disturbed must be completed prior to any surface disturbance. If during construction, operation, and/or maintenance of any facility authorized by the Reclamation lease, Lessee, or any person working in his behalf discovers any historic or prehistoric grave, ruin, monument, or any object subject to the National Historic Preservation Act of 1966, the Archeological Resource Protection Act of 1979, or the Native American Graves Protection Act of 1992 and/or, Reclamation Instructions 376.11, work shall be suspended immediately and the discovery reported to Reclamation. When directed by Reclamation, the Lessee shall obtain, at his expense, a qualified archeologist to examine and evaluate, and if necessary, excavate the discovery.

10. No "mud pits" shall be constructed on Federally-owned land. A closed mud system is required with containerization of drill cuttings. Water or discharge of any kind shall not be allowed to enter any drainage. All unattended containers containing liquids shall be fenced.

11. The derrick shall not be located closer than one and one-half times its height from any electrical power transmission lines unless prior approval is obtained from the owner of the power company. Signs shall be posted warning the public to prevent entry to the job site. Also, adequate blowout preventers shall be properly maintained.

12. All aboveground structures, not subject to applicable safety requirements, shall be painted to blend with the natural surroundings. The paint used shall be lusterless, nonreflective, flat, or semigloss color that blends with the area.

B. Roads:

1. The Lessee shall observe the following restrictions during exploration:
 - a. Wherever possible, existing roads and trails are to be used as access to the drilling site. New road construction will be kept to a minimum, and new construction will not begin until the location is approved by the local managing agency(s).
 - b. Each existing fence to be crossed by the Lessee shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be protected as necessary during construction and well operation to prevent the escape of livestock. Upon completion of construction, the fence shall be repaired to the original standard of the existing fence.
 - c. Cleared trees and shrubs will be removed and/or piled as brush piles for wildlife shelter as designated by the local managing agency(s). Available topsoil will be removed from the road right-of-way and stored in a topsoil stockpile.
 - d. New access roads shall normally be a maximum of 30 feet wide including drainage ditches and culverts. Road surface shall be graveled to a thickness identified as suitable for the existing ground. Access roads shall be constructed to widths suitable for the safe operation of the vehicles and equipment at proposed speeds. The road speeds shall be

posted with signs and maximum speed limits signs. Speeds shall be limited on curves and posted to speeds that will permit a vehicle to be stopped within one-half the minimum sight distance. The road shall be maintained in safe condition.

e. If the local managing agency(s), requests Lessee shall construct cattle guards, or install gates with locks on new access roads which will be maintained by the Lessee during drilling operations and all such times thereafter as production continues. Fencing of roads may be required.

f. Roads shall be maintained in suitable condition for vehicle passage during the duration of drilling activities with special consideration given to erosion control during wet and muddy periods.

g. Existing roads shall be returned to original or equivalent condition after drilling equipment has been removed.

h. All roads shall be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts, and/or any other measures deemed necessary by Reclamation representatives. The following is a general guide for the spacing of water bars:

<u>Present Slope</u>	
less than 2 percent	200 feet
2 to 4 percent	100 feet
4 to 5 percent	75 feet
more than 5 percent	50 feet

i. In the event of a “dry hole,” any new road construction sites will be revegetated by the drilling company, with native and/or adapted grasses, forbs, and shrubs as requested by Reclamation, unless the local managing agency(s) indicates in writing that the road is to remain. Re-vegetation is to be accomplished by seeding and fertilizing the area within 1 year of completion at recommended seeding rates and dates.

2. Lessee shall observe the following stipulations should oil or gas be found and production activities occur:

a. Production company shall maintain road in suitable condition for vehicle passage. Public will be permitted to use road where existing road was originally open to such use. New road construction, if needed, can be exempt from public use.

b. Should the local managing agency deem it necessary to control vehicle traffic into the area during any season of the year, the production company will provide a metal gate and lock.

C. Drilling Pad and Reserve Pit, IF APPROVED BY RECLAMATION:

1. Area cleared for the drilling pad site and reserve pit shall be the absolute minimum required for operations.

2. All trees and shrubs removed from the pad site shall be piled near the site at places designated by the local managing agency(s) for use as wildlife shelters.

3. Available topsoil shall be removed from the drilling pad and pit site and stored in a topsoil stockpile.

4. Diesel fuel tanks and other potential pollution sources will be surrounded by an earthen berm of sufficient height to contain their entire volume in the event of an accidental leak or rupture.

5. The area will be kept well policed and free of trash and litter at all times, including access roads used solely by the Lessee. Litter blown out of the work area must be picked up. All waste associated with the drilling operations shall be removed and deposited in an approved sanitary landfill within 1 month after removal of the drilling rig. The Lessee shall comply with all State laws and regulations pertaining to the disposal of human waste.

6. For the protection of livestock and wildlife, all containers containing toxic liquids shall be fenced and open containers shall be covered with a fine mesh netting (i.e., hardware cloth) with openings being of one-half inch or less.

7. The Lessee will remove fluids and trash from the site. After drilling activities are completed the site shall be reshaped to original contours and covered with topsoil. This restoration must be accomplished within 90 days of completion of drilling. The area must then be revegetated as required by Reclamation.

D. Actions with a Producing Well:

1. A minimum service area will be developed around the well head. No permanent material storage will be allowed on the lease. The

remainder of the drilling pad will be covered with topsoil from the stockpile and restored to vegetation by tilling, fertilizing, and seeding. Specific seed types will be determined on a case-by-case basis by Reclamation in consultation with the local managing agency(s).

2. The Lessee may be required to utilize electric or submersible pumps, where feasible, rather than fuel-powered pumps (or other machinery). All electric lines must be buried to a depth of 15-18 inches.

3. All transfer lines from well site to tank battery, saltwater disposal well, or the like, must be buried 4 feet below the surface and a minimum depth of 4 feet at stream, creek, and river channel crossings.

4. When possible, a common point of collection shall be established to minimize the number of tank batteries.

E. Actions with a Non-producing Well:

1. All disturbed areas will be recontoured, covered with topsoil, and revegetated. All trash will be removed from the lease site.

2. Gates and cattle guards shall be removed where requested by the local managing agency(s). Any openings in fences will be restored to original condition.

F. General:

1. The Lessee shall limit access to well and storage locations on project lands to authorized personnel.

2. The Lessee agrees to cease all operations and make all necessary corrections to the satisfaction of the representative of Reclamation in consultation with the local managing agency(s) before resuming any operations should any violations of the terms of these stipulations occur.

3. The Lessee shall not permit any nuisance to be maintained on the premises and shall not use said premises for any purposes other than those authorized in the lease. Before abandoning any well, the Lessee shall securely plug the same so as to effectually shut off water from the oil-bearing stratum.

4. The Lessee shall carry on the development and/or operation of the premises in a workmanlike manner and shall not commit or suffer to be

committed waste upon the lands in his occupancy and use. In drilling operations, the Lessee or operator shall only use so much of the land as is necessary; shall safeguard the lakes and streams from any pollution; and shall not permit oil, saltwater, drilling mud, or other deleterious substances to escape onto the land, but the same shall be retained in proper tanks, receptacles, or in pits prepared for such purposes; and after the termination of drilling operations, the land will be properly restored to its original condition, and only so much thereof shall be used in the production of the leased premises as is reasonably necessary to operate any well or wells thereon.

5. Lessee shall provide all subcontractors and assigns, especially the dirt contractor, with a copy of the above stipulations prior to construction of the road, pad, or associated developments.

G. Hunting:

1. Lessee/Licensee activities should not prevent hunters and other consumptive and nonconsumptive users of the wildlife resources from freely pursuing their activities in the wildlife management area. Lessee/licensee activities should be conducted to minimize conflict with public users of recreational areas.
2. Lessee/Licensee will not be permitted to carry firearms or other hunting or trapping equipment unless the equipment is appropriate to a season open on the designated areas at the time and the individual(s) area authorized to hunt.
3. During deer and turkey season, delivery and trucking to and from well sites in the wildlife management area will be avoided to the maximum extent possible for the 2-hour period immediately after sunrise and for the 2-hour period immediately before sunset. Additionally, no new exploration work or exploratory drilling may be initiated during the deer and turkey season unless special approval is obtained from Reclamation in consultation with the surface managing agency. Other timing restrictions may be established as needed to protect the project.

CORPS OF ENGINEERS
FORT WORTH DISTRICT
STIPULATION

1. NSO/ND - No Surface Occupancy and No Drilling

This stipulation applies to all Corps of Engineers (COE) fee ownership within 3,000 horizontal feet of prime facilities critical to the operation of Somerville Lake. These facilities include the dam, spillway, outlet structure, levees and related structures. This stipulation allows the identified area to be included in a lease for the purpose of becoming a part of a drilling unit so that the United States will share in the royalty.

Tracts 107-111, 146-147 contain acreage available for inclusion in a leasehold only. No Surface Occupancy, No Drilling.

2. NSO/DD - No Surface Occupancy, Open for Directional Drilling

This stipulation applies to all designated parks, recreation areas, public use areas, wildlife management areas, archeological and historical sites, trails and roads, and the lake surface at the conservation pool elevation of 238.0 feet National Geodetic Vertical Datum (N.G.V.D.). Directional drilling is permitted from outside the identified areas where occupancy is allowed.

3. NSO/ELEV - No Surface Occupancy, Based on Elevation

This stipulation prohibits surface occupancy on all lands lying at or below the elevation of the spillway crest or tainted gate sill where alternative surface ownership is available within the same drilling unit. At Somerville Lake, the spillway crest is at elevation 258.0 feet N.G.V.D. If no alternative surface ownership is available, in no case will surface occupancy be permitted below the 25-year frequency pool (as calculated by COE hydraulics engineering staff) or within 1,000 horizontal feet from the lake surface at the conservation pool elevation of 238.0 feet N.G.V.D. The purpose of this stipulation is to protect the integrity of Somerville Lake water resources.

Note: The surface acreage affected by the above stipulations is provided as follows:

Lake surface at conservation pool.....	11,464.00
Designated Parks/Recreation Areas.....	8,310.50
Wildlife Management Areas.....	3,799.92
Lake Operations.....	830.00
Areas below 25-year frequency pool	To Be Determined
Archeological/Historical Sites.....	To Be Determined

CORPS OF ENGINEERS
FORT WORTH DISTRICT
STIPULATION

1. NSO/ND - No Surface Occupancy and No Drilling

This stipulation applies to all Corps of Engineers (COE) fee ownership within 3,000 horizontal feet of prime facilities critical to the operation of Whitney Lake. These facilities include the dam, spillway, outlet structure, levees and related structures. This stipulation allows the identified area to be included in a lease for the purpose of becoming a part of a drilling unit so that the United States will share in the royalty.

2. NSO/DD - No Surface Occupancy, Open for Directional Drilling

This stipulation applies to all designated parks, recreation areas, public use areas, wildlife management areas, archeological and historical sites, trails and roads, and the lake surface at the conservation pool elevation as determined by the District Engineer. Directional drilling is permitted from outside the identified areas where occupancy is allowed.

3. NSO/ELEV - No Surface Occupancy Based on Elevation

This stipulation "No Surface Occupancy Based on Elevation," prohibits surface occupancy on all lands lying at or below the elevation of the spillway crest or taints gate sill where alternative surface ownership is available within the same drilling unit. At Whitney Lake, the spillway crest is at elevation 571.0' N.G.V.D. If no alternative surface ownership is available, in no case will surface occupancy be permitted below the 25-year frequency pool (as calculated by COE hydraulics engineering staff) or within 1,000 horizontal feet from the lake surface at the conservation pool elevation of 533.0' N.G.V.D. The purpose of this stipulation is to protect the integrity of Whitney Lake land and water resources.

NO SURFACE OCCUPANCY
Special Cultural Values and/or Traditional Cultural Properties

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

For the purpose of: Protection of known cultural resource values and/or traditional cultural properties in areas not already within ACECs.

If circumstances or relative resource values change or if it can be demonstrated that oil and gas operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the BLM Authorized Officer, if such action is consistent with the Farmington Resource Management Plan, or if not consistent, through a land use plan amendment and associated National Environmental Policy Act analysis document. If the BLM Authorized Officer determines that the waiver, exception, or modification involves an issue of major public concern, the waiver, exception, or modification shall be subject to a 30-day public review period.

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

CONTROLLED SURFACE USE
SPECIAL CULTURAL VALUES and/or TRADITIONAL
CULTURAL PROPERTIES

Controlled surface use is allowed on the lands described below:

For the purpose of: Protection of known cultural resource values and/or traditional cultural properties in areas not already within ACECs.

If circumstances or relative resource values change or if it can be demonstrated that oil and gas operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the BLM Authorized Officer, if such action is consistent with the Farmington Resource Management Plan, or if not consistent, through a land use plan amendment and associated National Environmental Policy Act analysis document. If the BLM Authorized Officer determines that the waiver, exception, or modification involves an issue of major public concern, the waiver, exception, or modification shall be subject to a 30-day public review period.

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

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

In conducting operations associated with this lease, the lessee/operator 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, occupancy, and management of the National Forest System (NFS) when not inconsistent with existing lease 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 Service
Cibola National Forest
At: Federal Bldg
2113 Osuna Rd., NE Suite A
Albuquerque, NM 87113-1001

Telephone No: (505) 346-3804

Who is the authorized representative of the Secretary of Agriculture.

CULTURAL RESOURCES (National Historic Preservation Act of 1966 (NHPA), P.L. 89-665 as amended by P.L. 94-422, P.L. 94-458, and P.L. 96-515):

The Forest Service authorized officer is responsible for ensuring that the leased lands are examined prior to the undertaking of any ground-disturbing activities to determine whether or not cultural resources are present, and to specify mitigation measures for effects on cultural resources that are found to be present.

The lessee or operator shall contact the Forest Service to determine if a site-specific cultural resource inventory is required prior to undertaking any surface-disturbing activities on Forest Service lands covered by this lease.

The lessee or operator may engage the services of a cultural resource specialist acceptable to the Forest Service to conduct any necessary cultural resource inventory of the area of proposed surface disturbance. In consultation with the Forest Service authorized officer, the lessee or operator may elect to conduct an inventory of a larger area to allow for a alternative or additional areas of disturbance that may be needed to accommodate other resource needs or operations.

The lessee or operator shall implement mitigation measures required by the Forest Service to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing, salvage, and recordation or other protective measures.

During the course of actual surface operations on Forest Service lands associated with this lease, the lessee or operator shall immediately bring to the attention of the Forest Service the discovery of any cultural or paleontological resources. The lessee or operator shall leave such discoveries intact until directed to proceed by Forest Service.

THREATENED OR ENDANGERED SPECIES (The Endangered Species Act. (ESA), P.L. 93-205 (1973), P.L. 94-359 (1974), P.L. 95-212 (1977), P.L. 95-632 (1978), P.L. 96-159 (1979), P.L. 97-304 (1982), P.L. 100-653 (1988).

The Forest Service authorized officer is responsible for compliance with the Endangered Species Act. This includes meeting ESA Section 7 consultation requirements with the U.S. Fish and Wildlife Service prior to any surface disturbing activities associated with this lease with potential effects to species and/or habitats protected by the ESA. The results of consultation may indicate a need for modification of or restrictions on proposed surface disturbing activities.

The lessee or operator may choose to conduct the examination at their cost. Results of the examination will be used in any necessary ESA consultation procedures. This examination and any associated reports, including Biological Assessments, must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. Any reports must also be formally approved by the USDA Forest Service biologist or responsible official.

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 Service
Ouachita National Forest
At : PO Box 1270 100 Broadway, Federal Bldg.
: Hot Springs, AR 71902
Telephone No : (501) 321-5201

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 : Forest Service
National Forests in Texas
At : 415 South First Street, Suite 110
Lufkin, TX 75901
Telephone No : (936) 639-8580

Who is the authorized representative of the Secretary of Agriculture.

CONTROLLED SURFACE USE STIPULATION
(Prevention of soil erosion and to prevent riparian areas

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

Facilities will be located at least 300 feet away from all riparian corridors (i.e. 300 feet away from the edge of vegetation zones associated with riparian areas whether they are perennial, intermittent or ephemeral).

Activities associated with drilling and production will be limited or special actions may be required in areas with high potential for wind or water erosion.

New road access will be limited to areas of less than 30% slopes. New road access in or near drainage (watercourses) will be limited to essential crossings with the least environmental impact. All Soil and Water Conservation Practices described in FSH 2509.22 will be followed for each site-specific case of road construction.

On the lands described below:

For the purpose of:

Prevention of soil erosion and to protect riparian areas.

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

CONTROLLED SURFACE USE STIPULATION

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

The lessee is given notice that a closed circulation system will be used for all oil and gas drilling. No open pits will be allowed.

On the lands described below:

For the purpose of:

Avoiding potential ground and surface water contamination and surface disturbance associated with open pits.

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

NO SURFACE OCCUPANCY STIPULATION

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

(Riparian corridors exceeding 40 acres)

For the purpose of:

Protecting riparian habitat for wildlife and maintaining healthy watershed conditions.

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

CONTROLLED SURFACE USE STIPULATION
(Old Growth Restoration)

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

Old Growth Restoration (Management Area 21): Activities must be conducted in such a manner as to reasonably reduce visibility of the operation and meet visual quality objectives to the extent practical, and meet Design Criteria and Management objectives set for in the Ouachita National Forest Revised Forest Plan 9/23/2005, as amended and Final EIS, for Management Area.

On the lands described below:

For the purpose of: To meet visual quality objective and to protect semi-primitive recreation values. Ouachita National Forest Revised Forest Plan 9/23/2005, as amended and Final EIS. Management area 21 of the RFP.

Any changes to this stipulation will be made in accordance with the Ouachita National Forest Revised Forest Plan, 09/23/2005, as amended, and Final EIS, 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).

Revised – October 9, 2007

LEASE NOTICE

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

LEASE NOTICE

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Additional management requirements for the protection of riparian areas are contained in 36 CFR 219.27(e) and the National Forest Management Act of 1976.

All activities within these areas may require special measures to mitigate adverse impacts to the resource values. They must comply with the above referenced executive orders, regulations, laws and be in accordance with the Forest Land and Resource Management Plan guidelines.

Further information concerning the classification and management of these lands may be obtained from the authorized Forest Officer.

NO SURFACE AND OCCUPANCY STIPULATION
(Robert S. Kerr Arboretum Nature Center)

No use or occupancy of the surface will be permitted within the following area:

**Robert S. Kerr Arboretum, Nature Center, Botanical Area.
Management Area 19 of the Ouachita National Forest Revised
Forest Plan 9/23/005, as amended and Final EIS.**

On the lands described below:

For the purpose of: Protecting the resources and curtailing any operations that are not compatible with the purpose of the management area. The lessee is authorized to employ directional drilling to exploit the mineral resources within the aforementioned area(s) providing such drilling will not disturb the surface.

Any changes to this stipulation will be made in accordance with the Ouachita National Forest Revised Forest Plan 9/23/2005, as amended and Final EIS, 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
(Protect streamside management zones)

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

Portions of this lease contain streamside management zones (floodplains, 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) (MA-5-31)

On the lands described below:

For the purpose of:

To meet visual quality objectives and protect streamside management zones 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.)

CONTROLLED SURFACE USE STIPULATION
NATIONAL GRASSLANDS IN TEXAS
(Protect Streamside Management Zone Areas)

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

Portions of this lease contain segments of either perennial or intermittent streams as defined by the Forest Service. Areas within 100' of perennial streams or 66' of intermittent streams will be subject to special requirements or limitations for surface use or occupancy. Specific requirements or limitations will be determined as Surface Use Plans of Operations (SUPOs) are submitted and will normally result in establishment of protective requirements or limitations for the affected site.

On the lands described below:

For the purpose of:

To meet visual quality objectives and protect streamside management zone 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
(Unique Plants or Plant Communities)

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

Portions of this lease may contain large (greater than 40 acres) areas identified under the Texas Natural Heritage Program's Sensitive Plant and Natural Community Inventory. These areas may contain bogs and seeps or sensitive plants and plant communities. Site-specific proposals for surface-disturbing activities within these areas will be analyzed. Such analysis could result in establishment of protective requirements, limitations for the affected site, or possibly require relocation of the activities.

On the lands described below:

For the purpose of:

To meet requirements of the National Forest Management Act of 1976 and regulation, 36 CFR 219.26. Also to protect and promote sustainable populations of unique plants or plant communities as per 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
(Protect Rivers and Associated Bottom Land Areas)

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
(Protect Red-Cockaded Woodpecker Clusters)

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 $\frac{1}{4}$ mile of an active red-cockaded woodpecker cluster. In addition, if foraging habitat is limited, no surface occupancy may occur within $\frac{1}{2}$ mile of an active red-cockaded woodpecker cluster. Upon receipt of a site-specific proposal, the Forest Service will provide current inventory records of cluster locations and may require that localized surveys be performed to assure no uninventoried clusters 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.)

NO SURFACE OCCUPANCY STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect Lakeshore Areas)

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

**Areas along lakeshores and under lake where visual resources would be severely impacted by drilling facilities.
MA-5 – Lake Conroe)**

For the purpose of:

To meet visual quality objectives and to protect lakeshore 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.)

NO SURFACE OCCUPANCY STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect Various Values)

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

Cagle Recreation Area
Scotts Ridge Recreation Area
Kelly's Pond

Areas of the following parcels/tracts, except hand-laying of electronic gear or apparatus could be further considered unless restricted by other mitigation factors. Vehicle traffic may be restricted in this area. Seismic work requiring use of explosives will no be allowed.

(MA9a-72 – Cagle Recreation Area; Scotts Ridge Recreation Area)(MA-9b-72 – Kelly's Pond)(MA-7- Wilderness)

For the purpose of:

To meet visual quality objectives and to protect various values in accordance with (MA-8c-62)(MA-9a-72)(MA-9b-72)(MA-7) of 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.)

NO SURFACE OCCUPANCY
POOLING PURPOSES ONLY

No surface occupancy or use is allowed on the lease. The purpose of this lease is solely for participation in a unit or for pooling purposes.

Bureau of Land Management
New Mexico State Office

NM-9 NSO
May 15, 1991

SPECIAL CULTURAL RESOURCE
LEASE NOTICE

All development activities proposed under the authority of this lease are subject to compliance with Section 106 of the NHPA and Executive Order 13007. The lease area may contain historic properties, traditional cultural properties (TCP's), and/or sacred sites currently unknown to the BLM that were not identified in the Resource Management Plan or during the lease parcel review process. Depending on the nature of the lease developments being proposed and the cultural resources potentially affected, compliance with Section 106 of the National Historic Preservation Act and Executive Order 13007 could require intensive cultural resource inventories, Native American consultation, and mitigation measures to avoid adverse effects—the costs for which will be borne by the lessee. The BLM may require modifications to or disapprove proposed activities that are likely to adversely affect TCP's or sacred sites for which no mitigation measures are possible. This could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

CONTROLLED SURFACE USE
FLOODPLAIN PROTECTION STIPULATION

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.

Bureau of Land Management
Oklahoma Field Office

ORA-1 CSU
November 1991

CONTROLLED SURFACE USE
WETLAND/RIPARIAN STIPULATION

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.

WILDLIFE RESOURCE SPECIAL CONDITIONS OF APPROVAL (WRSCOAs)

The BLM and the FWS have cooperatively developed the following WRSCOAs. These WRSCOAs are the conservation measures (CMs) in BLM's (in-house) biological evaluations. These WRSCOAs can be incorporated into any approved permit issued by BLM for the project. They are designed to minimize impacts (cumulative and otherwise) to ground water, surface water, wetlands, riparian zones, migratory birds, threatened an/or endangered species and other significant biological resources. The goal of this closed system effort is to prevent fluids from the drilling process (produced or waste) from coming into contact with the parent soil or any other earthen layer and thus prevent their entry into the ground water.

Wildlife Resource Special Conditions of Approval (WRSCOAs)

The operator (&/or their assigns) will:

Bore under any encountered wetlands for the purpose of pipeline installation. Trenching will not be used to install any pipeline through a wetland or to cross any creek.

Bury any transmission lines* (electrical, telephone, etc.) needed during the drilling or production of this well. No above ground utility poles or wires are allowed in association with this permit to drill. Elevated electrical or telephone lines (and the poles such utilities are suspended from) pose a collision and/or electrocution hazard for migratory birds. *Temporary pipelines or other conduits needed to supply the drilling location with fresh water are not affected by this requirement and may remain on the surface and do not need to be buried*.

Dike & berm the tank battery that will receive fluids from this well. The dike/berm will be impervious and designed according to requirements of 40CFR 112. The EPA has a booklet (July 1992) available titled "Information on SPCC Plans – 40 CFR 112". Page 20 of this booklet describes, in detail, how tank battery dikes (berms) are to be constructed.

Establish vegetation on all areas of the location to be reclaimed. This phase of the reclamation process should be accomplished by using seed or sod. Current policy recommends that these areas be restored with native vegetation in regards to both species and structure (grass, shrubs or trees). In those areas where trees or shrubs are planted, grass should be planted in conjunction to provide stabilization until trees are mature. This recommended reclamation is contingent upon the wishes of the surface owner and/or the surface management agency.

Wildlife Resource Special Conditions of Approval (WRSCOAs)

Effectively install erosion control measures prior to beginning any construction activities. These erosion control measures will be installed (and maintained) outside of the entire area to be leveled and cleared (around all construction sites; pad, access road and pipeline) so as to effectively minimize the movement of materials from the BLM permit site to adjacent lands or drainages. These measures will be effectively maintained until the well is producing or has been declared a dry hole and plugged. These erosion control measures are for the duration of the construction, drilling and completion phases of this project and not for the life of the well.

Install an impervious liner under the drilling rig structure. Usually this will be the drilling rig substructure, operating equipment (diesel engines) and storage tanks (diesel fuel, lubricants, antifreeze, etc.); not the entire pad. This liner should extend into sumps and the cellar and into and along the ditches to prevent any fluids associated with the drilling process from coming into contact with earthen material. This liner will be washed off into lined ditches, lined sumps or into the lined cellar and then pumped to the lined sumps prior to being removed from the location. Metal catch pans may be used on isolated engines and/or storage tanks where the impervious liner may not be practical. The catch pans, if used, will need to be kept pumped and/or drained (not allowed to overflow). The contents of the metal catch pans may go to the lined sumps, lined cellar or pumped into tanks/trucks for disposal purposes.

Line all ditches associated with the drilling process. These lined ditches will effectively catch and direct the flow of fluids involved in rig operations. The liner used will be an impervious material. These lined ditches will effectively drain into the lined sumps/lined cellar and will be effectively maintained to prevent the migration of drilling fluids (produced or waste) into soils or ground water.

Line all sumps with impervious material (steel or concrete preferable) on all sides, and bottom. These sumps will, at all times, be below the level of the ditches so that the fluids in the ditches can flow into the sump without coming into contact with native soil or other earthen layer. These sumps must be emptied before overflowing. These sumps will be covered so as to prevent accidental entry by migratory birds.

Make the rat hole and mouse hole impervious by installing cylinders (conductors, culverts or tin-horns) with concrete bottoms. The cylinders shall be installed in such a manner so as to prevent fluids from the pad surface from running into the cylinders, or entering between the cylinders and the earthen wall of the rat and/or

mouse hole. The top of the cylinder should be above the pad surface. One option is to pour cement around the outside of the cylinders between the cylinders and the earthen hole. The cement could also be shaped/formed at an incline or raised (like a collar) above the ground level.

Line the drilling cellar (concrete, metal, etc) so as to make it as impervious as possible to prevent liquids discharged from the drill hole, or drained from the pad surface, from percolating into the soil. If needed, a pump will be installed to transfer fluids in the cellar to one of the lined sumps. The cellar will not be allowed to overflow.

Exercise caution and care when removing any of the impervious liners (geomembrane, concrete, steel, etc.). The liquids and solids which have collected on/in the impervious liners will not be allowed to come into contact with the pad surface, parent soil or any other earthen layers during the cleanup of the site. The liners will be properly cleaned prior to removal or removed in such a manner so as not to allow liquids/solids to escape. Preferably the liner will be washed off into lined ditches, lined sumps or into the lined cellar and then pumped to the lined sumps prior to being removed.

Please Note: In addition to the above conservation measures (wildlife resource special conditions of approval) the operator will also need to comply with BLM's "General Requirements" which are attached to the operator's approved APD.

LEASE STIPLATIONS

Stipulations utilized within the ORA include both mandatory and optional stipulations. A mandatory stipulation is one which addresses protection of the resource which the BLM is required by law, regulation or policy to protect, and which the BLM feels STC would not offer sufficient protection.

The following special conditions of approval summarize all conditions of approval and mitigation measures developed to satisfy BLM's Surface Use Plan requirements and are herein made a part of the lease:

1. Lessee/Operator will post a \$200,000.00 individual lease bond. This bond will be renegotiated following the clean up and restoration of the lease.
2. Lessee must submit a statement that they agree to also serve as the operator of the lease.
3. Lessee/Operator will move all production facilities out of the 100-year floodplain of the Red River. An off lease measurement and storage agreement must be in place prior to commencement of production.
4. All wells will either be plugged and abandoned or returned to production. Some wells may be used as injection wells with proper permitting. In no case will any wellbore be left unplugged unless there is a specific authorization for its future use.
5. All well heads and pumping units will be engineered for flood conditions, including anchoring and blocking.
6. Lessee/Operator will build diversionary barriers upstream of all unplugged wells, all barriers installed will be constructed of heavy gauge piping and engineered to withstand pressures exerted in 100 year flood flows, and be capable of diverting flood debris around wellhead.
7. A Spill Prevention, Countermeasures and Containment Plan for each well and production facility must be completed and certified by a registered professional engineer as outlined in 40 CFR 300.
8. Lessee/Operator must obtain Class II Injection well permits for all injection wells on lease through the Environmental Protection Agency.
9. Lessee/Operator will receive clearance from the State Historical Preservation Officer and the State Archaeological officer, and provide a copy of these clearances to BLM.
10. Lessee/Operator will contact the U.S. Army Corps of Engineers to determine if this lease requires a Section 404 permit.

- 11. Lessee/Operator will, before any new surface disturbance; provide the BLM copies of letters for the well projects to proceed from the State Historic Preservation Officer and the Oklahoma State Archeologist. If buried Archaeological materials such as chipped stone tools, flint debris, pottery, bone, burned rock, historic ceramics, glass, metal items, building foundations, or other structures are exposed: the Lessee/Operator should stop work at that location immediately and contact the Bureau of Land Management and the State Historic Preservation Office at (405) 794-9624, 521-6249 and 325-7211.**
- 12. Lessee/Operator shall submit a certified surveyor's plat showing that the elevation at floor elevation of the tank battery is at least 1011' Above Sea Level (ASL).**
- 13. Lessee/Operator will paint all tanks, pump jacks and any other production equipment (other than flowlines and pipelines) associated with the operation of this lease an earth tone color to be specified by the BLM. Such painting must be completed within 12 months (365 days) after the date of the approval action (APD or Sundry).**
- 14. Lessee/Operator will not be allowed to use heavy equipment or conduct other operations including human activity either in the active river channel or adjacent sparsely vegetated sandy areas during the months of May, June, July and August of each year without the written approval of the Authorized Officer of the BLM.**
- 15. Lessee/Operator will encase all above ground pipelines in a conduit or culvert (as appropriate) that are within 100 feet of a wetland (semi-permanently or seasonally flooded) or within 10 feet of a lease road. All such flow lines (pipelines) must be so encased within 6 months (180 days) after the effective date of the approval action (APD or Sundry).**
- 16. Lessee/Operator will immediately take measures to prevent the entrapment of any migratory birds or other wildlife in tanks or other areas where spills of crude oil or other pollutants occurred. In this regard, Lessee/Operator will submit to the Authorized Officer of the BLM and Emergency Netting and Oil Containment Plan within 90 days after the approval of the APD or Sundry Notice. Polypropylene type netting is the most effective means of preventing accidental kills of migratory birds during spill containment and prior to commencement of any clean up efforts. NOTE: The required plan above will include a listing of addresses and telephone numbers where the operator plans to obtain netting and other oil clean up/containment equipment on an emergency basis. Quantities, type of materials and response time should be addressed in the emergency response plan. Additional requirements as contained in Notice to**

Lessee-96-01 titled “Modification of Oil and Gas Facilities to Minimize Bird and Bat Mortality.”

17. Lessee/Operator will be allowed use of surface power lines with precautions for protection of raptors and other species.

18. Lessee/Operator will not remove any trees with a diameter at breast height (DBH) greater than 6 inches without the written approval for the Authorized Officer of the BLM.

19. Lessee/Operator will maintain as a minimum, a 100 yard buffer zone around all occupied nesting areas of the interior lease term.

20. Lessee/Operator will, once the groundwater dynamics are defined (using the data from a piezometer study), install a groundwater monitoring system to adequately monitor the groundwater system on the lease.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Notice to Lessees and Operators (NTL) of Federal and Indian Oil and Gas Leases Operating Under Permits Issued by the Bureau of Land Management – within the Jurisdiction of the Tulsa District Office (i.e., Kansas, Oklahoma and Texas) (NTL 96-01-TDO)

MODIFICATION OF OIL AND GAS FACILITIES TO MINIMIZE
BIRD AND BAT MORTALITY

I. Background:

The subject of bird and bat mortalities associated with oil and gas facilities has become a concern not only nationwide but worldwide and has prompted many oil and gas companies to modify existing and new production facilities to minimize accidental deaths of birds, bats, and other wildlife.

Open-vent exhaust stacks are used as perches by many species of birds, especially during migration. Death may result from carbon monoxide poisoning, incineration or becoming trapped in the units.

Open pits and tanks on production sites periodically contain salt water, oil or oil by-products. These pits and tanks present a hazard to birds because they appear to be fresh water. Birds, particularly waterfowl and shorebirds, are lured into the pits or tanks thinking they are places to feed, drink, or rest. This results in a loss of hundreds of thousands of birds nationwide.

The potential hazard to birds and bats from open-vent exhaust stacks and open pits and tanks warrants mitigative action by the Bureau of Land Management (BLM).

The Migratory Bird Treaty Act of 1918, as amended, authorizes the Secretary of Interior to adopt such measures necessary to protect and preserve migratory raptor and other avian species. Additionally, the BLM is responsible for implementing protective Management goals identified in the Nongame Migratory Bird Habitat Conservation Strategy plan. The Federal Land Policy and Management Act (FLPMA) declares that the policy of the United States is to manage the public lands in a manner that will protect the quality of scientific, ecological, and environmental values.

II. Purpose:

To minimize the likelihood of accidental death of birds and bats on oil and gas facilities under the jurisdiction of the BLM.

III. Authority:

Under the authority of Title 43 Code of Federal Regulations CFR), §31612, §3162.5-1 and §3164.2, lessees/operators on Federal and Indian oil and gas leases can be required to modify production equipment when needed to protect natural resources and environmental quality.

IV. Requirements:

A. All open-vent exhaust stacks on production vessels designed to heat the product using an open flame (as opposed to electrically heated) shall be constructed, modified and/or otherwise equipped and maintained to prevent birds and bats from entering and to discourage perching and nesting. Such production vessels include, but may not be limited to, heater-treaters, separators, dehydrators, and in-line units. This requirement does not apply to compression type equipment.

B. All open earthen pits will be effectively netted or otherwise covered, and maintained, until such time as the pits are filled and/or reclaimed. Minimizing the likelihood of accidental deaths or migratory birds is the goal. This netting or cover shall be installed no later than forty-five (45) days after the setting of the production casing string or completion of plugging as a dry hole. All pits, if not netted or covered, will be adequately equipped during the 45 day interim period with other bird deterrent devices. Such devices to be used during the interim period may include, but not be limited to, streamers, pinwheels and/or noise devices. Variances may be requested. The 45 day interim period for completion of covering or netting pits in no way limits the operator's responsibility should migratory birds be found dead in the pits within the interim period or during the actual drilling phase.

C. All open topped (non-carbon) tanks will be effectively netted or otherwise covered and maintained so as to minimize the likelihood of accidental deaths of migratory birds. This netting or cover shall be installed no later than four (4) days after the setting of the production casing string or completion of plugging as a dry hole. All tanks installed for production purposes will be immediately netted or covered. All tanks shall remain netted or covered until such time as they are removed from the location. The granting of a four (4) day interim period for

completion of covering or netting tanks associated with the drilling process in no way limits the operator's responsibility should migratory birds be found dead in the tanks within the interim period or during the actual drilling phase.

V. Time Frames:

1. All open-vent exhaust stacks open pits and tanks existing as of the effective date of this NTL will be modified as required under Section IV. REQUIREMENTS, A., B. AND C. within a twelve (12) month period from the same effective date of this NTL.
2. All new oil and gas operations commenced after the time frames presented above (No. V.1.) will immediately incorporate requirement numbers IV.A., IV.B and IV.C. (above) as applicable.

VI. Compliance:

BLM compliance inspections will include examinations for the use and effectiveness of these measures. Should these measures prove to be ineffective the BLM shall seek alternate measures to minimize the likelihood of accidental deaths of birds and bats. Failure to implement the requirements listed in this NTL will be considered failure to comply with a written order and a "Notice of Incidents of Noncompliance" may be issued.

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.

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:

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.

CONTROLLED SURFACE USE
WILDLIFE HABITAT PROJECTS

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

Surface disturbance will not be allowed within up to 200 meters of existing or planned wildlife habitat improvement projects. Large-scale vegetation manipulation projects such as prescribed burns will be excepted. This requirement will be considered for waiver with appropriate off-site mitigation, as determined by the Authorized Officer.

For the purpose of: Protecting Wildlife Habitat Projects

CONTROLLED SURFACE USE
RAPTOR NESTS AND HERONRIES

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

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both. Raptor nests on special, natural habitat features, such as trees, large brush, cliff faces and escarpments, will be protected by not allowing surface disturbance within up to 200 meters of nests or by delaying activity for up to 90 days, or a combination of both. Exceptions to this requirement for raptor nests will be considered if the nests expected to be disturbed are inactive, the proposed activity is of short duration (e.g. habitat enhancement projects, fences, pipelines), and will not result in continuing activity in proximity to the nest.

Conditions of Approval: Phantom Banks Heronries (SMA 15)

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.

For the purpose of: Protecting Raptor Nests and Heronries.

CONTROLLED SURFACE USE
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

CONTROLLED SURFACE USE
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:

CONTROLLED SURFACE USE
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 playas 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

CONTROLLED SURFACE USE
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

CONTROLLED SURFACE USE
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

CONTROLLED SURFACE USE
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 1 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

CONTROLLED SURFACE USE
SAND DUNE LIZARD

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

Surface disturbance will not be allowed in documented occupied habitat areas, or within up to 100 meters of suitable habitat associated with occupied habitat areas identified through field review. An exception to this restriction will be considered when an on-site evaluation of habitat extent, available species occurrence data, the proposed surface use, and proposed mitigations indicate the proposal will not adversely affect the local population.

For the purpose of: Protecting Sand Dune Lizards

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 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**

PLAN OF DEVELOPMENT (POD) STIPULATION

A plan of development (POD) for the entire lease must be submitted for review and approval, including NEPA analysis, by the BLM authorized officer, PRIOR to approval of development (APD, Sundry Notices) actions. The POD must indicate planned access to well facilities (roads, pipelines, power lines), and the approximate location of well sites. Should it become necessary to amend the POD, the amendment must be approved prior the approval of subsequent development action. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the Purpose of:

New Mexico State Office
Carlsbad Field Office

SENM-S-39
July 2005

CONTROLLED SURFACE USE
SOUTHERN GUADALUPE ESCARPMENT RESOURCES

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

- (1) Well sites will be located to avoid sensitive resources. Drilling fluid/mud systems must be contained in metal tanks, drill cuttings must be disposed off-site, surface tanks must have berms sufficient to contain the total volume of all tanks. The berm area must be lined sufficient to prevent any leakage and rip-stop padding must be used to prevent tears or punctures in liners.**
- (2) The casing and cementing programs must be designed to allow for a karst protection string and all strings of casing must be cemented to the surface, upon abandonment of the well, the wellbore will be cemented from the base of the cave/karst zone to the surface.**
- (3) Pads may be located adjacent to existing roads, projects may be routed in corridors, and cut and fill may be minimized at the discretion of the BLM authorized officer. Loamy soil in gyp/loamy areas must be stockpiled to use for reclamation.**
- (4) Directional drilling from approved well pads may be required at the discretion of the BLM authorized officer to reduce the need for additional roads and production infrastructure.**
- (5) To protect visual resources, use of low profile structures, selective paint colors, use of weathering substances to reduce the contrast of large boulders and cut areas, natural colored power poles, non-reflective (non-specular) wire, setting the drill site back from the edge of bluffs, and other techniques will be considered at the time a drilling is processed.**
- (6) Interim reclamation of the drill site will be completed within six months of well completion. Interim reclamation plans including production equipment or facility site diagrams will be included in the surface use plan (SUP) at the time of the Application for Permit to Drill (APD). Additional consultation between the operator and the BLM authorized officer may be required to determine final drill site dimensions.**
- (7) Initial reclamation of the site will occur within three months of well abandonment. All reclamation requirements will be completed within six months of well plugging. Reclaimed well sites will continue to be monitored until desirable vegetation (seeded and native) is established. Additional work may be required at the discretion of the BLM authorized officer to achieve results.**

Appropriate seed mixes must be used; alkali sacaton, for-wing saltbush in gyp, sideoats grama, bristlegrass in shallow limestone are examples. Use of annual “nurse crop” to get initial cover and provide additional organic matter to soils may be required. Caliche removal, disking, mulching, irrigation, fertilizing, seeding rates, seeding application (drilling vs. broadcasting), time of year to seed, fencing and weed control may be required as deemed necessary by the BLM authorized officer.

For the purpose of protecting:

Karst Groundwater/Hydrology, Springs, Riparian Areas, Wildlife, Fragile Soils, Visual Resources, and to facilitate resource reclamation.

CONTROLLED SURFACE USE
PROTECTION OF RAPTOR AND PRAIRIE DOG HABITAT

Prior to survey/flagging locations for pads, routes for roads, and any other preliminary activity, the project area will be surveyed for raptor nests. Surveys will be conducted by professional biologists approved by the Authorized Officer. All raptor nests, bald eagle wintering areas and prairie dog colonies, will be avoided by the distances and periods listed below.

Distance:

- Eagle – 0.5 mile, February 1 – July 15
- Prairie Falcon – 0.5 mile, March 1 – August 1
- Ferruginous Hawk – 0.5 mile, February 1 – July 15
- Aplomado Falcon – 0.5 mile, January 1 – July 31
- Gunnison Prairie Dog – 0.25 mile, April 1 – September 15
- Black Tailed Prairie Dog – 0.25 mile, January 1 – June 15
- All other raptor species – 0.25 mile, during observed nest establishment through fledgling.

Long-term surface use activities will not be allowed within the species-specific spatial buffer zone of active nests or occupied prairie dog towns listed above. Short-term activities will be avoided within the species-specific spatial buffer zones during the dates listed above. All other raptor species nests will be avoided by the spatial buffer zone only during the period listed above, regardless of the duration of the activity. Before surface use activities may commence a raptor and prairie dog survey must be completed.

A short-term activity is defined as an activity, which would begin outside of a given breeding season and end prior to initiation of a given breeding season. A long-term activity is defined as an activity which would continue into or beyond a given nesting/breeding season. An activities nest is defined as any nest that has been occupied in the last seven years. A nest will be determined active or inactive by the Authorized Officer.

For the purpose of: Protection of raptor and prairie dog habitat.

Bureau of Land Management
Socorro Field Office

SFO-CSU 3
April 2007

CONTROLLED SURFACE USE
PROTECTION OF CULTURAL RESOURCES

Access to the lease will be limited to route designated in the approved permit for lease operations. Applications for surface disturbing aspects of lease development will be evaluated for potential proximity to sensitive nationally significant cultural resources (known and suspected) and could require expanded pre-field records search, subsurface testing and/or metal detector survey in addition routine cultural resource surface inventory for compliance with Section 106 of the NHPA, the costs of which will be borne by the lessee. This would result in extended time frames for processing authorization for development activities.

All proposed surface-disturbing aspects of lease development will be located to avoid and/or protect the cultural resources present.

For the purpose of: Protection of highly significant and sensitive historic and prehistoric resources that might not be detected by means of standard Class III cultural resource surface inventory from direct and indirect effects of lease development.

ENDANGERED SPECIES ACT
SECTION 7 CONSULTATION STIPULATION

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

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