



United States Department of the Interior
Bureau of Land Management
Eastern States
7450 Boston Boulevard
Springfield, Virginia 22153
<http://www.es.blm.gov>



June 7, 2007

NOTICE OF COMEPTITIVE OIL AND GAS LEASE SALE

In accordance with 43 CFR Part 3120, the Eastern States Office is offering for competitive oil and gas lease sale, certain Federal lands in Alabama (ES-001 thru ES-032), Arkansas (ES-033 thru ES-071), and Louisiana (ES-072).

This notice provides:

- the time and place of the sale;
- how to register and participate in the bidding process,
- the sale process;
- the conditions of the sale,
- how to file a noncompetitive offer after the sale;
- how to file a presale noncompetitive offer; and
- how to file a protest to our offering the lands in this Notice.

When and where will the sale take place?

When: The competitive oral auction will begin at **10:00 a.m. on July 26, 2007**. The sale room will open at 9:00 a.m. to allow you to register and obtain your bid number.

Where: The sale will be held at the Bureau of Land Management, Eastern States Office, 7450 Boston Boulevard, Springfield, VA 22153. Parking is available.

Access: The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact Sherlena Clark at (703) 440-1552, by email at sherlena_clark@es.blm.gov, or at the mailing address in the letterhead of this notice by July 5, 2007.

How do I participate in the bidding process?

To participate in the bidding process, you must register to obtain a bid number. We will begin registering bidders at 9:00 a.m. on the day of the sale. Bidders must register in order to bid on a parcel.

What is the sale process?

Starting at 10:00 a.m. on the day of the sale:

- the auctioneer will offer the parcels in the order they are shown in the attached notice;
- all bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- the winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- the decision of the auctioneer is final.

The minimum acceptable bid is \$2 per acre or fraction thereof. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.501 acres requires a minimum bid of \$202 (\$2 x 101 acres). After all parcels have been offered, you may ask the auctioneer to re-offer any unsold parcel.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in Eastern States' Public Room. You may also get the number(s) of withdrawn parcels by contacting Sherlena Clark at (703) 440-1552. If we cancel the sale, we will try to notify all interested parties in advance.
- **Payment due:** You cannot withdraw a bid. Your bid is a legally binding commitment to sign the bid form; accept the lease; and pay all monies due. For each parcel you win, the **money due on the day of the sale** is the total of the bonus bid deposit (at least \$2 per acre), the first year's rent (\$1.50 per acre), and the administrative fee (\$130). **Any unpaid balance of the bonus bid must be submitted to the BLM-Eastern States Office by 4:30 p.m., August 9, 2007,** which is the tenth working day following the sale. If you do not pay the balance due by this date, you forfeit the right to the lease and all money paid on the day of the sale. If you forfeit a parcel, we may offer it at a later sale.
- **Form of payment:** You can pay by personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only). If you plan to make your payment using a credit card, you should contact your bank prior to the sale and let them know you will be making a substantial charge against your account. **Please note, we will not accept credit or debit card**

payments for an amount equal to or greater than \$100,000. We also will not accept aggregated smaller amounts to bypass this requirement. If you pay by check, please 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. The minimum acceptable bid is \$2 per acre or fraction thereof. If the parcel has fractional acreage, round it up to the next whole acre. For example, a parcel of 100.50 acres requires a minimum bid of \$202.00 (\$2 x 101 acres). After the auctioneer has offered all parcels, you may request that any unsold parcel be re-offered.

What are the terms and conditions of a lease issued as a result of this sale?

- **Term of the lease:** A lease is issued for a primary term of 10 years. It continues beyond that if it has production in paying quantities. We charge a royalty of 12.5 percent of the value of oil or gas removed or sold from a lease. You will find other lease terms on our standard lease form (Form 3100-11, July 2006).
- **Stipulations:** Some parcels are subject to surface use stipulations. They are requirements or restrictions on how you conduct operations. These stipulations are included in the parcel descriptions on the attached list. They become part of the lease and supersede any inconsistent provisions in the lease form.

What are the terms of the sale?

- **Withdrawal:** We reserve the right to withdraw any or all parcels from the sale before the auction begins. If we withdraw any parcels, we will post a notice in the Public Room at the Eastern States Office. You may also get the numbers of withdrawn parcels by contacting Sherlena Clark at (703) 440-1552. If we cancel the sale, we will try to notify all interested parties in advance.
- **Payment:** You cannot withdraw your bid; it is a legally binding commitment to sign the lease bid form; accept the lease; and pay on the day of the auction the bonus bid, the first year's rent, and an administrative fee. The bonus bid is a deposit of at least \$2.00 per acre or fraction thereof. The first year's rent is \$1.50 per acre or fraction thereof. The administrative fee is \$130 per parcel. You must pay minimum bonus, first year's rental and administrative fee by 4:30 p.m., at the Eastern States' Accounting Office. You may pay the entire amount of your bid on the day of the auction, but if you do not, **you must pay the balance by August 9, 2007**, which is the 10th working day following the auction. If you do not pay in full by this date, you forfeit the right to the lease and all money you have paid us. If you forfeit a parcel, we may offer it for sale at a later auction.
- **Form of payment:** You can pay by personal check, certified check, money order, or credit card (VISA, MASTERCARD, AMERICAN EXPRESS, or DISCOVER). Make a check payable to: **Department of the Interior-BLM.** We don't accept cash. If a check you have sent us in the past has been returned for insufficient funds, we will require that you give us a guaranteed payment, such as a certified check. **Effective February 1, 2005, BLM will not accept credit card**

or debit card payments to the Bureau for any amount equal to or greater than \$100,000 for any purpose. We also will not accept aggregate smaller amounts to bypass this requirement. We encourage you to make any payments of \$100,000 or more by Automated Clearing House (ACH) or Fed Wire Transfer.

- **Bid form:** Successful bidders must submit a signed competitive lease bid form (Form 3000-2, January 2007) with their payment on the day of the auction. This form is a legally binding offer by a prospective lessee to accept a lease and all applicable terms and conditions. We recommend you get the form and complete part of it before the auction, leaving part to be filled out at the auction. Your completed bid form certifies that you are qualified to be a lessee under our regulations at 43 CFR Part 12 and Subpart 3102.5-2. It also certifies that you comply with 18 U.S.C. 1860, a law prohibiting unlawful combinations, intimidation of or collusion among bidders.
- **Issuance of a lease:** We (the BLM) will issue your lease within 60 days of the sale date by signing the lease form provided you have paid your fees and rent. The effective date of a lease is the first day of the month following the month in which we sign the lease. We can make it effective the first day of the month in which we sign it, if we receive your written request before we sign the lease.

How do I file a noncompetitive pre-sale offer?

Under our regulations at 43 CFR 3110.1(a), you can file a noncompetitive pre-sale offer for lands that –

- are available,
- 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.

If no bid is received on them, your pre-sale offer gives you priority over any offer filed after the auction. In the list of parcels attached to this notice, we have used an asterisk to mark any parcel that has a pending pre-sale offer. By filing a pre-sale offer, you are consenting to all terms and conditions of the lease, including any stipulations for listed on the attachment to this notice.

To file a pre-sale offer, you must send us --:

- A standard lease form (Form 3100-11, July 2006), which is properly filled out, as required by the regulations under 43 CFR 3110. (**Note: You must copy both sides of the form on one page. If you copy the form on 2 pages, we will reject your offer;**
- the first year's advance rent in the amount of Rental \$1.50 per acre or fraction thereof; and
- a nonrefundable administrative fee in the amount of \$335.00.

NOTE: You cannot file a pre-sale offer for any lands included in the parcel list attached to this notice.

How do I file a noncompetitive offer after the auction?

You may be able to get a noncompetitive lease for a parcel we offered if –

- we did not withdraw it from the sale;
- it did not receive a bid; and
- it does not have a noncompetitive pre-sale offer pending.

Parcels that meet all these criteria are available on a first-come, first-served basis for two years from the date of the auction. If you want to file a noncompetitive offer for an unsold parcel immediately after the sale or on the next business day, give us the items listed above under pre-sale offers in a sealed envelope marked “Noncompetitive Offer.” We consider all noncompetitive offers that we receive on the day of the sale and the first business day after the sale as filed at the same time (simultaneously). Where an unsold parcel receives more than one simultaneous filing, we will hold a public drawing to determine who will get the lease.

Can 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 fax. You may not file a protest by electronic mail. A protest filed by fax must be sent to (703) 440-1551. 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 of 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.

Can I appeal BLM's decision to deny my protest?

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.

Can I withdraw my bid if the protestor files an 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.

Where can I get copies of BLM forms?

Form 3100-11, Offer to Lease and Lease for Oil and Gas and Form 3000-2 Competitive Oil and Gas or Geothermal Resources Lease Bid are included with this package. Electronic versions of these forms (PDF format) are available upon request. You may contact Ms. Cindy Kahn at (703) 440-1727 to request that they be e-mailed to you.

When is the next sale scheduled?

The next sale is tentatively scheduled for September 13, 2007.

Who should I contact if I have a question?

For more information, contact Sherlena Clark (703) 440-1552.

Gina A. Goodwin
Lead Land Law Examiner
Division of Natural Resources

**PLEASE COMPLETE ONE FORM FOR EACH COMPANY AND/OR INDIVIDUAL
YOU ARE REPRESENTING AND BRING TO THE SALE LOCATION TO SPEED
PROCESSING OF REGISTRATION**

REGISTRATION FORM

BIDDER NO. _____
(Leave Blank)

NAME: _____

BUSINESS PHONE: _____

BUSINESS ADDRESS: _____

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

SIGNATURE

DATE

A COPY OF THE LEASE AND ALL BILLING NOTICES WILL BE SENT TO THE
NAME AND ADDRESS OF THE LESSEE AS SHOWN ON FORM 3000-2 (BID
FORM).

HOTEL INFORMATION

Springfield Hilton
6550 Loisdale Court
Springfield, Virginia
(703) 971-8900

Holiday Inn
6401 Brandon Avenue
Springfield, Virginia
(703) 644-5555

Best Western
6560 Loisdale Court
Springfield, Virginia
(703) 922-9000

Days Inn
6721 Commerce Street
Springfield, Virginia
(703) 922-6100

Ramada Plaza Hotel
4641 Kenmore Avenue
Alexandria, Virginia
(703) 751-4510
Hotel shuttle to National Airport and Metro Subway

Directions to Bureau of Land Management – Eastern States:

From Washington, DC: take I-395 South through the Springfield Interchange to where I-395 becomes I-95. Continue on I-95 to Backlick/Fullerton Road Exit 167. At the light turn right onto Fullerton Road. At the third light, turn left onto Boston Boulevard (COSTCO to the left). Eastern States is approximately 0.3 miles on the right.

From Maryland: Take I-95/I-495, Capital Beltway's Inner Loop, across the Wilson Bridge to Alexandria, VA. Continue on I-95/I-495 to the I-395 Interchange; FOLLOW I-95, SOUTH, towards Richmond, VA. Take Exit 167, Backlick Road/Fullerton Road - the second exit south of the Beltway. At the FIRST Stoplight, Turn RIGHT onto Fullerton Road. At the THIRD Stoplight, Turn LEFT onto Boston Boulevard. Eastern States office (7450 Boston Boulevard) is about 0.3 miles on your right. Take either the sixth or seventh driveway to the right. Public parking is behind the building.

Traveling North I-95 in Virginia: Take I-95 NORTH, to Exit 166-B, Backlick Road/Fullerton Road, just past the fuel tank farm. Take Exit 167, to Fullerton Road - the second exit. At the FIRST Stoplight, Turn LEFT onto Fullerton Road. At the SECOND Stoplight, Turn LEFT onto Boston Boulevard. Eastern States office (7450 Boston Boulevard) is about 0.3 miles on your right. Take either the sixth or seventh driveway to the right. Public parking is behind the building.

CONECUH NATIONAL FOREST - ALABAMA

Acquired Lands

ES-001-07/07 ALES 54905 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian

Sec. 8, E2SE, N2NW;

Sec. 9, S2, SENE.

557.20 Acres

\$837.00 Rental

Subject to Forest Service Notice to Lessee No. 3 and 4

ES-002-07/07 ALES 54906 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian

Sec. 13, S2.

310.35 Acres

\$466.50 Rental

Subject to Forest Service Notice to Lessee No. 3 and 4

ES-003-07/07 ALES 54907 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian

Sec. 14, S2S2.

159.68 Acres

\$240.00 Rental

Subject to Forest Service Notice to Lessee No. 3 and 4

ES-004-07/07 ALES 54908 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian

Sec. 15, N2, SW, W2SE.

560.84 Acres

\$841.50 Rental

Subject to Forest Service Notice to Lessee No. 3 and 4

ES-005-07/07 ALES 54909 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian

Sec. 16, All.

641.44 Acres

\$963.00 Rental

Subject to Forest Service Notice to Lessee No. 3 and 4

ES-006-07/07 ALES 54910 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 19, E2SW;
Sec. 20, NW, W2NE, SENE, SE.
518.90 Acres
\$778.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-007-07/07 ALES 54911 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 21, N2, SW, E2SE.
560.00 Acres
\$840.00 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-008-07/07 ALES 54912 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 22, S2, E2NW, W2NE, SENE, S2NENE, NWNENE.
550.48 Acres
\$826.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-009-07/07 ALES 54913 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 27, All.
640.00 Acres
\$960.00 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-010-07/07 ALES 54914 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 28, All.
639.28 Acres
\$960.00 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-011-07/07 ALES 54915 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 29, SW, SENW;
Sec. 30, E2SE, E2E2W2SE.
639.28 Acres
\$960.00 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-012-07/07 ALES 54916 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 32, E2.
320.40 Acres
\$481.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-013-07/07 ALES 54917 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 33, All.
639.28 Acres
\$960.00 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-014-07/07 ALES 54918 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 34, NW, N2NE, SWNE, SW, S2SE, NWSE.
560.35 Acres
\$841.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-015-07/07 ALES 54919 ACQ

Alabama, Escambia County, Conecuh National Forest
T2N, R13E, St. Stephens Meridian
Sec. 35, N2NE, SWNE, E2NW, NWNW.
240.42 Acres
\$361.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

Public Domain Lands

ES-016-06/07 ALES 54920 PD

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 27, NWNE.
40.18 Acres
\$61.50 Rental
Subject to F.S. Notice to Lessee Nos. 3 and 4

Acquired Lands

ES-017-07/07 ALES 54921 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 2, SWSW;
Sec. 3, N2NE, SENE, SESE.
195.04 Acres
\$294.00 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-018-07/07 ALES 54922 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 5, W2W2, SESW.
196.78 Acres
\$295.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-019-07/07 ALES 54923 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 6, E2, SW.
476.16 Acres
\$715.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-020-07/07 ALES 54924 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 7, N2NE, W2SE;
Sec. 8, S2SW, NWSW.
280.34 Acres
\$421.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-021-07/07 ALES 54925 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 13, All of the NW North of the Yellow River;
Sec. 14, WNE, Pt. NESE and Pt. S2SE North of the Yellow River.
256.36 Acres
\$385.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-022-07/07 ALES 54926 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 15, SWSE;
Sec. 17, W2NW.
120.22 Acres
\$181.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-023-07/07 ALES 54927 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 18, W2NE, SE, E2SW, NW.
480.27 Acres
\$721.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-024-07/07 ALES 54928 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 19, N2 less 1 Ac. in the NWNE, NWSE, N2SW, SWSW.
480.53 Acres
\$721.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-025-07/07 ALES 54929 ACQ

Alabama, Covington County, Conecuh National Forest

T2N, R16E, St. Stephens Meridian

Sec. 20, NW, W2NE less 8.10 Ac. quitclaimed to J.J. Kelley described as:
Begin at the northeast corner of the NWNE of Sec. 20, T2N, R16E, an existing
concrete monument. Thence S 89°57'00"W along the section line between
Sections 17 and 20, 1312.33 feet to the quarter corner between Sections 17
and 20 an existing 2" iron pipe with brass cap. Thence S 01°55'19"W along
existing fence 80.71 feet. Thence; S 40°08'43"E along fence 20.85 feet.
Thence; S 44° 45'00"E along fence 153.03 feet. Thence; S 51° 57'35"E
along fence 180.29 feet. Thence; S 60° 11'18"E along fence 144.15 feet.
Thence; N 73° 14'34"E along fence 79.90 feet. Thence; N 75° 03'35"E
along fence 273.10 feet. Thence; N 77° 30' 09"E along fence 342.67 feet.
Thence; N 82° 20'55"W along fence 187.40 feet to the Point of Beginning,
containing 8.10 acres, more or less.

231.66 Acres

\$348.00 Rental

Subject to Forest Service Notice to Lessee No. 3 and 4

ES-026-07/07 ALES 54930 ACQ

Alabama, Covington County, Conecuh National Forest

T2N, R16E, St. Stephens Meridian

Sec. 22, E2, E2SW, SWSW.

439.31 Acres

\$660.00 Rental

Subject to Forest Service Notice to Lessee No. 3 and 4

ES-027-07/07 ALES 54931 ACQ

Alabama, Covington County, Conecuh National Forest

T2N, R16E, St. Stephens Meridian

Sec. 23, W2SW; That part of Tract C-3 lying in the NWNE
north of River containing 19.23 acres.

99.73 Acres

\$150.00 Rental

Subject to Forest Service Notice to Lessee No. 3 and 4

ES-028-07/07 ALES 54932 ACQ

Alabama, Covington County, Conecuh National Forest

T2N, R16E, St. Stephens Meridian

Sec. 26, NWNW except 3.20 Ac. in SE corner;

Sec. 27, NENE, S2SE, E2SW.

237.67 Acres

\$357.00 Rental

Subject to Forest Service Notice to Lessee No. 3 and 4

ES-029-07/07 ALES 54933 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 28, W2NE, SENE, W2NW, SENW, SW, NWSE.
442.45 Acres
\$664.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-030-07/07 ALES 54934 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 30, NENE, NWNE, less 4.04 acres, NENW;
Sec. 31, NENE S2NE, S2SW, SE.
476.40 Acres
\$715.50 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-031-07/07 ALES 54935 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 32, NWNW, Pt. S2SW North of Yellow River,
Pt. SWSE North of Yellow River;
Sec. 33, W2NE, SENE, Pt. of NESE.
249.75 Acres
\$375.00 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

ES-032-07/07 ALES 54936 ACQ

Alabama, Covington County, Conecuh National Forest
T2N, R16E, St. Stephens Meridian
Sec. 34, N2 North of Yellow River.
271.86 Acres
\$408.00 Rental
Subject to Forest Service Notice to Lessee No. 3 and 4

National Forest in Alabama
Conecuh National Forest

NOTICE TO LESSEE NO. 3

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.

NOTICE TO LESSEE NO. 4

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 requirement 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 measure 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.

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

The lessee/permittee/lessee must comply with all the rules and regulations of the Secretary of the 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 license/prospecting permit/lease. The Secretary of Agriculture's rules and regulations must be compiled with for all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor, National Forests in Alabama
2946 Chestnut Street
Montgomery, Alabama 36107-3010
Phone Number: 334-241-8111

BLM Field Office
Jackson Field Office
411 Briarwood Drive, Suite 404
Jackson, Mississippi 39206

Surface Management Agency
USDA, Forest Service (Region 8)
Room 792 South, Lands and Minerals
Atlanta, Georgia 30367

OZARK NATIONAL FOREST - ARKANSAS

Public Domain Lands

ES-033-07/07 ARES 54937 PD

Arkansas, Franklin County, Ozark National Forest
T11N, R26W, 5th Principal Meridian
Sec. 14, NENE, S2S2, NWSE.
240.00 Acres
\$360.00 Rental
Subject to Forest Service (F.S.) Controlled Surface Use Stipulation #1A

ES-034-07/07 ARES 54938 PD

Arkansas, Crawford County, Ozark National Forest
T11N, R31W, 5th Principal Meridian
Sec. 4, N2NW, SWSW, SESE.
Sec. 6, S2NE, S2SE.
337.53 Acres
\$507.00 Rental
Subject to F.S. Controlled Surface Use Stipulations #1B and #1C

Acquired Lands

ES-035-07/07 ARES 54939 ACQ

Arkansas, Yell County, Ozark National Forest
T6N, R24W, 5th Principal Meridian
Sec. 7, All, less a 2-acre square in the NW corner.
616.86 Acres
\$925.50 Rental

ES-036-07/07 ARES 54940 ACQ

Arkansas, Yell County, Ozark National Forest
T6N, R24W, 5th Principal Meridian
Sec. 8, NE, S2NW, S2.
560.00 Acres
\$840.00 Rental
Subject to F.S. Controlled Surface Use Stipulation #1A

ES-037-07/07 ARES 54941 ACQ

Arkansas, Franklin County, Ozark National Forest
T11N, R26W, 5th Principal Meridian
Sec. 11, N2N2, SENE, SENW, NESW, NESE, S2SE;
Sec. 12, S2NE, W2, N2SE;
Sec. 13, NWNE, W2, S2SE;
Sec. 14, SENE, W2NE, NESE.
1,480.00 Acres
\$2,220.00 Rental
Subject to F.S. Controlled Surface Use Stipulation #1

ES-038-07/07 ARES 54942 ACQ

Arkansas, Franklin County, Ozark National Forest
T11N, R26W, 5th Principal Meridian
Sec. 15, N2NE, SENE, NW, NWSW, S2SW.
400.00 Acres
\$600.00 Rental

ES-039-07/07 ARES 54943 ACQ

Arkansas, Crawford County, Ozark National Forest
T11N, R31W, 5th Principal Meridian
Sec. 4, NWSW, SESW, W2SE.
Sec. 5, N2, SW, N2SE, SESE.
821.75 Acres
\$1,233.00 Rental
Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-040-07/07 ARES 54944 ACQ

Arkansas, Crawford County, Ozark National Forest
T11N, R31W, 5th Principal Meridian
Sec. 6, N2NE, E2W2, SWNW, NWSW, NWSE.
364.60 Acres
\$547.50 Rental
Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-041-07/07 ARES 54945 ACQ

Arkansas, Crawford County, Ozark National Forest
T11N, R31W, 5th Principal Meridian
Sec. 6, *NESE.
40.00 Acres
\$60.00 Rental
***31/32 U.S. Mineral Interest**
Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-042-07/07 ARES 54946 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 7, E2, NWSW.

358.95 Acres

\$538.50 Rental

Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-043-07/07 ARES 54947 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 8, NWNE, S2NE, N2NW, SWSW, SE.

400.00 Acres

\$600.00 Rental

Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-044-07/07 ARES 54948 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 9, NENE, S2NE, W2, W2SE.

520.00 Acres

\$780.00 Rental

Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-045-07/07 ARES 54949 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 16, SENE, NW.

200.00 Acres

\$300.00 Rental

Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-046-07/07 ARES 54950 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 16, SWNE, E2NWSE, NESE.

100.00 Acres

\$450.00 Rental

50% U.S. Mineral Interest

Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-047-07/07 ARES 54951 ACQ

Arkansas, Crawford County, Ozark National Forest
T11N, R31W, 5th Principal Meridian
Sec. 17, NENE, S2NE, E2SW, SE.
360.00 Acres
\$540.00 Rental
Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-048-07/07 ARES 54952 ACQ

Arkansas, Crawford County, Ozark National Forest
T11N, R31W, 5th Principal Meridian
Sec. 18, W2NE, SENW, SE, **part of SESW** described as follows:
Commencing at the NE corner of the SESW of Section 18 and
running south 150 yards, thence west 50 yards, thence north
150 yards to the north line of said 40, thence east 50 yards
to the POB, containing 1.54 acres, more or less;
Sec. 19, SWNE, E2NW, NWSE, part of NESW described as follows:
Beginning at the NW corner NE of SE thence south 4 rods, thence south
76°35' east, 82.2 rods, thence north 23 rods, thence west 8 rods to the
POB containing 6.75 acres, more or less.
447.36 Acres
\$672.00 Rental
Subject to F.S. Controlled Surface Use Stipulation No. 1

ES-049-07/07 ARES 54953 ACQ

Arkansas, Crawford County, Ozark National Forest
T11N, R31W, 5th Principal Meridian
Sec. 20, N2N2 less and except 2 acres in the NWNW corner described
as beginning at NW corner, thence east 295.2', thence south 295.2',
thence west 295.2', thence north 295.2' to POB, **SENE, E2SE**.
278.00 Acres
\$417.00 Rental
Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-050-07/07 ARES 54954 ACQ

Arkansas, Crawford County, Ozark National Forest
T11N, R31W, 5th Principal Meridian
Sec. 21, E2NE, SWNE, W2NW, SENW, SW, N2SE.
480.00 Acres
\$720.00 Rental
Subject to F.S. Controlled Surface Use Stipulation No. 1

ES-051-07/07 ARES 54955 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 28, NW, W2SW;

Sec. 29, NE, SENW, N2SW, SESW, NESE.

600.00 Acres

\$900.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1

ES-052-07/07 ARES 54956 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 30, N2NW, SWNW, SW, W2SE.

360.07 Acres

\$541.50 Rental

Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-053-07/07 ARES 54957 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 31, SWNW, N2NW, NWSW.

161.45 Acres

\$243.00 Rental

Subject to F.S. Controlled Surface Use Stipulations #1 and #1A

ES-054-07/07 ARES 54958 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 32, NENE, S2NENWNE, SENWNE, S2NE.

135.00 Acres

\$202.50 Rental

Subject to F.S. Controlled Surface Use Stipulation #1

ES-055-07/07 ARES 54959 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R31W, 5th Principal Meridian

Sec. 33, N2NW, SWNW.

120.00 Acres

\$180.00 Rental

Subject to F.S. Controlled Surface Use Stipulation #1

ES-056-07/07 ARES 54960 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R33W, 5th Principal Meridian

Sec. 1, S2.

Sec. 2, Fractional S2.

524.68 Acres

\$787.50 Rental

Subject to F.S. Controlled Surface Use Stipulation #1

ES-057-07/07 ARES 54961 ACQ

Arkansas, Crawford County, Ozark National Forest

T11N, R33W, 5th Principal Meridian

Sec. 12, N2N2.

160.00 Acres

\$240.00 Rental

Subject to F.S. Controlled Surface Use Stipulation #1

ARKANSAS – T6N, R24W

CONTROLLED SURFACE USE STIPULATION #1A

OZARK (AR)

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

Activities must be conducted in such a manner as to protect the Pine Woodland Management Areas.

On the acquired lands described below:

T6N, R24W, Fifth PM

- Section 3: W2E2NE, W2NE, W2, W2SE, W2E2SE
- Section 4: All
- Section 5: E2SE, E2W2SE
- Section 8: N2NENE
- Section 9: NE, NENW, N2NWNW, NESENW, NENWSE, NESE
- Section 10: N2NE, N2NW, SWNW, W2NWSW

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

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

ARKANSAS – T11N, R26W

CONTROLLED SURFACE USE STIPULATION #1

OZARK (AR)

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

Activities must be conducted in such a manner as to protect the inherent ecological processes and functions of the associated aquatic, riparian, and upland components within riparian corridors.

On the acquired lands described below:

T11N, R26W, Fifth PM

- Section 1: W2NENE, E2NWNE, W2SENE, NENW, SWNW, N2SENW, SENWNW, N2NESE
- Section 2: NESESE
- Section 5: W2E2NE, NWNE, E2SWNE
- Section 6: NWNW
- Section 11: SESE
- Section 12: W2W2
- Section 13: S2S2
- Section 14: E2W2NE, SWNESE

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

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

ARKANSAS – T11N, R26W

CONTROLLED SURFACE USE STIPULATION #1A

OZARK (AR)

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

Activities must be conducted in such a manner as to protect the inherent ecological processes and functions of the associated aquatic, riparian, and upland components within riparian corridors.

On the public domain lands described below:

T11N, R26W, Fifth PM

Section 14: NENE, NWSE, SESE, W2SWSE, E2SESW

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

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

ARKANSAS – T11N, R31W

CONTROLLED SURFACE USE STIPULATION #1

OZARK (AR)

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

Activities must be conducted in such a manner as to protect Oak Savannah/
Oak Woodland Management Areas.

On the acquired lands described below:

T11N, R31W, Fifth PM

Section 4: NWSW, SESW, W2SE
Section 5: ALL
Section 6: N2NE, E2W2, SWNW, NWSW, N2SE
Section 7: E2, NWSW
Section 8: NWNE, S2NE, N2NW, SWSW, SE
Section 9: NENE, S2NE, W2, W2SE
Section 16: S2NE, NW, E2NWSE, NESE
Section 17: NENE, S2NE, E2SW, SE
Section 18: W2NE, SENW, SE, part of SESW containing 1.54 acres
Section 19: SWNE, E2NW, NWSE, part of NESW containing 6.75 acres
Section 20: N2N2 less and except 2 acres in the NWNW corner, SENE, E2SE
Section 21: E2NE, SWNE, W2NW, SENW, SW, N2SE
Section 28: NW, W2SW
Section 29: SESW, NE, SENW, N2SW, NESE
Section 30: N2NW, SWNW, SW, W2SE
Section 31: SWNW, N2NW, NWSW
Section 32: NENE, S2NENWNE, SENWNE, S2NE
Section 33: N2NW, SWNW

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the
Ozark-St. Francis National Forests Land & Resource Management Plan effective
January 2006.

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

ARKANSAS – T11N, R31W

CONTROLLED SURFACE USE STIPULATION #1A

OZARK (AR)

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

Activities must be conducted in such a manner as to protect the inherent ecological processes and functions of the associated aquatic, riparian, and upland components within riparian corridors.

On the acquired lands described below:

T11N, R31W, Fifth PM

Section 4: W2SWSE, SESW
Section 5: W2NESW, NWSW, NWSWSW
Section 6: W2SWNW
Section 7: W2NE, S2SENE, N2NESE
Section 8: SENE, SE
Section 9: N2NW, NWSWNW
Section 16: SWNE, S2S2NW, N2W2NWSW, N2E2NWSE, N2NESE
Section 17: S2S2NE, NESW, NWSESW, N2N2SE,
Section 20: NWNW
Section 30: E2SWSE
Section 31: SENENW

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

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

ARKANSAS – T11N, R31W

CONTROLLED SURFACE USE STIPULATION #1B

OZARK (AR)

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

Activities must be conducted in such a manner as to protect Oak Savannah/
Oak Woodland Management Areas.

On the PUBLIC DOMAIN lands described below:

T11N, R31W, Fifth PM

Section 4: N2NW, SWSW, SESE
Section 6: S2NE, SWSE

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the
Ozark-St. Francis National Forests Land & Resource Management Plan effective
January 2006.

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

ARKANSAS – T11N, R31W

CONTROLLED SURFACE USE STIPULATION #1C

OZARK (AR)

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

Activities must be conducted in such a manner as to protect the inherent ecological processes and functions of the associated aquatic, riparian, and upland components within riparian corridors.

On the PUBLIC DOMAIN lands described below:

T11N, R31W, Fifth PM

Section 6: S2SE

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

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

ARKANSAS – T11N, R33W

CONTROLLED SURFACE USE STIPULATION #1

OZARK (AR)

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

Activities must be conducted in such a manner as to protect Oak Savannah/
Oak Woodland Management Areas.

On the acquired lands described below:

T11N, R33W, Fifth PM

Section 1: S2
Section 2: Fractional S2
Section 12: N2N2

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the
Ozark-St. Francis National Forests Land & Resource Management Plan effective
January 2006.

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 THE JURISDICTION OF THE DEPARTMENT OF AGRICULTURE**

The lessee/permittee/lessee must comply with all the rules and regulations of the Secretary of the 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 license/prospecting permit/lease. The Secretary of Agriculture's rules and regulations must be compiled with for all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor, Ozark – St. Francis NFs
605 West Main Street
Russellville, AR 72801
(479) 964-7200

BLM Field Office
Jackson Field Office
411 Briarwood Drive, Suite 404
Jackson, Mississippi 39206

Surface Management Agency
USDA, Forest Service (Region 8)
Room 792 South, Lands and Minerals
Atlanta, Georgia 30367

“Privately-Owned Surface Tracts” in AR and LA:

ES-058-07/07 ARES 54962 PD

Arkansas, Logan County, BLM
T8N, R22W, 5th Principal Meridian
Sec. 27, SENE.

40.00 Acres

\$60.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 2, 3 and 6) and Lease Notices

ES-059-07/07 ARES 54963 PD

Arkansas, Conway County, BLM
T9N, R14W, 5th Principal Meridian
Sec. 28, NWNW.

40.00 Acres

\$60.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 3 and 6) and Lease Notices

ES-060-07/07 ARES 54964 PD

Arkansas, White County, BLM
T10N, R7W, 5th Principal Meridian
Sec. 10, NWSE.

40.00 Acres

\$60.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 3 and 6) and Lease Notices

ES-061-07/07 ARES 54965 PD

Arkansas, Van Buren County, BLM
T10N, R15W, 5th Principal Meridian
Sec. 10, SESW;

T11N, R15W, 5th Principal Meridian
Sec. 32, N2NE, SWNE, NENW.

200.00 Acres

\$300.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 3, 4 and 6) and Lease Notices

ES-062-07/07 ARES 54966 PD

Arkansas, Johnson County, BLM
T11N, R22W, 5th Principal Meridian
Sec. 3, N2SW, NWSE;
Sec. 26, NE;
Sec. 33, SESW.

320.00 Acres

\$480.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 2, 3 and 6) and Lease Notices

ES-063-07/07 ARES 54967 PD

Arkansas, Johnson County, BLM
T11N, R22W, 5th Principal Meridian
Sec. 34, NENE lying West of the center line of Hwy 123, SWNE.

59.80 Acres

\$90.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 2, 3 and 6) and Lease Notices

ES-064-07/07 ARES 54968 PD

Arkansas, Lafayette County, BLM
T20S, R25W, 5th Principal Meridian
Sec. 9, Fractional N2SE (North of the old Louisiana State Line (13.16 acres);
Sec. 10, Fractional N2SW (North of the old Louisiana State Line (11.77 acres);
Fractional Sec. 15, All in belt line (0.28 acres).

25.21 Acres

\$39.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 3 and 6) and Lease Notices

ES-065-07/07 ARES 54969 ACQ

Arkansas, Yell County, BLM
T5N, R23W, 5th Principal Meridian
Sec. 4, Part of the NWNE, Part of the NENW;
Sec. 18, Part of the E2NW.

98.73 Acres

\$148.50 Rental

75% U.S. Mineral Interests

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 2, 3, 5 and 6) and Lease Notices

ES-066-07/07 ARES 54970 ACQ

Arkansas, Yell County, BLM
T6N, R22W, 5th Principal Meridian
Sec. 20, N2N2NESE, SESE.
50.00 Acres
\$75.00 Rental

75% U.S. Mineral Interests

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 2, 3 and 6) and Lease Notices

ES-067-07/07 ARES 54971 ACQ

Arkansas, Faulkner County, BLM
T8N, R14W, 5th Principal Meridian
Sec. 3, NWNE, N2NW.
120.00 Acres
\$180.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 3 and 6) and Lease Notices

ES-068-07/07 ARES 54972 ACQ

Arkansas, Cleburne County, BLM
T9N, R10W, 5th Principal Meridian
Sec. 25, NWSE;
Sec. 36, N2SE.
120.00 Acres
\$180.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 3 and 6) and Lease Notices

ES-069-07/07 ARES 54973 ACQ

Arkansas, Van Buren County, BLM
T9N, R14W, 5th Principal Meridian
Sec. 34, NW/4.
160.00 Acres
\$240.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 3, 4 and 6) and Lease Notices

ES-070-07/07 ARES 54974 ACQ

Arkansas, Conway County, BLM
T9N, R17W, 5th Principal Meridian
Sec. 22, Fractional NENW, SENW, N2SE.
160.00 Acres
\$240.00 Rental

50% U.S. Mineral Interests

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 2, 3 and 6) and Lease Notices

ES-071-07/07 ARES 54975 ACQ

Arkansas, White County, BLM
T10N, R7W, 5th Principal Meridian
Sec. 20, NWNW.

40.00 Acres

\$60.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 3 and 6) and Lease Notices

Louisiana

ES-072-07/07 LAES 54976 PD

Louisiana, Caddo Parish, BLM
T20N, R16W, Louisiana Meridian
Fractional Sec. 20, All.

37.83 Acres

\$57.00 Rental

Subject to BLM Controlled Surface Use Stipulations (Nos. 1, 3 and 6) and Lease Notices

BLM CONTROLLED SURFACE USE STIPULATIONS

Description: Ten counties (Johnson, Lafayette, Logan, White, Yell, Van Buren, Cleburne, Conway, Crawford, and Faulkner County) in the state of Arkansas

Lease Stipulation No. 1. This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. *These obligations may include a requirement that you provide a cultural resources survey conducted by a professional archaeologist.* The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

Modification: None

Waiver: This stipulation may be waived by the Authorized Officer if it is documented that a cultural resources survey, which meets professional standards, has been conducted and significant sites, including sites of concern to Native Americans, will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required.

Exemptions: An exemption may be granted for a specific development proposal if it is documented that a cultural resources survey, which meets professional standards, has been conducted on the area of proposed development and significant sites, including sites of concern to Native Americans, will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required.

Lease Stipulation No. 2

American Burying Beetle Stipulation for split-estate and U.S. Army Corps of Engineer surface in Crawford, Franklin, Little River, Johnson, Logan, Montgomery, Polk, Sebastian, Sevier, and Scott, and Yell counties, Arkansas

1. If the project entails more than three acres of disturbance, the applicant will be required to conduct a trap and release program for American burying beetle utilizing accepted protocols outlined in the reasonable and prudent measures in the programmatic biological opinion written by the U.S. Fish and Wildlife Service, Conway Ecological

Services Office and dated December 19, 2006. This trap and release program must be conducted by a U.S. Fish and Wildlife Service permitted section 10 biologist during the beetle's active season, between May 20 and September 20.

2. Release sites require U.S. Fish and Wildlife Service and landowner approval prior to conducting the trap and release program.
3. Only those pesticides or herbicides approved for use in ABB areas will be authorized for use by the lessee. No electric insect killers will be used by the lessee.

Modification: The disturbance threshold maybe increased to 5 acres if the site is more than five miles from Ft. Chaffee, Cherokee and H.E. Flanagan Natural Areas, and the National Forests in Arkansas.

Exception: There may be an exception made for this stipulation for individual projects located in habitats not considered suitable for ABB, including sites with any of the following characteristics:

- a. Soil that is greater than 70 percent sand.
- b. Soil that is greater than 70 percent clay.
- c. Land where greater than 80 percent of the soil surface is comprised of rock.
- d. Land where greater than 80 percent of the subsurface soil structure within the top four inches is comprised of rock.
- e. Land that has already been developed and no longer exhibits topsoil or leaf litter.
- f. Land that is tilled on at least an annual basis.
- g. Land that meets the U.S. Army Corps of Engineers definition of wetland. (However, projects developed in this type of habitat will need to be reviewed by the Corps to ensure compliance with section 404 of the Clean Water Act.
- h. Pine plantations planned for mechanical treatment where stocking density is 750 or more trees per acre (little sunlight to forest floor).
- i. Shortleaf pine or shortleaf pine – hardwood forest stands with 110 square feet per acre or greater overstory basal area and more than 700 stems per acre occupying midstory or understory positions.

Waiver: None

Lease Stipulation 3. To protect wildlife and watershed values, no construction activities will be permitted within 250' of a perennial or intermittent creek or stream.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and in coordination with state agencies.

Modification: In areas where the slope is less than 10% the buffer may be reduced to 100 feet if the adjacent waterway has been surveyed from 100 yards upstream to 300 yards downstream of the site, and results document the lack of suitable/occupied habitat for special status species within the mixing zone downstream of the project, as determined to by BLM and USFWS.

Modification: The buffer may be extended if the intervening slope exceeds 10%.

Waiver: None

Lease Stipulation 4. No surface occupancy is permitted within the floodplain of Little Red River, nor can water be diverted from the Little Red River to develop a federal well on this lease. Closed systems will be used on this lease within the watershed of the Little Red River.

Exception: An exception may be granted with concurrence from Fish and Wildlife Service and the State that the project is not likely to adversely affect federally listed species.

Modification: None

Waiver: None

Lease Stipulation 5. - Bald Eagle. No surface occupancy shall be permitted within 660 of an active or alternate Bald Eagle nest.

Objective: To avoid impacts to nesting eagles, including courtship and nesting behavior, egg laying and incubation, and feeding and fledging activity.

Exception: An exception may be granted for disturbance outside of the nesting season if the operator agrees to implement measures developed in consultation with the USFWS and in coordination with state agencies.

Exception: An exception may be granted if the nest has not been used for at least 5 years.

Modification: The distance may be reduced to 330 feet, or as close as the existing tolerated activity of similar scope for activities outside of the nesting season if there is similar activity within a mile of the proposed well site and the activity will not be visible from the nest site.

Waiver: The stipulation may be waived if no nest sites are identified on or within 660 feet of the leased tract.

Lease Stipulation 6. 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.

Modification: None

Exception: None

Waiver: None

BLM Lease Notices (*applies to all “private surface” parcels in AR & LA*):

1. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.
2. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner.