

# BLM

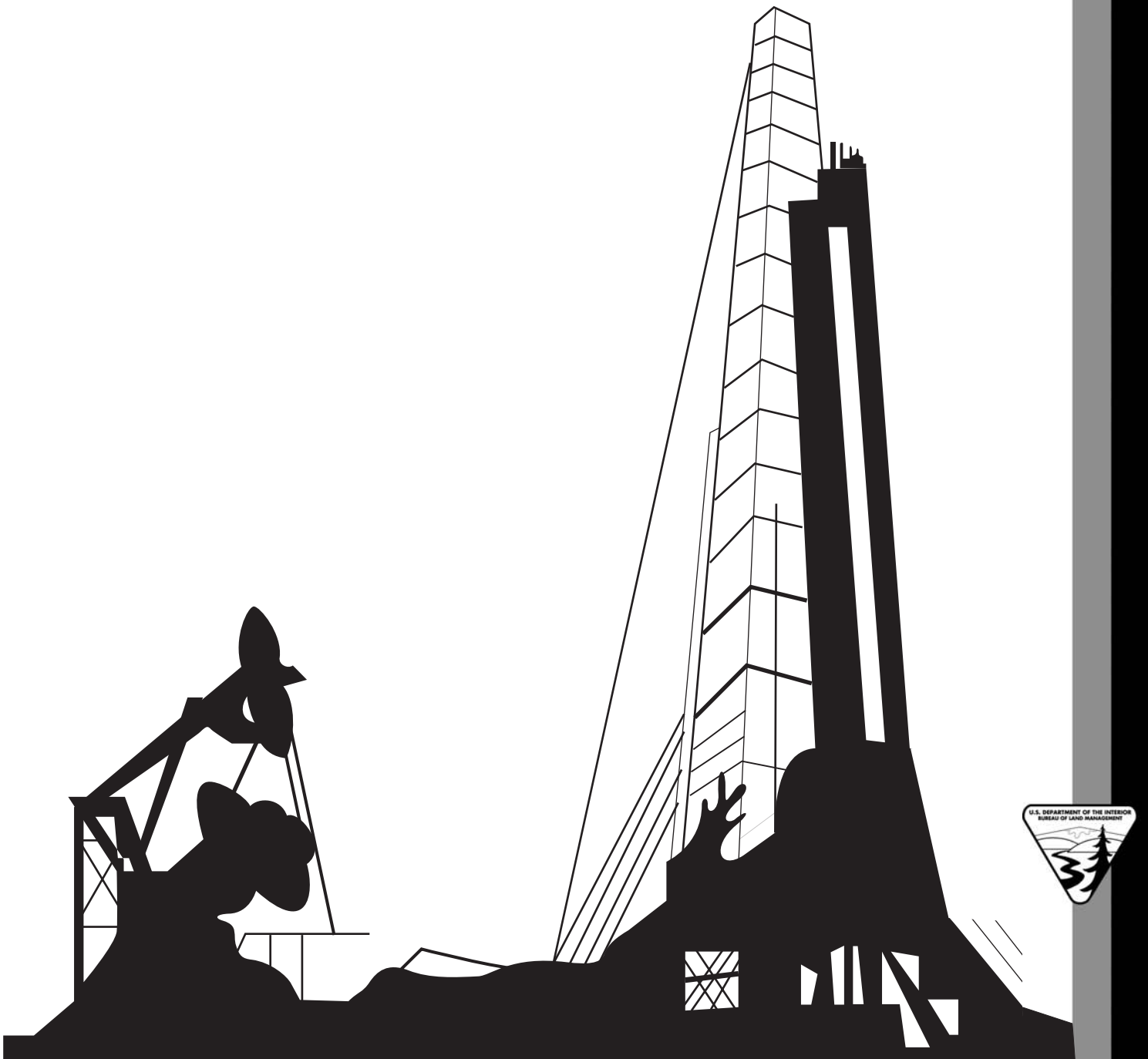
New Mexico  
Oklahoma  
Texas & Kansas

## Competitive Oil and Gas Lease Sale

**January 18, 2006**

Bureau of Land Management  
New Mexico State Office  
1474 Rodeo Road  
Santa Fe, New Mexico, 87504

BLM





# United States Department of the Interior

## Bureau of Land Management

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

IN REPLY REFER TO:  
3120 (92100-lbo)

November 22, 2005

## NOTICE OF COMPETITIVE LEASE SALE Oil and Gas

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

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

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, January 18, 2006**. The **Lobby Area at the National Park Service, Paisano 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 **NATIONAL PARK SERVICE, in the second floor conference room, (Cactus Room No., 2080), 2968 Rodeo Park Drive West, Paisano Building, Santa Fe, New Mexico, 87505 (see attached map)**.
- 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 8, 2005**.

### **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 **Lobby Area at the National Park Service**. 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 (\$2x200 acres) and the advance annual rental will be \$300 (\$1.50X200 acres) for the first 5-years and \$400 (\$2X200 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 **\$130**. You must make this payment in our Accounts Section at the BLM office either during, or immediately following the sale.

**-Remaining payments:** If your bonus bid was more than \$2.00 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 February 1, 2006**, which is the 10<sup>th</sup> working day following the sale. **If you do not pay in full by this date, you lose the right to the lease and you will forfeit the money you paid on the day of the sale.** If you forfeit a parcel, we may offer it at a later sale.

**-Forms of payment:** You may pay by personal check, 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, October 1989, or later 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 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 246,80 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, June 1988 or later edition, copy included).

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

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

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

- The township and range contains additional zeros. For example, T. 28 N., R. 32 E., is shown as T0280N, R 0320E (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 0142N.

**-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 **\$335** 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 **April 19, 2006**. Please send nominations for that sale by December 9, 2005.

### **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 list is also available on our public internet website:

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

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

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 15<sup>th</sup> calendar day prior to the date of the sale. If our office is not open on the 15<sup>th</sup> 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)438-7684. 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.

**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.

## **Inclement Weather Conditions**

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

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

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

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

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

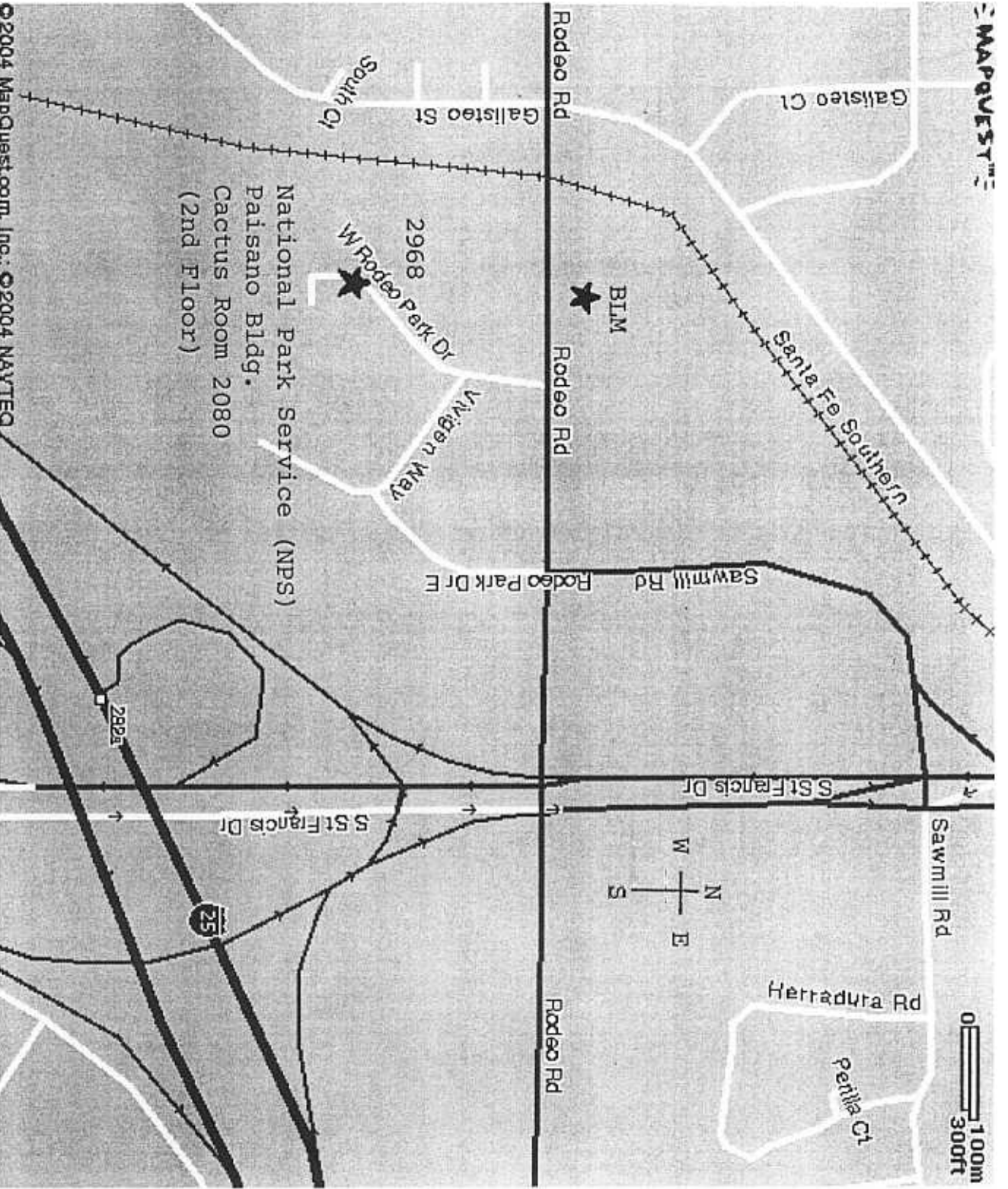
## **Power Outages**

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

## **Whom should I contact if I have a question?**

For general information, please contact our Information Access Center at (505) 438-7565 or for information or question about the sale, contact: Gloria Baca at (505) 438-7566.

*Gloria S. Baca  
Land Law Examiner  
Fluids Adjudication Team*



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Serial No. \_\_\_\_\_

**OFFER TO LEASE AND LEASE FOR OIL AND GAS**

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

**READ INSTRUCTIONS BEFORE COMPLETING**

Name \_\_\_\_\_  
Street \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_

2. This application/offer/lease is for: (*Check only One*)  PUBLIC DOMAIN LANDS  ACQUIRED LANDS (percent U.S. interest \_\_\_\_\_)  
Surface managing agency if other than BLM: \_\_\_\_\_ Unit/Project \_\_\_\_\_  
Legal description of land requested: \_\_\_\_\_ \*Parcel No.: \_\_\_\_\_ \*Sale Date (m/d/y): \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
**\*SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**  
T. \_\_\_\_\_ R. \_\_\_\_\_ Meridian \_\_\_\_\_ State \_\_\_\_\_ County \_\_\_\_\_

Amount remitted: Filing fee \$ \_\_\_\_\_

Rental fee \$ \_\_\_\_\_

Total acres applied for \_\_\_\_\_  
Total \$ \_\_\_\_\_

**DO NOT WRITE BELOW THIS LINE**

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

Total acres in lease \_\_\_\_\_  
Rental retained \$ \_\_\_\_\_

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

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

Type and primary term of lease: \_\_\_\_\_ THE UNITED STATES OF AMERICA  
 Noncompetitive lease (ten years) by \_\_\_\_\_  
(Signing Officer)  
 Competitive lease (ten years) \_\_\_\_\_  
(Title) \_\_\_\_\_ (Date) \_\_\_\_\_  
 Other \_\_\_\_\_ EFFECTIVE DATE OF LEASE \_\_\_\_\_

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

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

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

(Signature of Lessee or Attorney-in-fact)

## LEASE TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**  
  
**COMPETITIVE OIL AND GAS OR**  
**GEOTHERMAL RESOURCES LEASE BID**  
 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359;  
 30 U.S.C. 1001-1025; 42 U.S.C. 6508

State	
-------	--

	<b>TOTAL BID</b>	
<b>THE BID IS FOR (Check one) :</b> <input type="checkbox"/> Oil and Gas Parcel Number _____  <input type="checkbox"/> Geothermal Parcel Number _____ Name of Known Geothermal Resource Area (KGRA) _____		

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

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

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

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

\_\_\_\_\_

Print or Type Name of Lessee

---

Address of Lessee

---

City                                      State                                      Zip Code

\_\_\_\_\_

Signature of Lessee or Bidder

**INSTRUCTIONS**

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

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

**INSTRUCTIONS FOR GEOTHERMAL OR**  
**NPR-A OIL AND GAS BID**

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on reverse)

## QUALIFICATIONS

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

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

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

## NOTICE

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

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

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

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

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

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

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

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

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

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

## BURDEN HOURS STATEMENT

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

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

**NEW BIDDER REGISTRATION FORM**

**BIDDER NO. \_\_\_\_\_  
(Leave Blank)**

**NAME:** \_\_\_\_\_

**TELEPHONE:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**CITY:** \_\_\_\_\_

**STATE:** \_\_\_\_\_ **ZIP CODE:** \_\_\_\_\_

**E-MAIL ADDRESS:** \_\_\_\_\_

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

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

**BUREAU OF LAND MANAGEMENT  
NEW MEXICO STATE OFFICE  
January 18, 2006, Lease Sale Statistics by State  
Parcels with and without Pre-sale Noncompetitive Priority Offers**

<b>STATE</b>	<b>PARCELS WITH PRESALE OFFER</b>	<b>PARCELS WITHOUT PRESALE OFFER</b>	<b>TOTAL PARCELS</b>	<b>ACRES WITH PRESALE OFFER</b>	<b>ACRES WITHOUT PRESALE OFFER</b>	<b>TOTAL ACRES</b>
<b>NM</b>	0	57	57	0.00	26,198.94	26,198.94
<b>KS</b>	0	1	1	0.00	320.00	320.00
<b>OK</b>	0	4	4	0.00	865.85	865.85
<b>TX</b>	0	9	9	0.00	5,070.21	5,070.21
<b>TOTALS</b>	0	71	71	0.00	32,455.00	32,455.00



**KANSAS ACQUIRED- SW**

**NM-200601-001 320.000 Acres**

T.0350S, R.0430W, 06 PM, KS  
Sec. 017 W2E2,E2W2;  
Morton County  
Tulsa FO  
Cimarron National Grasslands  
Stipulations:  
FS1, FS2(KS)LN#1

**NEW MEXICO PUBLIC DOMAIN - SE**

**NM-200601-002 1760.000 Acres**

T.0190S, R.0200E, 23 PM, NM  
Sec. 026 E2,N2NW,SEW,N2SW;  
034 N2NE,SWNE,W2,SE;  
035 ALL;  
Chaves County  
Carlsbad FO  
Stipulations:  
SENM-LN-3 T&E or Sensitive Species  
(Kuenzler Cactus)  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-003 2096.320 Acres**

T.0200S, R.0200E, 23 PM, NM  
Sec. 003 LOTS 1-8;  
003 S2N2,S2;  
004 LOTS 1-8;  
004 S2N2,S2;  
009 ALL;  
Chaves County  
Carlsbad FO  
Stipulations:  
SENM-LN-3 T&E or Sensitive Species  
(Kuenzler Cactus)  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-004 2091.850 Acres**

T.0200S, R.0200E, 23 PM, NM  
Sec. 005 LOTS 1-8;  
005 S2N2,S2;  
006 LOTS 1-11;  
006 S2NE,SEW,E2SW,SE;  
008 ALL;  
Chaves County  
Carlsbad FO  
Stipulations:  
SENM-LN-3 T&E or Sensitive Species  
(Kuenzler Cactus)  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-005 1917.600 Acres**

T.0200S, R.0200E, 23 PM, NM  
Sec. 007 LOTS 1-4;  
007 E2,E2W2;  
017 ALL;  
020 ALL;  
Chaves County  
Carlsbad FO  
Stipulations:  
SENM-LN-3 T&E or Sensitive Species  
(Kuenzler Cactus)  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-006 280.000 Acres**

T.0220S, R.0210E, 23 PM, NM  
Sec. 021 SW,W2SE,SESE;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-LN-3 T&E or Sensitive Species  
(Kuenzler Cactus)  
SENM-S-13 Guadalupe Escarpment Habitat Mgmt 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-11-LN Special Cultural Resource Lease Notice

**NM-200601-007 200.000 Acres**

T.0220S, R.0210E, 23 PM, NM  
Sec. 024 SESW;  
025 NW;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-LN-3 T&E or Sensitive Species  
(Kuenzler Cactus)  
SENM-S-13 Guadalupe Escarpment Habitat Mgmt Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-008 320.000 Acres**

T.0220S, R.0210E, 23 PM, NM  
Sec. 026 E2;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-LN-3 T&E or Sensitive Species  
(Kuenzler Cactus)  
SENM-S-6 South Texas Hills Canyon  
SENM-S-13 Guadalupe Escarpment Habitat Mgmt Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-009**                    **640.000 Acres**  
T.0220S, R.0210E, 23 PM, NM  
Sec. 027    ALL;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-LN-3 T&E or Sensitive Species  
(Kuenzler Cactus)  
SENM-S-6 South Texas Hills Canyon-(Sec.27: E2)  
SENM-S-13 Guadalupe Escarpment Habitat Mgmt 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-11-LN Special Cultural Resource Lease Notice

**NM-200601-010**                    **640.000 Acres**  
T.0220S, R.0210E, 23 PM, NM  
Sec. 028    ALL;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-LN-3 T&E or Sensitive Species  
(Kuenzler Cactus)  
SENM-S-13 Guadalupe Escarpment Habitat Mgmt 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-11-LN Special Cultural Resource Lease Notice

**NM-200601-011**                    **320.000 Acres**  
T.0230S, R.0220E, 23 PM, NM  
Sec. 005    N2;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-13 Guadalupe Escarpment Habitat Mgmt Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-012**                    **320.000 Acres**  
T.0230S, R.0220E, 23 PM, NM  
Sec. 005    S2;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-13 Guadalupe Escarpment Habitat Mgmt Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-013**                    **320.000 Acres**  
T.0230S, R.0220E, 23 PM, NM  
Sec. 008    E2;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-13 Guadalupe Escarpment Habitat Mgmt Area  
SENM-S-15 Wildlife Habitat Projects  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-014**                    **320.000 Acres**  
T.0230S, R.0220E, 23 PM, NM  
Sec. 008    W2;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-13 Guadalupe Escarpment Habitat Mgmt Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-015**                    **1680.000 Acres**  
T.0200S, R.0230E, 23 PM, NM  
Sec. 015    E2;  
              022    ALL;  
              023    ALL;  
              024    S2SW;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-25 Visual Resource Management  
SENM-S-31 Northern Aplomado Falcon Suitable Habitat  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-016**                    **120.540 Acres**  
T.009½S, R.0240E, 23 PM, NM  
Sec. 031    LOTS 1-4;  
              035    LOTS 1-4;  
Chaves County  
Roswell FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
NM-9 Unit Participation/Pooling Stipulation (NSO)-  
Sec. 35: Lots 1-4  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management

**NM-200601-017**                    **80.000 Acres**  
T.0100S, R.0250E, 23 PM, NM  
Sec. 034 SWNE, SENW;  
Chaves County  
Roswell FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils - Sec.34: SWNE  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management

**New Mexico - NE**

**NM-200601-018**                    **40.000 Acres**  
T.0120N, R.0250E, 23 PM, NM  
Sec. 028 SENE;  
San Miguel County  
Taos FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice  
SENM-S-17 Slopes or Fragile Soils

**New Mexico - SE**

**NM-200601-019**                    **320.000 Acres**  
T.0210S, R.0250E, 23 PM, NM  
Sec. 029 E2;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-020**                    **320.000 Acres**  
T.0210S, R.0250E, 23 PM, NM  
Sec. 029 W2;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-021**                    **767.150 Acres**  
T.0230S, R.0250E, 23 PM, NM  
Sec. 010 LOTS 1,2;  
015 LOTS 1-16;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-022**                    **683.680 Acres**  
T.0230S, R.0250E, 23 PM, NM  
Sec. 019 LOTS 5-20;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-023**                    **480.000 Acres**  
T.0120S, R.0260E, 23 PM, NM  
Sec. 008 W2SE, SESE;  
009 SENW, S2;  
Chaves County  
Roswell FO  
Stipulations:  
SENM-S-18 Streams, Rivers, and Floodplains

**NM-200601-024**                    **480.000 Acres**  
T.0230S, R.0260E, 23 PM, NM  
Sec. 023 SE;  
024 N2;  
Eddy County  
Carlsbad FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-025**                    **156.100 Acres**  
T.0130S, R.0270E, 23 PM, NM  
Sec. 031 LOTS 1,2;  
Sec. 031 E2NW;  
Chaves County  
Roswell FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management

**NM-200601-026**                    **40.000 Acres**  
T.0180S, R.0270E, 23 PM, NM  
Sec. 015 SWSW;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-027**                    **160.000 Acres**  
T.0210S, R.0280E, 23 PM, NM  
Sec. 001    N2S2;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-15 Wildlife Habitat Projects  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-032**                    **587.650 Acres**  
T.0210S, R.0290E, 23 PM, NM  
Sec. 005    LOTS 1-8;  
              006    LOTS 1-8;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-1 Potash Stipulation -  
Sec.5: Lots 1-8  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-028**                    **294.090 Acres**  
T.0210S, R.0280E, 23 PM, NM  
Sec. 001    LOTS 3-6,11-14;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-15 Wildlife Habitat Projects  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-033**                    **40.000 Acres**  
T.0240S, R.0290E, 23 PM, NM  
Sec. 026    NWNW;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-029**                    **294.310 Acres**  
T.0210S, R.0280E, 23 PM, NM  
Sec. 001    LOTS 1,2,7-10,15,16;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-15 Wildlife Habitat Projects  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-034**                    **160.000 Acres**  
T.0250S, R.0290E, 23 PM, NM  
Sec. 021    NE;  
Eddy County  
Carlsbad FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-030**                    **40.000 Acres**  
T.0240S, R.0280E, 23 PM, NM  
Sec. 001    SESW;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-S-11 Pecos River/Canyon Complex ACEC  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-035**                    **160.000 Acres**  
T.0250S, R.0290E, 23 PM, NM  
Sec. 028    SE;  
Eddy County  
Carlsbad FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-031**                    **600.000 Acres**  
T.0240S, R.0280E, 23 PM, NM  
Sec. 033    E2,N2NW,SWNW,SW;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-036**                    **80.000 Acres**  
T.0250S, R.0290E, 23 PM, NM  
Sec. 029    S2SE;  
Eddy County  
Carlsbad FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-037**                    **640.640 Acres**  
T.0250S, R.0290E, 23 PM, NM  
Sec. 030    LOTS 1-4;  
              030    E2,E2W2;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-038**                    **400.000 Acres**  
T.0260S, R.0290E, 23 PM, NM  
Sec. 004    W2NE,NW;  
          005    NE;  
Eddy County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-11 Pecos River/Canyon Complex ACEC  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-25 Visual Resource Management  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-039**                    **561.280 Acres**  
T.0150S, R.0300E, 23 PM, NM  
Sec. 004    LOTS 1,2;  
          004    SE;  
          009    E2;  
Chaves County  
Roswell FO  
Stipulations:  
SENM-S-25 Visual Resource Management

**NM-200601-040**                    **40.000 Acres**  
T.0150S, R.0300E, 23 PM, NM  
Sec. 021    NENE;  
Chaves County  
Roswell FO  
Stipulations:  
SENM-S-25 Visual Resource Management

**NM-200601-041**                    **440.000 Acres**  
T.0150S, R.0300E, 23 PM, NM  
Sec. 033    E2SE;  
          034    W2,SESE;  
Chaves County  
Roswell FO  
Stipulations:  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-25 Visual Resource Management

**NM-200601-042**                    **240.000 Acres**  
T.0250S, R.0320E, 23 PM, NM  
Sec. 027    NE,S2NW;  
Lea County  
Carlsbad FO  
Stipulations:  
SENM-S-22 Prairie Chickens  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-043**                    **320.000 Acres**  
T.0250S, R.0320E, 23 PM, NM  
Sec. 028    S2;  
Lea County  
Carlsbad FO  
Stipulations:  
SENM-S-22 Prairie Chickens  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-044**                    **120.000 Acres**  
T.0250S, R.0320E, 23 PM, NM  
Sec. 034    SWNW,W2SW;  
Lea County  
Carlsbad FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-045**                    **40.000 Acres**  
T.0180S, R.0350E, 23 PM, NM  
Sec. 024    NWNW;  
Lea County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-046**                    **200.000 Acres**  
T.0230S, R.0350E, 23 PM, NM  
Sec. 007    E2NW;  
          008    N2SW,SWSW;  
Lea County  
Carlsbad FO  
Stipulations:  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-21 Caves and Karst  
SENM-S-22 Prairie Chickens -Sec.08  
SENM-S-33 NSO-LPC-SDL Habitat - Sec. 08  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-047**                    **279.450 Acres**  
T.0230S, R.0350E, 23 PM, NM  
Sec. 019    S2SE;  
          030    LOTS 1;  
          030    N2NE,SENE,NENW;  
Lea County  
Carlsbad FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-048**                    **80.000 Acres**  
T.0230S, R.0350E, 23 PM, NM  
Sec. 030    E2SE;  
Lea County  
Carlsbad FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-049**                    **158.160 Acres**  
T.0230S, R.0360E, 23 PM, NM  
Sec. 031    LOTS 3,4;  
          031    E2SW;  
Lea County  
Carlsbad FO  
Stipulations:  
SENM-S-22 Prairie Chickens  
SENM-S-34 Zone 3 POD  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-050**                    **40.000 Acres**  
T.0260S, R.0370E, 23 PM, NM  
Sec. 017    NWNW;  
Lea County  
Carlsbad FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice  
SENM-S-9 Critical Habitat for T&E Species  
(Bluntnose Shiner)

**New Mexico - NW**  
**NM-200601-051**                    **361.420 Acres**  
T.0210N, R.0010W, 23 PM, NM  
Sec. 004    LOTS 1-4;  
          004    S2NW;  
          004    N2N2NESW,N2NWSW;  
          004    NWSWNWSW,SWSWSW;  
          008    SWSW;  
          009    SESW;  
Sandoval County  
Farmington FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-052**                    **235.520 Acres**  
T.0210N, R.0010W, 23 PM, NM  
Sec. 005    LOTS 1,5,6;  
          005    S2NE,SENW;  
          005    E2SWNW;  
Sandoval County  
Farmington FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-053**                    **160.000 Acres**  
T.0200N, R.0030W, 23 PM, NM  
Sec. 016    NW;  
Sandoval County  
Farmington FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-054**                    **79.420 Acres**  
T.0260N, R.0110W, 23 PM, NM  
Sec. 030    LOTS 3,4;  
Sandoval County  
Farmington FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**New Mexico - SW**  
**NM-200601-055**                    **1280.000 Acres**  
T.0200S, R.0200W, 23 PM, NM  
Sec. 033    ALL;  
          034    ALL;  
Hidalgo County  
Las Cruces FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice  
WO-ESA (Section 7)

**NM-200601-056**                    **1313.760 Acres**  
T.0210S, R.0200W, 23 PM, NM  
Sec. 003    LOTS 1-4;  
          003    S2N2,S2;  
          004    LOTS 1-4;  
          004    S2N2,S2;  
Hidalgo County  
Las Cruces FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice  
WO-ESA (Section 7)

**NEW MEXICO ACQUIRED - NW**  
**NM-200601-057**                    **160.000 Acres**  
T.0210N, R.0010W, 23 PM, NM  
Sec. 008    SWNE,SENW,N2SW;  
Sandoval County  
Farmington FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**NM-200601-058**                    **240.000 Acres**  
T.0210N, R.0010W, 23 PM, NM  
Sec. 019    NENE;  
          020    NWNE,NW;  
Sandoval County  
Farmington FO  
Stipulations:  
NM-11-LN Special Cultural Resource Lease Notice

**Oklahoma - SE**  
**NM-200601-059**                    **148.470 Acres**  
T.0020S, R.0100E, 17 IM, OK  
Sec. 003    Lots 3;  
Sec. 003    (L4,N 19.27,SE 10 ac);  
Sec. 003    SWNE,SENW;  
Atoka County  
Tulsa FO  
Stipulations:  
NM-8 Coal Reserves (Lease Notice)  
ORA (LN-1) Threatened & Endangered Species  
ORA-2 Wetland/Riparian (CSU)

**OKLAHOMA PUBLIC DOMAIN - NE**

**NM-200601-060 197.920 Acres**

T.0010N, R.0110E, 17 IM, OK  
Sec. 007 S2SENE;  
Sec. 007 TOWNSHIP BLOCKS 9-13;  
Sec. 007 TOWNSHIP BLOCKS 16-22;  
Coal County  
Tulsa FO  
Stipulations:  
NM-8 Coal Reserves (Lease Notice)  
ORA-1 Floodplain Protection (CSU)  
ORA-2 Wetland/Riparian (CSU)

**NM-200601-064 1825.590 Acres**

TX  
TR J-1-III PARCEL #1;  
SEE EXHIBIT "B" W/MAP;  
Montgomery County  
Tulsa FO  
SAM HOUSTON NATIONAL FOREST  
QUAD NO.3095312  
MONTGOMERY CO 1630.59 acres  
WALKER CO 195.00 Acres  
Stipulations:  
FS-1, FS8(TX)CSU#1A, FS8(TX)CSU#1B  
FS8(TX)CSU#1J

**OKLAHOMA PUBLIC DOMAIN - NW**

**NM-200601-061 40.000 Acres**

T.0130N, R.0260W, 17 IM, OK  
Sec. 026 NWNE;  
Roger Mills County  
Tulsa FO  
Stipulations:  
ORA (LN-1) Threatened & Endangered Species

**NM-200601-065 50.000 Acres**

TX  
TR J-89;  
SEE EXHIBIT "C" W/MAP;  
Montgomery County  
Tulsa FO  
SAM HOUSTON NATIONAL FOREST  
QUAD NO. 3095234  
Stipulations:  
FS-1, FS8(TX)CSU#1A, FS8(TX)CSU#1J

**OKLAHOMA ACQUIRED - NE**

**NM-200601-062 479.460 Acres**

T.0050N, R.0240E, 17 IM, OK  
Sec. 031 LOTS 3,4;  
031 E2SW;  
033 S2;  
Le Flore County  
Tulsa FO  
Ouachita National Forest  
Stipulations:  
FS-1, FS8(OK)LN#3, FS8(OK)LN#4

**NM-200601-066 78.800 Acres**

TX  
TR J-557;  
SEE EXHIBIT "D" W/MAP;  
Walker County  
Tulsa FO  
SAM HOUSTON NATIONAL FOREST  
QUAD NO. 3095423  
Stipulations:  
FS-1, FS8(TX)CSU#1A, FS8(TX)CSU#1B  
FS8(TX)CSU#1J

**TEXAS ACQUIRED**

**NM-200601-063 194.540 Acres**

TX  
TR J-1-G PARCEL #2;  
SEE EXHIBIT "A" W/MAP;  
San Jacinto County  
Tulsa FO  
SAM HOUSTON NATIONAL FOREST  
QUAD NO. 3095143  
Stipulations:  
FS-1, FS8(TX)CSU#1A, FS8(TX)CSU#1J

**NM-200601-067 1820.350 Acres**

TX  
TR J-1-IV PARCEL #2;  
SEE EXHIBIT "E" W/MAP;  
Montgomery County  
Tulsa FO  
SAM HOUSTON NATIONAL FOREST  
QUAD NO. 3095243  
Stipulations:  
FS-1, FS8(TX)CSU#1A, FS8(TX)CSU#1B  
FS8(TX)CSU#1J

**NM-200601-068            190.130 Acres**

TX  
TR K-1H PARCEL #2;  
SEE EXHIBIT "F" W/MAP;  
Houston County  
Tulsa FO  
DAVY CROCKETT NATIONAL FOREST  
QUAD NO. 3195142  
Stipulations:  
FS-1, FS8(TX)CSU#1A, FS8(TX)CSU#1B  
FS8(TX)CSU#1J

**NM-200601-069            25.000 Acres**

TX  
TR 451-001;  
TR SEE EXHIBIT "G" FOR M&B;  
Tom Green County  
Tulsa FO  
BUREAU OF RECLAMATION  
SAN ANGELO PROJECT  
Quad No. 3100244  
Stipulations:  
BOR GP-135  
ORA (LN-1) Threatened & Endangered Species

**NM-200601-070            568.800 Acres**

TX  
TR 451-004;  
SEE EXHIBIT "H" FOR M&B;  
Tom Green County  
Tulsa FO  
BUREAU OF RECLAMATION  
SAN ANGELO PROJECT  
Quad No. 3100132  
Stipulations:  
BOR GP-135  
ORA (LN-1) Threatened & Endangered Species

**NM-200601-071            317.000 Acres**

TX  
TR 451-013;  
TR SEE EXHIBIT "I" FOR M&B;  
Tom Green County  
Tulsa FO  
BUREAU OF RECLAMATION  
SAN ANGELO PROJECT  
Quad No. 3100244  
Stipulations:  
BOR GP-135  
ORA (LN-1) Threatened & Endangered Species

Number of Parcels - 71

Total Acreage - 32,415.00

Total number of Parcels with Presale Offers - 0

Parcel Number of Parcels with Presale Offers -

Total Acreage With Presale Offers - 0.00

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



**DESCRIPTION FOR MINERAL LEASING  
OF TRACT J-1g PARCEL #2, 194.54 ACRES  
SAM HOUSTON NATIONAL FOREST  
SAN JACINTO COUNTY, TEXAS**

All that certain tract or parcel of land lying and being in San Jacinto County, Texas embracing in part the James W. Robinson Survey, A-45, dated October 6, 1835, identified herein as Tract J-1g Parcel #2. Tract J-1g Parcel #2 contains **194.54** acres, more or less, and is described as follows for mineral leasing purposes only. Parent Tract J-1g was acquired from Delta Land and Timber Company by deed dated December 27, 1935, and recorded in Volume 32, Pages 346 et seq., Deed Records, San Jacinto County, Texas. It is not the intent of this description of Tract J-1g Parcel #2 to include any lands within the adjacent retained lands held by production of the Central Coal and Coke Well #2, whose center location is South 62° 21' 34" East, a distance of 3,454 feet from corner 2 of Tract J-1g or any adjacent issued Bureau of Land Management (BLM) leases.

BEGINNING at corner 3 of U.S. Forest Service Tract J-1g, in the northwesterly line of the James W. Robinson Survey, A-45, a Forest Service standard concrete post marked J-355.

THENCE three lines within the James W. Robinson Survey:

S 30° 45' E, 3,399 feet to corner 4 of Tract J-1g, a stake witnessed by scribed bearing trees;

N 62° 50' 13" E, 399.37 feet to corner 5 of Tract J-1g, a stake witnessed by scribed bearing trees;

S 30° 00' E, 1,009.80 feet to corner 6 of Tract J-1g, a stake witnessed by scribed bearing trees;

THENCE a calculated bearing and distance of S 30° 30' W, across Tract J-1g within the James W. Robinson Survey and with the boundary of the Mercy Known Geologic Structure (KGS), 1,155.00 feet to a point for corner of Tract J-1g Parcel #2, said line also being common to issued BLM lease NM-60921;

THENCE a calculated bearing and distance of S 70° 00' W, across Tract J-1g within the James W. Robinson Survey and with the boundary of the Mercy KGS, 1,584.00 feet to a point for corner of Tract J-1g Parcel #2, said point being common to the one square mile retention area held by the original Murphy Baxter Central Coal and Coke Well #2, whose center location is South 62° 21' 34" East a distance of 3,454 feet from corner 2 of Tract J-1g, said line also being common to issued BLM lease NM-60921;

THENCE with the boundary of said one square mile retention area, within the James W. Robinson Survey, a calculated bearing and distance of N 04° 45' E, 3,036.00 feet to a point for corner of Tract J-1g Parcel #2, said point also being common to the northeast corner of the said one square mile retention area;

THENCE continuing with the boundary of said one square mile retention area, within the James W. Robinson Survey, a calculated bearing and distance of N 85° 15' W, 3,935.57 feet to a point for corner of Tract J-1g Parcel #2, said point also being on the northwesterly line of the James W. Robinson Survey;

THENCE along the northwesterly line of the James W. Robinson Survey, N 60° 15' E, 3,625.00 feet to the PLACE OF BEGINNING, containing 194.54 acres of land, more or less for Tract J-1g Parcel #2.

**DESCRIPTION FOR MINERAL LEASING  
OF TRACT J-1-III PARCEL #1  
1,825.59 ACRES  
SAM HOUSTON NATIONAL FOREST  
MONTGOMERY AND WALKER COUNTIES, TEXAS**

All that certain tract or parcel of land lying and being in Montgomery and Walker Counties, Texas embracing in whole or in part the following patented surveys: Thomas S. Foster, A-720 (Walker Co.) and A-738 (Montgomery Co.), dated March 15, 1909; Wm. Clark, A-128, dated April 8, 1845; R. H. Chadduck, A-154, dated December 7, 1850; John R. Rhea, A-441, dated July 12, 1855; Thomas James, A-288, dated April 19, 1862; and J. M. Hall, Jr. A-767, dated March 24, 1914, identified herein as Tract J-1-III Parcel #1 and being a part of the Sam Houston Known Geologic Structure (KGS). Tract J-1-III Parcel #1 contains **1,825.59** acres, more or less, and is described as follows for mineral leasing purposes only. Parent Tract J-1-III was acquired from Delta Land and Timber Company by deed dated December 27, 1935, and recorded in Volume 82, Page 176 et seq, Deed Records, Walker County, and Volume 183, Pages 509-547, Deed Records, Montgomery County, Texas. It is not the intent of this description of Tract J-1-III Parcel #1 to include any lands within any adjacent issued Bureau of Land Management (BLM) leases.

BEGINNING at corner 18 of Tract J-1-III, common to the Thomas James Survey, A-288, and the James I. Foster Survey, A-204;

THENCE S 89° 30' W, common to the James I. Foster and the Thomas James Surveys, 35.90 chains to corner 19 of Tract J-1-III, the beginning corner of the Thomas James Survey, and the third corner of the James I. Foster Survey, a F.S. standard concrete post marked J-80;

THENCE North, in part with USFS Tract J-1-IV and common to the Thomas James Survey and the Samuel T. Moore Survey, A-354, a calculated distance of 67.20 chains to a point for corner of Tract J-1-III Parcel #1, said point being common to BLM lease NM-61101 and the boundary of the Sam Houston KGS;

THENCE the following calculated chord bearings and distances with the meanders of the Sam Houston KGS and BLM lease NM-61101, within the Thomas James Survey, the Wm. Clark Survey, A-128, and Thomas S. Foster Survey, A-720 (Walker) and A-738 (Montgomery):

N 50° 00' E, 33.50 chains to a point for corner of Tract J-1-III Parcel #1;  
N 14° 30' E, 21.00 chains to a point for corner of Tract J-1-III Parcel #1;  
N 23° 00' W, 31.00 chains to a point for corner of Tract J-1-III Parcel #1;  
N 22° 00' E, 25.00 chains to a point for corner of Tract J-1-III Parcel #1;

THENCE continuing with the meanders of the Sam Houston KGS and BLM lease NM-61101 within the Thomas S. Foster Survey, a calculated chord bearing and distance of N 04° 18' W, 36.89 chains to a point for corner of Tract J-1-III Parcel #1, said point being on line between corners 25 and 26 of Tract J-1-III;

THENCE N 89° 30' E, common to the Thomas S. Foster Survey and the Lemuel Smith Survey, A-500 (Walker Co.), a calculated distance of 73.00 chains to corner 26 of Tract J-1-III, a F.S. standard concrete post marked J-85;

THENCE S 00° 45' E, common to the Thomas S. Foster Survey and the Thomas A. Cresup Survey, A-111, 47.80 chains to corner 27 of Tract J-1-III;

THENCE two lines of Tract J-1-III common to the Thomas S. Foster Survey:

West, 35.60 chains to corner 28 of Tract J-1-III;  
South, 5.00 chains to corner 29 of Tract J-1-III,  
the eleventh corner of the R. H. Chadduck Survey, A-154;

THENCE East, common to the R. H. Chadduck Survey, 35.70 chains to corner 30 of Tract J-1-III;

THENCE two lines with USFS Tract J-1-I common to the R. H. Chadduck and Thomas A. Cresup Surveys:

S 00° 45' E, 44.70 chains to corner 31 of Tract J-1-III, common to corner 137 of Tract J-1-I, a F.S. standard concrete post marked J-84;  
S 89° 45' E, 42.80 chains to corner 32 of Tract J-1-III;

Parcel 200601-064  
Exhibit B  
Page 3 of 3

THENCE two lines with USFS Tract J-1-VI, common to the R. H. Chadduck and T. & N.O.R.R. Co. Survey No. 19, A-574:

S 01° 00' E, 62.90 chains to corner 33 of Tract J-1-III;  
West, 66.00 chains to corner 34 of Tract J-1-III;

THENCE South, common to the T. & N.O.R.R. Co. No. 19 and the J. M. Hall, Jr., A-767, Surveys, 36.60 chains to corner 35, a F.S. standard concrete post marked J-83;

THENCE across Tract J-1-III with the south boundaries of the J. M. Hall, Jr. and Thomas James Surveys, a calculated bearing and distance of S 89° 00' 59" W, 41.72 chains to the PLACE OF BEGINNING, containing **1,825.59** acres of land, more or less.



**DESCRIPTION FOR MINERAL LEASING  
OF TRACT J-89  
50.00 ACRES  
SAM HOUSTON NATIONAL FOREST  
MONTGOMERY COUNTY, TEXAS**

All that certain tract or parcel of land lying and being in Montgomery County, Texas on the waters of Lake Creek, a tributary of the west fork of San Jacinto River, lying wholly within the Heirs of Theophilus Henry Survey, A-275, dated June 24, 1856. Tract J-89 contains **50.00** acres, more or less, and is described as follows for mineral leasing purposes only. Tract J-89 was acquired from Milton Whatley and Houston Whatley by deed dated August 22, 1938, and recorded in Volume 200, Page 105 et seq., Deed Records, Montgomery County, Texas. It is not the intent of this description of Tract J-89 to include any lands within any adjacent issued Bureau of Land Management (BLM) leases.

BEGINNING at corner 1 of U.S. Forest Service Tract J-89, identical with the eleventh corner of the Heirs of Theophilus Henry Survey and the fourth corner of the Robert Hutchinson Survey, A-277;

THENCE North, common to the Heirs of Theophilus Henry and Robert Hutchinson Surveys, 5.40 chains to corner 2 of Tract J-89, the tenth corner of the Heirs of Theophilus Henry Survey and the third corner of the Robert Hutchinson Survey;

THENCE S 89° 30' W, common to the Heirs of Theophilus Henry and Robert Hutchinson Surveys, 2.90 chains to corner 3 of Tract J-89;

THENCE N 01° 00' W, within the Heirs of Theophilus Henry Survey, 33.40 chains to corner 4 of Tract J-89, on the southerly line of the James Lee Survey, A-318. From this corner, a Forest Service standard concrete post marked J44 bears S 89° 30' W, 15.75 chains distant;

THENCE N 89° 30' E, with the boundary of Forest Service Tract J-1-IV, common to the Heirs of Theophilus Henry and James Lee Surveys, 13.34 chains to corner 5 of Tract J-89, common to corner 109 of FS Tract J-1-IV;

**Parcel 200601-065**  
**Exhibit C**  
**Page 2 of 2**

THENCE S 00° 30' E, with Tract J-1-IV and within the Heirs of Theophilus Henry Survey, 38.70 chains to corner 6 of Tract J-89, an iron pin witnessed by scribed bearing trees;

THENCE S 89° 30' W, common to the Heirs of Theophilus Henry and Robert Hutchinson Surveys, 10.00 chains to the PLACE OF BEGINNING, containing 50 acres, be the same, more or less.



**DESCRIPTION FOR MINERAL LEASING  
OF TRACT J-557  
78.80 ACRES  
SAM HOUSTON NATIONAL FOREST  
WALKER COUNTY, TEXAS**

All that certain tract or parcel of land lying and being in Walker County, Texas on the waters of Winters Bayou, a tributary of the East Fork of San Jacinto River, lying wholly within the B. B. Goodrich patented Survey, A-23, dated July 22, 1835. Tract J-557 contains **78.80** acres, more or less, and is described as follows for mineral leasing purposes only. Tract J-557 was acquired from W. R. Powell by deed dated August 9, 1938, and recorded in Volume 89, Page 587 et seq., Deed Records, Walker County, Texas. It is not the intent of this description of Tract J-557 to include any lands within any adjacent issued Bureau of Land Management (BLM) leases.

BEGINNING at corner 1 of U.S. Forest Service Tract J-557, on the westerly line of the J. H. Sheppard Survey, A-502, and on the easterly line of the B. B. Goodrich Survey, a stake witnessed by old and scribed bearing trees;

THENCE S 40° 30' E, common to the B. B. Goodrich and J. H. Sheppard Surveys, 4.43 chains to corner 2 of Tract J-557;

THENCE S 45° 30' E, common to the B. B. Goodrich and J. H. Sheppard Surveys, 16.35 chains to corner 3 of Tract J-557, said corner also being common to corner 5 of Forest Service Tract J-12g;

THENCE two lines with FS Tract J-12g and within the B. B. Goodrich Survey;

S 47° 30' W, 39.30 chains to corner 4 of Tract J-557, a FS standard concrete post marked J-89;

N 43° 30' W, 20.00 chains to corner 5 of Tract J-557, common to corner 3 of FS Tract J-12g;

THENCE N 45° 54' E, continuing within the B. B. Goodrich Survey, 39.21 chains to the PLACE OF BEGINNING, containing 78.80 acres, be the same, more or less.

**DESCRIPTION FOR MINERAL LEASING  
OF TRACT J-1-IV PARCEL #2  
1,820.35 ACRES  
SAM HOUSTON NATIONAL FOREST  
MONTGOMERY COUNTY, TEXAS**

All that certain tract or parcel of land lying and being in Montgomery County, Texas embracing in whole or in part the following patented surveys: H. R. Burden, A-656, dated November 18, 1882; M. L. Womack, Jr., A-730, dated June 18, 1906; S. McCarter, A-339 dated June 27, 1849; J. R. Ratliff, A-473, dated May 8, 1878; Heirs of Joshua Smith, A-538, dated December 15, 1868; M. L. Womack, Jr., A-727, dated January 18, 1906; Heirs of Sherman Drury, A-183, dated November 7, 1859; and Samuel T. Moore, A-354, dated August 25, 1849, identified herein as Tract J-1-IV Parcel #2 and being a part of the Sam Houston Known Geologic Structure (KGS). Tract J-1-IV Parcel #2 contains **1,820.35** acres, more or less, and is described as follows for mineral leasing purposes only. Parent Tract J-1-IV was acquired from Delta Land and Timber Company by deed dated December 27, 1935, and recorded in Volume 183, Pages 365 et seq., Deed Records, Montgomery County, Texas. It is not the intent of this description of Tract J-1-IV Parcel #2 to include any lands within any adjacent issued Bureau of Land Management (BLM) leases.

BEGINNING at corner 67 of U.S. Forest Service Tract J-1-IV, a stake in the Samuel T. Moore Survey, A-354;

THENCE East, within the Samuel T. Moore Survey, 40.90 chains to corner 68 of Tract J-1-IV;

THENCE South, in part with FS Tract J-1-III and common to the Samuel T. Moore Survey and in part to the Thomas James Survey, A-288, at 60.40 chains a F.S. standard concrete post marked J-80. At 98.80 chains corner 69 of Tract J-1-IV;

THENCE three lines within the Samuel T. Moore Survey:

N 77° 00' W, 24.50 chains to corner 70 of Tract J-1-IV, a point in the center of Kelley Branch; Westerly, up and with the meanders of Kelley Branch, 24.00 chains to corner 71 of Tract J-1-IV, in the forks of Kelley Branch, having a calculated bearing and distance of N 83° 47' 18" W, 19.87 chains; South, 30.60 chains to corner 72 of Tract J-1-IV;

THENCE N 89° 30' E, common to the Samuel T. Moore Survey and in part to the Heirs of Joshua G. Smith Survey, A-538, and the M. L. Womack Jr. Survey, A-727, 45.10 chains to corner 73 of Tract J-1-IV;

THENCE S 00° 30' E, common to the M. L. Womack Jr. Survey and the James I. Foster Survey, A-204, 52.00 chains to corner 74 of Tract J-1-IV, the second corner of the M. L. Womack Jr. Survey and the fifth corner of the J. E. Woods Survey, A-653, a F.S. standard concrete post marked J-81;

THENCE S 89° 30' W, common to the J. E. Woods Survey and in part to the M. L. Womack Jr. and Heirs of Joshua G. Smith Surveys, 49.00 chains to corner 75 of Tract J-1-IV, the sixth corner of the J. R. Ratliff Survey, A-473;

THENCE four lines common to the J. R. Ratcliff and J. E. Woods Surveys:

S 00° 30' E, 13.20 chains to corner 76 of Tract J-1-IV, the fifth corner of the J. R. Ratliff Survey and the third corner of the J. E. Woods Survey;  
N 89° 30' E, 29.60 chains to corner 77 of Tract J-1-IV, the fourth corner of the J. R. Ratliff Survey and the second corner of the J. E. Woods Survey;  
S 00° 30' E, 21.40 chains to corner 78 of Tract J-1-IV, the third corner of the J. R. Ratliff Survey and the beginning corner of the J. E. Woods Survey;  
S 89° 30' W, 1.30 chains to corner 79 of Tract J-1-IV, the eighth corner of the J. E. Woods Survey and the sixth corner of the H. R. Burden Survey, A-656;

THENCE S 00° 30' E, common to the J. E. Woods Survey and the H. R. Burden Survey, 10.50 chains to corner 80 of Tract J-1-IV, the seventh corner of the H. R. Burden and J. E. Woods Surveys;

THENCE across Tract J-1-IV within the H. R. Burden Survey, the M. L. Womack, Jr. Survey, A-730, and the S. McCarter Survey, A-339, a calculated bearing and distance of S 78° 47' 33" W, 94.34 chains to a point for corner for Tract J-1-IV Parcel #2, said point being on the boundary line of the Sam Houston Known Geologic Structure (KGS);

**Parcel 200601-067**  
**Exhibit E**  
**Page 3 of 4**

THENCE with the meanders of the Sam Houston KGS, through the S. McCarter Survey, and the Heirs of Sherman Drury Survey, A-183, the following two calculated chord bearings and distances:

N 23° 24' 36" W, 24.26 chains to a point for corner of Tract J-1-IV Parcel #2;  
N 12° 00' E, 33.00 chains to a point for corner of Tract J-1-IV Parcel #2,  
common to corner 5a of Tract J-1-IV Exception No. 2 and corner 1 of F.S.  
Tract J-36;

THENCE S 01° 00' E, within the Heirs of Sherman Drury Survey, 30.80 chains to a point for corner of Tract J-1-IV Parcel #2, common to corner 5 of Tract J-1-IV Exception No. 2;

THENCE N 89° 30' E, common to the Heirs of Sherman Drury Survey and in part to the M. L. Womack Survey, A-730, and the S. McCarter Survey, 31.20 chains to a point for corner of Tract J-1-IV Parcel #2, common to corner 4 of Tract J-1-IV Exception No. 2, a F.S. standard concrete post marked J-96;

THENCE N 01° 00' W, common to the Heirs of Sherman Drury and M. L. Womack Surveys, 40.90 chains to a point for corner of Tract J-1-IV Parcel #2, common to corner 3 of Tract J-1-IV Exception No. 2;

THENCE N 89° 30' E, common to the Clinch Pilkington Survey, A-492, and the Heirs of M. L. Womack Survey, 1.00 chain to a point for corner of Tract J-1-IV Parcel #2, common to corner 2 of Tract J-1-IV Exception No. 2;

THENCE N 00° 30' W, common to the Clinch Pilkington Survey and the Heirs of Joshua Smith Survey, A-538, 50.80 chains to a point for corner of Tract J-1-IV Parcel #2, common to corner 1 of Tract J-1-IV Exception No. 2, a F.S. standard concrete post marked J-82. From this corner, corner 72 of Tract J-1-IV bears N 89° 30' E, 37.60 chains.

THENCE S 89° 30' W, common to the Samuel T. Moore Survey and the Clinch Pilkington Survey, a calculated distance of 22.10 chains to a point for corner of Tract J-1-IV Parcel #2, said point being on the boundary line of the Sam Houston KGS;

THENCE with the meanders of the Sam Houston Known Geologic Survey, through the Samuel T. Moore Survey, and being common to BLM lease NM-61104, the following two calculated chord bearings and distances:

N 06° 00' E, 91.00 chains to a point for corner of Tract J-1-IV Parcel #2;  
N 53° 30' E, 52.00 chains to a point for corner of Tract J-1-IV Parcel #2;

THENCE East, continuing with the meanders of the Sam Houston KGS within the Samuel T. Moore Survey, a calculated distance of 12.00 chains to the place of beginning, containing 1,821.35 acres, more or less, LESS AND EXCEPT, Exception No. 3 to tract J-1-IV, containing 1.00 acres, more or less, leaving a net acreage of **1,820.35** acres of land, more or less, available for this lease offer. Said Exception No. 3 is described as follows:

Exception No. 3: BEGINNING at corner 1 of Exception No. 3 to Tract J-1-IV, the northeast corner of the Weathered School Tract, a stake in the Samuel T. Moore Survey;

THENCE S 00° 30' E, within the Samuel T. Moore Survey, 3.20 chains to corner 2 of Exception No. 3 to Tract J-1-IV;

THENCE S 89° 30' W, common to the Samuel T. Moore Survey and the Heirs of Joshua G. Smith Survey, 3.20 chains to corner 3 of Exception No. 3 to Tract J-1-IV. From this corner, corner 1 of Exception No. 2 to Tract J-1-IV bears S 89° 30' W, 5.40 chains distant. Corner 1 of Exception No. 2 to Tract J-1-IV bears S 89° 30' W, 37.60 chains distant from Corner 72 of Tract J-1-IV;

THENCE two lines within the Samuel T. Moore Survey:

N 00° 30' W, 3.20 chains to corner 4 of Exception No. 3 to Tract J-1-IV;  
N 89° 30' E, 3.20 chains to the PLACE OF BEGINNING, containing 1.00 acres, more or less.

**DESCRIPTION FOR MINERAL LEASING OF  
TRACT K-1h PARCEL #2  
DAVY CROCKETT NATIONAL FOREST  
HOUSTON COUNTY, TEXAS  
190.13 ACRES**

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Piney Creek, a tributary of the Neches River, embracing in whole or in part the B.B.B. & C.R.R. Co. Survey, A-219, dated July 28, 1873, identified herein as Tract K-1h, Parcel #2. Tract K-1h Parcel #2 contains **190.13** acres, more or less, and is described as being all of Tract K-1h LESS AND EXCEPT that 388.87 acres currently leased as Tract K-1h Parcel #1 under Bureau of Land Management (BLM) lease NM-103277, which is described as follows. Parent Tract K-1h was acquired from Houston County Timber Company by deed dated September 24, 1935, containing 579.00 acres and recorded in Volume 171, Page 442 et seq., Deed Records, Houston County, Texas. It is not the intent of this description of Tract K-1h Parcel #2 to include any lands within adjacent issued BLM leases.

**Tract K-1h Parcel #1, 388.87 acres, Houston County, Texas:** All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Piney Creek, a tributary of the Neches River, embracing in whole or in part the following patented surveys: John M. Smith, A-934, dated June 17, 1859; B.B.B. & C.R.R. Co., A-219, dated July 28, 1873; and Richard Ford, A-1217, dated June 6, 1893, containing 388.87 acres, more or less, described as follows for mineral leasing purposes, and identified as Tract K-1h Parcel #1.

BEGINNING at Corner 1 of Forest Service Tract K-1h, identical with the fifteenth corner of the B.B.B. & C.R.R. Co. Survey and the seventh corner of the James Pervis Survey, A-835;

THENCE North 80°00' West, common to the B.B.B. & C.R.R. Co. Survey and in part to the George English Survey, A-390, 14.20 chains to corner 2 of Tract K-1h, a F.S. concrete post marked K-262;

THENCE two lines common to the B.B.B. & C.R.R. Co. Survey and the William Goldman Survey, A-465:

North, 14.00 chains to corner 3 of Tract K-1h;  
South 89° 45' West, a calculated distance of 34.44 chains  
to a point for corner of Tract K-1h Parcel #1;

THENCE North, across Tract K-1h and through the B.B.B. & C.R.R. Co. Survey and the Richard Ford Survey, A-1217, a calculated distance of 60.51 chains to corner 9 of Tract K-1h;

THENCE North 89° 15' East, common to the Richard Ford Survey and the John M. Smith Survey, A-934, 32.80 chains to corner 10 of Tract K-1h;

**Parcel 200601-068**  
**Exhibit F**  
**Page 2 of 2**

THENCE North  $00^{\circ} 30'$  West, within the John M. Smith Survey, 46.90 chains to corner 11 of Tract K-1h;

THENCE North  $89^{\circ} 45'$  East, common to the John M. Smith Survey and the David Childers Survey, A-263, 22.60 chains to corner 12 of Tract K-1h;

THENCE South  $02^{\circ} 00'$  West, common to the John Smith Survey and in part to the Thomas B. English Survey, A-1129, and the N. P. English Survey, A-1300, 47.50 chains to corner 13 of Tract K-1h;

THENCE North  $89^{\circ} 15'$  West, common to John M. Smith Survey and the N. P. English Survey, 12.10 chains to corner 14 of Tract K-1h, a F.S. standard concrete post marked K-249;

THENCE South, common to the N. P. English Survey and in part to the Richard Ford Survey and the B.B.B. & C.R.R. Co. Survey, 48.80 chains to corner 15 of Tract K-1h;

THENCE North  $89^{\circ} 30'$  East, common to John M. Smith Survey and the N. P. English Survey, 12.30 chains to corner 16 of Tract K-1h;

THENCE South  $10^{\circ} 15'$  West, common to B.B.B. & C.R.R. Co. and the James Pervis Surveys, 28.70 chains to the PLACE OF BEGINNING, containing 388.87 acres, more or less, LEAVING A NET AREA of **190.13** acre, be the same, more or less for Tract K-1h Parcel #2.

TRACT NO. SA-71 (TX-451-001)

A parcel of land lying and being situated in the Adam Burkhardt Survey No. 876, Abstract No. 64, Tom Green County, Texas, more particularly described as follows:

**BEGINNING** at the Southeast Corner of a 50.00 acre tract. The said point of beginning being the intersection of the East boundary of the said Adam Burkhardt Survey No. 876 and the North right-of-way boundary of U.S. Highway No. 67;

**THENCE**, along the said North right-of-way boundary of the said U.S. Highway No. 67 South  $58^{\circ} 40'$  West, a distance of 356.10 feet;

**THENCE**, North  $23^{\circ} 11'$  West, a distance of 819.70 feet;

**THENCE**, North, a distance of 1,212.5 feet, to a point in the North boundary of the said 50.00 acre tract;

**THENCE**, along the said North boundary of the said 50.00 acre tract, a distance of 626.9 feet, to the Northeast corner of the said 50.00 acre tract;

**THENCE** along the said East boundary of the said Adam Burkhardt Survey No. 876 a distance of 1,780.80 feet, to the **POINT OF BEGINNING**.

The above described tract of land contains 25.00 acres, more or less.



TRACT NO. SA-11 (TX-451-004)

A parcel of land lying and being situated in the David Lloyd Survey No. 101, Abstract No. 1607, Tom Green County, Texas, more particularly described as follows:

BEGINNING at the Northwest Corner of the said David Lloyd Survey No. 101;

THENCE, East a distance of 1,754.00 feet, to the West right-of-way boundary of the Panhandle and Santa Fe Railroad;

THENCE, in a Southerly direction along the said West right-of-way boundary of the said Panhandle and Santa Fe Railroad as follows:

THENCE, South 16° 25' West, a distance of 468.80 feet;

THENCE, along a curve, to the right having a radius of 1,860.08 feet, a distance of 464.10 feet, measured along the arc;

THENCE, South 30° 32' West, a distance of 1,240.00 feet;

THENCE, South 55° 41' East, a distance of 2,200.00 feet;

THENCE, South 26° 31' East, a distance of 2,231.00 feet;

THENCE, West along the South boundary of the said David Lloyd Survey No. 101, a distance of 8,219.20 feet, to the East bank of the South Concho River;

THENCE, along the said East bank of the said South Concho River with its meanders as follows:

THENCE, North 09° 40' East, a distance of 461.10 feet;

THENCE, North 10° 43' East, a distance of 619.40 feet;

THENCE, North 22° 53' East, a distance of 1,002.80 feet;

THENCE, North 41° 47' East, a distance of 633.30 feet;  
THENCE, North 55° 52' East, a distance of 627.80 feet;  
THENCE, North 85° 32' East, a distance of 225.00 feet;  
THENCE, North 39° 29' East, a distance of 147.20 feet;  
THENCE, North 66° 34' East, a distance of 672.20 feet;  
THENCE, South 76° 46' East, a distance of 138.90 feet;  
THENCE, South 38° 06' East, a distance of 291.70 feet;  
THENCE, North 48° 04' East, a distance of 611.10 feet;  
THENCE, North 52° 44' East, a distance of 430.60 feet;  
THENCE, North 04° 56' East, a distance of 738.90 feet;  
THENCE North 29° 57' East, a distance of 495.80 feet;  
THENCE, North 86° 53' East, a distance of 369.40 feet;  
THENCE North 38° 17' East, a distance of 470.60 feet,  
to the POINT OF BEGINNING.

Less and Except 8.40 acres of railroad right-of-way.

The above described tract of lands contains 568.80 acres, more or less.

TRACT NO. SA-01 (TX-451-013)

**BEGINNING** at a point whence the Southeast Corner of Section 5 of the Blind Asylum Lands, Abstract No. 8649 bears North 51° 28' West, a distance of 754.50 feet;

THENCE, South 24° 23' East, a distance of 6,169.10 feet;

THENCE, South 04° 26' East, a distance of 1,229.40 feet;

THENCE, South 70° 32' West, a distance of 1,741.60 feet;

THENCE, South 02° 23' East, a distance of 60.00 feet;

THENCE, South 71° 22' West, a distance of 535.20 feet;

THENCE, North 27° 04' West, a distance of 1,033.30 feet;

THENCE, West a distance of 690.10 feet;

THENCE, North a distance of 1,600.30 feet;

THENCE, North 42° 40' East, a distance of 1,475.80 feet;

THENCE, North 18° 50' West, a distance of 3,841.40 feet;

THENCE, North 65° 22' East, a distance of 995.80 feet, to the POINT OF BEGINNING.

The above described tract contains 317.00 acres, more or less.

SPECIAL STIPULATION  
BUREAU OF RECLAMATION

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

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

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

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

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

2. No occupancy of the surface of the following excluded areas is authorized by this lease. It is understood and agreed that the use of these areas for Bureau of Reclamation purposes is superior to any other use. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100 percent of the fee mineral interest.

- a. Within 500 feet on either side of the centerline of any and all roads or highways within the leased area.
- b. Within 200 feet on either side of the centerline of any and all trails within the leased area.

- c. Within 500 feet of the normal high-water line of any and all live streams in the leased area.
- d. Within 400 feet of any and all recreation developments within the leased area.

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

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

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

- a. Within 1,000 feet of the maximum water surface, as defined in the Standard Operating Procedures (SOP), of any reservoirs and related facilities located within the leased area.
- b. Within 2,000 feet of dam embankments and appurtenance structures such as spillway structures, outlet works, etc.
- c. Within one-half (1/2) mile horizontal from the centerline of any tunnel within the leased area.
- d. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation may consider, on a case-by-case basis, waiving the requirements specified in Section 3 hereof.

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

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

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

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

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

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

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

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

All matters related to this stipulation are to be addressed

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

Who is the authorized representative of the Secretary of Agriculture.



LEASE NOTICE

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

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

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

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

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

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) 321-5202

Who is the authorized representative of the Secretary of Agriculture.

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.

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

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

All matters related to this stipulation are to be addressed

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

Who is the authorized representative of the Secretary of Agriculture.

CONTROLLED SURFACE USE STIPULATION  
NATIONAL FORESTS IN TEXAS

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

Portions of this lease contain streamside management zones (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)

On the lands described below:

All lands in lease

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 FOREST IN TEXAS

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

Lone Star Hiking Trail/Piney Creek Horse Trail

Proposals for drilling sites and other related mineral activity will be located at least 150 feet from either side of the trail and may be subject to special requirements or limitations, including no surface occupancy, such to be determined on a case-by-case basis.

Trail may be crossed by vehicles but may not be used as a travelway. Vehicles may not parallel the trail closer than 25 feet. When crossing the trail with vehicles any brush pushed into the trail must be totally removed from the trail. Shot holes will be placed no closer than 150 feet from the trail's edge to meet public safety requirements. If necessary, the shot holes may be required to be located farther than 150 feet from the trail.

On the lands described below:

For the purpose of: To protect the trail and meet visual quality objectives as per National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

CONTROLLED SURFACE USE STIPULATION

NATIONAL FORESTS IN TEXAS

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

Portions of the land in this lease are, or may be, occupied by clusters of the endangered red-cockaded woodpecker. Exploration and development proposals may be modified and/or limited, including no surface occupancy, within  $\frac{1}{4}$  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:

All lands in lease

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.)



LEASE NOTICE  
COAL PROTECTION

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

Address:

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

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.

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.

LEASE NOTICE  
THREATENED AND ENDANGERED SPECIES

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

FLOODPLAIN PROTECTION STIPULATION  
CONTROLLED SURFACE USE

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

For the following described land(s):

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

WETLAND/RIPARIAN STIPULATION  
CONTROLLED SURFACE USE

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

For the following described land(s):

All lands in lease.

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

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:                      All lands in lease

NO SURFACE OCCUPANCY STIPULATION

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

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

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



NO SURFACE USE STIPULATION

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

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

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

PECOS RIVER/CANYON COMPLEX  
NO SURFACE OCCUPANCY STIPULATION

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

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

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

GUADALUPE ESCARPMENT HABITAT MANAGEMENT AREA  
CONTROLLED SURFACE USE STIPULATION

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

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

On the lands described below:

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

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

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

SLOPES OR FRAGILE SOILS

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

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

On the lands described below:

For the purpose of: Protecting Slopes or Fragile Soils

STREAMS, RIVERS, AND FLOODPLAINS

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

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

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

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

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

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

For the purpose of: Protecting Streams, Rivers and Floodplains

On the lands described below:

PLAYAS AND ALKALI LAKES

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

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

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 Cave and Karst Features



PRAIRIE CHICKENS

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

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

For the purpose of: Protecting Prairie Chickens

VISUAL RESOURCE MANAGEMENT

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

Painting of oil field equipment and structures to minimize visual impacts 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

Northern Aplomado Falcon Suitable Habitat  
Controlled Surface Use Stipulation

The Bureau of Land Management has determined that oil and gas development will be managed at three different levels throughout the Hope, New Mexico study area and adjacent outlying areas based on the following criteria:

- Whether suitable Aplomado Falcon habitat exists within lease boundaries based on habitat suitability model findings and/or grassland mapping;
- If grasslands occur within lease, whether the quality of the grassland is adequate for falcon occupancy (i.e. shrub density approaching threshold, nesting structure availability, etc.). This will be determined by BLM using a habitat suitability rating process.
- Whether oil and gas disturbances currently exist within the lands to be leased, and/or existing adjacent leases.

Level I Development

Are those areas that exhibit oil and gas development at significant levels (full field development), and those areas not possessing habitat suitable for the falcon.  
Measures to be applied: Standard lease terms and conditions

Level III Development

Are areas within Eagle Draw portion of the Hope study area that are highly suitable based on the suitability ranking criteria used by the model, and/or are considered high suitability for the falcon based on the grassland mapping initiative.

Measures Applied: Defer from leasing until the lands are addressed through the Resource Management Plan (RMP) process.

This oil and gas lease, as described below, meets the criteria for Level II Development. Surface occupancy or use is subject to the following special operating constraints:

Level II Development

Are those areas that possess habitat identified as suitable for the falcon based on the model and/or the grassland mapping initiative, and those areas where there is minimal existing development (less than full field development)

Measures to be applied:

? A plan of development (POD) for the entire lease must be submitted to the BLM authorized officer for approval prior to initiation of any development;

? The following well pad construction and reclamation measures must be implemented to provide for minimal long-term disturbance:

- remove all caliche from well pads and roads associated with wells that are abandoned, and are not capable of producing in paying quantities.
- well pad size within grasslands will not exceed 300ft x 390ft (unless multiple wells are drilled from the same well pad), and all unused portions of well pads/pit area associated with producing wells will be reclaimed using the seed mixture below;
- within grasslands determined suitable for the Aplomado Falcon, utilize a seed mixture that consists of the following:

Tobosa ( <i>Hilaria mutica</i> ) -----	4 lbs/acre
Black grama ( <i>Bouteloua eriopoda</i> ) -----	1 lb/acre
Silver bluestem ( <i>Bothriochloa saccharoides</i> ) -----	5 lbs/acre
Sideoats grama ( <i>Bouteloua curtipendula</i> ) -----	5 lbs/acre
Plains bristlegrass ( <i>Setaria macrostachya</i> ) -----	6 lbs/acre

- ? Utilize existing well pads to locate new wells when location is within a grassland;
- ? Earthen pits for drilling and disposal are not allowed unless this restriction is waived by the BLM authorized officer. Steel tank circulation system must be used. Earthen pits will not be allowed unless they can be effectively netted;
- ? All yuccas and/or other nesting structure greater than 5 feet in height must be avoided;
- ? All development activities will avoid inactive raptor/raven nests by a minimum of 200 meters, and active raptor/raven nests by a minimum of 400 meters. Operations that cannot meet this offset may be delayed for up to 120 days.

On the lands described below:

For the purpose of: Managing habitat suitable for the Northern Aplomado Falcon within the designated Hope study area, and areas adjacent to the study area that meet the habitat characteristics of occupied falcon habitat.

Waiver: Operations within the Level II Development Area will be strictly controlled. Where allowed, conditions for waiver of the above restrictions are listed above in the measures to be applied. Other restrictions may be waived or modified by the BLM authorized officer on a case by case basis.

**NO SURFACE OCCUPANCY**  
**Lesser Prairie Chicken – Sand Dune Lizard Habitat Core Areas**

All or a portion of the lease is within habitat suitable for the Lesser Prairie Chicken and/or the Sand Dune Lizard, special status species of concern. In accordance with the BLM "INTERIM MANAGEMENT FOR THE SHINNERY OAK SAND DUNE HABITAT COMPLEX," dated August 2004, surface occupancy is not allowed within the Zone 2 habitats identified below. This lease is issued with the intention that it be developed by directional drilling from or prorationing with a pre-existing authorized well location on an adjacent tract or on another location acceptable to BLM. This stipulation may not be waived unless or until decisions on management of the habitat complex allow such waivers. These decisions will be made by the Bureau of Land Management in a Resource Management Plan (RMP) Amendment to the Rowell and Carlsbad RMPs.

No Surface Occupancy on the lands described below:

For the purpose of: preserving habitat for the lesser prairie chicken and Sand Dune lizard.

**DUNE HABITAT COMPLEX  
DEVELOPMENT**

**SHINNERY OAK SAND  
ZONE 3 PLAN OF**

A plan of development (POD) for the entire lease must be submitted for review and approval, including NEPA analysis, by the BLM PRIOR to approval of development actions (APD, Sundry Notices). 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 to approval of subsequent development actions. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the purpose of:

Managing habitat suitable for the lesser prairie chicken (LPC) and sand dune lizard (SDL). The lease contains isolated blocks of unfragmented habitat suitable for LPC or SDL. Habitat parameters within this area are needed for the life cycle of the species (e.g., edge) or, with habitat manipulation, the area could become suitable habitat. To the extent possible, buffer zones around active LPC leks will be utilized to provide resource protection.

**SENM-LN-1**

**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.

**Bureau of Land Management  
Roswell/Carlsbad Field Office**

**SENM-LN-1  
February 1991**

LEASE NOTICE  
PROTECTION OF ENDANGERED OR THREATENED  
OR SENSITIVE SPECIES

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

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

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



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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- NTLs, Onshore Orders

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