

NOTICE OF COMPETITIVE LEASE SALE

Oil and Gas

Notice is hereby given that on **September 21, 2000**, the U.S. Department of the Interior, Bureau of Land Management, Eastern States, will offer for competitive sale, pursuant to 43 CFR Part 3120 and procedures therein, certain Federal lands for oil and gas leasing.

LOCATION: The sale will be held in the Conference Room at Eastern States, 7450 Boston Boulevard, Springfield, Virginia 22153. You or your authorized representative must be present to bid. A list of local hotels is included in this package.

TIME OF SALE/REGISTRATION: The competitive sale will commence at 10:00 a.m. on September 21, 2000. The sale room will be open to the public at 9:00 a.m. to allow each interested party time to register and obtain a bidding number from authorized Bureau Personnel.

Parcels are identified as follows:

ES-001 thru ES-001 Kentucky
ES-002 thru ES-002 Louisiana
ES-003 thru ES-030 Mississippi

PRESALE LEASE OFFERS: Please note that any parcels marked with an asterisk (*) will be issued to the applicant who has offered to lease the lands noncompetitively if no competitive bid is received. *Priority of presale offers received shall be determined as of the time and date the offer is filed in the proper BLM State Office.* Additional noncompetitive offers may be filed on such lands following the oral auction, such offers will not have priority over those filed prior to the posting of this Notice of Competitive Lease Sale.

TERMS OF LEASE: Leases awarded as a result of this oral auction will be for a primary term of 10 years, and so long thereafter as there is production in paying quantities. The royalty will be at a flat rate of 12½ percent of the value or the amount of production removed or sold from the lease. Other terms of the lease are specified on the standard lease (Form 3100-11, October 1992 edition).

OTHER CONDITIONS: Specific surface use stipulations, where applicable, are specified for each parcel in this Notice of Competitive Lease Sale. Such stipulations shall become part of the lease and shall supersede any inconsistent provisions of the lease form. General surface use requirements are contained in law and regulation. The applicable stipulation(s) is indicated in the description of the parcel. All Forest Service parcels may be subject to Lease Notice 3 and/or 4.

MINIMUM BID: The minimum acceptable bonus bid will be the lump sum equivalent of \$2 per acre or fraction thereof.

METHOD OF BIDDING: All bids shall be made orally and be based on a per acre basis for the entire acreage in the parcel and not on the total bid amount. The bid must be rounded up to the next whole acre if fractional acreage is involved, e.g., a parcel of 644.38 acres will require a minimum bid of at least \$1,290 (\$2 X 645 acres) to open the bidding process.

FRACTIONAL INTERESTS: For some of the parcels, as indicated in the list, the United States holds less than 100% of the oil and gas rights. Any lease issued will be only for the percentages or fractions indicated. However, bonus bids and rentals for such parcels shall be based on the gross acreage in the parcel, not the net U.S. interest. Acreage chargeability and production royalty are, in contrast, calculated on the net U.S. interest.

ORDER OF SALE: Parcels will be offered for oral bid in the order indicated in this Notice.

RIGHT TO WITHDRAW PARCELS FROM SALE: The Bureau of Land Management (BLM) reserves the right to withdraw any or all of the parcels from sale prior to or at the oral auction. In the event of cancellation of the sale, every effort will be made to give appropriate notice to all interested parties. If and when any individual parcels are withdrawn, notice thereof will be posted in the public room at 7450 Boston Boulevard, Springfield, Virginia 22153. You may also obtain the numbers of withdrawn parcels by telephoning (703) 440-1601 or (703) 440-1602 from 8:00 a.m. to 4:30 p.m., Monday through Friday, except Federal Holidays.

DETERMINATION OF WINNING BID: A winning bid will be the highest oral bid, equal to or exceeding the national minimum acceptable bid specified above. The decision of the auctioneer shall be final.

PAYMENT OF BONUS BID, RENTAL AND ADMINISTRATIVE FEE: Winning bidders shall be required to make payment for the parcel on the day of the oral auction for a total amount consisting of: (1) a bonus bid deposit of at least \$2 per acre or fraction thereof; (2) the total amount of the first year's annual rental, at a rate of \$1.50 per acre or fraction thereof; and (3) an administrative fee of \$75 per parcel. This amount must be tendered at the auction after the close of the oral auction. The entire amount due may be paid at this time. Any unpaid balance of the bonus bid must be received at the Eastern States Office by the tenth working day following the close of the oral auction, which is October 5, 2000 or all monies held by BLM and the right to issuance of the lease shall be forfeited. Any entity who forfeits the right of issuance of a lease (failure to submit the remaining monies due) on three occasions is prohibited from bidding at any future sale under the jurisdiction of Eastern States. Any parcel so forfeited may be reoffered by BLM competitively at a later oral auction. Successful bidders for the future interest parcels are subject to these same conditions except (2) above in that no rental or royalty shall be due to the United States prior to the vesting of the oil and gas rights in the United States.

FORM OF PAYMENT: Payment shall be made by personal check, certified check, money order (SUCH FORMS OF PAYMENT MUST BE MADE PAYABLE TO THE DEPARTMENT OF THE INTERIOR-BLM) or by CREDIT CARD (VISA, MASTERCARD, AMERICAN EXPRESS AND DISCOVER ACCEPTED ONLY). Payment by cash will NOT be accepted.

BID FORM REQUIRED; AVAILABILITY: Pursuant to 43 CFR 3120.5, successful high bidders will be required to submit, along with the required payments for each parcel on the day of the oral auction of such parcel a properly signed current competitive lease bid form (Form 3000-2, May 1994 edition), which is a legally binding offer by the prospective lessee to accept a lease to the terms and conditions specified herein for the parcel and on the standard lease form (Form 3100-11, October 1992 edition). Form 3000-2 may be obtained and executed by the prospective lessee or an authorized representative PRIOR to the oral auction. If the bid form is fully completed before the oral auction, it cannot be modified; portions of the form may be left blank to be completed by the bidder at the auction. If the bid form is not executed prior to the oral auction, the prospective lessee shall be required to complete and sign the bid form at the auction when the payment is tendered. Form 3000-2, when completed, certifies compliance with lessee qualifications (See 43 CFR 3102.5-2) and also certifies compliance with 18 U.S.C. 1860, which prohibits unlawful combination or intimidation of bidders and certifies that the bid was arrived at independently without unlawful collusion.

AWARD/ISSUANCE OF LEASES: Prospective lessees are advised that leases may be issued, upon signature by the authorized officer, without further action on their part, once all remaining bonus bid monies are timely received. The effective date of the lease shall be the first day of the month following the execution of the lease form by the authorized officer, except that leases may, upon written request from the lessee received prior to signature on the lease by the authorized officer, be effective the first day of the month in which issued.

UNSOLD PARCELS: Parcels contained in this Notice of Competitive Lease Sale for which no bids are received at the oral auction and which have not been withdrawn from the sale by BLM will be available for regular noncompetitive lease offer in accordance with 43 CFR Subpart 3110 for a two-year period commencing at 8:00 a.m., September 22, 2000. All noncompetitive offers received on that first business day following the auction will be considered simultaneously filed. Offers received thereafter shall receive priority as of the date and time of filing, as specified in 43 CFR 1821.2-3(a). If any lands in the parcel are subject to a proper offer such offers shall have priority for issuance of a lease on the affected lands over any offers filed subsequent to the oral auction. Noncompetitive offers filed on the first business day following the close of the oral auction or during the remainder of that month must describe the lands, as set forth at 43 CFR 3110.5-1, solely by the single parcel number appearing in this Notice of Competitive Lease Sale. Any such offer constitutes consent by the offeror to the terms and conditions, including stipulations, set out for the parcel in this Notice of Competitive Lease Sale. Offerors submitting a lease form not currently in use are deemed to consent to the terms and conditions, including but not limited to rentals and royalties, of the current lease form. Leases may be issued to an offeror without further notice. All noncompetitive offers must be accompanied by the total of (1) the \$75 nonrefundable filing fee and (2) the first-year advance rental of \$1.50 per acre or fraction thereof as indicated in the list herein. All filing fees are nonrefundable, whether or not a lease is ultimately issued to the offeror or any other party.

BLM personnel will be accepting noncompetitive offers on unsold parcels in the accounting office at Eastern States on September 22, 2000, until 4:30 p.m.

All noncompetitive offers filed on September 21, 2000 will be considered simultaneously filed and have a filing date of September 22, 2000.

PUBLIC NOTICE

Generally, for lands to be considered for inclusion in a sale, the expression of interest or presale offer must be received 6 months to one year prior to a sale date. We may not be able to parcel blanket requests for inclusion in one sale. Please, prioritize large requests so we can better meet your needs. The following is a tentative schedule of sale dates for the 2000 calendar year:

December 14, 2000

Bidders are reminded that a bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and administrative fee. There have been cases in past oral auctions where the minimum deposit due from the high bidder on the day of the auction was not paid, or was paid by a check drawn on an account with insufficient funds. The Bureau of Land Management will be closely monitoring situations of this nature to determine whether further measures should be initiated to protect the integrity of the system.

NOTE: SHOULD ASSISTANCE BE NEEDED FOR THE HEARING OR VISUALLY IMPAIRED, PLEASE CONTACT EASTERN STATES AT (703) 440-1546 BY August 21, 2000. SALE SITE IS ACCESSIBLE TO EVERYONE.

HOTEL INFORMATION

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

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

Best Western
6550 Loisdale Court
Springfield, Virginia
(703) 922-9000

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

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

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

REGISTRATION FORM

BIDDER NO. _____
(Leave Blank)

NAME: _____

BUSINESS PHONE: _____

BUSINESS ADDRESS: _____

CITY: _____

STATE: _____ **ZIP CODE:** _____

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

SIGNATURE

DATE

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

ES-001-09/00 KYES 50782 ACQ

Kentucky, Letcher County, Jefferson N.F.

Tract J-916.

844.960 Acres

\$1,267.50 Rental

Subject to F.S. No Surface Occupancy Stipulation

NATIONAL FORESTS IN VIRGINIA

NO SURFACE OCCUPANCY STIPULATION

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

Tract J-916 being 844.96 acres located in Letcher County, Kentucky.

For the purpose of:

- 1) Protection of sensitive, threatened, or endangered species associated with the tract.
- 2) The Forest Service is in the process of exchanging the tract.

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

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

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 license/prospecting permit/lease. 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 a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

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

Forest Supervisor, George Washington-Jefferson NFs
5162 Valleypointe Parkway
Roanoke, Virginia 24019
Telephone Number: (540) 265-5100

who is the authorized representative of the Secretary of Agriculture.

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BLM Field Office

Bureau of Land Management
Jackson Field Office
411 Briarwood Drive, Suite 404
Jackson, Mississippi 39206

Surface Management Agency

USDA, Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

ES-002-09/00 LAES 50783 ACQ

Louisiana, Lafourche Parish, BLM

T17S, R21E, Louisiana Meridian

Sec. 47, Lots 1, 2, and 3.

58.800 Acres

\$88.50 Rental

Subject to BLM No Surface or Subsurface Occupancy Stipulation and the following Special Stipulation

BLM SPECIAL STIPULATION

A portion of the lands in this parcel are within two producing Communitization Agreements , **LAES 45349 and LAES 45350**. The successful bidder/lessee for this parcel shall be required, within 30 days of lease issuance, to commit this parcel to the producing agreements by submitting an acceptable joinders to the Communitization Agreements. The successful bidder/lessee shall also be required, within 45 days of lease issuance, to reimburse the operator, the prorated share of the drilling, completion, and operating costs attributed to the portion of this lease that lies within the Communitization Agreements. The lessee will in turn receive a proportionate share of the revenues from the production of communitized substances associated with the CA's as of the effective date of the Federal lease.

The terms of the Communitization Agreements require that the royalties attributed to this parcel will be held in an interest earning escrow account by the CA Operator until these lands are leased. Any agreement between the successful bidder/lessee, and the Unit Operator must include a provision for the payment of back royalties due to the United States from the date of first production to the effective date of the lease.

The effective date of the Federal lease will be the first day of the month following the issuance of the lease, and the responsibility for successful negotiations between the Federal lessee and other non-Federal parties involved in the CA's will rest solely with the potential Federal lessee.

BLM NO SURFACE OR SUB-SURFACE OCCUPANCY STIPULATION

No Occupancy (surface or sub-surface) is allowed on the lands described below unless application by letter for a waiver (as defined below) is made that demonstrates that surface or sub-surface occupancy on the leasehold is necessary to produce the lease, consent is given by the Surface Management Agency, if applicable, and subsequent planning analysis/environmental assessment (PA/EA) shows that surface or sub-surface occupancy, as requested, would not result in unacceptable adverse impacts to the environment, as determined by the Authorized Officer.

Waiver: A waiver from this lease stipulation may be granted for all or portion of this lease. Prior to granting any waiver, a PA/EA documentation must be completed for the entire lease based on a Reasonably Foreseeable Development Scenario (RFDS). The analysis must consider past, present, and reasonable foreseeable impacts on the lease and adjacent areas. With the consent of the Surface Management Agency, if applicable, a waiver of the stipulation may be granted for those portions of the lease identified as not containing sensitive or important historic, cultural, and scenic values, fish or wildlife resources or their habitat or other important or sensitive natural systems, processes or human values.

Exception: None.

Modification: None.

LEASE NOTICE

This lease does not obviate the need to obtain other Federal, State, or local authorization required by law.

ES-003-09/00 MSES 50784 ACQ

Mississippi, Chickasaw County, Tombigbee N.F.

T12S, R3E, Chickasaw Meridian

sec. 14, All;

sec. 15, SE, NE less 17 acres in N and NE portion & being all of said NE1/4 that lies N & E of Okolona & Houlka Road.

640.240 Acres

\$961.50 Rental

Subject to F.S. No Surface Occupancy Stipulation No. 2 and Lease Notice 3 and 4

ES-004-09/00 MSES 50785 ACQ

Mississippi, Chickasaw County, Tombigbee N.F.

T12S, R4E, Chickasaw Meridian

sec. 2, W2, All of Tract R-253 in NE, All of Tract A-252 in E2.

615.980 Acres

\$924.00 Rental

Subject to F.S. Lease Notice 3 and 4

ES-005-09/00 MSES 50786 ACQ

Mississippi, Chickasaw County, Tombigbee N.F.

T12S, R4E, Chickasaw Meridian

sec. 30, All of Tract R-279a in E2NE, All of Tract R-308 in W2NE & E2NW, All of Tract R-224 in the W2NW & N2SW.

394.850 Acres

\$592.50 Rental

Subject to F.S. Lease Notice 3 and 4

ES-006-09/00 MSES 50787 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 1, W2, SE;

Sec. 2, S2.

773.350 Acres

\$1,161.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitations Stipulation No. 1, and Lease Notice 3 and 4

ES-007-09/00 MSES 50788 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 3, All.

621.970 Acres

\$933.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitations Stipulation No. 1 and Lease Notice 3 and 4

ES-008-09/00 MSES 50789 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 10, E2, NW, E2SW.

564.790 Acres

\$847.50 Rental

Subject to F.S.Controlled Surface Use Stipulation No. 1, Timing Limitations Stipulation No. 1 and Lease Notice 3 and 4

ES-009-09/00 MSES 50790 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 11, All.

653.560 Acres

\$981.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitations Stipulation No. 1 and Lease Notice 3 and 4

ES-010-09/00 MSES 50791 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 12, All.

627.040 Acres

\$942.00 Rental

Subject to F.S.Controlled Surface Use Stipulation No. 1, Timing Limitations Stipulation No. 1 and Lease Notice 3 and 4

ES-011-09/00 MSES 50792 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 13, NENE, E2NWNE, All that part of the SW lying N or U.S. Hwy 80, described as: Beginning at the quarter corner on the W boundary of sec. 13, thence S 31.32 chains to a point 0.78 chains N of the centerline of U.S. Hwy 80, being a point on the N boundary of the ROW, thence along the N boundary of the ROW S 77 degrees 20' E 3.52 chains, S 82 degrees 55' E 4.38 chains, S 89 degrees 00' E 30.64 chains to the E boundary of the SW, thence N 29.71 chains, thence N 85 degrees 25' W 38.64 chains to the place of beginning, containing 119.27 acres.

All that part of the SWSE lying S of U.S. Hwy 80 described as: Beginning at the SW corner of SWSE, sec. 13, thence N 7.86 chains to a point 0.76 chains S of the centerline of U.S. Hwy 80, being a point on the S boundary of the ROW, thence along the S boundary of the ROW S 89 degrees 00' E 19.15 chains to the East Boundary of the SWSE, thence S 8.95 chains to the SE corner of the SWSE, thence Westerly along the S boundary to the place of beginning, containing 16.14 acres.

193.685 Acres

\$291.00 Rental

Subject to F.S.Controlled Surface Use Stipulation No. 1, Timing Limitations Stipulation No. 1 and Lease Notice 3 and 4

ES-012-09/00 MSES 50793 ACQ

Mississippi, Scott County, Bienville N.F.
T6N, R7E, Choctaw Meridian
Sec. 14, Those parts of Tracts B-3, B-2g, and B-31 lying in section;
Sec. 15, That part of Tract B-3 lying in section.
834.300 Acres
\$1,252.50 Rental
Subject to F.S .Controlled Surface Use Stipulation No. 1, Timing Limitations Stipulation No. 1 and Lease Notice 3 and 4

ES-013-09/00 MSES 50794 ACQ

Mississippi, Scott County, Bienville N.F.
T6N, R7E, Choctaw Meridian
Sec. 22, All.
642.560 Acres
\$964.50 Rental
Subject to F.S .Timing Limitation Stipulation No. 1, Lease Notice 3 and 4

ES-014-09/00 MSES 50795 ACQ

Mississippi, Scott County, Bienville N.F.
T6N, R7E, Choctaw Meridian
Sec. 23, E2NE less S 5 acres, NW, W2SW, SESW;
Sec. 24, NE, N2SW.
594.470 Acres
\$892.50 Rental
Subject to F.S. Timing Limitation Stipulation No. 1, Lease Notice 3 and 4

ES-015-09/00 MSES 50796 ACQ

Mississippi, Scott County, Bienville N.F.
T6N, R7E, Choctaw Meridian
Sec. 24, N2SE (50% U.S. Minerals)
77.330 Acres
\$117.00 Rental
Subject to F.S. Timing Limitation Stipulation No. 1, Lease Notice 3 and 4

ES-016-09/00 MSES 50797 ACQ

Mississippi, Scott County, Bienville N.F.
T6N, R7E, Choctaw Meridian
sec. 26, SWNE, NWNW;
sec. 27, N2, E2NESW, N2SE less Tract B-816.
468.410 Acres
\$703.50 Rental
Subject to F.S. Timing Limitation Stipulation No. 1, Lease Notice No. 3 and 4

ES-017-09/00 MSES 50798 ACQ

Mississippi, Scott County, Bienville N.F.
T6N, R7E, Choctaw Meridian
Sec. 35, NE, NESW, NESE, S2SE.
336.320 Acres
\$505.50 Rental
Subject to F.S. Timing Limitation Stipulation No. 1, Lease Notice No. 3 and 4

ES-018-09/00 MSES 50799 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 36, N2, SW, That part of the SE lying E of Caney Creek described as: Beginning at the SE corner Sec. 36, an old iron pipe and axle corner, thence W 17.05 chains to the centerline of Caney Creek, thence along said creek N 8.75 degrees W 3.40 chains, N 6.75 degrees W 2.50 chains, N 5 degrees E 3.20 chains, N 21.75 degrees E 1.70 chains, N 44.50 degrees E 1.60 chains, N 19.75 degrees E 4.00 chains, N 6.75 degrees E 3.30 chains, N 1.50 degrees W 2.40 chains, N 2.50 degrees E 5.60 chains, N 28.50 degrees E 1.70 chains, N 51.25 degrees E 1.50 chains, N 28 degrees W 2.20 chains, N 28 degrees E 1.60 chains, N 16 degrees W 1.75 chains, N 16.50 degrees E 1.80 chains, N 71.75 degrees W 1.30 chains, N 26 degrees W 2.20 chains, N 80.75 degrees W 1.10 chains, N 65 degrees W 1.90 chains, N 13 degrees E 1.80 chains to North boundary of SE, thence leaving said creek, E 17.42 chains to the 1/4 section corner E boundary Section 36 an old iron pipe corner, thence S 0 degrees 40' W 41.10 chains to place of beginning.

527.660 Acres

\$792.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, Lease Notice 3 and 4

ES-019-09/00 MSES 50800 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R8E, Choctaw Meridian

Sec. 6, NENW, W2W2, SESW;

Sec. 7, W2

646.700 Acres

\$970.50 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-020-09/00 MSES 50801 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R8E, Choctaw Meridian

Sec. 18, N2NW less Illinois Central RR ROW described as a strip of land used as ROW for Y & MVR, being 100' wide or 50' on each side of the following described centerline: beginning at a point 2.05 chains N of the SW corner of N2NW, thence S 83 degrees E along centerline of main tract, 16.83 chains to S boundary of N2NW.

77.250 Acres

\$117.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, Lease Notice 3 and 4

ES-021-09/00 MSES 50802 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 13, W2NW, S2;

Sec. 14, S2.

724.050 Acres

\$1,087.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-022-09/00 MSES 50803 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 22, S2;

Sec, 23, NE, NENW, S2NW.

606.597 Acres

\$910.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-023-09/00 MSES 50804 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 24, All.

639.280 Acres

\$960.00 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-024-09/00 MSES 50805 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 25, NE, E2NW, S2.

556.540 Acres

\$835.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-025-09/00 MSES 50806 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 26, SWSW, NESE, S2SE;

Sec. 27, NWNE, SWNE less 10 acres in SE corner; N2SENE, W2, W 30 acres of NWSE, SWSE.

647.040 Acres

\$972.00 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-026-09/00 MSES 50807 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 34, W2NW, SW, S2SE;

Sec. 35, E2NE, NENW, W2W2.

628.330 Acres

\$943.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-027-09/00 MSES 50808 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 36, N2, SW, N2SE, S2SE less that part lying South of Sparksville Road.

580.410 Acres

\$871.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-028-09/00 MSES 50809 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R8E, Choctaw Meridian

Sec. 20, E2;

Sec. 21, SESE.

359.610 Acres

\$540.00 Rental

Subject to F. S. Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-029-09/00 MSES 50810 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R8E, Choctaw Meridian

Sec. 28, E2NE, SESW, SE;

Sec. 31, W2NW, W2SENW, N2SW;

Sec. 33, N2NE, SWNE.

581.045 Acres

\$873.00 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-030-09/00 MSES 50811 ACQ

Mississippi, Adams County, Homochitto NF

T5N, R1W, Washington Meridian

Sec 20, Part of Tract 20b, described as: from the NW corner of sec. 20, go S 81 degrees 00' E along the N boundary of sec. 20 for 3650.46 feet to the point of beginning, being the NW corner of FS Tract 20b, and also being the NW corner of the following described tract: thence from said point of beginning go S 07 degrees 30' W along the W boundary of FS tract 20b for 4527.60 feet to the N boundary of the Hull tract, thence S 82 degrees 30' E for 3847.80 feet to the NE corner of said Hull Tract, thence continue S 82 degrees 30' E for 2650 feet, more or less, to the E boundary, thence N along the E boundary for 4250 feet, more or less, to the NE corner thereof, thence N 81 degrees 00' W along the N boundary of sec. 20 for 6400 feet, more or less, to the point of beginning.

684.600 Acres

\$1,027.50 Rental

Subject to F.S. No Surface Occupancy Stipulation No. 2A, F.S. Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

NATIONAL FORESTS IN MISSISSIPPI

T6N, R7E

T6N, R8E

T7N, R7E

T7N, R8E

TIMING LIMITATION STIPULATION NO. 1

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Site construction and drilling may be restricted during the wet season from 11/30 thru 3/31 depending on site specific conditions at the time the Application for Permit to Drill is filed.

On lands described below:

Entire Lease

For the purpose of (reasons):

Prevent excessive soil erosion and rutting resulting from construction activities during the wet season. Land and Resource Management Plan, National Forests in Mississippi, as amended, 9/85.

Any changes 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.)

**NATIONAL FORESTS IN MISSISSIPPI
T6N, R7E**

CONTROLLED SURFACE USE STIPULATION NO. 1

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

Oil and gas activities must be conducted in such a manner as to reasonably reduce visibility of the operation to the extent possible.

On the lands described below:

Shockaloe Recreation Trail located in S1/2SE1/4, NW1/4SE1/4, NE1/4SW1/4 & E1/2NW1/4 of Section 1; S1/2, NE1/4 and E1/2NW1/4 of Section 3; All of Section 10; S1/2SE1/4 of Section 11; NE1/4NE1/4 & SE1/4 of Section 12; N1/2N1/2 of Section 13; SW1/4NW1/4, N1/2NW1/4 & N1/2NE1/4 of Section 14; NE1/4 of Section 15, T6N, R7E, Choctaw Meridian.

For the purpose of:

To meet visual quality objectives. Land and Resource Management Plan, National Forests in Mississippi, as amended 9/85..

Any changes 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.)

**NATIONAL FORESTS IN MISSISSIPPI
T7N, R7E**

CONTROLLED SURFACE USE STIPULATION NO. 1

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

Oil and gas activities must be conducted in such a manner as to reasonably reduce visibility of the operation to the extent possible.

On the lands described below:

Shockaloe Recreation Trail located in N2SW & SESW of Section 13; SW & N2SE of Section 14; S2NE, E2NW & S2S2 of Section 23; SESE, W2SE, SW & SWNW of Section 24; E2E2 of Section 25; N2NE of Section 26; W2SW, NESW, NW, W2NE & NWSE of Section 27; SESW, N2SW & W2NW of Section 34; S2NE, N2SE, NENE, E2SW, & SWSE of Section 36, T7N, R7E, Choctaw Meridian.

For the purpose of:

To meet visual quality objectives. Land and Resource Management Plan, National Forests in Mississippi, as amended 9/85..

Any changes 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.)

**NATIONAL FORESTS IN MISSISSIPPI
T6N, R8E**

CONTROLLED SURFACE USE STIPULATION NO. 1

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

Oil and gas activities must be conducted in such a manner as to reasonably reduce visibility of the operation to the extent possible.

On the lands described below:

Shockaloe Recreation Trail located in the W2SW and SWNW of Section 30 and the NWNW of Section 31, T7N, R8E, Choctaw Meridian..

For the purpose of:

To meet visual quality objectives. Land and Resource Management Plan, National Forests in Mississippi, as amended 9/85..

Any changes 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.)

NATIONAL FORESTS IN MISSISSIPPI

LEASE NOTICE NO. 3

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the correct 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 NO. 4

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Further information concerning the classification of these lands may be obtained from the authorized Forest office.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

**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 license/prospecting permit/lease. 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 a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

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

Forest Supervisor, NFs in Mississippi
100 W. Capitol Street, Suite 1141
Jackson, MS 39269
Telephone Number: (601) 965_4391

who is the authorized representative of the Secretary of Agriculture.

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BLM Field Office

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

Surface Management Agency

USDA, Forest Service _ Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367