In Reply Refer To:
3120 (OR-958.2) P

October 17, 2002

EMS TRANSMISSION 10/17/2002
Information Bulletin No. OR-2003-009

To: All District Managers

From: Chief, Branch of Realty and Records Services

Subject: Posting of Notice of Competitive Oil and Gas Lease Sale DD: 10-18-02

Attached is the next Competitive Oil and Gas Lease Sale Notice of certain lands being offered in Oregon and Washington on Wednesday, December 4, 2002.

In accordance with the Oil and Gas Reform Act, the notice must be posted for public review in a prominent location in your office for at least 45 days prior to the sale. To meet this requirement, please post the notice by October 18, 2002.

Signed by
Robert D. DeViney, Jr.

Authenticated by
Mary O'Leary
Management Assistant

1 Attachment
1 - Notice of Competitive Lease (O&G) Sale ( pp)

Distribution
J. Douglas (WO-310, 501 LS) - 1 (w/o attachment)
We are pleased to announce that we will offer for competitive sale certain Federal lands in the States of Oregon and Washington for oil and gas leasing. This notice describes:

$ The time and place of the sale;
$ How to participate in the bidding process;
$ The sale process;
$ The conditions of the sale;
$ How to file a noncompetitive offer after the sale; and
$ How to file a presale noncompetitive offer.

Attached to this notice is a list of the lands we are offering by parcel number and description. We have referenced any special conditions or restrictions that will be made a part of the lease below each parcel.

When and where will the sale take place?

When: The competitive oral sale will begin at 9:00 a.m. on Wednesday, December 4, 2002. The sale room will open one-half hour earlier so you can get your bidding number.

Where: We will hold the sale in the Land Office at 333 SW First Ave., Portland, Oregon. There is metered parking on the street and pay-to-park lots in the area. Public transportation is an option.

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 a sign language interpreter or materials in an alternate format, contact Donna Kauffman at (503) 808-6162, by November 18, 2002.

How do I participate in the bidding process?

To participate in the bidding process, you must get a bidding number. You must display your bidding number to the auctioneer when you submit 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 the attached list;
$ All bids are on a per-acre basis for the entire acreage in the parcel;
$ The successful bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
$ The decision of the auctioneer is final.

The minimum bid BLM can accept is $2 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.32 acres requires a minimum bid of $202 ($2 x 101 acres). After we have offered all the parcels, you may ask the auctioneer to re-offer any unsold parcels.

What conditions apply to the lease sale?

$ Parcel withdrawal or sale cancellation: We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the Oregon State Office Land Office (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.

$ Payment due: You cannot withdraw a bid. Your bid is a legal binding commitment to sign the bid form, accept the lease, and pay the money due on the day of the sale. You may pay immediately after the sale, or you can pay within one hour after the close of the sale at our Land Office on the 1st floor of the State Office.
If you are the successful high bidder on a parcel, the money due the day of the sale is the minimum bid of $2 per acre, the first year’s rent ($1.50 per acre), and the administrative fee ($75). You may pay the total due the day of the sale, or you may pay the balance of the bonus bid due by the close of business on December 18, 2002, which is the 10th working day following the sale. If you do not pay in full by this date, you lose the right to the lease and all money paid on the day of the sale. If you forfeit a parcel, we may offer it at a later sale.

**Forms of payment:** You can pay by personal check, certified check, money order, or credit card (VISA, MasterCard, Discover, or American Express 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 certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. However, we cannot grant you any extension of time to pay the money that is due the day of the sale.

**Bid form:** On the day of the sale, if you are a successful bidder, you must give us a properly completed and signed competitive bid form (Form 3000-2, July 1991, or later edition) with your payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. We will not accept any bid form that has information crossed out or is otherwise altered.

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

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

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

**Lease Issuance:** After we receive the bid form and all the money due, 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.

**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 in paying quantities is produced on or for the benefit of the lease. Rental at $1.50 per acre for the first 5 years ($2 per acre after that) is due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty of 12.5 percent on the production. You will find other lease terms on our standard lease form (Form 3100-11, October 1992 or later edition).

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

**How do I file a noncompetitive offer after the sale?**

Lands that do not receive a bid are available on a first-come, first-served basis for a two-year period, beginning the day after the sale. If you want to file a noncompetitive offer on an unsold parcel, you must give us-

- An Offer to Lease Form properly completed and signed. (Note: You may copy the lease form, but 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. Any copy you make should be legible.) Describe the lands in your offer as specified in our regulations at 43 CFR 3110.5, and;

- Your payment for the total of the $75 filing fee and the advanced first year’s rental ($1.50 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.
You may submit your offer the day of the sale after the sale is closed. However, we consider all offers filed the day of a sale and the first business day after it, for any of the unsold parcels, filed at the same time. If a parcel receives more than one offer, we will hold a drawing to pick the winner. A presale offer has priority over any offer filed after the sale. There were no presale offers filed for the lands in this notice.

**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.

If we do not receive a bid for the parcel that contains the lands in your offer, it has priority over any offer for that parcel filed after the sale. Your presale offer 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 directions listed for filing a noncompetitive offer after the sale.

**How can I find out the results of this sale?**

We will post the sale results in the Oregon State Office Land Office (Public Room). You can buy ($5) a printed copy of the results list from the Land Office.

**Who should I contact if I have a question?**

For more information, please contact Donna Kauffman at (503) 808-6162.

/s/ Sherrie L. Reid

Sherrie L. Reid
Chief, Realty Records Section
deducted from the DDA automatically.

Competitive oil and gas lists (sale and/or results) will be mailed automatically ONLY when a DDA has been established and maintained with sufficient funds to purchase the list.

Accounts will be established with a minimum deposit of $50.00. Payment may be made by personal check, certified check, credit card (VISA, Discover, American Express or MasterCard), or money order. All remittances shall be made payable to DEPARTMENT OF THE INTERIOR-BLM. Account statements will be provided periodically, showing posting and the current account balance. Please list on the order form those persons who are authorized to use this account.

If you do not wish to open a DDA, you may purchase either the sale list for $5.00 or results list for $5.00 from this office. You will not be placed on an automatic mailing list.

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YES, I would like to open a DDA and receive the following:

- Competitive Sale List Only
- Results List Only
- Competitive Sale and Results List
- Other ______________________

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NO, I do not wish to open a DDA, but would like a copy of the:

- Competitive Sale List ($5.00) for the sale held on (date) ________________________.
- Results List ($5.00 or free if the list is one page) for the sale held on (date) _________.

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I already have a DDA and I would like to receive the following:

- Competitive Sale List Only
- Results List Only
- Competitive Sale and Results List
- Other ______________________

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NAME ______________________________________________________________________________
ADDRESS ___________________________________________________________________________
CITY __________________________ STATE _________ ZIP TELE _____________________
SIGNATURE ________________________________________ DATE __________________________

List of Authorized Users:

Attachment 1-5

Attachment 1-6

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PUBLIC LANDS

WILLAMETTE MERIDIAN, OREGON

<table>
<thead>
<tr>
<th>PARCEL 12-4-02-1</th>
<th>PARCEL 12-4-02-4</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINIMUM ACCEPTABLE BID</td>
<td>MINIMUM ACCEPTABLE BID</td>
</tr>
<tr>
<td>$2,398.00</td>
<td>$2,880.00</td>
</tr>
</tbody>
</table>

- T. 10 S., R. 19 E.,
- Sec. 2, Lots 1-4, S2N2, SW, W2SE;
- Sec. 12, All.

Jefferson County 1,198.50 acres
Subject to Stipulation 4

<table>
<thead>
<tr>
<th>PARCEL 12-4-02-2</th>
<th>PARCEL 12-4-02-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINIMUM ACCEPTABLE BID</td>
<td>MINIMUM ACCEPTABLE BID</td>
</tr>
<tr>
<td>$4,226.00</td>
<td>$2,694.00</td>
</tr>
</tbody>
</table>

- T. 10 S., R. 19 E.,
- Sec. 10, S, S2SE;
- Sec. 14, All;
- Sec. 15, NE, E2NW, NWNW, SW, N2SE, SESE.

Jefferson County 1,440.00 acres
Subject to Stipulation 4
T. 10 S., R. 19 E.,
Sec. 4, Lots 2-4, S2NW, W2SW, E2SE, SWSE;
Sec. 5, SWNW, N2SW, W2SE, SESE;
Sec. 6, Lot 7, SESW, S2SE;
Sec. 7, Lots 1-4, E2, E2W2 (All);
Sec. 9, W2E2, SENE;
Sec. 10, E2E2, SWNE, NW;
Sec. 11, W2SW, SESW.

Jefferson County 2,112.35 acres
Subject to Stipulation 4

PARCEL 12-4-02-3
MINIMUM ACCEPTABLE BID $2,702.00
T. 10 S., R. 19 E.,
Sec. 8, SW, S2SE;
Sec. 17, E2, NW;
Sec. 18, Lots 1-4, E2, E2W2 (All).

Jefferson County 1,350.88 acres
Subject to Stipulation 4

PARCEL 12-4-02-4
MINIMUM ACCEPTABLE BID $4,960.00
T. 10 S., R. 19 E.,
Sec. 20, N2NE, SWNE, NW, N2SW, SWSW;
Sec. 29, NWNW;
Sec. 30, Lots 1-3, N2NE, E2NW.

Jefferson County 1,346.19 acres
Subject to Stipulation 4

PARCEL 12-4-02-5
MINIMUM ACCEPTABLE BID $2,800.00
T. 10 S., R. 19 E.,
Sec. 21, E2, E2NW, SW;
Sec. 22, All;
Sec. 23, W2NE, SENE, W2, SE;
Sec. 24, All.

Jefferson County 2,480.00 acres
Subject to Stipulation 4

Public Lands
Willamette Meridian, Oregon

PARCEL 12-4-02-7
MINIMUM ACCEPTABLE BID $2,800.00
T. 10 S., R. 19 E.,
Sec. 25, N2, N2SW, SESW, SE;
Sec. 26, N2, N2S2;
Sec. 35, NE, N2NW, SENW, NWSE.

Jefferson County 1,400.00 acres
Subject to Stipulation 4

PARCEL 12-4-02-8
MINIMUM ACCEPTABLE BID $3,760.00
T. 10 S., R. 19 E.,
Sec. 27, N2, SW, N2SE;
Sec. 28, All;
Sec. 29, N2NE, SENE;
Sec. 33, NE, NENW, E2SE;
Sec. 34, NW, W2SW, SESW.
Jefferson County 1,880.00 acres
Subject to Stipulation 4

PARCEL 12-4-02-9
MINIMUM ACCEPTABLE BID $2,228.00
T. 10 S., R. 19 E.,
Sec. 29, W2SW;
Sec. 30, E2SE;
Sec. 31, Lots 3, 4, NE, SENW, E2SW, N2SE, SWSE;
Sec. 32, W2, S2SE;
Sec. 33, W2SW.

Jefferson County 1,113.38 acres
Subject to Stipulation 4

PUBLIC LANDS
WILLAMETTE MERIDIAN, WASHINGTON

PARCEL 12-4-02-10
MINIMUM ACCEPTABLE BID $2,524.00
T. 18 N., R. 21 E.,
Sec. 6, Lots 1-7, S2NE, SENW, E2SW, SE (All);
Sec. 8, All.

Kittitas County 1,261.21 acres
Subject to Stipulations 1, 2, 3, and 4

PARCEL 12-4-02-11
MINIMUM ACCEPTABLE BID $2,560.00
T. 18 N., R. 21 E.,
Sec. 12, All;
Sec. 14, All.

Kittitas County 1,280.00 acres
Subject to Stipulations 1, 2, 3, and 4

PARCEL 12-4-02-13
MINIMUM ACCEPTABLE BID $1,344.00
T. 18 N., R. 22 E.,
Sec. 4, SESE;
Sec. 6, Lots 6, 7, E2SW, SE;
Sec. 8, N2.

Kittitas County 671.23 acres
Subject to Stipulations 1, 2, 3, and 4

PARCEL 12-4-02-12
MINIMUM ACCEPTABLE BID

PARCEL 12-4-02-14
MINIMUM ACCEPTABLE BID $3,348.00
T. 18 N., R. 22 E.,
Sec. 20, NENE;
Sec. 28, N2, SW, N2SE, SWSE;
Sec. 30, Lots 1-4, E2, E2W2 (All);
Sec. 32, Lots 1, 2, N2NE, SWNE, NW, NWSW.

Kittitas County 1,673.46 acres
Subject to Stipulations 1, 2, 3, and 4
STIPULATION NO. 1

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

Physical disturbance or change of the character of the habitat within a 400 meter radius of the boundaries of leks is prohibited. Seasonal restriction on oil and gas operations within sight distance or an 800 meter radius of leks (whichever is greater) from February 15 through May 1. Seasonal restriction on oil and gas operations within grouse winter range and nesting habitat from November 1 through June 30.

On the lands described below:

Entire Lease

For the purpose of:

Protection of prairie grouse during sensitive periods.

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

APPLIES TO PARCELS 12-4-02-10 THROUGH AND INCLUDING 12-4-02-14

STIPULATION NO. 2

No surface use is allowed during the following time period(s)*. On the lands described below:** For the purpose of:***. This stipulation does not apply to operation and maintenance of production facilities. Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

<table>
<thead>
<tr>
<th>PARCEL NO.</th>
<th>*TIME PERIOD</th>
<th>**DESCRIPTION</th>
<th>***PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-4-02-10</td>
<td>*Apr 1 to June 30</td>
<td>**entire lease</td>
<td>*** Protect Bighorn Sheep Lambing Grounds and Elk Calving Areas</td>
</tr>
<tr>
<td>12-4-02-11</td>
<td>*Apr 1 to June 30</td>
<td>**entire lease</td>
<td>*** Protect Bighorn Sheep Lambing Grounds and Elk Calving Areas</td>
</tr>
</tbody>
</table>
STIPULATION NO. 3

All surface disturbing activities are limited to existing roads, until a botanical field inventory of the proposed area of disturbance has been completed. This field survey must be completed during the appropriate season (April 15 through May 31) for the identification of special status plants. If special status species or plant community values are found, the Authorized Officer may determine not to allow activities if they adversely affect the botanical resources.

Waiver: This stipulation can be waived if the Authorized Officer determines that one or more of the following has been met:

1. The entire leasehold surface has been previously disturbed or substantially modified, e.g., cultivation.
2. There is an adequate inventory of the entire leasehold indicating that there are no special status plants, community values or suitable habitat on the entire leasehold.
3. There is an adequate inventory of the entire leasehold which indicates that impacts can be adequately mitigated by avoidance through standard stipulations (i.e., relocation of activities up to 200 meters).

Exception: An exception to this stipulation may be granted if the Authorized Officer determines that one or more of the following has been met at the project area:

1. Existing records indicate that the area involved does not have appropriate habitat.
2. There is an existing, adequate inventory which indicates that special status species or community values are not present, or that these botanical resources will not be affected, or that the adverse impacts will not jeopardize the species or community values.
3. The operator submits a plan which avoids or adequately mitigates the impacts.
4. Existing records indicate that an adequate field inventory can be conducted during a different season of the year.

Modification: A portion of the lease may be excluded from the requirement for a field inventory if the Authorized Officer determines that one or more of the following has been met:

1. There has been substantial previous disturbance of the habitat, such as agricultural field cultivation.
2. Existing records indicate that the area involved does not have appropriate habitat.
3. There is an existing, adequate inventory which indicates that special status species or community values are not present, or that these botanical resources will not be affected, or that the adverse impacts will not jeopardize the species or community values.

APPLIES TO PARCELS 12-4-02-10 THROUGH AND INCLUDING 12-4-02-14

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STIPULATION NO. 4

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.
APPLIES TO ALL PARCELS