

H-3101-1 - ISSUANCE OF LEASES

DEPARTMENT OF THE ARMY  
STANDARDIZED MINERAL LEASING STIPULATIONS

THESE STIPULATIONS ARE FURNISHED TO ASSIST MACOMS AND THEIR INSTALLATIONS IN PROTECTING DEPARTMENT OF THE ARMY INTERESTS WHEN FEDERAL MINERALS ARE BEING MADE AVAILABLE FOR LEASE. SEE AR 405-30. THE BUREAU OF LAND MANAGEMENT WILL ROUTINELY INCLUDE ANY OF THE FOLLOWING STIPULATIONS WHEN REQUESTED BY THE ARMY. BLM CANNOT ISSUE ANY LEASE FOR LANDS UNDER THE JURISDICTION OF THE ARMY WITHOUT USING THE STIPULATIONS REQUESTED BY THE ARMY; HOWEVER, BLM MAY WISH TO DISCUSS THE USE OF ANY OTHER STIPULATION PROPOSED BY AN INSTALLATION PRIOR TO LEASE ISSUANCE. THE STIPULATIONS HEREIN ARE MERELY SUGGESTED AND MAY BE REWORDED BY THE MACOM OR DELEGATEE, EXCEPT CONDITIONS NO. 13, 14, AND 15, WHICH MAY ONLY BE CHANGED WITH THE APPROVAL OF DAEN-REM, WASHINGTON, D.C. 20314-1000.

NOTE THAT INSTRUCTIONS TO THE INSTALLATION ARE GIVEN BELOW IN CAPITAL LETTERS AND SHOULD BE OMITTED FROM THE FINAL SET OF STIPULATIONS THE ARMY FURNISHES TO THE BUREAU OF LAND MANAGEMENT.

It is understood by all parties that these stipulations may be waived or modified, only upon the written concurrence of the installation commander (hereinafter Commander) and the written approval of BLM's authorized representative.

1. The Lessee understands that any lessee activity on the leased lands requires prior approval of the BLM, and that BLM approval requires the concurrence of the Commander or authorized representative on necessary operational requirements. Requirements which may be imposed include but are not limited to prohibitions or specifications on: (USE FOR THOSE LANDS THAT ARE ESSENTIALLY OPENED TO LEASE ACTIVITIES SUBJECT TO OPERATIONAL MODIFICATIONS.).

- a. Access (e.g., time of year, gates, roads, construction, maintenance, pipelines, vegetation disposal);
- b. Exploration activities;
- c. Location, design, and timing of construction of drilling, collection, and storage facilities (e.g., burial of flow lines);
- d. Use and protection of installation water supply (e.g., water quality testing);
- e. Protection of the environment (e.g., hazardous waste areas, endangered species, erosion control, pollution prevention) and protection of objects of historic and scientific significance;
- f. Safety and fire protection measures (e.g., use of explosives, safe working distances from ammunition and explosives, construction and maintenance of firebreaks, development of contingency plans in the event of danger to persons or property, posting of signs);

H-3101-1 - ISSUANCE OF LEASES

- g. Use of communication and transportation systems;
- h. Installation security (e.g., authorized operating hours, worker identification);
- i. Management of production area (e.g., size, fencing, gates, cattleguards, interim revegetation);
- j. Reclamation measures; or
- k. Attendance at meetings (e.g., preoperations conference, postoperations conference).

Compliance with these requirements will be at no cost to the United States. The Commander for the purpose of this lease is Commander \_\_\_\_\_, and the District Engineer is the District Engineer \_\_\_\_\_.

2. The Lessee may only occupy the surface of the lands identified on the attached map, Exhibit \_\_\_\_\_, (USE WHEN SURFACE OCCUPANCY IS CONTEMPLATED. EXPECTED EXCLUSIONS OF MORE THAN 40 ACRES FROM SURFACE OCCUPANCY SHOULD BE INDICATED.).

OR 2. The Lessee shall not occupy the surface of the leased lands for any purpose, except for geophysical exploration. (USE ONLY WHEN DENIAL OF SURFACE OCCUPANCY IS CONTEMPLATED.)

3. The Lessee will make every effort to locate pipeline and access routes in existing utility and road corridors. The Lessee will furnish as-built drawings of completed pipelines at a scale and detail specified by the Commander.

4. The Lessee in accepting this lease understands that the leased lands are part of a military installation. Mineral exploration and development in any restricted impact areas or in areas involving ammunition or explosives is prohibited; however, these lands may be explored and produced by directional drilling at a safe distance from outside the areas as prescribed by Department of Defense (DOD) and Army regulations. Furthermore, the Lessee understands that future increased production, testing, or storage of ammunition or explosives may further restrict the surface area available for lease operations. Safe distances from ammunition and explosive facilities are based on the quantity and type of explosive present or authorized and the proposed use (e.g., above or below ground, continuous or temporary presence of personnel). The Lessee may obtain pertinent information on this subject from the installation safety office. (EXPECTED SETBACKS OF MORE THAN 500 FEET AND EXCLUSIONS FROM SURFACE OCCUPANCY OF MORE THAN 40 ACRES SHOULD BE INDICATED ON MAPS.)

## H-3101-1 - ISSUANCE OF LEASES

5. Before beginning any approved operations in the leased area, the Lessee must consult with third parties authorized to use real estate in the leased area and must document in any proposals for development the manner in which consideration is being given to programs for which third parties have contractual rights and/or responsibility. The Lessee may consult the records of the District Engineer to determine what real estate interests have been granted to third parties on the leased lands. On the request of the BLM District Manager, the Commander may seek to resolve disputes between the Lessee or operator and third parties if they cannot reach agreement. Resolutions will be coordinated with contracting officers or representatives of all parties involved. The Lessee shall hold the United States harmless for claims by such third parties arising from the Lessee's activities, including damage to pasture and cropland capabilities.
6. Merchantable timber cleared from roads, pipeline rights-of-way, or drill sites will be disposed of in accordance with the Commander's instructions.
7. The Lessee shall bear all costs of the following:
  - a. Increased Government costs for its projects which are incurred by reason of the Lessee's activity on the leased premises. Such costs will be paid on a one time basis as a condition of approval of proposed operations.
  - b. Any Department of the Army costs to administer and ensure lease compliance not otherwise funded by the Congress.
  - c. The Lessee's share of road and bridge maintenance costs for use of installation roads and bridges in accordance with a maintenance agreement. In calculating such costs, the drilling and production area, pipeline rights-of-way, lengths of roads and bridges, and so forth will be considered. Payments shall be made in advance.
  - d. Repair or restoration for damages or degradation of land or facilities, including that caused by subsidence and pollutant spills, resulting from the Lessee's activities. Where conditions of urgency exist as determined by the Commander and time is of the essence, the Lessee shall repair damages or degradation in a timely fashion in the manner specified by the Commander without awaiting confirmation from BLM. The Commander shall subsequently confirm oral orders to the Lessee or operator in writing. If the Lessee or operator cannot or will not comply, the Commander may act, and the Lessee shall be liable for reimbursement to the Army for all damages and costs of such action, including administrative costs and any surcharges that may be deemed appropriate.
8. The Lessee shall not pollute the air, ground, or water (including ground water) or create a public nuisance.
  - a. Before beginning operations, the Lessee shall retain a local agent who may be served notice on these matters and who shall notify the Commander immediately of spills, or other unexpected threats or hazards to the environment.

H-3101-1 - ISSUANCE OF LEASES

b. The Lessee shall hold the United States harmless for any claim, including equitable claims, court, or legal expenses incurred by the United States, and fines or penalties imposed upon the United States which are related to unlawful pollution arising from the Lessee's use of the property.

9. The United States reserves the option to purchase up to \_\_\_ percent of the natural gas or oil produced or refined at the price defined below under a utility service contract to be negotiated prior to the exercise of this right in accordance with present or future DOD and Army regulations. The Lessee or operator shall include this paragraph in any contract or sale of natural gas or oil to other parties.

a. The Lessee or operator shall have 4 months from the date it receives a notice from the Commander or the authorized representative electing to exercise this option, in which to negotiate the specific terms of any sale and begin delivery of the production. Except during mobilization or surge periods, the Commander or the authorized representative shall have the right to change its election under this option no more often than one time every 12 months.

b. The price to the United States shall be the lowest price paid by the wholesale buyer in the area; otherwise, standards appraisal methods will be used. In the case of oil production, if the Lessee contracts for the sale of its share of any oil production or enters into a processing agreement whereby the Lessee receives finished products in lieu of crude oil, the Lessee shall include the United States in any such contract under the same terms as the Lessee may negotiate for its own account. In all cases, the Lessee shall bear all costs on a nonreimbursable basis associated with constructing and maintaining such facilities (including meters) during the producing life of the well and with salvaging such facilities when production is ended.

c. Natural gas shall be dried or processed as necessary and shall be delivered in a condition ready for use in a natural gas system. The Lessee or operator shall arrange for equivalent delivery or construct a complete automatic gas supply system from the well to the existing installation gas system according to a Commander-approved plan. A complete pipeline includes all necessary piping, valves, meters, regulators, fittings, compressors, and odorizers. The Lessee shall be responsible for and bear all costs without further reimbursement for the exercise of this option including the costs of refining, processing, and delivering the natural gas to the installation or equivalent delivery of natural gas produced elsewhere as prescribed by the Commander or the authorized representative;

d. If exercise of this option involves more than one lessee or operator, the Lessee or operator agrees to cooperate with the others in scheduling production, constructing pipelines from wells or gathering points to the installation distribution system, sharing expenses, and other matters to assure a timely and continuous fuel supply to the United States.

**H-3101-1 - ISSUANCE OF LEASES**

e. The Lessee or operator shall routinely inspect and calibrate equipment involved with the exercise of this option with installation representatives. The Commander may require the Lessee at least annually to engage an independent party acceptable to the Commander to test meters for accuracy and to furnish written findings to the Commander.

10. Notwithstanding any other stipulation, the United States and its officers, agents, servants, and employees ("the released parties") shall not be responsible for damages to property, injuries to persons, or any other cause of action ("released actions") which may arise from or be incident to this lease or the Lessee's use and occupation of the leased premises. Released action include, without limitation, damage to the Lessee's property, injury to the Lessee's person, or other cause of action of the Lessee, or such damage, injury, or other cause of action of the Lessee's officers, agents, servants, employees, invitees of any of these, or anyone else otherwise on or off said premises incident to the lease. Released actions include any actions arising from flooding of the lease premises. The Lessee shall hold harmless and indemnify the released parties for released actions which may arise from or be incident to this lease or the Lessee's use or occupation of the leased premises.

11. The Lessor's rights described in the printed leased form include the rights of the Department of the Army.

12. (TRAINING INSTALLATIONS ONLY) The Lessee shall furnish the Commander a point of contact and back-up point of contact to whom evacuation orders can be issued. The Lessee will immediately advise the Commander upon any change in these points of contact.

13. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased premises for a mission incompatible with lease operations. On approval from higher authority, the Commander will give the Lessee written notice or, if time permits, request the BLM to give notice of the required cessation. The Lessee understands the lease rights granted by this instrument do not include the period of any such cessations and the United States has no obligation to compensate the Lessee for damages (including contractual losses) resulting from the exercise of this stipulation. The Lessee shall include this stipulation in contracts with third parties to supply oil and gas. This stipulation shall not affect the Lessee's right to seek suspension of the lease term from the BLM. Whether or not a suspension is granted will have no effect on cessation of operations as stipulated herein.

14. If the Commander or the authorized representative discovers an imminent danger to safety or security which allows no time to consult the BLM, that person may order such activities stopped immediately. The authorized officer of the BLM shall review the order and determine the need for further remedial action.

15. If military contamination is found in the operating area, the operator shall immediately stop work, leave the area, notify the Commander, and shall not return until the Commander advises that it is safe to return.