

BLM

New Mexico
Oklahoma
Texas & Kansas

Competitive Oil and Gas Lease Sale

October 22, 2008

Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
Santa Fe, New Mexico, 87505

www.blm.gov/nm

BLM





In Reply
Refer To:

3120 (NM921-mjd)

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.blm.gov/nm



September 4, 2008

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, Oklahoma, Texas and Kansas** 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, October 22, 2008**, The **Accounts Office at the Bureau of Land Management, New Mexico State Office 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 **Bureau of Land Management, New Mexico State Office, 1474 Rodeo Road, Santa Fe, New Mexico 87505, in the second floor conference room.**
- 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 October **1, 2008**.

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 **Accounts Office at the Bureau of Land Management**. 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 (\$2 X 200 acres) and the advance annual rental will be \$300 (\$1.50 X 200 acres) for the first 5-years and \$400 (\$2 X 200 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 **\$140**. You must make this payment in our Accounts Office 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 November 5, 2008**, which is the 10th working day following the sale. Send the remaining balance payment to: **Attn: Accounts Staff - Bureau of Land Management, New Mexico State Office, 1474 Rodeo Road, Santa Fe, New Mexico 87505**. **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.

-Method of payment: You can pay by personal check, cashier's 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, August 2007**), or earlier 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 Title 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 **246,080** 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, February 2003** 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 T 0280 N, R 0320 E (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 0142 N.

-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.)** 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 **\$360** 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 **January 21, 2009**. Please send nominations for that sale by September 5, 2008.

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 results list is also available on our public internet website: www.blm.gov/nm/ (click on Programs, then click on Energy).

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 15th calendar day **prior** to the date of the sale. If our office is not open on the 15th day prior to the date of the sale, a protest received on the next day our office is open to the public will be considered timely filed. The protest must also include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons.
- A protest must state the interest of the protesting party in the matter.
- You may file a protest either by mail in hardcopy form or by telefax. You may not file a protest by electronic mail. A protest filed by fax must be sent to **(505) 438-7458**. 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 on 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.

Whom should I contact if I have a question?

For general information, please contact our Information Access Center at (505) 438-7471 or for information or questions about the sale, contact: Margie Dupre at (505) 438-7520.

/s/ Margie Dupre

Margie Dupre
Land Law Examiner
Fluids Adjudication Team

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COMPETITIVE OIL AND GAS OR
GEOHERMAL 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

FORM APPROVED
OMB NO. 1004-0074
Expires: May 31, 2000

| | | | |
|---|--|--|----------------------------|
| | | State | Date of sale |
| PARCEL NUMBER | | AMOUNT OF BID (See Instructions below) | |
| | | TOTAL BID | PAYMENT SUBMITTED WITH BID |
| THE BID IS FOR (Check one) : | | | |
| <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 | | | Signature of Lessee or Bidder | | |
| Address of Lessee | | | | | |
| City | State | Zip Code | | | |

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 GEOHERMAL 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)

OFFICIAL FILE COPY

Form 3000-2 (July 1997)

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.

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.

Duly executed this _____ day of _____, 20_____
(Signature of Lessee or Attorney-in-fact)

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.

LEASE TERMS

Sec. 1. Rentals--Rentals must 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 must be paid on the production allocated to this lease. However, annual rentals must continue to be due at the rate specified in (a), (b), or (c) rentals 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) must 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 must be paid to proper office of lessor. Royalties must be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12 1/2%;
- (b) Competitive lease, 12 1/2 %;
- (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 must be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production must be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee must not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor must 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 must 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 will 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 must 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 must be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage - Lessee must exercise reasonable diligence in developing and producing, and must 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 must 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 must 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 must 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 must 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 must keep open at all reasonable times for inspection by any representative 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 must 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 must be maintained in lessee's accounting offices for future audit by lessor. Lessee must 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 will 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 must 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 must 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 must be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee must 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 must immediately contact lessor. Lessee must cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations - To the extent impacts to 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 must include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property - Lessee must pay lessor for damage to lessor's improvements, and must 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 must 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 must comply with section 28 of the Mineral Leasing Act of 1920.

Lessee must 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 must maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease - As required by regulations, lessee must 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 will 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 must 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 will 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 will 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 will not prevent later cancellation for the same default occurring at any other time. Lessee will 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 will extend to and be binding upon, and every benefit hereof will inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

A. General:

1. Page 1 of this form is to be completed only by parties filing for a noncompetitive lease. The BLM will complete page 1 of the form for all other types of leases.
2. Entries must be typed or printed plainly in ink. Offeror must sign Item 4 in ink.
3. An original and two copies of this offer must be prepared and filed in the proper BLM State Office. See regulations at 43 CFR 1821.2-1 for office locations.
4. If more space is needed, additional sheets must be attached to each copy of the form submitted.

B. Special:

Item 1 - Enter offeror's name and billing address.

Item 2 - Identify the mineral status and, if acquired lands, percentage of Federal ownership of applied for minerals. Indicate the agency controlling the surface of the land and the name of the unit or project which the land is a part. The same offer may not include both Public

Domain and Acquired lands. Offeror also may provide other information that will assist in establishing title for minerals. The description of land must conform to 43 CFR 3110. A single parcel number and Sale Date will be the only acceptable description during the period from the first day following the end of a competitive process until the end of that same month, using the parcel number on the List of Lands Available for Competitive Nominations or the Notice of Competitive Lease Sale, whichever is appropriate.

Payments: The amount remitted must include the filing fee and the first year's rental at the rate of \$1.50 per acre or fraction thereof. The full rental based on the total acreage applied for must accompany an offer even if the mineral interest of the United States is less than 100 percent. The filing fee will be retained as a service charge even if the offer is completely rejected or withdrawn. To protect priority, it is important that the rental submitted be sufficient to cover all the land requested. If the land requested includes lots or irregular quarter-quarter sections, the exact area of which is not known to the offeror, rental should be submitted on the basis of each such lot or quarter-quarter section containing 40 acres. If the offer is withdrawn or rejected in whole or in part before a lease issues, the rental remitted for the parts withdrawn or rejected will be returned.

Item 3 - This space will be completed by the United States.

NOTICES

The Privacy Act of 1974 and the regulations in 43 CFR 2.48(d) provide that you be furnished with the following information in connection with information required by this oil and gas lease offer.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C 351-359.

PRINCIPAL PURPOSE: The information is to be used to process oil and gas offers and leases.

ROUTINE USES: (1) The adjudication of the lessee's rights to the land or resources. (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources. (3) Transfer to appropriate Federal agencies when consent 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: If all the information is not provided, the offer may be rejected. See regulations at 43 CFR 3100.

The Paperwork Reduction Act of 1995 requires us to inform you that:
This information is being collected pursuant to the law.
This information will be used to create and maintain a record of oil and gas lease activity.
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 1 hour 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 (1004-0185), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop, 401LS, Washington, D.C. 20240.

**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



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



In Reply
 Refer To:
 3120 (92100-gsb)

August 28, 2008

NOTICE

The following deadlines for filing Expressions of Interest (EOI) on the April & July Oil and Gas Lease Sales have been cut by two weeks. The supplemental two weeks are needed to expand the initial BLM review period for parcel nominations, as well as incorporate a public comment period as required by agency guidance.

| <u>Sale Date</u> | <u>Team Lead for Sale</u> | <u>Expressions of Interest (EOI) Closing Date and Presale Applications</u> | <u>Posted on Website/ Mailed to the Public</u> |
|------------------|---------------------------|--|--|
| April 22, 2009 | Lou | November 21, 2008 | March 6, 2009 |
| July 22, 2009 | Berna | February 20, 2009 | June 5, 2009 |

*Federal lands administered by an agency outside of the Department of the Interior require Surface Management Agency (SMA) consent. Meeting the closing dates does NOT guarantee your EOI will be on the scheduled sale date.

You may request to receive the Oil and Gas Lease Sale Notice to check whether the lands are being offered. Contact our Accounts Section at (505) 438-7462 to be placed on our mailing list by either opening a declining deposit account with a minimum amount of \$50.00 or you may purchase a single Sale Notice for \$5.00 each plus postage and handling.

Every effort will be made to offer your EOI in a timely manner.

/s/ Gloria S. Baca

Gloria S. Baca
 Land Law Examiner
 Fluids Adjudication Team

BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
 October 22, 2008, Lease Sale Statistics by State
 Parcels With and Without Pre-sale Noncompetitive Priority Offers

| STATE | PARCELS WITH PRESALE OFFERS | PARCELS WITHOUT PRESALE OFFERS | TOTAL PARCELS | ACRES WITH PRESALE OFFERS | ACRES WITHOUT PRESALE OFFERS | TOTAL ACRES |
|--------------|------------------------------------|---------------------------------------|----------------------|----------------------------------|-------------------------------------|--------------------|
| NM | 0 | 30 | 30 | 0.00 | 15,009.27 | 15,009.27 |
| KS | 0 | 1 | 1 | 0.00 | 11.26 | 11.26 |
| OK | 0 | 21 | 21 | 0.00 | 11,922.87 | 11,922.87 |
| TX | 0 | 14 | 14 | 0.00 | 8,339.57 | 8,339.57 |
| TOTAL | 0 | 66 | 66 | 0.00 | 35,282.97 | 35,282.97 |

KANSAS PUBLIC DOMAIN

NM-200810-001 11.260 Acres

T.0260S, R.0160W, 06 PM, KS
Sec. 028 LOTS 5,6;
Edwards County
Tulsa FO
Stipulations:
WO-ESA-7 Endangered Species Act

NEW MEXICO PUBLIC DOMAIN SE

NM-200810-002 560.000 Acres

T.0110S, R.0260E, 23 PM, NM
Sec. 025 N2,SW,W2SE;
Chaves County
Roswell FO
NMNM 99021
Stipulations:
No Stipulations Attached

NM-200810-003 83.140 Acres

T.0210S, R.0260E, 23 PM, NM
Sec. 032 LOTS 1,2;
Eddy County
Carlsbad FO
NMNM 94588
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200810-004 120.000 Acres

T.0220S, R.0260E, 23 PM, NM
Sec. 029 SENE,N2SE;
Eddy County
Carlsbad FO
NMNM 97118
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence 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
SENM-S-39 Plan of Development

NM-200810-005 206.490 Acres

T.0260S, R.0260E, 23 PM, NM
Sec. 033 LOTS 1;
 034 LOTS 4;
 034 N2N2;
Eddy County
Carlsbad FO
NMNM 20944, NMNM 69158, NMNM 69159
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-20 Springs, Seeps and Tanks
 (SEC. 33: Lot 1)
 (SEC. 34: Lot 4 and SWNNW)
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management
SENM-S-39 Plan of Development
SENM-S-42 Southern Guadalupe Escarpment

NM-200810-006 1920.000 Acres

T.0260S, R.0270E, 23 PM, NM
Sec. 010 ALL;
 011 W2;
 014 W2;
 015 ALL;
Eddy County
Carlsbad FO
NMNM 2371, NMNM 2372
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-20 Springs, Seeps and Tanks
SENM-S-21 Caves and Karst
SENM-S-39 Plan of Development

NM-200810-007 51.870 Acres

T.0260S, R.0290E, 23 PM, NM
Sec. 031 LOTS 6,7;
Eddy County
Carlsbad FO
NMNM 81936
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-19 Playas and Alkali Lakes
SENM-S-21 Caves and Karst
SENM-S-39 Plan of Development

NM-200810-008 **440.000 Acres**
T.0150S, R.0300E, 23 PM, NM
Sec. 024 NE,E2W2,NWNW;
 025 E2NW;
Chaves County
Roswell FO
NMNM 89817
Stipulations:
SENM-S-17 Slopes or Fragile Soils
 (SEC. 24: W2NE,NENENW)

NM-200810-009 **80.000 Acres**
T.0180S, R.0300E, 23 PM, NM
Sec. 015 E2SE;
Eddy County
Carlsbad FO
NMNM 95638
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-2 Protection of the Sand Dune Lizard
SENM-S-1 Potash Stipulation
SENM-S-12 Open Potash Mine Workings
SENM-S-17 Slopes or Fragile Soils
SENM-S-22 Prairie Chickens
SENM-S-23 Sand Dune Lizard
SENM-S-35 NSO-Sand Dune Lizard Habitat

NM-200810-010 **640.000 Acres**
T.0260S, R.0300E, 23 PM, NM
Sec. 019 E2;
 029 S2;
Eddy County
Carlsbad FO
NMNM 100559
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-16 Raptor Nests and Heronries
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst

NM-200810-011 **320.000 Acres**
T.0110S, R.0320E, 23 PM, NM
Sec. 021 W2;
Lea County
Carlsbad FO
NMNM 61359,NMNM 62222,NMNM 82907
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-19 Playas and Alkali Lakes
SENM-S-20 Springs, Seeps and Tanks
SENM-S-21 Caves and Karst

NM-200810-012 **40.010 Acres**
T.0180S, R.0320E, 23 PM, NM
Sec. 001 LOTS 1;
Lea County
Carlsbad FO
NMNM 86142
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-LN-2 Protection of the Sand Dune Lizard
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst
SENM-S-22 Prairie Chickens
SENM-S-23 Sand Dune Lizard

NM-200810-013 **40.070 Acres**
T.0180S, R.0320E, 23 PM, NM
Sec. 001 LOTS 4;
Lea County
Carlsbad FO
NMNM 95640
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-LN-2 Protection of the Sand Dune Lizard
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst
SENM-S-22 Prairie Chickens
SENM-S-23 Sand Dune Lizard

NM-200810-014 **80.040 Acres**
T.0180S, R.0320E, 23 PM, NM
Sec. 006 LOTS 2;
 006 SWNE;
Lea County
Carlsbad FO
NMNM 95640
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-LN-2 Protection of the Sand Dune Lizard
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst
SENM-S-22 Prairie Chickens
SENM-S-35 NSO-Sand Dune Lizard Habitat

NM-200810-015 **40.000 Acres**
T.0180S, R.0320E, 23 PM, NM
Sec. 014 SWSW;
Lea County
Carlsbad FO
NMNM 95640
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-21 Caves and Karst
SENM-S-22 Prairie Chickens

NM-200810-016 40.000 Acres
T.0180S, R.0320E, 23 PM, NM
Sec. 031 NENW;
Lea County
Carlsbad FO
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-LN-2 Protection of the Sand Dune Lizard
SENM-S-17 Slopes or Fragile Soils
SENM-S-21 Caves and Karst
SENM-S-22 Prairie Chickens
SENM-S-35 NSO-Sand Dune Lizard Habitat

NM-200810-017 280.000 Acres
T.0120S, R.0330E, 23 PM, NM
Sec. 034 N2NE;
035 S2NE,N2NW,SENW;
Lea County
Carlsbad FO
NMLC 060581, NMNM 94617
Stipulations:
NM-11-LN Special Cultural Resource

NM-200810-018 280.000 Acres
T.0120S, R.0330E, 23 PM, NM
Sec. 034 W2SE,SESE;
035 SE;
Lea County
Carlsbad FO
NMLC 060581, NMNM 87269
Stipulations:
NM-11-LN Special Cultural Resource

NM-200810-019 160.000 Acres
T.0160S, R.0330E, 23 PM, NM
Sec. 035 S2S2;
Lea County
Carlsbad FO
NMNM 82923, NMNM 93214
Stipulations:
NM-11-LN Special Cultural Resource

NM-200810-020 42.300 Acres
T.0180S, R.0330E, 23 PM, NM
Sec. 006 LOTS 4;
Lea County
Carlsbad FO
NMNM 92773
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-2 Protection of the Sand Dune Lizard
SENM-S-22 Prairie Chickens
SENM-S-23 Sand Dune Lizard
SENM-S-35 NSO-Sand Dune Lizard Habitat

NM-200810-021 40.860 Acres
T.0190S, R.0330E, 23 PM, NM
Sec. 005 LOTS 4;
Lea County
Carlsbad FO
NMNM 99043
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-22 Prairie Chickens

NM-200810-022 640.000 Acres
T.0230S, R.0330E, 23 PM, NM
Sec. 023 W2;
026 E2;
Lea County
Carlsbad FO
NMNM 96861, NMNM 96862
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-22 Prairie Chickens

NM-200810-023 1305.200 Acres
T.0260S, R.0330E, 23 PM, NM
Sec. 026 E2,W2SW;
027 S2;
028 W2NE,N2NW,SENW,N2SE;
035 LOTS 1-4;
035 N2N2;
Lea County
Carlsbad FO
NMNM 84897, NMNM 94856, NMNM 96245,
NMNM 98195, NMNM 98196, NMNM 99045,
NMNM 99046
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-18 Streams, Rivers, and Floodplains

NM-200810-024 320.000 Acres
T.0210S, R.0380E, 23 PM, NM
Sec. 031 E2E2,W2W2;
Lea County
Carlsbad FO
NMNM 100573
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-22 Prairie Chickens

NEW MEXICO PUBLIC DOMAIN NW

NM-200810-025 640.000 Acres
T.0240N, R.0010W, 23 PM, NM
Sec. 036 ALL;
Rio Arriba County
Farmington FO
NMNM 100509, NMNM 100510
Stipulations:
NM-11-LN Special Cultural Resource

NM-200810-026 640.000 Acres

T.0200N, R.0030W, 23 PM, NM
Sec. 025 W2;
036 E2;
Sandoval County
Albuquerque FO
NMNM 98854, NMNM 99703
Stipulations:
NM-11-LN Special Cultural Resource

NM-200810-027 797.890 Acres

T.0270N, R.0130W, 23 PM, NM
Sec. 004 LOTS 3-4;
004 S2NW;
005 LOTS 1-4;
005 S2N2,S2;
San Juan County
Farmington FO
NMNM 33033, NMNM 89130, NMNM 0558652A
Stipulations:
NM-11-LN Special Cultural Resource
F-28-CSU Navajo Indian Irrigation Project

NM-200810-028 320.000 Acres

T.0270N, R.0130W, 23 PM, NM
Sec. 021 N2;
San Juan County
Farmington FO
NMNM 10434
Stipulations:
NM-11-LN Special Cultural Resource
F-28-CSU Navajo Indian Irrigation Project

NM-200810-029 1600.000 Acres

T.0280N, R.0130W, 23 PM, NM
Sec. 029 W2;
031 E2;
032 ALL;
033 E2;
San Juan County
Farmington FO
NMNM 36957, NMNM 58893
NMNM 61942, NMNM 87237
Stipulations:
NM-11-LN Special Cultural Resource
F-28-CSU Navajo Indian Irrigation Project

NM-200810-030 1840.000 Acres

T.0300N, R.0150W, 23 PM, NM
Sec. 003 ALL;
004 ALL;
005 N2SE,SWSE;
009 NE,E2W2,NESE,W2SE;
San Juan County
Farmington FO
NMNM 100306,NMNM 100308
Stipulations:
NM-11-LN Special Cultural Resource

NM-200810-031 1441.400 Acres

T.0300N, R.0150W, 23 PM, NM
Sec. 007 LOTS 1-4;
007 E2,E2W2;
008 SWSW,N2SE,SESE;
018 LOTS 1-4;
018 E2,E2W2;
San Juan County
Farmington FO
NMNM 100307
Stipulations:
NM-11-LN Special Cultural Resource
F-19-NSO Special Cultural Values

OKLAHOMA PUBLIC DOMAIN NW

NM-200810-032 8.870 Acres

T.0220N, R.0130W, 17 PM, OK
Sec. 017 LOTS 1;
Major County
Tulsa FO
Stipulations:
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act

NM-200810-033 40.000 Acres

T.0270N, R.0190W, 17 PM, OK
Sec. 017 SWSW;
Woods County
Tulsa FO
OKNM 101629
Stipulations:
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
ORA-5-LPC
WO-ESA-7 Endangered Species Act

NM-200810-034 25.700 Acres

T.0090N, R.0230W, 17 PM, OK
Sec. 007 LOTS 1,2;
Beckham County
Tulsa FO
OKNM 110363
Stipulations:
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
ORA-5-LPC
WO-ESA-7 Endangered Species Act

NM-200810-035 80.000 Acres
T.0080N, R.0240W, 17 PM, OK
Sec. 020 N2SW;
Beckham County
Tulsa FO
OKNM 110381
Stipulations:
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
ORA-5-LPC
WO-ESA-7 Endangered Species Act

OKLAHOMA ACQUIRED SE

NM-200810-036 1440.000 Acres
T.0080S, R.0260E, 17 PM, OK
Sec. 012 SW,N2SE;
013 N2NW,S2N2,S2;
014 ALL;
McCurtain County
Tulsa FO
OKNM 44741
Stipulations:
FS1
FS8 (OK) CSU#1F
FS8 (OK) LN-3
FS8 (OK) LN-4
US MIN INT - 50%
(SEC. 13: S2NW)
(SEC. 14: E2,N2SW,SESW)
US MIN INT - 37.50%
(SEC. 14: SWSW)
US MIN INT - 25%
(SEC. 13: S2)

OKLAHOMA ACQUIRED NW

NM-200810-037 124.170 Acres
T.0090N, R.0130W, 17 PM, OK
Sec. 024 TR 4, PART OF LOTS 1 & 2;
024 TR ACC & RIP TO LOTS 1 & 2;
024 TR 6, L8 & ACC & RIP TO L8;
024 TR SEE EXHIBIT A FOR M&B;
Caddo County
Tulsa FO
BUREAU OF RECLAMATION
WASHITA BASIN PROJECT
OKNM 57739
Stipulations:
BOR-GP-135
BOR-GS
BOR-SS
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
US MIN INT - 52.60%

NM-200810-038 667.470 Acres
T.0190N, R.0130W, 17 PM, OK
Sec. 007 LOTS 9,10,11;
007 SESW;
008 LOTS 1;
008 NE,SESW,N2SE;
017 LOTS 2,3;
017 NWSW,S2SW;
018 NW 20AC DIAGONAL LN NESE;
Blaine County
Tulsa FO
CORPS OF ENGINEERS
CANTON LAKE
OKNM 100482, OKNM 100483, OKNM 100484
Stipulations:
CE-SS 1-A Canton Lake
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
US MIN INT - 50% (SEC. 8)

NM-200810-039 1214.660 Acres
T.0190N, R.0130W, 17 PM, OK
Sec. 020 LOTS 1,2,5,6;
020 E2NW,NESE,S2SE;
021 ALL;
022 NE;
028 E2NE;
Blaine County
Tulsa FO
CORPS OF ENGINEERS
CANTON LAKE
OKNM 100485, OKNM 100486
Stipulations:
CE-SS 1-A Canton Lake
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
US MIN INT - 100% (SEC. 20: NESE,S2SE)
US MIN INT - 50% (Remainder of Parcel)

NM-200810-040 720.730 Acres
T.0190N, R.0130W, 17 PM, OK
Sec. 028 LOTS 1,2,4;
028 SWSW;
032 NE;
033 LOTS 1-4,6-8;
033 E2NE,W2NW,NWSW,N2SESW;
033 N2SWSESW,SESESW;
Blaine County
Tulsa FO
CORPS OF ENGINEERS
CANTON LAKE
OKNM 100487, OKNM 100489, OKNM 100490
Stipulations:
CE-SS 1-A Canton Lake
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act

NM-200810-041 156.040 Acres

T.0190N, R.0130W, 17 PM, OK
Sec. 030 LOTS 1,2;
030 E2NW;
Blaine County
Tulsa FO
CORPS OF ENGINEERS
CANTON LAKE
OKNM 100488
Stipulations:
CE-SS 1-A Canton Lake
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act

NM-200810-042 80.000 Acres

T.0130N, R.0230W, 17 PM, OK
Sec. 001 N2SE;
Roger Mills County
Tulsa FO
OKNM 89763
Stipulations:
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
ORA-5-LPC
WO-ESA-7 Endangered Species Act

NM-200810-043 1116.500 Acres

T.0130N, R.0230W, 17 PM, OK
Sec. 013 N2S2;
016 ALL;
017 E2 EXCEPT 3.50 AC;
Roger Mills County
Tulsa FO
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 99085, OKNM 99086, OKNM 99087
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
FS3 (OK) NSO2
(SEC. 17)
US MIN INT - 50% (SEC. 13)

NM-200810-044 1034.250 Acres

T.0150N, R.0240W, 17 PM, OK
Sec. 018 LOTS 1-2;
018 E2,E2NW;
023 SESW;
029 SE;
030 LOTS 1;
030 NE,N2SE,SESE;
031 NENE;
Roger Mills County
Tulsa FO
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 99089, OKNM 99091, OKNM 99094
OKNM 99095, OKNM 99096
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
FS3 (OK) NSO1
(SEC. 23: SESW)
FS3 (OK) NSO3
(SEC. 31: NENE)

NM-200810-045 160.000 Acres

T.0130N, R.0250W, 17 PM, OK
Sec. 003 SW;
Roger Mills County
Tulsa FO
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 99098
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2

NM-200810-046 400.000 Acres

T.0130N, R.0250W, 17 PM, OK
Sec. 013 E2NE,W2;
Roger Mills County
Tulsa FO
BLACK KETTLE NATIONAL GRASSLANDS
OKNM 99100, OKNM 99101, OKNM 99102
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
US MIN INT - 25%
(SEC. 13: E2NE)

NM-200810-047 1240.000 Acres

T.0130N, R.0250W, 17 PM, OK
Sec. 014 NW;
015 ALL;
022 NE,NWSE;
023 S2NW,SE;

Roger Mills County
Tulsa FO

BLACK KETTLE NATIONAL GRASSLANDS
OKNM 99103, OKNM 99104, OKNM 99105
OKNM 99106, OKNM 99107, OKNM 99108

Stipulations:

FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
FS3 (OK) NSO3
(SEC. 22: S2NE,NWSE)
(SEC. 23: S2NW)
US MIN INT - 50%
(SEC. 23: SE)

NM-200810-048 1449.920 Acres

T.0140N, R.0250W, 17 PM, OK
Sec. 006 LOTS 1-4;
006 E2,E2W2;
015 SW,SUB TO RR SE CORNR SW;
018 LOTS 1;
018 NENW;
027 N2NW,SW;
028 S2;

Roger Mills County
Tulsa FO

BLACK KETTLE NATIONAL GRASSLANDS
OKNM 99115, OKNM 99120, OKNM 99121
OKNM 99122, OKNM 99123

Stipulations:

FS1
FS3 (OK) CSU1
FS3 (OK) CSU2

NM-200810-049 160.000 Acres

T.0140N, R.0250W, 17 PM, OK
Sec. 011 E2NE;
023 S2NW;

Roger Mills County
Tulsa FO

BLACK KETTLE NATIONAL GRASSLANDS
OKNM 100495, OKNM 100496

Stipulations:

FS1
FS3 (OK) CSU1
FS3 (OK) CSU2

NM-200810-050 1004.460 Acres

T.0150N, R.0250W, 17 PM, OK
Sec. 014 E2NE,W2NW,E2SW,SE;
015 W2NE,SE;
017 NW;
018 LOTS 3;
031 LOTS 1;
031 N2NE,NENW;

Roger Mills County
Tulsa FO

BLACK KETTLE NATIONAL GRASSLANDS
OKNM 67521, OKNM 75613, OKNM 78011
OKNM 100497, OKNM 100499

Stipulations:

FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
FS3 (OK) NSO1
(SEC. 15: E2SE)
FS3 (OK) NSO3
(SEC. 14: W2NW)
US MIN INT - 50%
(SEC. 14: E2SW, SE)

NM-200810-051 320.100 Acres

T.0140N, R.0260W, 17 PM, OK
Sec. 001 LOTS 1,2;
001 S2NE,SW;

Roger Mills County
Tulsa FO

BLACK KETTLE NATIONAL GRASSLANDS
OKNM 100500

Stipulations:

FS1
FS3 (OK) CSU1
FS3 (OK) CSU2
US MIN INT - 50%
(SEC. 1: SW)

NM-200810-052 480.000 Acres

T.0150N, R.0260W, 17 PM, OK
Sec. 010 NE,SW;
011 NW;

Roger Mills County
Tulsa FO

BLACK KETTLE NATIONAL GRASSLANDS
OKNM 100502, OKNM 100503, OKNM 100504

Stipulations:

FS1
FS3 (OK) CSU1
FS3 (OK) CSU2

TEXAS ACQUIRED

NM-200810-053 500.000 Acres

TR 007;
Wise County
Tulsa FO
Stipulations:
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
NOTE: This parcel may have a non-participating royalty interest (NPRI) reserved. This is a separate royalty payment, in addition to the royalty paid to the United States under the terms of any BLM Lease issued, and is paid by the lessee directly to the NPRI owner.
QUAD NO. 3397241,3397214

NM-200810-054 1675.450 Acres

TR S-2K-II PARCEL#2;
SEE EXH B FOR M&B W/MAP;
Sabine County
Tulsa FO
SABINE NATIONAL FOREST
TXNM 93506
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1B-4
FS8 (TX) CSU#1E
FS8 (TX) CSU#1I
FS8 (TX) LN-4
FS8 (TX) TLS#1B
NOTE: The successful bidder is required to submit evidence and maintain a bond in the amount of \$90,000.00 prior to lease issuance. (See exhibit B-1 for further well and bonding information.)

NM-200810-055 797.230 Acres

TR S-2K-II PARCEL #17;
SEE EXH C FOR M&B W/MAP;
Sabine County
Tulsa FO
SABINE NATIONAL FOREST
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1B-4
FS8 (TX) CSU#1E
FS8 (TX) CSU#1I
FS8 (TX) TLS#1B
QUAD NO. 3193242

NM-200810-056 148.200 Acres

TR S-2K-II PARCEL #18;
SEE EXH D FOR M&B W/MAP;
Sabine County
Tulsa FO
SABINE NATIONAL FOREST
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1E
FS8 (TX) CSU#1I
FS8 (TX) TLS#1B
NSO (TX) (33.78 Ac.)
QUAD NO. 3193242

NM-200810-057 435.600 Acres

TR I-C-12,I-C-32;
Jackson County
Tulsa FO
PALMETTO BEND PROJECT
LAVACA NAVIDAD RIVER AUTHORITY
TXNM 37362, TXNM 37363
Stipulations:
GR-LNRA
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
QUAD NO. 2896344

NM-200810-058 491.700 Acres

TR I-C-127,128,129,130;
Jackson County
Tulsa FO
PALMETTO BEND PROJECT
LAVACA NAVIDAD RIVER AUTHORITY
TXNM 37364
Stipulations:
GR-LNRA
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
US MIN INT - 50%
(I-C-129)
QUAD NO. 2896344

NM-200810-059 1259.090 Acres

I-C-2,I-C-3,I-C-4,I-C-5;
I-C-22,I-C-23,I-C-24;
I-C-25,I-C-26,I-C-27;
I-C-28,I-C-30;
I-C-33-1,I-C-33-2,I-C-34;
I-C-35-1,I-C-35-2,I-C-36;
I-C-37-1,I-C-37-2;
I-C-170,I-C-171;

Jackson County
Tulsa FO
PALMETTO BEND PROJECT
LAVACA NAVIDAD RIVER AUTHORITY
TXNM 33369, TXNM 37363, TXNM 37364
Stipulations:
GR-LNRA
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
US MIN INT - 83.33%
(I-C-37-1,37-2)
US MIN INT - 33.33%
(I-C-33-1)
US MIN INT - 20%
(I-C-170,171,I-C-33-2)
NOTE: Subject to NPRI
(I-C-5,22,23)
QUAD NO. 2896344

NM-200810-060 1479.500 Acres

I-C-131-1,I-C-131-2;
I-C-132,I-C-135,I-C-137;
I-C-133-1,I-C-133-2;

Jackson County
Tulsa FO
PALMETTO BEND PROJECT
LAVACA NAVIDAD RIVER AUTHORITY
TXNM 37363, TXNM 51808
Stipulations:
GR-LNRA
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
QUAD NO. 2896344

NM-200810-061 721.700 Acres

I-C-124-1;
I-C-125-1,I-C-125-2;
I-C-125-3,I-C-126;
I-C-155;

Jackson County
Tulsa FO
PALMETTO BEND PROJECT
LAVACA NAVIDAD RIVER AUTHORITY
TXNM 37365, TXNM 51807, TXNM 56456
Stipulations:
GR-LNRA
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
QUAD NO. 2896344

NM-200810-062 137.670 Acres

I-C-143,I-C-144-4;
I-C-150,I-C-200,I-C-202;
I-C-203,I-C-217;

Jackson County
Tulsa FO
PALMETTO BEND PROJECT
LAVACA NAVIDAD RIVER AUTHORITY
Stipulations:
GR-LNRA
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
QUAD NO. 2896344

NM-200810-063 18.230 Acres

I-C-29-1,I-C-29-2;
I-C-175,I-C-218;

Jackson County
Tulsa FO
PALMETTO BEND PROJECT
LAVACA NAVIDAD RIVER AUTHORITY
TXNM 37365
Stipulations:
GR-LNRA
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
QUAD NO. 2896344

NM-200810-064 266.200 Acres

I-C-31,I-C-39,I-C-39-A;
I-C-40;

Jackson County
Tulsa FO
PALMETTO BEND PROJECT
LAVACA NAVIDAD RIVER AUTHORITY
TXNM 33369, TXNM 37364
Stipulations:
GR-LNRA
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
QUAD NO. 2896344

NM-200810-065 50.650 Acres

I-C-14,I-C-168,I-C-222;

Jackson County
Tulsa FO
PALMETTO BEND PROJECT
LAVACA NAVIDAD RIVER AUTHORITY
TXNM 37367, TXNM 56486
Stipulations:
GR-LNRA
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
WO-ESA-7 Endangered Species Act
US MIN INT - 28.56%
(I-C-168)
QUAD NO. 2996122

NM-200810-066 **132.700 Acres**

I-C-214-1,I-C-214-2;
I-C-219-1,I-C-219-2;

Jackson County

Tulsa FO

PALMETTO BEND PROJECT

LAVACA NAVIDAD RIVER AUTHORITY

TXNM 37368

Stipulations:

GR-LNRA

ORA-1-CSU Floodplain Protection

ORA-2-CSU Wetland/Riparian

WO-ESA-7 Endangered Species Act

QUAD NO. 2996211

Number of Parcels - 66

Total Acreage - 35,282.97

Total number of Parcels with Presale Offers - 0

Parcel Number of Parcels with Presale Offers - 0

Total Acreage With Presale Offers - 0

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

**METES AND BOUNDS DESCRIPTION
OF TRACT 4, BEING A PART OF LOTS 1 AND 2
AND THE ACCRETION AND RIPARIAN ACREAGE
TO LOTS 1 AND 2, SECTION 24, T9N-R13W,
LOCATED ALONG SWAN LAKE
CADDO COUNTY, OKLAHOMA
(Bearing and Distances are Geodetic)**

Beginning at the East Quarter corner of Section 24, T9N-R13W, Caddo County, Oklahoma;

Thence with the South line of the Northeast Quarter of said Section 24, North 89°47'12" West a distance of 606.47 feet to the Northwest corner of Lot 8, said Section 24;

Thence along the medial line of Swan Lake the following courses and distances:

South 26°21'38" West a distance of 336.15 feet; South 19°18'04" West a distance of 23.73 feet; South 21°49'17" West a distance of 7.91 feet; South 21°32'15" West a distance of 49.43 feet; South 25°37'34" West a distance of 48.77 feet; South 27°40'45" West a distance of 20.43 feet; South 29°46'55" West a distance of 45.48 feet; South 31°16'01" West a distance of 36.91 feet; South 34°04'14" West a distance of 36.91 feet; South 35°50'23" West a distance of 58.67 feet; South 37°03'28" West a distance of 32.30 feet; South 39°26'38" West a distance of 32.96 feet; South 40°34'43" West a distance of 46.15 feet; South 32°44'08" West a distance of 77.78 feet; South 32°48'07" West a distance of 9.23 feet; South 33°43'12" West a distance of 9.23 feet; South 33°53'14" West a distance of 131.83 feet; South 33°29'10" West a distance of 12.52 feet; South 29°57'56" West a distance of 137.10 feet; South 26°53'41" West a distance of 56.03 feet; South 26°50'41" West a distance of 32.96 feet; North 27°20'07" West a distance of 315.74 feet; North 79°00'00" West a distance of 891.00 feet; North 48°44'09" West a distance of 515.81 feet to a point on the North-South quarter section line of said Section 24;

Thence with the North-South quarter section line of said Section 24, North 00°02'00" East a distance of 945.17 feet to a point;

Thence South 89°50'51" East a distance of 2631.03 feet to a point on the East line of said Section 24;

Thence South 00°03'06" West a distance of 657.80 feet to the POINT OF BEGINNING, and containing 69.15 acres of land more or less.

**METES AND BOUNDS DESCRIPTION
OF TRACT 6, BEING ALL OF LOT 8 AND
THE ACCRETION AND RIPARIAN ACREAGE
TO LOT 8, SECTION 24, T9N-R13W,
LOCATED ALONG SWAN LAKE
CADDO COUNTY, OKLAHOMA
(Bearings and Distances are Geodetic)**

Beginning at the East Quarter corner of Section 24, T9N-R13W, Caddo County, Oklahoma;

Thence with the East line of said Section 24, South 00°03'06" West a distance of 2626.93 feet to the Southeast corner of said Section 24;

Thence with the South line of said Section 24, North 89°36'39" West a distance of 576.60 feet to a point on the medial line of Swan Lake;

Thence along the medial line of Swan Lake the following courses and distances:

North 12°07'14" West a distance of 17.19 feet; North 08°52'18" West a distance of 34.93 feet; North 13°37'42" West a distance of 39.55 feet; North 22°43'23" West a distance of 51.42 feet; North 27°03'42" West a distance of 19.12 feet; North 23°43'28" West a distance of 52.08 feet; North 17°29'00" West a distance of 72.50 feet; North 14°23'45" West a distance of 19.11 feet; South 39°30'40" East a distance of 1.98 feet; North 29°06'51" West a distance of 83.06 feet; North 29°07'51" West a distance of 79.77 feet; North 32°00'03" West a distance of 80.43 feet; North 37°13'23" West a distance of 85.71 feet; North 44°06'47" West a distance of 220.90 feet; North 10°17'26" West a distance of 33.61 feet; North 01°43'43" West a distance of 121.27 feet; North 04°38'58" West a distance of 129.84 feet; North 15°19'49" West a distance of 27.68 feet; North 23°19'26" West a distance of 102.83 feet; North 23°17'26" West a distance of 158.20 feet;

North 21°08'16" West a distance of 87.01 feet; North 16°46'56" West a distance of 88.32 feet; North 18°18'04" West a distance of 116.67 feet; North 26°50'41" East a distance of 32.96 feet; North 26°53'41" East a distance of 56.03 feet; North 29°57'56" East a distance of 137.10 feet; North 33°29'10" East a distance of 12.52 feet; North 33°53'14" East a distance of 131.83 feet; North 33°43'12" East a distance of 9.23 feet; North 32°48'07" East a distance of 9.23 feet; North 32°44'08" East a distance of 77.78 feet; North 40°34'43" East a distance of 46.15 feet; North 39°26'38" East a distance of 32.96 feet; North 37°03'28" East a distance of 32.30 feet; North 35°50'23" East a distance of 58.67 feet; North 34°04'14" East a distance of 36.91 feet; North 31°16'01" East a distance of 36.91 feet; North 29°46'55" East a distance of 45.48 feet; North 27°40'45" East a distance of 20.43 feet; North 25°37'34" East a distance of 48.77 feet; North 21°32'15" East a distance of 49.43 feet; North 21°49'17" East a distance of 7.91 feet; North 19°18'04" East a distance of 23.73 feet; North 26°21'38" East a distance of 336.15 feet to the Northwest corner of said Lot 8;

Thence with the North line of the Southeast Quarter of said Section 24, South 89°47'12" East a distance of 606.47 feet to the POINT OF BEGINNING, and containing 55.02 acres of land more or less.

Exhibit B

**DESCRIPTION FOR MINERAL LEASING OF
TRACT S-2k-II PARCEL #2
SABINE NATIONAL FOREST
SABINE COUNTY, TEXAS
1,675.45 ACRES**

All that certain tract or parcel of land lying and being in Sabine County, Texas, embracing in part the Eli Lowe Survey, A-34, dated June 9, 1835, and the William M. Arledge Survey, A-259, dated July 20, 1882, and being identified for mineral leasing purposes as Tract S-2k-II Parcel #2 and described as follows for mineral leasing purposes only. Parent Tract S-2k-II was acquired from Temple Lumber Company by deed dated December 27, 1935 and recorded in Volume 39, Pages 293-387, Deed Records, Sabine County, Texas. Tract S-2k-II Parcel #2 contains approximately 1,687.00 acres, more or less, LESS AND EXCEPT approximately 11.55 acres of private surface ownership (primarily under waters of Toledo Bend Reservoir) conveyed by the United States to the Sabine River Authority (SRA) on April 2, 1985 within the Twelfth, Thirteenth and Fourteenth Tracts of SRA Tract 541, leaving a net area of **1,675.45** acres for Tract S-2k-II Parcel #2. It is not the intent of this description of Tract S-2k-II Parcel #2 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or any surface exchanged to the Sabine River Authority.

Beginning at Corner 22 of Tract S-2k-II, a stake within the Eli Lowe Survey, witnessed by scribed bearing trees;

Thence four lines with Tract S-2k-II within the Eli Lowe Survey:

S 62° 20' W, 30.22 chains to Corner 23 of Tract S-2k-II;

N 27° 15' W, 14.73 chains to Corner 24 of Tract S-2k-II;

S 63° 00' W, 37.15 chains to Corner 25 of Tract S-2k-II;

N 27° 15' W, 55.63 chains to Corner 26 of Tract S-2k-II, common to the north line of the Eli Lowe Survey and the south line of the W. M. Arledge Survey, A-259;

Thence S 63° 25' W, common to the Eli Lowe and W. M. Arledge Surveys, 8.81 chains to Corner 27 of Tract S-2k-II, a point in the center of Sibley Creek;

Thence in a general southerly direction, down and with the meanders of Sibley Creek, within the Eli Lowe Survey, 20.37 chains to Corner 28 of Tract S-2k-II, a point in the center of Sibley Creek, having a calculated chord bearing and distance of S 07° 40' 36" W, 19.13 chains;

Thence two lines with Tract S-2k-II within the Eli Lowe Survey:

S 63° 30' W, 26.95 chains to Corner 29 of Tract S-2k-II;

N 26° 25' W, 17.70 chains to Corner 30 of Tract S-2k-II, a point on the north line of the Eli Lowe Survey and the south line of the W. M. Arledge Survey;

Thence S 63° 25' W, common to the W. M. Arledge and Eli Lowe Surveys, 39.27 chains to Corner 31 of Tract S-2k-II, the second corner of the W. M. Arledge Survey and the beginning corner of the Eli Lowe Survey, a Forest Service standard concrete post marked S-326;

Tract S-2k-II Parcel #2
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Thence N 25° 30' W, with Forest Service Tract S-2k-I and common to the W. M. Arledge Survey and Walter Hughes Survey, A-24, 21.80 chains to Corner 32 of Tract S-2k-II, common to corner 21 of F.S. Tract S-2k-I, the third corner of the W. M. Arledge Survey and the second corner of the Walter Hughes Survey;

Thence S 63° 00' W, with Forest Service Tract S-2k-I and common to the W. M. Arledge and Walter Hughes Surveys, 25.80 chains to Corner 33 of Tract S-2k-II, common to corner 20 of F.S. Tract S-2k-I, the fourth corner of the W. M. Arledge Survey and the beginning corner of the J. W. Cadwell Survey, A-296;

Thence N 25° 30' W, continuing with Tract S-2k-I, common to the W. M. Arledge and J. W. Cadwell Surveys, 87.70 chains to Corner 34 of Tract S-2k-II, common to corner 19 of Tract S-2k-I, the fifth corner of the W. M. Arledge Survey and the thirteenth corner of the J. W. Cadwell Survey, on the south line of the Hugh Milligan Survey;

Thence N 89° 00' E, common to the W. M. Arledge Survey and the Hugh Milligan Survey, A-161, 37.90 chains to Corner 35, the eighth corner of the J. F. Clark Survey and the fourth corner of the Hugh Milligan, a F.S. standard concrete post marked S-410;

Thence across Tract S-2k-II, a calculated bearing and distance of N 89° 45' E, common to the north line of the W. M. Arledge Survey and the south line of the J. F. Clark Survey and the H. E. & W. T. R. R. No. 1 Survey, A-269, 168.16 chains to a point for the northeast corner of Tract S-2k-II Parcel #2;

Thence S 27° 00' E, within the W. M. Arledge Survey, a calculated distance of 18.50 chains to a point for corner of Tract S-2k-II Parcel #2 on the north line of the Eli Lowe Survey, said point being common to corner 2 of Exception #3 of Tract S-2k-II, also known as corner 4 of F.S. Tract S-2k-IX;

Thence continuing S 27° 00' E, within the Eli Lowe Survey, 11.08 chains pass corner 3 of Tract S-2k-IX, same being corner 1 of acquired F.S. Tract S-10c, continuing a total distance of 43.43 chains to a point for corner for Tract S-2k-II Parcel #2, said corner being identical to corner 1 of former Exception #3 of Tract S-2k-II, also known as corner 2 of F.S. Tract S-10c, a concrete monument with brass cap stamped S-461;

Thence continuing S 27° 00' E, within the Eli Lowe Survey, a calculated distance of 27.70 chains to a point for corner for Tract S-2k-II Parcel #2, lying within said Eli Lowe Survey;

Thence a calculated bearing and distance of S 62° 20' W, within the Eli Lowe Survey, 7.89 chains to the place of beginning, containing 1, T,687.00 acres, more or less, LESS AND EXCEPT 11.55 acres within 3 portions of private surface ownership identified as the Twelfth, Thirteenth and Fourteenth Tracts of SRA Tract 541 (primarily under water) conveyed to the Sabine River Authority (SRA) in Exchange Deed dated April 2, 1985 and described as follows, leaving a net acreage available for lease of **1,675.45** acres, more or less, for Tract S-2k-II Parcel #2.

11.55 surface acres exchanged to Sabine River Authority (SRA) within three parcels:

SRA Tract No. 541 12th Tract: Beginning at corner 27 of F.S. Tract S-2k-II, a point in the center of Sibley Creek, witnessed by scribed bearing trees; common to the Eli Lowe and the W. M. Arledge Surveys;

Thence down and with the meanders of Sibley Creek within the Eli Lowe Survey as follows:

S 17° 28' 17" E, 97.25 feet to a point;
S 68° 09' 10" W, 120.33 feet to a point;
S 03° 28' 18" W, 94.57 feet to a point;
N 71° 59' 40" W, 97.12 feet to a point;
S 30° 54' 18" E, 122.73 feet to a point;
S 10° 23' 28" W, 196.15 feet to a point;
S 67° 33' 41" E, 88.84 feet to a point;
N 49° 02' 33" E, 70.01 feet to a point;
S 61° 45' 54" E, 102.38 feet to a point;
S 24° 15' 34" E, 141.61 feet to a point;
S 27° 53' 37" E, 106.72 feet to a point;
S 14° 35' 21" W, 143.54 feet to a point;
S 09° 33' 50" W, 191.06 feet to a point;
S 00° 43' 57" W, 100.12 feet to a point;
S 22° 20' 04" E, 106.64 feet to a point to corner 28, a point in the center of Sibley Creek, witnessed by scribed bearing trees;

Thence S 64° 56' 08" W, 67.50 feet to a point on the taking line traverse of the Toledo Bend Reservoir shoreline survey;

Thence with said taking line traverse within said Eli Lowe and W. M. Arledge Surveys as follows:

N 21° 28' 32" E, 9.00 feet to point 878;
N 02° 59' 19" W, 101.00 feet to point 879;
N 21° 55' 11" W, 112.00 feet to point 880;
N 07° 15' 56" E, 213.00 feet to point 881;
N 78° 05' 55" W, 76.00 feet to point 882;
N 01° 07' 12" E, 136.00 feet to point 883;
N 52° 54' 20" E, 105.00 feet to point 884;
N 28° 23' 31" W, 135.00 feet to point 885;
S 87° 43' 37" W, 264.00 feet to point 886;
N 13° 49' 14" W, 98.00 feet to point 887;
N 55° 15' 53" E, 90.00 feet to a point 888;
N 05° 46' 01" E, 173.00 feet to point 889;
N 41° 19' 09" E, 121.00 feet to point 890;
N 89° 46' 18" E, 97.00 feet to point 891;

Tract S-2k-II Parcel #2
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N 37° 13' 34" W, 172.00 feet to point 892;
N 56° 38' 33" E, 101.00 feet to point 893;
S 47° 31' 18" E, 157.00 feet to point 894;
N 36° 00' 10" W, 175.00 feet to point 895;
N 19° 36' 57" E, 118.00 feet to point 896;
N 02° 42' 06" E, 88.00 feet to point 897;
N 56° 25' 14" E, 142.00 feet to point 898;
N 06° 37' 22" E, 139.00 feet to point 899;
N 45° 51' 30" E, 114.00 feet to point 900;
N 13° 54' 21" W, 93.00 feet to point 901;
N 37° 38' 13" W, 141.00 feet to point 902;
S 85° 36' 54" W, 198.00 feet to point 903;
S 09° 25' 02" W, 94.00 feet to point 904;
S 66° 55' 10" W, 283.00 feet to point 905;
N 24° 02' 41" W, 89.00 feet to point 906;
N 82° 27' 32" W, 150.00 feet to point 907;
N 26° 11' 35" E, 121.00 feet to point 908;
S 74° 18' 16" E, 307.00 feet to point 909;
N 05° 53' 08" W, 152.00 feet to point 910;
N 53° 32' 59" E, 261.00 feet to point 911;
S 63° 18' 52" E, 93.00 feet to point 912;
S 23° 09' 44" E, 82.00 feet to point 913;
S 64° 41' 36" E, 163.00 feet to point 914;
S 52° 08' 28" E, 112.00 feet to point 915;
S 18° 51' 39" W, 102.00 feet to point 916;
S 04° 40' 12" E, 136.00 feet to point 917;
S 34° 41' 56" W, 199.00 feet to point 918;
S 12° 08' 55" E, 152.00 feet to point 919;
S 67° 06' 12" W, 152.00 feet to point 920;
S 03° 34' 39" E, 80.00 feet to point 921;

S 29° 47' 31" E, 15.00 feet to point on line 26-27 of Tract S-2k-II, common to the W. M. Arledge and Eli Lowe Surveys, a concrete monument;

Thence with said line S 64° 15' 29" W 43.00 feet to the point of beginning, containing 9.20 acres, more or less.

SRA Tract No. 541 13th Tract: Beginning at corner 23 of F.S. Tract S-2k-II, a 3" iron pipe witnessed by scribed bearing trees, within the Eli Lowe Survey;

Thence N 24° 13' 05" W 641.30 feet to a point on the taking line traverse of the Toledo Bend Reservoir shoreline survey;

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Thence with said taking line traverse within the Eli Lowe Survey as follows:

N 53° 20' 04" E, 44.70 feet to point 1035;
N 00° 01' 12" E, 173.00 feet to point 1036;
N 33° 45' 50" E, 159.00 feet to point 1037;
S 19° 28' 41" E, 101.00 feet to point 1038;
S 28° 41' 41" W, 155.00 feet to point 1039;
S 54° 08' 40" E, 96.00 feet to point 1040;
S 01° 31' 17" W, 173.00 feet to point 1041;
S 14° 36' 53" E, 172.00 feet to point 1042;
S 59° 36' 05" E, 129.00 feet to point 1043;
S 44° 45' 47" E, 82.00 feet to point 1044;
S 31° 28' 10" W, 72.00 feet to point 1045;
S 08° 21' 01" E, 60.80 feet to a point on line 22-23 of Tract S-2k-II;

Thence with said line, S 63° 01' 55" W, 80.11 feet to the point of beginning, containing 1.95 acres, more or less, for SRA Tract 541-13;

SRA Tract No. 541-14th Tract: Beginning at point 1296 on the taking line traverse of the Toledo Bend Reservoir shoreline survey, said point being on the west line of Exception No. 3 to Tract S-2k-II, now known as F.S. Tract S-10c, within the Eli Lowe Survey; from this point, corner 1 of said Exception No. 3(S-10c), a F.S. standard concrete monument marked S-461 bears S 25° 25' 15" E, 212.20 feet;

Thence with said taking line traverse within the Eli Lowe Survey as follows:

N 45° 43' 54" W, 147.00 feet to point 1297;
N 02° 40' 36" W, 94.00 feet to point 1298;
N 54° 17' 05" W, 60.00 feet to point 1299;
S 56° 59' 52" W, 198.00 feet to point 1300;
N 14° 51' 25" E, 66.00 feet to point 1301;
N 42° 47' 33" E, 190.00 feet to point 1302;
S 62° 50' 15" E, 22.60 feet to point a point on the west line of said Exception No. 3 (S-10c);

Thence with said line, S 25° 25' 15" E, 353.80 feet to the point of beginning, containing 0.40 acre, more or less, for SRA Tract 541-14.

LEAVING A NET AREA OF **1,675.45** ACRES FOR TRACT S-2K-II PARCEL #2.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT S-2k-II PARCEL #17
SABINE NATIONAL FOREST
SABINE COUNTY, TEXAS
797.23 ACRES**

All that certain tract or parcel of land lying and being in Sabine County, Texas, embracing in part the Eli Lowe patented Survey, A-34, dated June 9, 1835 and the Jesse Lowe patented Survey, A-147, dated November 20, 1849 and being identified for mineral leasing purposes as Tract S-2k-II Parcel #17. This parcel is described as follows for mineral leasing purposes only. Parent Tract S-2k-II was acquired from Temple Lumber Company by deed dated December 27, 1935 and recorded in Volume 39, Pages 293-387, Deed Records, Sabine County, Texas. Tract S-2k-II Parcel #17 contains approximately 797.23 acres, more or less. It is not the intent of this description of Tract S-2k-II Parcel #17 to include any lands within adjacent issued Bureau of Land Management (BLM) leases, lease offers, private mineral ownerships, or lands exchanged to the Sabine River Authority.

Beginning at Corner 53 of Forest Service Tract S-2k-II, located on the south line of the Jesse Lowe Survey and the north line of the W. M. Arledge Survey, A-259, a Forest Service standard concrete post marked S-385;

Thence N 88° 30' E, common to the Jesse Lowe and W. M. Arledge Surveys, approximately 32.00 chains to a point for corner of Tract S-2k-II Parcel #17 on the north line of the Eli Lowe Survey, A-34, said point being the most northeastern corner of the W. M. Arledge Survey and said line being common to the north line of lease offer Tract S-2k-II Parcel #16;

Thence a calculated bearing of S 62° 46' 23" W, common to the Eli Lowe and W. M. Arledge Surveys and with Tract S-2k-II Parcel #16 south line, approximately 43.04 chains to a point for corner for Tract S-2k-II Parcel #17, common to corner 1 of Forest Service Tract S-2k-IX and corner 3 of Tract S-2k-II Exception No. 3;

Thence S 26° 40' E, within the Eli Lowe Survey and common to the east line of Tract S-2k-IX, 11.80 chains to a point for corner of Tract S-2k-II Parcel #17, common to corner 2 of F. S. Tract S-2k-IX and corner 2 of F.S. Tract S-10c, which both tracts combine to make F.S. Tract S-2k-II Exception No. 3;

Thence S 25° 35' 27" E, within the Eli Lowe Survey and common to the east line of Tract S-10c, 2,106.43 feet to a point for corner for Tract S-2k-II Parcel #17, common to corner 3 of Forest Service Tract S-10c and corner 4 of Tract S-2k-II Exception No. 3, a concrete monument with brass cap stamped S-375;

Thence S 62° 33' 38" W, within the Eli Lowe Survey and common to the south line of Tract S-10c, 1,241.28 feet to a point for corner for Tract S-2k-II Parcel #17 at the intersection with the Sabine River Authority Toledo Bend Reservoir fee take line, common to corner 4 of F. S. Tract S-10c;

Thence with the taking line traverse of the Sabine River Authority Toledo Bend Reservoir within the Eli Lowe Survey, the following bearings and distances:

- S 43° 55' 30" E, 53.00 feet to a point;
- S 58° 47' 12" E, 110.00 feet to a point;
- N 04° 27' 59" W, 55.00 feet to a point;
- N 44° 00' 09" W, 65.00 feet to a point;

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N 79° 57' 26" E, 62.00 feet to a point;
S 43° 44' 42" E, 105.00 feet to a point;
S 19° 40' 25" W, 119.00 feet to a point;
S 17° 45' 21" E, 92.00 feet to a point;
S 37° 28' 21" W, 91.00 feet to a point;
S 32° 49' 30" E, 65.00 feet to a point;
N 76° 55' 52" E, 173.00 feet to a point;
N 19° 33' 36" W, 132.00 feet to a point;
S 41° 04' 18" E, 122.00 feet to a point;
N 51° 15' 19" E, 125.00 feet to a point;
S 00° 57' 42" E, 97.00 feet to a point;
S 64° 18' 04" E, 67.00 feet to a point;
N 22° 29' 03" E, 85.00 feet to a point;
S 48° 32' 03" E, 121.00 feet to a point;
S 03° 10' 30" E, 132.00 feet to a point;
S 87° 11' 22" E, 115.00 feet to a point;
N 43° 41' 25" E, 59.00 feet to a point;
S 63° 09' 46" E, 100.00 feet to a point;
S 52° 43' 43" E, 164.00 feet to a point;
S 43° 24' 59" E, 116.00 feet to a point;
S 74° 33' 26" E, 53.00 feet to a point;
N 54° 28' 06" E, 129.00 feet to a point;
N 16° 37' 19" E, 100.00 feet to a point;
S 21° 22' 07" E, 127.00 feet to a point;
S 45° 44' 50" W, 198.00 feet to a point;
S 77° 30' 56" E, 169.00 feet to a point;
S 57° 10' 25" E, 97.00 feet to a point;
N 88° 09' 29" E, 115.00 feet to a point;
S 57° 59' 54" E, 171.00 feet to a point;
S 73° 59' 24" E, 137.00 feet to a point;
N 64° 25' 09" E, 166.00 feet to a point;
S 33° 29' 02" E, 191.00 feet to a point;
S 74° 23' 17" E, 206.00 feet to a point;
N 83° 31' 30" E, 191.00 feet to a point;
N 84° 19' 13" E, 104.00 feet to a point;
N 41° 09' 57" E, 119.00 feet to a point;
S 62° 48' 09" E, 88.00 feet to a point;
N 67° 31' 20" E, 146.00 feet to a point;
N 66° 05' 33" E, 161.00 feet to a point;
N 83° 39' 46" E, 140.00 feet to a point;
S 65° 48' 32" E, 80.00 feet to a point;
N 59° 38' 17" E, 267.00 feet to a point;
N 58° 54' 08" E, 105.00 feet to a point;
N 08° 35' 20" W, 105.00 feet to a point;
N 07° 55' 12" E, 283.00 feet to a point;
N 15° 14' 49" W, 168.00 feet to a point;
N 15° 28' 18" E, 98.00 feet to a point;

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N 48° 15' 43" W, 169.00 feet to a point;
S 16° 27' 29" W, 91.00 feet to a point;
S 85° 27' 17" W, 293.00 feet to a point;
S 79° 01' 30" W, 118.00 feet to a point;
N 78° 41' 56" W, 141.00 feet to a point;
N 89° 07' 03" W, 205.00 feet to a point;
N 17° 16' 19" W, 85.00 feet to a point;
N 58° 46' 11" W, 200.00 feet to a point;
S 87° 49' 43" E, 79.00 feet to a point;
S 77° 45' 10" E, 219.00 feet to a point;
S 59° 05' 57" E, 89.00 feet to a point;
N 86° 42' 27" E, 137.00 feet to a point;
N 85° 01' 46" E, 144.00 feet to a point;
N 54° 21' 49" E, 186.00 feet to a point;
N 05° 31' 27" E, 133.00 feet to a point;
N 25° 28' 24" W, 64.00 feet to a point;
N 42° 32' 33" E, 94.00 feet to a point;
N 10° 14' 31" E, 163.00 feet to a point;
N 20° 07' 05" W, 197.00 feet to a point;
N 38° 19' 59" W, 273.00 feet to a point;
N 73° 51' 09" W, 133.00 feet to a point;
N 53° 39' 13" E, 144.00 feet to a point;
N 08° 10' 32" W, 235.00 feet to a point;
N 22° 24' 59" W, 107.00 feet to a point;
N 01° 31' 45" E, 141.00 feet to a point;
N 35° 37' 06" W, 314.00 feet to a point;
S 44° 01' 16" W, 126.00 feet to a point;
S 25° 56' 22" W, 141.00 feet to a point;
N 00° 38' 25" W, 107.00 feet to a point;
N 40° 15' 11" W, 56.00 feet to a point;
N 41° 26' 51" E, 103.00 feet to a point;
N 38° 31' 20" W, 112.00 feet to a point;
N 04° 24' 08" E, 120.00 feet to a point;
N 35° 33' 06" W, 277.00 feet to a point;
N 06° 43' 26" E, 102.00 feet to a point;
N 23° 31' 12" W, 176.00 feet to a point;
N 28° 59' 42" W, 92.00 feet to a point;
N 12° 42' 36" E, 77.00 feet to a point;
S 71° 12' 26" W, 81.00 feet to a point;
N 86° 34' 37" W, 187.00 feet to a point;
N 54° 12' 35" E, 78.00 feet to a point;
N 77° 46' 48" E, 100.00 feet to a point;
N 21° 10' 23" W, 80.00 feet to a point;
N 89° 13' 55" W, 65.00 feet to a point;
N 59° 10' 47" W, 74.00 feet to a point;
N 37° 44' 34" W, 70.00 feet to a point;

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N 30° 27' 26" W, 197.00 feet to a point;
N 42° 45' 21" E, 65.00 feet to a point;
N 50° 28' 09" W, 173.00 feet to a point;
N 82° 59' 43" E, 141.00 feet to a point;
S 56° 24' 23" E, 85.00 feet to a point;
S 05° 52' 44" W, 73.00 feet to a point;
N 86° 29' 37" E, 87.00 feet to a point;
S 16° 58' 39" E, 175.00 feet to a point;
S 50° 11' 41" E, 63.00 feet to a point;
N 69° 59' 11" E, 117.00 feet to a point;
S 06° 54' 00" E, 120.00 feet to a point;
S 49° 14' 57" E, 241.00 feet to a point;
S 00° 24' 10" W, 106.00 feet to a point;
S 70° 55' 40" E, 113.00 feet to a point;
S 13° 25' 52" W, 139.00 feet to a point;
S 52° 35' 39" E, 200.00 feet to a point;
S 78° 00' 26" E, 108.00 feet to a point;
S 46° 19' 58" E, 196.00 feet to a point;
S 23° 40' 50" E, 129.00 feet to a point;
S 51° 32' 42" E, 100.00 feet to a point;
N 65° 48' 05" E, 80.00 feet to a point;
N 12° 55' 13" E, 218.00 feet to a point;
N 64° 00' 01" E, 204.00 feet to a point;
N 29° 01' 54" E, 215.00 feet to a point;
N 37° 56' 12" W, 103.00 feet to a point;
N 73° 30' 01" E, 59.00 feet to a point;
N 21° 20' 09" E, 82.00 feet to a point;
N 01° 38' 00" W, 74.00 feet to a point;
N 74° 10' 02" E, 211.00 feet to a point;
N 09° 45' 28" E, 80.00 feet to a point;
N 56° 04' 58" W, 79.00 feet to a point;
N 81° 10' 55" W, 149.00 feet to a point;
N 34° 35' 27" W, 108.00 feet to a point;
N 15° 59' 00" E, 108.00 feet to a point;
N 48° 11' 11" E, 150.00 feet to a point;
N 18° 15' 04" E, 112.00 feet to a point;
N 26° 43' 27" W, 149.00 feet to a point;
S 68° 17' 56" E, 130.00 feet to a point;
S 08° 03' 23" E, 90.00 feet to a point;
S 38° 52' 09" W, 77.00 feet to a point;
S 06° 00' 17" E, 83.00 feet to a point;
S 25° 00' 44" E, 70.00 feet to a point;
S 77° 19' 13" W, 144.00 feet to a point;
S 51° 44' 20" E, 184.00 feet to a point;
N 80° 04' 27" E, 57.00 feet to a point;
N 35° 24' 35" E, 69.00 feet to a point;

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S 41° 29' 41" E, 74.00 feet to a point;
S 49° 52' 13" E, 137.00 feet to a point;
N 57° 43' 09" E, 78.00 feet to a point;
S 66° 05' 37" E, 73.00 feet to a point;
N 24° 38' 55" E, 103.00 feet to a point;
S 13° 01' 36" E, 112.00 feet to a point;
S 37° 34' 32" W, 71.00 feet to a point;
S 63° 28' 35" W, 201.00 feet to a point;
S 14° 16' 03" W, 78.00 feet to a point;
S 63° 57' 43" E, 101.00 feet to a point;
N 69° 02' 24" E, 103.00 feet to a point;
S 70° 06' 02" E, 244.00 feet to a point;
S 21° 20' 14" E, 181.00 feet to a point;
S 40° 59' 58" W, 91.00 feet to a point;
S 38° 03' 38" E, 137.00 feet to a point;
S 87° 04' 29" W, 124.00 feet to a point;
N 18° 51' 47" W, 106.00 feet to a point;
N 07° 04' 56" E, 124.00 feet to a point;
N 10° 34' 39" E, 64.00 feet to a point;
N 77° 17' 32" W, 163.00 feet to a point;
S 39° 40' 10" W, 110.00 feet to a point;
N 60° 55' 21" W, 92.00 feet to a point;
S 79° 33' 26" W, 148.00 feet to a point;
S 64° 37' 34" W, 52.00 feet to a point;
S 11° 34' 07" E, 73.00 feet to a point;
S 33° 08' 35" W, 115.00 feet to a point;
S 30° 36' 46" W, 75.00 feet to a point;
S 33° 09' 00" E, 49.00 feet to a point;
S 67° 48' 27" W, 82.00 feet to a point;
S 28° 22' 24" E, 130.00 feet to a point;
S 89° 29' 29" W, 95.00 feet to a point;
S 04° 41' 39" W, 110.00 feet to a point;
S 08° 12' 27" E, 404.00 feet to a point;
S 38° 01' 49" E, 85.00 feet to a point;
S 79° 14' 03" W, 62.00 feet to a point;
S 43° 57' 11" W, 112.00 feet to a point;
S 19° 34' 19" W, 57.00 feet to a point;
S 31° 59' 07" E, 77.00 feet to a point;
S 39° 42' 19" E, 125.00 feet to a point;
N 74° 03' 28" E, 199.00 feet to a point
S 79° 05' 52" E, 82.00 feet to a point;
S 50° 15' 49" E, 63.00 feet to a point;
N 80° 12' 00" E, 67.00 feet to a point
S 59° 08' 16" E, 105.00 feet to a point;
S 04° 49' 44" W, 64.00 feet to a point;
N 61° 51' 02" W, 95.00 feet to a point

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S 82° 29' 25" W, 223.00 feet to a point;
S 28° 45' 13" W, 103.35 feet to a point;
S 17° 09' 46" E, 204.00 feet to a point;
S 36° 06' 25" E, 278.00 feet to a point;
S 00° 34' 05" E, 90.00 feet to a point;
S 76° 11' 14" E, 70.00 feet to a point;
S 02° 08' 53" E, 118.00 feet to a point;
S 65° 17' 02" E, 228.00 feet to a point;
S 26° 06' 41" E, 209.00 feet to a point;
S 83° 09' 51" E, 149.00 feet to a point;
N 42° 50' 59" E, 249.00 feet to a point;
N 73° 18' 20" E, 138.00 feet to a point;
N 31° 07' 10" E, 270.00 feet to a point;
S 17° 33' 28" E, 133.00 feet to a point;
S 27° 07' 52" W, 156.00 feet to a point;
S 46° 12' 43" W, 129.00 feet to a point;
S 50° 51' 33" W, 187.00 feet to a point;
S 13° 35' 24" W, 281.00 feet to a point;
S 00° 31' 15" W, 126.00 feet to a point;
S 44° 21' 53" E, 484.00 feet to a point;
S 69° 37' 03" E, 182.00 feet to a point;
N 73° 55' 47" E, 107.00 feet to a point;
N 12° 53' 38" E, 169.00 feet to a point;
N 03° 12' 01" W, 149.00 feet to a point;
N 28° 21' 49" E, 225.00 feet to a point;
N 40° 28' 40" E, 159.00 feet to a point;
N 33° 10' 31" E, 126.00 feet to a point;
N 54° 19' 51" E, 149.00 feet to a point;
N 65° 08' 12" E, 236.00 feet to a point;
S 07° 57' 03" W, 126.00 feet to a point;
S 63° 52' 23" W, 207.00 feet to a point;
S 31° 43' 14" W, 373.00 feet to a point;
S 23° 54' 05" W, 102.00 feet to a point;
S 13° 32' 33" E, 257.00 feet to a point;
S 02° 32' 16" W, 537.00 feet to a point;
S 14° 15' 52" E, 208.00 feet to a point;
S 31° 07' 01" E, 284.00 feet to a point;
S 03° 15' 49" W, 124.00 feet to a point;
N 48° 14' 39" E, 106.00 feet to a point;
N 76° 51' 30" E, 186.00 feet to a point;
S 63° 19' 38" E, 212.00 feet to a point;
N 28° 52' 59" E, 127.00 feet to a point;
S 55° 48' 19" E, 92.00 feet to a point;
S 20° 09' 30" W, 125.00 feet to a point;
S 14° 21' 38" E, 192.00 feet to a point;
S 02° 56' 12" W, 138.00 feet to a point;

Tract S-2k-II Parcel #17
Description page 7

S 07° 16' 56" E, 200.00 feet to a point;
N 73° 08' 53" E, 246.00 feet to a point;
N 53° 02' 44" E, 144.00 feet to a point;
N 23° 05' 35" E, 253.00 feet to a point;
S 30° 10' 34" E, 95.00 feet to a point;
S 05° 39' 16" W, 205.00 feet to a point;
S 24° 21' 07" W, 174.00 feet to a point;
S 12° 57' 58" W, 104.00 feet to a point;
S 37° 03' 11" E, 113.00 feet to a point;
S 47° 51' 20" E, 122.00 feet to a point;
N 77° 17' 30" E, 126.00 feet to a point;
N 88° 10' 21" E, 116.00 feet to a point;
S 70° 16' 48" E, 211.00 feet to a point;
N 55° 24' 02" E, 80.00 feet to a point;
S 89° 16' 06" E, 122.00 feet to a point;
N 52° 00' 43" E, 109.00 feet to a point;
N 06° 54' 34" E, 132.00 feet to a point;
N 57° 22' 34" W, 256.00 feet to a point;
N 60° 41' 16" E, 85.00 feet to a point;
N 84° 57' 06" E, 131.00 feet to a point;
N 62° 36' 57" E, 104.00 feet to a point;
N 22° 50' 48" E, 271.00 feet to a point;
N 12° 32' 38" E, 164.00 feet to a point;
N 79° 43' 30" W, 181.00 feet to a point;
N 40° 25' 20" E, 227.00 feet to a point;
N 37° 23' 48" W, 235.00 feet to a point;
N 57° 00' 28" W, 167.00 feet to a point;
N 46° 56' 37" W, 300.00 feet to a point;
N 17° 26' 46" W, 111.00 feet to a point;
N 56° 37' 55" W, 250.00 feet to a point;
N 73° 51' 05" W, 142.00 feet to a point;
N 72° 41' 14" W, 120.00 feet to a point;
N 52° 18' 36" E, 66.00 feet to a point;
S 89° 09' 33" E, 228.00 feet to a point;
S 71° 39' 42" E, 103.00 feet to a point;
N 09° 21' 08" E, 132.00 feet to a point;
N 12° 48' 00" W, 150.00 feet to a point;
N 01° 01' 49" E, 176.00 feet to a point;
N 79° 06' 40" E, 86.00 feet to a point;
S 06° 07' 28" E, 199.00 feet to a point;
S 22° 41' 37" E, 90.00 feet to a point;
S 05° 19' 12" W, 155.00 feet to a point;
S 26° 49' 56" E, 276.00 feet to a point;
S 65° 47' 05" E, 139.00 feet to a point;
S 64° 36' 15" E, 293.00 feet to a point;
S 58° 33' 24" E, 91.00 feet to a point;

Tract S-2k-II Parcel #17
Description page 8

N 23° 47' 26" E, 75.00 feet to a point;
N 26° 00' 42" W, 133.00 feet to a point;
N 54° 41' 52" W, 145.00 feet to a point;
N 66° 29' 58" E, 89.00 feet to a point;
S 52° 20' 10" E, 241.00 feet to a point;
S 82° 30' 19" E, 160.00 feet to a point;
N 62° 51' 30" E, 100.00 feet to a point for corner of Tract S-2k-II Parcel #17, said point

being approximately located on east boundary line of the Eli Lowe Survey and the west line of the Robert Russell Survey, A-52;

Thence a calculated bearing of N 27° 46' 57" W, common to the east line of the Eli Lowe Survey and in part to the west lines of the Robert Russel Survey, A-52, the Thomas Mazy Survey, A-167, and the J. A. Watson Survey, A-477, approximately 7,719.02 feet to a point for corner of Tract S-2k-II Parcel #17, said point being common to the northeast corner of the Eli Lowe Survey, the northwest corner of the J. A. Watson Survey and a southern corner of the Jesse Lowe Survey;

Thence a calculated bearing of S 73° 59' 20" W, within the Jesse Lowe Survey and common to an issued BLM lease, approximately 71.00 chains to the place of beginning, containing 797.23 acres, more or less for Tract S-2k-II Parcel #17. The intention of this description is to cover all lands from the Northeast corner of the Eli Lowe Survey, A-34 along the North line of the Eli Lowe Survey, A-34 to the east line of Exception No. 3 to Tract S-2k-II, now known as Tract S-2k-IX and S-10c; then in a southerly direction on the east line and then westerly on the south line of said Exception No. 3 to a point where the shoreline of Toledo Bend Reservoir meets the southern line of said Exception No. 3; then traversing with said shoreline to a point where the shoreline meets the east line of the Eli Lowe Survey and the western line of the Robert Russell Survey, A-52; then north with said east line of the Eli Lowe Survey back to the northeast corner of the Eli Lowe Survey.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT S-2k-II PARCEL #18
SABINE NATIONAL FOREST
SABINE COUNTY, TEXAS
148.20 ACRES**

All that certain tract or parcel of land lying and being in Sabine County, Texas, embracing all of the Thomas Mazy Survey, A-167, dated May 2, 1906, and being identified for mineral leasing purposes as Tract S-2k-II Parcel #18. This parcel is described as follows for mineral leasing purposes only. Parent Tract S-2k-II was acquired from Temple Lumber Company by deed dated December 27, 1935 and recorded in Volume 39, Pages 293-387, Deed Records, Sabine County, Texas. Tract S-2k-II Parcel #18 contains approximately 148.20 acres, LESS AND EXCEPT approximately 33.78 acres of private surface ownership (primarily under waters of Toledo Bend Reservoir) conveyed by the United States to the Sabine River Authority (SRA) on April 2, 1985 as a portion of the Thirty-Second Tract of SRA Tract 541, leaving a net area of approximately **114.42** acres, more or less, for Tract S-2k-II Parcel #18. It is not the intent of this description of Tract S-2k-II Parcel #18 to include any lands other than those identified as being in the Thomas Mazy Survey, A-167. It is also not the intention of this description to including any lands within adjacent issued Bureau of Land Management (BLM) leases, lease offers, private mineral ownerships, or lands exchanged to the Sabine River Authority.

Beginning at the southwest corner of the Thomas Mazy Survey, a point lying on the east line of the Eli Lowe Survey, A-34, common to the most northern northwest corner of the Robert Russell Survey, A-52;

Thence four lines with the Thomas Mazy Survey:

N 63° 00' E, common to the north line of the Robert Russell Survey, approximately 39.00 chains to a point for corner for Tract S-2k-II Parcel #18, said point being the southeast corner of the Thomas Mazy Survey, A-167, and a southwest corner of the J. A. Watson Survey, A-477;

N 27° 00' W, common to the J. A. Watson Survey, approximately 38.00 chains to a point for corner for Tract S-2k-II Parcel #18, said point being the northeast corner of the Thomas Mazy Survey, A-167, and an interior corner of the J. A. Watson Survey;

S 63° 00' W, common to the J. A. Watson Survey, approximately 39.00 chains to a point for corner for Tract S-2k-II Parcel #18 on the east line of the Eli Lowe Survey, said point being the northwest corner of the Thomas Mazy Survey, A-167, and a southwest corner of the J. A. Watson Survey;

S 27° 00' E, common to the east line of the Eli Lowe Survey, approximately 38.00 chains to the point of beginning for Tract S-2k-II Parcel #18, containing approximately 148.20 acres, more or less, LESS AND EXCEPT approximately 33.78 acres of private surface ownership described as follows and conveyed by the United States to the Sabine River Authority (SRA) as a portion of the Thirty-Second Tract of SRA Tract 541, leaving a net area of approximately **114.42** acres, more or less, for Tract S-2k-II Parcel #18.

33.78 acres exchanged to Sabine River Authority (SRA) as a portion of Tract 541, Thirty-second Tract:

Commencing at the southwest corner of the Thomas Mazy Survey, A-167, a point on the east line of

Tract S-2k-II Parcel #18
Description Page 2

the Eli Lowe Survey, A-34, common to the most northern northwest corner of the Robert Russell Survey, A-52;

Thence a calculated bearing and distance of N 63° 00' E, common to the north line of the Robert Russell Survey, approximately 4.00 chains to the POINT OF BEGINNING for the approximately 33.78 acres exchanged to the Sabine River Authority, said point being on the taking line traverse of the Toledo Bend Reservoir;

Thence with the meanders of the taking line traverse the following courses and distances:

N 19° 35' 12" E, 3.00 chains to a point;
N 49° 59' 57" W, 152.00 feet to a point;
N 67° 24' 06" W, 129.00 feet to a point;
N 62° 48' 44" E, 65.00 feet to a point;
N 85° 41' 35" E, 162.00 feet to a point;
N 48° 28' 25" E, 128.00 feet to a point;
N 11° 03' 43" W, 184.00 feet to a point;
N 48° 34' 52" W, 108.00 feet to a point;
N 63° 59' 57" E, 118.00 feet to a point;
N 26° 48' 48" E, 98.00 feet to a point;
N 50° 23' 39" E, 97.00 feet to a point;
N 09° 15' 30" E, 115.00 feet to a point;
N 44° 00' 39" W, 103.00 feet to a point;
N 67° 30' 48" W, 86.00 feet to a point;
N 57° 57' 02" E, 102.00 feet to a point;
N 09° 01' 52" E, 110.00 feet to a point;
N 15° 21' 16" W, 192.00 feet to a point;
S 83° 02' 34" W, 161.00 feet to a point;
N 67° 58' 34" W, 130.00 feet to a point;
N 25° 24' 15" E, 82.00 feet to a point;
S 88° 23' 53" E, 124.00 feet to a point;
N 19° 41' 57" E, 135.00 feet to a point;
N 03° 36' 48" E, 84.00 feet to a point;
N 27° 22' 21" W, 177.00 feet to a point;
N 05° 49' 29" E, 296.00 feet to a point;
N 36° 08' 39" W, 160.00 feet to a point;
N 09° 59' 49" W, 117.00 feet to a point;
N 64° 59' 58" W, 122.00 feet to a point;
N 02° 54' 07" W, 112.00 feet to a point;
N 61° 24' 16" W, 80.00 feet to a point;
N 63° 00' 00" E, 3.00 chains to a point;
S 71° 43' 03" E, 50.00 feet to a point;
S 12° 30' 47" W, 99.00 feet to a point;
S 64° 33' 22" E, 109.00 feet to a point;
S 23° 36' 31" E, 125.00 feet to a point;
S 11° 23' 19" W, 102.00 feet to a point;
S 59° 59' 49" E, 226.00 feet to a point;

Tract S-2k-II Parcel #18
Description Page 3

S 27° 44' 59" E, 83.00 feet to a point;
S 08° 04' 51" W, 186.00 feet to a point;
S 42° 32' 17" E, 187.00 feet to a point;
S 17° 24' 27" E, 168.00 feet to a point;
S 40° 18' 36" E, 100.00 feet to a point;
S 01° 12' 14" W, 105.00 feet to a point;
S 48° 54' 54" E, 123.00 feet to a point;
N 48° 49' 55" E, 139.00 feet to a point;
N 71° 49' 46" E, 136.00 feet to a point;
N 07° 51' 37" E, 89.00 feet to a point;
N 11° 56' 31" W, 92.00 feet to a point;
N 37° 06' 18" E, 138.00 feet to a point;
N 60° 31' 09" E, 99.00 feet to a point;
N 02° 40' 00" E, 122.00 feet to a point;
N 43° 50' 09" W, 218.00 feet to a point;
N 08° 10' 18" W, 97.00 feet to a point;
N 68° 58' 32" E, 106.00 feet to a point;
N 09° 26' 36" W, 97.00 feet to a point;
S 58° 09' 46" E, 83.00 feet to a point;
S 09° 36' 04" W, 90.00 feet to a point;
S 10° 46' 04" E, 114.00 feet to a point;
N 74° 02' 46" E, 183.00 feet to a point;
S 24° 58' 36" W, 177.00 feet to a point;
N 78° 32' 27" E, 127.00 feet to a point;
S 27° 57' 41" E, 115.00 feet to a point;
S 32° 45' 08" W, 90.00 feet to a point;
S 68° 22' 59" W, 77.00 feet to a point;
S 20° 20' 50" W, 90.00 feet to a point;
S 41° 09' 18" E, 71.00 feet to a point;
S 29° 58' 31" W, 320.00 feet to a point;
S 54° 49' 22" W, 129.00 feet to a point;
S 29° 37' 13" W, 231.00 feet to a point;
S 15° 00' 04" W, 214.00 feet to a point;
S 11° 55' 05" E, 83.00 feet to a point;
S 89° 00' 14" E, 137.00 feet to a point;
S 32° 16' 23" E, 84.00 feet to a point;
S 85° 17' 27" W, 122.00 feet to a point;
S 52° 07' 02" W, 89.00 feet to a point;
S 33° 37' 23" W, 131.00 feet to a point;
S 31° 15' 45" E, 234.00 feet to a point;
S 67° 36' 25" E, 93.31 feet to a point;
S 63° 00' 00" W, 1012.81 feet to the place of beginning, containing approximately 33.78
acres, more or less.

Total acreage is 148.20 acres.

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
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.

LEASE NOTICE
PROTECTION OF THE SAND DUNE LIZARD

This lease may encompass suitable and occupied habitat of the sand dune lizard (SDL) (Sceloporus arenicolous). The lizard can be found in active or semi-active sand dunes with shinnery oak vegetation. All or portions of the lease may contain suitable or occupied habitat of this special status species.

The Bureau of Land Management through its NEPA process, is responsible for assuring that the leased lands are examined prior to any surface disturbing activities on the lands covered by this lease to determine potential impacts to the lizard and its habitat.

In accordance with Section 6 of the lease terms, the lessee may be required to conduct an examination of the lands to determine the occurrence of the lizard. Protocol for these surveys can be found in the 2008 Special Status Species Resource Management Plan Amendment. The survey would be conducted by a qualified biologist or herpetologist approved by the Bureau of Land Management. A report of the findings would be submitted to the authorized officer.

Exploration and lease development activities may be limited to areas outside of suitable or occupied habitat within the lease. If the surface management agency determines that lease development activities may adversely impact suitable or occupied habitat, restrictions to the lessee's proposal or denial of any beneficial use of the lease may result.

Conditions of Approval for Applications for Permit to Drill or Sundry Notices may be developed to protect habitat for the dunes sagebrush lizard. The lessee will take such measures as may be required by the authorized officer to protect the lizard and its habitat.

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:

Bureau of Land Management
Carlsbad Field Office

SENM-S-1
Revised December 1996

NO SURFACE OCCUPANCY STIPULATION
POTASH

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

For the purpose of:

- a. preventing hazards to oil and gas operations due to drilling through open potash mine workings, cavities or voids over which the lands are situated.
- b. preventing open potash mine workings from becoming gassey thereby creating a hazard to human health and safety during underground mining.
- c. protecting critical, economically important potash resources within the Secretary's Potash Area as discussed in the Carlsbad Resource Management Plan.

CONTROLLED SURFACE USE
RAPTOR NESTS AND HERONRIES

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

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both. Raptor nests on special, natural habitat features, such as trees, large brush, cliff faces and escarpments, will be protected by not allowing surface disturbance within up to 200 meters of nests or by delaying activity for up to 90 days, or a combination of both. Exceptions to this requirement for raptor nests will be considered if the nests expected to be disturbed are inactive, the proposed activity is of short duration (e.g. habitat enhancement projects, fences, pipelines), and will not result in continuing activity in proximity to the nest.

Conditions of Approval: Phantom Banks Heronries (SMA 15)

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.

For the purpose of: Protecting Raptor Nests and Heronries.

CONTROLLED SURFACE USE
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**

CONTROLLED SURFACE USE
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:

CONTROLLED SURFACE USE
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:

All lands in the lease.

For the purpose of: Protecting Playas and Alkali Lakes

CONTROLLED SURFACE USE
SPRINGS, SEEPS AND TANKS

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 source of a spring or seep, or within downstream riparian areas created by flows from the source or resulting from riparian area management. Surface disturbance will not be allowed within up to 200 meters of earthen tanks or the adjacent riparian areas created as a result of the presence of the tanks. Exceptions to this requirement will be considered for the installation of habitat or rangeland projects designed to enhance the spring or seep, or downstream flows.

For the purpose of: Protecting Springs, Seeps and Tanks

CONTROLLED SURFACE USE
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 Caves and Karst Features

CONTROLLED SURFACE USE
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 1 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

CONTROLLED SURFACE USE
SAND DUNE LIZARD

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

Surface disturbance will not be allowed in documented occupied habitat areas, or within up to 200 meters of suitable habitat associated with occupied habitat areas identified through field review. An exception to this restriction will be considered when an on-site evaluation of habitat extent, available species occurrence data, the proposed surface use, and proposed mitigations indicate the proposal will not adversely affect the local population.

For the purpose of: Protecting Sand Dune Lizards

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**

NO SURFACE OCCUPANCY
SAND DUNE LIZARD HABITAT AREAS

All or a portion of the lease is within habitat suitable for Sand Dune Lizard (SDL), special status species of concern. In accordance with the 2008 Special Status Species Resource Management Plan amendment, BLM will not lease Federal minerals under dune complexes within the Sand Dune Lizard Habitat Area. This lease is issued with the intention that it be developed by directional drilling from or prorationing within the lease boundaries or from an existing lease on the periphery of the designated NSO portion of the lease. Plans of development may be requested by the BLM in these habitats.

No Surface Occupancy on the lands described below:

PLAN OF DEVELOPMENT (POD) STIPULATION

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

For the Purpose of: Southern Carlsbad Field Office Protection Area

**New Mexico State Office
Carlsbad Field Office**

**SENM-S-39
July 2005**

CONTROLLED SURFACE USE
SOUTHERN GUADALUPE ESCARPMENT RESOURCES

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

- (1) Well sites will be located to avoid sensitive resources. Drilling fluid/mud systems must be contained in metal tanks, drill cuttings must be disposed off-site, surface tanks must have berms sufficient to contain the total volume of all tanks. The berm area must be lined sufficient to prevent any leakage and rip-stop padding must be used to prevent tears or punctures in liners.**
- (2) The casing and cementing programs must be designed to allow for a karst protection string and all strings of casing must be cemented to the surface, upon abandonment of the well, the wellbore will be cemented from the base of the cave/karst zone to the surface.**
- (3) Pads may be located adjacent to existing roads, projects may be routed in corridors, and cut and fill may be minimized at the discretion of the BLM authorized officer. Loamy soil in gyp/loamy areas must be stockpiled to use for reclamation.**
- (4) Directional drilling from approved well pads may be required at the discretion of the BLM authorized officer to reduce the need for additional roads and production infrastructure.**
- (5) To protect visual resources, use of low profile structures, selective paint colors, use of weathering substances to reduce the contrast of large boulders and cut areas, natural colored power poles, non-reflective (non-specular) wire, setting the drill site back from the edge of bluffs, and other techniques will be considered at the time a drilling is processed.**
- (6) Interim reclamation of the drill site will be completed within six months of well completion. Interim reclamation plans including production equipment or facility site diagrams will be included in the surface use plan (SUP) at the time of the Application for Permit to Drill (APD). Additional consultation between the operator and the BLM authorized officer may be required to determine final drill site dimensions.**
- (7) Initial reclamation of the site will occur within three months of well abandonment. All reclamation requirements will be completed within six months of well plugging. Reclaimed well sites will continue to be monitored until desirable vegetation (seeded and native) is established. Additional work may be required at the discretion of the BLM authorized officer to achieve results.**

Appropriate seed mixes must be used; alkali sacaton, for-wing saltbush in gyp, sideoats grama, bristlegrass in shallow limestone are examples. Use of annual “nurse crop” to get initial cover and provide additional organic matter to soils may be required. Caliche removal, disking, mulching, irrigation, fertilizing, seeding rates, seeding application (drilling vs. broadcasting), time of year to seed, fencing and weed control may be required as deemed necessary by the BLM authorized officer.

For the purpose of protecting:

Karst Groundwater/Hydrology, Springs, Riparian Areas, Wildlife, Fragile Soils, Visual Resources, and to facilitate resource reclamation.

NO SURFACE OCCUPANCY STIPULATION
SPECIAL CULTURAL VALUES

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

(the lease operator may use existing access roads on this tract)

For the purpose of: Protects cultural resource values.

If circumstances or relative resource values change or if it can be demonstrated that oil and gas operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the BLM Authorized Officer, if such action is consistent with the provisions of the Farmington Resource Management Plan, or if not consistent, through a land use plan amendment and associated National Environmental Policy Act analysis document. If the BLM Authorized Officer determines that the waiver, exception, or modification shall be subject to a 30-day public review period.

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

Bureau of Land Management
Farmington Field Office

F-19-NSO
September 2003

CONTROLLED SURFACE USE STIPULATION
NAVAJO INDIAN IRRIGATION PROJECT

Surface occupancy or use is subject to the following special operating constraints on the lands described below:

For the purpose of: No oil or gas facilities will be installed that will unduly interfere with the construction or development of the area for agriculture purposes in connection with the Navajo Indian Irrigation Project. The lessee must clear with the Navajo Indian Irrigation Project Manager prior to the installation of any oil and gas equipment so that modification or relocation at a later date might be avoided.

If circumstances or relative resource values change or if it can be demonstrated that oil and gas operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the BLM Authorized Officer, if such action is consistent with the provisions of the Farmington Resource Management Plan, or if not consistent, through a land use plan amendment and associated National Environmental Policy Act analysis document. If the BLM Authorized Officer determines that the waiver, exception, or modification shall be subject to a 30-day public review period.

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

CORPS OF ENGINEERS
SPECIAL STIPULATIONS 1-A
CANTON LAKE

1. This is a no surface occupancy lease.
2. All oil and gas drilling and production operations shall be under the supervision of the District Manager, Bureau of Land Management (BLM), in accordance with 43 Code of Federal Regulations 3160.
3. 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 property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
4. If the District Engineer or his 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 District Manager, BLM, will be notified immediately, will review the order, and will determine the need for further remedial action.
5. Lessee liability for damage to improvements shall include improvements of the Department of Defense. Lessee shall be liable for pollution and other damages, as a result of their operations, to Government-owned land and property and to the property of the Government's authorized surface user.
6. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the lease area and must consider programs for which third parties have contractual responsibility.
7. A license to conduct geophysical test on the leased area must be obtained separately from the District Engineer.
8. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-named project.

9. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities; and the lessee shall hold the United States harmless from any and all such claims.

10. That the work performed by the lessee on the lands shall be under the general supervision of the District Engineer, Corps of Engineers, in direct charge of the project, and subject to such conditions and regulations as may be prescribed by him, and the plans and locations for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval in advance of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises, at any time, to inspect both the installation and operational activities of the lessee.

11. That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.

12. That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

13. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work

performed on land outside property included in the lease is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in the amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.

14. All areas with 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas, including drilling outside of the restricted areas which would cause a bore hole to be under the restricted area, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming part of a drilling unit so that the United States will share in the royalty of the unit.

15. All existing or proposed public use areas, recreation areas, wildlife and waterfowl refuges, historical sites, and hiking and horseback trail areas may be leased for the sole purpose of becoming a part of a drilling unit. The lessee, his operators, agents, or employees will not use or enter upon the surface for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.

16. All storage tanks and slush pits will be protected by dikes of sufficient capacity to protect the reservoir from pollution to flood pool elevation 1638.00 feet, for Canton Lake, National Geodetic Vertical Datum.

17. It is the responsibility of the lessee to identify and be aware of areas where entry is prohibited.

18. The operator will immediately stop work and advise the District Engineer or his authorized representative if contamination is found in the operating area.

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

In conducting operations associated with this lease, the lessee/operator 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, occupancy, and management of the National Forest System (NFS) when not inconsistent with existing lease 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
Cibola National Forest
At: Federal Bldg
2113 Osuna Rd., NE Suite A
Albuquerque, NM 87113-1001

Telephone No: (505) 346-3804

Who is the authorized representative of the Secretary of Agriculture.

CULTURAL RESOURCES (National Historic Preservation Act of 1966 (NHPA), P.L. 89-665 as amended by P.L. 94-422, P.L. 94-458, and P.L. 96-515):

The Forest Service authorized officer is responsible for ensuring that the leased lands are examined prior to the undertaking of any ground-disturbing activities to determine whether or not cultural resources are present, and to specify mitigation measures for effects on cultural resources that are found to be present.

The lessee or operator shall contact the Forest Service to determine if a site-specific cultural resource inventory is required prior to undertaking any surface-disturbing activities on Forest Service lands covered by this lease.

The lessee or operator may engage the services of a cultural resource specialist acceptable to the Forest Service to conduct any necessary cultural resource inventory of the area of proposed surface disturbance. In consultation with the Forest Service authorized officer, the lessee or operator may elect to conduct an inventory of a larger area to allow for a alternative or additional areas of disturbance that may be needed to accommodate other resource needs or operations.

The lessee or operator shall implement mitigation measures required by the Forest Service to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing, salvage, and recordation or other protective measures.

During the course of actual surface operations on Forest Service lands associated with this lease, the lessee or operator shall immediately bring to the attention of the Forest Service the discovery of any cultural or paleontological resources. The lessee or operator shall leave such discoveries intact until directed to proceed by Forest Service.

THREATENED OR ENDANGERED SPECIES (The Endangered Species Act. (ESA), P.L. 93-205 (1973), P.L. 94-359 (1974), P.L. 95-212 (1977), P.L. 95-632 (1978), P.L. 96-159 (1979), P.L. 97-304 (1982), P.L. 100-653 (1988).

The Forest Service authorized officer is responsible for compliance with the Endangered Species Act. This includes meeting ESA Section 7 consultation requirements with the U.S. Fish and Wildlife Service prior to any surface disturbing activities associated with this lease with potential effects to species and/or habitats protected by the ESA. The results of consultation may indicate a need for modification of or restrictions on proposed surface disturbing activities.

The lessee or operator may choose to conduct the examination at their cost. Results of the examination will be used in any necessary ESA consultation procedures. This examination and any associated reports, including Biological Assessments, must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. Any reports must also be formally approved by the USDA Forest Service biologist or responsible official.

CONTROLLED SURFACE USE STIPULATION
(Prevention of soil erosion and to prevent riparian areas

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

Facilities will be located at least 300 feet away from all riparian corridors (i.e. 300 feet away from the edge of vegetation zones associated with riparian areas whether they are perennial, intermittent or ephemeral).

Activities associated with drilling and production will be limited or special actions may be required in areas with high potential for wind or water erosion.

New road access will be limited to areas of less than 30% slopes. New road access in or near drainage (watercourses) will be limited to essential crossings with the least environmental impact. All Soil and Water Conservation Practices described in FSH 2509.22 will be followed for each site-specific case of road construction.

On the lands described below:

For the purpose of:

Prevention of soil erosion and to protect riparian areas.

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

CONTROLLED SURFACE USE STIPULATION

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

The lessee is given notice that a closed circulation system will be used for all oil and gas drilling. No open pits will be allowed.

On the lands described below:

For the purpose of:

Avoiding potential ground and surface water contamination and surface disturbance associated with open pits.

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

NO SURFACE OCCUPANCY STIPULATION

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

Developed and dispersed recreation sites in CNFMP Management Area 4 as follows:

Dead Indian Lake on Grassland Unit 85

One the lands described below:

T. 15 N., R. 24 W., IM
Sec. 23: SESW

For the purpose of:

Meeting Forest Land Management Plan standards for these areas by preserving the character of the area and therefore maintaining opportunities for developed and dispersed recreation experiences.

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

NO SURFACE OCCUPANCY STIPULATION

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

(U.S. Forest Service Administrative Site (Unit 102) and Federal minerals in and adjacent to the city limits of Cheyenne, OK.)

For the purpose of:

Protection of lands in and adjacent to the city limits of Cheyenne, OK.

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

NO SURFACE OCCUPANCY STIPULATION

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

**Riparian corridors exceeding 40 acres as follows:
(Grassland Units 24 & 71)**

For the purpose of:

Protecting riparian habitat for wildlife and maintaining healthy watershed conditions.

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 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.

CONTROLLED SURFACE USE
STIPULATION
(West Gulf Coastal Plain)

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

Management Area 15 – West Gulf Coastal Plain –
Habitat Diversity Emphasis: Activities must be conducted in such a manner as to reasonably reduce visibility of the operation and meet visual quality and other Management Area objectives to the extent practical.

On the lands described below:

For the purpose of: To meet Management Area 15 Forest Plan objectives; Ouachita National Forest Revised Forest Plan 9/23/2005, as amended and Final EIS. RFP Design Criteria RS003.

Any changes to this stipulation will be made in accordance with the Ouachita National Forest Land and Resource Management Plan, as amended, 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

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 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
National Forests in Texas
At : 415 South First Street, Suite 110
Lufkin, TX 75901
Telephone No : (936) 639-8580

Who is the authorized representative of the Secretary of Agriculture.

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect streamside management zones)

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) (MA-5-31)

On the lands described below:

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 GRASSLANDS IN TEXAS
(Protect Streamside Management Zone Areas)

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

Trail between the Lakes Hiking Trail. Proposals for drilling sites located 150 feet or less from the trail may be subject to special requirements or limitations, 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 25 feet from the trail's edge to meet public safety requirements. If necessary, the shot holes may be required to be located farther than 25 feet from the trail. (FW-158)

On the lands described below:

Tract S-2k-II Parcel #17

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
(Protect Lakeshores – Toledo Bend Reservoir)

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

Proposals for a structure, facility, or motorized uses on Toledo Bend Reservoir lands between the 172' and 175' MSL contours, or on a strip of land extending inland 200 meters from the 175' contour, may be subject to special requirements or limitations, such to be determined on a case-by-case basis.

On the lands described below:

For the purpose of:

To meet visual quality objectives and protect lakeshores in accordance with the 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
(Protect Red-Cockaded Woodpecker Clusters)

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:

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
NATIONAL FORESTS IN TEXAS
**(Proposals for surface occupancy
below the 172' MSL contour)**

Proposals for surface occupancy, other than foot travel, below the 172' MSL contour will require concurrence of the United States Corps of Engineers prior to issuance of a Forest Service decision on that proposal. In addition, the Sabine River Authority of Texas will be requested to comment on such proposals.

TIMING LIMITATION STIPULATION
NATIONAL FORESTS AND GRASSLANDS IN TEXAS
(Probable bald eagle nesting locations)

Surface use may be deferred during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Part or all of this lease is within one (1) mile of a bald eagle nesting site. During nesting periods, seismic exploration, new clearing of vegetation, and exploratory drilling or any other site-specific proposals for activities within these areas will be analyzed. Such analysis could result in establishment of protective requirements or limitations for the affected site and activities may be restricted if, in the opinion of the responsible agency biologist, restrictions are necessary to assure nesting success. (FW-221)

Approximately October 1 through May 15 per year

On the lands described below:

For the purpose of:

To avoid disturbance of actual or probable bald eagle nesting locations in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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 stipulations, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

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, 5924 NW 2nd Street, Suite 200, Oklahoma City, Oklahoma 73127, 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 entryman, 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 entryman 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.

GENERAL STIPULATIONS

**UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION**

**FORT COBB DAM AND RESERVOIR
FORT COBB DIVISION, WASHITA BASIN PROJECT, OKLAHOMA**

1. All rights under this oil, gas, and mineral lease are subordinate to the right of the United States to flood and submerge the lands, permanently or intermittently, in connection with the construction, operation, and maintenance of the Foss Dam and Reservoir, Foss Division, Washita Basin Project, Oklahoma (Project lands).

2. All surface work performed by the Lessee and/or operator on the Foss Reservoir lands shall be under the general supervision of the Area Manager, Bureau of Reclamation (BOR) in direct charge of the project, and shall be subject to such conditions and regulations as he/she may prescribe. Detailed plans and location for all structures, appurtenances thereto, and surface disturbance work on project lands shall be submitted to the said Area Manager for approval in advance of commencement of any surface work on the said project lands. At least 60 days or more lead time is preferred. Authorized representatives of Reclamation shall have the right to enter on the leased premises at any time to inspect both the installation and operational activities of the Lessee and/or operator.

A. Pre-drilling Conditions:

1. No exploratory drilling, flow line trenching or site clearing will occur until approval is granted by the appropriate Reclamation representatives in consultation with the local managing agency(s).

2. No wellhead shall be below the top of flood control pool elevation of 1354.4 feet, mean sea level(MAXIMUM WATER SURFACE). This elevation restriction does not apply to areas downstream of the dam. Berms shall be constructed around storage batteries, tanks, and separators to contain their entire volume should an accidental spill or rupture occur.

3. All storage tanks shall be constructed elevation 1374.4 feet (maximum water surface). This elevation restriction does not apply to areas downstream of the dam. Berms shall be constructed around storage batteries, tanks, and separators to contain their entire volume should an accidental spill or rupture occur.

4. Drilling a well for oil and gas is prohibited within 2,000 feet of any dam, dike, or other major structure, unless otherwise approved by the Area Manager in consultation with the local managing agency(s).

5. No well shall be drilled within 1/8 mile (660 feet) of a river, channel, permanent stream, tributary, or marsh site unless otherwise approved by the Area Manager in consultation with the local managing agency(s). To protect watersheds, slopes in excess of 40 percent (2.5:1) should be avoided where possible.

6. All drilling operations shall be conducted in accordance with applicable State laws relative to municipal water supplies.

7. No surface disturbance shall occur until completion of an environmental analysis of the proposed drilling activity by Reclamation and all coordination matters are completed. This analysis will involve review of federally listed threatened and endangered plant and animal species, protection of wetlands, cultural resources, and water quality concerns. Certain data needs may be requested from the applicant proposing a surface disturbance action.

8. Where surface operations and facilities could reasonably be expected to discharge petroleum products into navigable waters and should oil or petroleum products be stored on site and facilities have an aggregate storage of 1,320 gallons or more or single containers with capacity of 660 gallons or more, a "Spill Prevention Control and Counter Measure Plan" shall be prepared and must be maintained and kept available for inspection on site (if manned) or at the nearest field office, if unmanned. In the event of a spill or leakage, the Lessee assumes all responsibility for cleanup and damages.

9. At Lessee's expense, a cultural resource survey of lands that may be disturbed must be completed prior to any surface disturbance. If during construction, operation, and/or maintenance of any facility authorized by the Reclamation lease, Lessee, or any person working in his behalf discovers any historic or prehistoric grave, ruin, monument, or any object subject to the National Historic Preservation Act of 1966, the Archeological Resource Protection Act of 1979, or the Native American Graves Protection Act of 1992 and/or, Reclamation Instructions 376.11, work shall be suspended immediately and the discovery reported to Reclamation. When directed by Reclamation, the Lessee shall obtain, at his expense, a qualified archeologist to examine and evaluate, and if necessary, excavate the discovery.

10. No "mud pits" shall be constructed on Federally-owned land. A closed mud system is required with containerization of drill cuttings. Water or discharge of any kind shall not be allowed to enter any drainage. All unattended containers containing liquids shall be fenced.

11. The derrick shall not be located closer than one and one-half times its height from any electrical power transmission lines unless prior approval is obtained from the owner of the power company. Signs shall be posted warning the public to prevent entry to the job site. Also, adequate blowout preventers shall be properly maintained.

12. All aboveground structures, not subject to applicable safety requirements, shall be painted to blend with the natural surroundings. The paint used shall be lusterless, nonreflective, flat, or semigloss color that blends with the area.

B. Roads:

1. The Lessee shall observe the following restrictions during exploration:

a. Wherever possible, existing roads and trails are to be used as access to the drilling site. New road construction will be kept to a minimum, and new construction will not begin until the location is approved by the local managing agency(s).

b. Each existing fence to be crossed by the Lessee shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be protected as necessary during construction and well operation to prevent the escape of livestock. Upon completion of construction, the fence shall be repaired to the original standard of the existing fence.

c. Cleared trees and shrubs will be removed and/or piled as brush piles for wildlife shelter as designated by the local managing agency(s). Available topsoil will be removed from the road right-of-way and stored in a topsoil stockpile.

d. New access roads shall normally be a maximum of 30 feet wide including drainage ditches and culverts. Road surface shall be graveled to a thickness identified as suitable for the existing ground. Access roads shall be constructed to widths suitable for the safe operation of the vehicles and equipment at proposed speeds. The road speeds shall be

posted with signs and maximum speed limits signs. Speeds shall be limited on curves and posted to speeds that will permit a vehicle to be stopped within one-half the minimum sight distance. The road shall be maintained in safe condition.

e. If the local managing agency(s), requests Lessee shall construct cattle guards, or install gates with locks on new access roads which will be maintained by the Lessee during drilling operations and all such times thereafter as production continues. Fencing of roads may be required.

f. Roads shall be maintained in suitable condition for vehicle passage during the duration of drilling activities with special consideration given to erosion control during wet and muddy periods.

g. Existing roads shall be returned to original or equivalent condition after drilling equipment has been removed.

h. All roads shall be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts, and/or any other measures deemed necessary by Reclamation representatives. The following is a general guide for the spacing of water bars:

| <u>Present Slope</u> | |
|-------------------------------|----------|
| less than 2 percent | 200 feet |
| 2 to 4 percent | 100 feet |
| 4 to 5 percent | 75 feet |
| more than 5 percent | 50 feet |

i. In the event of a “dry hole,” any new road construction sites will be revegetated by the drilling company, with native and/or adapted grasses, forbs, and shrubs as requested by Reclamation, unless the local managing agency(s) indicates in writing that the road is to remain. Revegetation is to be accomplished by seeding and fertilizing the area within 1 year of completion at recommended seeding rates and dates.

2. Lessee shall observe the following stipulations should oil or gas be found and production activities occur:

a. Production company shall maintain road in suitable condition for vehicle passage. Public will be permitted to use road where existing road was originally open to such use. New road construction, if needed, can be exempt from public use.

b. Should the local managing agency deem it necessary to control vehicle traffic into the area during any season of the year, the production company will provide a metal gate and lock.

C. Drilling Pad and Reserve Pit, IF APPROVED BY RECLAMATION:

1. Area cleared for the drilling pad site and reserve pit shall be the absolute minimum required for operations.
2. All trees and shrubs removed from the pad site shall be piled near the site at places designated by the local managing agency(s) for use as wildlife shelters.
3. Available topsoil shall be removed from the drilling pad and pit site and stored in a topsoil stockpile.
4. Diesel fuel tanks and other potential pollution sources will be surrounded by an earthen berm of sufficient height to contain their entire volume in the event of an accidental leak or rupture.
5. The area will be kept well policed and free of trash and litter at all times, including access roads used solely by the Lessee. Litter blown out of the work area must be picked up. All waste associated with the drilling operations shall be removed and deposited in an approved sanitary landfill within 1 month after removal of the drilling rig. The Lessee shall comply with all State laws and regulations pertaining to the disposal of human waste.
6. For the protection of livestock and wildlife, all containers containing toxic liquids shall be fenced and open containers shall be covered with a fine mesh netting (i.e., hardware cloth) with openings being of one-half inch or less.
7. The Lessee will remove fluids and trash from the site. After drilling activities are completed the site shall be reshaped to original contours and covered with topsoil. This restoration must be accomplished within 90 days of completion of drilling. The area must then be revegetated as required by Reclamation.

D. Actions with a Producing Well:

1. A minimum service area will be developed around the well head. No permanent material storage will be allowed on the lease. The

remainder of the drilling pad will be covered with topsoil from the stockpile and restored to vegetation by tilling, fertilizing, and seeding. Specific seed types will be determined on a case-by-case basis by Reclamation in consultation with the local managing agency(s).

2. The Lessee may be required to utilize electric or submersible pumps, where feasible, rather than fuel-powered pumps (or other machinery). All electric lines must be buried to a depth of 15-18 inches.

3. All transfer lines from well site to tank battery, saltwater disposal well, or the like, must be buried 4 feet below the surface and a minimum depth of 4 feet at stream, creek, and river channel crossings.

4. When possible, a common point of collection shall be established to minimize the number of tank batteries.

E. Actions with a Non-producing Well:

1. All disturbed areas will be recontoured, covered with topsoil, and revegetated. All trash will be removed from the lease site.

2. Gates and cattle guards shall be removed where requested by the local managing agency(s). Any openings in fences will be restored to original condition.

F. General:

1. The Lessee shall limit access to well and storage locations on project lands to authorized personnel.

2. The Lessee agrees to cease all operations and make all necessary corrections to the satisfaction of the representative of Reclamation in consultation with the local managing agency(s) before resuming any operations should any violations of the terms of these stipulations occur.

3. The Lessee shall not permit any nuisance to be maintained on the premises and shall not use said premises for any purposes other than those authorized in the lease. Before abandoning any well, the Lessee shall securely plug the same so as to effectually shut off water from the oil-bearing stratum.

4. The Lessee shall carry on the development and/or operation of the premises in a workmanlike manner and shall not commit or suffer to be

committed waste upon the lands in his occupancy and use. In drilling operations, the Lessee or operator shall only use so much of the land as is necessary; shall safeguard the lakes and streams from any pollution; and shall not permit oil, saltwater, drilling mud, or other deleterious substances to escape onto the land, but the same shall be retained in proper tanks, receptacles, or in pits prepared for such purposes; and after the termination of drilling operations, the land will be properly restored to its original condition, and only so much thereof shall be used in the production of the leased premises as is reasonably necessary to operate any well or wells thereon.

5. Lessee shall provide all subcontractors and assigns, especially the dirt contractor, with a copy of the above stipulations prior to construction of the road, pad, or associated developments.

G. Hunting:

- 1. Lessee/Licensee activities should not prevent hunters and other consumptive and nonconsumptive users of the wildlife resources from freely pursuing their activities in the wildlife management area. Lessee/licensee activities should be conducted to minimize conflict with public users of recreational areas.**
- 2. Lessee/Licensee will not be permitted to carry firearms or other hunting or trapping equipment unless the equipment is appropriate to a season open on the designated areas at the time and the individual(s) area authorized to hunt.**
- 3. During deer and turkey season, delivery and trucking to and from well sites in the wildlife management area will be avoided to the maximum extent possible for the 2-hour period immediately after sunrise and for the 2-hour period immediately before sunset. Additionally, no new exploration work or exploratory drilling may be initiated during the deer and turkey season unless special approval is obtained from Reclamation in consultation with the surface managing agency. Other timing restrictions may be established as needed to protect the project.**

BUREAU OF RECLAMATION
SPECIAL STIPULATIONS

1. The following stipulations apply to drilling within the Fort Cobb Wildlife Management Area, Fort Cobb Reservoir, Oklahoma:

- 1. Leasing for pooling purposes only (i.e., no surface occupancy) will be allowed within the Federal boundaries of the Fort Cobb Reservoir in:**
 - a. Township 9 North, Range 13 West, Sections 13,23, and 24- This is a critical swamp rabbit habitat and a future waterfowl management area. Also, much of this area contains riparian timber.**
 - b. Township 9 North, Range 12 West, Section 32, and SESE of Section 30, This area is the most important crow wintering areas in the nation.**

2. Now wells shall be drilled within 1/8 mile (660 feet) of intermittent streams to further project riparian timber.

3. All equipment must be powered with electric motors to minimize impacts on recreational use.

II. The following stipulations apply to drilling within the Fort Cobb State Park, Fort Cobb Reservoir, Oklahoma:

1. Township 5 North, Range 20 West, Section 22 and the SW of Section 15 – This is a highly developed recreation area.

2. Any producing well within 1,500 feet of any campsite or sleeping quarters must be powered with an electric motor.

3. A 5-foot cyclone fence with two strands of barbed wire on top must be constructed around any well in production.

GENERAL STIPULATIONS
LAVACA-NAVADID RIVER AUTHORITY

LAKE TEXANA RESERVOIR
PALMETTO BEND PROJECT, TEXAS

All rights under this oil, gas, and mineral lease granted by the Bureau of Land Management (BLM) for the exploration, development, production and removal of said oil, gas and other minerals from the Lavaca-Navidad River Authority (LNRA) lands associated with and part of the Palmetto Bend Project, Texas (Project Lands) are subordinated to the right of LNRA to flood and submerge the Project Lands, permanently or intermittently, in connection with the construction, operation, and maintenance of the Lake Texana Reservoir, Palmetto Bend Project, Texas (Project lands).

With respect to its oil, gas and mineral interests in the Project Lands the United States of America (USA) has waived its right to use the surface of the Project Lands and has agreed not to use or enter upon any part of the surface of the Project Lands for any purpose whatsoever without the prior written consent of LNRA, which consent shall not be unreasonable withheld. The USA has further agreed not to use the subsurface of the Project Lands in any manner that would interfere with the construction, operation and maintenance of the Palmetto Bend Project.

All surface work performed by the Lessee and/or operator pursuant to an oil, gas, and mineral lease granted by BLM on the Project lands shall be under the general supervision of the LNRA General Manager or his designee, and all be subject to such conditions and regulations as may be prescribed. Detailed plans and location for all structures, appurtenances thereto, and surface disturbance work on Project lands shall be submitted to the LNRA for approval in advance of commencement of any surface work on the said Project lands. At least 60 days or more lead time is preferred. The authorized representatives of the LNRA shall have the right to enter on the leased premises at any time to inspect both the installation and operational activities of the Lessee and/or operator.

A. Pre-drilling Condition:

1. No exploratory drilling, flow line trenching, building, site clearing, or land disturbing activity of any kind will occur until approval, in writing is granted by the appropriate LNRA representatives.
2. Generally, no well casing-head shall be placed below the surface elevation of 47.5 feet, mean sea level (M.S.L.)
3. All well storage tanks and production equipment shall be constructed outside the flood plain above elevation 47.0 feet M.S.L. This elevation restriction does not apply to areas downstream of the dam and outlet works. Berms shall be constructed around storage batteries, tanks, and separators to contain their entire volume should an accidental spill or rupture occur.

4. **Drilling a well for oil and gas is prohibited within 5,280 feet of any dam, dike, or other major structure, unless otherwise approved by the LNRA General Manager or his designee. Generally, no drilling or production facilities are allowed within any developed recreation areas.**
5. **No well shall be drilled within 1/8 mile (660 feet) of a river channel, permanent stream, tributary, or marsh site unless otherwise approved by the LNRA General Manager or his designee. To protect watersheds, slopes in excess of 40 percent (2.5:1) should be avoided where possible.**
6. **All drilling operations shall be conducted in accordance with applicable Federal Laws and Rules and Regulations promulgated thereunder, State laws, Texas Railroad Commission rules and regulations, especially 30 Texas Administrative Code 3.8: Water Protection, as amended to be effective September 1, 2004, and any other applicable rules and regulation to municipal water supplies.**
7. **At Lessee's expense no surface disturbance shall occur until completion of an environmental analysis of the proposed drilling activity by LNRA and all coordination matters are completed. This analysis will involve review of state and federally listed threatened and endangered plant and animal species, protection of wetlands, cultural resources, and water quality associated concerns. Certain data needs may be requested from the Lessee proposing a surface disturbance action.**
8. **Where surface operations and facilities could reasonably be expected to discharge petroleum products into navigable waters and should oil or petroleum products be stored on site and facilities have an aggregate storage capacity of 1,320 gallons or more or single containers with capacity of 660 gallons or more, a "Spill Prevention Control and Counter Measure Plan" shall be prepared and must be maintained and kept available for inspection on site, if manned, or at the nearest field office, if unmanned, in accordance with Code of Federal Regulations CFR 40, Part 112, Environment Protection Agency. In the event of a spill or leakage, the Lessee assumes all responsibility for cleanup and damages.**
9. **At Lessee's expense, a cultural resource survey of lands that may be disturbed must be completed prior to any surface disturbance. If during construction operation, and/or maintenance of any facility authorized by the BLM Oil, Gas, and Mineral lease, Lessee, or any person working in Lessee's behalf discovers any historic or prehistoric grave, ruin, monument, or any object subject to the National Historic Preservation Act of 1966, as amended. (16 USCA 470a.); the Archeological Resource Protection Acts of 1979, as amended. (16 USCA 470aa); or the Native American Graves Protection Act of 1992, and the Repatriation Act of 1990 (25 USCA 3001), work shall be suspended immediately and the discovery reported to the LNRA General Manager. When directed by LNRA, the Lessee shall obtain, at Lessee's expense, a qualified archeologist to examine and evaluate, and if necessary, excavate the discovery.**

10. No “mud pits” shall be constructed on Project Lands. A closed mud system is required with containerization of drill cuttings. Water or discharge of any kind shall not be allowed to enter any drainage. All unattended containers containing liquids shall be fenced.

B. Safety:

1. Adequate blowout preventers shall be properly installed, tested, and maintained during drilling and work-over operations.
2. Non-mobile diesel fuel tanks and other potential pollution sources will be surrounded by an earthen berm of sufficient height to contain their entire volume in the event of an accidental spill, leak, or rupture.
3. Any drilling, completion, or work-over rig derrick shall not be located closer than one and one-half times its height from any electrical power transmission lines unless prior approval is obtained from the owner of the power company.
4. Signs shall be posted warning the public to prevent entry to the job site.

C. Drilling Pad and Reserve Pit, IF APPROVED BY LNRA:

1. An area cleared for the drilling pad site and reserve pit shall be the absolute minimum required for operations.
2. All trees and shrubs removed from the drilling pad and reserved pit site shall be piled near the drilling pad and reserve pit site at places designated by LNRA for use as wildlife shelters.
3. Available topsoil shall be removed from the drill pad and reserve pit site and stored in a topsoil stockpile.
4. Diesel fuel tanks and other potential pollution sources will be surrounded by an earthen berm of sufficient height to contain their entire volume in the event of an accidental leak or rupture.
5. The area will be kept free of trash and litter at all times, including access roads used solely by the Lessee. Litter blown out of the work area must be picked up. All solid and fluid waste associated with the drilling operations shall be removed and deposited in an approved sanitary landfill or disposal site within 1 month after removal of the drilling rig. The Lessee shall comply with all State laws and regulations pertaining to the disposal of human waste.

6. For the protection of livestock and wildlife, all containers containing toxic liquids shall be fenced and open containers shall be covered with a fine mesh netting (i.e. hardware cloth) with openings being one-half inch or less.

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7. After drilling activities are completed the job site shall be reshaped to original and covered with topsoil. This restoration must be accomplished within 90 days of completion of drilling. The job site must then be re-vegetated as required by LNRA.

D. Actions with a Producing Well:

1. The Lessee will use only so much land as is reasonably necessary in the access drilling, completion, production, and operation of any well or wells on the leased premises. A minimum service area will be developed around the well head and production facilities. The remainder of the drilling pad will be covered with topsoil from stockpile and restored to vegetation by tilling, fertilizing, and seeding. Specific seed types will be determined on a case-by-case basis by LNRA. No permanent storage of materials unrelated to drilling or producing wells on the lease will be allowed.
2. The Lessee may be required to utilize electric or submersible pumps, where feasible, rather than fuel-powered pumps (or other machinery). All newly constructed electric lines must be buried to a minimum depth of 3 feet.
3. All transfer lines from well site to tank battery, or the like, must be buried 3 feet below the surface and a minimum depth of 6 feet at stream, creek, or river channel crossings.
4. When possible, a common point of collection and storage should be utilized to minimize the number of storage tank batteries and associated surface disturbance. Gathering lines should be laid parallel with existing gathering lines to decrease the amount of surface disturbance.
5. All aboveground structures, not subject to applicable safety requirements, shall be painted to blend with the natural surroundings. The paint used shall be lusterless, lead-free, non-reflective, flat or semi-gloss color that blends with the area.

E. Roads:

1. Where ever possible, existing roads and trails should be used as access to the drilling site. New road construction will be kept to a minimum, and new construction will not begin until the location is approved by LNRA.
2. Each existing fence to be crossed by the Lessee shall be braced and tied off

before cutting so as to prevent wire tension problems. The opening shall be protected as necessary during construction and well operation to prevent the escape of livestock.

3. Cleared trees and shrubs will be removed and/or piled as brush piles for wildlife shelter as designated by LNRA. Available topsoil will be removed from the road and right-of-way and stored in a topsoil stockpile.

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4. New access roads will normally be a maximum of 30 feet wide including drainage ditches and culverts. Road surface shall be graveled to a thickness identified as suitable for existing ground. Access roads shall be constructed to widths suitable for the safe operation of the vehicles and equipment at speeds proposed. The road shall be posted with curve signs and maximum speed limits. Speeds shall be limited on curves and posted to speeds that will permit a vehicle to be stopped within one-half the minimum sight distance. The road shall be maintained in a safe condition.
5. At the option of LNRA, on new access roads the Lessee shall construct cattle guards, or install gates with locks which will be maintained by the Lessee during the drilling operations and all such time thereafter as production continues. Fencing of roads may be required.
6. Roads shall be maintained in suitable condition for vehicle passage during the duration of drilling activities with special consideration given to erosion control during wet and muddy periods.
7. Existing roads used by the Lessee shall be returned to original or equivalent condition after drilling equipment has been removed.
8. All roads shall be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts, and/or any other measures deemed necessary by LNRA representatives. The following is a general guide for spacing of water bars:

Present Slope

| | |
|-------------------------------|-----------|
| Less than 2 percent | .200 feet |
| 2 to 4 percent | .100 feet |
| 4 to 5 percent | .75 feet |
| more than 5 percent | .50 feet |

9. Lessee shall maintain roads in suitable condition for vehicle passage. The public will be permitted to use roads where existing roads were originally open to such use. New road construction, if needed is exempt from public use.

F. Actions with a Non-producing Well:

1. Upon abandonment of any well, the Lessee will plug such well so as to

effectively shut off fluid flow from the hydrocarbon bearing stratum. All well plugging shall be accomplished in accordance with current Texas Railroad Commission rules and regulations or their successor agency.

2. All disturbed areas will be re-contoured, covered with topsoil, and re-vegetated returning the area as closely to the original condition as possible. All trash will be removed from the lease premises.

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3. In the event of an abandonment of the lease for any reason, any surface areas that were disturbed will be re-vegetated by the Lessee, with native and/or adapted grasses, forbs, and shrubs, unless LNRA indicates, in writing, that the area or roads are to remain in an unrestored condition. Re-vegetation is to be accomplished by seeding and fertilizing the area within 1 year of completion at seeding rates appropriate for the local area as directed by LNRA.
4. Gates and cattle guards shall be removed if requested by LNRA. Any openings in fences will be restored to original condition.

G. General:

1. The lessee shall limit access to well, production, and storage facilities on the Project lands to authorized personnel only and hereby grants LNRA access to the drilling site and production facilities for inspection purposes. Lessee agrees to maintain or cause to be maintained security guards at the gate or gates being used by Lessee for the purpose of ingress or egress, if so directed LNRA in writing.
2. The Lessee agrees to cease all operations and make all necessary corrections to the satisfaction of the representative of LNRA before resuming any operations, should any violations of the terms of these stipulations occur.
3. The Lessee shall not permit any nuisance to occur or be maintained on the leased premises and shall not use said premises for any purposes other than those authorized in the lease. Before abandoning any well, the Lessee shall securely plug the same so as to effectually shut off water from the oil-bearing stratum.
4. The Lessee shall carry on the development and/or operation of the leased premises in a workmanlike manner and shall not commit or suffer to be committed waste upon the Project Lands in his occupancy and use. During drilling operations, the Lessee or operator shall only use so much of the Project Lands as is necessary; shall safeguard the water bodies from any pollution; and shall not permit oil, saltwater, drilling mud, or other deleterious substances to escape onto the Project Lands or into water, but the same shall be retained in

proper tanks, receptacles, or in pits prepared for such purposes; and after the termination of operations, any such fluids shall be disposed of in accordance with State laws, rules and regulations and the Project Lands will be properly restored to its original condition. Only so much land thereof shall be used in the production of the leased premises as is reasonably necessary to operate any well or wells thereon.

5. Lessee shall provide all employees, subcontractors, and assigns, especially the operator and dirt contractor, and any person or business providing services in the drilling, production or plugging activities with a copy of these stipulations prior to construction of the roads, pad, or associated lease developments.

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6. No firearms and illegal drugs shall be allowed on the Project Lands.
7. All vehicles on the Project Lands shall be subject to search by LNRA.
8. Upon execution of these stipulations, the Lessee shall pay the LNRA reasonable compensation for use of the surface of Project Lands. The amount of compensation shall be agreed upon prior to the execution of any BLM oil, gas and mineral lease on Project Lands, but shall not be less than \$20,000.00.
9. Upon execution of any BLM oil, gas, and mineral lease on Project Lands. Lessee shall grant to LNRA a one (1)% overriding royalty interest in all wells capable of producing oil, gas, or other minerals by executing the attached Conveyance of Overriding Royalty Interest form.
10. Lessee agrees to comply with these Oil, Gas and Mineral Leases General Stipulations applicable to the Project Lands.

EXHIBIT "A"

Nominated Oil and Gas Leasing Tracts
Bureau of Reclamation Minerals
Palmetto Bend Reservoir/Lake Texana, Jackson County, Texas

| | | |
|---------|----------------|----------|
| IC-57 | IC-101 | IC-182 |
| IC-68 | IC-102-1 | IC-183 |
| IC-69 | IC-102-2 | IC-184 |
| IC-70 | IC-102-2 | IC-185 |
| IC-71 | IC-104 | IC-191 |
| IC-72-1 | IC-107-1 | IC-196-1 |
| IC-72-3 | IC-107-2 | IC-196-2 |
| IC-72-4 | IC-108 | IC-196-3 |
| IC-73 | IC-109(kgs pt) | IC-196-4 |
| IC-74 | IC-110 | IC-205 |
| IC-75 | IC-111 | IC-207 |
| IC-76 | IC-112-1 | IC-215 |
| IC-77-1 | IC-112-2 | IC-216 |
| IC-77-2 | IC-114 | IC-221 |
| IC-77-3 | IC-115(kgs pt) | IC-229 |
| IC-77-4 | IC-136 | IC-230 |
| IC-78 | IC-157 | IC-231 |
| IC-79-1 | IC-174 | IC-233 |
| IC-79-2 | IC-176 | IC-237 |
| IC-79-3 | IC-181 | IC-238 |
| IC-79-4 | | |
| IC-80 | | |

CONVEYANCE OF OVERRIDING ROYALTY INTEREST

This conveyance of Overriding Royalty Interest (the "Conveyance") is made and entered into as of the ____ day of _____, 200__ by _____, A _____ corporation ("Grantor" and Lavaca Navidad River Authority ("Grantee").

RECITALS:

- A. Grantor is the holder of an oil and gas lease dated _____ from _____ to Grantor, recorded in Volume ____ at Page _____ Lease") covering the oil and gas and other minerals in and under land described in Exhibit A attached hereto (the "Subject Land").
- B. Grantee is the owner of the surface of the Subject Land.
- C. In consideration of Grantee's agreement to allow Grantor to use the surface of the Subject Land to develop Grantor's mineral estate in the Subject Land, Grantor has agreed to convey to Grantee a ____% overriding royalty interest in any and all production of oil, gas and other minerals from the Subject Land.

NOW, THEREFORE, for and in consideration of Ten and No/100 Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor, Grantor does hereby GRANT, BARGAIN, SELL and CONVEY unto Grantee, an overriding royalty interest (the "Overriding Royalty Interest") equal to _____% of any and all oil, gas and other minerals that may be produced from Subject Land, free and clear of any expenses (whether drilling, production, treating, transportation or other type of expense) relating to such Overriding Royalty Interest or the production of oil, gas and other minerals from the Subject Land. Grantor specifically acknowledges that Grantee's Overriding Royalty Interest is _____% of 8/8th of production from the Subject Land and such share is not reduced by any royalty paid the Grantor's lessor under the Subject Lease or to any other person.

TO HAVE AND TO HOLD, the above described Overriding Royalty Interest, together with all and singular the rights and appurtenances relating thereto and in anywise belonging, unto Grantee and Grantee's successor and assigns forever; and Grantor and Grantor's successors and assigns do hereby WARRANT and FOREVER DEFEND the Overriding Royalty Interest unto Grantee and Grantee's successors and assigns against every person whomsoever claims the same or any part thereof.

CONTROLLED SURFACE USE
FLOODPLAIN PROTECTION STIPULATION

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.

CONTROLLED SURFACE USE
WETLAND/RIPARIAN STIPULATION

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):

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

LESSER PRAIRIE CHICKEN STIPULATION

These leased federal minerals occur in an area known to contain populations of lesser prairie chickens (LPC). The exact locations of habitats utilized by this special status species are not known.

No pad or access road construction, drilling, completion, and/or stimulation (fracturing) activities associated with this federal lease will be allowed in LPC habitat between the dates of March 1 and May 31 (of every year). During that period (March 1 through May 31 of each year) other activities which produce noise or involve human activity, such as the maintenance of O&G facilities, or construction activities associated with pipelines, access roads and/or well pads, will be allowed except between the hours of 3:00 A.M. and 9:00 A.M., every day within that period. The 3:00 A.M. to 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. Normal vehicle use on existing roads will not be restricted. Noise from pump jack engines must be muffled or otherwise controlled to no more than 75 db measured at 30 ft from the source of the noise and/or timers must be placed on the pump jacks so as to eliminate pump noise during the hours of 3:00 A.M. to 9:00 A.M.

The following best management practices (BMPs) will be required:

a. A 2,640 foot (one-half mile) buffer zone will be maintained between any known active LPC leks and the construction, drilling and/or completion activities conducted on this lease.

b. The operator will be expected to drill multiple wells, planned for this lease, from each approved pad. Strategically located larger pads will be considered drilling islands from which the lease operator will directionally drill as many wells as possible. The lease operator(s) must consider using fewer but larger pads to drill multiple wells from one pad location, rather than many, scattered small pads with one well per pad. The reduction in access roads, flow/pipelines and utility corridors will reduce habitat fragmentation for the LPC.

c. Well pad sites will be selected so as to avoid clumps or motts of previous seasons' grasses (those grasses at 3-10ft height). Every effort must be made to minimize disturbance to, or removal of, such grasses that may exist along the perimeter of the well pad areas. These measures will help to provide nesting sites for LPC hens.

d. Well pad sites will be selected so as to avoid the removal of scrub oaks. Every effort must be made to minimize disturbance to, or removal of, any and all species of oaks (*Quercus* sp.) that may exist in association with any proposed well pad site.

e. The height of all vertical structures, relative to the horizons, must be reduced . This will be accomplished by an actual reduction in size or by using natural occurring geographic features, such as hills and bluffs, as a background for the vertical structures. Vertical structures include, but are not limited to, tank batteries, pump jacks, utility poles and livestock fences (fences around drilling and/or production facilities). Utility/power lines will be installed underground (buried by trenching or boring).

Please Note: Current biological information will need to be obtained in order to waive all, or portions, of the LPC requirements listed above. This updated information may/can be in the form of breeding season lek surveys, or habitat suitability evaluations.

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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