

## **APPENDIX 7. OIL AND GAS LEASE STIPULATIONS FOR THE JMH CAP AREA**

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This appendix describes oil and gas standard lease terms and conditions and reasonable measures to reduce the environmental effects of oil and gas operations. It also shows oil and gas leasing stipulations, including criteria for exception, modification, or waiver. The information in this appendix clarifies information provided in the final environmental impact statement including: Chapter 2 (Wildlife Habitat Management and Lease Stipulations under the Leasable Fluid Minerals Management section), Table 2-2, and Appendices 4, 5, 6, and 14. Also see Appendices 4 and 5 in the JMH CAP. Other sources of information for this appendix include the “Uniform Format for Oil and Gas Lease Stipulations” (USDI and USDA 1989) and the notices of competitive oil and gas lease sales published by BLM on a bi-monthly basis. Both of these documents can be found on the BLM website: <http://www.wy.blm.gov/minerals/og/leasing/oilgasleasing.html>.

Standard leasing terms for oil and gas are listed in Section 6 of Form 3100-11, Offer to Lease and Lease for Oil and Gas (see Figure A7-1). Section 6 states:

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

Prior to disturbing the surface of the leased lands, lessee shall contact BLM 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, T&E species, objects of historic or scientific interest or substantial unanticipated environmental effects are observed, the lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects until appropriate steps have been taken to protect the site or recover the resources as determined by BLM in consultation with other appropriate agencies.

### **LEASE NOTICES**

Lease notices provide more detailed information concerning limitations that already exist in law, lease terms, regulations, or operational orders. A Lease Notice also

addresses special items the lessee should consider when planning operations, but does not impose new or additional restrictions protect other resource values or land uses.

## **Standard Lease Notices**

### **Lease Notice No. 1 (This Notice Applies To All Parcels)**

#### **BACKGROUND**

Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM Form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to—

1. Modification of facility siting or design
2. Timing of operations
3. Specification of interim and final reclamation measures, which may require relocating proposed operations up to 200 meters, but not off the leasehold, and prohibiting surface disturbance activities for up to 60 days.

The lands within this lease may include areas not specifically addressed by lease stipulations that may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled or, if absolutely necessary, prohibited. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells.

1. Slopes in excess of 25 percent
2. Within 500 feet of surface water and/or riparian areas
3. Construction with frozen material or during periods when soil material is saturated or when watershed damage is likely to occur
4. Within 500 feet of interstate highways and 200 feet of other existing rights-of-way (i.e., U.S. and State highways, roads, railroads, pipelines, power lines)
5. Within 1/4 mile of occupied dwellings
6. Material sites.

#### **GUIDANCE**

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when one or more of the above conditions exist, surface disturbing activities will be prohibited unless or until the permittee or designated representative

and the surface management agency (SMA) arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

Specific threshold criteria (e.g., 500 feet from water) have been established based on the best information available. However, geographical areas and time periods of concern must be delineated at the field level (i.e., "surface water and/or riparian areas" may include both intermittent and ephemeral water sources or may be limited to perennial surface water).

The referenced oil and gas leases on these lands are hereby made subject to the stipulation that the exploration or drilling activities will not interfere materially with the use of the area as a materials site/free use permit. At the time operations on the above lands are commenced, notification will be made to the appropriate agency. The name of the appropriate agency may be obtained from the proper BLM field office.

## **Lease Notice No. 2 (This Notice Applies To All Parcels)**

### **BACKGROUND**

The Bureau of Land Management (BLM), by including National Historic Trails within its National Landscape Conservation System, has recognized these trails as national treasures. Our responsibility is to review our strategy for management, protection, and preservation of these trails. The National Historic Trails in Wyoming, which include the Oregon, California, Mormon Pioneer, and Pony Express Trails, as well as the Nez Perce Trail, were designated by Congress through the National Trails System Act (P.L. 90-543; 16 U.S.C. 1241-1251), as amended through P.L. 106-509 dated November 13, 2000. Protection of the National Historic Trails is normally considered under the National Historic Preservation Act (P.L. 89-665; 16 U.S.C. 470 et seq.) as amended through 1992 and the National Trails System Act. Additionally, Executive Order 13195, "Trails for America in the 21st Century," signed January 18, 2001, states in Section 1: "Federal agencies will...protect, connect, promote, and assist trails of all types throughout the United States. This will be accomplished by: (b) Protecting the trail corridors associated with national scenic trails and the high priority potential sites and segments of national historic trails to the degrees necessary to ensure that the values for which each trail was established remain intact."

Therefore, the BLM will consider all impacts and intrusions to National Historic Trails, their associated historic landscapes, and all associated features, such as trail traces, grave sites, historic encampments, inscriptions, natural features frequently commented on by emigrants in journals, letters and diaries, or any other feature contributing to the historic significance of the trails. Additional National Historic Trails will likely be designated amending the National Trails System Act. When these amendments occur, this notice will apply to those newly designated National Historic Trails as well.

## STRATEGY

The BLM will proceed in this objective by conducting a viewshed analysis on either side of the designated centerline of the National Historic Trails in Wyoming, except, at this time, for the Nez Perce Trail, for the purpose of identifying and evaluating potential impacts to the trails, their associated historic landscapes, and their associated historic features. Subject to the viewshed analysis and archaeological inventory, reasonable mitigation measures may be applied. These may include, but are not limited to, modification of siting or design of facilities to camouflage or otherwise hide proposed operations within the viewshed. Additionally, specification of interim and final reclamation measures may require relocating proposed operations within the leasehold. Surface disturbing activities will be analyzed in accordance with the National Environmental Policy Act of 1969 (P.L. 91-190; 42 U.S.C. 4321-4347) as amended through P.L. 94-52, July 3, 1975 and P.L. 94-83, August 9, 1975, and the National Historic Preservation Act, *supra*, to determine if any design, siting, timing, or reclamation requirements are necessary. This strategy is necessary until the BLM determines that, based on the results of the completed viewshed analysis and archaeological inventory, the existing land use plans (Resource Management Plans) have to be amended.

The use of this lease notice is a pre-decisional action, necessary until final decisions regarding surface disturbing restrictions are made. Final decisions regarding surface disturbing restrictions will take place with full public disclosure and public involvement over the next several years if BLM determines that it is necessary to amend existing land use plans.

## GUIDANCE

The intent of this notice is to inform interested parties (potential lessees, permittees, operators) that when any oil and gas lease contains remnants of National Historic Trails or is located within the viewshed of a National Historic Trails' designated centerline, surface disturbing activities will require the lessee, permittee, operator or, their designated representative, and the surface management agency to arrive at an acceptable plan for mitigation of anticipated impacts. This negotiation will occur prior to development and become a condition for approval when authorizing the action.

### **Lease Notice** (Attachment to each lease)

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201 (a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease, with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified

compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor, or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

## **LEASE STIPULATIONS**

Lease stipulations protect other resource values or land uses. A stipulation is a provision that modifies lease rights and is attached to and made a part of the lease.

### **Standard Lease Stipulation Format**

Each lease parcel is reviewed and stipulations identified in the land use plan are applied. A standard format has been established for the application of oil and gas lease stipulations. Three categories of stipulations have been identified: No Surface Occupancy; Timing Limitation Stipulation (TLS); and Controlled Surface Use (CSU). Specific information regarding the location and purpose of the stipulation is included in each stipulation. Examples of the standard lease stipulation language are described in more detail below.

### **NO SURFACE OCCUPANCY STIPULATION - NSO**

No surface occupancy or use is allowed on the lands described below (legal subdivision or other description).

NSO (1)

For the purpose of:

NSO (2)

#### Exceptions

There are no exceptions to the No Surface Occupancy Stipulation.

#### Modifications and Waivers

Modification of lease stipulations or permanent waivers of lease stipulations are analyzed, and approved or denied, by the Authorized Officer at the State Office. These actions require a separate NEPA analysis.

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

## **TIMING LIMITATION STIPULATION - TLS**

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

TLS (1)

On the lands described below:

TLS (2)

For the purpose of (reasons):

TLS (3)

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

## **CONTROLLED SURFACE USE STIPULATION—CSU**

### Rationale for CSU

Prohibition or limitation of surface use and other disruptive activities is intended to protect specific areas or values within the use area (for example, wildlife values that cannot be sufficiently protected using only seasonal restrictions). These areas and values include factors that limit such lifecycle activities as breeding grounds (leks, nesting sites, and early brood-rearing areas), and winter concentration areas. Surface disturbing and other disruptive activities include, but are not limited to, energy exploration, energy development, excavation for recovery cultural site information, reclamation activities, and potentially, maintenance and operations of facilities.

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

CSU (1)

On the lands described below:

CSU (2)

For the purpose of:

CSU (3)

### Exceptions

Exceptions to requirements developed from this guideline must be based on site-specific analysis of proposals (e.g., activity plans, plans of development, plans of operation, and applications for permits to drill). This analysis will occur case-by-case

and include consideration of exception criteria, as well as coordination with other agencies where appropriate.

### Modifications and Waivers

Modifications of lease stipulations or permanent waivers of lease stipulations are analyzed, and approved or denied, by the Authorized Officer at the State Office. These actions require a separate NEPA analysis.

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

## **Oil and Gas Lease Stipulations That Apply to All Parcels**

### **Resource: Threatened, Endangered, and Special Status Species**

**Stipulation:** Controlled Surface Use. 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.

**Objective:** To protect Threatened, Endangered, and Special Status Species.

### **Resource: Existing Mineral Leases**

**Stipulation:** Operations will not be approved which, in the opinion of the authorized officer, would unreasonably interfere with the orderly development and/or production from a valid existing mineral lease issued prior to this one for the same lands.

**Objective:** To protect valid existing mineral leases.

## **Oil and Gas Lease Stipulations for Potentially Affected Lands and Resources**

Table A7-1 describes the lease stipulations for the JMH CAP planning area. These stipulations are identified in Table 5 in the JMH CAP. Criteria to be considered for granting exceptions and for considering modifications or waivers are also discussed.

**Table A7-1. Oil and Gas Lease Stipulations for Potentially Affected Lands and Resources<sup>1</sup>**

**Resource:** **Big Game Crucial Winter Ranges**

<b>Stipulation:</b>	Timing Limitation. No activity from November 15 through April 30 in big game crucial winter range.
<b>Objective:</b>	To protect mule deer, elk, antelope, and moose range from disturbance during the winter season, and to facilitate long-term maintenance of wildlife populations.
<b>Exception:</b>	The authorized officer may grant an exception to this stipulation, in consultation with WGFD, if the operator submits a plan that demonstrates that impacts from the proposed action are minimal or can be adequately mitigated.
<b>Modification:</b>	The authorized officer may modify the boundaries of the stipulated area if the WGFD determines that portions of the area no longer contain big game crucial winter range. The dates for the timing restriction may be modified if new information indicates that the dates are not valid for the leasehold.
<b>Waiver:</b>	The authorized officer may waive this stipulation if the WGFD determines that the entire leasehold no longer contains big game crucial winter range for wildlife.

**Resource:** **Big Game Parturition (Birthing) Areas**

<b>Stipulation:</b>	Timing Limitation. Activity is prohibited from May 1 through June 30 in elk or mule deer parturition areas.
<b>Objective:</b>	To protect elk and mule deer parturition activities from disturbance and facilitate long-term maintenance of populations.
<b>Exception:</b>	The authorized officer may grant an exception to this stipulation if the operator submits a plan which demonstrates that impacts from the proposed action are minimal or can be adequately mitigated.
<b>Modification:</b>	The authorized officer may modify the boundaries of the stipulated area if the WGFD determines that portions of the area no longer contain parturition habitat. The dates for the timing restriction may be modified if new information indicates that the dates are not valid for the leasehold. The dates for the timing restriction may be modified if new wildlife use

information indicates that the May 1 through June 30 dates are not valid for the leasehold.

**Waiver:** The authorized officer may waive this stipulation if the WGFD determines that the entire leasehold no longer contains big game parturition habitat.

**Resource:** **Greater sage-grouse leks<sup>2</sup>**

**Stipulation:** Controlled Surface Use. Surface occupancy or use on, or within ¼ mile of the perimeter of leks is prohibited, unless anticipated adverse impacts can be adequately mitigated.

**Objective:** To protect greater sage-grouse leks.

**Exception:** The authorized officer may grant an exception for a proposed action if site-specific analysis determines the proposed action would not impair the use, function, or utility of the site for current or future mating activities. For example, some linear disturbances may not impair the function or utility of the site and, if the action does not adversely affect use of the habitat by the greater sage-grouse, the exception could be granted.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if the WGFD determines that portions of the area no longer contain greater sage-grouse lek(s) and are not within ¼ of a mile of a lek perimeter.

**Waiver:** The authorized officer may waive this stipulation if the WGFD determines that the entire leasehold no longer contains greater sage-grouse lek(s).

**Resource:** **Greater sage-grouse nesting/early brood-rearing habitats<sup>2</sup>**

**Stipulation:** Controlled Surface Use. Surface occupancy or use is restricted or prohibited unless anticipated adverse impacts can be adequately mitigated.

**Objective:** To protect suitable nesting and early brood-rearing habitat.

**Exception:** The authorized officer may grant an exception if a site-specific analysis determines that the action, as proposed or conditioned, would not impair the use, function, or utility of the site and the action does not adversely affect use of the habitat by the greater sage-grouse.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if the WGFD determines that portions of the

area no longer contain greater sage-grouse nesting and early brood-rearing habitat.

**Waiver:** The authorized officer may waive this stipulation if the WGFD determines that the entire leasehold no longer contains greater sage-grouse nesting and early brood-rearing habitat.

**Resource:** **Greater sage-grouse winter concentration areas<sup>2</sup>**

**Stipulation:** Controlled Surface Use. Surface occupancy or use is restricted or prohibited unless anticipated adverse impacts can be adequately mitigated.

**Objective:** To protect greater sage-grouse winter concentration areas (habitat).

**Exception:** The authorized officer may grant an exception for a proposed action if site-specific analysis determines the proposed action would not impair the function or utility of the site for winter use by greater sage-grouse, and the action does not adversely affect use of the habitat by the greater sage-grouse.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if the WGFD determines that portions of the area no longer contain greater sage-grouse winter concentration areas (habitat).

**Waiver:** The authorized officer may waive this stipulation if the WGFD determines that the entire leasehold no longer contains greater sage-grouse winter concentration areas (habitat).

**Resource:** **Breeding greater sage-grouse<sup>2</sup>**

**Stipulation:** Timing Limitation. No disruptive activities are allowed on leks, or within ¼ mile of the perimeter of leks from March 1 to May 15 between the hours of 8:00 pm through 8:00 am daily.

**Objective:** To maintain use of the lek by greater sage-grouse.

**Exception:** The authorized officer may grant an exception if site-specific analysis determines that the action, as proposed or conditioned, would not adversely affect attendance on the lek during the mating season.

**Modification:** The authorized officer may modify the boundaries of the stipulated times or dates if, after consultation with the WGFD, it is determined that modifying the dates or time of day would not adversely impact greater sage-grouse breeding activities.

**Waiver:** The authorized officer may waive this stipulation if the WGFD determines that the entire leasehold no longer contains greater sage-grouse lek(s).

**Resource:** **Nesting/early brood-rearing greater sage-grouse<sup>2</sup>**

**Stipulation:** Timing Limitation. No disruptive activities are allowed in greater sage-grouse nesting/early brood-rearing habitat from March 15 to July 15.

**Objective:** To protect greater sage-grouse during nesting/early brood-rearing.

**Exception:** The authorized officer may grant an exception if site-specific analysis determines that the action, as proposed, mitigated or conditioned, does not adversely affect nesting or early brood-rearing success.

**Modification:** The authorized officer may modify the boundaries of the stipulated times or dates if, after consultation with the WGFD, it is determined that modifying the dates would not adversely impact greater sage-grouse nesting/early brood-rearing activities.

**Waiver:** The authorized officer may waive this stipulation if the WGFD determines that the entire leasehold no longer contains greater sage-grouse nesting/early brood-rearing activities.

**Resource:** **Wintering greater sage-grouse<sup>2</sup>**

**Stipulation:** Timing Limitation. Disruptive activities are prohibited in greater sage-grouse winter concentration areas from November 15 through March 14.

**Objective:** To protect wintering greater sage-grouse.

**Exception:** The authorized officer may grant an exception if site-specific analysis determines that the action, as proposed, mitigated or conditioned, does not adversely affect wintering greater sage-grouse.

**Modification:** The authorized officer may modify the stipulated dates if, after consultation with the WGFD, it is determined that modifying the dates would not adversely impact wintering greater sage-grouse.

**Waiver:** The authorized officer may waive this stipulation if the WGFD determines that the entire leasehold no longer contains winter habitat for greater sage-grouse.

**Resource:** Raptor Nest Sites

**Stipulation:** No Surface Occupancy. Activity is prohibited within ¼- to ½-mile (species dependent) of raptor nests.

**Objective:** To protect nesting raptors.

**Exception:** No exception for the nest. The authorized officer may grant an exception to this stipulation for the placement of facilities, “on” (very low profile) or below ground, and temporary disruptive activities, such as occur with pipeline construction, within the ½- to 1-mile area surrounding the nest if the operator submits a plan that demonstrates the impacts from the proposed action are minimal or can be adequately mitigated.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if, in coordination with USFWS, it is determined that area can be occupied without adversely affecting raptor nest sites or nesting.

**Waiver:** The authorized officer may waive this stipulation if, in coordination with USFWS, it is determined that the entire leasehold can be occupied without adversely affecting raptor nest sites or nesting habitat.

**Resource:** Raptor Nest Sites

**Stipulation:** Timing Limitation. No activity is allowed from February 1 through July 31 in a ½- to 1-mile (species-dependent) radius around raptor nest sites that have been active within the past 5 years.

**Objective:** To protect reproductive potential of breeding habitat for raptors.

**Exception:** No exception for the nest. The authorized officer may grant an exception to this stipulation for placement of facilities, “on” (very low profile) or below ground, and temporary disruptive activities, such as occur with pipeline construction, within the ½- to 1-mile area surrounding the nest if the operator submits a plan that demonstrates the impacts from the proposed action are minimal or can be adequately mitigated.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if it is determined that portions of the area no longer are within ½-mile of raptor nest sites. The dates for the timing restriction may be modified if new information indicates

that the February 1 through July 31 dates are not valid for the leasehold.

**Waiver:** The authorized officer may waive this stipulation if it is determined that the entire leasehold no longer is within ½- to 1 mile of raptor nest sites.

**Resource: Mountain Plover**

**Stipulation:** Timing Limitation. Where nesting plovers are found, activity within 1/4 mile (or appropriate distance) would be restricted from April 10 to July 10.

**Objective:** To facilitate reproductive efforts of mountain plover.

**Exception:** The authorized officer may grant an exception to this stipulation if the operator submits a plan demonstrating that the impacts from the proposed action are minimal or can be adequately mitigated. The appropriate buffer area may be adjusted to prevent direct loss of the nest or indirect impacts from human-related disturbance. The appropriate buffer distance will vary depending on topography, type of activity proposed, and duration of disturbance.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if it is determined that portions of the area no longer are within the buffer of mountain plover nest sites. The dates for the timing restriction may be modified if new information indicates that the April 10 to July 10 dates are not valid for the leasehold.

**Waiver:** The authorized officer may waive this stipulation if it is determined that the entire leasehold no longer is within buffer of mountain plover nest sites.

**Resource: Game and Special Status Fish Species**

**Stipulation:** Timing Limitation. Seasonal stipulations will be applied to protect spawning areas. Times of closure are dependent on the species affected and specific the location(s).

**Objective:** To ensure healthy populations of game and special status fish.

**Exception:** An exception may be granted after a site assessment is conducted and if the operator can demonstrate in a surface use plan of operations that adverse effects can be eliminated and activities would not affect game or special status fish.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if, in consultation with WGFD, it is determined that portions of the area can be occupied without adversely affecting game or special status fish.

**Waiver:** A waiver may be granted if it is determined, in consultation with the WGFD, that the entire leasehold does not contain game or special status fish.

**Resource:** **Special Status Plants**

**Stipulation:** No Surface Occupancy. Surface disturbing activity is prohibited on, or within a specific distance (species-specific) of special status plants.

**Objective:** To protect populations of special status plants.

**Exception:** None.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if it is determined that portions of the area are no longer capable of supporting special status plants.

**Waiver:** The authorized officer may waive this stipulation if, in coordination with USFWS (if appropriate), it is determined that the entire leasehold is no longer capable of supporting special status plants.

**Resource:** **Special Status Plants Potential Habitat**

**Stipulation:** Controlled Surface Use. Surface disturbing activity is limited or prohibited on, or within a specific distance (species-specific) of special status plant potential habitats.

**Objective:** To protect populations of special status plants.

**Exception:** The authorized officer may grant an exception if searches determine that the plant is not within the area and the operator submits a plan demonstrating that the proposed action will not affect the special status plants or their habitats. Where impacts to sensitive resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if it is determined that portions of the area are no longer capable of supporting special status plants.

**Waiver:** The authorized officer may waive this stipulation if, in coordination with USFWS (if appropriate), it is determined that the entire leasehold is no longer capable of supporting special status plants.

**Resource:** **Developed Recreation Sites**

**Stipulation:** No Surface Occupancy. Activity is prohibited in the Greater Sand Dunes ACEC developed recreation sites and parking lot.

**Objective:** To recognize and protect the public's opportunity for quality recreation experiences at sites developed for that purpose. This stipulation would protect capital investment, and to a limited extent, visitors' recreation experiences while at the site.

**Exception:** None.

**Modification:** The authorized officer may modify the boundaries of the area if the recreation area boundaries are changed.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains a developed recreation area.

**Resource:** **Indian Gap**

**Stipulation:** No Surface Occupancy. Activity is prohibited on and within 100 feet of Indian Gap.

**Objective:** To recognize and protect Indian Gap and setting.

**Exception:** None.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of Indian Gap are changed.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the Indian Gap area.

**Resource:** **Crookston Ranch Site**

**Stipulation:** No Surface Occupancy. Activity is prohibited on the Crookston Ranch site and surrounding ½-mile area.

**Objective:** To preserve historic features, and for interpretation of ranching history in the area.

**Exception:** None for the ranch site. An exception for the ½-mile area surrounding the Crookston Ranch site could be considered if the activity would not affect the historic feature or the setting.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of Crookston Ranch are changed.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the Crookston Ranch area.

**Resource:** **Sensitive Resources**

**Stipulation:** No Surface Occupancy. Activity is prohibited on overlapping sensitive resources.

**Objective:** To protect areas with a high concentration of overlapping sensitive resource values, including, but not limited to, key wildlife habitat, cultural resources, Native American Respected Places, and scenic values.

**Exception:** None.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of the sensitive resources change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the overlapping sensitive resources.

**Resource:** **Sensitive Resources**

**Stipulation:** Controlled Surface Use. Activity is limited or prohibited on overlapping sensitive resources.

**Objective:** To protect areas with a high concentration of overlapping sensitive resource values, including, but not limited to, key wildlife habitat, cultural resources, Native American Respected Places, and scenic values.

**Exception:** The authorized officer may grant an exception if the lessee or operator submits a plan demonstrating that the adverse impacts to sensitive resources can be mitigated. Where impacts to sensitive resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of the sensitive resources change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the overlapping sensitive resources.

**Resource: Area for ½-mile within Area 3**

**Stipulation:** No Surface Occupancy. Activity is prohibited for a distance of ½ mile within portions of the boundary of Area 3.

**Objective:** To provide adequate habitat, as well as opportunity for the use of crucial winter range, calving/fawning areas, migration corridors, etc., protection of sensitive resources, and protection of public health and safety.

**Exception:** None.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of Area 3 change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer falls within ½ mile of the boundary of Area 3.

**Resource: South Pass Historic Landscape ACEC (Visible Portion)**

**Stipulation:** No Surface Occupancy. Activity is prohibited on the area surrounding the trails and visible from the trails.

**Objective:** To protect the visual and historical integrity of the historic trails and surrounding viewscape.

**Exception:** None.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of the portion visible from the trails change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the boundaries of the portion visible from the trails.

**Resource: South Pass Historic Landscape ACEC (Non-Visible Portion)**

**Stipulation:** Controlled Surface Use. Activity is limited or prohibited on the area surrounding the trails that are shielded by topography and not visible from the trails.

**Objective:** To protect the visual and historical integrity of the historic trails and surrounding area.

**Exception:** The authorized officer may grant an exception if the activity is subordinate to the landform and not visible from the historic trails, and provided environmental analysis indicates the visual integrity of the area can be maintained. Where impacts to sensitive resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of the portion not visible from the trails change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the boundaries of the portion not visible from the trails.

**Resource: 100-year Floodplains, Wetlands, or Riparian Areas**

**Stipulation:** Controlled Surface Use. Surface disturbing activity is limited or prohibited for such permanent facilities as storage tanks and structure pits in 100-year floodplains, wetlands, or riparian areas.

**Objective:** To protect water quality and provide for healthy riparian areas.

**Exception:** The authorized officer may grant an exception for structures that would enhance protection and management of 100-year floodplains, wetlands, and riparian areas. The authorized officer also may grant an exception for linear crossings in these areas if the lessee or operator submits a plan demonstrating that adverse impacts to sensitive can be mitigated. Where impacts to sensitive resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the stipulated area if it is determined that portions of the area are no longer capable of supporting special status plants.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold is no longer contains 100-year floodplains, wetlands or riparian areas.

**Resource: Slopes Greater Than 20 Percent**

**Stipulation:** Controlled Surface Use. Activity is limited or prohibited on slopes greater than 20 percent.

**Objective:** To protect slopes, which provide key habitat, hiding cover, and topographic relief for wildlife.

**Exception:** The authorized officer may grant an exception if the lessee or operator submits a plan demonstrating that adverse impacts to slopes and related resources can be mitigated. Where impacts to slopes cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of the sensitive resources change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains slopes greater than 20 percent.

**Resource:** **Greater Sand Dunes ACEC**

**Stipulation:** Controlled Surface Use. Activity is limited or prohibited in the Greater Sand Dunes ACEC (eastern portion).

**Objective:** To preserve and protect the integrity of the unique values in the area for future public use and enjoyment. These values include: the unusual geological features associated with the sand dunes and the area around Boars Tusk; the biological interrelationships supported by the dunes, especially the Steamboat desert elk herd, mule deer herd, and other dependent plants and animals; and a variety of recreation uses.

**Exception:** The authorized officer may grant an exception if the lessee or operator submits a plan demonstrating that adverse impacts to ACEC resources can be mitigated. Where impacts to these resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of the ACEC change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the ACEC.

**Resource:** **Steamboat Mountain ACEC**

**Stipulation:** Controlled Surface Use. Activity is limited or prohibited in the Steamboat Mountain ACEC.

**Objective:** 1) To enhance and maintain the water quality, vegetation, soil, and wildlife resources to ensure biological diversity and a healthy ecosystem; 2) to maintain the unique diverse habitats (big sagebrush, aspen, limber pine, and mountain shrub communities) in the Steamboat Mountain area, especially on stabilized sand dunes along Steamboat Rim, Indian Gap, and in the Johnson, Lafonte, and Box Canyon areas; and 3) provide suitable habitat to maintain the continued existence of the Steamboat elk herd and other big game populations preserve and protect the integrity of the unique values in the area for future public use and enjoyment.

**Exception:** The authorized officer may grant an exception if the lessee or operator submits a plan demonstrating that adverse impacts to ACEC resources can be mitigated. Where impacts to these resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of the ACEC change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the ACEC.

**Resource:** **West Sand Dunes Archaeological District**

**Stipulation:** Controlled Surface Use. Activity is limited or prohibited in the West Sand Dunes Archaeological District.

**Objective:** To protect important heritage resources and provide for scientific study, education, and interpretation.

**Exception:** The authorized officer may grant an exception if the lessee or operator submits a plan demonstrating that adverse impacts to area resources can be mitigated. Where impacts to these resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of the West Sand Dunes Archaeological District change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the area.

**Resource: Red Desert Watershed Management Area**

**Stipulation:** Controlled Surface Use. Activity is limited or prohibited in the Red Desert Watershed Management Area.

**Objective:** To protect visual resources, watershed values, and wildlife resources, and to provide large areas of unobstructed views for enjoyment of scenic qualities.

**Exception:** The authorized officer may grant an exception if the lessee or operator submits a plan demonstrating that adverse impacts to area resources can be mitigated. Where impacts to these resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the area if the boundaries of the Red Desert Watershed Management Area change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the Red Desert Watershed Management Area.

**Resource: Steamboat Mountain Management Area**

**Stipulation:** Controlled Surface Use. Activity is limited or prohibited in the Steamboat Mountain Management Area.

**Objective:** To protect important Native American cultural values, Indian Gap, important watershed values, unique wildlife habitat features, and crucial and overlapping big game habitat.

**Exception:** The authorized officer may grant an exception if the lessee or operator submits a plan demonstrating that adverse impacts to area resources can be mitigated. Where impacts to these resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the Steamboat Mountain Management Area if the boundaries of the area change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the Steamboat Mountain Management Area.

**Resource:** Portions of White Mountain

**Stipulation:** Controlled Surface Use. Activity is limited or prohibited on portions of White Mountain.

**Objective:** To protect important visual resources, heritage resources and Native American Respected Places.

**Exception:** The authorized officer may grant an exception if the lessee or operator submits a plan demonstrating that adverse impacts to area resources can be mitigated. Where impacts to these resources cannot be mitigated to the satisfaction of the Surface Managing Agency, surface occupancy on that area must be prohibited.

**Modification:** The authorized officer may modify the boundaries of the White Mountain area if the boundaries of the area change.

**Waiver:** The authorized officer may waive this stipulation if the entire leasehold no longer contains the portions of White Mountain.

<sup>1</sup>These actions may also be applied to activities other than those associated with oil and gas development based upon a site specific NEPA analysis.

<sup>2</sup>For further clarification on lease stipulations, COAs, and the criteria used for granting exceptions, see Appendix 4 and Appendix 5.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0185  
Expires: 6/30/2006  
Serial Number \_\_\_\_\_

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

The undersigned (page 2) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the Combined Hydrocarbon Leasing Act of 1981 (95 Stat 1070).

**READ INSTRUCTIONS BEFORE COMPLETING**

1. Name

Street

City, State, Zip

2. This application/offer/lease is for: *(Check Only One)* PUBLIC DOMAIN LANDS ACQUIRED LANDS (percent U.S. interest \_\_\_\_\_ )

Surface managing agency if other than Bureau of Land Management (BLM): \_\_\_\_\_ Unit/Project \_\_\_\_\_

Legal description of land requested: \*Parcel No.: \_\_\_\_\_ \*Sale Date (mm/dd/yyyy): \_\_\_\_\_

**\*See Item 2 in Instructions below prior to completing Parcel Number and Sale Date.**

T. R. Meridian State County

Amount remitted: Filing fee \$ \_\_\_\_\_ Rental fee \$ \_\_\_\_\_ Total acres applied for \_\_\_\_\_  
Total \$ \_\_\_\_\_

**DO NOT WRITE BELOW THIS LINE**

3. Land included in lease:

T. R. Meridian State County

Total acres in lease \_\_\_\_\_

Rental retained \$ \_\_\_\_\_

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

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

THE UNITED STATES OF AMERICA

Type and primary term:

Noncompetitive lease (ten years) by \_\_\_\_\_  
(BLM)

Competitive lease (ten years) \_\_\_\_\_  
(Title) (Date)

Other \_\_\_\_\_ EFFECTIVE DATE OF LEASE \_\_\_\_\_

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)2(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act. (b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

**This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments.**

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

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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.

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#### 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 there from, 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 authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee 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 that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium-Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee 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 must be subject to applicable provisions and penalties of FOGPMA (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.

## INSTRUCTIONS

### 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 31.10. 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 (1004-0145), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop, 401LS, Washington, D.C. 20240