

JUNE 2018 STIPULATIONS AND NOTICES – IDAHO PARCELS

STIPULATIONS	
1	<p style="text-align: center;">CULTURAL RESOURCE PROTECTION STIPULATION</p> <p>This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, Executive Order 13007, or other statutes and executive orders. The BLM will not approve any ground-disturbing activities that may affect any such properties or resources until it completes its obligations (e.g., State Historic Preservation Officer (SHPO) and tribal consultation) under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized, or mitigated.</p>
2	<p style="text-align: center;">ENDANGERED SPECIES ACT SECTION 7 CONSULTATION STIPULATION</p> <p>The lease area may now or hereafter contain plants, animals or their habitats determined to be threatened, endangered, or other special status species. The 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. The 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. The 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 <i>et seq.</i>, including completion of any required procedure for conference or consultation.</p>
3	<p style="text-align: center;">NO SURFACE OCCUPANCY – PERENNIAL STREAMS, RIPARIAN, WETLANDS, SPRINGS AND IRRIGATION DITCHES/CANALS</p> <p>For the purpose of preventing watershed damage no occupancy or other surface disturbance will be allowed within 500 feet of perennial streams, riparian areas, wetlands, springs, and irrigation ditches/canals. This distance may be modified when specifically approved in writing by the Authorized Officer of the Bureau of Land Management. This stipulation applies to the following areas: Sec 7 - N½SE¼; Sec 9 - E½; Sec 17 - E½E½; Sec 18 - SE¼SE¼.</p>
4	<p style="text-align: center;">NO SURFACE OCCUPANCY – SLOPES IN EXCESS OF 20-30 PERCENT</p> <p>No occupancy or other surface disturbance will be allowed on slopes in excess of 30 percent or in excess of 20 percent on extremely erodible or slumping soils, without written approval of the Authorized Officer of the BLM. This stipulation applies to the following areas: Sec 7 - lot 3, NE¼SW¼, and N½SE¼; Sec 8 - NE¼; Sec 9 - E½; Sec 17 - E½NE¼ and NE¼SE¼.</p>

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5	<p align="center">CONTROLLED SURFACE USE/TIMING LIMITATIONS – MIGRATORY BIRD NESTING</p> <p>In order to protect migratory bird nesting within the lease area, surface disturbance and land clearing of vegetated habitat capable of supporting migratory bird nesting is restricted during avian breeding season (March 15 through August 15). Exceptions to the limitation in any year may be specifically authorized in writing by the Authorized Officer BLM.</p>
6	<p align="center">TIMING LIMITATIONS – LYNX AND WOLVERINE HABITAT</p> <p>In order to protect seasonal lynx and wolverine habitat, exploration drilling and other development activity will be restrict during the period from December 1 to February 28. Appropriate modifications to imposed restrictions will be made for the maintenance and operation of producing wells. Exceptions to this limitation in any year may be specifically authorized in writing by the Authorized Officer of the BLM. This stipulation applies to the following areas: Sec 8 - NE¼ and Sec 9 - E½.</p>
7	<p align="center">SAGE-GROUSE GENERAL HABITAT MANAGEMENT AREA – ENTIRE LEASE AREA</p> <p>To meet the objectives of the “Idaho and Southwestern Montana Greater Sage-Grouse Approved Resource Management Plan Amendment, September 2015 (2015 GRSG ARMPA),” conditions of approval would be imposed on exploration and other development activities within the entire lease area on a case-by-case basis in accordance with the ARMPA management decisions, buffers, seasonal restrictions, and required design features (RDFs).</p>
8	<p align="center">SAGE GROUSE LEK BUFFER DISTANCES</p> <p>There are no recorded sage grouse leks within the lease area however, if discovered, activities will be avoided within the following distances from sage grouse leks:</p> <ul style="list-style-type: none"> • linear features (roads) within 3.1 miles of leks. • infrastructure related to energy development within 3.1 miles of leks. • tall structures (e.g., communication or transmission towers, transmission lines) within 2 miles of leks. • low structures (e.g., fences, rangeland structures) within 1.2 miles of leks. • surface disturbance (continuing human activities that alter or remove the natural vegetation) within 3.1 miles of leks. • noise and related disruptive activities including those that do not result in habitat loss (e.g., motorized recreational events) at least 0.25 miles from leks. <p>Exception: The BLM may approve actions in General Habitat that are within the applicable lek buffer distance identified above only if:</p> <ul style="list-style-type: none"> • It is not possible to relocate the project outside of the applicable lek buffer distance(s) identified above;

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	<ul style="list-style-type: none"> • the BLM determines that a lek buffer-distance other than the applicable distance identified above offers the same or a greater level of protection to GRSG and its habitat, including conservation of seasonal habitat outside the analyzed buffer area, based on vest available science, landscape features, and other exiting protections, (e.g., land use allocations, state regulations); or • the BLM determines that impacts to GRSG and its habitat are minimized such that the project will cause minor or no new disturbance (ex. Co-location with existing authorizations); and • any residual impacts within the lek buffer-distances are addressed through compensatory mitigation measures sufficient to ensure a net conservation gain, as outlined in the Mitigation Strategy (Appendix X of the 2015 GRSG ARMPA).
9	<p style="text-align: center;">REDUCE NOISE DISTURBANCE</p> <p>To reduce noise disturbance impacts to surrounding wildlife habitat during the migratory bird nesting season and the Greater Sage-grouse early brood-rearing through late brood-rearing seasons [April - September] noise abatement mitigation will be required for exploration and development activities within the entire lease area.</p>
10	<p style="text-align: center;">SURFACE USE AGREEMENT REQUIRED</p> <p>Reclamation standards for exploration and development activities will be formally negotiated/addressed through the surface use agreement between the operator and the land owner (forthcoming), at which point BLM will attempt conformity to the 2015 GRSG ARMPA, and require applicable COA's in any forthcoming NEPA analysis.</p>

NOTICES	
1	<p style="text-align: center;">REQUIREMENTS OF COAL LESSEES</p> <p>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 which 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.</p> <p>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 Officer of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or a transferee 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).</p> <p>The lease case file, as well as other Bureau of Land Management (BLM) records available through the state office issuing this lease, contains information regarding assignor or transferor compliance with Section 2(a)(2)(A).</p>
2	<p style="text-align: center;">AIR QUALITY ANALYSIS</p> <p>The lessee/operator is given notice that prior to project-specific approval, additional air quality analyses may be required to comply with the National Environmental Policy Act, Federal Land Policy Management Act, and/or photochemical modeling for deposition and visibility impacts analysis, control equipment determinations, and/or emission inventory development. These analyses may result in the imposition of additional project-specific air quality control measures.</p>
3	<p style="text-align: center;">FLOODPLAIN MANAGEMENT</p> <p>The lessee/operator is given notice that, in accordance with Executive Order 11988, to avoid adverse impact to floodplains- 1) facilities should be located outside the 100 year floodplain, or 2) would be minimized or mitigated by modification of surface use plans within floodplains present within the lease.</p>
4	<p style="text-align: center;">WETLAND DELINEATION</p> <p>The lessee/operator is given notice that, prior to project-specific approval, wetland delineation may be required to determine if any disturbance occurs within wetlands under the jurisdiction of the Army Corps of Engineers (USACE). Wetland delineation may result in the modification of surface use</p>

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	plans to avoid wetlands and/or additional project-specific mitigation measures and conditions of approval.
5	<p style="text-align: center;">MIGRATORY BIRD AND BAT CONSERVATION STRATEGY</p> <p>The lessee is given notice that a Bird and Bat Conservation Strategy, which indicates a “good faith” effort to conserve migratory birds and address the Migratory Bird Treaty Act, should be developed for well sites that go into production status.</p>
6	<p style="text-align: center;">WATER QUALITY</p> <p>The lessee is given notice that, at the time of development, drilling operators will additionally conform to the operational regulations in : 1) Onshore Oil & Gas Order No. 2 which requires the protection of all usable quality waters; 2) Onshore Oil and Gas Order No. 7 which prescribes measures required for the handling of produced water to ensure the protection of surface and ground water sources; and 3) the Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development (The Gold Book, Fourth Edition – Revised 2007) which provides information and requirements for conducting environmentally responsible oil and gas operations. Additional mitigation measures may be necessary to prevent adverse impacts from oil and gas exploration and development activities. Mitigation measures may include submittal of an erosion and sediment control plan with best management practices (BMPs) that addresses sediment and water control with interim and final reclamation. Project activities in sensitive areas, or near water sources, may require a semi or closed-loop drilling system.</p>