

*Bureau of
Land
Management
Eastern
States Office*

December 10, 2015

*Notice of
Competitive
Oil and Gas
Lease Sale*

December 10, 2015

*Office Address:
20 M St SE, Suite 950
Washington, DC 20003*

*Sale Location:
High Desert
Conference Room
4th Floor - Room 4017
20 M Street, SE
Washington, DC
20003*





United States Department of the Interior Bureau of Land Management

Eastern States
20 M Street SE, Suite 950
Washington, DC 20003
<http://www.es.blm.gov>



September 10, 2015

NOTICE OF COMPETITIVE LEASE SALE OIL AND GAS

In accordance with Federal Regulations 43 CFR Part 3120, the Eastern States Office is offering competitively 9 parcels containing acres of Federal lands in Arkansas (**2 parcels for 80.00 acres**) and Michigan (**7 parcels for 427.01**) for oil and gas leasing.

This notice provides:

- the time and place of the sale;
- how to register and participate in the bidding process;
- the sale process;
- the conditions of the sale;
- how to file a noncompetitive offer after the sale;
- how to file a presale noncompetitive offer; and
- how to file a protest to our offering the lands in this Notice.

Beginning on page 13, is a list of the lands we are offering. The lands are listed by state and described by parcel number and legal land description. 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; and those that have pending pre-sale noncompetitive offers to lease which will not be available for noncompetitive offers to lease if they receive no bid at the 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 oral auction will begin at **11:00 a.m. on December 10, 2015**. The sale room will open at 10:00 a.m. to allow you to register and obtain your bid number.

Where: The sale will be held at the Bureau of Land Management, Eastern States Office (BLM-ES), 20 M Street SE, High Dessert Conference Room, 4th Floor-4017, Washington, DC 20003. Our office building is located diagonally across the street from WMATA's Green Line Station - Navy Yard-Ballpark exit. Limited street and paid parking is available.

Access: The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact the Minerals Adjudication Team at (202) 912-7700 or at the mailing address on the letterhead of this Notice by **November 10, 2015**.

Information regarding leasing of Federal minerals overlain with private surface, referred to as “Split Estate”, is available at the following Washington Office website. A Split Estate brochure is available at this site. The brochure outlines the rights, responsibilities, and opportunities of private surface owners and oil and gas operators in the planning, lease sale, permitting/development, and operations/production phases of the oil and gas program: http://www.blm.gov/bmp/Split_Estate.htm.

What is the sale process?

Starting at 11:00 a.m. on the day of the sale:

- the auctioneer will offer the parcels in the order they are shown in the notice;
- all bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- the winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- the decision of the auctioneer is final.

How do I participate in the bidding process?

To participate in the Bureau of Land Management (BLM) bidding process, you must register and obtain a bidder number. If you are bidding for more than one party, you must register and obtain a separate bidder number for each company or individual you represent. The BLM will begin registering bidders at 10:00 a.m. on the day of the sale.

When you register to bid, you will be required to show valid government-issued photo identification (ID) to verify your identity. If you do not provide a valid photo ID, you will not be allowed to register as a bidder and participate in the auction.

You will also be asked to sign a statement to confirm that any bid you cast will represent a good-faith intention to acquire an oil and gas lease and that you understand that any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed. Further, you will acknowledge that you understand that it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious, or fraudulent statements or representations regarding your qualifications; bidder registration and intent to bid; acceptance of a lease; or payment of monies owed; and that any such offense may result in a fine or imprisonment for not more than 5 years or both. You will also acknowledge that you understand that it is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations. Any person who knowingly violates this provision will be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

If you, or the party you represent, owe the United States any monies that were due the day of a previous oil and gas lease auction conducted by any BLM office (the minimum monies owed the day of sale), you will not be allowed to register to bid at this lease sale. The Mineral Leasing Act requires that leases be issued to a “responsible qualified bidder” (30 U.S.C. 226(b)(1)(A)). Any bidder, or

party represented by a bidding agent, that does not pay the minimum monies owed the day of the sale is not a “responsible qualified bidder” and will be barred from participating in any oil and gas lease auction nationwide until that debt to the United States is settled. In addition, if you or the party you represent defaults at any three sales conducted by any BLM office, you or the party you represent will be barred permanently from participating in any other BLM oil and gas lease sale auction.

-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.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in Eastern States’ Public Room and on our website at: http://www.blm.gov/es/st/en/prog/minerals/current_sales_and.html . You may also get the number(s) of withdrawn parcels by contacting the Minerals Adjudication Team on (202) 912-7700. If there’s a need to cancel the sale, we will try to notify all interested parties in advance.

Inclement Weather

In the event of hazardous weather, please tune in to local television or radio stations. Weather related or regional information may also be accessed via the Internet at www.opm.gov. If there is a broadcast for Federal employees, BLM’s hours of operation will be affected.

The procedure for Oil and Gas Lease Sales scheduled on a business day with a 2-hour delay or if 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 sale’s location will remain locked until 10:30a.m. The Oil and Gas Lease Sale will begin at 11:30 a.m. with registration starting at 10:30 a.m., please call for the recorded information on delays at (202) 912-7700.
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 for recorded information on closures at (202) 912-7700.

Every effort will be made to post the information on delays or 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.

- **Payment due on the day of the sale:** Payment is due on the day of the sale. You cannot withdraw a bid. For each parcel you win, you must pay the minimum bonus bid of \$2 per acre or fraction of an acre, the first year's advance rental of \$1.50 per acre or fraction of an acre, and a non-refundable administrative fee of **\$155.00**. You must pay these monies by **4:30 p.m., December 10, 2015** at the sale site. Any remaining balance on the bonus bid is due by **December 28, 2015** (*10 business days after the sale*) at BLM-ES' Accounts Department.

The minimum monies owed on the day of the sale for a winning bid are monies owed to the United States (43 CFR 3120.5-2(b) and 43 CFR 3120.5-3(a)). If payment of the minimum monies owed the day of the sale is not received by the date and time above, the BLM will issue a bill for the monies owed. If payment is not received by the bill due date, a demand letter will be sent to you that will include additional fees. If payment is not received as requested by the demand letter, the U.S. will immediately pursue collection by all appropriate methods, and when appropriate, collect late fees, interest, administrative charges, and on past-due amounts assess civil penalties. "All appropriate methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus; salary or administrative offset; offset of Federal and state payments, including goods or services; Federal and state tax refund offset; and retirement payment offset. Debts may be sent to the Internal Revenue Service and charged as income to you on Form 1099C, Cancellation of Debt (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR part 285).

- **Forms of payment:** You may pay by personal check, certified check, money order, **Electronic Funds Transfer (EFT)**, Automated Clearing House (ACH), or credit card (Visa, MasterCard, American Express or Discover Card only). We cannot accept cash. If you plan to make your payment using a credit card, you should contact your bank prior to the sale and let them know you will be making a substantial charge against your account. ***Please note, we will not accept credit or debit card payments for an amount equal to or greater than \$49,999.99. We also will not accept aggregated smaller amounts to bypass this requirement.*** An amount owed that exceeds the maximum dollar amount for a credit card payment transaction may not be split into two or more payment transactions in the same day by using one or multiple credit cards. Additionally, an amount owed that exceeds the maximum dollar amount for a credit card payment transaction may not be split into two or more transactions over multiple days by using one or more credit cards. The BLM does not have Personal Identification Number (PIN) equipment for the purpose of processing PIN authorized debit cards. All debit card transactions will be processed as credit cards and the dollar value limits will apply. If you pay by check, please make your check payable to: **Department of the Interior-BLM**. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. ***However, we cannot grant you any extension of time to pay the money that is due the day of the sale.***

Please note that under regulation 43 CFR 3120.5-2 (b), the winning bidder for a parcel sold at a competitive oil and gas lease sale shall submit on the day of the sale the minimum bonus bid of \$2 per acre, the first year's rental, and a processing fee (currently \$155.00 per parcel). The minimum monies owed the day of the sale for a winning bid are monies owed to the United States, whether or not a lease is issued (43 CFR 3120.5-3 (a)). **Any submitted payment which is declined by the associated financial institution does not constitute the payment required under 43 CFR 3120.5-2 (b).** If the required payment is not made on the day of the sale, any winning bid associated with the payment will be rejected for noncompliance with the regulations, no lease associated with the payment will be issued, the land will be reoffered at a future competitive lease sale, and the BLM will issue a bill for the monies owed. If payment is not received by the bill due date, a demand letter will be sent to the winning bidder that will include additional fees. If payment is not received as requested by the demand letter, the United States will pursue collection by all available methods, and when appropriate, collect late fees, civil penalties, interest, administrative charges and penalties on past due amounts. "All available methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus, salary or administrative offset, offset of Federal and State payments, including goods or services, Federal and State tax refund offset, and retirement payment offset. Debts may be sent to the Internal Revenue Service for inclusion as income to you on form 1099C, Cancellation of Debt. (Federal Claims Collection Act of 1966, as amended; Debt Collection Improvement Act of 1996; and 31 CFR 285, Debt Collection Authorities Under the Debt Collection Act of 1966.)

Effective June 1, 2015, BLM will not accept credit card or debit card payments to the Bureau for any amount equal to or greater than \$25,000 for any purpose. We also will not accept aggregate smaller amounts to bypass this requirement. We encourage you to make any payments of \$25,000 or more by Automated Clearing House (ACH).

How do I calculate my bonus bid for parcels where the U. S. only owns a fractional mineral interest?

If the United States owns less than 100 percent of the oil and gas rights in a parcel, the parcel will reflect the percentage of interest the United States owns. You must calculate your bonus bid and advance rental payment on the **gross acreage in the parcel**. For example, if the U.S. owns 50 percent of the oil and gas in a 100.48 acre parcel, the minimum bid is \$202 (101 acres x \$2) and the advance rental due is \$151.50 (101 acres x \$1.50).

What are the terms and conditions of a lease issued as a result of this sale?

- **Terms of the lease:** A lease is issued for a primary term of 10 years. It continues beyond that if it has production in paying quantities. 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. We charge a royalty of 12.5 percent of the value of oil or gas removed or sold from a lease. You will find other lease terms on our standard lease form (Form 3100-11, October 2008).
- **Stipulations:** Some parcels are subject to surface use stipulations. They are requirements or restrictions on how you conduct operations. These stipulations are included in the parcel

descriptions on the attached list. They become part of the lease and supersede any inconsistent provisions in the lease form.

The applicable Forest Service (FS) Environmental Impact Studies (EIS) describe stipulations for parcels located within the administrative boundary of the Forest Service units. The Geographic Information System (GIS) maps of the stipulations may be viewed at the following FS offices:

- The individual District Office identified in the stipulation listing included with this sale notice, or
 - The individual Forest Supervisor Office identified in the stipulation listing included with this sale notice, or
 - USDA Forest Service - Region 8, Room 792 South, Lands & Minerals, 1720 Peachtree Road, N.W., Atlanta, Georgia 30367 or
 - USDA Forest Service - Region 9, Gas Light Building, Suite 600, 626 E. Wisconsin Avenue, Milwaukee, WI 53202
- **Bid Form:** Successful bidders must submit a signed competitive lease bid form (Form 3000-2, July 2012) with their payment on the day of the auction. This form is a legally binding offer by a prospective lessee to accept a lease and all applicable terms and conditions. We recommend you get the form and complete part of it before the auction, leaving part to be filled out at the auction. Your completed bid form certifies that you are qualified to be a lessee under our regulations at 43 CFR Part 12 and Subpart 3102.5-2. It also certifies that you comply with 18 U.S.C. 1860, a law prohibiting unlawful combinations, intimidation of or collusion among bidders. Fillable bid forms are available online at: http://www.blm.gov/es/st/en/prog/minerals/frequently_used_oil.html
 - **Issuance of a lease:** We (the BLM) will issue your lease within 60 days of the sale date by signing the lease form provided you have paid your fees and rent. The effective date of a lease is the first day of the month following the month in which we sign the lease. We can make it effective the first day of the month in which we sign it, if we receive your written request before we sign the lease.

How do I submit an Expression of Interest (EOI)?

EOIs must be submitted with a complete legal land description. If your EOI contains lands not within a 6-mile square area, please configure the lands into the parcels as you would like to see them on a sale notice. Parcels will not exceed 2,560.00 acres on the sale notice, so if your EOI contains more than 2,560.00 acres and you have not configured or prioritized your parcels, BLM will parcel the lands, which may not agree with the parcel configuration you prefer.

Please follow our suggested parceling package, so that we may efficiently process your request. Incomplete nomination packages or improperly packaged EOIs can cause huge delays in processing.

- Exact locality information including state, county, meridian, township, range, section, and aliquot part or other appropriate specific land description such as lot number, tract number, or metes and bounds description.
- County plat map showing surface ownership and acreage with nominated parcel outlined on

map and nominator must also provide proof of Federal mineral ownership (e.g. Deed(s), Patent(s) or other form of minerals interest conveyance to the United States).

- A shapefile(s) of the nominated area, if available.
- Split estate lands **must** provide the name, address and telephone number of the current private surface owner(s).
- Do not include lands with Federal surface ownership and lands with private surface and/or State owned surface ownership in the same EOI.
- Do not include parcels in different counties, townships, or ranges in the same EOI (unless the parcels are within 6 miles of one another).
- EOIs for public domain minerals shall not be made for more than 640 acres unless it is one contiguous piece of property with one surface owner or under the jurisdiction of one SMA. A nomination for public domain or acquired lands may not include more than 10,240 acres.
- BLM no longer requires submitters of EOIs to provide their name and address. You may still provide this information for contact purposes; however, the BLM will make this information available to the public. If you consider your name and address to be confidential, do not include it in your EOI.

Submit your EOI via e-mail to: ES_EOI_Nominations@blm.gov

Mail your EOI to:

Bureau of Land Management-Eastern States
Attn: Minerals Adjudication Team (ES-934)
20 M Street, SE, Suite 950
Washington, DC 20003
Fax: (202) 912-7186

******Note: The BLM no longer requires submitters of EOIs to provide their name or address. You may still provide this information for contact purposes; however, the BLM will make this information available to the public. If you consider your name and address to be confidential, do not include it in your EOI. The BLM will release all EOIs received after January 1, 2014, to the public. In an effort to improve transparency, each state office will make all new EOI submissions received on or after January 1, 2014, available to the public on each State's public website.******

How do I file a noncompetitive over-the-counter offer after the auction?

You may be able to get a noncompetitive lease for a parcel we offered if –

- we did not withdraw it from the sale;
- it did not receive a bid; and
- it does not have a noncompetitive pre-sale offer pending.

Parcels that meet all these criteria are available on a first-come, first-served basis for two years from the date of the auction. If you want to file a noncompetitive offer for unsold parcel immediately after the sale or on the next business day, give us the items listed below under presale offers in a sealed envelope marked “Noncompetitive Offer.” We consider all noncompetitive offers that we receive on the day of the sale and the first business day after the sale as filed at the same time (simultaneously). Where an unsold parcel receives more than one simultaneous filing, we will hold a public drawing in our Public Room to determine first priority.

How do I file a noncompetitive “pre-sale” offer?

Per Federal Regulations 43 CFR 3110.1(a), you can file a noncompetitive pre-sale offer for lands that –

- are available,
- have not been under lease during the previous one-year period; or
- have not been included in a competitive lease sale within the previous two-year period.

If no bid is received on them, your pre-sale offer gives you priority over any offer filed after the auction. In the list of parcels attached to this notice, we have used an asterisk to mark any parcel that has a pending pre-sale offer. By filing a pre-sale offer, you are consenting to all terms and conditions of the lease, including any stipulations for listed on the attachment to this notice.

To file a pre-sale lease offer, you must send us --:

- A standard lease form (Form 3100-11, October 2008), which is properly filled out, as required by the regulations under 43 CFR 3110;
- the total amount of the first year’s rental in the amount of \$1.50 per acre or fraction thereof;
- and a non-refundable administrative fee in the amount of **\$405.00**.

NOTE: You cannot file a “pre-sale” offer for any of the lands included in this Notice.

Can I protest BLM’s decision to offer the lands in this Notice for lease?

Yes. Under Federal Regulations 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:

- Protests must be filed within **30 calendar days of the posting date of the sale**. We must receive a protest no later than close of business on **October 12, 2015**. 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 at the address listed above or by fax. **You may not file a protest by electronic mail.** A protest filed by fax must be sent to **(202) 912-7186. 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 of 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 in 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 Federal 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. An appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

Can I appeal BLM's decision to deny my protest?

Yes. An appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

Can I withdraw my bid if the protestor files an 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 refunds of the bonus bid, rental 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.

Where can I get copies of the BLM forms mentioned in this Notice?

Form 3100-11 (October 2008), Offer to Lease and Lease for Oil and Gas, and Form 3000-2 (July 2012), Competitive Oil and Gas or Geothermal Resources Lease Bid may be downloaded from the following Forms Central web address: <http://www.blm.gov/noc/st/en/business/eForms.html>

When is BLM-ES' next competitive sale date?

The next sale is tentatively scheduled for April 14, 2016. We will notify the public in advance should this date change.

Who should I contact if I have questions regarding this lease sale?

For more information, please contact the Kemba K. Anderson-Artis, Supervisory Land Law Examiner at (202) 912-7733 or kembaand@blm.gov.

/s/ Marci L. Todd
Marci L. Todd
Acting State Director
Eastern States Office

HOTEL INFORMATION

Courtyard by Marriot
140 L Street SE
Washington, DC 20003
(202) 479-0027
Marriott.com/wasny

Capitol Skyline Hotel
10 I Street SW (at S. Capitol Street)
Washington, DC 20024
(202) 488-7500
capitolskyline.com

Mandarin Oriental
1330 Maryland Ave. SW
Washington, DC 20024
(202) 554-8588
mandarinoriental.com

Courtyard by Marriot Old Town*
2700 Eisenhower Ave.
Alexandria, Virginia 22314
(703) 329-2323
marriot.com/hotels/travel/wasal-courtyard-alexandria-old-townsouthwest

*Hotel shuttle to Metro. Must make a connection to the Green Line to arrive at the Navy Yard Metro stop nearest to the Lease Sale location at 20 M Street SE, High Dessert Conference Room, Rm. 4017, Washington, DC 20003.

Directions to Bureau of Land Management Eastern States, 20 M Street SE

From the South: I-395 N toward Washington (crossing into District of Columbia.) Stay straight to go onto I-695 S/Southwest Fwy N. Merge onto South Capitol St SW toward Nationals Park. Turn left onto M Street SW. Make a U-turn at Half Street SE onto M Street SE. 20 M Street SE is on the right.

From the Northwest: I-270 (Express) S becomes I-270 S / Washington National Pike S. Merge onto I-270 Spur S /Washington National Pike S toward I-495 S / Washington/Northern Virginia; this becomes I-495 S / Capital Beltway S (crossing into Virginia). Take the Geo Wash Mem Pkwy exit 43 toward Washington. Merge onto George Washington Memorial Pkwy S. (crossing into Virginia). Merge onto I-395 N toward Washington (crossing into District of Columbia). Stay straight to go onto I-695 S/Southwest Fwy N. Merge onto South Capitol St SW toward Nationals Park. Turn left onto M Street SW. Make a U-turn at Half Street SE onto M Street SE. 20 M Street SE is on the right.

From the Northeast: I-95 S toward Washington. Take the Baltimore Washington Pkwy S exit 22B toward South Washington. Merge onto MD-295 S (crossing into District of Columbia). This becomes DC-295 S. Exit toward I-695 /I-395 Capitol Hill. Take the M Street SE exit toward Navy Yard. Turn left onto M Street SE. 20 M Street is on right.

Enhanced Bidder Registration Form
Bidder Registration Form
Competitive Oil and Gas Lease Sale

By completing this form, I certify that the undersigned, or the principal party whom the undersigned is acting on behalf of, is in compliance with the applicable regulations and leasing authorities governing a bid and subsequent lease. I certify that any bid submitted by the undersigned or on behalf of the principal party is a good faith statement of intention by the undersigned or the principal party to acquire an oil and gas lease on the offered lands. Further, I acknowledge that if a bid is declared the high bid, it will constitute a legally binding commitment to execute the Bureau of Land Management's Form 3000-2, Competitive Oil and Gas or Geothermal Resources Lease Bid, and to accept the lease.

In addition, if a bid is declared the high bid, the undersigned or the principal party will pay to the Bureau of Land Management (BLM) by the close of official business hours on the day of the auction, or such other time as may be specified by the authorized officer, an amount at least equal to the minimum monies owed the day of sale for that bid, as set out in applicable regulations. The undersigned and the principal party acknowledge that these monies are due to the Bureau of Land Management as a result of winning the auction. Further, the undersigned and the principal party understand that if payment is not received by the due date, the BLM will issue a bill for monies owed, and if payment is not received, the United States will pursue collection by all appropriate methods, and as appropriate, will assess late fees, civil penalties, interest, administrative charges, and penalties on past due amounts (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR part 285).

I certify that neither I nor the principal party whom I represent owes the United States any monies that were due the day of sale from any oil and gas lease auction conducted by any Bureau of Land Management office.

It is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 for any person to knowingly and willfully make any false, fictitious, or fraudulent statements or representations as to any matter within the jurisdiction of the government. Any such offense may result in a fine or imprisonment for not more than 5 years, or both.

It is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations or for any person to obtain money or property by means of false statements regarding a person's ability to obtain a lease. Any person who knowingly violates this provision shall be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

A separate registration is required for each company or individual you are representing.

Please fill in the company/individual name and address as it would appear on any issued lease. We will send a copy of the lease and billing notices to the name and address as shown below. (NOTE: Please use the same lessee name and address information on BLM Form 3000-2.)

Bidder Number (leave blank)

Lessee Name: _____

Mailing Address: _____

City: _____

State: _____ Zip Code: _____

Bidder Name: _____ Phone number: _____
(including area code)

Relationship to lessee: _____
(Self, Agent, Attorney-in-fact, President, etc.)

Signature _____
Date

For BLM Use Only: Type of identification: _____

Arkansas

Private Owned Surface, Federal Minerals

ES-001-12/2015 ARES 058091 PD

Arkansas, Jackson County, BLM
T. 10 N., R. 5 W., 5th Principal Meridian
Sec. 13, NENE.

40.00 Acres

\$60.00 Rental

Subject to:

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices/Best Management Practices for Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Species and Pesticide Application

EOI 1492

ES-002-12/2015 ARES 058092 PD

Arkansas, Pope County, BLM
T. 9 N., R. 22 W., 5th Principal Meridian
Sec. 12, SWSW.

40.00 Acres

\$60.00 Rental

Subject to:

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices/Best Management Practices for Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Species and Pesticide Application

EOI 1791

Michigan

Private Owned Surface, Federal Minerals

ES-003-12/2015 MIES 058093 ACQ

Michigan, Allegan County, BLM/FFMC
T. 1 N., R. 15 W., Michigan Meridian
Sec. 6, SWNE.

40.00 Acres

\$60.00 Rental

50% Mineral Interest

Subject to:

Notices and Stipulations for Private Lands located in Allegan County, Michigan

EOI 2183

ES-004-12/2015 MIES 058094 ACQ

Michigan, Allegan County, BLM/FFMC

T. 1 N., R. 16 W., Michigan Meridian

Sec. 2, West Thirty-eight (38) acres of the North Fifty-eight (58) acres of the Southwest Quarter; also beginning at a point 80 rods North of Southwest corner of said Quarter Section thence East 160 rods to the North and South Quarter line, thence North 20 rods on said Quarter line, thence West 53-1/3 rods, thence North 2 rods, thence West 90-2/3 rods to Northeast corner of that certain tract used for cemetery, thence South on East line of said cemetery 12 rods, thence West on South line of cemetery tract 16 rods to the West line of said Section; thence South on the Section line 10 rods to the place of beginning; excepting a rectangular tract beginning at a point 100 rods North from Southwest corner of said Section, thence running East at right angles with the West line of said Section 16 rods and 8 feet, thence North at right angles 34 feet, thence West at right angles 16 rods and 8 feet to West line of said Section; thence South on said Section line to the place of beginning.

58.01 Acres

\$88.50 Rental

100% Mineral Interest

Subject to:

Notices and Stipulations for Private Lands located in Allegan County, Michigan

EOI 2184

ES-005-12/2015 MIES 058095 ACQ

Michigan, Allegan County, BLM/FFMC

T. 1 N., R. 16 W., Michigan Meridian

Sec. 13, East Four (4) acres of the E2SWSWNE, W2W2E2SWNE.

9.00 Acres

\$13.50 Rental

50% Mineral Interest

Subject to:

Notices and Stipulations for Private Lands located in Allegan County, Michigan

EOI 2185

ES-006-12/2015 MIES 058096 ACQ

Michigan, Allegan County, BLM/FFMC

T. 1 N., R. 16 W., Michigan Meridian

Sec. 16, NWNW.

40.00 Acres

\$60.00 Rental

50.0% Mineral Interest

Subject to:

Notices and Stipulations for Private Lands located in Allegan County, Michigan

EOI 2186

ES-007-12/2015 MIES 058097 ACQ

Michigan, Allegan County, BLM/FFMC

T. 1 N., R. 16 W., Michigan Meridian
Sec. 21, SE, East Sixty (60) acres of the SW.
220.00 Acres
\$330.00 Rental

50% Mineral Interest

Subject to:

Notices and Stipulations for Private Lands located in Allegan County, Michigan
EOI 2187

ES-008-12/2015 MIES 058098 ACQ

Michigan, Allegan County, BLM/FFMC

T. 1 N., R. 16 W., Michigan Meridian

Sec. 33, NENW.

40.00 Acres

\$60.00 Rental

50% Mineral Interest

Subject to:

Notices and Stipulations for Private Lands located in Allegan County, Michigan
EOI 2188

ES-009-12/2015 MIES 058099 ACQ

Michigan, Allegan County, BLM/FFMC

T. 1 N., R. 16 W., Michigan Meridian

Sec. 36, W2E2SESW, E2W2SESW.

20.00 Acres

\$30.00 Rental

50% Mineral Interests

Subject to:

Notices and Stipulations for Private Lands located in Allegan County, Michigan
EOI 2189

Stipulations

BLM Stipulations for Federal Minerals Located in Arkansas

Cultural Resources and Tribal Consultation

Stipulation: 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, E.O. 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 under applicable requirements of the NHPA and other authorities. These obligations may include a requirement that you provide a cultural resources survey conducted by a professional archaeologist approved by the State Historic Preservation Office (SHPO). If currently unknown burial sites are discovered during development activities associated with this lease, these activities must cease immediately, applicable law on unknown burials will be followed and, if necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place. 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.

Endangered Species

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.

Exception: None

Modification: None

Waiver: None

Sensitive Plant Species

Stipulation (CSU): All suitable special status plant species habitat will be identified during environmental review of any proposed surface use activity. If field examination indicates that habitat of one or more of these species is present, the BLM will require a survey by a qualified botanist for special status plants during periods appropriate to each species. Operations will not be allowed in areas where sensitive plants would be affected.

Objective: To protect threatened, endangered, candidate, proposed, and BLM sensitive plant species.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and in coordination with State agencies.

Modification: The stipulation may be modified if it is determined that a portion of the lease area does not contain sensitive plant species habitat.

Waiver: The stipulation may be waived if, based on field surveys, it is determined that the lease area does not contain sensitive plant species habitat.

Freshwater Aquatic Habitat

Stipulation (NSO): No surface occupancy or disturbance, including discharges, are permitted within 250 feet of a river, stream, wetland spring, headwater, wet meadow, wet pine savanna, pond, tributary, lake, coastal slough, sand bar, vernal pools, calcareous seepage marsh, or small, marshy calcareous stream. If the slope exceeds 10 percent, the buffer may be extended to 600 feet to provide adequate protection for aquatic habitats and associated species.

Objective: To protect the water quality of watersheds and natural stream substrate and morphology and to avoid potential impacts to aquatic species and their habitat.

Exception: An exception may be granted if the operator agrees to 1) span creeks, rivers, wetlands, and floodplains by attaching pipelines to bridges; 2) directionally drill wells and pipelines from upland sites under creeks, rivers, other waters, and wetlands or 3) implement other measures developed in consultation with USFWS and in coordination with State agencies.

Modification: The buffer may be reduced if the adjacent waterway has been surveyed for 100 yards upstream and 300 yards downstream of the site, and the results document the lack of suitable/occupied/critical habitat for listed species which may be affected by the project, as determined by the BLM and USFWS.

Waiver: None

BLM Lease Notices/Best Management Practices for Federal Minerals Located in Arkansas

Migratory Birds and Federally Listed Wildlife

Objective: To protect perch and roosting sites and terrestrial habitats for and to avoid potential impacts to migratory birds and federally listed wildlife.

Any reserve pit that is not closed within 10 days after a well is completed and that contains water must be netted or covered with floating balls, or another method must be used to exclude migratory birds.

All powerlines must be built to protect raptors and other migratory birds, including bald eagles, from accidental electrocution, using methods detailed by the Avian Power Line Interaction Committee (APLIC 2006)

Perching and Nesting Birds and Bats

Objective: To prevent birds and bats from entering or nesting in or on open vent stack equipment.

Open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units and, to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

Invasive and Non-Native Species

Objective: To discourage the spread of invasive, non-native plants.

Use of native or non-invasive plants in seeding mixtures will be encouraged to stabilize disturbed areas and during restoration activities. Construction sites will be surveyed for invasive species prior to ground disturbance. If invasive species are found, the proper control measures will be used to either eradicate the species from the area or minimize its spread to other areas. If cogongrass is found on site, equipment will be washed before exiting the site to prevent the spread of this highly invasive species to other locations. Post-construction monitoring for cogongrass and other invasive plant species should be conducted to ensure early detection control. In the case of split-estate lands, final seed mixtures will be formulated in consultation with the private landowner.

Pesticide Application

Objective: To protect the water quality of watersheds and natural stream substrate and morphology supporting special status species and their host species.

Any ground application of herbicides or other pesticides, sterilants, or adjuvants within 150 feet of listed species or habitat will require site-specific control measures developed in coordination or formal consultation with USFWS. No aerial application of herbicides or pesticides will be permitted.

BLM Notices and Stipulations for Federal Minerals Located in Michigan

Notices

1. Surface disturbance will be limited to that necessary for reasonable, safe and prudent extraction of the oil and gas. Measures will be implemented to minimize erosion and sedimentation. Road and stream crossings will be planned so as to eliminate stream crossings whenever practical.
2. Portions of this lease parcel have had occurrences of certain threatened, endangered, or sensitive species or communities. At the time a drilling permit application or other request for surface use is filed, a site-specific review will be done to determine potential effects to these species. Depending upon the findings of the site-specific review, additional operating constraints, such as seasonal restrictions or re-location of the proposed wellsite, may be necessary to mitigate effects to threatened, endangered, or sensitive species or communities.
3. A cultural resources Phase I survey will be required prior at the time an Application for Permit to Drill/Notice of Staking is submitted. Cultural Resource surveys may also be required prior to the start of subsequent well operations which involve additional surface disturbance. Mitigation measures or movement of planned ground disturbance may be necessary to avoid adverse effects to cultural resources. The need and requirements for mitigation or alterations will be based on consultation between the lessee, Bureau of Land Management, the Michigan State Historic Preservation Office, and the Advisory Council on Historic Preservation.
4. Any approved APD may require a Discovery Plan for accidental archaeological discoveries that occur during ground disturbing activities that were not detected during initial surveys. This may include consultation between the Bureau of Land Management, Michigan State Historic Preservation Office, and the Advisory Council on Historic Properties.

No Surface Occupancy Stipulation

No surface occupancy will be permitted within 300 feet of a navigable waterway.

Purpose: Protect surface water quality.

Exception: The BLM may grant exceptions for use of existing roadways and utility rights-of-way. Exceptions must be made in writing by the BLM.

Waiver/modification: No waivers or modifications will be made to this stipulation.

Controlled Surface Use Stipulation

No removal of trees of more than three (3) inches in diameter at breast height will be permitted.

Purpose: Avoiding impacts to Indiana and northern long-eared bats.

Exception: The BLM may grant an exception for removal of isolated trees that are determined unlikely to be used by bats for roosting or foraging.

Waiver: The BLM may waive this stipulation if it determined that the impacted area likely is not occupied by either Indiana bat or northern long-eared bat.

Modification: The BLM may grant a modification to this stipulation if it is determined that such a modification is not likely to adversely impact either Indiana bat or northern long-eared bat. Such modifications may include the following:

- Inclusion of an annual period during which trees may be removed,
- Increase of the minimum size of protected trees to five (5) inches if it determined that the impacted area is likely not occupied by northern long-eared bat.

No Surface Occupancy Stipulation

No surface occupancy will be permitted in habitat that may be occupied by eastern massasauga rattlesnake. Occupied habitat is defined as suitable habitat that has been determined to contain massasaugas or that has not been surveyed and shown likely not to contain the species. Survey protocol and definitions of occupied habitat are according to “The Eastern Massasauga Rattlesnake: A Handbook for Land Managers,” available online at <http://www.fws.gov/midwest/endangered/reptiles/eama/index.html>.

Purpose: Avoiding impacts to the eastern massasauga rattlesnake.

Exception/waiver/modification: No exceptions, waivers, or modifications will be made to this stipulation.

No Surface Occupancy Stipulation

No surface occupancy will be permitted in open areas that contain wild lupine (*Lupinus perennis*). This includes the entire, contiguous, open, upland habitat that contains wild lupine. Since the project area contains no known populations of wild lupine, this stipulation is not expected to impact surface occupancy.

Purpose: Avoid impacts to endangered Karner blue butterfly.

Exception/waiver/modification: No exceptions, waivers, or modifications will be made to this stipulation.

Controlled Surface Use Stipulation

Surface occupancy on the entire lease is subject to the following:

Operator shall delineate, within area to be disturbed, infestations of non-native, invasive plant species, including any species that is listed in *A Field Identification Guide to Invasive Plants in Michigan's Natural Communities* (Borland, et al, 2009). Operator shall prepare an invasive species control plan for approval by the BLM. Guides to the use of recommended best management practices for controlling the spread of invasive plant species are available from the Michigan Natural Features Inventory at <http://mnfi.anr.msu.edu/>. Many of the same practices that are employed for preventing soil erosion also function to prevent the spread of invasive species.

Purpose: Protecting native vegetation communities, agricultural production, and timber resources.

Exception/modification/waiver: No exceptions, modifications, or waivers will be made to this stipulation.

Maps

EOI 1492

T. 10N., R. 5W., Fifth Principal Meridian; Jackson County, AR

Survey History:

- Original Survey – 24 Apr 1820 (cancelled)
- Resurvey – 14 Dec 1854

EOI 1492 Nomination:

- Section 13, NENE

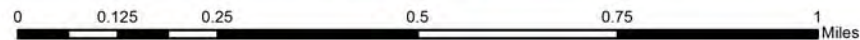
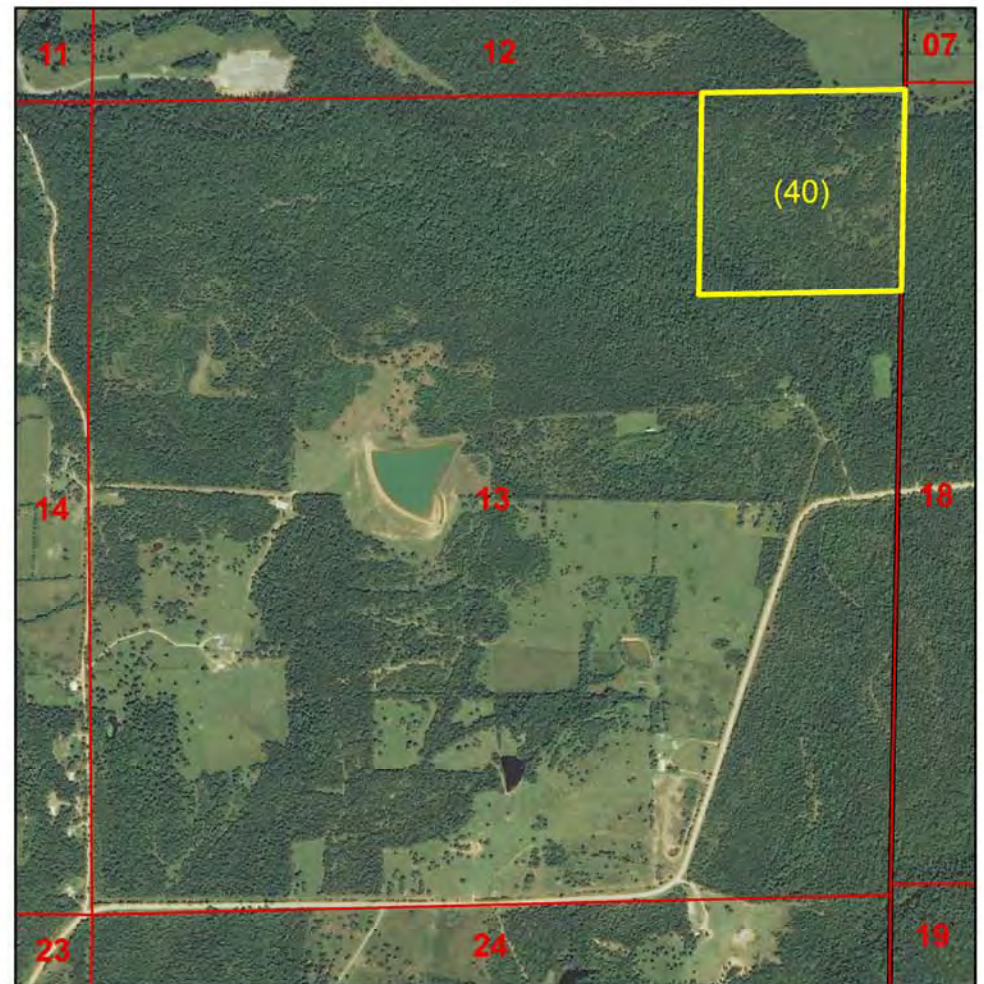
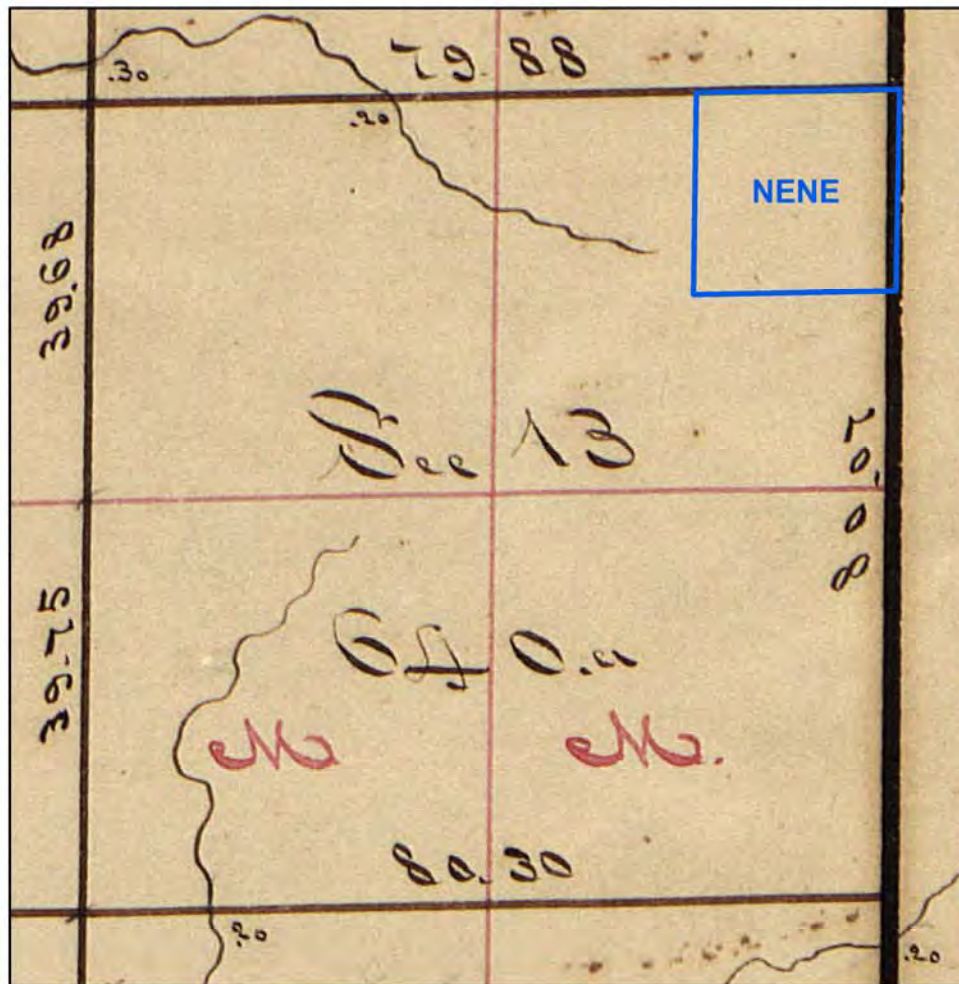
Imagery Source: NAIP/Arkansas_2013_1m_NC Mosaic (MrSID)

PLSS: CadNSDI V2 - Arkansas

Projection: NAD 1983, UTM Zone 15N

Disclaimer: This product is for general administrative purposes only. No warranty is made by the Bureau of Land Management as to the accuracy, reliability or completeness of this data for individual use or aggregate use with other data.

BLM-ES/Energy & Minerals Ops/1 Jul 2015/acd



EOI 1791

T. 9N., R. 22W., Fifth Principal Meridian; Pope County, AR

Survey History:

- Original Survey – 3 Apr 1838

EOI 1791 Nominations:

- Section 12, SWSW

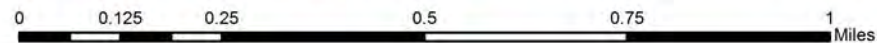
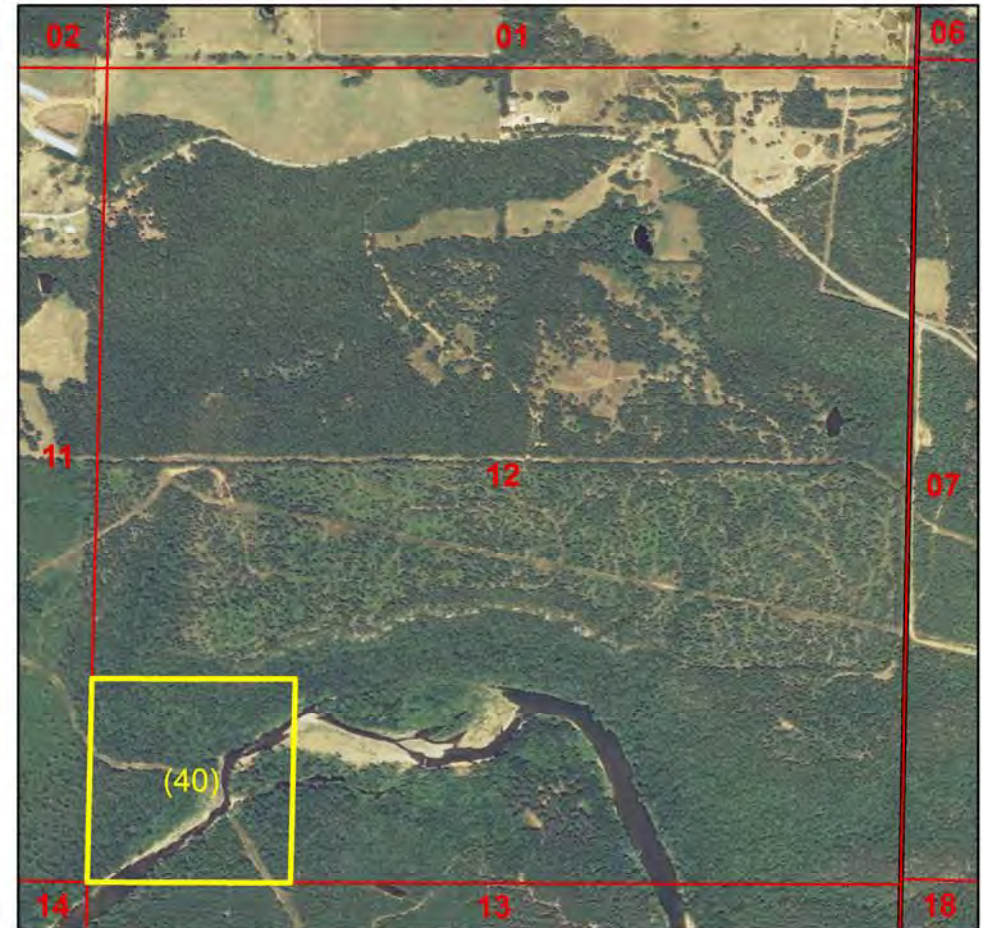
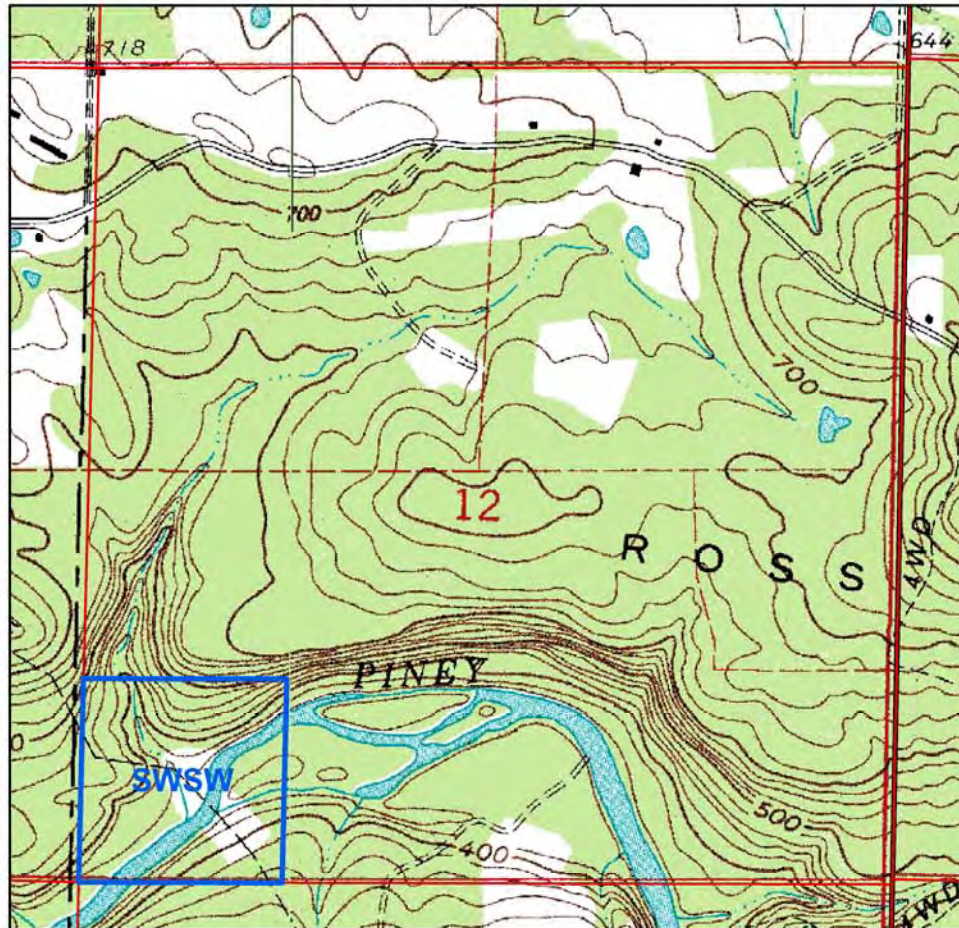
Imagery Sources: USDA-FSA-APFO NAIP MrSID Mosaic, 2013

Topo Sources: USGS 7.5 Minute Quadrangle - Knoxville, Ark., 1993, georeferenced DRG from USGS

Projection: NAD 1983, UTM Zone 15N

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BLM-ESO, Branch of Cadastral Survey, 8 Sep 2014/acd



EOI 2183

T. 1N., R. 15W., Michigan Meridian; Allegan Co., MI

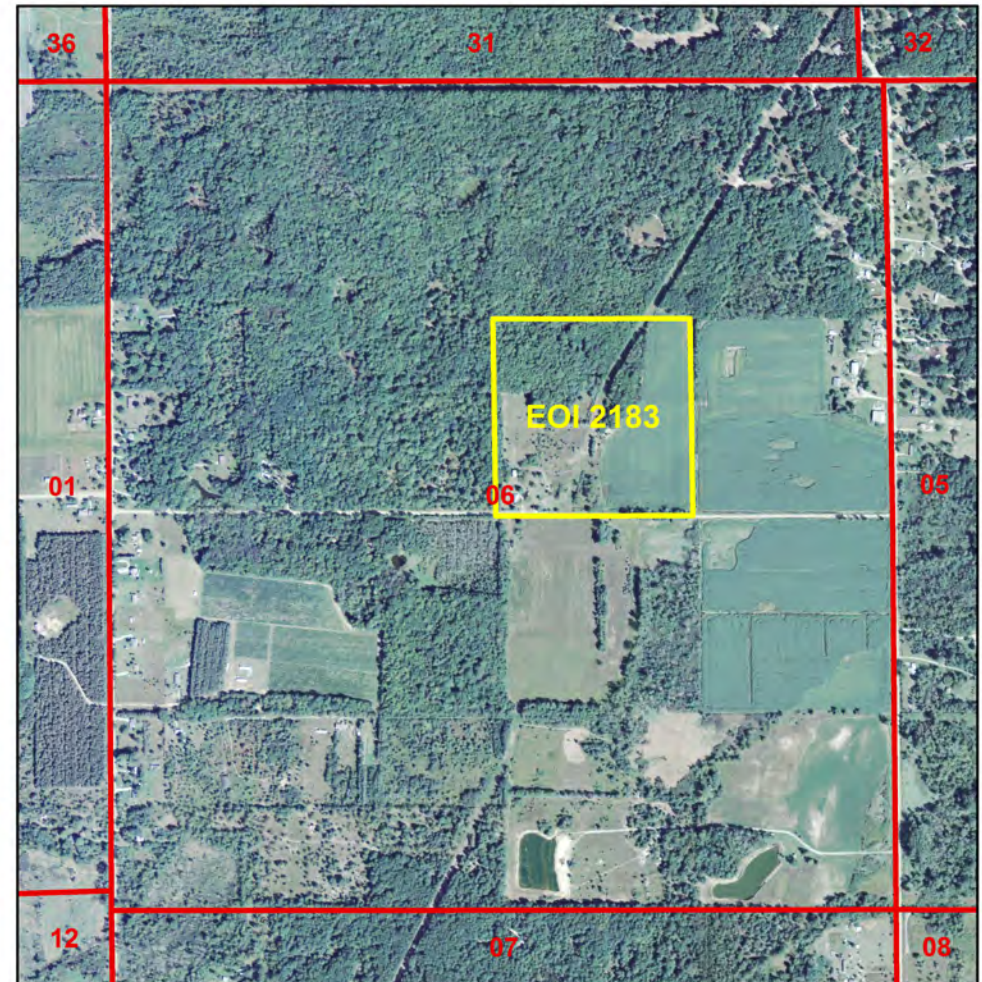
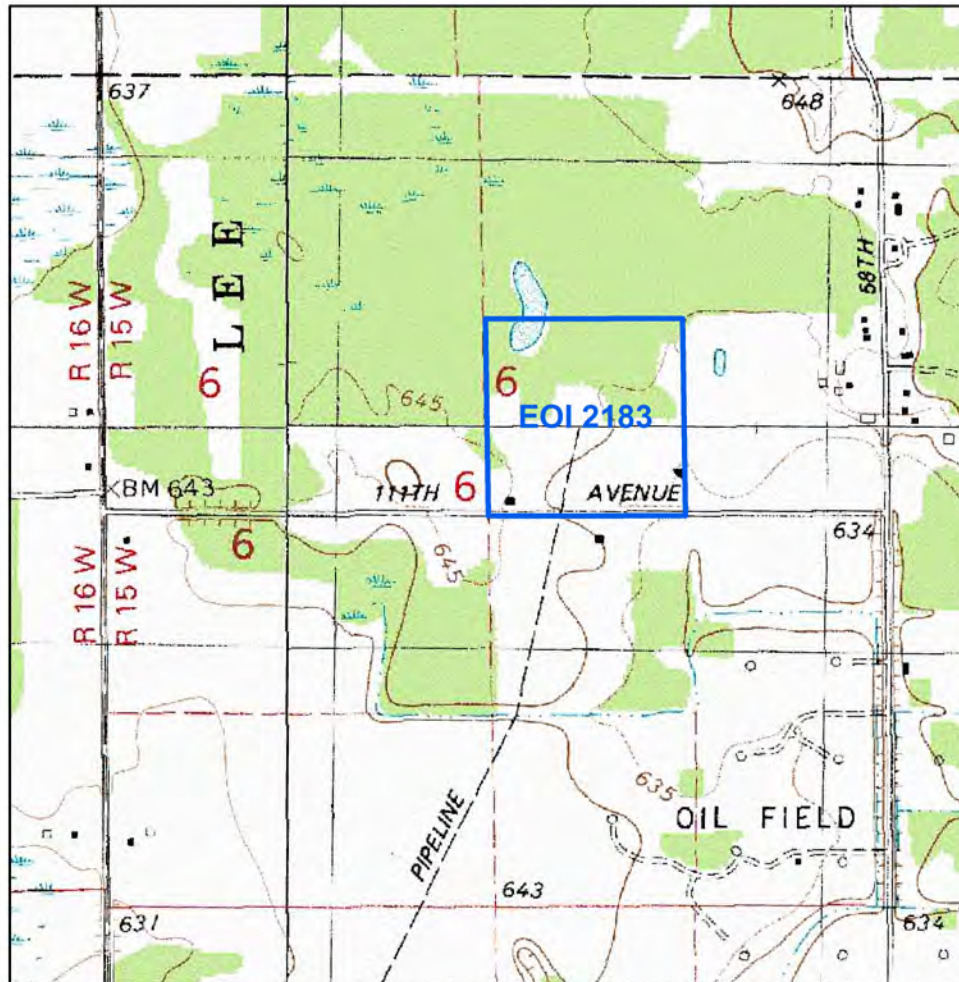
Survey History:
Original Survey – 31 Jul 1832

Nomination:
Section 6, SWNE (~40 acres)

Imagery Sources: NAIP/Michigan_2014_1m_NC
Topo Sources: USDA-NRCS-NCGC DRG Mosaic of Allegan County, MI
Projection: NAD 1983, Michigan GeoRef (US Feet) State System

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BLM-ESO/Cadastral Svy/Energy&Mnrls Ops/21 Jul 15/acd



EOI 2184

T. 1N., R. 16W., Michigan Meridian; Allegan Co., MI

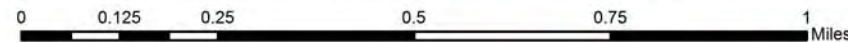
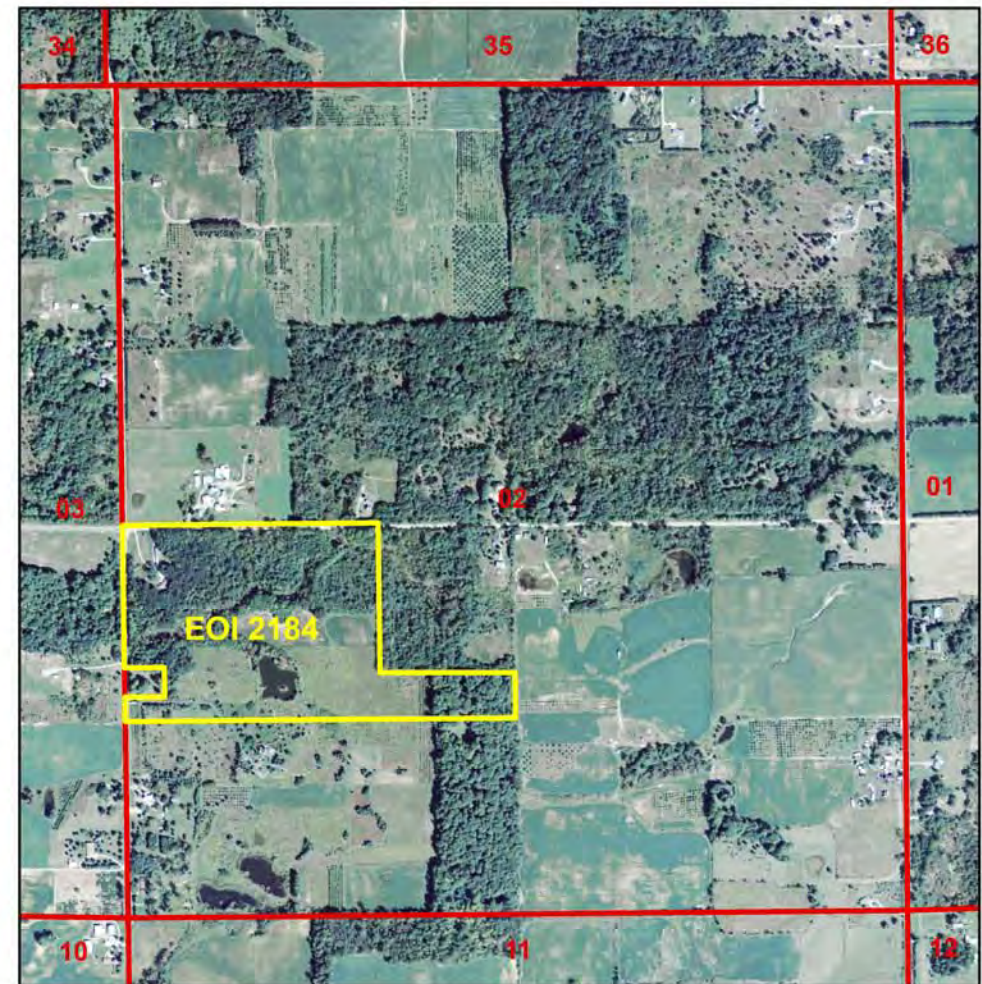
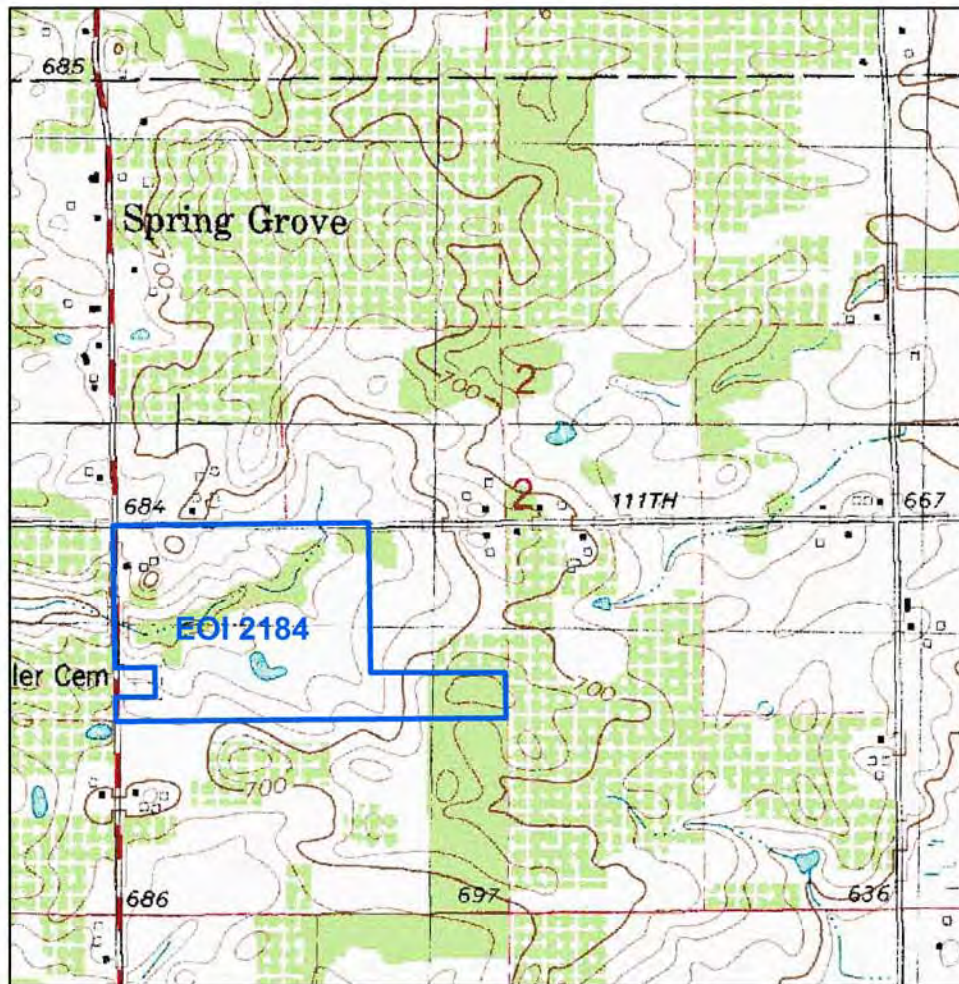
Survey History:
Original Survey – 31 Jul 1832

Nomination:
Section 2, Partial SW

Imagery Sources: NAIP/Michigan_2014_1m_NC
Topo Sources: USDA-NRCS-NCGC DRG Mosaic of Allegan County, MI
Projection: NAD 1983, Michigan GeoRef (US Feet) State System

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BLM-ESO/Cadastral Svy/Energy&Mnrls Ops/21 Jul 15/acd



EOI 2185

T. 1N., R. 16W., Michigan Meridian; Allegan Co., MI

Survey History:

Original Survey – 31 Jul 1832

Nomination:

Section 13, East Four (4) acres of the E ½ SWSWNE; W ½ W ½ E ½ SWNE (9 acres total)

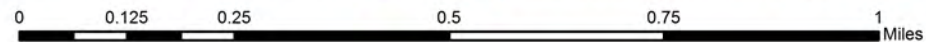
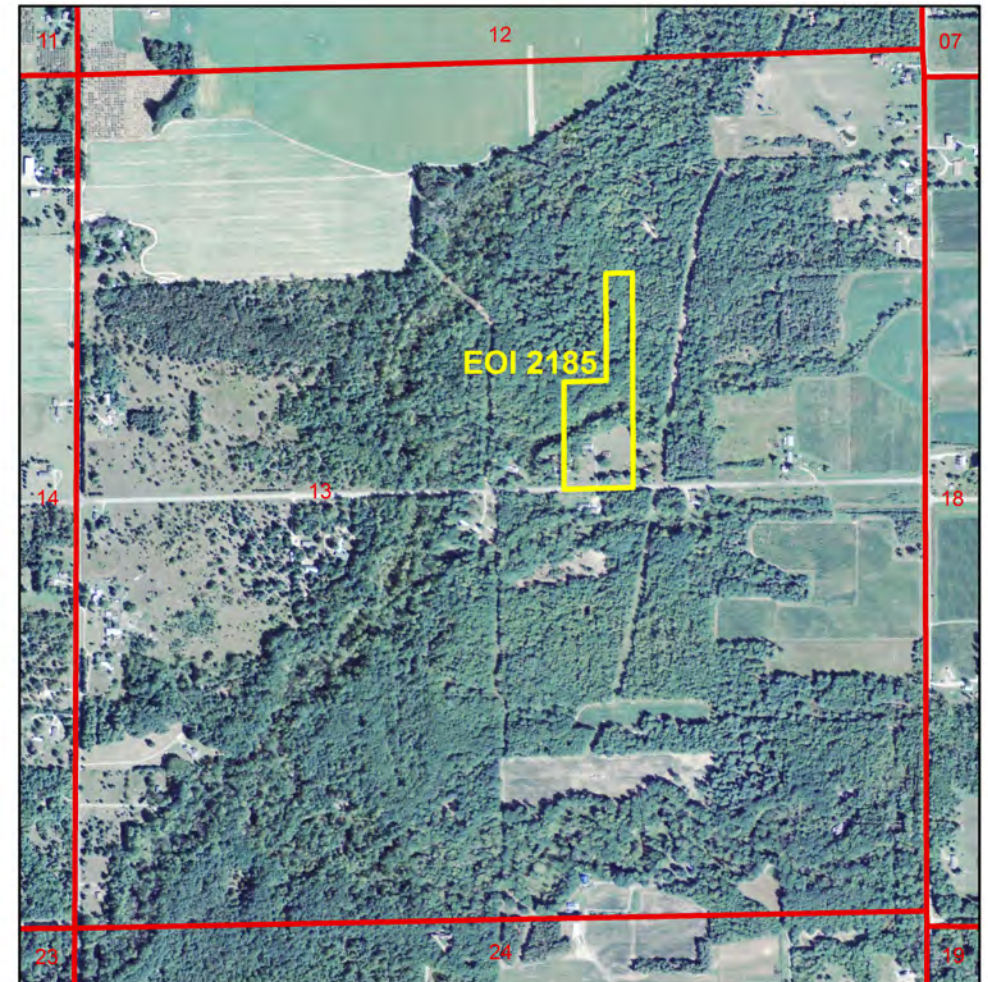
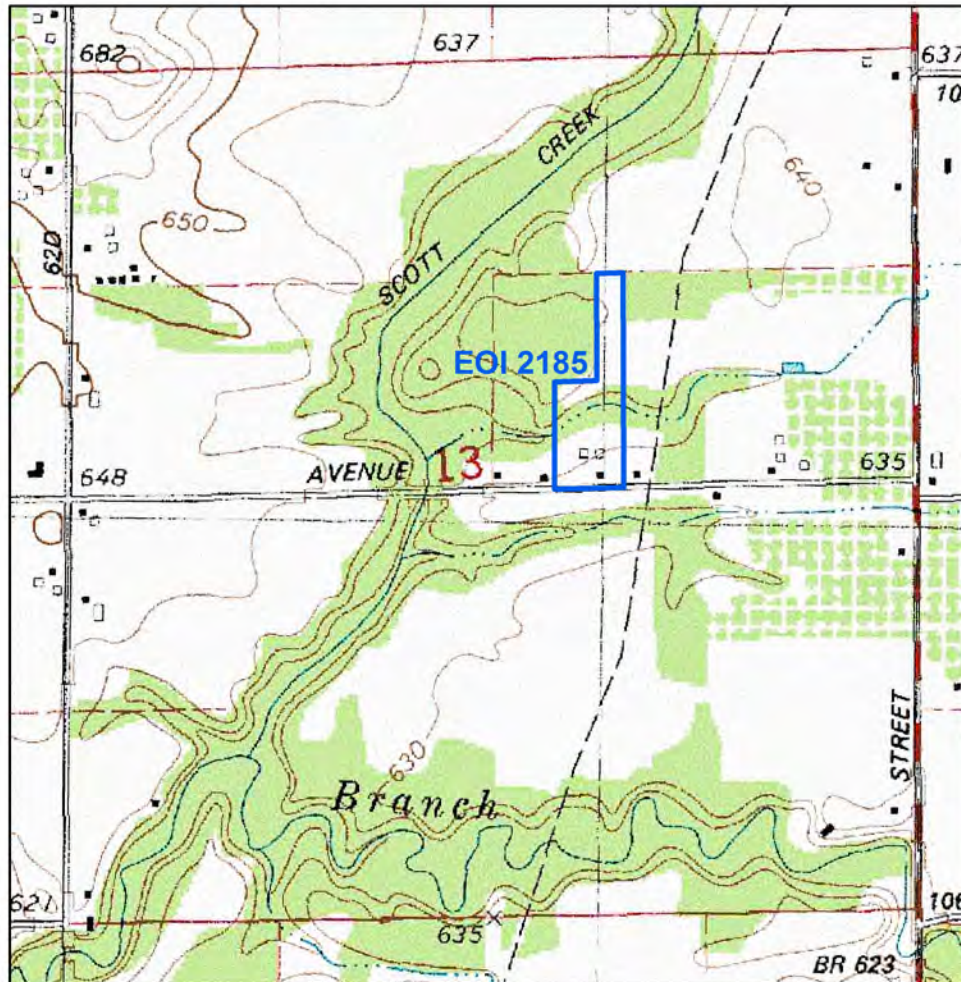
Imagery Sources: NAIP/Michigan_2014_1m_NC

Topo Sources: USDA-NRCS-NCGC DRG Mosaic of Allegan County, MI

Projection: NAD 1983, Michigan GeoRef (US Feet) State System

Disclaimer: This product is for general administrative purposes only. No warranty is made by the Bureau of Land Management as to the accuracy, reliability or completeness of this data for individual use or aggregate use with other data.

BLM-ESO/Cadastral Svy/Energy&Mnrls Ops/21 Jul 15/acd



EOI 2186

T. 1N., R. 16W., Michigan Meridian; Allegan Co., MI

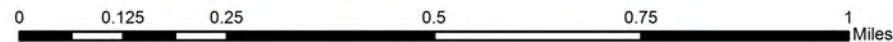
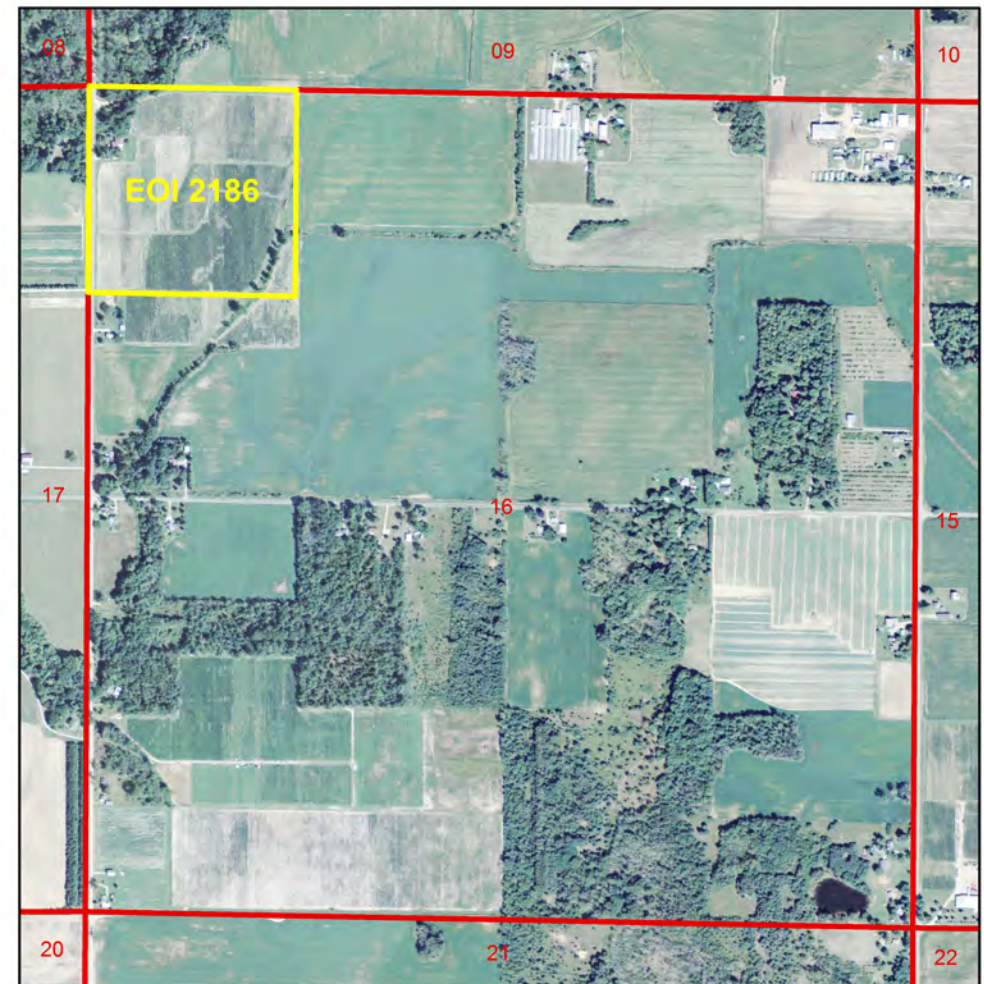
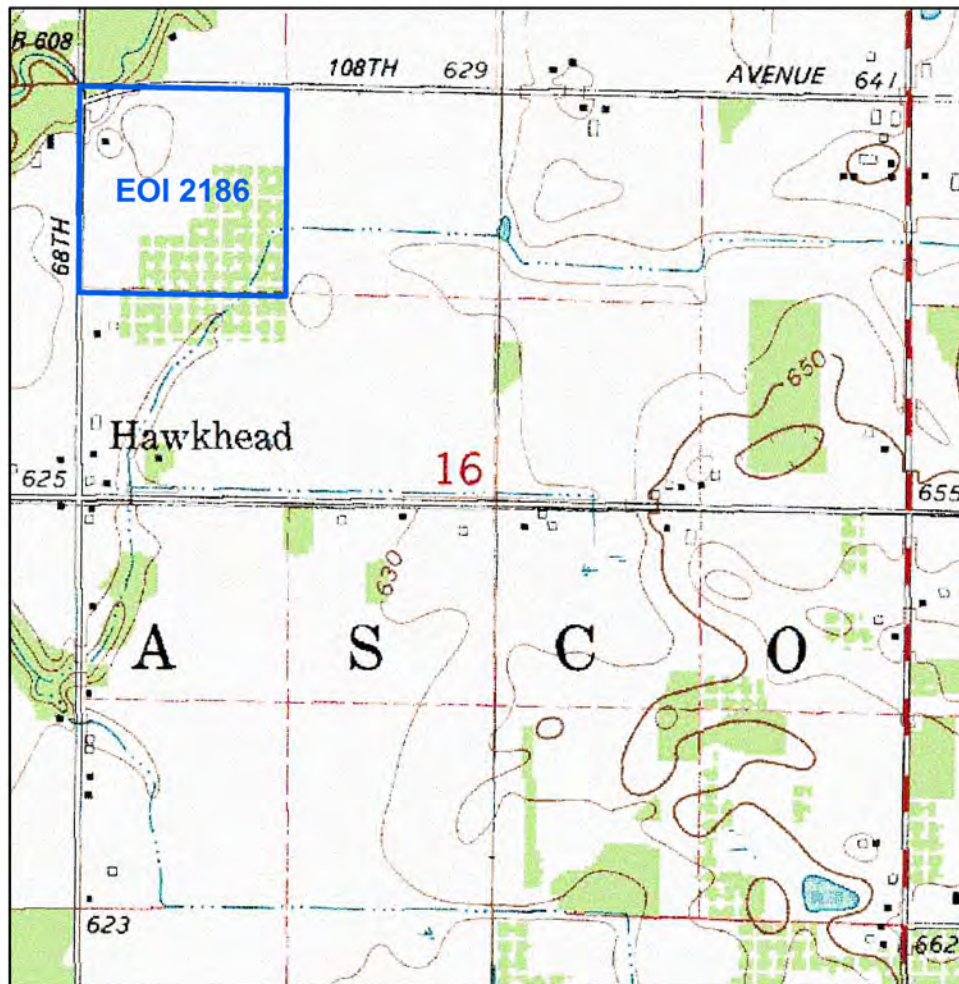
Survey History:
Original Survey – 31 Jul 1832

Nomination:
Section 16, NWNW (~40 acres)

Imagery Sources: NAIP/Michigan_2014_1m_NC
Topo Sources: USDA-NRCS-NCGC DRG Mosaic of Allegan County, MI
Projection: NAD 1983, Michigan GeoRef (US Feet) State System

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BLM-ESO/Cadastral Svy/Energy&Mnrls Ops/21 Jul 15/acd



EOI 2187

T. 1N., R. 16W., Michigan Meridian; Allegan Co., MI

Survey History:

Original Survey – 31 Jul 1832

Nomination:

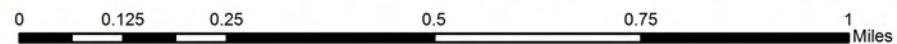
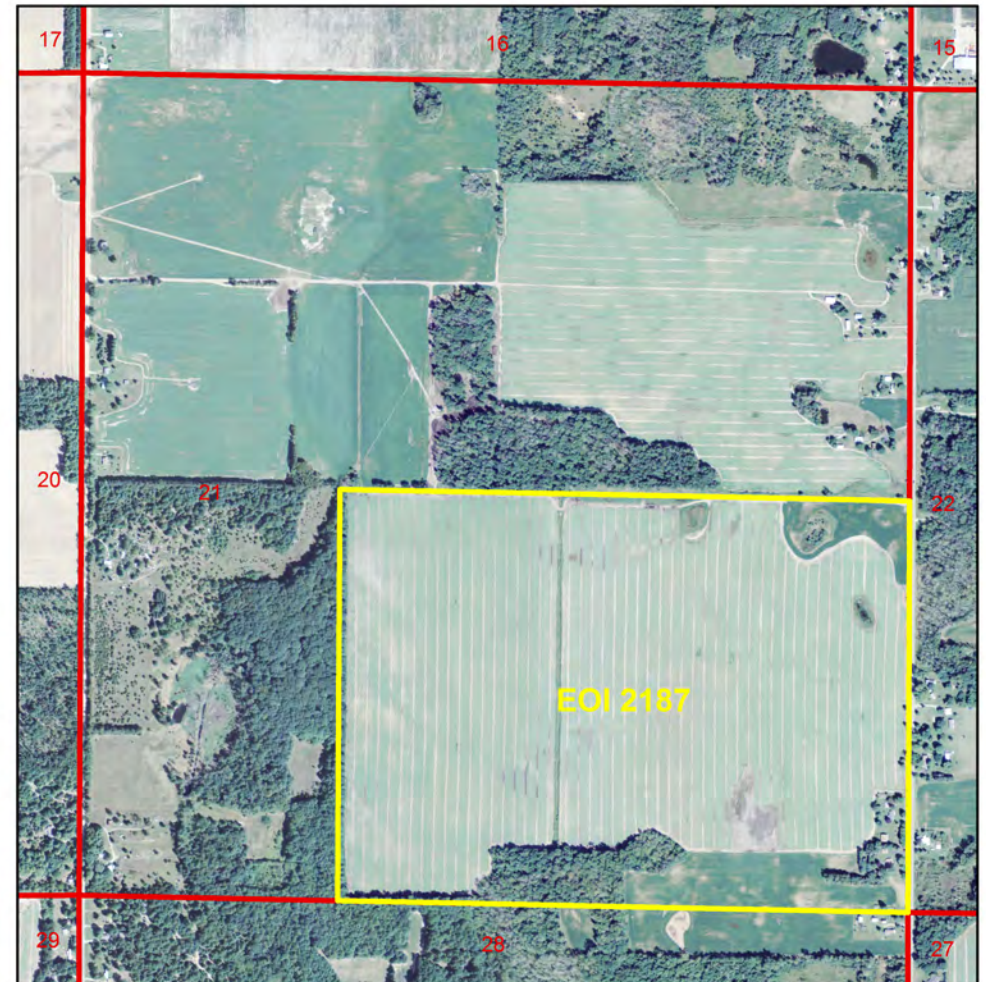
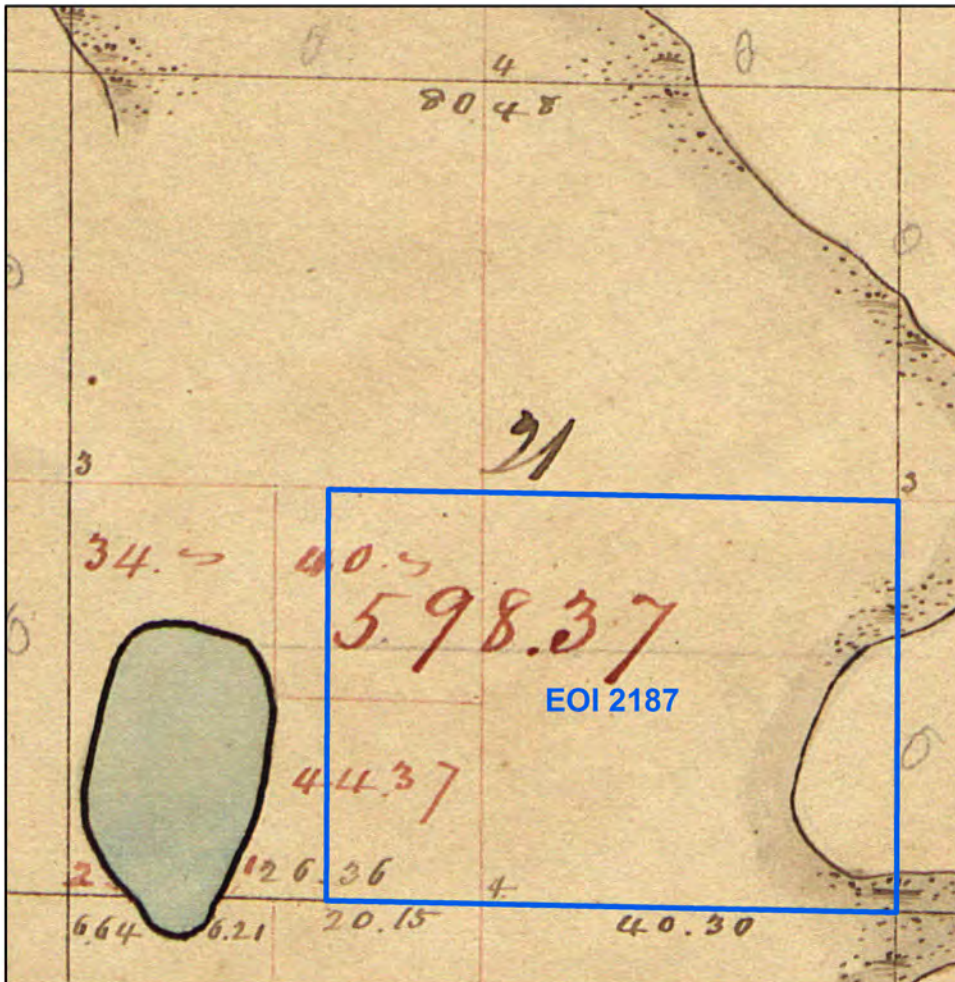
Section 21, SE; East Sixty (60) acres of the SW (220 acres total)

Imagery Sources: NAIP/Michigan_2014_1m_NC

Projection: NAD 1983, Michigan GeoRef (US Feet) State System

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BLM-ESO/Cadastral Svy/Energy&MnrIs Ops/21 Jul 15/acd



EOI 2188

T. 1N., R. 16W., Michigan Meridian; Allegan Co., MI

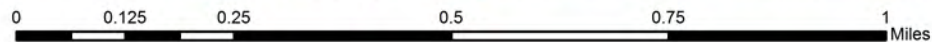
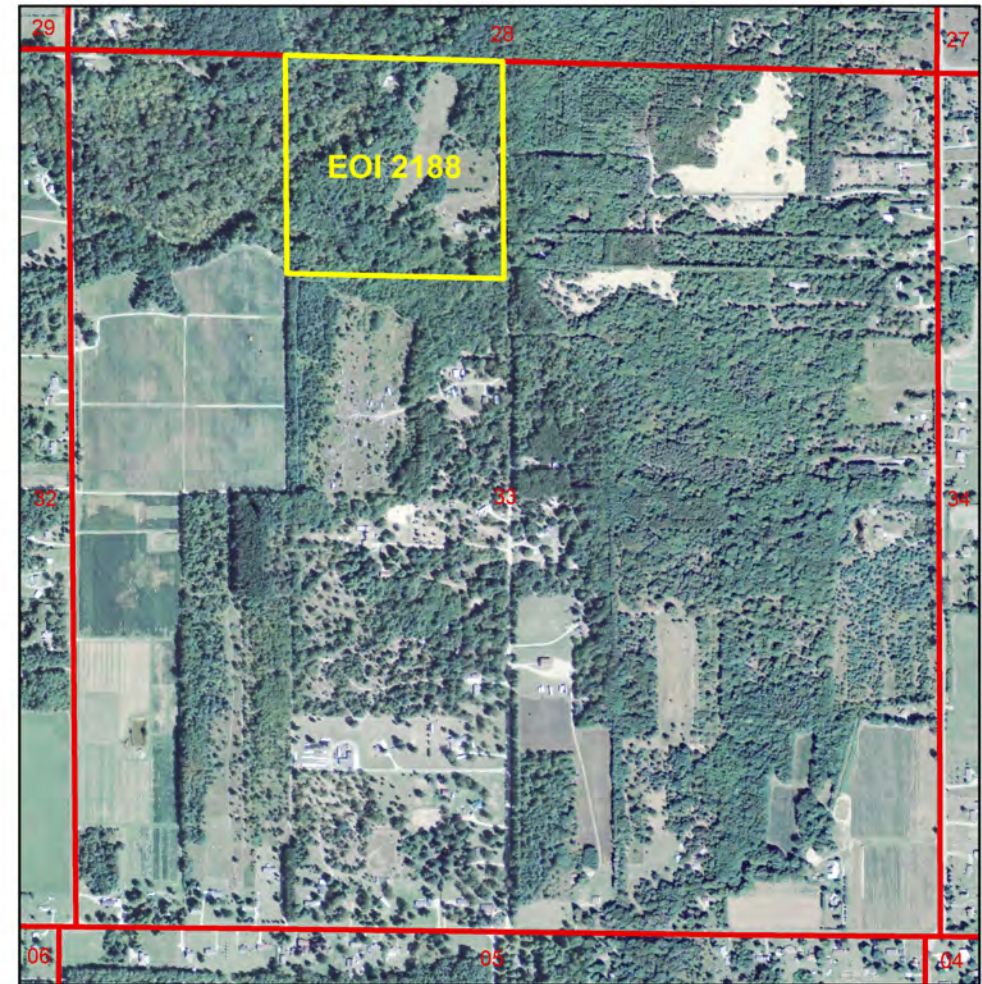
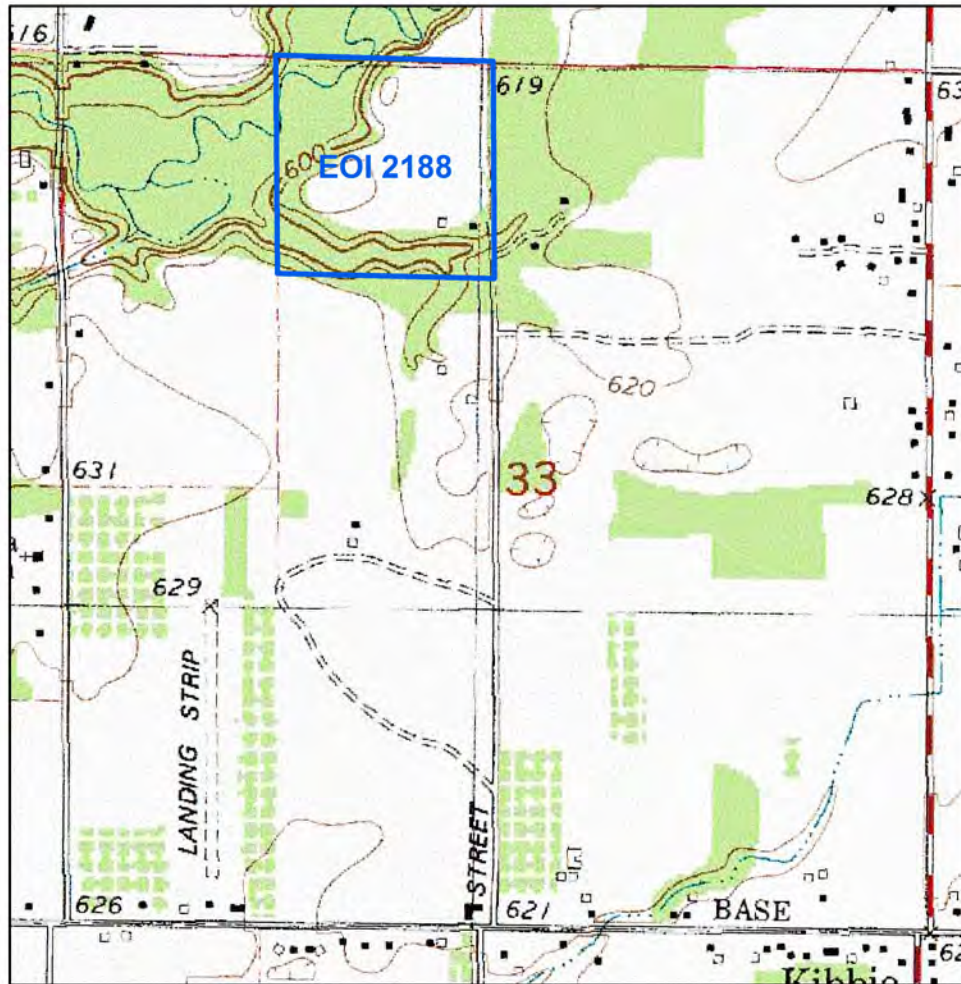
Survey History:
Original Survey – 31 Jul 1832

Nomination:
Section 33, NENW (~40 acres)

Imagery Sources: NAIP/Michigan_2014_1m_NC
Topo Sources: USDA-NRCS-NCGC DRG Mosaic of Allegan County, MI
Projection: NAD 1983, Michigan GeoRef (US Feet) State System

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BLM-ESO/Cadastral Svy/Energy&Mnrls Ops/21 Jul 15/acd



EOI 2189

T. 1N., R. 16W., Michigan Meridian; Allegan Co., MI

Survey History:

Original Survey – 31 Jul 1832

Nomination:

Section 36, W½E½SE/SW; E½W½SESW (~20 acres)

Imagery Sources: NAIP/Michigan_2014_1m_NC

Topo Sources: USDA-NRCS-NCGC DRG Mosaic of Allegan County, MI

Projection: NAD 1983, Michigan GeoRef (US Feet) State System

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BLM-ESO/Cadastral Svy/Energy&Mnrls Ops/21 Jul 15/acd

