

*Bureau of
Land
Management
Eastern
States Office*

September 20, 2016

*Notice of
Competitive
Oil and Gas
Internet-
Based Lease
Sale*

September 20, 2016

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

*Sale Location:
[https://www.energynet.com/go
vt_listing.pl](https://www.energynet.com/go/vt_listing.pl)*





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>



June 20, 2016

Notice of Competitive Oil and Gas Internet-Based Lease Sale

In accordance with the *Mineral Leasing Act*, [30 U.S.C. 226\(b\)\(1\)](#), as amended by the *National Defense Authorization Act for Fiscal Year 2015* (Pub. L. 113-291, 128 Stat. 3762) (Dec. 19, 2014), the Bureau of Land Management (BLM) is offering 14 parcels at an internet-based onshore oil and gas competitive lease sale. The 14 parcels (totaling 4398.48 acres), include Federal land in the States of Kentucky (1 parcel for 184.00 acres) and Mississippi (13 parcels for 4214.48 acres). This notice describes:

- The date, time and place of the sale
- How to 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
- How to file a protest

Attached is a list of the lands we are offering by serial number, parcel number, and land description. 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 have pending presale noncompetitive offers to lease which are not available for noncompetitive offers to lease if they receive no bid at this sale.

For your convenience, we are including a copy of the bid form. A map showing the sale parcels, the list of lands, and the Shapefiles are also available at our public Internet site:
<http://www.blm.gov/es>.

When and where will the sale take place?

When: The sale date is **Tuesday, September 20, 2016**. The open bidding period will begin at **9:30 am EST**. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for **3** hours, from start to finish. Bids will be accepted **ONLY** during a parcel's open bidding period. Additional bidding instructions are found at https://www.energynet.com/govt_listing.pl

Where: The sale will be held online at <https://www.energynet.com/>. Click the Government Lease Sales icon to view the sale site.

Access: The auction website is open to everyone; however, you must register as a bidder on the website **prior to the sale** in order to submit bids for a parcel. The auction website is available for viewing as of the date of posting of this notice and will remain available until the completion of the auction. The available parcels listed below are also detailed on the sale website. That information includes location, term, conditions, and stipulations.

Interested parties may visit the website at any time. Potential bidders may register for the online auction at any time after the date of posting of this notice and are encouraged to do so as early as possible. The online registration will close at noon, the day before the sale. Potential bidders are also encouraged to visit the website before the auction period begins to become familiar with the site and how the auction will be conducted. Instruction materials and other supporting documentation are available on the website to help new users familiarize themselves with the internet bidding process and to get answers to frequently asked questions about the system.

How will the sale be conducted?

The sale will be conducted **by online bidding only**. The online auction will be an ascending clock, fixed period, English auction. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for **3 hours**, from start to finish. Bids will be accepted for each parcel **ONLY** during its open bidding period. The website will display each current high bid, and the high bid bidder's number. The winning bid is the highest bid per acre received, equal to or exceeding the minimum acceptable bid, which is on record in the online auction system by the close of the auction period. The online system provides for two methods of bidding: flat bids per acre or maximum bids per acre. The system allows participants to submit either type of bid, or both. The maximum bidding method allows a bidder to participate in the online auction without having to remain logged into the website as the auction period proceeds. The website provides full instructions for how to place maximum bids, as well as instructions for how they operate to place bids on your behalf to maintain your high bidder status up to the chosen maximum bid amount.

How do I participate in the bidding process?

To participate in the BLM bidding process, one must register and obtain a bidder number. Beginning with the posting of this notice, a participant can register to bid at the auction website address above. Participants are encouraged to register early, to ensure they have ample time to complete all the required bidder registration steps before noon, the day before the actual online auction. Participants are also encouraged to visit the auction website in advance of the sale to familiarize themselves with the bidding instructions.

If an entity is bidding for more than one party, they must register separate credentials, satisfy all registration requirements and obtain a separate bidder number for each company or individual they wish to represent.

When registering as a bidder on the auction website, you will also be asked to sign and submit to BLM Eastern States 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, we will ask you to 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. We will also ask you to 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), or any monies owed EnergyNet for a previous oil and gas lease auction conducted by EnergyNet for any BLM office, 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 the bidder settles that debt to the United States. 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.

You do not have to be “present” in the online auction in order to participate as a bidder. The online auction provides a “maximum bid” bidding option. By using this “maximum bid” option, you are asking the system to bid automatically on your behalf, up to an amount you specify.

What is the sale process?

Starting at the posted opening date and time for each parcel:

- All bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- All bids are made in minimum increments of \$1.00 per acre, or fraction of an acre thereof;
- The winning bid is the highest received bid, equal to or exceeding the minimum acceptable bid, which is on record in the online auction system at the close of the auction period; and
- **The decision of the Bureau of Land Management, as presented on the auction website at www.energynet.com, is final.**

The minimum acceptable bid is **\$2 per acre**. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x 101 acres).

You cannot withdraw a bid once a bid is placed and the system determines that you are the high bidder, whether the bid was a flat bid or a maximum bid.

How long will the sale last?

Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for 3 hours, from start to finish. The length of the sale depends on the number of parcels we are offering.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale postponement:** 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 the Eastern States State Office Information Access Center (Public Room) before the sale begins. Additionally, the auction website will clearly indicate that a parcel is withdrawn. If we postpone the sale, a clear notice will be posted in the State Office Information Access Center and on the auction website.
- **Fractional interests:** 43 CFR 3120.1-2(c). If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel we will show that information as part of the parcel listing. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2 x 200 acres) and the advance annual rental will be \$300 (\$1.50 x 200 acres) for the first 5 years and \$400 (\$2 x 200 acres) for the remainder of the lease term. Conversely, your chargeable acreage and royalty on production will be calculated on the United States net acreage.
- **Payment due:** You cannot withdraw a bid. Your bid is a legally binding contract. For **each parcel** for which you are the successful high bidder, 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 \$160. These are monies you owe the United States, whether or not a lease is issued. You must pay these monies by 4:30 pm EST the day the auction closes. Payment will be made directly to the BLM Eastern States Office, or as otherwise directed by the BLM. Payments will not be made through the auction website. At the conclusion of each parcel's bidding period, the winning bidder will be provided instructions by the online auction system about how to make the required payment. You will be required to pay the buyer's premium to EnergyNet, 1.5% of any successful bid, in order to participate in the internet-based lease sale.

If your bonus bid was more than \$2 per acre or fraction of an acre and you do not pay the full amount on the day of the sale, you must pay any balance due by the close of business on the 10th working day after the auction closes. If you do not pay in full by this date, you lose the right to the lease and all money due on the day of the sale. If you forfeit a parcel, we may offer it again at a future sale.

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 we do not receive payment of the minimum monies owed the day of the sale by the date and time described above, the BLM will issue a bill for the monies owed. If we do not receive payment by the bill due date, we will send a demand letter to you that will include additional fees. If we do not receive payment as requested by the demand letter, the United States 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; and Federal and state tax refund offset; and retirement payment offset. We may send debts to the Internal Revenue Service (IRS) and the IRS may charge them 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:** Specific payment instructions will be provided by the online auction system to winning bidders. You can pay by personal check, certified check, and money order in person at the BLM Eastern States Office in Washington D.C. You may also pay by Electronic Funds Transfer (EFT), Automated Clearing House (ACH), or credit card (Discover, Visa, American Express, or MasterCard only). We cannot accept cash. ***Please note, in accordance with the Department of Treasury Financial Manual, Announcement No. A-2014-04, the BLM cannot accept credit or debit card payments for an amount equal to or greater than \$24,999.99. The BLM cannot accept aggregated smaller amounts on a credit card or multiple credit cards, to bypass this requirement.*** 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 in person at the BLM Eastern States office, or as otherwise directed by the BLM, 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.**

- **Bid form:** On the day of the sale, if you are a successful bidder, you must submit a properly completed and signed competitive bid form (Form 3000-2) with the required payment. The online auction system will provide the winning bidder with a pdf-fillable copy of this bid form and instructions on how to submit the form to the BLM Eastern States Office after the auction. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once you sign the form, you cannot change it. We will not accept any bid form that has information crossed out or is otherwise altered.

You will be shown the bid form as part of the sale registration process, and asked to certify electronically that you will complete and execute it should you be the winning bidder. Since the bid form is due the day of the sale, we suggest that you complete the form at the time you register so that you have the form ready to go in the event you are a winning bidder at the sale. Winning bidders will submit the sale form as outlined above.

Your completed bid form will certify that:

(1) You and/or the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and

(2) Both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of, or collusion among bidders.

This notice includes a copy of the bid form, and again, you will be provided a copy during the sale registration process and asked to assert that you agree that you will be able and willing to comply and sign it if you are the winning bidder at the close of the auctions.

- **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 land and 246,080 acres of acquired land (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, communitization agreement or development contract that you hold, own or control and acreage in leases for which royalty (including compensatory royalty or royalty-in-kind) was paid in the preceding calendar year is excluded from chargeability for acreage limitation purposes. The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, transfer of interest by assignment of record title or operating rights, and options to acquire interest in leases regardless of whether an individual, association, or corporation has received, under 43 CFR 3101.2-4, additional time to divest excess acreage acquired through merger or acquisition.

- **Lease Issuance:** After we receive the bid form and all the money due, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.
- **Lease terms:** A lease issued as a result of this sale will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. Advance rental at \$1.50 per acre for the first 5 years (\$2 per acre after that) is due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11, October 2008).
- **Split Estate:** Information regarding leasing of Federal minerals under 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: www.blm.gov/bmp/Split_Estate.htm
- **Stipulations:** Stipulations are part of the lease and supersede any inconsistent provisions of the lease form. 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 Statement (EIS) describes stipulations for parcels located within the administrative boundary of the FS 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

How do I file a noncompetitive offer after the sale?

Lands that do not receive a bid are available on a first-come, first-served basis for a 2-year period, beginning the day after the sale. The noncompetitive offers are handled directly by the

BLM and not through the internet leasing website. If you want to file a noncompetitive offer on an unsold parcel, you must provide to the BLM Eastern States Office:

- Three copies of form 3100-11, *Offer to Lease and Lease for Oil and Gas* properly completed and signed. Describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and
- Your payment of \$410 for the filing fee plus the advanced first year's rental (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the amount of rental.

Submit the aforementioned items to the BLM Eastern States Office in person or by mail. All offers filed the day of a sale will be considered as filed the first business day after the sale. If a parcel receives more than one offer, we will hold a drawing to pick the winner (see 43 CFR 1822.17). In the list of parcels, we have noted any parcels that have pending presale offers. A presale offer has priority over any offer filed after the sale.

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, the BLM will parcel the lands, which may not agree with the parcel configuration you prefer.

Please follow the following instructions for what to include in an EOI or nomination package, so that we may efficiently process your request. Incomplete nomination packages or improperly packaged EOIs can cause 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.
- Parcels that include 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 must 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.
- The 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 presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:

- Are available; and
- Have not been under lease during the previous 1-year period, or
- Have not been included in a competitive lease sale within the previous 2-year period.

Your noncompetitive presale offer to lease must be filed prior to the official posting of this sale Notice. If your presale offer was timely filed, was complete and we do not receive a bid for the parcel that contains the lands in your offer, your presale offer has priority over any offer for that parcel filed after the sale. Your presale offer is your consent to the terms and conditions of the lease, including any additional stipulations. If you want to file a presale offer, follow the directions listed for filing a noncompetitive offer after the sale.

When is the next competitive oil and gas lease sale scheduled?

Following the September 20, 2016 sale, we have tentatively scheduled our next competitive sale for **December 8, 2016**. We can make no guarantee as to when a given parcel will be offered for competitive sale.

How can I find out the results of this sale?

The sale results will be posted on the www.energynet.com website and the BLM Eastern States website at www.blm.gov/es. Paper copies are available for viewing or purchase at the BLM Eastern States Office in Washington D.C.

May I protest the BLM's decision to offer the lands in this Notice for lease?

Yes, under regulation 43 CFR 3120.1-3, you may protest the inclusion of a parcel listed in this sale notice. All protests must meet the following requirements:

- The BLM Eastern States must receive a protest within 30 calendar days of the posting of this notice. If our office is not open on the 30th day, a protest received on the next business day that the office is open to the public, will be considered timely filed. The protest must include a statement of reasons to support the protest. The BLM will dismiss a late-filed protest or a protest filed without a statement of reasons.
- A protest must state the interest of the protesting party in the matter.
- You may file a protest either by mail in hardcopy form or by telefax. You may not file a protest by electronic mail.
- Protests submitted by telefax must be sent to (202) 912-7186. Protests sent to a different fax number or submitted 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 on their behalf, the individual cannot make a protest in the group's name.
- A protest must include the name and address of the protesting party **and reference the specific serial number or parcel number that is being protested.**

Any protests, including names and street addresses, you submit will be made available for public review. Individual respondents may request confidentiality. If you wish to withhold your personal identifiable information from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your written comment. Such requests will be honored to the extent allowed by law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public inspection in their entirety.

If the BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?

We will announce receipt of any protests on the auction website prior to the start of the online auctions. We will also announce on the website a decision to either withdraw the parcel or proceed with the auction. If the protest is resolved prior to the sale, we will provide copies of our decision on the website.

If I am the high bidder at the sale for a protested parcel, when will the BLM issue my lease?

We will make every effort to decide the protest prior to the sale, but no later than 60 days after the sale. We will not issue a lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?

No. In accordance with BLM regulations (43 CFR 3120.5-3), you may not withdraw your bid.

If the BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will reject your bid, and 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. If you do not accept the additional stipulations, we will reject your bid and refund your first year's rental, bonus bid, and administrative fee.

If the BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?

Yes, you may. Note: An appeal from the State Director's decision must meet the requirements of 43 CFR 4.411 and Part 1840.

May I appeal the BLM's decision to deny my protest?

Yes, you may. Note: An appeal from the State Director's decision must meet the requirements of 43 CFR 4.411 and Part 1840.

May 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 any decision by the Interior Board of Land Appeals to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize a refund of the bonus bid, rentals, and administrative fees 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.

For more information, please contact Kemba Anderson-Artis at (202) 912-7733.



Barbara L. Eggers
Acting State Director
Eastern States Office

Kentucky
Army Corps of Engineers, Acquired Minerals

J.T. Myers Locks and Dam Project, Kentucky

ES-001-09/2016 KYES 058148 ACQ

Union County, Kentucky (J.T. Myers Locks and Dam Project), Corps of Engineers

US Tract No. 306

184.00 Acres

\$276.00 Rental

Subject to: BLM Lease Stipulations and Notices and Corps of Engineers Special Leasehold Stipulations

EOI 404

Mississippi
Forest Service Surface, Acquired Minerals

Bienville National Forest, Mississippi

ES-002-09/2016 MSES 058149 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 1, S2NE, W2, SE.

477.64 Acres

\$717.00 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5, and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi

EOI 1536

ES-003-09/2016 MSES 058150 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 3, N2NE, W2, S2SE.

461.76 Acres

\$693.00 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5, and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi

EOI 1536

ES-004-09/2016 MSES 058151 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 10, N2NE, SWNE, NENW, NWNW, N2SWNW, E2SE less South 20 acres as follows:

Beginning at a point on the line dividing the E2SE & W2SE of said section, 9.98 chains north of SW corner of SESE, East 20.05 chains, South 9.98 chains, West 20.05 chains, North to point of beginning.

280.73 Acres

\$421.50 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5 and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi and Forest Service Lease Notice 6

EOI 1536

ES-005-09/2016 MSES 058152 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 11, NE, W2NW, SENW, S2.

602.85 Acres

\$904.50 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5 and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi

EOI 1536

ES-006-09/2016 MSES 058153 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 12, NE, NENW, SWNW, W2SW, N2SE, SESE.

396.07 Acres

\$595.50 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5 and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi

EOI 1536

ES-007-09/2016 MSES 058154 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 13, NWNW, W2SW, SESW, West 10 acres of SWSE.

154.19 Acres

\$232.50 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5 and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi

EOI 1536

ES-008-09/2016 MSES 058155 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 14, E2, NWNW, S2NW, N2SW, SWSW.

566.72 Acres

\$850.50 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5 and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi

EOI 1536

ES-009-09/2016 MSES 058156 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 28, NENE less 10 acres beginning 8 chains South of NW corner of NENE, East 8 1/4 chains, South 12 chains, West 8 1/4 chains to SW corner of NENE, North 12 chains to beginning; NWNE less 16 acres on West side.

54.48 Acres

\$82.50 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5 and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi

EOI 1536

ES-010-09/2016 MSES 058157 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 35, NE, NENW, N2SE, N2SWSE, SESE.

340.82 Acres

\$511.50 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5 and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi

EOI 1536

ES-011-09/2016 MSES 058158 ACQ

Mississippi, Scott County, Bienville NF

T5N, R9E, Choctaw Meridian

Sec. 36, All.

575.69 Acres

\$864.00 Rental

Subject to Forest Service Notice to Lessee 3, 4 and 5 and Timing Limitation Stipulation 1

Subject to Standard Forest Service Stipulation for Mississippi

EOI 1536

Homochitto National Forest, Mississippi

ES-012-09/2016 MSES 058159 ACQ

Mississippi, Franklin County, Homochitto NF

T6N, R2E, Washington Meridian

Sec. 35, East 8 acres NESW, S2SW.

86.21 Acres

\$130.50 Rental

Subject to Forest Service Lease Notices 3 and 4 and Notice to Lessee 5 and Timing Limitation Stipulation 1

Subject to: Standard Forest Stipulation for Mississippi

EOI 849 and EOI 1997

ES-013-09/2016 MSES 058160 ACQ

Mississippi, Franklin County, Homochitto NF

T6N, R2E, Washington Meridian

Sec. 35, NWSE, S2SE.

117.31 Acres

\$177.00 Rental

Subject to Forest Service Lease Notices 3 and 4 and Notice to Lessee 5 and Timing Limitation Stipulation 1

Subject to: Standard Forest Stipulation for Mississippi

EOI 1997

ES-014-09/2016 MSES 058161 ACQ

Mississippi, Wilkinson County, Homochitto NF

T4N, R1W, Washington Meridian

Sec. 17, Beginning at the Southwest corner of the E2SW, thence North 89°24' East 15.53 chains; thence along a marked line North 0°25' West 59.73 chains to a public road; thence along said road with the meanders thereof; South 69° West 6.5 chains; North 88° West 5.00 chains; North 65° West 2.5 chains; South 48° West 1.00 chains to the west boundary of the SENW, Sec. 17; thence leaving the road South 1° West 58.10 chains to the place of beginning, less and except "Parcel No. 34" as described in an amended lease dated 28-March-1986, in MSES 34813, as it is currently leased/not part of this lease sale.

56.41 Acres

\$85.50 Rental

Subject to: Notice to Lessee Notices 3, 4 and 5 and and Timing Limitation Stipulation 1

Subject to: Standard Forest Stipulation for Mississippi

EOI 1779

Stipulations

LEASE STIPULATIONS AND NOTICES FOR EOI #404

BLM-STIPULATIONS

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.

Bats

Stipulation (NSO): No surface occupancy or disturbance would be permitted within 10 miles of hibernacula, 5 miles of maternity roosts, and 2.5 miles of non-maternity record locations for the following species: gray bat, Indiana bat, Ozark big-eared bat, northern long-eared bat, and Virginia big-eared bat.

Objective: To avoid adverse effects to special status bats.

Exception: An exception may be granted if the project would not result in adverse effects to these special status bats or their habitat, with concurrence from the USFWS.

Modification: None.

Waiver: This stipulation may be waived if the lease does not contain suitable habitat for gray bat, Indiana bat, northern long-eared bat, Ozark big-eared bat, Virginia big-eared bat, with concurrence from USFWS.

Stipulation (CSU): Within the range of special status bats projects that involve the removal of trees over 5 inches dbh (3 inches dbh for northern long-eared bats) will require an acoustic or mist net survey to determine presence or absence prior to the approval of surface disturbing activities. Surveys, by qualified personnel, must be conducted using USFWS approved protocols. Surveys would be conducted between May 15 and August 15. In lieu of a survey determining absence, presence is assumed and a Section 7 consultation would be required.

Objective: To protect foraging habitat and maternity roost sites of federally listed bat species.

Exception: The survey would not be required if the project would result in a not likely to adversely affect determination, with concurrence from USFWS.

Exception: The survey may not be required if previous surveys are sufficient to demonstrate the absence of special status bats.

BLM-LEASE NOTICES/BEST MANAGEMENT PRACTICES

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.

SPECIAL LEASHOLD STIPULATIONS**Serial Number EOI 404****J.T. Myers L&D (formerly Uniontown L&D), U.S. Tract 306, Union County Kentucky**

1. Lessee acknowledges and agrees that the demised premises are located within the boundary of the J.T. Myers Lock & Dam Project (subject project) and that the United States Army Corps of Engineers is the surface managing agency responsible for the operation and management of the referenced civil works project. All references to the lessee in these stipulations shall include the lessee and its duly authorized and designated operator or contractor.
2. Lessee acknowledges and agrees that all surface and/or subsurface oil and gas leasing and drilling operations on and/or under the demised premises are subject to the approval of the Bureau of Land Management and the United States Army Corps of Engineers. The District Engineer, United States Corps of Engineers, Louisville District (District Engineer) shall have the right to review, comment upon, and approve all oil and gas drilling and operations plans submitted by the lessee for approval pursuant to the applicable rules, regulations, and orders of the Bureau of Land Management. Upon review of the referenced plans and all environmental records, assessments, or impact statements, the District Engineer shall have the right to impose additional lease stipulations for the protection of the subject project. All references to the District Engineer in these lease stipulations shall include The District Engineer; United States Corps of Engineers, Louisville District and his/her authorized representatives. In addition, all references to oil and gas leasing and drilling operations on and/or under the demised premises, or within the subject project, including, but not limited to, access roads, drill pads, storage facilities, and transmission facilities.
3. Lessee shall conduct its surface and/or subsurface oil and gas drilling operations on and/or under the demised premises pursuant to (a) all applicable laws, rules, and regulations of the United States of America, Commonwealth of Kentucky, and local units of government; (b) the terms, conditions, and agreements as set forth in the leasehold agreement; (c) these lease stipulations which shall be attached to and made a part of the leasehold agreement (d) all other additional lease stipulation which shall made part of the leasehold agreement by the authorized officer administering the leasehold agreement for and on behalf of the Bureau of Land Management; (e) all other additional lease stipulations which shall be made part of the lease hold agreement by the District Engineer pursuant to the rights reserved in these lease stipulations; (f) the Secretary of the Interior's regulations and formal orders in effect as of the date of the execution of the leasehold agreement, and (g) the Secretary of the Interior's regulations and formal orders promulgated after the date of the execution of the leasehold agreement when not inconsistent with the specific provisions of the leasehold agreement.

SPECIAL LEASHOLD STIPULATIONS**Serial Number EOI 404****J.T. Myers L&D (formerly Uniontown L&D), U.S. Tract 306, Union County Kentucky**

4. Lessee shall conduct its surface and/or subsurface oil and gas drilling operations on and or under the demised premises in a manner which will protect title and property; the environmental quality (including, but not limited to, air , surface and ground water, and soil) of the subject project, the aesthetic quality of the subject project, the natural, cultural, historical, archaeological, and scientific resources of the subject project, the fish and wildlife populations and habitat within the subject project, and threatened or endangered species, if any, within the subject project. In addition, lessee shall conduct its oil and gas drilling operations in a manner which will result in the maximum ultimate recovery of oil and gas with minimum waste, and with minimum adverse effect on the ultimate recovery of the other mineral resource in the subject project.
5. The Secretary of the United States Army or his designee reserves the right to require cessation of the operations in a national emergency or if the United States Army needs the demised premises for a use incompatible with lease operations. On approval by higher authority, the District Engineer will notify the lessee in writing to, if time permits, requests the Bureau of Land Management to notify the lessee. The lessee acknowledges and agrees that the rights granted by the lease do not include the period of any such cessation, and the United States of America has no obligation to compensate the lessee for damages or contractual losses resulting from the exercise of this stipulation. The lessee shall include this stipulation in contracts with third parties to supply oil and gas. This stipulation shall not affect the lessee's right to seek suspension of the lease term from the Bureau of Land Management.
6. If the District Engineer finds an imminent danger to safety, security, or significant environmental values for which there is no time to consult with Bureau of Land Management, he may order and immediate stop of such activities. The State Director of the Bureau of Land Management will be notified immediately to determine the need for further remedial action.
7. Prior to commencement of an oil and gas drilling operation, the lessee shall provide an environmental plan covering all possible risk of contamination to the subject project and the Ohio River. This plan shall specifically include a plan to protect water quality during periods of flooding or high water.
8. Lessee shall immediately stop work if contamination of any kind is found in oil and gas drilling operations area or within the subject project, and shall request that the District Engineer provide assistance in dealing with the contamination.
9. Lessee liability for damage to improvements shall include all improvement of the Department of Defense.

SPECIAL LEASHOLD STIPULATIONS**Serial Number EOI 404****J.T. Myers L&D (formerly Uniontown L&D), U.S. Tract 306, Union County Kentucky**

10. Prior to commencement of an oil and gas drilling operation, the lessee shall consult with any third parties authorized to use the demised premises and take into consideration the programs for which the third party grantees have contractual responsibility. Lessee shall consult the Stoughs Wildlife Management Area supervisor before beginning construction of any roads in the subject project.
11. Lessee acknowledges and agrees that the United States of America does not warrant the ownership of, and will not defend the title to the oil and gas deposits, if any, underlying the demised premises.
12. Lessee acknowledges and agrees that the rights granted under the leasehold agreement are subordinate to the right of the United States America to flood the demised premises in connection with the operation and management of the subject project.
13. Lessee shall not pollute the air, surface, ground water, and soil within the subject project. Lessee shall fully comply with all applicable environmental protection laws, rules, and regulations, for the protection of the air, surface, ground water, and soil of the United States of America, Commonwealth of Kentucky, and local units of the government. Waste material (including, but not limited to water, mud, drilling fluid, oil, or fuel) and salt water produced with oil shall be stored, and shall be disposed of pursuant to waste material storage and disposal plans, procedures, and safety requirements established and approved by the District Engineer. Storage of oil, gas, or liquid hydrocarbons on the demised premises is prohibited. Lessee shall maintain all internal combustion engines in good repair and working order. All internal combustion engines shall be property muffled to prevent noise pollution.
14. Lessee shall control soil erosion and sedimentation upon the demised premises. Water runoff diversion ditches shall be used to protect disturbed surface areas, and all water runoff from disturbed surface areas shall pass through sediment removal/control structures. All sediment removal/control structures shall be designed and maintained pursuant to the surface to the surface coal mining regulations of the Commonwealth of Kentucky. Lessee acknowledges and agrees that no drilling will be permitted on slopes in excess of 15 percent.
15. The United States of America shall have the right to use the demised premises jointly with the lessee; to sell and convey all or part of the demised premises; to continue to manage and administer existing easements, leases, licenses, permits, and other outgrants for the permanent or temporary use of the demised premises; and to grant future easements, leases, licenses. permits and other outgrants for the permanent or temporary use of the demised premises.

The leasehold agreement is subject to all existing easements, leases, licenses, permits, and other outgrants (recorded or unrecorded) for the permanent or temporary use of the demised premises. Lessee shall have no claim for compensation or damages from the United States of America or from any outgrant holder (existing or future) referred to in this paragraph. The District Engineer will coordinate all future easements, leases, permits, and other outgrants for the permanent or temporary use of the demised premises with the authorized officer administering this leasehold agreement for and on behalf of the Bureau of Land Management.

16. Lessee agrees to reimburse the United States of America for all costs incurred by the United States Army Corps of Engineers for the administration of this leasehold agreement, and for any and all assistance provided to the lessee.
17. The United States of America shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the leasehold rights herein granted, or for damages to the property of the lessees, or for the damages to the property or to the injuries to the person of any lessee, lessee's officer, operators, contractors, agents, servants, or employees or others who may be on the demised premises at their invitation or the invitation of any of them, arising from or incident to the flooding of the demised premises by the United States of America or flooding from any other cause, arising from or incident to any other governmental activities. In addition, the lessee shall save and hold the United States of America free from all damages (damages to property or injury to persons or for any other damages from any cause whatsoever) arising from its oil and gas drilling operations within the subject project.
18. Lessee shall be liable and monetarily responsible for all property damages (damages to the real or personal property of the United States of America within the subject project and damages to the real or personal property of all easement, lease, license, permits, and other outgrant holders within the subject project) arising from its oil and gas drilling operations within the subject project. The District Engineer shall supervise the repair or replacement of any and all property damaged by the lessee within the subject project.
19. Lessee shall be liable and monetarily responsible for all damages to the environment (including, but not limited to, air, surface, and ground water, and soil) within the subject project; damages to the aesthetic quality of the subject project, damages to the natural, cultural, historical, archeological, and scientific resources within the subject project; and damages to the fish and wildlife populations and habitat within the subject project. The District Engineer shall supervise the cleanup and/or reclamation of all environment damages within the subject project.

SPECIAL LEASHOLD STIPULATIONS

Serial Number EOI 404

J.T. Myers L&D (formerly Uniontown L&D), U.S. Tract 306, Union County Kentucky

20. The District Engineer, without advance notice, shall have the right to enter upon, travel across and inspect all oil and gas drilling operations on the demised premises. The referenced inspection shall include the right to inspect all records kept and maintained by the lessee on each drill site.
21. Lessee covenants and agrees (a) that no oil and gas drilling operations shall occur or be located within four hundred (400) feet of a sink, sink hole, cave opening, lake, pond, or other body of water located upon the demised premises or within the subject project; (b) that no oil and gas drilling operations shall occur or be located within (400) feet of a drainage way, tributary, lake, pond, or other body of water located upon the demised premises or within the subject project, (c) that no oil and gas drilling operations shall occur or be located within (400) feet of a public access road or other road right-of-away located upon the demised premises or within the subject project; (d) that no oil and gas drilling discharge of any kind (including, but not limited to, water, salt water, mud, drilling fluid, oil, or fuel) shall be released into a drainage water drainage way, tributary, lake, pond, or other body of water located upon the demised premises or within the subject project; (e) that no produced oil and gas shall be stored on the demised premises; (f) that no liquid hydrocarbon shall be stored on the demised premises; (h) that no fill of any kind shall be placed in a sink, sink hole, cave opening located upon the demised premises or within the subject project; and (i) that no fill of any kind shall be placed into a drainage way or tributary leading to a sink, sink hole, cave opening, lake, pond, or other body of water located upon the demised premises or within the subject project.
22. Surface occupancy within 2,000 feet of a major civil works structure is prohibited, and there shall be no directional drilling into this prohibited area.
23. Lessee acknowledges and agrees that there shall be no unreasonable interference with navigation but the exercise of the privileges hereby granted. Platform drilling over water areas is prohibited.
24. Lessee acknowledges and agrees that no structure or appurtenance thereto shall be made a material or construction determined to create floatable debris.
25. If oil and gas activity results in the deposit of fil material, i.e., levees, berms, or drilling mud, in a wetland, then the lessee must obtain authorization pursuant to Section 404 and 401 of the Clean Water prior to the commencement of drilling activities.

T5N,R9E, Bienville N.F.
NATIONAL FORESTS IN MISSISSIPPI

NOTICE TO LESSEE 03

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

NOTICE TO LESSEE 04

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Further information concerning the classification of these lands may be obtained from the authorized Forest office.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

NOTICE TO LESSEE 05

The proposed land to be leased has areas, less than a 40-acre legal subdivision, with slopes greater than 15% in which ground disturbing activities (such as roads and well pads) will not be authorized. Further information concerning the classification of these lands may be obtained from the authorized Forest office.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

T5N,R9E
NATIONAL FORESTS IN MISSISSIPPI

TIMING LIMITATION STIPULATION 01

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

Ground disturbing activities, including road, pipeline, and well pad construction, may be restricted during the wet season from 11/30 thru 3/31 depending on site specific conditions at the time the Application for Permit to Drill is filed, unless the Operator can furnish construction measures to mitigate damages to surface resources.

On the lands described below:
Entire lease

For the purpose of (reasons):

Prevent excessive soil erosion and rutting resulting from construction activities during the wet season. Land and Resource Management Plan, National Forests in Mississippi, as amended, 9/85.

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.)

T6N,R2E, Homochitto
T4N, R1W, Homochitto

NATIONAL FORESTS IN MISSISSIPPI

LEASE NOTICE 03

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

LEASE NOTICE 04

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Further information concerning the classification of these lands may be obtained from the authorized Forest office.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

NOTICE TO LESSEE 05

The proposed land to be leased has areas, less than a 40-acre legal subdivision, with slopes greater than 15% in which ground disturbing activities (such as roads and well pads) will not be authorized. Further information concerning the classification of these lands may be obtained from the authorized Forest office.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

T6N,R2E, Homochitto
T4N,R1W, Homochitto

NATIONAL FORESTS IN MISSISSIPPI

TIMING LIMITATION STIPULATION 01

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

Ground disturbing activities, including road, pipeline, and well pad construction, may be restricted during the wet season from 11/30 thru 3/31 depending on site specific conditions at the time the Application for Permit to Drill is filed, unless the Operator can furnish construction measures to mitigate damages to surface resources.

On the lands described below:
Entire lease

For the purpose of (reasons):

Prevent excessive soil erosion and rutting resulting from construction activities during the wet season. Land and Resource Management Plan, National Forests in Mississippi, as amended, 9/85.

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.)

NATIONAL FORESTS IN MISSISSIPPI
LEASE NOTICE 06

All or part of the leased lands may contain a special management area that has been identified as a prairie by the Mississippi Natural Heritage Program. Further information may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if any activity is planned within the boundaries of an identified prairie location as it then exists. All activities must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

Cedar Thicket Prairie	T4N R8E	S-2	E2SE
Far Prairie	T4N R8E	S-4	NWNE
Not Worth It Prairie	T4N R8E	S-9	SWNE
Cow -Cow Prairie	T4N R8E	S-9	N2SE
101 Prairie	T4N R8E	S-9	SENE
Green Grass Prairie	T4N R8E	S-9	SE
Hilltop Prairie	T4N R8E	S-9	NESE & SENE
		S-10	SWNW & NWSW
Giant Crayfish Prairie	T4N R8E	S-10	SWSW
Five Acre Prairie	T4N R8E	S-10	SESE
	T4N R8E	S-15	NENE
Leaf River Prairie	T4N R8E	S-13	SENE & NESW
Log Yard Prairie	T4N R8E	S-14	N2SW
Wiregrass Prairie	T4N R8E	S-14	SESW
Half & Half Prairie	T4N R8E	S-14	SESW & SWSE
Next to Bottom Prairie	T4N R8E	S-15	SWNE
Bottom Prairie	T4N R8E	S-15	E2NE & NESE
Corner Prairie	T4N R8E	S-15	NENE
Broomsedge Prairie	T4N R8E	S-15	NENW
Narrow Prairie	T4N R9E	S-18	SWSW
Eroded Prairie	T4N R9E	S-18	NESW
583 Prairie	T4N R9E	S-19	NENW
Ichusa Creek Prairie #3	T4N R9E	S-21	NESE
Ichusa Creek Prairie #1	T4N R9E	S-22	W2NE
Ichusa Creek Prairie #4	T4N R9E	S-22	SWNW & NWSW
Ichusa Creek Prairie #2	T4N R9E	S-22	NENE
Daniels Prairie	T4N R9E	S-23	SWSE
Chicken House Prairie	T4N R9E	S-26	NENW
Pine Tree Prairie	T4N R9E	S-26	NWNE, N2SWNE, E2E2SE
Murphy Prairie	T4N R9E	S-34	NENE
Murphy 2 Prairie	T4N R9E	S-34	NWSE
Quarterliah Prairie	T4N R10E	S-15	NENW
Fourth Acre Prairie	T4N R10E	S-21	NENW
Lunch Prairie	T4N R10E	S-31	SENE

Bumelia Prairie	T4N R10E	S-31	NWNW
Circle Prairie	T5N R7E	S-12	NESW
C73 Prairie	T5N R7E	S-10	SENW
Plantation Prairie	T5N R7E	S-12	NWNE
Corner 85 Prairie	T5N R7E	S-12	SWNW
Whale Bone Prairie	T5N R8E	S-22	SENW
506 Prairie	T5N R8E	S-34	NENE
Not Much Prairie	T5NR9E	S-10	E2SE
Walk Hill Prairie	T5N R9E	S-21	NWSE
Suntower Prairie	T5N R9E	S-21	SWSE
Sale Prairie	T5N R9E	S-22	SWSW
Mudline Prairie	T5N R9E	S-27	SWNW
Grancy Greybeard Prairie	T5N R10E	S-22	SWSE
Eureka Church Prairie	T5N R10E	S-27	NWNE
Bad Walk Prairie	T6N R7E	S-23	SENE
Flag Prairie	T6N R7E	S-23	SWSW
Pipeline Prairie	T6N R7E	S-24	NESW
Section 19 Prairie	T6N R8E	S-19	E2SE
Harrell Hill Prairie	T6N R8E	S-25	W2NW & NWSW;
		S-26	NE & N2SE
Food Plot Prairie	T6N R8E	S-29	NESW
FS Sign Prairie	T6N R8E	S-29	SESW
Interstate Prairie	T6N R8E	S-29	SWNW
Tower Prairie #1	T6N R8E	S-30	N2SE
Baccharis Prairie	T6N R8E	S-30	SENW
Tower Prairie #2	T6N R8E	S-30	E2SE
Wooded Prairie	T6N R8E	S-30	SESW
Old Dump Prairie	T6N R8E	S-30	SWNE
Cedar Glade Prairie	T6N R8E	S-31	W2NW
Little Prairie	T6N R8E	S-31	NWNW
Heron Prairie	T6N R8E	S-32	NENW
Clearcut Prairie	T6N R8E	S-32	NESW
Singelton Prairie	T6N R9E	S-17	NENE
C24 Prairie	T7N R7E	S-24	SESW

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

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/prospecting permit/lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor, National Forests in Mississippi
200 South Lamar Street, Suite 500 North
Jackson, MS 39201
Telephone No.: 601-965-1600

who is the authorized representative of the Secretary of Agriculture.

BLM District Office
Bureau of Land Management
Jackson District Office
411 Briarwood Drive, Suite 404
Jackson, Mississippi 39206

Management Agency
USDA Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367