

5/10/2013

NOTICE OF COMPETITIVE LEASE SALE
OIL AND GAS

The Colorado State Office is offering competitively 4 parcels containing 2505.950 acres of Federal lands in the State of Colorado for oil and gas leasing. This notice provides:

- the 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, and
- how to file a protest.

Attached to this notice is a list of the lands being offered by parcel number and legal land description. We have included stipulations that apply to each parcel.

When and where will the sale take place?

When: The competitive oral sale will begin at 9 a.m. on August 8, 2013. The sale room will open one hour earlier to allow you to register and obtain your bid number. Registration begins at 8 a.m.

Where: The sale is held at the Bureau of Land Management, Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado 80215. Parking is available.

Access: The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact Karen Zurek at (303) 239-3795.

How will the sale be conducted?

The sale will be conducted by oral auction. You must make your bids verbally. The winning bid is the highest verbal bid equal to or exceeding the national minimum acceptable bid.

How do I participate in the bidding process?

To participate in the 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 8 a.m. on the day of the sale.

When you register to bid, you will be required to show a 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 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 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.

What is the sale process?

Starting at 9 a.m. on the day of the sale:

- the auctioneer will offer the parcels in the order they are shown in the attached Lease Sale 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.

The minimum acceptable bid is \$2 per acre. If a parcel contains fractional acreage, it is rounded up to the next whole acre. For example, a parcel of 100.401 acres requires a minimum bid of \$202 (\$2 x 101 acres).

How long will the sale last?

We begin the sale at 9 a.m., and it continues until all of the parcels in this Lease Sale Notice have been offered. The length of the sale depends on the number of parcels we are offering and the pace of the bidding. Normally, the sale is completed by noon.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the State Office Information Access Center (Public Room). If we cancel the sale, we will try to notify all interested parties early enough to stop them from traveling to the sale site.
- **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 with the parcel. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2 x 200 acres) and the advance annual rental will be \$300 (\$1.50 x 200 acres) for the first 5 years and \$400 (\$2 x 200 acres) for the remainder of the lease term. Conversely, your chargeable acreage and royalty on production will be calculated on the United States net.
- **Payment is due on the day of the sale:** You cannot withdraw a bid. Your bid is a legally binding contract. 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 \$150. You must pay these monies at the sale site or by 4 p.m. at the Colorado State Office. You must pay any remaining balance due by **4 p.m. Thursday August 22, 2013**, which is the tenth working day following the sale. **If you do not pay the balance due by this date, you forfeit the right to the lease and all money paid the day of the sale.** If you forfeit a parcel, we may offer it 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 312035-3(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 then 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 285, Debt Collection Authorities Under the Debt Collection Act of 1966).

- **Form of payment:** You can pay by:

Personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only).

Effective June 30, 2012, BLM will not accept credit or debit card payments to the Bureau for an amount equal to or greater than \$49,999.99. We also will not accept aggregated smaller amounts to bypass this requirement. **Initial payment at the time of the sale must be paid with check, or credit card. Colorado BLM will accept payments by Automated Clearing House (ACH) or Fed Wire Transfers.**

We cannot accept cash. Make checks 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 require 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 (If you plan on submitting your payment on the day of the sale using a credit card please be sure that you call and notify your bank). 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 the successful bidder, you must give us a properly completed and signed competitive bid form (Form 3000-2 dated August 2007 or later) with the required payment on the day of the sale. This form constitutes a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. *We will not accept any bid form that has information crossed out or is otherwise altered.*

We recommend you get a copy of the bid form and complete all but the parcel number and money part before the sale. You can fill out the money part at the sale. Your completed bid form certifies:

- (1) that 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) that both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.
- **Federal acreage limitations:** Qualified individuals, associations, or corporations may only participate in a competitive lease sale and purchase Federal oil and gas leases from this office if such purchase will not result in exceeding the State limit of 246,080 acres of public domain lands and 246,080 acres of acquired lands (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than 10 percent. Lease acreage committed to a unit agreement or development contract that you hold, own, or control is excluded from chargeability for acreage limitation purposes. The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, transfer of interest by assignment of record title or operating rights, and options to

acquire interest in leases regardless of whether an individual, association, or corporation has received, under 43 CFR 3101.2-4, additional time to divest excess acreage acquired through merger or acquisition.

- **Lease terms:** A lease issued as a result of this sale has 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. Rental at \$1.50 per acre for the first 5 years (\$2 per acre after that) is due on or before the lease anniversary date each year until production begins. Once a lease becomes producing, royalty of 12.5 percent must be paid. You will find other lease terms on our standard lease form (Form 3100-11, October 2008). (**Note:** You may copy the lease form, but if you copy an obsolete lease form, your offer will be rejected. The copy you make must be legible.)
- **Split Estate:** Information regarding leasing of Federal minerals overlain with private surface, referred to as “Split Estate,” is available at the Washington Office website provided below. A Split Estate brochure is available at this site. The brochure outlines the rights, responsibilities, and opportunities if private surface owners and oil and gas operators are 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.

Stipulations for parcels located within Forest Service boundaries can be viewed at the following website by selecting the bulleted item for Stipulations and Maps for Forest Service Administered Parcels under the sale date:

http://www.blm.gov/co/st/en/BLM_Programs/oilandgas/leasing.html

- **Lease issuance:** After we have received the bid form and all monies due, the lease can be issued. The lease effective date is the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.
- **Legal Land Descriptions:** We prepared the Notice with land status information from our Legacy Rehost 2000 (LR2000) case recordation system. We are providing you with the following information to assist you in understanding the legal descriptions given for each parcel:

The township and range contains additional zeros. For example, T. 9 S., R. 92 W., is shown as, T. 0090S., R. 0920W. (additional zeros underlined).

Lands are described separately by lots, tracts, minor aliquot parts, aliquot parts, and exceptions to survey for each section.

Cellular Phone Usage: Cellular phones are not allowed to be used in the sale room. Please remember to silence your phones before the sale begins.

Other Conditions of the Sale: At the time the sale begins, we will make any rules regarding sale procedures that we feel are necessary for the proper conduct of the sale.

Mailings and Deliveries: All mailings and deliveries to the Bureau of Land Management must have return addresses or we won't be able to accept delivery of them.

NONCOMPETITIVE OFFERS TO LEASE

How do I file a noncompetitive day-after-sale offer after the sale?

Parcels that do not receive a bid are available on a first-come, first-served basis for a two-year period beginning the day after the sale. If you want to file a noncompetitive offer on an unsold parcel, you must file in this office:

- an offer to lease form (Form 3100-11, dated October 2008) properly filled out and signed. The lands in your offer must be described as specified in our regulations at 43 CFR 3110.5; and
- your remittance for the total of the \$390 filing fee and the advanced first year's rental (\$1.50 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.

We will have a drop box in the payment room. All offers, filed the day of a sale and the first business day after it are considered filed simultaneously. When a parcel receives more than one filing by 4 p.m. on the day after the sale, a drawing is held to determine the winner. A presale offer has priority over any offer filed after the sale. After the day-after-sale drawing, any parcels remaining are available for a period of two years. Offers receive priority as of the date and time of filing in this office.

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,
- 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 we do not get a bid for the parcel that contains the lands in your presale offer, it 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 you must file in this office:

- an offer to lease form properly filled out and signed. The lands in your offer must be described as specified in our regulations at 43 CFR 3110.5; and
- your remittance for the total of the \$390 filing fee and the advanced first year's rental (\$1.50 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.

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

We have tentatively scheduled our next competitive sale for November 14, 2013. Expressions of Interest (EOI's) cutoff for the May 8, 2014 Sale is May 15, 2013. Expressions of Interest cutoff for the August 14, 2014 Sale is August 21, 2013. We can make no guarantee as to when a given parcel will be offered for competitive sale. We will try to put EOI's on the earliest possible sale.

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

An Expression of Interest (EOI) is an informal nomination to request that certain lands be included in an oil and gas competitive lease sale. This request must be made in writing or can be E-mailed to:

co_leasing_info@blm.gov

No filing fee or rental is required with an EOI. We are required (43 CFR 3120.4-2) to post the Notice of Competitive Sale 90 days prior to the sale. The oil and gas plats also must be notated with the parcels 90 days prior to the sale. This is a very complicated and lengthy process. Please keep this in mind when making future plans regarding a federal oil and gas lease.

As of August 8, 1995, all BLM offices must hold as confidential the names of all parties that file an informal EOI until 2 days following the last day of the competitive sale, or in other words, until the next day following the conclusion of the noncompetitive day-after-the sale filings. Make sure your EOI contains the minimum following information:

- your name or company name with mailing address and telephone number
- complete legal land description
- name and address of any private surface owners

Effective immediately, if you are submitting an informal Expression of Interest (EOI) which includes split estate lands (private surface/Federal minerals), you must provide, with the EOI, the name and address of current private surface owners(s) along with your EOI. The Bureau of Land Management (BLM) will send a courtesy letter to the surface owners(s) providing notice of the scheduled auction as well as information about the BLM's regulations and procedures for Federal oil and gas leasing and development on split estate lands.

In the future, an EOI which includes split estate lands that does not provide the name and address of the surface owner(s) will not be processed by the BLM. In addition, any EOI which is currently

pending in a BLM State Office will not be placed in the Notice of Competitive Lease Sale until the required information is provided.

How can I find out the results of this sale?

We will post the sale results in the State Office Information Access Center (Public Room) and on our public Internet site when we have compiled them. You may buy a printed copy of the results list for \$5 plus \$5 for postage and handling from the Information Access Center. The list will also be available on our public Internet site:

http://www.blm.gov/co/st/en/BLM_Programs/oilandgas/leasing.html

PROTEST INFORMATION

Protests for the August 8, 2013 Competitive Oil & Gas Sale must be received by

4:00 P.M. on June 10, 2013

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

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

- The BLM Colorado State Office must receive a protest no later than close of business on the 30th calendar day after the posting of the notice of the lease sale. No protests should be received by BLM District or Resource Area Offices. All protests must be received by the Colorado State Office, located at 2850 Youngfield St., Lakewood, CO 80215. If the State Office is not open on the 30th day after the posting of the sale notice, a protest received on the next day our office is open to the public will be considered timely filed. Close of business for the Colorado State office is **4:00 p.m.** which is when the Information Center (Public Room) closes. The protest must also include a statement of reasons to support the protest. **We will dismiss a late-filed protest, a protest filed without a statement of reasons, or a protest listing the internal 4-digit parcel ID number.**
- A protest must state the interest of the protesting party, their mailing address, **and reference the specific COC 5-digit serial number being protested.**
- You may file a protest by mail in hardcopy form or by telefax directly to the BLM Colorado State Office. You may not file a protest by electronic mail. A protest filed by fax must be sent to **303-239-3799**. 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 on this Sale Notice, how does it affect bidding on the parcel?

We will announce receipt of any protests at the beginning of the sale. We will also announce a decision to either withdraw the parcel or proceed with offering it at the sale.

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

We will issue no lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

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

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

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

If we uphold a protest and withdraw the parcel from leasing, we will refund your first year's rental, bonus bid and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations prior to lease issuance. If you do not accept the additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid and administrative fee.

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

Yes, you may. **NOTE:** an appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

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

Yes, you may. **NOTE:** an appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

May I withdraw my bid if the protestor files 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 refund of the bonus bid, rentals and administrative

fee if:

- there is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it; and
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid and administrative fee.

FOREST SERVICE PARCELS: All bidders are hereby notified that stipulations for parcels located within the administrative boundaries of some Forest Service units are described in terms of the appropriate Forest Plan. Copies of the original maps and stipulations may be reviewed in the appropriate District Ranger's Office, the Forest Supervisor's Office, or the Rocky Mountain Regional Forester's Office at 740 Simms St., Lakewood, Colorado (303) 275-5090. Information for parcels located within Forest Service boundaries may also be viewed at the following website by selecting the bulleted item for Stipulations and Maps for Forest Service Administered Parcels under the sale date:

http://www.blm.gov/co/st/en/BLM_Programs/oilandgas/leasing.html

NOTE: The posting of this notice serves to withdraw the lands listed herein from filings under 43 CFR 3110.1(a)(1)(ii).

Who should I contact if I have questions?

If you have questions on BLM stipulations, lease notices, etc., please contact the appropriate BLM Field Office for assistance. If you have questions on another surface management agency's stipulations or restrictions, etc., for parcels under their surface management jurisdiction, please contact that agency.

For general information about the competitive oil and gas lease sale process, or this Lease Sale Notice, you may e-mail or call:

Ms. Sharon A. Sales: e-mail ssales@blm.gov. Telephone number (303) 239-3987

Mrs. Rebecca Baca: e-mail rskinner@blm.gov. Telephone number (303) 239-3780

Ms. Tina Turja: e-mail cturjia@blm.gov. Telephone number (303) 239-3786

Mrs. Becky Backlund: email rbacklund@blm.gov Telephone number (303) 239-3799

Karen Zurek
Chief, Fluid Minerals Adjudication

SURFACE MANAGEMENT AGENCY DESCRIPTION

The list of parcels offered for competitive sale includes a description of the surface management agency(ies) involved. Where the surface is administered by a federal agency other than the BLM, the coordinating BLM District and Resource Area Offices are depicted immediately below. The following abbreviations are used:

Surface Management Agencies	
BLM	Bureau of Land Management
PVT	Private surface
FS	Forest Service surface
BOR	Bureau of Reclamation surface
DOE	Department of Energy surface
NF	National Forest
NG	National Grassland
STCO	State of Colorado
BLM District Offices	
CON	Northwest District Office
COF	Front Range District Office
COS	Southwest District Office
BLM Field Offices	
KFO	Kremmling Field Office (CON)
LSFO	Little Snake Field Office (CON)
WRFO	White River Field Office (CON)
GJFO	Grand Junction Field Office (CON)
CRVFO	Colorado River Valley Field Office (CON)
UFO	Uncompahgre Field Office (COS)
GFO	Gunnison Field Office (COS)
TRFO	Tres Rios Field Office (COS)
SLVFO	San Luis Valley Field Office (COF)
RGFO	Royal Gorge Field Office (COF)

Sample Number 1: PVT; BLM; COF: RGFO (This entry shows the parcel contains both private and BLM surface located in the Front Range District Office in the Royal Gorge Field Office.)

Sample Number 2: FS; Routt NF; CON: LSFO (This entry shows the parcel is Forest Service land in the Routt National Forest. The coordinating BLM office is in the Little Snake Field Office in the Northwest District Office.)

THE FOLLOWING PUBLIC DOMAIN LANDS ARE SUBJECT TO FILINGS IN THE MANNER SPECIFIED IN THE APPLICABLE PORTIONS OF THE REGULATIONS IN 43 CFR, SUBPART 3120.

PARCEL ID: 6714 SERIAL #: COC76117

T. 0070S., R.00930W., 6th PM
Section 19: Lot 7,8,13-16;
Section 32: Lot 1,2,4,5;

Garfield County
Colorado 380.510 Acres

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal

All lands are subject to Exhibit CO-39 to protect cultural resources

All lands are subject to Exhibit R2-FS-2820-14 (92) No Surface Occupancy - Roadless Areas

The following lands subject to R2-FS-2820-15 (92) –Timing for Elk Production Areas:

T. 0070S., R.00930W., 6th PM
Sec. 32: Lots 1, 2, 4, 5;

The following lands are subject to R2-FS-2820-15 (92) Timing Limitation for Big Game Winter Range Elk and mule deer winter range

T. 0070S., R.00930W., 6th PM
Sec. 19: Lots 7, 8, 13-16;

The following lands are subject to R2-FS-2820-14 (92) No Surface Occupancy – Slopes > 60%

T. 0070S., R.00930W., 6th PM
Sec. 19: Lot 16;
Sec. 32: portions of Lots 1, 5;

The following lands are subject to R2-FS-2820-16 (92) Controlled Surface Use - Sensitive Level 1 Travel Routes

T. 0070S. R.00930W., 6th PM
Sec. 32: Lot 2; portions of Lots 1, 4, 5;

All lands are subject to R2-FS-2820 Lease Notice for Canada Lynx Habitat or Linkage Areas
FS: White River NF; COM: CRVFO

PARCEL ID: 6386 SERIAL #: COC76118

T.0110N., R. 0890W., 6TH PM
Section 33: Lot 2,5,7-9,12,14-21;

Moffat County
Colorado 476.220 Acres

All lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal

All lands are subject to Exhibit CO-39 to protect cultural resources

The following lands are subject to Exhibit LS-103: Raptor nesting and fledgling habitat (golden eagle, osprey, all accipiters, falcons [except the kestrel], hawks, and owls, not including special status species raptors) Timing Limitation:

T. 0110N., R 0890W., 6TH PM
Sec. 33: Lot 14,15,20,21;

The following lands are subject to Exhibit LS-104: Columbian Sharp-Tailed Grouse Crucial Winter Habitat Timing Limitation:

T. 0110N., R 0890W., 6TH PM
Sec. 33: Lot 2,5,7-9,12;

The following lands are subject to Exhibit LS-106: Raptor Nest Sites (golden eagle, osprey, all accipiters, falcons [except the kestrel], hawks, and owls, not including special status species raptors) NSO:

T. 0110N., R 0890W., 6TH PM
Sec. 33: Lot 14,15,20,21;

All lands are subject to Exhibit LS-111: Slopes Greater than 35 percent.

PVT/BLM; CON: LSFO

PARCEL ID: 6424 SERIAL #: COC76119

T: 0110N R: 0890W 6TH PM

Section 27: Lot 16;

Section 28: Lot 1,10,11,13-15,28,29;

Section 34: Lot 1,2,7-16;

Moffat County

Colorado 741.350 Acres

All lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal

All lands are subject to Exhibit CO-39 to protect cultural resources

The following lands are subject to Exhibit LS-103: Raptor nesting and fledgling habitat (golden eagle, osprey, all accipiters, falcons [except the kestrel], buteos, and owls, not including special status species raptors) Timing Limitation:

T. 0110N., R 0890W., 6TH PM

Sec. 34: Lot 11-14;

The following lands are subject to Exhibit LS-104: Columbian Sharp-Tailed Grouse Crucial Winter Habitat Timing Limitation:

T. 0110N., R 0890W., 6TH PM

Sec. 27: Lot 16;

Sec. 28: Lot 1,10,11,13-15,28,29;

Sec. 34: Lot 1,2,7,8;

All lands are subject to Exhibit LS-105: Perennial Water Sources NSO.

The following lands are subject to Exhibit LS-106: Raptor Nest Sites (golden eagle, osprey, all accipiters, falcons [except the kestrel], buteos, and owls, not including special status species raptors) NSO:

T. 0110N., R 0890W., 6TH PM

Sec. 34: Lot 11-14;

All lands are subject to Exhibit LS-117: Greater Sandhill Crane Nesting and Staging Habitat Timing Limitation.

PVT/BLM; CON: LSFO

PARCEL ID: 6548 SERIAL #: COC76120

T: 0110N R: 0890W 6TH PM
Section 25: Lot 1,17,32;
Section 26: Lot 19,21,27,28;
Section 27: Lot 5;
Section 35: Lot 1-16;
Section 36: Lot 2,15-18;

Moffat County
Colorado 907.870 Acres

All lands are subject to Exhibit CO-26 to protect fragile soils

All lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation

All lands are subject to Exhibit CO-34 to alert lessee of potential habitat for a threatened, endangered, candidate, or other special status plant or animal

All lands are subject to Exhibit CO-39 to protect cultural resources

All lands are subject to Exhibit LS-104: Columbian Sharp-Tailed Grouse Crucial Winter Habitat Timing Limitation.

All lands are subject to Exhibit LS-105: Perennial Water Sources NSO:

All lands are subject Exhibit LS-110: Fragile Soils.

All lands are subject to Exhibit LS-111: Slopes Greater than 35 percent.

All lands are subject to Exhibit LS-117: Greater Sandhill Crane Nesting and Staging Habitat Timing Limitation.

PVT/BLM; CON: LSFO

EXHIBIT CO-26

CONTROLLED SURFACE USE STIPULATION

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

On the lands described below:

For the purpose of:

Protecting fragile soils. Prior to surface disturbance of fragile soils, it must be demonstrated to the Authorized Officer through a plan of development that the following performance objectives will be met.

Performance Objectives:

1. Maintain the soil productivity of the site.
2. Protect off-site areas by preventing accelerated soil erosion (such as land-sliding, gullying, drilling, piping, etc.) from occurring.
3. Protect water quality and quantity of adjacent surface and groundwater sources.
4. Select the best possible site for development in order to prevent impacts to the soil and water resources.

Fragile soil areas, in which the performance objective will be enforced, are defined as follows:

1. Areas rated as highly or severely erodible by wind or water, as described by the Soil Conservation Service in the Area Soil Survey Report or as described by on-site inspection.
2. Areas with slopes greater than or equal to 35 percent, if they also have one of the following soil characteristics:
 - (1) a surface texture that is sand, loamy sand, very fine sandy loam, fine sandy loam, silty clay or clay;
 - (2) a depth to bedrock that is less than 20 inches;
 - (3) an erosion condition that is rated as poor; or
 - (4) a K factor of greater than 0.32.

EXHIBIT CO-26 (continued)

Performance Standards:

1. All sediments generated from the surface-disturbing activity will be retained on site.
2. Vehicle use would be limited to existing roads and trails.
3. All new permanent roads would be built to meet primary road standards (BLM standards) and their location approved by the Authorized Officer. For oil and gas purposes, permanent roads are those used for production.
4. All geophysical and geochemical exploration would be conducted by helicopter, horseback, on foot, or from existing roads.
5. Any sediment control structures, reserve pits, or disposal pits would be designed to contain a 100-year, 6-hour storm event. Storage volumes within these structures would have a design life of 25 years.
6. Before reserve pits and production pits would be reclaimed, all residue would be removed and trucked off-site to an approved disposal site.
7. Reclamation of disturbed surfaces would be initiated before November 1 each year.
8. All reclamation plans would be approved by the Authorized Officer in advance and might require an increase in the bond.

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. See also Geothermal PEIS ROD section 2.3.3 at page 2-6.)

EXHIBIT CO-28

CONTROLLED SURFACE USE STIPULATION

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

On the lands described below:

For the purpose of:

To protect perennial water impoundments and streams, and/or riparian/wetland vegetation by moving oil and gas exploration and development beyond the riparian vegetation zone.

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. See also Geothermal PEIS ROD section 2.3.3 at page 2-6.)

Exception Criteria:

Exceptions may be granted only if an on-site impact analysis shows no degradation of the resource values.

EXHIBIT CO-34

ENDANGERED SPECIES ACT SECTION 7 CONSULTATION STIPULATION

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

On the lands described below:

EXHIBIT CO-39

CONTROLLED SURFACE USE

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. 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.

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.)

On the lands described below:

R2-FS-2820-14 (92)
NO SURFACE OCCUPANCY STIPULATION
Roadless Areas

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

The Battlement Mesa, Assignment Ridge, White River, and Pagoda Peak roadless areas. The NSO stipulation applied to the Pagoda Peak roadless area will remain until the Routt National Forest analyzes the entire area in its Forest Plan revision.

Battlement Mesa Roadless Area (now known as Mamm Peak)

For the purpose of:

Protecting the roadless character of the area.

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, FS Oil & Gas Regulations, 36 CFR, Sec. 228.104.)

R2-FS-2820-15 (92)
TIMING STIPULATION
Elk Production Areas

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

1. Exploration, drilling and development activity will not be allowed during the period from May 1 through June 30.
2. New oil and gas roads on public lands will be closed yearlong to the public.

On lands described below:

For the purpose of:

These areas have been identified in coordination with the Colorado Division of Wildlife. Disturbance during the reproductive season may reduce herd productivity.

Condition under which this stipulation would be waived:

Conditions which would not concentrate elk on the production areas.

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.)

R2-FS-2820-15 (92)

TIMING LIMITATION STIPULATION
Big Game Winter Range

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

1. Exploration, drilling and development activity will not be allowed during the period from December 1 to April 30.
2. New oil and gas roads on public lands will be closed yearlong to the public.

On the lands described below:

For the purpose of (reasons):

These areas have been identified in coordination with the Colorado Division of Wildlife. These areas support and sustain a large percentage of the total winter populations. These areas are important for animal survival during winters of harsh winter conditions. Disturbances and habitat losses may place unnecessary stress on the wintering big game herds and cause an increase in mortality.

Condition under which this stipulation would be waived:

Winter conditions which would not concentrate big game on the winter ranges.

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.)

R2-FS-2820-14 (92)
NO SURFACE OCCUPANCY STIPULATION
Slopes >60%

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

Areas identified with the following characteristics:

1. Slopes steeper than 60 percent

Exception Criteria:

Modification of this stipulation may occur as long as resource values are protected.

For the purpose of:

1. Preventing mass movements of earth such as landslides.
2. Maintaining or improving water quality to meet Federal and State standards.
3. Preventing significant or permanent impairment to the soil productivity.

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, FS Oil & Gas Regulations, 36 CFR, Sec. 228.104.)

R2-FS-2820-16 (92)
CONTROLLED SURFACE USE STIPULATION
Sensitive Level 1 Travel Routes

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

When necessary to meet VQO's, site clearings, collection facilities, structures, utilities and pipelines will be relocated. At the time of an APD a visual site analysis will be completed to determine if vegetation, topography and on-site controls are sufficient enough to mitigate visual impacts. If so, the site will be accepted and relocation will not be required.

On the lands described below:

Sensitive level 1 travel routes (a half mile either side of the route)

For the purpose of:

1. Preventing the placement of collection facilities, well sites or exploration activity within these routes that do not meet Visual Resource Management guidelines.
2. Providing Forest Visitors with quality experiences.

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, FS Oil & Gas Regulations, 36 CFR, Sec. 228.104.)

R2-FS-2820
LEASE NOTICE
CANADA LYNX HABITAT OR LINKAGE AREAS

Lands in this lease contain mapped Canada lynx habitat and/or linkage areas. The Lessee is encouraged to contact the local Forest Service Ranger District office for maps of Canada lynx habitat or linkage areas, and potential site-specific requirements for conservation of Canada lynx habitat or linkage areas prior to proposing operations on the lease. The Forest Service will assess any proposed operations to determine effects on Canada lynx. Results of this assessment may result in some restrictions on proposed operations, or disallow use and occupancy if they would be in violation of the Endangered Species Act of 1973.

EXHIBIT LS-103

LEASE NOTICE

Raptor nesting and fledgling habitat (golden eagle, osprey, all accipiters, falcons [except the kestrel], hawks, and owls, not including special status species raptors) Timing Limitation:

Raptor nesting and fledgling habitat will be closed to surface disturbing activities from February 1 to August 15 within a 0.25 mile buffer zone around the nest site. However, during years when a nest site is unoccupied, or unoccupied by or after May 15, these seasonal limitations may be excepted. They may also be excepted once the young have fledged and dispersed from the nest.

On the lands described below:

EXHIBIT LS-104

LEASE NOTICE

Columbian Sharp-Tailed Grouse Crucial Winter Habitat Timing Limitation:

Columbian sharp-tailed grouse crucial winter habitat will be closed from December 16 to March 15.

On the lands described below:

EXHIBIT LS-105

LEASE NOTICE

Perennial Water Sources NSO:

No surface occupancy for up to 0.25 mile from perennial water sources, if necessary, depending on type and use of the water source, soil type, and slope steepness.

On the lands described below:

EXHIBIT LS-106

LEASE NOTICE

Raptor Nest Sites (golden eagle, osprey, all accipiters, falcons [except the kestrel], buteos, and owls, not including special status species raptors) NSO:

No surface occupancy (NSO) will be allowed within a 0.25 mile radius of raptor nest sites. The NSO area could be altered depending upon the active status of the nest site or upon the geographical relationship of topographical barriers and vegetation screening to the nest site.

On the lands described below:

EXHIBIT LS-110

LEASE NOTICE

Fragile Soils: areas rated as highly or severely erodible by wind or water as described by the Natural Resources Conservation Service (NRCS) in the *Area Soil Survey Report* or as described by onsite inspection. Fragile soil criteria are also slopes greater than or equal to 35 percent if they have one of the other following soil characteristics: surface texture that is sand, loamy sand, very fine sandy loam, silty clay, or clay; a depth to bedrock of less than 20 inches; an erosion condition rated as "poor"; or a K-factor greater than 0.32:

Surface disturbing activities will be allowed on isolated sites that meet fragile soil criteria, but only when performance standards and objectives can be met.

Surface occupancy on public land will be permitted only where adherence to performance objectives for surface disturbing activities within fragile-soil areas is assured. Performance objectives for fragile soils include:

- Maintain soil productivity both by reducing soil loss from erosion and through proper handling of the soil material.
- Reduce the impact to offsite areas by controlling erosion and/or overland flow from these areas.
- Protect water quality and quantity of adjacent surface and ground water sources.
- Reduce accelerated erosion caused by surface disturbing activities.
- Select the best possible site for development to reduce impacts on soil and water resources.

On the lands described below:

EXHIBIT LS-111

LEASE NOTICE

Slopes Greater than 35 percent:

Before surface disturbance on slopes of 35 percent or greater, an engineering or reclamation plan must be approved by the authorized officer. Controlled Surface Use (CSU) stipulations may be accepted subject to an onsite impact analysis. CSU stipulations will not be applied when the authorized officer determines that relocation up to 200 meters can be applied to protect the riparian system during well siting.

On the lands described below:

EXHIBIT LS-117

LEASE NOTICE

Greater Sandhill Crane Nesting and Staging Habitat Timing Limitation:

Nesting and staging habitat areas will be closed to surface disturbing activities from March 1 to October 16.

On the lands described below: