



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7076



IN REPLY REFER TO:
CO922 (SS)

January 3, 2012

NOTICE OF ADDENDUM NO. 1

This amends the Colorado State Office Competitive Geothermal Sale Notice, dated November 2, 2011, for the Lease Sale Auction to be held on February 9, 2012.

Total Acreage – The total geothermal acreage in the Sale Notice is unchanged at 8353.26.

Total Parcels – There are 2 geothermal parcels being offered competitively in the February 9, 2012 sale.

Parcel COC 73584 – This parcel has the following revised stipulations from the U.S. Forest Service.

**NOTICE FOR LANDS OF THE NATIONAL FOREST SYSTEM UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE**

The 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 Interior in the permit. 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 permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operation plan approved by the Secretary of the Interior.

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

District Ranger, Gunnison Ranger District, Grand Mesa-Uncompahgre-Gunnison NF
216 N. Colorado St., Gunnison, CO 81230; 970-641-0471 the authorized representative of the Secretary of Agriculture.

NOTICE

CULTURAL AND PALEONTOLOGICAL RESOURCES - The FS is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the FS, shall:

1. Contact the FS to determine if a site specific cultural resource inventory is required. If a survey is required, then:
2. Engage the services of a cultural resource specialist acceptable to the FS to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the FS for review and approval at the time a surface disturbing plan of operation is submitted.
3. Implement mitigation measures required by the FS and BLM to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing, salvage, and recordation or other protective measures. All costs of the inventory and mitigation will be borne by the lessee or operator, and all data and materials salvaged will remain under the jurisdiction of the U.S. Government as appropriate.

The lessee or operator shall immediately bring to the attention of the FS and BLM any cultural or paleontological resources or any other objects of scientific interest discovered as a result of surface operations under this lease, and shall leave such discoveries intact until directed to proceed by FS and BLM.

ENDANGERED OR THREATENED SPECIES - The FS is responsible for assuring that the leased land is examined prior to undertaking any surface-disturbing activities to determine effects upon any plant or animal species listed or proposed for listing as endangered or threatened, or their habitats. The findings of this examination may result in some restrictions to the operator's plans or even disallow use and occupancy that would be in violation of the Endangered Species Act of 1973 by detrimentally affecting endangered or threatened species or their habitats.

The lessee/operator may, unless notified by the FS that the examination is not necessary, conduct the examination on the leased lands at his discretion and cost. This examination must be done by or under the supervision of a qualified resource specialist approved by the FS. An acceptable report must be provided to the FS identifying the anticipated effects of a proposed action on endangered or threatened species or their habitats.

**NO SURFACE OCCUPANCY STIPULATION
Gunnison Sage Grouse (GSG) Leks and Nesting Habitat**

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

No activities in mapped Gunnison sage grouse habitat within 4.0 miles of known Gunnison sage grouse lek (active, inactive, historic, leks of unknown status or newly discovered leks).

When new leks are found after the onset of activities, no additional activity will be allowed beyond what existed when the lek was discovered. This would not apply to operation and maintenance* activities.

* Operations and maintenance are defined as “any non-emergency, regularly scheduled activity that is required to preserve ongoing production and maintain existing equipment and facilities to an adequate level of service.”

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM

Sec. 9: S2;
Sec. 20: S2SW, SWSE;
Sec. 22: SESE;
Sec. 27: SWNE, N2SE;
Sec. 28: SWSW;
Sec. 33: W2NE, SENE, NW, S2;
Sec. 34: W2;

For the purpose of: Protecting known and potential sage grouse breeding habitat to help promote long-term recovery of the species and help reduce the trend toward federal listing.

Waivers, exceptions, or modifications (WEMs): No WEMs will be considered within 0.6 miles of any known Gunnison sage grouse lek. WEMs will be considered between 0.6-4.0 miles from lek. Waiver will only be permitted if it is consistent with GSG range-wide plan, and following coordination with DOW and USFWS. If WEMs are approved, then the following additional restrictions will apply, striving to first avoid impacts, then minimizing and mitigating unavoidable impacts:

Development activities should avoid fragmenting or degrading sage-grouse habitat; locate facilities in vegetation types other than sagebrush and associated riparian areas. If power lines cannot be avoided in sage-grouse habitat, retrofit utilities to minimize perches for raptors.

- To protect brood-rearing habitat, a 1,000-ft buffer from either side of a water feature (riparian, wetland, WIZ, and water bodies) would be required. Stream crossings may be considered.
- Limit operational noise to a maximum of 49 dBA measured 30 feet from the source year-round to protect priority habitats, prevent abandonment of display grounds, and maintain reproductive success, recruitment, and survival.
- No construction or drilling activities in mapped habitat between March 15 and June 30 (dates partially overlap with seasonal road closure on Tomichi Dome Road #3094 on BLM) within 4.0 miles of known Gunnison sage grouse lek to prevent disturbances to birds during the breeding, nesting, and early brood-rearing periods. Routine operation, maintenance and site visitations of production facilities will be restricted to occur between 09:00 and 16:00 during the above time period. No development activities within mapped Gunnison Sage-Grouse winter habitat between December 1 and March 15. Public use of existing open roads would not be restricted except as covered seasonal closures.
- Also refer to NSO (water resources)– Riparian areas, wetlands, water influence zone (WIZ) and water bodies, or areas within the 100 year floodplain for protection of sage-grouse brood-rearing habitat

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

CONTROLLED SURFACE USE STIPULATION
Sensitive Raptor Species Habitat

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

No new surface occupancy and surface disturbing activities (beyond that which historically occurred in an area) within specified distances of nests and associated nest sites. Current Region 2 sensitive raptor species known or suspected to occur on the Forest are included below:

- Bald eagle ½ mile
- Golden eagle ½ mile
- Osprey ¼ mile
- Peregrine falcon ¼ mile
- Northern Goshawk ½ mile

At the time of development, the most recent GMUG sensitive raptor list and associated habitat maps will be reviewed to determine if habitat for one or more raptor species is present. If the habitat is present, inventories will be required at the development stage to determine presence/absence of nest sites in the area.

On portions (or all, whichever is applicable) of the lands described below:

T. 49 N., R. 4 E., New Mexico PM

Sec. 9: S2;

Sec. 20: SENE, S2SW, SWSE, E2SE;

Sec. 21: All;

Sec. 22: W2NE, W2, SE;

Sec. 27: All except Tract 41;

Sec. 28: All;

Sec. 33: All;

Sec. 34: W2;

For the purpose of: Protecting habitat and nest sites for GMUG sensitive raptors.

Waivers, exceptions or modifications (WEMs) to this stipulation will be subject to the Forest Land and Resource Management Plan and Rocky Mountain Region's Sensitive Species List and associated maps in effect operations are proposed, and will be subject to applicable regulatory and environmental compliance requirements. WEMs may be considered in consultation with DOW.

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

**CONTROLLED SURFACE USE STIPULATION
Lynx Habitat**

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

In areas mapped as lynx habitat special design, construction and operations of facilities will be required to avoid/minimize disturbance in lynx habitat. In every case, the goal is to avoid lynx habitat where ever feasible. Minimization measures include limiting winter access to specified times and frequencies; access will be allowed only on specified routes, remote monitoring of facilities (including wells); minimizing construction of roads, well pads and other features; closure of newly constructed roads to public access; prohibiting construction of roads or other facilities on ridge tops, saddles, or in areas important for lynx habitat connectivity; developing reclamation plans that will include measures to promote lynx habitat and provide for effective road closure and decommissioning.

On portions (or all, whichever is applicable) of the lands described below:

T. 49 N., R. 4 E., New Mexico PM
 Sec. 9: SWSE, E2SE;
 Sec. 20: SENE, E2SE, SWSE;
 Sec. 21: All;
 Sec. 22: W2NE, W2, SE;
 Sec. 27: Lots 1, 2, 4;
 Sec. 27: S2NE, SENW, NESW, N2SE;
 Sec. 28: Lots 1-4;
 Sec: 28: SWNE,S2NW,SW,W2SE;

For the purpose of: Protecting lynx habitat, and compliance with Endangered Species Act and Southern Rockies Lynx Amendment.

Waivers, exceptions, or modifications (WEMs) will be considered to this stipulation only following consultation with the USFWS. WEMs will be subject to the Forest Land and Resource Management in effect at the time operations are proposed, and applicable regulatory and environmental compliance requirements. In such situations that WEMs may be granted, the activity would be subject to additional Conditions of Approval (COAs) and standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect. WEMs may also be considered for emergency access needs if the specific situation or conditions warrant it.

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

TIMING LIMITATION STIPULATION
Bald Eagle Winter Concentration/Foraging Area

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

To protect bald eagle winter concentration and foraging areas, no ground disturbing activities are allow from November 15-April 15.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM
Sec. 9: S2S2;

For the purpose of: Fulfilling requirements of the Bald and Golden Eagle Protection Act and the Migratory Bird Treaty Act.

Waivers, exceptions, or modifications (WEMs) will be subject to the Forest Land and Resource Management Plan, the Gunnison Sage Grouse Range wide Conservation Plan (GSGCP), and habitat maps in effect at the time operations are proposed. FS consultation with the Colorado Division of Wildlife, and will be subject to applicable regulatory and environmental compliance requirements. In such situations that a WEM may be granted, the activity would be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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

TIMING LIMITATION STIPULATION
Forest Service Sensitive Raptor Species Breeding Territories

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

Where active raptor nests are found, no activities except routine operation and maintenance* of production facilities are allowed within nest buffers for designated time period. Timing restriction will only be applied to active nests**. Current species, applicable timing restriction and buffer zones include:

- Bald eagle ½ mile; October 15-August 1
- Golden eagle ½ mile; December 15- July 15
- Osprey ¼ mile; April 1- September 1
- Peregrine falcon ¼ mile; February 1- September 1
- Northern Goshawk ½ mile; March 1-September 15

* Routine operations and maintenance are defined as “any non-emergency, regularly scheduled activity that is required to preserve ongoing production and maintain existing equipment and facilities to an adequate level of service.”

** Active nest is defined as “any nest that is frequented or occupied by a raptor during the breeding season, or which has been occupied in any the five previous breeding seasons.”

On portions (or all, whichever is applicable) of the lands described below:

T. 49 N., R. 4 E., New Mexico PM

Sec. 9: S2;

Sec. 20: SENE, S2SW, SWSE, E2SE;

Sec. 21: All;

Sec. 22: W2NE, W2, SE;

Sec. 27: All except Tract 41;

Sec. 28: All;

Sec. 33: All;

Sec. 34: W2;

For the purpose of: Protection of breeding territories around active raptor nest areas that are not protected by stipulations for federal or state government listed endangered, threatened, proposed, or candidate species. Breeding territories include occupied habitats used for courtship, nesting and fledging.

Waivers, exceptions, or modifications (WEMs) will be subject to the Forest Land and Resource Management Plan in effect at the time operations are proposed, and will be subject to applicable regulatory and environmental compliance requirements. WEMs will also only be considered following consultation with Colorado Division of Wildlife. In such situations that a WEM may be granted, the activity would be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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).

NO SURFACE OCCUPANCY STIPULATION**Slopes >50% and/or Areas of Known Geologic Instability and/or Very Severe Soil Erosion Hazard**

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

No surface occupancy is allowed in areas with High geologic instability, areas with slopes >50%, or areas with very severely erodible soils.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM

Sec. 9: N2SW, N2SE, SESE;

Sec. 20: SENE, S2SW, SWSE, E2SE;

Sec. 21: All;

Sec. 22: W2NE, W2, SE;

Sec. 27: All, except for Tract 41;

Sec. 28: All;

Sec. 33: N2N2, S2NE, SENW, NESW;

Sec. 33: N2SE, SESE;

Sec. 34: W2;

For the purpose of: Avoiding areas with steep slopes and/or geologic instability to prevent further mass movements and slope failure; maintaining or improving water quality to meet Federal and State standards; preventing significant or permanent impairment to soil productivity; and preventing occupancy in areas where reclamation would be ineffective.

No Waivers, Exceptions or Modifications (WEMs) will be considered for this stipulation.

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

CONTROLLED SURFACE USE STIPULATION
Slopes 35 to 50% and/or Areas of Potential Geologic Instability and/or and Severe Soil Erosion Hazard

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

The FS may require special analysis and mitigation plans for activities proposed in areas with Slopes 35 to 50%, Areas of Potential Geologic Instability, and Severe Soil Erosion Hazard. Site specific slope stability exams may be needed on areas identified as potentially unstable. Special design, construction, operation, mitigation, reclamation measures, monitoring and/or relocation may be required.

On portions (or all, whichever is applicable) of the lands described below:

T. 49 N., R. 4 E., New Mexico PM

Sec. 9: S2;

Sec. 20: SENE, S2SW, SWSE, E2SE;

Sec. 21: E2, N2NW, SWNW, W2SW;

Sec. 22: W2NE, N2NW, SENW, S2;

Sec. 27: Lots 1, 2;

Sec. 27: S2N2, N2S2, S2SW;

Sec. 28: Lots 1, 2;

Sec. 28: S2N2, S2;

Sec. 33: N2N2, NESW, N2SE, SESE;

Sec. 34: N2NW, SENW, SW;

For the purpose of: Minimizing disturbance to areas with steep slopes and/or potential geologic instability to prevent further mass movements and slope failure; maintaining or improving water quality to meet Federal and State standards; preventing significant or permanent impairment to soil productivity; minimizing effects to visual resources and preventing occupancy in areas where reclamation would be ineffective. To ensure stability and safety of roads, sites, and ancillary facilities during operations, and to ensure stability of lands adjacent to these facilities and ensure reclamation success.

Waivers, Exceptions or Modifications (WEMs) to this stipulation will be subject to the Forest Land and Resource Management Plan in effect at the time of consideration, and will be subject to applicable regulatory and environmental compliance requirements. WEMs will only be considered if it can be demonstrated that resource of specific concern would be protected. In such situations that a WEM may be granted, the activity would be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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

TIMING LIMITATION STIPULATION
Big Game Critical Winter Range and Winter Concentration Areas

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

No new surface disturbing activities (e.g. construction, drilling or completion operations) will be allowed, and no post development site visits outside of the hours of 10:00 am and 3:00 pm will be allowed, during the following time period(s):

December 1 and April 15 on lands identified as big game (elk, mule deer and bighorn sheep) critical winter range or winter concentration areas.

In case of heavy snow years, closure dates may be extended beyond December 1 to April 15 to provide protection for wintering big game. A qualified biologist will make the determination as appropriate.

Operation and maintenance of production facilities will be designed and visits to them scheduled to minimize effects on big game in these timeframes.

On portions (or all, whichever is applicable) of the lands described below:

T. 49 N., R. 4 E., New Mexico PM
 Sec. 20: S2S2, NESE;
 Sec. 21: SWSW;
 Sec. 22: W2NE, N2NW, SENW, S2;
 Sec. 27: SENE, NESW, S2SW, N2SE;
 Sec. 28: Lot 4;
 Sec. 28: SWNW, SW, S2SE;
 Sec. 33: All;
 Sec. 34: W2;

For the purpose of: Protection of wintering big game (elk, mule deer, and big horn sheep) during the critical winter and early spring months of the year, and protection of key elk, mule deer and big horn sheep rearing habitats in known summer concentration areas.

Waivers, exceptions, or modifications (WEMs) to this stipulation will be subject to the Forest Land and Resource Management in effect at the time operations are proposed, and applicable regulatory and environmental compliance requirements. WEMs will also only be considered following consultation with Colorado Division of Wildlife. Exceptions may also be granted if field review by a qualified biologist indicates animals are not present on the range during specified time periods. In such situations that WEMs may be granted, the activity would be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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).

**NO SURFACE OCCUPANCY STIPULATION
Wetlands, Fens, Water Influence Zones and Riparian Areas**

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

This stipulation applies to all wetlands, fens, riparian areas and the water influence zones (WIZ) within the lease area. The water influence zone is the area adjacent to perennial and intermittent drainages, lakes, and naturally occurring ponds and reservoirs. This zone is a minimum horizontal width of 100 feet from each side of the water body. It includes the 100 yr geomorphic floodplain (valley bottom) and riparian ecosystem.

On portions (or all, whichever is applicable) of the lands described below:

T. 49 N., R. 4 E., New Mexico PM
 Sec. 9: SWSW, W2SE, SESE;
 Sec. 20: SENE; NESE;
 Sec. 22: SWNE, NENW, N2SE;
 Sec. 27: Lot 1;
 Sec. 27: SWNE, SWSW, NWSE;
 Sec. 33: E2NE, N2NW, SWNW, SW, NESE;
 Sec. 34: NENW, SWNW, NWSW;

For the purpose of: Protecting water resources. Maintaining long-term ground cover, soil structure, water budgets, and flow patterns to and within water features, wetlands and fens to sustain their ecological function. Maintaining long-term stream health, floodplain health and riparian ecosystem condition; habitat needs, conserving soil moisture, preventing damage by increased runoff, protecting surface and subsurface water quality; and preventing the transport of pollutants into surface water.

Waivers, exceptions or modifications (WEMs) may be considered for road and pipeline crossings of streams and/or floodplains when necessary to cross linear water features. WEMs to this stipulation will be subject to the FS Watershed Conservation Practices Handbook or Forest Land and Resource Management Plan policy for protecting streams and riparian habitat in effect at the time of consideration; will only be considered if it can be demonstrated that long-term health can be maintained; and will be subject to applicable regulatory and environmental compliance requirements. WEMs will only be considered if it can be demonstrated that Forest policy and handbook direction can be met, and that aquatic and water resources would be protected. In the event an exception is granted, the activity will be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of an exception is a discretionary action which the operator should not routinely expect.

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

**CONTROLLED SURFACE USE STIPULATION
Wetlands, Fens, Water Influence Zones and Riparian Areas**

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

In areas between 100 feet and 500 feet from riparian areas, wetlands, Water Influence Zone, water bodies, areas within the 100 year floodplain, or areas with riparian vegetation; the Forest Service may require special design, construction, operation, mitigation, reclamation measures, monitoring and/or relocation.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM

Sec. 9: W2SW, SESW, SE;

Sec. 20: SENE; NESE;

Sec. 22: W2NE, NENW, SE;

Sec. 27: Lots 1, 2;

Sec. 27: S2NE, SWSW, E2SW, NWSE;

Sec. 28: SWSW, SESE;

Sec. 33: E2NE, NW, SW, NESE;

Sec. 34: NW, NWSW;

For the purpose of: Protecting water resources. Maintaining long-term ground cover, soil structure, water budgets, and flow patterns to and within water features, wetlands and fens to sustain their ecological function. Maintaining long-term stream health, floodplain health and riparian ecosystem condition; habitat needs, conserving soil moisture, preventing damage by increased runoff, protecting surface and subsurface water quality; and preventing the transport of pollutants into surface water.

Waivers, Exceptions or modifications (WEMs) to this stipulation will be subject to the FS Watershed Conservation Practices Handbook or Forest Land and Resource Management Plan policy for protecting streams and riparian habitat in effect at the time of consideration; will only be considered if it can be demonstrated that long-term health can be maintained; and will be subject to applicable regulatory and environmental compliance requirements. WEMs will only be considered if it can be demonstrated that Forest policy and handbook direction can be met, and that aquatic and water resources would be protected. In the event an exception is granted, the activity will be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of an exception is a discretionary action which the operator should not routinely expect.

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

**CONTROLLED SURFACE USE STIPULATION
Senior Water and Geothermal Rights**

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

To prevent potential material injury to senior water or geothermal rights under Colorado state law, and to ensure that existing geothermal features are protected under the terms of BLM's applicable Resource Management Plan, as amended by the Record of Decision and Resource Management Plan Amendments for Geothermal Leasing in the Western United States, 2008, as appropriate, this lease is restricted as follows.

Monitoring by the lessee prior to and during all lease operations, including development and utilization of a geothermal resource may be required as directed by the BLM in consultation with the Colorado State Engineer's Office, and the burden of proof shall be on the lessee, to ensure compliance with federal and state statutes, rules, and regulations.

Material injury may be determined by the relevant Colorado Water Court, and such an order from the Water Court may result in limitations on the use of the resource.

NOTE: If monitoring is required, the lessee/operator must also demonstrate to the BLM that they have made a good faith effort to work with the owners of the Upper and Lower Waunita Hot Springs to develop an effective monitoring program. The monitoring program would be designed to determine if there are any impacts to water quality, quantity, and/or temperature of the Waunita Hot Springs during any exploration, development, and production of the lease.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM
 Sec. 9: S2;
 Sec. 20: SENE, S2SW, SWSE, E2SE;
 Sec. 21: All;
 Sec. 22: W2NE, W2, SE;
 Sec. 27: All except Tract 41;
 Sec. 28: All;
 Sec. 33: All;
 Sec. 34: W2;

For the purpose of: Protection of existing water and geothermal rights. BLM Stipulation CO-52.

Waivers, exceptions or modifications (WEMs) to this stipulation will be subject to the Forest Land and Resource Management Plan policy in effect at the time of consideration will require consultation with the State of Colorado and the applicable community and/or water utility. WEMs will be subject to applicable regulatory and environmental compliance requirements. In the event a WEM is granted, the activity will be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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

**CONTROLLED SURFACE USE STIPULATION
Hydrogeologic Study**

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

To prevent potential material injury to senior water or geothermal rights under Colorado state law, and to ensure that existing geothermal features are protected a comprehensive geologic and hydrogeologic study, and interpretation that assesses hydraulic relationships in the area, will be required prior to the lessee/operator being approved by the BLM to install any production or injection wells.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM

Sec. 9: S2;

Sec. 20: SENE, S2SW, SWSE, E2SE;

Sec. 21: All;

Sec. 22: W2NE, W2, SE;

Sec. 27: All except Tract 41;

Sec. 28: All;

Sec. 33: All;

Sec. 34: W2;

For the purpose of: Protection of existing water and geothermal rights. BLM Stipulation G-26. FSM 2880, 43 CFR 3250, Programmatic EIS.

Waivers, exceptions or modifications (WEMs) will be considered if additional geologic and hydro-geologic study demonstrates that such activities will not adversely affect existing thermal features. WEMs to this stipulation will be subject to the Forest Land and Resource Management Plan policy in effect at the time of consideration will require consultation with the State of Colorado and the applicable community and/or water utility. WEMs will be subject to applicable regulatory and environmental compliance requirements. In the event a WEM is granted, the activity will be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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

CONTROLLED SURFACE USE STIPULATION
Ground Water Resources

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

On portion of lease in Section 9, T 49 N, R 4 E: No geothermal production or injection wells will be permitted.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM
Sec. 9: S2;

For the purpose of: Protecting, managing, and improving ground water and ground-water dependent ecosystems while implementing land management activities. FSM 2880, 43 CFR 3250.

Waivers, Exceptions or modifications (WEMs) will be considered to this stipulation if additional geologic and hydro-geologic study demonstrates that such activities will not adversely affect existing thermal features. WEMs will be subject to the Forest Land and Resource Management Plan in effect at the time of consideration, and will be subject to applicable regulatory and environmental compliance requirements. WEMs will only be considered if it can be demonstrated via specific hydrologic study that groundwater resources would be protected. In such situations that a WEM may be granted, the activity would be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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

CONTROLLED SURFACE USE STIPULATION
High and Moderate Scenic Integrity Objective Areas

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

When necessary to meet Scenic Integrity Objectives (SIO's), the FS may require special analysis and mitigation plans for activities proposed areas with High or Moderate Scenic Integrity Objectives.

At the time operations are proposed, the lessee may be required to submit visual simulations and visual resource and interpretive assessments along with plans for Forest Service approval demonstrating that all structures will be visually subordinate to the surrounding landscape and meet the SIO. A computer generated perspective may be required as part of the visual impact assessment.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM
 Sec. 9: S2;
 Sec. 20: SENE, S2SW, SWSE, E2SE;
 Sec. 21: All;
 Sec. 22: W2NE, W2, SE;
 Sec. 27: All except Tract 41;
 Sec. 28: All;
 Sec. 33: All;
 Sec. 34: W2;

For the purpose of: Protecting the scenic resources and the character of the landscape.

Waivers, exceptions or modifications (WEMs) to this stipulation will be subject to the Forest Land and Resource Management Plan in effect at the time of consideration, and will be subject to applicable regulatory and environmental compliance requirements. WEMs will only be considered if it can be demonstrated that the resource of specific concern would be protected. In such situations that a WEM may be granted, the activity would be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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.)

**NO SURFACE OCCUPANCY STIPULATION
Electrical Transmission Lines**

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

No surface occupancy is allowed within 62.5 feet of centerline on permitted electrical transmission lines.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM
Sec. 9: N2S2, SWSW;

For the purpose of: Preventing hazards associated with drilling near power lines, protect existing easement, and compliance with 29 CFR 1910.333 (c)(3).

Waivers, exceptions or modifications (WEMs) to this will be subject to the Forest Land and Resource Management Plan in effect at the time of consideration, and will be subject to applicable regulatory and environmental compliance requirements. WEMs will only be considered if it can be demonstrated that the resource of specific concern would be protected. WEMs will be considered in consultation of easement holder (WAPA) and in compliance with the following:

- Consult Rocky Mountain Region Office of WAPA a minimum of two weeks prior to commencement of any work beneath or adjacent to power lines.
- WAPA may require the lessee to enter into a contractual agreement to ensure protection of the electrical facilities.
- WAPA may also need to review proposed activities related development where any activity may come within 100 feet of WAPA's transmission line tower foundations.
- Any activity proposed within Western's right-of-way itself must be approved by Western prior to actually completing that activity.
- All vehicles, equipment, and/or machinery or other materials near the right-of-way must be properly grounded to avoid static and induced electrical hazards and no materials will be stored in either transmission line right-of-way.

In such situations that a WEM may be granted, the activity would be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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

CONTROLLED SURFACE USE STIPULATION
Recreation Sites

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

To protect recreational values and natural setting associated with semi-primitive recreation opportunity, the Forest Service may require special design, construction, operation, mitigation, reclamation measures, monitoring and/or relocation.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM

Sec. 20: SENE, S2SW, SWSE, E2SE;

Sec. 21: All;

Sec. 22: W2NE, W2, SE;

Sec. 27: All except Tract 41;

Sec. 28: All;

Sec. 33: All;

Sec. 34: W2;

For the purpose of: Maintaining the Recreation Opportunity Spectrum, and consistency with LRMP management of the area.

Waivers, exceptions or modifications (WEMs) to this will be subject to the Forest Land and Resource Management Plan in effect at the time of consideration, and will be subject to applicable regulatory and environmental compliance requirements. WEMs will only be considered if it can be demonstrated that the resource of particular concern would be protected. In such situations that a WEM may be granted, the activity would be subject to additional Conditions of Approval (COAs) and reclamation standards to ensure resource values are protected. Granting of a WEM is a discretionary action which the operator should not routinely expect.

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

**CONTROLLED SURFACE USE STIPULATION
Electrical Transmission Corridors**

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

In areas within 1,750 feet of centerline of existing electrical transmission corridors, the Forest Service may require special design, construction, operation, mitigation, reclamation measures, monitoring and/or relocation.

On portions (or all, whichever is applicable) of the lands described below;

T. 49 N., R. 4 E., New Mexico PM
Sec. 9: S2;

For the purpose of: Protecting permitted facilities, reducing user conflicts, and consistency with Westwide Transmission Corridor EIS, compliance with 29 CFR 1910.333 (c)(3).

Waivers, exceptions or modifications (WEMs) to this will be subject to the Forest Land and Resource Management Plan in effect at the time of consideration, and will be subject to applicable regulatory and environmental compliance requirements. WEMs will only be considered if it can be demonstrated that the resource of particular concern would be protected. WEMs will be considered in consultation with other federal agencies such as Department of Energy and WAPA and in compliance with the following:

- Consult Rocky Mountain Region Office of WAPA a minimum of two weeks prior to commencement of any work beneath or adjacent to power lines.
- WAPA may require the lessee to enter into a contractual agreement to ensure protection of the electrical facilities.
- WAPA may also need to review proposed activities related development where any activity may come within 100 feet of WAPA's transmission line tower foundations.
- Any activity proposed within Western's right-of-way itself must be approved by Western prior to actually completing that activity.
- All vehicles, equipment, and/or machinery or other materials near the right-of-way must be properly grounded to avoid static and induced electrical hazards and no materials will be stored in either transmission line right-of-way.

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.)

/s/ Karen Zurek

Karen Zurek
Chief, Fluid Minerals Adjudication