

Competitive Geothermal and Oil & Gas Lease Sale

February 9, 2012

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November 2, 2011

NOTICE OF COMPETITIVE LEASE SALE

GEOHERMAL

The Colorado State Office is offering competitively 2 parcels containing 8353.26 acres of Federal lands in the State of Colorado for **geothermal 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, and
- how to file a noncompetitive offer after the sale.

The sale will be held in accordance with the Energy Policy Act of 2005, and the Final rules issued May 2, 2007, (43 CFR Parts 3000, 3200 and 3280, Fed. Reg. Vol. 72, No. 84).

Attached to this notice is a list of the lands we are offering by parcel number and legal land description. We have included any special conditions or restrictions that will be made a part of the lease below the legal description. The bid form (Form 3000-2, dated August 2007) can be found at:

<https://www.blm.gov/FormsCentral/show-home.do>

When and where will the sale take place?

When: The competitive oral sale will begin at 9 a.m. on February 9, 2012. 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 asked to sign a statement that your bid is a good faith intention to acquire a geothermal lease and that you understand any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed, whether or not a lease is subsequently issued. 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, and payment of monies owed.

If you, or the party you represent, owe the United States any monies that were due the day of a previous geothermal 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 geothermal/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 geothermal/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 parcel 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, round it up to the next whole acre. For example, a parcel of 100.401 acres requires a minimum bid of \$202 (\$2 x 101 acres).

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.
- **Payment due on the day of the sale:** You cannot withdraw a bid. Your bid is a legally binding contract. The money **due the day of the sale** is twenty percent of the bonus bid, the first year’s rental of \$2 per acre or fraction of an acre, and a non-refundable administrative fee of \$150. You must pay this money on the day of the sale 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. February 24, 2012**, the fifteenth calendar 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).

Forms of payment: You may pay by personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only).

Effective February 1, 2005, BLM will not accept credit or debit card payments to the

Bureau for an amount equal to or greater than \$100,000. We also will not accept

aggregated smaller amounts to bypass this requirement. **Colorado BLM will no longer 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) with the required payment. This form is 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 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 that:

- (1) You and/or the prospective lessee are qualified to hold a geothermal lease under our regulations at 43 CFR 3202; and
- (2) Both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.

- **Lease Issuance:** After we receive the bid form and all the money due, we can issue the lease. 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 has a primary term of 10 years. It will continue beyond its primary term as long as geothermal in paying quantities is produced on or for the benefit of the lease. The annual rental will be \$2 per acre for the first year and \$3 per acre for years 2 through 10. Beginning with the eleventh lease year, the rental rate for all leases increases to \$5 per acre. Rentals are due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty at 1.75 percent for the first 10 years, and 3.5 percent thereafter.

- **Stipulations:** Stipulations are part of the lease and supersede any inconsistent provisions of the lease form. All Federal geothermal lease rights are granted subject to applicable laws under Section 6 of the lease terms, and lessees must meet certain requirements under the Endangered Species Act, as amended, 16 U.S.C. 1531 et. Seq. In accordance with Washington Office Instruction Memorandum No. 2002-174 the one parcel included in this geothermal lease sale will be subject to the attached Endangered Species Act Section 7 Consultation Stipulation.

In accordance with WO Instruction Memorandum No. 2005-003, Cultural Resources and Tribal Consultation, for Fluid Minerals Leasing, both parcels offered in this geothermal lease sale will be subject to the attached Cultural Resource Protection Stipulation.

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:

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.

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

If the parcels offered for geothermal leasing do not receive a bid, it will be available for noncompetitive leasing for a two-year period beginning the first business day following the sale. If you want to file a noncompetitive offer on an unsold parcel, you must file in this office:

- An Offer to Lease and Lease for Geothermal Resources, Form 3200-24a (September 2008), properly completed and signed. An original and two copies of this offer must be prepared and filed. We will accept only exact copies of the form on one 2-sided page. Describe the lands in your offer as specified in our regulations at 43 CFR 3204.11(a) (1).

For 30 days after the competitive geothermal lease sale, noncompetitive applications will be accepted only for the parcel as configured in the Notice of Competitive Geothermal Lease Sale. Subsequent to the 30-day period, you may file a noncompetitive application for any available lands covered by the competitive lease sale, not to exceed 5,120 acres per lease.

- Your payment for the total of the \$380 filing fee and the advanced first year's rental of \$1 per acre. Remember to round up any fractional acreage when you calculate the amount of rental.

Put the above items in a sealed envelope marked "Noncompetitive Offer" and place the envelope in the drop box in the Colorado State Office Information Access Center (Public Room). We consider all offers filed the day of a sale and the first business day after it, for any unsold parcel, filed at the same time. If a parcel receives more than one offer, we will hold a drawing to pick the winner. You may submit only one application per parcel. An application will not be available for public inspection the day it is filed.

Subsequent to the first business day following the competitive lease sale, the first qualified applicant to submit an application will be offered the lease. If BLM receives simultaneous applications as to date and time for overlapping lands, BLM will randomly select one to receive a lease offer (43 CFR 3204.11(b)(2)).

May I withdraw my application for a noncompetitive lease:

During the 30-day period after the competitive lease sale, BLM will only accept a withdrawal of the entire application. Following that 30-day period, you may withdraw your noncompetitive lease application in whole or in part at any time before BLM issues the lease. If a partial withdrawal causes your lease application to contain less than the minimum acreage required (640 acres, or all lands available for leasing in the section, whichever is less), BLM will reject the application.

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 can buy a printed copy of the results list for \$5 from the Information Access Center. The list will also be available on our public Internet site under oil and gas leasing:

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

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

We will consider all comments received after our sale posting date of November 10, 2011, to 4:00 p.m. on December 12, 2011. All letters may be sent to the Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado 80215. A letter may be sent by telefax to the Colorado State Office at 303-239-3799. All letters must reference the specific COC 5-digit serial number. A signature and a statement of interest are required for each comment letter. If the party signing the comment letter 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 in its behalf, the individual cannot send a letter in the groups' name.

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.

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

Ms. Sharon A. Sales: Email sharon_sales@co.blm.gov. Telephone number (303) 239-3987

Mrs. Rebecca Skinner: Email rebecca_skinner@co.blm.gov. Telephone number (303) 239-3780

Mr. Kristian Lee: e-mail kristian_lee@co.blm.gov. Telephone number (303) 239-3786

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 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
CDO	Craig District Office
CCDO	Canon City District Office
MDO	Montrose District Office
GJDO	Grand Junction District Office
	BLM Resource Area Offices
KRA	Kremmling Resource Area (CDO)
LSRA	Little Snake Resource Area (CDO)
WRRRA	White River Resource Area (CDO)
GJRA	Grand Junction Resource Area (GJDO)
GSRA	Glenwood Springs Resource Area (GJDO)
UBRA	Uncompahgre Basin Resource Area (MDO)
GBRA	Gunnison Basin Resource Area (MDO)
SJRA	San Juan Resource Area (MDO)
*NERA	Northeast Resource Area (CCDO)
SLRA	San Luis Resource Area (CCDO)
RGRA	Royal Gorge Resource Area (CCDO)

*The Northeast Resource Area (NERA) has been merged into the Royal Gorge Resource Area (RGRA)

Sample Number 1: PVT; BLM; CCDO: NERA (This entry shows the parcel contains both private and BLM surface located in the Canon City District Office in the Northeast Resource Area.)

Sample Number 2: FS; Routt NF; CDO: LSRA (This entry shows the parcel is Forest Service land in the Routt National Forest. The coordinating BLM office is in the Little Snake Resource Area in the Craig District.)

THE FOLLOWING PUBLIC DOMAIN LANDS ARE SUBJECT TO FILINGS IN THE MANNER SPECIFIED IN THE APPLICABLE PORTIONS OF THE REGULATIONS IN 43 CFR, SUBPART 3200.

PARCEL ID: 6208 SERIAL #: COC73585

- T. 0480N., R 0030E., NMPM
Sec. 1: Lot 5-10;
- T. 0490N., R 0030E., NMPM
Sec. 25: E2NE,SE;
- T. 0480N., R 0040E., NMPM
Sec. 5: Lot 5-18;
Sec. 6: Lot 8-23;
Sec. 7: N2NE,NENW;
Sec. 8: NWNE,N2NW;
- T. 0490N., R 0040E., NMPM
Sec. 19: SE;
Sec. 29: Lot 1-4;
Sec. 29: S2N2,S2;
Sec. 30: Lot 5-11;
Sec. 30: TR 40;
Sec. 30: E2SW,SE;
Sec. 31: Lot 5-11;
Sec. 31: NE,E2NW,NESW,N2SE;
Sec. 32: Lot 1-4;
Sec. 32: N2, N2S2;

Gunnison County
Colorado 4587.770 Acres

All lands are subject to Exhibit CO-52 to prevent potential injury to senior water right users under Colorado state law.

All lands are subject to Exhibit CO-53 to comply with applicable provisions of the Colorado Geothermal Resources Act.

All lands are subject to Exhibit G-9 to protect active Gunnison sage-grouse leks.

All lands are subject to Exhibit G-10 to protect inactive, historic and unknown Gunnison sage-grouse leks.

All lands are subject to Exhibit G-11 to protect cultural resources.

All lands are subject to Exhibit G-12 to protect cultural and archaeological resources.

All lands are subject to Exhibit G-13 to protect water and riparian resources.

All lands are subject to Exhibit G-14 to protect steep slopes and erosive soils.

All lands are subject to Exhibit G-15 to protect mapped elk winter concentration areas.

All lands are subject to Exhibit G-16 to protect gullies and other areas of chronic erosion.

All lands are subject to Exhibit G-17 to protect areas of geologic hazard.

All lands are subject to Exhibit G-20 to protect Gunnison sage-grouse lekking.

All lands are subject to Exhibit G-21 to protect Gunnison sage-grouse lekking.

All lands are subject to Exhibit G-22 to protect riparian and wetland habitat.

All lands are subject to Exhibit G-23 to protect visual resources.

All lands are subject to Exhibit G-24 to protect steep slopes.

All lands are subject to Exhibit G-25 to protect mapped Gunnison sage-grouse summer-fall habitat.

All lands are subject to Exhibit G-26 to protect water and geothermal rights, and geothermal features.

All lands are subject to Exhibit G-27 to alert lessee of requirements to protect Gunnison sage-grouse and habitat.

All lands are subject to Exhibit G-28 to alert lessee of requirements to survey for cultural resources.

All lands are subject to Exhibit G-29 to alert lessee of requirements to protect areas of traditional cultural importance.

All lands are subject to Exhibit G-30 to alert lessee of requirements to protect big game winter range.

All lands are subject to Exhibit G-31 to alert lessee of requirements to manage noxious weeds.

All lands are subject to Exhibit G-32 to alert lessee of requirements to protect potential habitat of Canada lynx.

All lands are subject to Exhibit CO-34 to alert lessee of requirements to protect potential habitat for threatened, endangered, candidate, or other special status plant or animal species. See also Geothermal PEIS ROD section 2.3.3 at page 2-6.

All lands are subject to Exhibit CO-39 to alert lessee of requirements to protect cultural resources. See also Geothermal PEIS ROD section 2.3.3 at page 2-6.

BLM; SWDO; GUFO

PARCEL ID: 6209 SERIAL #: COC73584

T. 0490N., R 0040E., NMPM

Sec. 9: S2;

Sec. 20: SENE,S2S2,NESE;

Sec. 21: ALL;

Sec. 22: W2NE,NW,S2;

Sec. 27: Lot 1-4;

Sec. 27: S2N2,SW,N2SE;

Sec. 28: Lot 1-4;

Sec. 28: S2N2,S2;

Sec. 33: ALL;

Sec. 34: W2;

Gunnison County
Colorado 3765.490 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. See also Geothermal PEIS ROD section 2.3.3 at page 2-6.

All lands are subject to Exhibit CO-39 to protect cultural resources. See also Geothermal PEIS ROD section 2.3.3 at page 2-6.

Forest Service Stipulations:

No Surface Occupancy-High geologic instability & or slopes >50% & or very severely erodible soils

Controlled Surface Use-Moderate geological hazards & or slopes 35-50% & or severely erodible soils.

No Surface Occupancy-Riparian areas, wetlands, water influence zone (WIZ) and water bodies, or areas within the 100 year floodplain (definitions of features found in Section 3.6).

Controlled Surface Use-Stipulation applies between 100 and 500' from feature (riparian areas, wetlands, WIZ, and water bodies, areas within the 100 year floodplain, or areas with riparian vegetation).

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

Controlled Surface Use 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. Controlled Surface Use 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 a" 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.

Controlled Surface Use-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, we" 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.

No Surface Occupancy-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."

Timing Limitation-Mapped big game critical winter range or winter concentration area (deer and elk) -No new surface disturbing activities December 1-April 15.

Timing Limitation-Big game winter critical winter range or winter concentration area (deer and elk)-No post development site visits outside of the hours of 10:00 am and 3:00 pm (local time) from December 1-April 15.

Timing Limitation-Bald eagle winter concentration/foraging area: No ground disturbing activities November 15-April 15.

Timing Limitations-FS Sensitive raptors species - No activities except for routine operation and maintenance* of production facilities within nest buffers for designated time period. Timing restriction will only be applied to active nests**. Bald eagle Y2 mile; October 15-August 1 Golden eagle Y:z mile; December 15-July 15 Osprey Y. mile; April 1-September 1 Peregrine falcon Y. mile; February 1-September 1 Northern Goshawk Y2 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:

Controlled Surface Use: 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 1/2 mile
Golden eagle 1/2 mile
Osprey 1/4 mile
Peregrine falcon 1/4 mile
Northern Goshawk 1/2 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 .

No Surface Occupancy -Electrical Transmission Line Within 62.5 feet of center on permitted electrical transmission line.

Controlled Surface Use -Transmission Corridor, within 1,750 feet of centerline of existing line.

Controlled Surface Use Areas with a Scenery Integrity Objective level of high or moderate to protect visual resources

Controlled Surface Use to protect recreational values and natural setting associated with semi-primitive recreation opportunity.

FS: Gunnison-GM-UNC NF; MDO: GBRA

EXHIBIT CO-34

Lease Number:

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

Lease Number:

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:

EXHIBIT CO-52

Lease Number:

EXTRACTION STIPULATION

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.

On the lands described below:

EXHIBIT CO-53

Lease Number:

LEASE NOTICE

The lessee is hereby notified that prior to and during all lease operations including development and utilization of a geothermal resource, the lessee must comply with applicable provisions of the Colorado Geothermal Resources Act, § 37-90.5-101-108, C.R.S., as amended by Colorado Senate Bill 10-174, other state and local statutes, and rules and regulations, now in existence or as may be modified in the future, consistent with lease rights.

On the lands described below:

EXHIBIT G-9

Lease Number:

NO SURFACE OCCUPANCY STIPULATION¹

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

ALL LANDS within 0.6 mile of an active Gunnison sage-grouse lek.

For the purpose of:

To maintain integrity of habitat surrounding Gunnison sage-grouse leks that are used during the breeding season.

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.)

Exception Criteria:

The authorized officer may grant an exception if an environmental review in coordination with appropriate local, state, and federal agencies determines that the action, as proposed or conditioned, would not impair the function or utility of the site for current or subsequent reproductive display, including daytime loafing/staging activities. An exception may also be granted by the authorized officer if the proponent, BLM, State wildlife agency, and where necessary, other affected interests, develop non-monetary compensation or mitigation that satisfactorily offsets anticipated impacts to Gunnison sage-grouse habitats and/or breeding activities.

¹ Does not apply to existing roads open to public vehicle use or to existing authorized facilities, such as powerlines, administrative access roads, livestock and/or wildlife water developments, fences, etc.

EXHIBIT G-9 (continued)

Modification Criteria:

The authorized officer may modify the area subject to the stipulation if an environmental analysis in coordination with appropriate local, state, and federal agencies finds that a portion of the NSO area is nonessential, or that the proposed action could be conditioned so as not to impair, the function or utility of the site for current or subsequent reproductive display, including daytime loafing/staging activities.

Waiver Criteria:

This stipulation may be waived, if after consulting with the State wildlife agency, it is determined that the site has been permanently abandoned or unoccupied for a minimum of 10 years; site conditions have changed such that there is no reasonable likelihood of future site occupation, or Gunnison sage-grouse are no longer a BLM sensitive or special status species and are not listed by the USFWS and it is determined that habitat protection is no longer necessary or desired.

EXHIBIT G-10

Lease Number:

NO SURFACE OCCUPANCY STIPULATION²

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

ALL LANDS within 0.6 mile of any inactive, historic, or unknown status Gunnison sage-grouse leks.

For the purpose of:

To maintain integrity of habitat surrounding leks that may be used during the breeding period.

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.)

Exception Criteria:

An exception may be granted or substituted with a timing limitation or controlled surface use, by the Field Manager if an environmental analysis determines that the action, as proposed or conditioned, would not impair the function or utility of the site for current or subsequent reproductive display, including daytime loafing/staging activities. That analysis should consider minimizing the impact of surface disturbance by locating activities adjacent to areas of existing disturbance and infrastructure (such as roads or electrical transmission lines). The analysis should also weigh the potential cumulative impact of locating surface disturbing activities within

² Does not apply to existing roads open to public vehicle use or to existing authorized facilities, such as power lines, administrative access roads, livestock and/or wildlife water developments, fences, etc.

EXHIBIT G-10 (continued)

0.6 miles of an unknown or historic lek against the potential cumulative impacts of disturbing other sage-grouse habitat types within the lease area.

Modification Criteria:

The no surface occupancy area may be modified in extent, by the Field Manager if an environmental analysis finds that a portion of the area is nonessential to site utility or function, or that the proposed action could be conditioned so as not to impair the function or utility of the site for current or subsequent reproductive display, including daytime loafing/staging activities. That analysis should consider minimizing the impact of surface disturbance by locating activities adjacent to areas of existing disturbance and infrastructure (such as roads or electrical transmission lines). The analysis should also weigh the potential cumulative impact of locating surface disturbing activities within 0.6 miles of an unknown or historic lek against the potential cumulative impacts of disturbing other sage-grouse habitat types within the lease area.

The stipulation may also be modified if the proponent, Bureau of Land Management, Colorado Division of Wildlife, and where necessary, other affected interests, negotiate compensation that satisfactorily offsets anticipated impacts to sage grouse breeding activities and/or habitats.

Waiver Criteria:

This stipulation may be waived if, in cooperation with the Colorado Division of Wildlife, it is determined that the site has been unoccupied for a minimum of 10 years unless the area has been identified for habitat restoration and population recovery.

EXHIBIT G-11

Lease Number:

NO SURFACE OCCUPANCY STIPULATION³

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

ALL LANDS within the boundary of properties designated or eligible for the National Register of Historic Places, including National Landmarks and National Register Districts and Sites, and additional lands outside the designated boundaries to the extent necessary to protect values where the setting and integrity is critical to their designation or eligibility.

For the purpose of:

To protect cultural resources.

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.)

Exception Criteria:

None

³ Does not apply to existing roads open to public vehicle use or to existing authorized facilities, such as powerlines, administrative access roads, livestock and/or wildlife water developments, fences, etc.

EXHIBIT G-11 (continued)

Modification Criteria:

None

Waiver Criteria:

None

EXHIBIT G-12

Lease Number:

NO SURFACE OCCUPANCY STIPULATION⁴

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

ALL LANDS within areas with important cultural and archaeological resources, such as traditional cultural properties and Native American sacred sites, as identified through consultation.

For the purpose of:

To protect cultural resources.

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.)

Exception Criteria:

None

Modification Criteria:

None

Waiver Criteria:

None

⁴ Does not apply to existing roads open to public vehicle use or to existing authorized facilities, such as power lines, administrative access roads, livestock and/or wildlife water developments, fences, etc.

EXHIBIT G-13

Lease Number:

NO SURFACE OCCUPANCY STIPULATION⁵

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

ALL LANDS encompassed by water bodies, riparian areas, wetlands, playas, and 100-year floodplains.

For the purpose of:

To protect water bodies, riparian areas, wetlands, playas, and 100-year floodplains.

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.)

Exception Criteria:

None

Modification Criteria:

None

Waiver Criteria:

None

NOTE: Any requests for exceptions, modifications, and/or waivers on split-estate private surface lands will be considered in light of any surface use agreement(s) between the landowner and the lessee/operator.

⁵ Does not apply to existing roads open to public vehicle use or to existing authorized facilities, such as power lines, administrative access roads, livestock and/or wildlife water developments, fences, etc.

EXHIBIT G-14

Lease Number:

NO SURFACE OCCUPANCY STIPULATION⁶

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

On the lands described below:

ALL LANDS with slopes greater than 40 percent slope and/or soils with severe to very severe erosion hazard.

For the purpose of:

Protecting soils on surfaces greater than 40 percent slope and/or soils with severe to very severe erosion hazard.

Exception Criteria:

In the event the lessee demonstrates that operations can be conducted without causing unacceptable impacts and that less restrictive measures will protect the public interest, an exception may be approved by the Authorized Officer. A request for an exception must include an engineering and reclamation plan which provides a high level of certainty that such operations can be conducted consistent with BLM's surface operating standards and guidelines. All elements of the Steep Slopes CSU would apply (Exhibit G-24). In addition, the operator must provide sufficient on-site analysis of soil types, vegetation types, aspect, depth to bedrock, nature of subsurface materials and potential for below ground seeps or springs. The lessee must also provide an evaluation of past practices on similar terrain and be able to demonstrate success under similar conditions. Previous success under similar conditions would be a critical element in the Authorized Officer's determination.

Modification Criteria:

None

⁶ Does not apply to existing roads open to public vehicle use or to existing authorized facilities, such as powerlines, administrative access roads, livestock and/or wildlife water developments, fences, etc.

EXHIBIT G-14 (continued)

Waiver Criteria:

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.)

NOTE: Any requests for exceptions, modifications, and/or waivers on split-estate private surface lands will be considered in light of any surface use agreement(s) between the landowner and the lessee/operator.

EXHIBIT G-15

Lease Number:

NO SURFACE OCCUPANCY STIPULATION⁷

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

On the lands described below:

ALL LANDS within mapped elk winter concentration areas.

For the purpose of:

To protect mapped elk winter concentration areas and limit disturbance to wintering elk in mapped elk winter concentration 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.)

Exception Criteria:

The Field Manager may grant an exception if an environmental analysis indicates that the proposed action can be conditioned so as not to interfere with the habitat function or compromise animal condition or security within the project vicinity. An exception may also be granted for actions intended to enhance the long-term utility or availability of suitable habitat.

Modification Criteria:

None

Waiver Criteria:

None

NOTE: Any requests for exceptions, modifications, and/or waivers on split-estate private surface lands will be considered in light of any surface use agreement(s) between the landowner and the lessee/operator.

⁷ Does not apply to existing roads open to public vehicle use or to existing authorized facilities, such as powerlines, administrative access roads, livestock and/or wildlife water developments, fences, etc.

EXHIBIT G-16

Lease Number:

NO SURFACE OCCUPANCY STIPULATION⁸

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

On the lands described below:

ALL LANDS within 50 feet of a gully or other area of chronic erosion if adjacent and surrounding slopes are less than 30% or within 100 feet of a gully or other area of chronic erosion if adjacent and surrounding slopes are in excess of 30%.

For the purpose of:

To protect gully areas and other areas of chronic erosion.

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.)

Exception Criteria:

In the event the lessee demonstrates that operations can be conducted without causing unacceptable impacts and that less restrictive measures will protect the public interest, an exception may be approved by the Authorized Officer. A request for an exception must include an engineering and reclamation plan which provides a high level of certainty that such operations can be conducted consistent with BLM's surface operating standards and guidelines for Oil and Gas Exploration and Development. All elements of the Steep Slopes CSU would apply (Exhibit G-24). In addition, the operator must provide sufficient on-site analysis of soil types, vegetation types, aspect, depth to bedrock, nature of subsurface materials and potential for below ground seeps or springs. The lessee must also provide an evaluation of past practices on similar terrain and be able to demonstrate success under similar conditions. Previous success under similar conditions would be a critical element in the Authorized Officer's determination.

⁸ Does not apply to existing roads open to public vehicle use or to existing authorized facilities, such as powerlines, administrative access roads, livestock and/or wildlife water developments, fences, etc.

EXHIBIT G-16 (continued)

Modification Criteria:

None

Waiver Criteria:

None

NOTE: Any requests for exceptions, modifications, and/or waivers on split-estate private surface lands will be considered in light of any surface use agreement(s) between the landowner and the lessee/operator.

EXHIBIT G-17

Lease Number:

NO SURFACE OCCUPANCY STIPULATION⁹

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

On the lands described below:

ALL LANDS encompassed by areas of geologic hazard, which consist of landslide deposits from Tomichi Dome.

For the purpose of:

To protect areas of geologic hazard.

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.)

Exception Criteria:

In the event the lessee demonstrates that operations can be conducted without causing unacceptable impacts and that less restrictive measures will protect the public interest, an exception may be approved by the Authorized Officer. A request for an exception must include an engineering and reclamation plan which provides a high level of certainty that such operations can be conducted consistent with BLM's surface operating standards and guidelines for Oil and Gas Exploration and Development. All elements of the Steep Slopes CSU would apply (Exhibit G-24). In addition, the operator must provide sufficient on-site analysis of soil types, vegetation types, aspect, depth to bedrock, nature of subsurface materials and potential for below ground seeps or springs. The lessee must also provide an evaluation of past practices on similar terrain and be able to demonstrate success under similar conditions. Previous success under similar conditions would be a critical element in the Authorized Officer's determination.

⁹ Does not apply to existing roads open to public vehicle use or to existing authorized facilities, such as powerlines, administrative access roads, livestock and/or wildlife water developments, fences, etc.

EXHIBIT G-17 (continued)

Modification Criteria:

None

Waiver Criteria:

None

NOTE: Any requests for exceptions, modifications, and/or waivers on split-estate private surface lands will be considered in light of any surface use agreement(s) between the landowner and the lessee/operator.

EXHIBIT G-20

Lease Number:

TIMING LIMITATION STIPULATION

No construction or drilling activities are allowed during the following time period(s).

NOTE: This stipulation does not apply to routine operations, maintenance, and other activities. Routine operations and maintenance are characterized as any scheduled activity that is required to preserve ongoing production and maintain existing equipment and facilities to an adequate level of service.

March 15 through May 15

On the lands described below:

ALL LANDS within occupied Gunnison sage-grouse habitat.

For the purpose of (reasons):

To protect Gunnison sage-grouse lekking habitat and Gunnison sage-grouse during lekking season.

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 the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria: The authorized officer may grant an exception if an environmental review in coordination with appropriate local, state, and federal agencies determines that the action, as proposed or conditioned will not affect nest attendance, egg or chick survival, nesting/brood-rearing success. An exception could also be granted by the Authorized Officer if the proponent, BLM, and State wildlife agency and where necessary, other affected interests, develop non-monetary compensation or mitigation that would satisfactorily offset the anticipated losses of nesting habitat or nesting activities. Actions designed to enhance the long-term utility or availability of suitable Gunnison sage-grouse habitat may be exempted from the timing limitations.

EXHIBIT G-20 (continued)

Modification Criteria: The authorized officer may modify the size and shape of the timing limitation area if an environmental analysis in coordination with appropriate local, state, and federal agencies indicates the actual habitat suitability for nesting/ brood-rearing is greater or less than the 4-mile radius. Timeframes may be modified based on studies documenting local periods of actual use.

Waiver Criteria: This stipulation may be waived, if after consulting with the State wildlife agency, it is determined that the described lands are incapable of serving the long-term requirements of Gunnison sage-grouse nesting habitat and that these ranges no longer warrant consideration as components of Gunnison sage-grouse nesting/brood-rearing habitat.

EXHIBIT G-21

Lease Number:

TIMING LIMITATION STIPULATION

No routine operations, maintenance, and other activities in occupied Gunnison sage-grouse habitat will be allowed during the following night-time hours. This restriction applies to human activity, and not to continuing operation of equipment and facilities, such as well pumps, power plant, and cooling equipment.

NOTE: Routine operations and maintenance are characterized as any scheduled activity that is required to preserve ongoing production and maintain existing equipment and facilities to an adequate level of service.

4:00 p.m. and 9:00 a.m. during the period between March 15 and May 15.

On the lands described below:

ALL LANDS within occupied Gunnison sage-grouse habitat.

For the purpose of (reasons):

To protect Gunnison sage-grouse lekking habitat and Gunnison sage-grouse during lekking season.

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 the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria: The authorized officer may grant an exception if an environmental review in coordination with appropriate local, state, and federal agencies determines that the action, as proposed or conditioned will not affect nest attendance, egg or chick survival, nesting/brood-rearing success. An exception could also be granted by the Authorized Officer if the proponent, BLM, and State wildlife agency and where necessary, other affected interests, develop non-monetary compensation or mitigation that would satisfactorily offset the anticipated losses of

EXHIBIT G-21(continued)

nesting habitat or nesting activities. Actions designed to enhance the long-term utility or availability of suitable Gunnison sage-grouse habitat may be exempted from the timing limitations.

Modification Criteria: The authorized officer may modify the size and shape of the timing limitation area if an environmental analysis in coordination with appropriate local, state, and federal agencies indicates the actual habitat suitability for nesting/ brood-rearing is greater or less than the 4-mile radius. Timeframes may be modified based on studies documenting local periods of actual use.

Waiver Criteria: This stipulation may be waived, if after consulting with the State wildlife agency, it is determined that the described lands are incapable of serving the long-term requirements of Gunnison sage-grouse nesting habitat and that these ranges no longer warrant consideration as components of Gunnison sage-grouse nesting/brood-rearing habitat.

EXHIBIT G-22

Lease Number:

CONTROLLED SURFACE USE STIPULATION

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

On the lands described below:

ALL LANDS within 500 feet of riparian vegetation zones.

For the purpose of:

To protect the values and functions of perennial water impoundments and streams, and/or riparian/wetland vegetation, which include important Gunnison sage-grouse brood-rearing habitat, by moving geothermal exploration and development 500 feet 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.)

Exception Criteria:

This stipulation may be excepted subject to an on-site impact analysis with consideration given to the nature, extent, and value of the area potentially affected, as well as the degree of slope, soils, importance to the amount and type of wildlife and fish use, water quality, and other related resource values.

EXHIBIT G-22 (continued)

Modification Criteria:

None

Waiver Criteria:

None

NOTE: Any requests for exceptions, modifications, and/or waivers on split-estate private surface lands will be considered in light of any surface use agreement(s) between the landowner and the lessee/operator.

EXHIBIT G-23

Lease Number:

CONTROLLED SURFACE USE STIPULATION

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

On the lands described below:

ALL LANDS within sensitive view sheds.

For the purpose of:

To protect BLM Visual Resource Management Class II areas; NFS lands with a Scenery Management System integrity level of High; and other sensitive view sheds such as within the visual setting of National Scenic and Historic Trails or near residential areas.

A visual assessment will be required for future activities to determine whether or not the activity would adversely affect the visual integrity of the Old Spanish National Historic Trail.

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.)

Exception Criteria:

Exceptions may be granted if a visual assessment has been conducted and an on-site impact analysis shows no degradation of the visual resource values.

Modification Criteria:

None

Waiver Criteria:

None

NOTE: Any requests for exceptions, modifications, and/or waivers on split-estate private surface lands will be considered in light of any surface use agreement(s) between the landowner and the lessee/operator.

EXHIBIT G-24

Lease Number:

CONTROLLED SURFACE USE STIPULATION

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

On the lands described below:

ALL LANDS with slopes greater than 30 percent slope.

For the purpose of:

Protecting soils on surfaces greater than 30 percent slope. Prior to surface disturbance of steep (greater than 30 percent) a plan of development must be approved by the Authorized Officer. Such plans must demonstrate how the following performance objectives will be met:

Performance Objectives:

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

EXHIBIT G-24 (continued)

6. Surface-disturbing activities will not be conducted during extended wet periods.

7. Construction will not be allowed when soils are frozen.

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.)

NOTE: Any requests for exceptions, modifications, and/or waivers on split-estate private surface lands will be considered in light of any surface use agreement(s) between the landowner and the lessee/operator.

EXHIBIT G-25

Lease Number:

CONTROLLED SURFACE USE STIPULATION

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

On the lands described below:

ALL LANDS within mapped Gunnison sage-grouse summer-fall habitat.

For the purpose of:

To protect mapped Gunnison sage-grouse summer-fall habitat, the project applicant will be required to submit a plan to meet the resource management objectives through special design, construction, operation, mitigation, or reclamation measures, and/or relocation. Unless the plan is approved, no surface occupancy would be allowed in the mapped Gunnison sage-grouse summer-fall 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.)

Exception Criteria: The authorized officer may grant an exception if an environmental review in coordination with appropriate local, state, and federal agencies determines that the action, as proposed or conditioned will not affect nest attendance, egg or chick survival, nesting/brood-rearing success. An exception could also be granted by the Authorized Officer if the proponent, BLM, and State wildlife agency and where necessary, other affected interests, develop non-monetary compensation or mitigation that would satisfactorily offset the anticipated losses of nesting habitat or nesting activities. Actions designed to enhance the long-term utility or

EXHIBIT G-25 (continued)

availability of suitable Gunnison sage-grouse habitat may be exempted from the timing limitations.

Modification Criteria: The authorized officer may modify the size and shape of the timing limitation area if an environmental analysis in coordination with appropriate local, state, and federal agencies indicates the actual habitat suitability for nesting/ brood-rearing is greater or less than the 4-mile radius. Timeframes may be modified based on studies documenting local periods of actual use.

Waiver Criteria: This stipulation may be waived, if after consulting with the State wildlife agency, it is determined that the described lands are incapable of serving the long-term requirements of Gunnison sage-grouse nesting habitat and that these ranges no longer warrant consideration as components of Gunnison sage-grouse nesting/brood-rearing habitat.

EXHIBIT G-26

Lease Number:

CONTROLLED SURFACE USE STIPULATION

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

On the lands described below:

ALL LANDS

For the purpose of:

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 hydro geologic study, and interpretation that assesses hydraulic relationships in the area, will be required prior to the lessee/operator being approved by the BLM to operate any production or injection wells.

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.)

Exception Criteria:

This stipulation is intended to apply to operating, rather than drilling and testing, production and injection wells The Authorized Officer may grant an exception if an environmental review, in coordination with appropriate local, state, and/or federal agencies determines that operation of production and/or injection wells is necessary for a comprehensive geologic and hydrogeologic study.

EXHIBIT G-27

Lease Number:

LEASE NOTICE

This lease may in part, or in total, contain important Gunnison sage-grouse habitats, as identified by the BLM, either currently or prospectively. The operator may be required to implement specific measures to avoid if possible, minimize, or mitigate impacts of geothermal operations on Gunnison sage-grouse populations and habitat quality. Such measures shall be developed during the Application for Permit to Drill (APD) on-site and environmental review process, or during the environmental review process for sundry notices and associated rights-of-way, and will be consistent with lease rights granted.

In addition to the lease stipulations described under the various alternatives, there are other resource protection concerns that will be addressed in any subsequent permitting of surface disturbing activities in GUSG habitat. These concerns include:

- Avoid, if possible, minimize, or mitigate impacts to nesting sage-grouse, particularly within a 4-mile buffer of active leks between May 15 and June 30.
- Avoid, if possible, minimize, or mitigate impacts to critical winter GUSG habitat.
- Limit continuous noise by reducing levels to 10 dBA or less above ambient noise levels at the edge of the 0.6-mile lek buffer (RCP, 2005) or to a maximum of 49dBA measured 30 feet from the source in areas between 0.6 and 4.0 mile radius from a lek buffer (DOW, 2010). Ambient noise must be measured at dawn, not mid-day. Any equipment should produce minimal noise; all compressors, vehicles, and other sources of noise should be equipped with effective mufflers or noise suppression devices.
- Avoid, if possible, minimize, or mitigate additional fragmentation of GUSG habitat. Linear features, such as electric lines, pipelines, and roads are of primary concern.
- Incorporate new scientific information as it becomes available.
- Incorporate additional management guidance in the event that the Gunnison sage-grouse is listed as a Threatened or Endangered species by the USFWS.

On the lands described below:

ALL LANDS

EXHIBIT G-28

Lease Number:

LEASE NOTICE

This lease may contain cultural resources. Before any development begins, a cultural inventory of the remaining unsurveyed acres within the proposed development area is required. Survey prior to submitting development applications alleviates future delays in development activities in order for a required cultural inventory to be completed, a possible delay of up to six months.

On the lands described below:

ALL LANDS

EXHIBIT G-29

Lease Number:

LEASE NOTICE

This lease may contain areas of traditional cultural importance, such as traditional cultural places. The lease area is within an archaeologically sensitive area that includes Tomichi Dome and its nearby hot springs. The BLM will continue tribal consultation specific to any potential subsequent geothermal exploration, drilling, utilization, and/or reclamation and abandonment activities in the analysis area.

On the lands described below:

ALL LANDS

EXHIBIT G-30

Lease Number:

LEASE NOTICE

This lease may contain big game winter range. The Gunnison RMP (pg. 2-33) provides guidance that activities that will result in unnecessary disturbances to big game will be excluded from December 1 through April 30. This direction applies to Management Unit 12, which comprises most of the lease area.

On the lands described below:

ALL LANDS

EXHIBIT G-31

Lease Number:

LEASE NOTICE

This lease may contain noxious weeds. The Gunnison Field Office has a newly approved Integrated Weed Management Plan (August 2010) that guides management of noxious weeds. The plan includes Standard Operating Procedures, Best Management Practices, design features, mitigation measures, monitoring measures, and conservation measures that need to be followed when managing noxious weeds on BLM lands in the Gunnison Field Office.

On the lands described below:

ALL LANDS

EXHIBIT G-32

Lease Number:

LEASE NOTICE

Canada lynx: The lease may in part, or in total, contain Canada lynx habitats, as identified by the BLM, either currently or prospectively. Special design, construction and operations of facilities will be required to avoid/minimize disturbance in lynx habitat.

On the lands described below:

ALL LANDS

For Region 2, the following Lease Notice shall be included in all license, prospecting permit, and lease issuance responses to the Bureau of Land Management State Directors:

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 an exploration 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 an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

to:

Forest Supervisor

Grand Mesa, Uncompahgre and Gunnison National Forest

2250 HWY 50

Delta, CO 81416

970-874-6600

who is 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 *Environmental Assessment Geothermal Lease Nomination COC-73584 225* 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.

Lease Notice COC-73584

Lease Notice. The lessee is hereby notified that prior to development of a geothermal resource, the lessee will have to comply with applicable provisions of the Colorado Geothermal Resources Act § 37-90.5-101-108, C.R.S., as amended by Colorado Senate Bill 10-174, other state and local statutes, and rules and regulations, now in existence or as may be modified in the future, consistent with lease rights.

Lease Notice COC-73584

Lease Notice. This lease contains big game winter range. If seasonal and daily timing limitations are not sufficient to prevent displacement of wintering big game, additional restrictions in these habitats may be required. The Lessee is encouraged to contact the local Forest Service Ranger District office for maps of big game winter range and potential site-specific requirements for conservation of habitat prior to proposing operations on the lease.

Lease Notice COC-73584

Lease Notice "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 USC 1531 et seq., including completion of any required procedure for conference or consultation."

Lease Notice COC-73584

Lease Notice This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, Executive Order 13007, or other statutes and executive orders. The BLM will not approve any ground-disturbing activities that may affect any such properties or resources until it completes its obligations 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.

November 2, 2011

NOTICE OF COMPETITIVE LEASE SALE
OIL AND GAS

The Colorado State Office is offering competitively 6 parcels containing 4957.47 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 February 09, 2012. 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, round it 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. February 24, 2012**, 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 February 1, 2005, BLM will not accept credit or debit card payments to the Bureau for an amount equal to or greater than \$100,000. We also will not accept aggregated smaller amounts to bypass this requirement. **Colorado BLM will no longer 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 \$380 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 \$380 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 **MAY 10, 2012**.

The next available sale to submit Expressions of Interest (EOI's) is for the November 8, 2012 Sale. The cutoff date to submit an EOI is January 13, 2012. 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

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 February 9, 2012 Competitive Oil & Gas Sale must be received by

4:00 P.M. on December 12, 2011.

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: Email sharon_sales@co.blm.gov. Telephone number (303) 239-3987

Mrs. Rebecca Skinner: Email rebecca_skinner@co.blm.gov. Telephone number (303) 239-3780

Mr. Kristian Lee: e-mail kristian_lee@co.blm.gov. Telephone number (303) 239-3786

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 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
CDO	Craig District Office
CCDO	Canon City District Office
MDO	Montrose District Office
GJDO	Grand Junction District Office
	BLM Resource Area Offices
KRA	Kremmling Resource Area (CDO)
LSRA	Little Snake Resource Area (CDO)
WRRRA	White River Resource Area (CDO)
GJRA	Grand Junction Resource Area (GJDO)
GSRA	Glenwood Springs Resource Area (GJDO)
UBRA	Uncompahgre Basin Resource Area (MDO)
GBRA	Gunnison Basin Resource Area (MDO)
SJRA	San Juan Resource Area (MDO)
*NERA	Northeast Resource Area (CCDO)
SLRA	San Luis Resource Area (CCDO)
RGRA	Royal Gorge Resource Area (CCDO)

*The Northeast Resource Area (NERA) has been merged into the Royal Gorge Resource Area (RGRA)

Sample Number 1: PVT; BLM; CCDO: NERA (This entry shows the parcel contains both private and BLM surface located in the Canon City District Office in the Northeast Resource Area.)

Sample Number 2: FS; Routt NF; CDO: LSRA (This entry shows the parcel is Forest Service land in the Routt National Forest. The coordinating BLM office is in the Little Snake Resource Area in the Craig District.)

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 COC75185

T. 0040N., R 0850W., 6TH PM
Sec. 9: Lot 5,6,11-14,19;

Routt County
Colorado 247.110 Acres

All lands are subject to Exhibit CO-09 to protect big game winter habitat.

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

All lands are subject to Exhibit CO-30 to alert lessee of closure period for nesting grouse species.

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.

PVT/BLM; CDO: LSRA

PARCEL COC75186

T. 0040N., R 0870W., 6TH PM
Sec. 36: ALL;

Routt County
Colorado 640.000 Acres

All lands are subject to Exhibit CO-25 to protect surface or underground coal mines:

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

The following lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation:

T. 0040N., R 0870W., 6TH PM
Sec. 36: W2NE,S2NW,NWSW,E2SE;

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-17 to protect riparian areas.

BLM; CDO: LSRA

PARCEL COC75187

T. 0080N., R 0870W., 6TH PM

- Sec. 1: Lot 1-4;
- Sec. 1: S2N2;
- Sec. 2: Lot 1-4;
- Sec. 2: S2NW,N2SW;
- Sec. 3: Lot 1,4;
- Sec. 3: SENE,SWNW,NWSW,NESE;
- Sec. 10: N2,E2SW;
- Sec. 11: SWSW;
- Sec. 12: S2NE,SENW,N2S2;
- Sec. 13: SW;
- Sec. 15: N2,SE;

Routt County

Colorado 2290.210 Acres

All lands are subject to Exhibit CO-10 to protect elk calving.

The following lands are subject to Exhibit CO-25 to protect surface or underground coal mines:

T. 0080N., R 0870W., 6TH PM

- Sec. 1: Lot 1-4;
- Sec. 1: S2N2;
- Sec. 2: Lot 1-4;
- Sec. 2: S2NW,N2SW;
- Sec. 3: Lot 1,4;
- Sec. 3: SENE,SWNW;
- Sec. 10: N2,E2SW;
- Sec. 11: SWSW;
- Sec. 12: S2NE,SENW,N2S2;
- Sec. 13: SW;
- Sec. 15: NW,E2;

The following lands are subject to Exhibit CO-26 to protect fragile soils:

T. 0080N., R 0870W., 6TH PM

- Sec. 13: N2SW;

The following lands are subject to Exhibit CO-27 to protect steep slopes:

T. 0080N., R 0870W., 6TH PM

- Sec. 13: N2SW;

The following lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation:

T. 0080N., R 0870W., 6TH PM
Sec. 1: Lot 1,2;
Sec. 1: S2NE,SEW;
Sec. 2: Lot 1-3;
Sec. 2: SENW,N2SW;
Sec. 3: Lot 4;
Sec. 3: SWNW,NWSW;
Sec. 10: NWNE,NW,SESW;
Sec. 12: NESE,NWSW;
Sec. 15: SWNE,N2N2,SE;

All lands are subject to Exhibit CO-30 to alert lessee of closure period for nesting grouse species.

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-17 to protect riparian areas.

PVT/BLM;BLM; CDO: LSRA

PARCEL COC75188

T. 0110N., R 0890W., 6TH PM
Sec. 22: Lot 1-3,6,8,9,11,14,16;
Sec. 23: Lot 1,5-7,12,18,21;

Moffat County
Colorado 575.020 Acres

The following lands are subject to Exhibit CO-16 to protect greater sandhill crane nesting and staging habitat:

T. 0110N., R 0890W., 6TH PM
Sec. 22: Lot 9,11,14,16;

The following lands are subject to Exhibit CO-26 to protect fragile soils:

T. 0110N., R 0890W., 6TH PM
Sec. 23: Lot 5;

The following lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation:

T. 0110N., R 0890W., 6TH PM
Sec. 23: Lot 1,12;

The following lands are subject to Exhibit CO-30 to alert lessee of closure period for nesting grouse species:

T. 0110N., R 0890W., 6TH PM
Sec. 22: Lot 1-3,6,8,9,11,14;
Sec. 23: Lot 6,7;

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-17 to protect riparian areas.

PVT/BLM; CDO: LSRA

PARCEL COC75189

T. 0040N., R 0900W., 6TH PM
Sec. 19: Lot 2;
Sec. 20: E2NW,SESW;

Moffat County
Colorado 163.920 Acres

All lands are subject to Exhibit CO-25 to protect surface or underground coal mines:

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

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.

PVT/BLM; CDO: LSRA

PARCEL COC75190

T. 0050N., R 0900W., 6TH PM
Sec. 10: Lot 3,4,6,9,11,14-16;
Sec. 11: Lot 16;
Sec. 12: Lot 15;
Sec. 13: Lot 2,5-7,10-13;
Sec. 14: Lot 7,8,11,13;
Sec. 23: Lot 14,15;

Moffat County
Colorado 1041.210 Acres

The following lands are subject to Exhibit CO-03 to protect raptor nests:

T. 0050N., R 0900W., 6TH PM
Sec. 13: Lot 5-7,10-13;
Sec. 14: Lot 7,8,11;
Sec. 23: Lot 14,15;

All lands are subject to Exhibit CO-09 to protect big game winter habitat.

The following lands are subject to Exhibit CO-18 to protect raptor nesting and fledgling habitat:

T. 0050N., R 0900W., 6TH PM
Sec. 13: Lot 5-7,10-13;
Sec. 14: Lot 7,8,11;
Sec. 23: Lot 14,15;

All lands are subject to Exhibit CO-25 to protect surface or underground coal mines:

The following lands are subject to Exhibit CO-26 to protect fragile soils:

T. 0050N., R 0900W., 6TH PM
Sec. 10: Lot 3,4,6,9,11,14-16;
Sec. 14: Lot 7,8,11;
Sec. 23: Lot 14,15;

The following lands are subject to Exhibit CO-27 to protect steep slopes:

T. 0050N., R 0900W., 6TH PM
Sec. 23: Lot 14,15;

The following lands are subject to Exhibit CO-28 to protect riparian/wetland vegetation:

T. 0050N., R 0900W., 6TH PM
Sec. 10: Lot 3,6,9,11;
Sec. 13: Lot 10;
Sec. 14: Lot 7,8,11;
Sec. 23: Lot 14,15;

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-17 to protect riparian areas.

PVT/BLM;BLM; CDO: LSRA

EXHIBIT CO-03

Lease Number:

NO SURFACE OCCUPANCY STIPULATION

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

For the purpose of:

To protect raptor nests within a one-eighth mile radius from the site.

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.)

Exception Criteria:

An exception may be granted depending on current usage, or on the geographical relationship to topographic barriers and vegetation screening.

EXHIBIT CO-09

Lease Number:

TIMING LIMITATION STIPULATION

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

December 1 through April 30

On the lands described below:

For the purpose of (reasons):

To protect big game (mule deer, elk, pronghorn antelope, and bighorn sheep) winter range, including crucial winter habitat and other definable winter range as mapped by the Colorado Division of Wildlife. This may apply to sundry notice that require an environmental analysis.

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 the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

An exception may be granted under mild winter conditions for the last 60 days of the closure.

EXHIBIT CO-10

Lease Number:

TIMING LIMITATION STIPULATION

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

April 16 through June 30

On the lands described below:

For the purpose of (reasons):

To protect elk calving

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 the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

EXHIBIT CO-16

Lease Number:

TIMING LIMITATION STIPULATION

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

March 1 through October 16

On the lands described below:

For the purpose of (reasons):

To protect Greater Sandhill Crane nesting and staging habitat during usage

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 the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

EXHIBIT CO-18

Lease Number:

TIMING LIMITATION STIPULATION

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

February 1 through August 15

On the lands described below:

For the purpose of (reasons):

To protect raptor (this includes golden eagles, all accipiters, falcons [except the kestrels], all butteos, and owls) nesting and fledgling habitat during usage for one-quarter mile around the nest site.

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 the stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

Exception Criteria:

Exceptions may be granted during years when the nest site is unoccupied, when occupancy ends by or after May 15, or once the young have fledged and dispersed from the nest.

EXHIBIT CO-25

Lease Number:

CONTROLLED SURFACE USE STIPULATION

Surface Occupancy or use is subject to the following special operating constraints:

Operations proposed within the area of an approved surface or underground coal mine will be relocated outside the area to be mined or to accommodate room and pillar mining operations.

On the lands described below:

For the purpose of:

To protect surface or underground coal mines

Exception Criteria:

This stipulation may be waived without a plan amendment if the lessee agrees that the drilling of a well will be subject to the following conditions: (1)(a) well must be plugged when the mine approaches within 500 feet of the well and reentered or redrilled upon completion of the mining operation; (b) well must be plugged in accordance with Mine Safety and Health Administration (formerly Mine Enforcement and Safety Administration) Informational Report 1052; (c) operator will provide accurate location of where the casing intercepts the coal by providing a directional and deviation survey of the well to the coal operator; or (2) relocate well into a permanent pillar or outside the area to be mined. A suspension of operations and production will be considered when the well is plugged, and a new well is to be drilled after mining operations move through the location.

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).

EXHIBIT CO-26

Lease Number:

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:

- I. Maintain the soil productivity of the site.
- II. Protect off-site areas by preventing accelerated soil erosion (such as land-sliding, gullyng, drilling, piping, etc.) from occurring.
- III. Protect water quality and quantity of adjacent surface and groundwater sources.
- IV. 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:

- a. 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.
- b. 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:

- I. All sediments generated from the surface-disturbing activity will be retained on site.
- II. Vehicle use would be limited to existing roads and trails.
- III. 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.
- IV. All geophysical and geochemical exploration would be conducted by helicopter, horseback, on foot, or from existing roads.
- V. 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.
- VI. Before reserve pits and production pits would be reclaimed, all residue would be removed and trucked off-site to an approved disposal site.
- VII. Reclamation of disturbed surfaces would be initiated before November 1 each year.
- VIII. 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-27/GGNCA-13

Lease Number:

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 soils on surfaces greater than 40 percent slope. Prior to surface disturbance of steep (greater than 40 percent) an engineering/reclamation plan must be approved by the Authorized Officer. Such plans must demonstrate how the following will be accomplished:

- a. Site productivity will be restored.
- b. Surface runoff will be adequately controlled.
- c. Off-site areas will be protected from accelerated erosion such as drilling, gullyng, piping, and mass wasting.
- d. Surface-disturbing activities will not be conducted during extended wet periods.
- e. Construction will not be allowed when soils are frozen.

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.)

EXHIBIT CO-28

Lease Number:

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-30/GGNCA-15

Lease Number:

LEASE NOTICE

In order to protect nesting grouse species, surface-disturbing activities proposed during the period between March 1 and June 30 will be relocated, consistent with lease rights granted and section 6 of standard lease terms, out of grouse nesting habitat.

Sage grouse nesting habitat is described as sage stands with sagebrush plants between 30 and 100 centimeters in height and a mean canopy cover between 15 and 40 percent.

Greater prairie chicken nesting habitat is described as tall to mid-grass communities with a mean height density index of 5.85 decimeters with 11 percent bare ground and an average height of sandsage at 84 centimeters; grasses 111 centimeters; and forbs 83 centimeters. (Nesting occurs within an average distance of 2.4 km of a lek.)

Lesser prairie chicken nesting habitat is described as short-mid grass and sandsage communities with a mean height density index of 3.5 decimeters with an average grass canopy coverage of 30 percent and 7 percent sandsage. The predominate plant associated with nesting cover is sandsage with an average height of 40-50 centimeters. (Nesting occurs within an average distance of 1.8 km [.2 to 4.8 km] of the lek site.)

Sharptail grouse nesting habitat is described as mountain shrub communities with a density of shrub plants from 1,700 to 32,000 shrubs per hectare and average shrub height of 30 centimeters. Nests are found primarily in shrub clumps where the shrubs are taller than average. (Nesting occurs within an average distance of 2 km of a lek.)

On the lands described below:

EXHIBIT CO-34

Lease Number:

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

Lease Number:

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:

EXHIBIT LS-17

Lease Number:

LEASE NOTICE

LSFO-ROD/RMP (October 2011) Riparian Stipulation. 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: