

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

National Petroleum Reserve - Alaska, Oil and Gas Lease Sale 2004

AGENCY: Bureau of Land Management, Alaska State Office

ACTION: Detailed Statement of Sale

1. Authority. The Bureau of Land Management (BLM) is issuing this detailed statement of sale under the authority of the Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6501 et seq.), as amended; the Federal Lands Policy and Management Act of 1976 (43 U.S.C. 1701 et. seq.), as amended; and the regulations in Title 43 of the Code of Federal Regulations (CFR) Part 3130. Those regulations require that a Notice of Availability of this Detailed Statement must be published in the Federal Register at least 30 days prior to June 2, 2004, the scheduled date of sale.

The lands described in this statement are being offered for competitive oil and gas lease by sealed bid to the highest qualified bidder. The United States reserves the right to withdraw any tract from this sale prior to issuance of a written acceptance of a bid. Also reserved is the right to reject any and all bids received for any tract, regardless of the amount offered. A Locator Map and descriptions of tracts being offered are provided in Exhibits A and A-1 of this Detailed Statement of Sale.

The majority of tracts being offered in this sale are entirely within the Northwest NPR-A Planning Area, and are subject to stipulations established by the January 22, 2004 Record of Decision (ROD). These tracts are listed in Exhibit A. Standard stipulations applicable to all of these tracts are identified in Exhibit B-1, which also contains the language of site-specific stipulations. Tracts affected by the site-specific stipulations are identified in Exhibit A by reference to the applicable Exhibit B-1 paragraph designation, such as "K-1(h)". Tracts in the Northwest Planning Area are also subject to Required Operating Procedures (ROPs), as provided for in the ROD, for any activities occurring on those lands. See Exhibit C, Information to Lessees, for further details.

Twenty two tracts are sited along the Ikpikpuk River and are combinations of lands from both the Northwest NPR-A Planning Area and the Northeast NPR-A Planning Area. The east bank of the Ikpikpuk River is the boundary between these two areas. These combined tracts are listed in Exhibit A-1 as tracts 2004-D1 through 2004-D22.

The Northwest Planning Area portions of these tracts are subject to the same stipulations mentioned above, and the site-specific stipulations are designated by tract in the same manner in Exhibit A-1. The Northeast portions of these tracts are subject to standard and site-specific stipulations identified in the October 7, 1998 ROD for the Northeast NPR-A Planning Area and

are identified in Exhibit B-2. The site-specific stipulations are identified by Roman numerals, and may be cross-referenced to each applicable tract on Exhibit A-1 by the corresponding Roman numeral(s). Exhibit B-3 contains a complete listing of all Northeast Planning Area stipulations.

2. Minimum Bid, Yearly Rental, and Royalty System. The lands described herein are offered for competitive oil and gas lease sale by sealed bid to the qualified bidder submitting the highest cash bonus bid in accordance with the statutory and regulatory authorities cited above. The minimum bid, yearly rental, and royalty rate that apply to this sale are specified below.

The minimum bid amount stated below is the minimum amount acceptable to be considered a valid bid. To ensure that the Government receives fair market value for the conveyance of lease rights in this sale, each tract receiving a bid will be evaluated to determine its fair market value. Any bid which does not meet or exceed the fair market value may be rejected.

The following items apply to all leases issued in conjunction with this sale:

- Lease Primary Term: 10 years
- Tract Size: Variable, but most are ½ township (± 11,520 acres).
- Minimum Bid: \$5.00 or more per acre or fraction thereof.
- Fixed Royalty Rate: 12.5 percent
- Rental Rate and Minimum Royalty: \$3.00 per acre or fraction thereof per year.

3. Acreage and Land Status. The acreage shown above is only a general approximation. The actual acreage for each tract is shown on Exhibit A or Exhibit A-1. The successful bidders will be advised of any required adjustments (additional payments or refunds) to the advanced rental payments prior to lease issuance. High bonus bids will be based on the highest bid per tract, and will not be affected by such acreage adjustments. Most of the tracts will be free of encumbrances, but some are affected by conveyances to the North Slope Borough, Native Villages, or Native Allottees, or by Air Navigation Sites or other surface ownership or uses which may restrict surface access.

4. Split Estate Parcels. The lessee will be responsible for negotiating any surface use and access issues with the surface owner or managing surface agency for split-estate lands. For Native Allotments, the lessee must also obtain approval from the Bureau of Indian Affairs. If a bidder wants to review the land status of particular tracts prior to bidding, details for obtaining the pertinent status plats is found at paragraph 9., below.

No surface occupancy will be allowed on split-estate lands (e.g. where the village corporation owns the surface and the federal government owns the subsurface) in and around Barrow and

Atqasuk until the lessee has a surface use agreement with the appropriate village corporation or surface owner.

For applicants bidding on tracts where no surface occupancy can be obtained, it will be the responsibility of the lessee to make appropriate arrangements with the BLM and the adjacent lessee in obtaining an easement for using an adjacent tract to establish a drilling pad. While the BLM has the sole authority to issue such an easement, coordination with the adjacent lessee is required to assure the easement does not materially interfere with that lessee's operations. The cost of the easement will be in addition to the costs of the bonus bid and rentals paid on the leased tract.

5. Filing of Bids. Bidders must comply with the following requirements. Times specified hereafter are local Anchorage, Alaska times unless otherwise indicated.

(a) No bid will be accepted for less than an entire tract as described in Exhibits A or A-1. For each tract bid upon, a bidder must submit a separate signed bid in a sealed envelope labeled "Sealed Bid for NPR-A Oil and Gas Lease Sale Tract No. 2004-(numeric or alpha-numeric designation, as appropriate), not to be opened until 8 a.m., Wednesday, June 2, 2004." The total amount bid must be in a whole dollar amount (U.S. dollars); any cent amount above the whole dollar will be ignored by the BLM. Details of the information required on the bid(s) and the bid envelope(s) are specified in the document "Bid Form and Envelope" contained in the Sale Notice Package as Exhibit D.

Each bid must be accompanied by a bid deposit of 1/5th the amount of the bonus bid amount in U.S. currency or by cashier's check, bank draft, or certified check, payable to the Department of the Interior, Bureau of Land Management. This deposit will be forfeited if a bidder, after being determined the highest qualified bidder, fails to sign the lease or otherwise comply with applicable regulations.

Bidders submitting joint bids must state on the bid form the proportionate interest of each participating bidder, in percent to a maximum of five decimal places, e.g., 33.33333 percent. The BLM may require bidders to submit other documents in accordance with 43 CFR Part 3130. The BLM warns bidders against violation of 18 U.S.C. 1860 prohibiting unlawful combination or intimidation of bidders. In accordance with 43 CFR Subpart 3132.5(b), "The United States reserves the right to reject any and all bids received for any tract, regardless of the amount offered."

Submission of a bid constitutes certification of compliance with the regulations found in 43 CFR Part 3130. Anyone seeking to acquire a Federal oil and gas lease may be required to submit additional information to show compliance with the regulations. A statement to this effect must be included on each bid (see the document "Bid Form and Envelope" contained in the Sale Notice Package as Exhibit D).

(b) Sealed bids must be received by the BLM Alaska State Office, 222 West 7th Avenue #13, Anchorage, Alaska 99513-7599, during normal business hours (8 a.m. to 3:45

p.m.) until the Bid Submission Deadline at 3:45 p.m., Friday, May 28, 2004. If bids are received later than the time and date specified above, they will be returned unopened to the bidders. Bidders may not modify or withdraw their bids unless the BLM receives a written modification or written withdrawal request prior to 3:45 p.m. Friday, May 28, 2004.

(c) **Bid Opening.** Bid Opening Time will be 8 a.m., Wednesday, June 2, 2004, at the Wilda Marston Theatre in the Z. J. Loussac Public Library, 3600 Denali Street, Anchorage, Alaska. The opening of the bids is for the sole purpose of publicly announcing and recording the bids received, and no bids will be accepted or rejected at that time.

(d) **Natural Disasters.** In the event of a natural disaster, the Alaska State Office may extend the bid submission deadline. Bidders may call (907) 271-5960 for information about the possible extension of the bid submission deadline due to such an event.

6. Deposit of Payment. Any payments made in accordance with paragraph 3(b) above will be deposited by the Government in a non-interest-bearing account during the period the bids are being considered. Such a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

7. Acceptance, Rejection, or Return of Bids. No lease for any tract will be awarded to any bidder, unless:

(a) the bidder has complied with all requirements of this Detailed Statement of Sale, including the documents contained in the associated Sale Notice Package, and applicable regulations;

(b) the bid is the highest valid bid; and

(c) the amount of the bid has been determined by the authorized officer to be at or above fair market value.

No bid will be considered for acceptance unless it provides for a cash bonus as specified in paragraph 2 above. Any bid submitted which does not conform to the requirements of this Notice, the laws and regulations cited in paragraph 1 of this Notice, and other applicable regulations may be returned to the person submitting that bid by the BLM and not considered for acceptance.

8. Successful Bidders. The following requirements apply to successful bidders in this sale:

(a) **Lease Issuance.** The BLM will require each person who has submitted a bid accepted by the authorized officer to execute copies of lease Form AK-3130-1 (March 2002) shown as Exhibit G of this statement, pay the balance of the cash bonus bid along with the first year's annual rental for each lease issued in accordance with the requirements of 43 CFR Subpart

3132.3, and satisfy the bonding requirements of 43 CFR Subpart 3134.

(b) Who May Hold Leases. In accordance with 43 CFR 3132.1, leases issued may be held only by the following:

- Citizens and nationals of the United States;
- Aliens lawfully admitted for permanent residence in the United States as defined in 8 U.S.C. 1101(a)(20);
- Private, public or municipal corporations organized under the laws of the United States or of any State or of the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or any of its territories;
- or Associations of such citizens, nationals, resident aliens or private, public, or municipal corporations.

(c) Bonding Requirements. Prior to issuance of a lease, a surety or personal bond must be furnished to the authorized officer in the sum of \$100,000 conditioned on compliance with all the lease terms, including rentals and royalties, and stipulations. An individual lease bond will not be required if a bidder already maintains or furnishes an NPR-A - wide bond in the sum of \$300,000 conditioned on compliance with the terms, conditions, and stipulations of all oil and gas leases held by the bidder within the NPR-A, or maintains or furnishes a nationwide bond and furnishes a rider thereto sufficient to bring total coverage to \$300,000 and extending coverage to all of the bidder's oil and gas leases within the NPR-A. A copy of the bond form is included in the Sale Notice Package as Exhibit F.

9. Description of the Areas Offered for Bids.

Areas Available for Leasing. Land status data regarding tracts offered for lease may be found on the official plats available for review or sale at \$1.10 each in the BLM Public Room, 1st Floor of the Federal Building, 222 W. 7th Avenue, #13, Anchorage, Alaska 99513-7599. These tracts are shown on the Locator Map of Exhibit A and are described in detail in Exhibit A (Northwest Area Tracts) or Exhibit A-1 (Combined-Area Tracts) of this Detailed Statement of Sale.

10. Lease Terms and Stipulations.

(a) Leases resulting from this sale will have initial terms of 10 years. As noted above, a copy of the lease form is available as Exhibit G of this statement.

(b) The applicability of standard and special lease stipulations is explained in Exhibits B-1, B-2, and B-3. The text of these stipulations is found in Exhibits B-1 and B-3. The standard stipulations will become a part of all leases. The special stipulations affecting each tract are identified on Exhibits A or A-1 by alpha-numeric or Roman numeral identifiers corresponding to those shown on Exhibits B-1 or B-2, and will become a part of the leases for those tracts.

11. Information to Lessees. The Sale Notice Package contains a document titled "Information to Lessees" as Exhibit C. The Information to Lessees items provide information on various matters of interest to lessees and potential bidders.

12. Detailed Statement of Sale. Copies of this statement and the individual Exhibits contained therein, are available from the BLM Alaska State Office, either by written request or by telephone request at (907) 271-5960.

The documents referenced below are included in the statement and contain additional information essential for bidders. Bidders are charged with the knowledge contained therein. Included in the statement are the following Exhibits:

Exhibit A. Locator Map and Description of Northwest Area Tracts Offered

Exhibit A-1. Description of Combined Planning Area Tracts Offered

Exhibit B. Supplemental Lease Terms Applicable to all leases issued in conjunction with this sale

Exhibit B-1. Northwest Planning Area Stipulations

Exhibit B-2. Site-specific Northeast Planning Area Stipulations and Identification and Explanation of Applicability of Standard Stipulations

Exhibit B-3. Actual Verbage of Lease Stipulations for Northeast Planning Area

Exhibit C. Information to Lessees

Exhibit C-1. Wording from Exhibit B of NW Plan ROD

Exhibit D. Bid Form and Envelope










Exhibit E. Bidder Contact Form

Exhibit F. Oil and Gas Lease Bond Form 3000-4 (This form may be used for lease, Statewide, Nationwide, or NPR-A-wide bonds.)





Exhibit F-1. Geophysical Exploration Rider Form for Use With NPR-A-wide bonds

Exhibit G. Lease Form AK-3130-1(March 2002)
















1998 NORTHEAST NPR-A STIPULATIONS
East of the east bank of the Ikpikpuk River

- | | |
|--|---|
|  Private Land |  Available for Oil & Gas Leasing with:
No Surface Activity |
|  Native Corporation Selected Lands |  Sensitive Area Consultation |
|  Public Lands Not available for Oil & Gas Leasing |  No Permanent Oil & Gas Facilities within 1/4 mile of fish-bearing lakes |
| |  No Permanent Oil & Gas Facilities |
| |  Special Caribou Stipulations |
| |  General Stipulations Only |

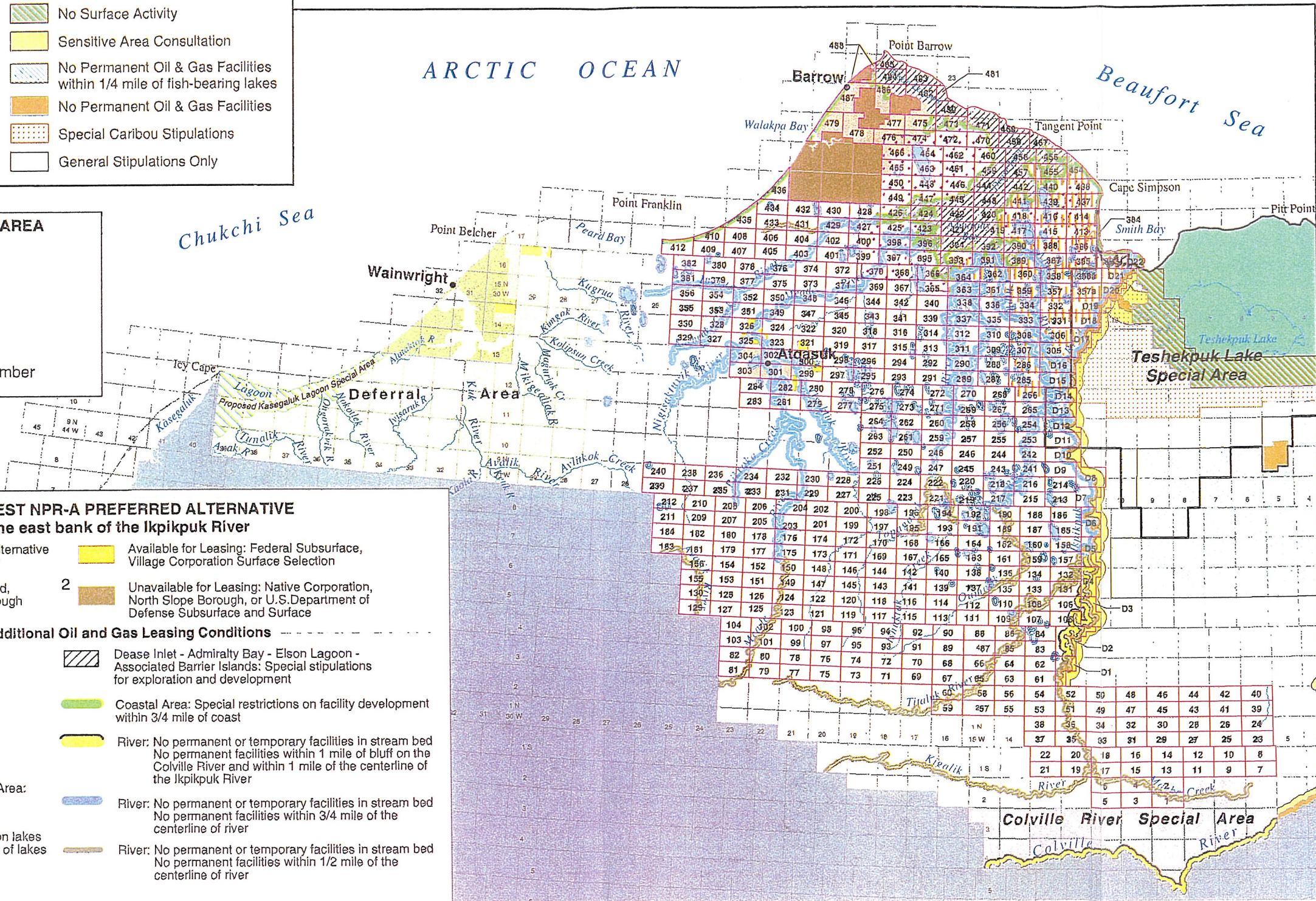
NORTHWEST NPR-A 2004 LEASE AREA

-  2004 NW NPR-A Lease Area
-  2004 NW NPR-A Lease Area on Split Estate Land
-  Excluded from 2004 NW NPR-A Lease Area
-  Lease Tract with Lease Tract Number

2004 NORTHWEST NPR-A PREFERRED ALTERNATIVE
West of the east bank of the Ikpikpuk River

- | | |
|---|--|
|  Available for Leasing with Preferred Alternative "General Stipulations and ROP's" only |  Available for Leasing: Federal Subsurface, Village Corporation Surface Selection |
|  Available for Leasing: Split Estate Land, Federal Subsurface, North Slope Borough or Native Corporation Surface |  Unavailable for Leasing: Native Corporation, North Slope Borough, or U.S. Department of Defense Subsurface and Surface |
- Areas with Additional Oil and Gas Leasing Conditions**
- | | |
|--|--|
|  Deferral Area |  Dease Inlet - Admiralty Bay - Elson Lagoon - Associated Barrier Islands: Special stipulations for exploration and development |
|  Brant Survey Area |  Coastal Area: Special restrictions on facility development within 3/4 mile of coast |
|  Caribou Study Area |  River: No permanent or temporary facilities in stream bed No permanent facilities within 1 mile of bluff on the Colville River and within 1 mile of the centerline of the Ikpikpuk River |
|  Colville River Special Area |  River: No permanent or temporary facilities in stream bed No permanent facilities within 3/4 mile of the centerline of river |
|  Proposed Kasagluk Lagoon Special Area: No Permanent Facilities |  River: No permanent or temporary facilities in stream bed No permanent facilities within 1/2 mile of the centerline of river |
|  Deep Water Lakes: No permanent or temporary facilities on lakes No permanent facilities within 1/4 mile of lakes | |

0 6 12 18 Miles



¹ Correction: This map corrects an error pertaining to split estate land available for leasing shown on Map 1, Preferred Alternative in the Northwest National Petroleum Reserve - Alaska Integrated Activity Plan/Environmental Impact Statement (NW NPR-A IAP/EIS) Record of Decision (ROD). Refer to Map 05, Split Estate Lands of the NW NPR-A Final IAP/EIS Volume 3; areas shown as "Village Corp. Surface; NSB Subsurface fluid hydrocarbons at horizon" (in red) were shown in error as unavailable for leasing on Map 1 of the ROD. These areas are correctly shown on this map as "Available for Leasing: Split Estate Land, Federal Subsurface, North Slope Borough or Native Corporation Surface". This error was corrected on February 24, 2004.

² Correction: This map corrects a second error pertaining to split estate land unavailable for leasing shown on Map 1, Preferred Alternative in the NW NPR-A IAP/EIS ROD. Refer to Map 5, Split Estate Lands of the NW NPR-A Final IAP/EIS Volume 3; portions of Township 23N Range 18W and Township 22N Range 18W Sections 12 and 13 shown as "Village Corp. Surface; Federal Subsurface" (in brown) were shown in error as available for leasing on Map 1 of the ROD. These areas are correctly shown on this map as "Unavailable for Leasing: Native Corporation, North Slope Borough, or U.S. Department of Defense Subsurface and Subsurface". These areas are excluded from 2004 NW NPR-A Lease Area. This error was corrected on April 18, 2004.

EXHIBIT A

DESCRIPTION OF AREAS OFFERED

NOTE 1: All lands are based on the Umiat Meridian.

NOTE 2: Sequential tract numbers which are missing from the Sale Map are those which were deleted either because the lands they would have encompassed were combined into other adjacent tracts, or because a decision was made not to offer those lands in this sale.

NOTE 3: All tracts in this sale are deemed low potential, and are generally 1/2 township [11,520(+/-) Acres] in size, although some variance exists due to water boundaries or tier acreage.

NOTE 4: Tracts partially within the NW Planning Area and partially within the NE Planning Area are listed separately on Exhibit A-1.

<u>Tract #</u>	<u>Description (Township/Range/Meridian/Portion) Special Stipulations/ROPs, if applicable</u>	<u>Acres</u>
2004-001	T2S,R9W, UM S ½ K-1(h)	11,416
2004-002	T2S,R9W, UM N ½ K-1(h)	11,396
2004-003	T2S,R10W, UM S ½ K-1(h)	11,416
2004-004	T2S,R10W, UM N ½ K-1(h)	11,395
2004-005	T2S,R11W, UM S ½	11,416
2004-006	T2S,R11W, UM N ½ K-1(h)	11,396
2004-007	T1S,R6W, UM S ½	11,373
2004-008	T1S,R6W, UM N ½	11,350

<u>Tract #</u>	<u>Description</u>		<u>Acres</u>
2004-009	T1S,R7W, UM	S ½	11,373
2004-010	T1S,R7W, UM	N ½	11,350
2004-011	T1S,R8W, UM	S ½	11,373
2004-012	T1S,R8W, UM	N ½	11,350
2004-013	T1S,R9W, UM	S ½	11,373
2004-014	T1S,R9W, UM	N ½	11,350
2004-015	T1S,R10W, UM K-1(h)	S ½	11,373
2004-016	T1S,R10W, UM	N ½	11,350
2004-017	T1S,R11W, UM K-1 (b)(g)(h)	S ½	11,373
2004-018	T1S,R11W, UM K-1(b)	N ½	11,351
2004-019	T1S,R12W, UM K-1(b)(g)(h)	S ½	11,373
2004-020	T1S,R12W, UM K-1(b)	N ½	11,351
2004-021	T1S,R13W, UM	S ½	11,373
2004-022	T1S,R13W, UM	N ½	11,350
2004-023	T1N,R6W, UM	S ½	11,509
2004-024	T1N,R6W, UM	N ½	11,486
2004-025	T1N,R7W, UM	S ½	11,510
2004-026	T1N,R7W, UM	N ½	11,487
2004-027	T1N,R8W, UM	S ½	11,509
2004-028	T1N,R8W, UM	N ½	11,486

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-029	T1N,R9W, UM S ½	11,510
2004-030	T1N,R9W, UM N ½	11,487
2004-031	T1N,R10W, UM S ½	11,510
2004-032	T1N,R10W, UM N ½	11,487
2004-033	T1N,R11W, UM S ½	11,509
2004-034	T1N,R11W, UM N ½	11,486
2004-035	T1N,R12W, UM K-1(b) S ½	11,510
2004-036	T1N,R12W, UM K-1(b) N ½	11,487
2004-037	T1N,R13W, UM S ½	11,510
2004-038	T1N,R13W, UM N ½	11,486
2004-039	T2N,R6W, UM S ½	11,460
2004-040	T2N,R6W, UM N ½	11,440
2004-041	T2N,R7W, UM S ½	11,461
2004-042	T2N,R7W, UM N ½	11,440
2004-043	T2N,R8W, UM S ½	11,460
2004-044	T2N,R8W, UM N ½	11,440
2004-045	T2N,R9W, UM S ½	11,461
2004-046	T2N,R9W, UM N ½	11,440
2004-047	T2N,R10W, UM S ½	11,461
2004-048	T2N,R10W, UM N ½	11,440
2004-049	T2N,R11W, UM S ½	11,460

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-050	T2N,R11W, UM N ½	11,440
2004-051	T2N,R12W, UM S ½ K-1(b)	11,461
2004-052	T2N,R12W, UM N ½ K-1(b)	11,440
2004-053	T2N,R13W, UM S ½	11,461
2004-054	T2N,R13W, UM N ½ K-1(b)	11,440
2004-055	T2N,R14W, UM S ½	11,460
2004-056	T2N,R14W, UM N ½	11,440
2004-057	T2N,R15W, UM S ½	11,461
2004-058	T2N,R15W, UM N ½ K-1(f)	11,440
2004-059	T2N,R16W, UM S ½ K-1(f)	11,461
2004-060	T2N,R16W, UM N ½ K-1(f)	11,440
2004-061	T3N,R13W, UM S ½ K-1(b)	11,417
2004-062	T3N,R13W, UM N ½ K-2	11,394
2004-063	T3N,R14W, UM S ½	11,417
2004-064	T3N,R14W, UM N ½ K-1(f)	11,394
2004-065	T3N,R15W, UM S ½ K-1(f)	11,417
2004-066	T3N,R15W, UM N ½ K-1(f)	11,394

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-067	T3N,R16W, UM S ½	11,417
2004-068	T3N,R16W, UM N ½	11,394
2004-069	T3N,R17W, UM S ½	11,417
2004-070	T3N,R17W, UM N ½	11,394
2004-071	T3N,R18W, UM S ½	11,417
2004-072	T3N,R18W, UM N ½	11,394
2004-073	T3N,R19W, UM S ½	11,417
2004-074	T3N,R19W, UM N ½	11,394
2004-075	T3N,R20W, UM S ½	11,417
2004-076	T3N,R20W, UM N ½	11,394
2004-077	T3N,R21W, UM S ½ K-1(f)	11,417
2004-078	T3N,R21W, UM N ½	11,394
2004-079	T3N,R22W, UM S ½ K-1(k)	11,417
2004-080	T3N,R22W, UM N ½ K-1(k)	11,394
2004-081	T3N,R23W, UM S ½ K-1(k)	11,417
2004-082	T3N,R23W, UM N ½ K-1(k)	11,394
2004-083	T4N,R13W, UM S ½ K-2	11,368
2004-084	T4N,R13W, UM N ½ K-2	11,348

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-085	T4N,R14W, UM K-1(f)	11,368
2004-086	T4N,R14W, UM K-1(f), K-2	11,347
2004-087	T4N,R15W, UM K-1(f)	11,368
2004-088	T4N,R15W, UM	11,348
2004-089	T4N,R16W, UM	11,368
2004-090	T4N,R16W, UM	11,348
2004-091	T4N,R17W, UM	11,368
2004-092	T4N,R17W, UM	11,347
2004-093	T4N,R18W, UM	11,368
2004-094	T4N,R18W, UM	11,348
2004-095	T4N,R19W, UM	11,368
2004-096	T4N,R19W, UM	11,347
2004-097	T4N,R20W, UM	11,368
2004-098	T4N,R20W, UM	11,348
2004-099	T4N,R21W, UM	11,368
2004-100	T4N,R21W, UM	11,348
2004-101	T4N,R22W, UM K-1(k)	11,368
2004-102	T4N,R22W, UM K-1(k)	11,347
2004-103	T4N,R23W, UM	11,368
2004-104	T4N,R24W, UM	11,348

<u>Tract #</u>	<u>Description</u>		<u>Acres</u>
2004-105	T5N,R12W, UM K-1(b)	S ½	11,510
2004-106	T5N,R12W, UM K-1(b)	N ½	11,483
2004-107	T5N,R13W, UM K-1(f), K-2	S ½	11,510
2004-108	T5N,R13W, UM K-1(f)	N ½	11,484
2004-109	T5N,R14W, UM K-1(f), K-2	S ½	11,510
2004-110	T5N,R14W, UM K-1(f), K-2	N ½	11,483
2004-111	T5N,R15W, UM	S ½	11,510
2004-112	T5N,R15W, UM K-1(e)	N ½	11,484
2004-113	T5N,R16W, UM	S ½	11,510
2004-114	T5N,R16W, UM	N ½	11,484
2004-115	T5N,R17W, UM	S ½	11,510
2004-116	T5N,R17W, UM	N ½	11,484
2004-117	T5N,R18W, UM	S ½	11,510
2004-118	T5N,R18W, UM	N ½	11,483
2004-119	T5N,R19W, UM	S ½	11,510
2004-120	T5N,R19W, UM	N ½	11,483
2004-121	T5N,R20W, UM	S ½	11,510
2004-122	T5N,R20W, UM	N ½	11,483

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-123	T5N,R21W, UM S ½ K-1(k)	11,510
2004-124	T5N,R21W, UM N ½ K-1(k)	11,483
2004-125	T5N,R22W, UM S ½ K-1(k)	11,510
2004-126	T5N,R22W, UM N ½	11,483
2004-127	T5N,R23W, UM S ½	11,510
2004-128	T5N,R23W, UM N ½	11,483
2004-129	T5N,R24W, UM S ½ K-1(g)	11,510
2004-130	T5N,R24W, UM N ½ K-1(g)	11,484
2004-131	T6N,R12W, UM S ½ K-1(b), (f)	11,463
2004-132	T6N,R12W, UM N ½ K-1(b), (f)	11,436
2004-133	T6N,R13W, UM S ½ K-1(f)	11,463
2004-134	T6N,R13W, UM N ½ K-1(e), K-2	11,436
2004-135	T6N,R14W, UM S ½ K-1(e), K-2	11,463
2004-136	T6N,R14W, UM N ½ K-1(e), K-2	11,436
2004-137	T6N,R15W, UM S ½ K-1(e), K-2	11,463
2004-138	T6N,R15W, UM N ½ K-2	11,436

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-139	T6N,R16W, UM S ½ K-2	11,463
2004-140	T6N,R16W, UM N ½ K-2	11,436
2004-141	T6N,R17W, UM S ½	11,463
2004-142	T6N,R17W, UM N ½	11,436
2004-143	T6N,R18W, UM S ½	11,463
2004-144	T6N,R18W, UM N ½	11,436
2004-145	T6N,R19W, UM S ½	11,463
2004-146	T6N,R19W, UM N ½	11,436
2004-147	T6N,R20W, UM S ½	11,463
2004-148	T6N,R20W, UM N ½	11,436
2004-149	T6N,R21W, UM S ½ K-1(k)	11,463
2004-150	T6N,R21W, UM N ½ K-1(k)	11,436
2004-151	T6N,R22W, UM S ½	11,463
2004-152	T6N,R22W, UM N ½	11,436
2004-153	T6N,R23W, UM S ½	11,463
2004-154	T6N,R23W, UM N ½	11,436
2004-155	T6N,R24W, UM S ½ K-1(g)	11,463
2004-156	T6N,R24W, UM N ½ K-1(g)	11,436
2004-157	T7N,R12W, UM S ½ K-1(b), (f), K-2	11,416

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-158	T7N,R12W, UM K-1(b), (f), K-2	11,389
2004-159	T7N,R13W, UM K-1(e), K-2	11,416
2004-160	T7N,R13W, UM K-1(e), K-2	11,389
2004-161	T7N,R14W, UM K-1(e), K-2	11,416
2004-162	T7N,R14W, UM K-1(e)	11,389
2004-163	T7N,R15W, UM K-2	11,416
2004-164	T7N,R15W, UM K-2	11,389
2004-165	T7N,R16W, UM K-2	11,416
2004-166	T7N,R16W, UM K-2	11,389
2004-167	T7N,R17W, UM	11,416
2004-168	T7N,R17W, UM K-1(i), K-2	11,389
2004-169	T7N,R18W, UM	11,416
2004-170	T7N,R18W, UM	11,389
2004-171	T7N,R19W, UM	11,416
2004-172	T7N,R19W, UM	11,389
2004-173	T7N,R20W, UM	11,416
2004-174	T7N,R20W, UM	11,389

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-175	T7N,R21W, UM K-1(k) S ½	11,416
2004-176	T7N,R21W, UM K-1(k) N ½	11,389
2004-177	T7N,R22W, UM K-1(k) S ½	11,416
2004-178	T7N,R22W, UM K-1(k) N ½	11,389
2004-179	T7N,R23W, UM S ½	11,416
2004-180	T7N,R23W, UM N ½	11,389
2004-181	T7N,R24W, UM K-1(g) S ½	11,416
2004-182	T7N,R24W, UM N ½	11,389
2004-183	T7N,R25W, UM K-1(g) S ½	11,415
2004-184	T7N,R25W, UM N ½	11,389
2004-185	T8N,R12W, UM K-2 S ½	11,369
2004-186	T8N,R12W, UM K-1(b), K-2 N ½	11,342
2004-187	T8N,R13W, UM K-2 S ½	11,369
2004-188	T8N,R13W, UM N ½	11,342
2004-189	T8N,R14W, UM K-1(e), K-2 S ½	11,369
2004-190	T8N,R14W, UM K-1(e), K-2 N ½	11,342

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-191	T8N,R15W, UM K-1(j), K-2	11,369
2004-192	T8N,R15W, UM K-2	11,342
2004-193	T8N,R16W, UM K-1(i), (j), K-2	11,369
2004-194	T8N,R16W, UM K-1(i), (j), K-2	11,342
2004-195	T8N,R17W, UM K-1(j)	11,369
2004-196	T8N,R17W, UM K-1(j), K-2	11,342
2004-197	T8N,R18W, UM K-1(l)	11,369
2004-198	T8N,R18W, UM K-2	11,342
2004-199	T8N,R19W, UM	11,369
2004-200	T8N,R19W, UM	11,342
2004-201	T8N,R20W, UM	11,369
2004-202	T8N,R20W, UM	11,342
2004-203	T8N,R21W, UM K-1(k)	11,369
2004-204	T8N,R21W, UM K-1(k)	11,342
2004-205	T8N,R22W, UM K-1(k)	11,369
2004-206	T8N,R22W, UM	11,342
2004-207	T8N,R23W, UM	11,369

<u>Tract #</u>	<u>Description</u>		<u>Acres</u>
2004-208	T8N,R23W, UM K-1(m)	N ½	11,342
2004-209	T8N,R24W, UM	S ½	11,369
2004-210	T8N,R24W, UM	N ½	11,342
2004-211	T8N,R25W, UM	S ½	11,369
2004-212	T8N,R25W, UM K-2	N ½	11,342
2004-213	T9N,R12W, UM K-2	S ½	11,510
2004-214	T9N,R12W, UM K-2	N ½	11,483
2004-215	T9N,R13W, UM K-1(e)	S ½	11,510
2004-216	T9N,R13W, UM K-1(e), K-2	N ½	11,483
2004-217	T9N,R14W, UM K-1(e), K-2	S ½	11,510
2004-218	T9N,R14W, UM K-1(e), K-2	N ½	11,483
2004-219	T9N,R15W, UM K-1(i), K-2	S ½	11,510
2004-220	T9N,R15W, UM K-2	N ½	11,483
2004-221	T9N,R16W, UM K-1(i), K-2	S ½	11,510
2004-222	T9N,R16W, UM K-1(i), K-2	N ½	11,483

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-223	T9N,R17W, UM K-2	11,510
2004-224	T9N,R17W, UM K-2	11,483
2004-225	T9N,R18W, UM K-2	11,510
2004-226	T9N,R18W, UM K-2	11,483
2004-227	T9N,R19W, UM	11,510
2004-228	T9N,R19W, UM K-1(l), K-2	11,483
2004-229	T9N,R20W, UM K-1(k)	11,510
2004-230	T9N,R20W, UM K-1(k), K-2	11,483
2004-231	T9N,R21W, UM K-1(k)	11,510
2004-232	T9N,R21W, UM	11,483
2004-233	T9N,R22W, UM K-1(m)	11,510
2004-234	T9N,R22W, UM K-1(m)	11,483
2004-235	T9N,R23W, UM K-1(m)	11,510
2004-236	T9N,R23W, UM K-1(m)	11,483
2004-237	T9N,R24W, UM	11,510
2004-238	T9N,R24W, UM	11,483

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-239	T9N,R25W, UM S ½	11,510
2004-240	T9N,R25W, UM N ½ K-2	11,483
2004-241	T10N,R13W, UM S ½ K-1(e), K-2	11,462
2004-242	T10N,R13W, UM N ½ K-1(e)	11,436
2004-243	T10N,R14W, UM S ½ K-2	11,462
2004-244	T10N,R14W, UM N ½ K-2	11,435
2004-245	T10N,R15W, UM S ½ K-2	11,462
2004-246	T10N,R15W, UM N ½	11,436
2004-247	T10N,R16W, UM S ½ K-1(i)	11,462
2004-248	T10N,R16W, UM N ½ K-1(i), K-2	11,436
2004-249	T10N,R17W, UM S ½ K-2	11,462
2004-250	T10N,R17W, UM N ½ K-2	11,435
2004-251	T10N,R18W, UM S ½ K-2	11,462
2004-252	T10N,R18W, UM N ½	11,436
2004-253	T11N,R13W, UM S ½ K-1(e), K-2	11,414
2004-254	T11N,R13W, UM N ½ K-1(e), K-2	11,388

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-255	T11N,R14W, UM S ½ K-2	11,414
2004-256	T11N,R14W, UM N ½ K-2	11,387
2004-257	T11N,R15W, UM S ½ K-1(i), K-2	11,414
2004-258	T11N,R15W, UM N ½ K-1(i), K-2	11,388
2004-259	T11N,R16W, UM S ½ K-1(i), K-2	11,414
2004-260	T11N,R16W, UM N ½ K-1(i), K-2	11,388
2004-261	T11N,R17W, UM S ½ K-2	11,414
2004-262	T11N,R17W, UM N ½ K-2	11,387
2004-263	T11N,R18W, UM S ½ K-2	11,414
2004-264	T11N,R18W, UM N ½ K-2	11,388
2004-265	T12N,R13W, UM S ½ K-1(d), (e), K-2	11,364
2004-266	T12N,R13W, UM N ½ K-1(d), K-2	11,342
2004-267	T12N,R14W, UM S ½ K-2	11,363
2004-268	T12N,R14W, UM N ½ K-2	11,342
2004-269	T12N,R15W, UM S ½ K-1(i), K-2	11,364

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-270	T12N,R15W, UM N ½ K-1(i), K-2	11,342
2004-271	T12N,R16W, UM S ½ K-1(i), K-2	11,364
2004-272	T12N,R16W, UM N ½ K-1(i), K-2	11,342
2004-273	T12N,R17W, UM S ½ K-2	11,363
2004-274	T12N,R17W, UM N ½ K-2	11,342
2004-275	T12N,R18W, UM S ½ K-2	11,364
2004-276	T12N,R18W, UM N ½ K-2	11,342
2004-277	T12N,R19W, UM S ½ K-2	11,364
2004-278	T12N,R19W, UM N ½ K-2	11,342
2004-279	T12N,R20W, UM S ½ K-1(l)	11,364
2004-280	T12N,R20W, UM N ½ K-1(l)	11,343
2004-281	T12N,R21W, UM S ½ K-1(k)	11,363
2004-282	T12N,R21W, UM N ½ K-1(k), (l), K-2	11,341
2004-283	T12N,R22W, UM S ½	11,364
2004-284	T12N,R22W, UM N ½ K-2	11,342

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-285	T13N,R13W, UM S ½ K-2	11,508
2004-286	T13N,R13W, UM N ½ K-1(d), K-2	11,483
2004-287	T13N,R14W, UM S ½ K-2	11,507
2004-288	T13N,R14W, UM N ½ K-2	11,483
2004-289	T13N,R15W, UM S ½ K-1(i)	11,508
2004-290	T13N,R15W, UM N ½ K-1(i)	11,483
2004-291	T13N,R16W, UM S ½ K-2	11,507
2004-292	T13N,R16W, UM N ½ K-2	11,483
2004-293	T13N,R17W, UM S ½ K-2	11,507
2004-294	T13N,R17W, UM N ½ K-2	11,483
2004-295	T13N,R18W, UM S ½ K-2	11,508
2004-296	T13N,R18W, UM N ½ K-2	11,483
2004-297	T13N,R19W, UM S ½ K-2	11,507
2004-298	T13N,R19W, UM N ½ K-2	11,483
2004-299	T13N,R20W, UM S ½ K-1(l)	11,508

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-300	T13N,R20W, UM N ½ K-1(l)	11,483
2004-301	T13N,R21W, UM S ½ K-1(k)	11,507
2004-302	T13N,R21W, UM N ½ K-1(k), (l)	11,483
2004-303	T13N,R22W, UM S ½ K-1(n), K-2	11,507
2004-304	T13N,R22W, UM N ½ K-1(n), K-2	11,483
2004-305	T14N,R12W, UM S ½ K-1(b), (c)	11,458
2004-306	T14N,R12W, UM N ½ K-1(c)	11,437
2004-307	T14N,R13W, UM S ½ K-1(d)	11,459
2004-308	T14N,R13W, UM N ½ K-1(c), (d), K-2	11,437
2004-309	T14N,R14W, UM S ½ K-1(i), K-2	11,458
2004-310	T14N,R14W, UM N ½ K-1(i), K-2	11,437
2004-311	T14N,R15W, UM S ½ K-1(i)	11,459
2004-312	T14N,R15W, UM N ½ K-1(i)	11,437
2004-313	T14N,R16W, UM S ½ K-1(i), K-2	11,458
2004-314	T14N,R16W, UM N ½ K-1(i), K-2	11,437

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-315	T14N,R17W, UM S ½ K-2	11,458
2004-316	T14N,R17W, UM N ½	11,437
2004-317	T14N,R18W, UM S ½	11,459
2004-318	T14N,R18W, UM N ½ K-2	11,437
2004-319	T14N,R19W, UM S ½ K-2	11,458
2004-320	T14N,R19W, UM N ½	11,437
2004-321	T14N,R20W, UM S ½	11,459
2004-322	T14N,R20W, UM N ½	11,437
2004-323	T14N,R21W, UM S ½ K-1(l)	11,458
2004-324	T14N,R21W, UM N ½ K-1(k)	11,437
2004-325	T14N,R22W, UM S ½ K-1(k), (l), (n)	11,458
2004-326	T14N,R22W, UM N ½ K-1(k)	11,437
2004-327	T14N,R23W, UM S ½ K-1(n), (p)	11,459
2004-328	T14N,R23W, UM N ½ K-1(p)	11,437
2004-329	T14N,R24W, UM S ½ K-1(p)	11,458
2004-330	T14N,R24W, UM N ½	11,437
2004-331	T15N,R12W, UM S ½	11,410

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-332	T15N,R12W, UM N ½ K-2	11,385
2004-333	T15N,R13W, UM S ½ K-1(c), (d)	11,410
2004-334	T15N,R13W, UM N ½ K-1(c), (d), K-2	11,386
2004-335	T15N,R14W, UM S ½ K-1(d), (i)	11,410
2004-336	T15N,R14W, UM N ½ K-1(d), (i), K-2	11,385
2004-337	T15N,R15W, UM S ½ K-1(i)	11,410
2004-338	T15N,R15W, UM N ½ K-1(i)	11,386
2004-339	T15N,R16W, UM S ½ K-1(i)	11,410
2004-340	T15N,R16W, UM N ½	11,385
2004-341	T15N,R17W, UM S ½	11,410
2004-342	T15N,R17W, UM N ½	11,385
2004-343	T15N,R18W, UM S ½ K-2	11,410
2004-344	T15N,R18W, UM N ½	11,386
2004-345	T15N,R19W, UM S ½	11,410
2004-346	T15N,R19W, UM N ½ K-1(k)	11,385
2004-347	T15N,R20W, UM S ½	11,410
2004-348	T15N,R20W, UM N ½ K-1(k)	11,386

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-349	T15N,R21W, UM S ½ K-1(k)	11,410
2004-350	T15N,R21W, UM N ½ K-1(k)	11,385
2004-351	T15N,R22W, UM S ½ K-1(k), (p)	11,410
2004-352	T15N,R22W, UM N ½ K-1(p), (o)	11,385
2004-353	T15N,R23W, UM S ½ K-1(p)	11,410
2004-354	T15N,R23W, UM N ½ K-1(o)	11,386
2004-355	T15N,R24W, UM S ½	11,410
2004-356	T15N,R24W, UM N ½ K-1(o)	11,385
2004-357	T16N,R12W, UM S ½ K-1(c), K-2	11,361
2004-357-A	T16N,R11W, UM S ½ K-2	11,361
2004-358	T16N,R12W, UM N ½ K-1(c), K-2	11,336
2004-358-A	T16N,R11W, UM N ½ K-2	11,336
2004-359	T16N,R13W, UM S ½ K-1(c), K-2	11,361
2004-360	T16N,R13W, UM N ½ K-2	11,337
2004-361	T16N,R14W, UM S ½ K-1(d), (i), K-2	11,361

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-362	T16N,R14W, UM N ½ K-1(d), (i), K-2	11,336
2004-363	T16N,R15W, UM S ½ K-1(i)	11,361
2004-364	T16N,R15W, UM N ½ K-1(i), K-3, K-6	11,337
2004-365	T16N,R16W, UM S ½ K-2	11,361
2004-366	T16N,R16W, UM N ½ K-2, K-3, K-6	11,336
2004-367	T16N,R17W, UM S ½ K-2	11,361
2004-368	T16N,R17W, UM N ½ K-2	11,336
2004-369	T16N,R18W, UM S ½ K-1(k)	11,361
2004-370	T16N,R18W, UM N ½ K-1(k)	11,337
2004-371	T16N,R19W, UM S ½ K-1(k)	11,361
2004-372	T16N,R19W, UM N ½	11,336
2004-373	T16N,R20W, UM S ½ K-1(k)	11,361
2004-374	T16N,R20W, UM N ½ K-1(o)	11,337
2004-375	T16N,R21W, UM S ½ K-1(o)	11,361
2004-376	T16N,R21W, UM N ½ K-1(o)	11,336

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-377	T16N,R22W, UM K-1(o)	S ½ 11,361
2004-378	T16N,R22W, UM	N ½ 11,336
2004-379	T16N,R23W, UM K-1(o)	S ½ 11,361
2004-380	T16N,R23W, UM K-2	N ½ 11,337
2004-381	T16N,R24W, UM K-1(o), K-2	S ½ 11,361
2004-382	T16N,R24W, UM K-2	N ½ 11,336
2004-383	T17N,R10W, UM K-6	S ½ 11,510
2004-384	T17N,R10W, UM	Section 18 11,336

and Those portions of Sections 6-8, 13-17 along the coast of Smith Bay lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.

and T18N,R10W, UM Those portions of Sections 6-7, 18-19, 30-31 along the coast of Smith Bay lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.	
	K-3, K-6	
2004-385	T17N,R11W, UM S ½ K-2	11,510
2004-386	T17N,R11W, UM N ½ K-2	11,483
2004-387	T17N,R12W, UM S ½ K-1(c), K-2	11,510
2004-388	T17N,R12W, UM N ½ K-2	11,483
2004-389	T17N,R13W, UM. S ½ K-1(c), K-3, K-6	11,510
2004-390	T17N,R13W, UM N ½ K-1(c), K-2, K-3, K-6	11,483
2004-391	T17N,R14W, UM S ½ K-1(d), (i), K-2, K-3, K-6	11,511
2004-392	T17N,R14W, UM N ½ K-1(d), (i), K-3, K-6	11,483
2004-393	T17N,R15W, UM S ½ K-1(i), K-3, K-6	11,511
2004-394	T17N,R15W, UM N ½ K-3, K-6	11,483
2004-395	T17N,R16W, UM S ½ K-1(k), K-2, K-3, K-6	11,511

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-396	T17N,R16W, UM N ½ K-1(k), K-3, K-6	11,483
2004-397	T17N,R17W, UM S ½ K-1(k)	11,510
2004-398	T17N,R17W, UM N ½ K-1(k)	11,483
2004-399	T17N,R18W, UM S ½ K-1(k), K-2	11,510
2004-400	T17N,R18W, UM N ½ K-2	11,483
2004-401	T17N,R19W, UM S ½ K-1(o), K-2	11,510
2004-402	T17N,R19W, UM N ½ K-1(o), K-2	11,483
2004-403	T17N,R20W, UM S ½ K-1(o)	11,510
2004-404	T17N,R20W, UM N ½ K-1(o)	11,483
2004-405	T17N,R21W, UM S ½	11,510
2004-406	T17N,R21W, UM N ½ K-1(r)	11,483
2004-407	T17N,R22W, UM S ½	11,510
2004-408	T17N,R22W, UM N ½	11,483
2004-409	T17N,R23W, UM S ½ K-2, K-6	11,510
2004-410	T17N,R23W, UM Sections 1, 10-17,	7,840

and

Those portions of Sections

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	<p>2-4, 7-9, 18 lying along the coast of the Chukchi Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.</p> <p>K-6</p>	
2004-411	Deleted	
2004-412	<p>T17N,R24W, UM</p> <p>Sections 22-36,</p> <p>and</p> <p>Those portions of Sections 13-16, 19-21 lying along the coast of the Chukchi Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.</p> <p>K-6</p>	12,024
2004-413	<p>T18N,R11W, UM</p> <p>K-3, K-6</p> <p>S ½</p>	11,458
2004-414	<p>T18N,R11W, UM</p> <p>K-3, K-6</p> <p>N ½</p>	11,433

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-415	T18N,R12W, UM S ½ K-2	11,458
2004-416	T18N,R12W, UM N ½ K-2	11,433
2004-417	T18N,R13W, UM S ½ K-2	11,458
2004-418	T18N,R13W, UM N ½ K-2, K-6	11,433
2004-419	T18N,R14W, UM S ½ K-3, K-6	11,458
2004-420	T18N,R14W, UM N ½ K-3, K-6	11,433
2004-421	T18N,R15W, UM S ½ K-3	11,458
2004-422	T18N,R15W, UM N ½ K-3	11,433
2004-423	T18N,R16W, UM S ½ K-1(k), K-2, K-3, K-6	11,458
2004-424	T18N,R16W, UM N ½ K-3, K-6	11,433
2004-425	T18N,R17W, UM S ½ K-1(k), K-3, K-6	11,458
2004-426	T18N,R17W, UM N ½ K-3, K-6	11,433
2004-427	T18N,R18W, UM S ½ K-1(o), K-2, K-3, K-6	11,458
2004-428	T18N,R18W, UM N ½ K-1(o), K-2, K-3, K-6	11,432
2004-429	T18N,R19W, UM S ½ K-1(o), (r)	11,458

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-430	T18N,R19W, UM K-1(o), K-2	N ½ 11,432
2004-431	T18N,R20W, UM K-1(r)	S ½ 11,458
2004-432	T18N,R20W, UM K-2	N ½ 11,432
2004-433	T18N,R21W, UM K-1(r)	S ½ 11,458
2004-434	T18N,R21W, UM	Sections 1-5, 7-18, 11,377
	and	
		That portion of section 6 lying along the coast of the Chukchi Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.
	K-2, K-6	
2004-435	T18N,R22W, UM	Sections 13, 22-28, 32-36, 12,253
	and	
		Those portions of Sections 1, 11-12, 14-16, 20-21, 29-31 lying along the coast of the Chukchi Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.	
and T18N,R23W, UM	Those portions of Sections 35-36 lying along the coast of the Chukchi Sea lying south of a line delineated by the ocean side of the sandspits and island forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.	
	K-6	
2004-436	T18N,R20W, UM	Portion S ½ 11,046
	Sections 12-13, 23-27, 33-36,	
	and	
	Those portions of Sections 1-2, 11, 14-15, 21-22, 28-29, 31-32 lying along the coast of the Chukchi Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the	

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.	
and	T20N,R21W, UM	That portion of Section 36 lying along the coast of the Chukchi Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.
	K-6	
2004-437	T19N,R11W, UM	Sections 19-36 12,815
and	T19N,R10W, UM	Those portions of Sections 19-20, 30-31 along the coast of Smith Bay lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.
	K-3, K-6	

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-438	T19N,R11W, UM	Sections 2-18
	and T19N,R10W, UM	Those portions of Sections 1, 6-8, 17-18 along the coast of the Beaufort Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.
	K-3, K-6	
2004-439	T19N,R12W, UM K-2, K-3, K-6	S ½
		11,408
2004-440	T19N,R12W, UM K-2, K-3, K-6	N ½
		11,383
2004-441	T19N,R13W, UM K-2, K-3, K-6	S ½
		11,408
2004-442	T19N,R13W, UM K-3, K-6	N ½
		11,383
2004-443	T19N,R14W, UM K-3, K-6	S ½
		11,408
2004-444	T19N,R14W, UM K-3, K-6	N ½
		11,383
2004-445	T19N,R15W, UM K-3, K-6	S ½
		11,408
2004-446	T19N,R15W, UM K-3, K-6	N ½
		11,383

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-447	T19N,R16W, UM S ½ K-3, K-6	11,408
2004-448	T19N,R16W, UM N ½ K-2	11,383
2004-449	T19N,R17W, UM S ½ K-3, K-6	11,408
2004-450	T19N,R17W, UM N ½ K-2	11,383
2004-451	Deleted	
2004-452	Deleted	
2004-453	Deleted	
2004-454	T20N,R11W, UM Sections 18-20, 28-34 and Those portions of Sections 6-8, 16-17, 21-22, 26-27, 35-36 along the coast of the Beaufort Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles off shore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland. K-3, K-6	9,589
2004-455	T20N,R12W, UM S ½ K-3, K-6	11,358

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-456	T20N,R12W, UM Sections 2-18 and That portion of Section 1 along the coast of the Beaufort Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.	11,143
	K-3, K-6	
2004-457	T20N,R13W, UM K-3, K-6	S ½ 11,358
2004-458	T20N,R13W, UM K-3, K-6	N ½ 11,333
2004-459	T20N,R14W, UM K-3, K-6	S ½ 11,358
2004-460	T20N,R14W, UM K-3, K-6	N ½ 11,333
2004-461	T20N,R15W, UM	S ½ 11,358
2004-462	T20N,R15W, UM	N ½ 11,333
2004-463	T20N,R16W, UM K-2	S ½ 11,358
2004-464	T20N,R16W, UM K-2	N ½ 11,333
2004-465	T20N,R17W, UM K-2	S ½ 11,358

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-466	T20N,R17W, UM K-2	N ½ 11,333
2004-467	T21N,R12W, UM	Sections 19, 28-34 8,135
	and	
		Those portions of Sections 17-18, 20-22, 26-27, 35-36, lying south of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end.
	and T21N,R11W, UM	That portion of Section 31, lying south of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end.
	K-3, K-6	
2004-468	T21N,R13W, UM K-3	S ½ 11,508
2004-469	T21N,R13W, UM	Sections 7, 16-18 5,806
	and	
		Those portions of Sections 5-6,8-11, 13-15, lying south of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end.

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	and T22N,R13W, UM K-3	That portion of Section 31, lying south of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end.
2004-470	T21N,R14W, UM K-3, K-6	S ½ 11,508
2004-471	T21N,R14W, UM	N ½ 16,857
	and T22N,R14W, UM	Sections 31-34
	and K-3, K-6	Those portions of Sections 19-20, 26-30, 35-36, lying south of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end.
2004-472	T21N,R15W, UM	S ½ 11,508
2004-473	T21N,R15W, UM K-3, K-6	N ½ 11,483
2004-474	T21N,R16W, UM K-3, K-6	S ½ 11,508
2004-475	T21N,R16W, UM K-3, K-6	N ½ 11,482
2004-476	T21N,R17W, UM	S ½ 11,508
2004-477	T21N,R17W, UM	Sections 1-3, 9-17 7,680

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-478	T21N,R18W, UM	Sections 5-8, 17-20, 25-30, 16,592 33-36 (all oil and gas);
	and	
		Sections 3-4, 9, 16, 21-24, all oil and gas excluding“ . . . that portion of the subsurface estate, if any, . . . capable of producing fluid hydrocarbons from the sandstone unit within the Kingak shale of Jurassic age, locally called the “Barrow gas sands”, and from the basal unconformity sand of Juro-Cretaceous age at or near the contact of the pebble shale “Cretaceous” on the King shale. The Barrow gas sands are generally separated by a thin shale unit into two subunits referred to as the “lower Barrow gas sand” and the “upper Barrow gas sand.” The producing zone in the discovery well, South Barrow No. 2 located in Township 22 north, range 18 west, section 14, is identified on the Schlumberger electric logs of said well dated March 3, 1949, as follows: Basal sands at drill depths 2326’ to 2330’ and Barrow sands at drill depths 2340’ to 2388’.”, as specified in the September 22, 1983 agreement between the United States Department of the Interior and the North Slope Borough.
2004-479	T21N,R19W, UM	Sections 1-3, 9-16, 14,827 20-24, 29, 31-32;
	and	
		Those portions of Sections 4-5, 8, 17-19, 30 lying along the coast of the Chukchi Sea

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.	
	and T21N,R20W, UM	Those portions of Sections 25, 36 lying along the coast of the Chukchi Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.
	K-6	
2004-480	T22N,R15W, UM	Sections 19-21, 27-36, 9,982
	and	Those portions of Sections 22-23, 25-26, lying south of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end.
	K-3, K-6	

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-481	T22N,R15W, UM and Those portions of Sections 5, 8-9, 15-16, lying south of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end. K-3, K-6	3,861
2004-482	T22N,R16W, UM Sections 1-15, 22-27, 32-36, all oil and gas excluding, as to Sections 22-23, 26-27, 32-36, "... that portion of the subsurface estate, if any, ... capable of producing fluid hydrocarbons from the sandstone unit within the Kingak shale of Jurassic age, locally called the "Barrow gas sands", and from the basal unconformity sand of Juro-Cretaceous age at or near the contact of the pebble shale "Cretaceous" on the King shale. The Barrow gas sands are generally separated by a thin shale unit into two subunits referred to as the "lower Barrow gas sand" and the "upper Barrow gas sand." The producing zone in the discovery well, South Barrow No. 2 located in Township 22 north, range 18 west, section 14, is identified on the Schlumberger electric logs of said well dated March 3, 1949, as follows: Basal sands at drill depths 2326' to 2330'	17,458

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	and Barrow sands at drill depths 2340' to 2388'.", as specified in the September 22, 1983 agreement between the United States Department of the Interior and the North Slope Borough.	
	K-3, K-6	
2004-483	T23N,R15W, UM Those portions of Sections 30-32, lying south of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end.	10,916
	and T23N,R16W, UM Sections 19-20, 27-36,	
	and	
	Those portions of Sections 7, 16-18, 21-23, 25-26, lying south of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end.	
	K-3, K-6	
2004-484	T23N,R17W, UM Sections S ½	11,404
	K-3, K-6	
2004-485	T23N,R17W, UM Sections 9, 13-18,	7,747
	and	

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	<p>Those portions of Sections 3-5,7-8, 10-12, lying southwest of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end; and southeast of a line along the coast of the Chukchi Sea delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.</p>	
and T24N,R17W, UM	<p>Those portions of Sections 32-33, lying southwest of a line delineated by the highest highwater mark on the outer shore of the Plover Islands forming the groups and extending between the most adjacent points of these islands and the sandspits at either end to the northernmost point of land, and southeast of a line running from that northernmost point of land southwest along the coast of the Chukchi Sea as delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such</p>	

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.	
	K-3, K-6	
2004-486	T22N,R17W, UM K-2, K-6	Sections 1-12, 16-21, 28-30, 32-33 14,902
2004-487	T22N,R18W, UM	Sections 1-5, 7-9, 16-20, 29-32, 16,746
	and	That portion of Section 6 lying along the coast of the Chukchi Sea lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.
	and	Portions of U.S. Survey 4227, Lot 2, and U.S. Survey 4615 (situated within the boundaries of T22N,R19W, UM).
	and T22N,R19W, UM	Sections 24-26,35-36,
	and	Section 12, Government lots 1 and 2, and portions of Sections 13-14, 22-23, 27,33-34 lying along the coast of the Chukchi Sea lying

<u>Tract #</u>	<u>Description</u>		<u>Acres</u>
		south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.	
	K-3, K-6		
2004-488	T23N,R18W, UM	Section 12, Government Lot 1; Section 13, Government Lot 1; Section 24, Government Lot 1; Section 25, Government Lot 1; Section 32, Government Lot 1; Section 33, Government Lots 1 and 2; Section 34, Government Lot 1; Section 35, Government Lot 1; Section 36, Government Lots 1 and 2.	3,288
	K-3, K-6		

EXHIBIT A-1

DESCRIPTIONS FOR TRACTS PARTIALLY WITHIN THE NORTHWEST PLANNING AREA AND PARTIALLY WITHIN THE NORTHEAST NPR-A PLANNING AREA

NOTE: These tracts are identified with "D" designators, signifying that each tract is "Divided" and carries different stipulations for the NW planning area portion than it does for the NE planning area portion. The planning area boundary separating the two planning areas is the eastern bank of the Ikpiuk River, as described in the Final IAP/EIS for each planning area.

<u>Tract #</u>	<u>Description (Township/Range/Meridian/Portion) Special Stipulations</u>	<u>Acres</u>
2004-D1	T 3 N, R 12 W, UM Sections 3-10, 15-20, 29-32 As to NE portion: V As to NW portion: K-1(b)	11,290
2004-D2	T 4 N, R 11 W, UM Sections 5-6 As to NE portion: V As to NW portion: K-1(b)	19,455
and	T 4 N, R 12 W, UM Sections 1-12, 14-22, 27-34 As to NE portion: V As to NW portion: K-1(b)	
2004-D3	T 5 N, R 11 W, UM Sections 4-9, 16-22, 27-34 As to NE portion: V As to NW portion: K-1(b)	13,393
2004-D4	T 6 N, R 11 W, UM Sections 3-10, 16-21, 28-33 As to NE portion: V As to NW portion: K-1(b)	12,659
2004-D5	T 7 N, R 11 W, UM Sections 3-10, 15-21, 28-34 As to NE portion: V As to NW portion: K-1(b)	13,845
2004-D6	T 8 N, R 11 W, UM Sections 4-10, 15-22, 27-34 As to NE portion: V As to NW portion: K-1(b)	14,391

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-D7	T 9 N, R 11 W, UM Sections 14-23, 27-34 As to NE portion: V As to NW portion: K-1(b)	11,499
2004-D8	T 9 N, R 11 W, UM Sections 1-12 As to NE portion: V As to NW portion: K-1(b)	15,914
	and T 10N, R 11W, UM Sections 19, 25-36 As to NE portion: V As to NW portion: K-1(b)	
2004-D9	T 10 N, R 12 W, UM Sections 19-36 As to NE portion: V As to NW portion: K-1(b)	11,462
2004-D10	T 10 N, R 11 W, UM Sections 6, 7, 18 As to NE portion: V As to NW portion: K-1(b)	13,271
	and T 10 N, R 12 W, UM Sections 1-18 As to NE portion: V As to NW portion: K-1(b)	
2004-D11	T 11 N, R 11 W, UM Sections 19, 30-31 As to NE portion: V As to NW portion: K-1(b)	13,226
	and T 11 N, R 12 W, UM Sections 19-36 As to NE portion: V As to NW portion: K-1(b)	
2004-D12	T 11 N, R 11 W, UM Section 18 As to NE portion: V As to NW portion: K-1(b)	11,986
	and T 11 N, R 12 W, UM Sections 1-18 As to NE portion: V As to NW portion: K-1(b)	
2004-D13	T 12 N, R 12 W, UM Sections 19-36 As to NE portion: V As to NW portion: K-1(b)	11,364

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
2004-D14	T 12 N, R 12 W, UM Sections 1-18 As to NE portion: V As to NW portion: K-1(b)	11,342
2004-D15	T 13 N, R 11 W, UM Sections 19, 30-31 As to NE portion: V As to NW portion: K-1(b)	13,415
	and T 13 N, R 12 W, UM Sections 19-36 As to NE portion: V As to NW portion: K-1(b)	
2004-D16	T 13 N, R 11 W, UM Sections 5-7, 18 As to NE portion: V As to NW portion: K-1(b)	14,006
	and T 13 N, R 12 W, UM Sections 1-18 As to NE portion: V As to NW portion: K-1(b)	
2004-D17	T 14 N, R 11 W, UM Sections 1-10, 15-22, 28-32 As to NE portion: V As to NW portion: K-1(b)	14,575
2004-D18	T 15 N, R 11 W, UM Sections 19-36 As to NE portion: V As to NW portion: K-1(b)	11,410
2004-D19	T 15 N, R 10 W, UM Sections 5-8, 18 As to NE portion: V	14,451
	and T 15 N, R 11 W, UM Sections 1-18 As to NE portion: V As to NW portion: K-1(b)	
2004-D20	T 16 N, R 10 W, UM Sections 19-23, 27-32 As to NE portion: III, V As to NW portion: K-1(b)	6,881
2004-D21	T 16 N, R 9 W, UM Section 6 As to NE portion: V As to NW portion: K-1(b)	11,272
	and T 16 N, R 10 W, UM Sections 1-12, 14-18	

<u>Tract #</u>	<u>Description</u>	<u>Acres</u>
	As to NE portion: V As to NW portion: K-1(b)	
2004-D22	T 17 N, R 9 W, UM Sections 19-20, 28-32, and Those portions of Sections 17-18, 21-22, 27, 33-34 along the coast of Smith Bay lying south of a line delineated by the ocean side of the sandspits and islands forming the barrier reefs and extending across small lagoons from point to point, where such barrier reefs are not over three miles offshore. If the barrier reef is over three miles offshore the boundary shall be the highest highwater mark of the coast of the mainland.	6,397
	As to NE portion: V As to NW portion: K-1(b), K-6	

EXHIBIT B: SUPPLEMENTAL LEASE TERMS

Future operations in the National Petroleum Reserve - Alaska are likely to include a number of small fields with economic margins too thin to support the capital costs of onsite production facilities. To be commercially viable these small fields will likely need to be developed as satellite fields and use central production facilities located several miles away. The Bureau of Land Management believes full utilization of central production facilities is beneficial to all parties and should be encouraged. Satellite fields can be developed with lower up-front capital costs thereby increasing the likelihood that they will be brought into commercial production. The United States and State of Alaska will receive more revenue through taxes and royalties when new fields are developed. Facility owners will improve their return on invested capital increasing the likelihood the life of established infrastructure will be prolonged. And environmental impacts will be lower because fewer new facilities will be constructed and industrial expansion will be minimized. Therefore the Bureau of Land Management is providing supplemental lease terms as an incentive to meet these objectives.

Supplemental Lease Terms

(1) This lease is subject to Department of the Interior regulations now or hereafter in force governing the establishment of the value of production of gas and oil and other products produced from Federal leases for royalty purposes, including the regulations now or hereafter included in 30 C.F.R. Part 206 or applicable successor regulations, subject to the additional provisions included in this lease.

(2) The following terms apply if this lease is developed and produced as a satellite property and the production from this lease is separated or treated to be put into a marketable condition at a central facility located on a lease, unit or field that is not part of the field or unit that includes or may include this lease.

- (i) Subject to the limitation prescribed in this paragraph, the lessee may deduct actual facility fees in calculating the value of production for royalty purposes, in addition to any other allowances that apply under Department of the Interior regulations applicable to Federal leases.
- (ii) The facility fee allowance or deduction may not exceed \$2.00 per barrel of oil equivalent, or such other amount as the Secretary of the Interior may by rule prescribe. For purposes of this provision, 5.62 thousand cubic feet of gas equals one barrel of oil equivalent.
- (iii) Movement of raw production stream to the central facility from a central accumulation point on this lease or the unit of which it is a part will be regarded as transportation within the meaning of applicable transportation allowance regulations, and will not be regarded as gathering.
- (iv) The total of all transportation and facility fee allowances for any production month provided under these terms and applicable rules may not exceed 50 percent of the value of the production for royalty purposes during that production month.

EXHIBIT B-1

NORTHWEST PLANNING AREA **LEASE STIPULATIONS:**

NOTE: With the exception of the site-specific stipulations identified under Section K., below, all of the stipulations listed herein are applicable to all lands to be leased within the Northwest Planning Area and the Northwest Planning Area portions of the Northwest / Northeast combined tracts, and will be attached to and made a part of each such lease.

D. Oil and Gas Exploratory Drilling

D-1 Lease Stipulation

Objectives: Protect fish-bearing rivers, streams and lakes from blowouts, and minimize alteration of riparian habitat.

Requirement/Standard: Exploratory drilling is prohibited in rivers and streams, as determined by the active floodplain, and fish-bearing lakes, except where the lessee can demonstrate on a site specific basis that impacts would be minimal or it is determined that there is no feasible or prudent alternative.

D-2 Lease Stipulation

Objective: Minimize surface impacts from exploratory drilling.

Requirement/Standard: Exploratory drilling shall be limited to temporary facilities such as ice pads, ice roads, ice airstrips, temporary platforms, etc., unless the lessee demonstrates that construction of permanent facilities such as gravel airstrips, storage pads, and connecting roads is environmentally preferable or necessary to carry out exploration more economically.

E. Facility Design and Construction

E-2 Lease Stipulation

Objective: Protect fish-bearing water bodies, water quality and aquatic habitats.

Requirement/Standard: The design and location of permanent oil and gas facilities within 500 feet of fish-bearing or 100 feet of non-fish-bearing water bodies will only be approved on a case-by-case basis if the lessee can demonstrate that impacts to fish, water quality, and aquatic and riparian habitats are minimal. (Note: Also refer to Area-Specific Stipulations and ROP's for Rivers (Stipulation K-1) and Deep Water Lakes (Stipulation K-2).)

E-3 Lease Stipulation

Objective: Maintain free passage of marine and anadromous fish, and protect subsistence use and access to traditional subsistence hunting and fishing.

Requirement/Standard: Causeways and docks are prohibited in river mouths or deltas. Artificial gravel islands and bottom-founded structures are prohibited in river mouths or active stream channels on river deltas. Causeways, docks, artificial islands, and bottom-founded structures shall be designed to ensure free passage of marine and anadromous fish and to prevent significant changes to nearshore oceanographic circulation patterns and water quality characteristics. A monitoring program may be required to address the objectives of water quality and free passage of fish.

G. Oil Field Abandonment

G-1 Lease Stipulation

Objective: Ensure the final disposition of the land meets the current and future needs of the public.

Requirement/Standard: Upon abandonment or expiration of the lease, all oil- and gas-related facilities shall be removed and sites rehabilitated to as near the original condition as practicable, subject to the review of the AO. The AO may determine that it is in the best interest of the public to retain some or all facilities.

J. Endangered Species Act Section 7 Consultation Stipulation

J-1 Lease 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.

K. Area-Specific Lease Stipulations and Required Operating Procedures

K-1 Lease Stipulation—Rivers

Objective: Minimize the disruption of natural flow patterns and changes to water quality; the disruption of natural functions resulting from the loss or change to vegetative and physical characteristics of floodplain and riparian areas; the loss of spawning, rearing or over-wintering habitat for fish; the loss of cultural and paleontological resources; the loss of raptor habitat; impacts to subsistence cabin-and-camp-sites; the disruption of subsistence activities; and impacts to scenic and other resource values. (See ROP D-1 for restrictions on exploration activities.)

Requirement/ Standard: Permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines, are prohibited in the stream bed and adjacent to the rivers listed below at the distances identified. These setbacks are measured from the centerline of the river as determined by the current hydrology at the time of application. The standard setback is ½ mile and increased to ¾ mile where subsistence cabins and campsites are numerous. Along the Colville River and a portion of the Ikpikpuk a 1-mile setback is required to protect important raptor habitat. (For locations along rivers where setback distances change, see Map 20 in the Final Northwest National Petroleum Reserve-Alaska Integrated Activity Plan/Environmental Impact Statement). On a case-by case basis, and in consultation with Federal, State, and North Slope Borough regulatory and resource agencies (as appropriate, based on agency legal authority and jurisdictional responsibility), essential pipeline and road crossings perpendicular to the main channel will be permitted (unless noted otherwise) through setback areas. The above setbacks may not be practical within river deltas. In these situations, permanent facilities shall be designed to withstand a 200-year flood event.

a) Colville River: a 1-mile setback from the northern bluff (or bank if there is no bluff) of the Colville River extending the length of that portion of the river within the Planning Area. Road

crossings intended to solely support oil and gas activities are prohibited. Note: This provision does not apply to intercommunity or other permanent roads constructed with public funds for general transportation purposes. This preserves the opportunity to plan, design, and construct public transportation systems to meet the economic, transportation, and public health and safety needs of the State of Alaska and/or communities within NPR-A.

- b) Ikpikpuk River: a $\frac{3}{4}$ -mile setback from the centerline of the Ikpikpuk River extending from the mouth south to Sec. 19, T7N, R11W, UM. From Sec. 19, T7N, R11W, UM to Sec. 4 T3N, R12W, UM, a 1-mile setback is required. Beginning at Sec. 4 T3N, R12W, UM, a $\frac{1}{2}$ -mile setback will be required to the confluence of the Kigalik River and Maybe Creek.
- c) Alaktak River: a $\frac{3}{4}$ -mile setback from the centerline of the Alaktak River extending from the mouth to the Ikpikpuk River.
- d) Chipp River: a $\frac{3}{4}$ -mile setback from the centerline of the Chipp River extending from the mouth to the Ikpikpuk River.
- e) Oumalik River: a $\frac{3}{4}$ -mile setback from the centerline of the Oumalik River from the mouth upstream to Sec. 5, T8N, R14W, UM, and a $\frac{1}{2}$ -mile setback from Sec. 5, T8N, R14W, UM, upstream to Sec. 2, T5N, R15W, UM.
- f) Titaluk River: a $\frac{1}{2}$ -mile setback from the centerline of the Titaluk River from the confluence with the Ikpikpuk River upstream to Sec. 1, T2N, R22W, UM.
- g) Kigalik River: a $\frac{1}{2}$ -mile setback from the centerline of the Kigalik River from the confluence with the Ikpikpuk River upstream to the Planning area boundary.
- h) Maybe Creek: a $\frac{1}{2}$ -mile setback from the centerline of the Maybe Creek from the confluence with the Ikpikpuk River upstream to Sec. 8, T2S R6W, UM.
- i) Topagoruk River: a $\frac{3}{4}$ -mile setback from the centerline of the Topagoruk River from the mouth upstream to the confluence with Ishuktak Creek. A $\frac{1}{2}$ -mile setback from each bank upstream from the confluence with the Ishuktak to Sec. 3, T7N, R17W, UM.
- j) Ishuktak Creek: a $\frac{1}{2}$ -mile setback from the centerline of Ishuktak Creek from the confluence with the Topagoruk River to Sec. 24, T8N, R16W, UM.
- k) Meade River: a $\frac{3}{4}$ -mile setback from the centerline of the Meade River upstream to Sec. 6, T6N, R21W, UM. A $\frac{1}{2}$ -mile setback from each bank upstream from Sec. 6, T6N, R21W, UM to the Planning area boundary.
- l) Usuktuk River: a $\frac{3}{4}$ -mile setback from the centerline of the Usuktuk River upstream from the confluence with the Meade River to Sec. 36, T10N, R19W, UM.
- m) Pikroka Creek a $\frac{3}{4}$ -mile setback from the centerline of the Pikroka Creek upstream from the confluence with the Meade River to Sec. 11, T8N, R23W, UM.
- n) Nigisakturik River: a $\frac{3}{4}$ -mile setback from the centerline of the Nigisakturik River upstream from the confluence with the Meade River to Sec. 1, T11N, R25W, UM.
- o) Inaru River: a $\frac{3}{4}$ -mile setback from the centerline of the Inaru River from the mouth upstream to Sec. 17, T15N, R25W, UM.

p) Kucheak Creek: a $\frac{3}{4}$ -mile setback from the centerline of Kucheak Creek from the confluence with the Inaru River upstream to Sec. 20, T13N, R24W, UM.

q) Avalik River: a $\frac{1}{2}$ -mile setback from the centerline of the Avalik River along that portion of the river within the Planning area.

r) Niklavik Creek: a $\frac{1}{2}$ -mile setback from the centerline of the Niklavik Creek from the confluence with the Inaru River upstream to Sec. 5, T17N, R21W, UM.

K-2 Lease Stipulation-Deep Water Lakes

Objective: Minimize the disruption of natural flow patterns and changes to water quality; the disruption of natural functions resulting from the loss or change to vegetative and physical characteristics of deep water lakes; the loss of spawning, rearing or over wintering habitat for fish; the loss of cultural and paleontological resources; impacts to subsistence cabin- and camp-sites; and the disruption of subsistence activities.

Requirement/ Standard: Permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines, are prohibited on the lake or lakebed and within $\frac{1}{4}$ mile of the ordinary high water mark of any deep lake as determined to be in lake zone III, i.e., depth > 4 meters (Mellor, 1985). On a case-by case basis, and in consultation with Federal, State and North Slope Borough regulatory and resource agencies (as appropriate based on agency legal authority and jurisdictional responsibility), essential pipeline, road crossings and other permanent facilities may be permitted through or in these areas where the lessee can demonstrate on a site-specific basis that impacts would be minimal or it is determined that there is no feasible or prudent alternative.

K-3 Lease Stipulation-Dease Inlet, Admiralty Bay, Elson Lagoon, and Associated Barrier Islands

Lease stipulations for Dease Inlet, Admiralty Bay, Elson Lagoon, and the Barrier Islands, contain specific criteria that have been incorporated into stipulation language. Because of sensitive biological resources and/or subsistence concerns of Dease Inlet, Admiralty Bay, Elson Lagoon, and inland of the Barrier Islands, the standard(s) for exploration and development activities are set high with the burden of proof resting with the lessee to demonstrate to the AO that granting an approval is warranted.

Objective: Protect fish and wildlife habitat, preserve air and water quality, and minimize impacts to traditional subsistence activities and historic travel routes on Dease Inlet, Admiralty Bay, and Elson Lagoon.

Requirement/Standard (Exploration): Oil and gas exploration operations (e.g., drilling, seismic exploration, and testing) are not allowed on Dease Inlet, Admiralty Bay, and Elson Lagoon (including natural and barrier islands), between May 15 and October 15 of each season. Requests for approval of any activities must be submitted in advance and must be accompanied by evidence and documentation that demonstrates to the satisfaction of the Authorized Office that the actions or activities meet all of the following criteria:

a) Exploration activities will not unreasonably conflict with traditional subsistence uses or significantly impact seasonally concentrated fish and wildlife resources.

b) There is adequate spill response capability to effectively respond during periods of broken ice and/or open water, or the availability of alternative methods to prevent well blowouts during periods when adequate response capability cannot be demonstrated. Such alternative methods may include improvements in blowout prevention technology, equipment and/or changes in operational procedures and "top-setting" of hydrocarbon-bearing zones.

c) Reasonable efforts will be made to avoid or minimize impacts related to oil spill response activities, including vessel, aircraft, and pedestrian traffic will be conducted to minimize additional impacts or further compounding of "direct spill" related impacts on area resources and subsistence uses.

d) The location of exploration and related activities shall be sited so as to not pose a hazard to navigation by the public using high-use traditional subsistence-related travel routes into and through Dease Inlet, Admiralty Bay and Elson Lagoon, as identified by the North Slope Borough, recognizing that marine and nearshore travel routes change over time, subject to shifting environmental conditions.

e) Before conducting open water activities, the lessee shall consult with the Alaska Eskimo Whaling Commission and the North Slope Borough to minimize impacts to the fall and spring subsistence whaling activities of the communities of the North Slope.

Requirement/Standard (Development): With the exception of linear features such as pipelines, no permanent oil and gas facilities are permitted on or under the water within $\frac{3}{4}$ mile seaward of the shoreline (as measured from mean high tide) of Dease Inlet, Admiralty Bay, and Elson Lagoon or the natural islands (excluding Barrier Islands). Elsewhere, permanent facilities within Dease Inlet, Admiralty Bay, and Elson Lagoon will only be permitted on or under the water if they can meet all the following criteria:

f) Design and construction of facilities shall minimize impacts to traditional subsistence uses, travel corridors, seasonally concentrated fish and wildlife resources.

g) Daily operational activities, including use of support vehicles, watercraft, and aircraft traffic, alone or in combination with other past, present, and reasonably foreseeable activities, shall be conducted to minimize impacts to traditional subsistence uses, travel corridors, and seasonally concentrated fish and wildlife resources.

h) The location of oil and gas facilities, including artificial islands, platforms, associated pipelines, ice or other roads, bridges or causeways, shall be sited and constructed so as to not pose a hazard to navigation by the public using traditional high-use subsistence-related travel routes into and through Dease Inlet, Admiralty Bay and Elson Lagoon as identified by the North Slope Borough.

i) Demonstrated year-round oil spill response capability, including the capability of adequate response during periods of broken ice or open water, or the availability of alternative methods to prevent well blowouts during periods when adequate response capability cannot be demonstrated. Such alternative methods may include seasonal drilling restrictions, improvements in blowout prevention technology, equipment and/or changes in operational procedures, and "top-setting" of hydrocarbon-bearing zones.

j) Reasonable efforts will be made to avoid or minimize impacts related to oil spill response activities, including vessel, aircraft, and pedestrian traffic that add to impacts or further compound "direct spill" related impacts on area resources and subsistence uses.

k) Before conducting open water activities, the lessee shall consult with the Alaska Eskimo Whaling Commission and the North Slope Borough to minimize impacts to the fall and spring subsistence whaling activities of the communities of the North Slope

K-6 Lease Stipulation--Coastal Areas

Objective: Minimize hindrance or alteration of caribou movement within caribou coastal insect-relief areas; to prevent contamination of marine waters; loss of important bird habitat; alteration or disturbance of shoreline marshes; and impacts to subsistence resources activities.

Requirement/Standard: In the Coastal Area, permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines established to support exploration and development activities shall be located at least $\frac{3}{4}$ mile inland from the coastline to the extent practicable. Where, as a result of technological limitations, economics, logistics, or other factors, a facility must be located within $\frac{3}{4}$ mile inland of the coastline, the practicality of locating the facility at previously occupied sites, such as the former Cape Simpson, Peard Bay, or Wainwright DEW-line sites, shall be considered. Use of existing sites within $\frac{3}{4}$ mile of the coastline shall also be acceptable where it is demonstrated that use of such sites will reduce impacts to shorelines or otherwise be environmentally preferable. All lessees/permittees involved in activities in the immediate area must coordinate use of these new or existing sites with all other prospective users.

K-8 Lease Stipulation--Kasegaluk Lagoon Special Area

Objective: Protect the habitat of the fish, waterfowl, and terrestrial and marine wildlife resources of Kasegaluk Lagoon, and protect traditional subsistence uses and public access to and through Kasegaluk Lagoon for current and future generations of North Slope residents.

Requirement/Standard: Within the Kasegaluk Lagoon Special Area, oil and gas leasing is approved subject to the decision to defer the implementation of oil and gas leasing in the "Leasing Deferral Area." When leasing is implemented, no permanent oil and gas facilities are permitted within the boundary of the Special Area. Geophysical (seismic) exploration is authorized subject to the terms and conditions provided in other applicable ROP's. No restrictions are imposed on traditional subsistence activities and access for subsistence purposes.

EXHIBIT B-2

NORTHEAST PLANNING AREA **LEASE STIPULATIONS**

The following lease stipulations, as specifically delineated in the Northeast Planning Area Record of Decision and on Exhibit B-2 hereof, will pertain to all portions of Tracts 2004-D1 through 2004-D22 lying east of the eastern bank of the Ikpikpuk River:

Stipulation Numbers 1-24, 26-28, 30, 32, 34-38, 40-44, 46-48, 51, 53, 55-79.

The following Special Stipulations are identified for each of the above-identified tracts, as appropriate, on Exhibit A-1, by the corresponding Roman numeral(s):

- I. The "Special Caribou Stipulations," Numbers 25, 29, 33, 49-50, 52, 54, are identified on each applicable specific tract in Exhibit A-1 hereof.
- II. The "No Surface Activity Stipulations," Numbers 25, 29, 31, 33, 39, 49-50, 52, 54, are identified on each applicable specific tract in Exhibit A-1 hereof.
- III. The "No Permanent Oil and Gas Facilities" and "No Permanent Oil and Gas Facilities within 1/4 mile of Fish-Bearing Lakes Stipulations," Number 39, are identified on each applicable specific tract in Exhibit A-1 hereof.
- IV. The "Pik Dunes LUEA Stipulation," Number 45, is identified on each specific applicable tract in Exhibit A-1 hereof.
- V. The "Sensitive Area Consultation Required," is identified for all tracts in Exhibit A-1 hereof.

EXHIBIT B-3

Northeast NPR-A Stipulations

Exception Clause: In the event that an exception to a lease or permit stipulation is requested and before an exception may be granted, the AO shall find that implementation of the stipulation is:

1. a) technically not feasible or
 b) economically prohibitive or
 c) an environmentally preferable alternative is available, and
2. the alternative means proposed by the lessee fully satisfies the objective(s) of the stipulation.

In addition, prior to the consideration or granting of an exception to a lease or permit stipulation, all conditions and/or consultation requirements specific to a stipulation must be met. The AO shall consult with appropriate Federal, State, and NSB regulatory and resource agencies before an exception may be granted, except in the case of an emergency. The AO's power to grant stipulation exceptions is limited to those subjects, uses, and permits over which the BLM has authority. Exceptions may be granted in emergencies involving human health and safety.

Waste Prevention, Handling, and Disposal and Spills:

1. To prevent and minimize present and future pollution, management decisions affecting waste generation shall be addressed in the following order of priority:
 - Prevention and Reduction
 - Recycling
 - Treatment
 - Disposal
- a. Lessees shall prepare a waste-management plan approved by the AO, in consultation with appropriate Federal, State, and NSB regulatory and resource agencies, to achieve specific waste-reduction and prevention goals for all phases of exploration and development (including activities conducted by contractors). The plan shall identify all waste streams that will be produced during each operation by type, volume, and toxicity and the method of disposal. For each waste stream, the lessee/operator shall describe what actions will be taken to minimize the volume. The plan should include activities that will integrate pollution prevention concepts into purchasing, inventory, shipping/receiving, operations maintenance, training, accounting, and design. The goal of the plan shall be continuous environmental improvement and achievement of reduction

goals developed through the planning process. Lessees shall develop schedules for implementation and review to meet reduction and prevention goals, designate accountable personnel to carry out action items, and specify budget line items for plan elements. Lessees shall provide the AO with an annual waste-management report.

- b. Lessees shall implement a hazardous-materials tracking system to ensure proper use, storage, and management of materials being used within industrial processes. The use of chlorinated solvents is prohibited.
 - c. Lessees shall conduct annual environmental compliance audits.
- 2. Attracting wildlife to food and garbage is prohibited. All feasible precautions shall be taken to avoid attracting wildlife to food and garbage. A current list of approved precautions, specific to type of permitted use, can be obtained from the AO. Lessees and permitted users shall have a written procedure to ensure that the handling and disposal of putrescible waste will be accomplished in a manner to prevent the attraction of wildlife.
- 3. Burial of garbage is prohibited. All putrescible waste shall be incinerated or composted through an AO-approved system, unless otherwise authorized by the AO. All solid waste, including incinerator ash, shall be removed from BLM lands and disposed of in an approved waste-disposal facility in accordance with U.S. Environmental Protection Agency (USEPA) and State of Alaska, Dept. of Environmental Conservation (ADEC) regulations and procedures. Burial of human waste is prohibited except as authorized by the AO.
- 4. Except as specifically provided, all pumpable solid, liquid, and sludge waste shall be disposed of by injection in accordance with USEPA, ADEC, and the Alaska Oil and Gas Conservation Commission regulations and procedures. On-pad temporary muds and cuttings storage will be allowed as necessary to facilitate annular injection and/or backhaul operations.
- 5. Wastewater disposal:
 - a. Unless authorized by the National Pollution Discharge Elimination System (NPDES) or State permit, disposal of domestic wastewater into bodies of freshwater, including wetlands, is prohibited.
 - b. Surface discharge of reserve-pit fluids is prohibited unless authorized by applicable NPDES, ADEC, and NSB permits and approved by the AO.
 - c. Disposal of produced waters in upland areas, including wetlands, will be by subsurface-disposal techniques. The AO, in consultation with the ADEC and USEPA, may permit alternate disposal methods, if the lessee demonstrates that subsurface disposal is not feasible or prudent.
 - d. Discharge of produced waters into open or ice-covered marine waters less than 33 feet (10 meters) in depth is prohibited. The AO in consultation with ADEC and

USEPA may approve discharges into waters greater than 33 feet (10 meters) in depth based on a case-by-case review of environmental factors and consistency with the conditions of a NPDES permit.

- e. Alternate disposal methods will require an NPDES permit certified by the State.
6. Areas of operation shall be left clean of all debris.
7. All spills shall be cleaned up immediately and to the satisfaction of the AO and all agencies with regulatory authority over spills, including the USEPA, ADEC, and the U.S. Coast Guard.
8. Notice of any spill shall be given to the AO as soon as possible. Other Federal, State, and NSB entities shall be notified as required by law.
9. For oil- and gas-related activities, a Hazardous-Materials Emergency-Contingency Plan shall be prepared and implemented prior to transportation, storage, or use of fuel. The plan shall include a set of procedures to ensure prompt response, notification, and cleanup in the event of a hazardous substance spill or threat of a release. Procedures applicable to fuel handling (associated with transportation vehicles) may consist of Best Management Practices approved by the AO. The plan shall include a list of resources available for response (e.g., heavy-equipment operators, spill-cleanup materials or companies), and names and phone numbers of Federal, State, and NSB contacts. Other Federal and State regulations may apply and require additional planning requirements. All staff shall be instructed regarding these procedures.
10. Oil-spill-cleanup materials (absorbents, containment devices, etc.) shall be stored at all fueling points and vehicle-maintenance areas and be carried by field crews on all overland moves, seismic work trains, and similar overland moves by heavy equipment.
11. Lessees shall provide refresher spill-response training to NSB and local community spill-response teams on a yearly basis.
12. Lessees shall plan and conduct a major spill-response field-deployment drill annually.
13. Prior to production and as required by law, lessees shall develop spill prevention and response contingency plans and participate in development and maintenance of the *North Slope Subarea Contingency Plan for Oil and Hazardous Substances Discharges/Releases* for the NPR-A operating area. Planning shall include development and funding of detailed (e.g., 1:26,000 scale) environmental sensitivity index maps for the lessee's operating area and areas outside the lessee's operating area that could be affected by their activities. (The specific area to be mapped shall be defined in the lease agreement and approved by the AO in consultation with appropriate resource agencies). Maps shall be completed in paper copy and geographic information system format in conformance with the latest version of the U.S. Department of Commerce, National Oceanic and

Atmospheric Administration's *Environmental Sensitivity Index Guidelines*. Draft and final products shall be peer reviewed and approved by the AO in consultation with appropriate Federal, State, and NSB resource and regulatory agencies.

14. Except during overland moves and seismic operations (see stipulation 24m), fuel, other petroleum products, and other liquid chemicals designated by the AO, whether in excess of 660 gallons in a single tank or in excess of 1,320 gallons in multiple containers, shall be stored within an impermeable lined and diked area capable of containing 110 percent of the stored volume. The liner material shall be compatible with the stored product and capable of remaining impermeable during typical weather extremes expected throughout the storage period. Permanent fueling stations shall be lined or have impermeable protection to prevent fuel migration to the environment due to overfills and spills. The storage area shall be located at least 500 feet from any waterbody with the exception of small caches (up to 210 gallons) for motor boats, float planes, and ski planes.
15. Fuels shall not be stored on the active floodplain of any waterbody. Although fuels may be off-loaded from aircraft on ice, fuels shall not be stored on lake or river ice.
16. Refueling of equipment within 500 feet of the highest high water mark of any waterbody is prohibited with the exception of refueling motor boats, float planes, and ski planes. (See stipulation 24n for restrictions related to overland moves and seismic operations.)
17. All fuel containers, including barrels and propane tanks, shall be marked with the responsible party's name, product type, and year filled or purchased.

Ice Roads and Water Use:

18. The location of winter ice roads shall be offset from year to year to minimize vegetative impacts. The offset shall be greater than or equal to the width of the road.
19. Compaction of snow cover or snow removal from fish-bearing waterbodies shall be prohibited except at approved ice-road crossings.
20. Water withdrawal from rivers and streams during winter is prohibited. Water withdrawal is prohibited during winter from lakes less than 7 feet (2.1 m) deep if they are interconnected with or subject to seasonal flooding by a fish-bearing stream. Water may be withdrawn from isolated lakes that are less than 7 feet (2.1 m) deep that lack connection to or are not subject to seasonal flooding by a fish-bearing stream. After consultation with the appropriate Federal, State, and NSB regulatory and resource agencies, the AO may authorize withdrawals from any lake less than 7 feet (2.1 m) deep, if the proponent demonstrates that no fish exist in the lake.

Generally, water withdrawal drawdown during winter from lakes 7 feet (2.1 m) deep or deeper shall be limited to 15 percent of the estimated free-water volume (i.e., excluding

the ice). After consultation with the appropriate Federal, State, and NSB regulatory and resource agencies, the AO may authorize drawdown exceeding 15 percent from a lake greater than 7 feet (2.1 m) deep, if the proponent of the additional drawdown demonstrates that no fish exist in the lake. Operators are encouraged to use new ice-road and ice-pad construction methods, such as using aggregate "chips" shaved from frozen lakes, to decrease water demands, construction time, and impact on fisheries.

21. The AO, in consultation with appropriate Federal, State, and NSB regulatory and resource agencies, may allow water extraction from any lake used by molting geese, if it is determined that the withdrawal is consistent with stipulation 20 and will not adversely affect identified goose-feeding habitat along lakeshore margins. An analysis/demonstration of the hydrologic functions of the lake(s) under review may be required of the lessee by the AO prior to approval of the withdrawal.
22. Except for approved crossings, alteration of the banks of a waterway is prohibited. Waterways include natural features with sufficient water to create riparian (willow) habitat such as rivers, streams, deep and shallow lakes, tundra ponds, and shallow water tracks. Clearing of willows along the riparian zone is prohibited. Movement of equipment through willow stands shall be avoided whenever possible.

Overland Moves and Seismic Work:

23. Seismic work is prohibited within 1,200 feet of any known, long-term cabin or campsite, identified by the AO, without the written permission of the AO. The AO's decision will be informed by the consultation process described in stipulation 61.
24. The following restrictions apply to overland moves, seismic work, and any similar use of heavy equipment (other than actual excavations as part of construction) on unroaded surfaces during the winter season:
 - a. Because polar bears are known to den predominantly within 25 miles of the coast, operators shall consult with the Fish and Wildlife Service (FWS) prior to initiating activities in such habitat between October 30 and April 15. Activities are prohibited within 1 mile of known or observed polar bear dens; obtain locations from the FWS, (907) 786-3800. Operators are encouraged to apply for a letter of authorization from the FWS to conduct activities in polar bear denning areas.
 - b. Motorized ground-vehicle use will be minimized within the Colville River Raptor, Passerine, and Moose Area LUEA from April 15 through August 5, with the exception that use will be minimized in the vicinity of gyrfalcon nests beginning March 15. Such use will remain ½ mile away from known raptor-nesting sites, unless authorized by the AO. The BLM shall consult with FWS to plan travel routes to minimize disturbance to raptors.
 - c. Crossing of waterway courses shall be made using a low-angle approach to avoid

disruption of the natural stream or lake bank. Except at approved crossings, operators are encouraged to travel a minimum of 100 feet from overwintering fish streams and lakes.

- d. If snow ramps or snow bridges are used at water crossings for bank protection, the ramps and bridges shall be substantially free of soil and/or debris. Snow bridges shall be removed or breached immediately after use or before spring breakup.
- e. To avoid additional freeze down of deep-water pools harboring overwintering fish, waterways shall be crossed at shallow riffles from point bar to point bar whenever possible.
- f. On-the-ground activities shall use low-ground-pressure vehicles such as Rolligons, ARDCO, Trackmaster, Nodwell, or similar types of vehicles. A current list of approved vehicles can be obtained from the AO. Limited use of tractors equipped with wide tracks or "shoes" will be allowed to pull trailers.
- g. Bulldozing of tundra, trails, or seismic lines is prohibited. This stipulation, however, does not prohibit the clearing of drifted snow along a trail, seismic line, or in a camp, to the extent that the tundra mat is not disturbed. Snow may be cleared from a waterbody ice surface to prepare an aircraft runway, if approved by the AO in consultation with appropriate Federal, State, and NSB regulatory and resource agencies.
- h. To reduce the possibility of ruts, vehicles shall avoid using the same trails for multiple trips unless necessitated by serious safety or superseding environmental concern. This provision does not apply to ice roads (see stipulation 18 above).
- i. Ground operations are to begin only after the seasonal frost in the tundra and underlying mineral soils has reached a depth of 12 inches, and the average snow cover is 6 inches deep. The exact date shall be determined by the AO.
- j. Ground operations shall cease when the spring melt of snow begins; approximately May 5 in the foothills area where elevations exceed 300 feet, and approximately May 15 in the northern coastal areas. The exact date will be determined by the AO.
- k. Seismic activities and overland moves within the Goose Molting LUEA and the Teshekpuk Lake Caribou Habitat LUEA from May 1 through September 30 are prohibited. (Note that this overrides language in stipulation 24j.)
- l. To prevent surface disturbance to tundra and other vegetation, tracked vehicles will not execute tight turns by locking one track.
- m. Operators shall use best available technology (e.g., self-contained containment systems) or other appropriate spill containment measures, approved by the AO, to prevent fuel migration from fuel or chemical storage areas to the environment due to overfills and spills.
- n. Refueling of equipment is prohibited within the active floodplain of any waterbody.

Oil and Gas Exploratory Drilling:

25. From May 1 through September 30, exploratory drilling other than from production pads is prohibited in the Special Caribou Stipulations Area (Fig. II.C.1-1).
26. Exploratory drilling is prohibited within 1,200 feet of any known, long-term cabin or campsite, identified by the AO, without written permission of the AO. The AO's decision will be informed by the consultation process described in stipulation 61.
27. Permanent or gravel oil and gas facilities including roads shall not be constructed during the exploration phase of oil and gas development.
28. Exploratory drilling in river, stream, and lake beds, as determined by the highest high water mark, is prohibited. Exceptions to this stipulation may be authorized by the AO in cases of shallow lakes which freeze to the bottom, do not support significant fish or bird populations, and are hydrologically isolated. Further, such an exception may be granted only if it is environmentally preferable to maintaining the restriction.

Facility Design and Construction:

29. At least 3 years prior to approval of any development plan for leases within the Special Caribou Stipulations Area (see Fig. II.C.1-1), the lessee shall design and implement a study of caribou movement, including historical information regarding the distribution and range use of the Teshekpuk Lake Caribou Herd, as well as maps of caribou trails within the area. Study data may be gathered concurrent with approved seismic and exploration activity. The study design shall be approved by the AO in consultation with the Research and Monitoring Team. The study will include a minimum of 3 years of data to assist in providing the information necessary to determine facility design and location, including pipelines, that will be part of the development plan. Lessees may submit individual plans or they may combine with other lessees in the area to do a joint study. Total study funding by all lessees will not exceed \$500,000.
30. Causeways and docks are prohibited in river mouths or deltas. Artificial gravel islands and bottom-founded structures are prohibited in river mouths or active stream channels on river deltas, except as provided in the paragraphs below.

The BLM discourages the use of continuous-fill causeways. Environmentally preferred alternatives for field development include the use of onshore directional drilling, elevated structures, or buried pipelines. Approved causeways shall be designed, sited, and constructed to prevent significant changes to near shore oceanographic circulation patterns and water-quality characteristics (e.g., salinity, temperature, suspended sediments) that result in exceedences of water-quality criteria, and must maintain free passage of marine and anadromous fish.

Causeways, docks, artificial gravel islands, and bottom-founded structures may be permitted if the AO, in consultation with appropriate Federal, State, and NSB regulatory and resource agencies, determines that a causeway or other structure is necessary for field development, and that no feasible and prudent alternative exists. A monitoring program may be required to address the objectives of water quality and free passage of fish. Additional mitigation shall be required where significant deviation from these objectives occurs.

31. Permanent oil and gas surface occupancy, including but not limited to permanent oil and gas facilities, pads, rigs, platforms, gravel roads, airstrips, pipelines, gravel or other material extraction sites, and exploration and delineation drilling facilities are prohibited in the Teshekpuk Lake Surface Protection Area (specifically, T. 13 N., Rs. 3-7 W., U.M.; Secs. 1-6, 8-16, 21-25, 36, T. 13 N., R. 8 W., U.M.; T. 14 N., Rs. 1-2 E. and Rs. 1-8 W., U.M.; Secs. 1-2, 11-14, T. 14 N., R. 9 W., U.M.; T. 15 N., Rs. 2-8 W., U.M.; Secs. 1-3, 7-30, 35-36, T. 15 N., R. 9 W., U.M.; T. 16 N., Rs. 2-8 W., U.M.; Secs. 1-6, 8-17, 21-27, 34-36, T. 16 N., R. 9 W., U.M.; T. 17 N., Rs. 1-9 W., U.M.; and T. 18 N., Rs. 2-8 W., U.M.). No exceptions will be granted to this stipulation.
32. Lessees shall use maximum economically feasible extended-reach drilling for production drilling to minimize the number of pads and the network of roads between pads. New developments shall share facilities with existing development when prudent and technically feasible. All oil and gas facilities, except airstrips, docks, and seawater-treatment plants, will be collocated with drill pads. If possible, airstrips will be integrated with roads. Given the paucity of gravel sites in the planning area and the cost of transporting gravel from outside the planning area, lessees are encouraged to implement gravel-reduction technologies e.g., insulated or pile-supported pads.
33. Within the Special Caribou Stipulations Area (see Fig. II.C.1-1), lessees shall orient linear corridors when laying out oil field developments to address migration and corralling effects and to avoid loops of road and/or pipeline that connect facilities.
34. Lessees shall separate elevated pipelines from roads by a minimum of 500 feet, if feasible. Separating roads from pipelines may not be feasible within narrow land corridors between lakes and where pipe and road converge on a drill pad.
35. To minimize delay or deflection of caribou movements, lessees shall place pipeline on the appropriate side of the road as determined by the AO (depending on general caribou movements in the area).
36. In the Special Caribou Stipulations Area (see Fig. II.C.1-1) and where facilities or terrain may funnel caribou movement, ramps over pipelines, buried pipe, or pipe buried under the road may be required by the AO after consultation with appropriate Federal, State, and NSB regulatory and resource agencies.

37. Aboveground pipelines shall be elevated at least 5 feet, as measured from the ground to the bottom of the pipe, except where the pipeline intersects a road, pad, or a ramp installed to facilitate wildlife passage and subsistence passage and access. The AO, in consultation with appropriate Federal, State, and NSB regulatory and resource agencies, may make an exception if no feasible and prudent means exists to meet the requirement.
38. All crude oil, produced water, seawater, and natural gas pipelines shall be constructed to accommodate the best available technology for detecting corrosion or mechanical defects during routine structural integrity inspections.
39. Permanent oil and gas facilities, including roads, airstrips, and pipelines, are prohibited within and adjacent to the waterbodies listed below at the distances identified to protect fish and raptor habitat, cultural and paleontological resources, and subsistence and other resource values. Setbacks include the bed of the waterbody and are measured from the bank's highest high water mark.
 - a. **Ikpikpuk River:** a ½-mile setback from the bank of the Ikpiuk River within the planning area (fish, raptors, subsistence, cultural, and paleontological resources).
 - b. **Miguakiak River:** a ½-mile setback from each bank of the Miguakiak River (fish and subsistence resources).
 - c. **Teshkepuk Lake:** a ½-mile setback from the bank and around the perimeter of Teshkepuk Lake (fish and subsistence resources).
 - d. **Fish Creek:** (1) a 3-mile setback from each bank of Fish Creek downstream from Section 31, T11N, R1E; (2) a ½-mile setback from each bank of Fish Creek in and upstream from Section 31, T11N, R1E (fish and subsistence resources).
 - e. **Judy Creek:** a ½-mile setback from each bank of Judy Creek extending from the mouth to the confluence of an unnamed tributary in Sec. 8, T8N., R.2W., Umiat Meridian (fish and subsistence resources).
 - f. **Colville River:** a 1-mile setback from the western bluff (or bank if there is no bluff) of the Colville River extending the length of the river as described in the Colville River Raptor, Passerine, and Moose LUEA. This restriction does not apply within 1½ mile of the Umiat airstrip (fish, raptor, passerine, moose, paleontological, subsistence, scenic, and recreational resources).
 - g. **Deep Water Lakes:** a ¼-mile setback around the perimeter of any fish-bearing lake within or partially within the deep lake zone (see Fig. II.B.5) (fish resources). (If the fish-bearing status of the waterbody is unknown, the burden is on the lessee to demonstrate whether fish are present.)
 - h. **Kikiakrorak River:** a 1-mile setback from each bluff (or bank if there is no bluff) of the Kikiakrorak River downstream from T.2 N, R. 4 W., Umiat Meridian (raptor, passerine, and moose resources).
 - i. **Kogosukruk River:** a 1-mile setback from each bluff (or bank if there is no bluff) of the Kogosukruk River (including the four tributaries off the southern bank) downstream from T.2 N., R.3W., Umiat Meridian (raptor, passerine, and

moose resources).

On a case-by-case basis, essential pipeline and road crossings will be permitted, in consultation with appropriate Federal, State, and NSB regulatory and resource agencies, through setback areas in those instances where no other suitable sites are available. Stream crossings will be sited perpendicular to the main channel flow; lake crossings will be at the narrowest point. Pipeline and road crossings are prohibited in the setback around Teshekpuk Lake, with no exceptions. Road crossings are prohibited in the setback adjacent to the Colville River with no exceptions.

40. Gravel mining sites required for development activities will be restricted to the minimum necessary to develop the field efficiently and with minimal environmental damage. Where feasible and prudent, gravel sites shall be designed and constructed to function as water reservoirs for future use. Gravel mine sites are prohibited within the active floodplain of a river, stream, or lake unless the AO, in consultation with appropriate Federal, State, and NSB regulatory and resource agencies, determines that there is no feasible and prudent alternative or that a floodplain site would enhance fish and wildlife habitat after mining operations are completed and the site is closed.

Mine site development and rehabilitation within a floodplain shall follow the procedures outlined in McLéan (1993), North Slope Gravel Pit Performance Guidelines; State of Alaska, Dept. of Fish and Game (ADF&G) Habitat and Restoration Division Technical Report 93-9.

41. For those waterbodies not listed in stipulation 39, permanent oil and gas facilities, including roads, airstrips, and pipelines, are prohibited upon or within 500 feet as measured from the highest high water mark of the active floodplain. Essential pipeline and road crossings will be permitted on a case-by-case basis.
42. Bridges, rather than culverts, shall be used for any allowed road crossings on all major rivers, including those waterbodies listed in stipulation 39 or identified by the AO in consultation with appropriate Federal, State, and NSB regulatory and resource agencies, to reduce the potential of ice-jam flooding and erosion. When necessary on smaller streams, culverts shall be large enough to avoid restriction of fish passage or adversely affecting natural stream flow.
43. The natural drainage pattern will be identified prior to and maintained during and after construction. All permanent structures constructed adjacent to a body of water, such as approved road and pipeline crossings, shall be sited and designed to limit erosion from flooding and wave action (e.g., through use of slope-protection measures). Cross-drainage structures will be sited, maintained, and properly abandoned to prevent impoundments or alteration of local or areawide hydrology. Gravel structures shall be designed and sited to minimize the length that is perpendicular to sheet flow.

44. Dewatering during construction shall be conducted using Best Management Practices (BMP's). A current list of BMP's will be available from the AO. Examples include the use of splash plates, dewatering points, natural filtration through vegetation, and dewatering during low-water period.
45. No surface structures, except essential transportation crossings, are allowed within the Pik Dunes LUEA.
46. Lessees shall minimize the impact of industrial development on key wetlands. Key wetlands are those wetlands that are important to fish, waterfowl, and shorebirds because of their high value or scarcity in the region. Lessees shall identify on a map or aerial photograph the largest surface area, including future expansion areas, within which a facility is to be sited or an activity is to occur. The AO will consult with Federal, State, and NSB regulatory and resource agencies to identify key wetlands and work with lessees during the development of operating plans. To minimize impact, the lessee shall avoid siting facilities in the identified wetlands, unless no feasible and prudent alternative exists. Key wetland types include but are not limited to fish-bearing lakes and streams, riparian shrub, and the following classes described by Bergman et al. (1977): shallow and deep-*Arctophila* ponds, deep-open lakes, basin-complex wetlands, and coastal wetlands.
47. Permanent oil and gas facilities are prohibited within 1 mile of known long-term cabins or long-term campsites, identified by the AO, except that pipelines and roads are allowed up to 1/4 mile from such cabins or campsites. The AO's decision will be informed by the consultation process described in stipulation 61.
48. Permanent roads (i.e. gravel, sand) connecting to a road system or docks outside the planning area are prohibited, and no exceptions may be granted. Permanent roads necessary to connect pads within independent, remote oil fields are allowed but they must be designed and constructed to create minimal environmental impacts. Roads connecting production sites between separate oil fields may be considered if road-connected operations are environmentally preferable to independent, consolidated operations that each include airstrip, housing, production, and support facilities. This exception will only be granted following consultations with appropriate Federal, State, and NSB regulatory and resources agencies, and the appropriate level of NEPA review.

Ground Transportation:

49. The following ground-traffic restrictions apply to permanent roads (as authorized in stipulation 48 above) in the Special Caribou Stipulations Area (Fig. II.C.1-1):
 - a. From May 20 through June 20:
 - (1) Traffic speed will not exceed 15 miles per hour.
 - (2) Traffic will be minimized (a reasonable target would be four convoy round-trips per day between facilities). Nonessential operations requiring

vehicles shall be suspended during this time period.

- b. From May 20 through August 1:
 - (1) Caribou movement will be monitored.
 - (2) Based on this monitoring, traffic will cease when a crossing by 10 or more caribou appears to be imminent.

From May 20 through August 20:

- (1) Convoying will be used to minimize the number of disturbances due to road traffic.
- (2) Personnel will be bussed between work sites and other facilities to minimize the number of vehicles on the road.

- 50. Major stockpiling of equipment, materials, and supplies for oil and gas activities in the Special Caribou Stipulations Area (see Fig. II.C.1-1) shall occur prior to or after the period May 20 through June 20 to minimize road traffic during that period.
- 51. Chasing wildlife with ground vehicles is prohibited.

Air Traffic:

(Note: The BLM's authority to restrict air traffic is limited to those activities associated with use authorization on BLM-administered lands.)

- 52. Use of aircraft larger than a Twin Otter for authorized activities in the planning area, including oil and gas activities, from May 20 through August 20 within the Teshekpuk Lake Caribou LUEA (see Fig. II.B.4) is prohibited, except in cases of emergency.
- 53. Helicopter overflights for BLM-permitted activities shall be suspended in the Goose Molting LUEA (see Fig. II.B.2) from June 15 through August 20.
- 54. Fixed-wing aircraft traffic takeoffs and landing for BLM-permitted activities in the planning area shall be limited to an average of one round-trip flight a day from May 20 through June 20 at aircraft facilities in the Teshekpuk Lake Caribou Habitat LUEA (see Fig. II.B.4). Within the Goose Molting LUEA (see Fig. II.B.2), fixed-wing aircraft use for such activities shall be restricted from June 15 to August 20 to flight corridors and frequencies established by BLM in consultation with the appropriate Federal, State, and NSB regulatory and resource agencies.
- 55. Aircraft shall maintain an altitude of at least 1,000 feet above ground level (AGL) (except for takeoffs and landings) over caribou winter ranges from October 1 through May 15 and 2,000 feet AGL over the Teshekpuk Lake Caribou Habitat LUEA (see Fig. II.B.4) from May 16 through July 31, unless doing so would endanger human life or violate safe flying practices.

56. Aircraft shall maintain an altitude of at least 1,500 feet AGL when within ½ mile of cliffs identified as raptor nesting sites from April 15 through August 5, unless doing so would endanger human life or violate safe flying practices. Aircraft shall maintain an altitude of 1,500 feet AGL when within ½ mile of known gyrfalcon nest sites from March 15 to April 15. Permittees shall obtain information from BLM necessary to plan flight routes near gyrfalcon nests.
57. Hazing of wildlife by aircraft is prohibited.

Oil Field Abandonment:

58. Upon field abandonment or expiration of a lease or oil- and gas-related permit, all facilities shall be removed and sites rehabilitated to the satisfaction of the AO, in consultation with appropriate Federal, State, and NSB regulatory and resource agencies. The AO may determine that it is in the best interest of the public to retain some or all of the facilities. Lessees shall comply with all exploration and development bonding required by law and regulation (43 CFR 3154.1 and 3134.1). No exceptions shall be granted to this provision.

Subsistence:

59. During exploration, development, and production, the lessee shall develop and implement a plan, approved by the AO in consultation with the Research and Monitoring Team and the Subsistence Advisory Panel, to monitor the effects of activities on subsistence. The lessee shall provide biannual reports to BLM, the Research and Monitoring Team, and the Subsistence Advisory Panel.
60. Lessees shall not unreasonably restrict access by subsistence users in oil field development areas.
- a. Lessees shall establish procedures for entrance to facilities, the use of roads, and firearms discharge. These procedures shall be developed in consultation with affected local communities, NSB, and the Subsistence Advisory Panel and be approved by the AO. In cases where the lessee and the Panel disagree, the AO will determine the appropriate procedure.
 - b. Lessees shall develop and distribute information about how to conduct subsistence activities in development areas safely (so equipment is not damaged and people are not endangered) to the communities through public meetings, newsletters, radio, and signs in both English and Inupiaq.
61. Exploration and development and production operations shall be conducted in a manner that prevents unreasonable conflicts between the oil and gas industry and subsistence activities.

Prior to submitting an exploration plan or development and production plan (including associated oil-spill contingency plans) to the BLM, the lessee shall consult with potentially affected subsistence communities (e.g., Barrow, Nuiqsut, Atqasuk, or Anaktuvuk Pass), NSB, and the Subsistence Advisory Panel to discuss potential conflicts with the siting, timing, and methods of proposed operations and safeguards or mitigating measures that could be implemented by the operator to prevent unreasonable conflicts. Through this consultation, the lessee shall make every reasonable effort, including such mechanisms as a conflict avoidance agreement, to ensure that exploration, development, and production activities are compatible with subsistence hunting, fishing, and other

subsistence activities and will not result in unreasonable interference with subsistence harvests.

A discussion of resolutions reached during this consultation process, specific conflict avoidance agreement(s), and plans for continued consultation shall be included in the permit application, exploration plan, or the development and production plan. In particular, the lessee shall show in the plan how its activities, in combination with other activities in the area, will be scheduled and located to prevent unreasonable conflicts with subsistence activities. Lessees also shall include a discussion of multiple or simultaneous operations, such as exploration and delineation well drilling and seismic activities, that can be expected to occur during operations to more accurately assess the potential for any cumulative effects. Communities, individuals, and other entities who were involved in the consultation shall be identified in the application or plan. The AO shall send a copy of the exploration plan or development and production plan (including associated oil-spill-contingency plans) to the potentially affected communities, the NSB, and the Subsistence Advisory Panel at the time they are submitted to the BLM to allow concurrent review and comment as part of the plan approval process.

In the event no agreement is reached between the parties, the AO shall consult with representatives from the subsistence communities, Subsistence Advisory Panel, NSB, and the lessee(s) to specifically address the conflict and attempt to resolve the issues before making a final determination on the adequacy of the measures taken to prevent unreasonable conflicts with subsistence harvests.

The lessee shall notify the AO of all concerns expressed by subsistence users during operations and of steps taken to address such concerns. Lease-related use will be restricted, when the AO determines it is necessary to prevent unreasonable conflicts with local subsistence hunting, fishing, and other subsistence activities.

In enforcing this stipulation, the AO will work with other agencies and the public to assure that potential conflicts are identified and efforts are taken to avoid these conflicts, e.g., planning seismic operations to avoid traditional land use sites and allotments. These efforts may include seasonal drilling restrictions, seismic restrictions, and directional drilling requirements or use of other technologies deemed appropriate by the AO.

The consultation process described in this stipulation will also be required of applicants for geophysical (i.e. seismic) permits to address potential conflicts with the setback requirements for cabins and campsites described in stipulation 23. This consultation will help provide information to the AO on the advisability of modifying or waiving the restriction on seismic activity identified in stipulation 23.

62. The following subsistence, wildlife habitat, and traditional/cultural land use areas are of significant concern to local communities and will be given special consideration during the consultation process outlined in stipulation 61:

- a. **Long-term cabins and campsites:** a 2-mile zone around the cabins and campsites.
- b. **Ikpikpuk River:** a 2-mile zone from the east bank of the river.
- c. **Miguakiak River:** a 3-mile zone from each bank of the river.
- d. **Fish Creek:** (1) a 3-mile zone from each bank downstream from Sec. 31, T11N, R1E; (2) a 2-mile zone from each bank in and upstream from Section 31, T11N, R1E.
- e. **Judy Creek:** a 2-mile zone from each bank of the creek.
- f. **Kogosukruk River:** a 2-mile zone from each bluff (or bank if there is no bluff) of the river (including the four tributaries off the southern bank) downstream from T. 2 N., R. 3 W., Umiat Meridian.
- g. **Kikiakrorak River:** a 2-mile zone from each bluff (or bank if there is no bluff) of the river downstream from T.2 N, R. 4 W., Umiat Meridian.
- h. **Colville River:** a 2-mile zone from the west bluff (or bank if there is no bluff) extending the length of river in the Colville River Raptor, Passerine, and Moose LUEA.

In addition, a permittee or lessee engaged in oil and gas-related activity shall consult with the BLM, FWS, ADF&G, and the NSB regarding wildlife concerns prior to submitting a geophysical (i.e. seismic) permit, exploration plan, or development and production plan involving activity within the 2-mile zones around the Kogosukruk (and its tributaries), Kikiakrorak, and Colville Rivers described above. In the event that the permittee or lessee and the agencies are unable to reach agreement on steps necessary to address wildlife concerns, the AO will consult with the other agencies and the permittee or lessee before making a determination on the adequacy of the measures taken to prevent conflicts with wildlife.

Orientation Program:

- 63. The lessee shall include in any application for permit to drill a proposed orientation program for all personnel involved in exploration or development and production activities (including personnel of lessee's agents, contractors, and subcontractors) for review and approval by the AO. The program shall be designed in sufficient detail to inform individuals working on the project of specific types of environmental, social, and cultural concerns that relate to the planning area. The program shall address the importance of not disturbing archaeological and biological resources and habitats, including endangered species, fisheries, bird colonies, and marine mammals and provide guidance on how to avoid disturbance. Guidance shall include the production and distribution of information cards on endangered and/or threatened species in the planning area. The program shall be designed to increase sensitivity and understanding of personnel to community values, customs, and lifestyles in areas in which personnel will be operating. The orientation program shall also include information concerning avoidance of conflicts with subsistence, commercial fishing activities, and pertinent

mitigation.

The program shall be attended at least once a year by all personnel involved in on-site exploration or development and production activities (including personnel of lessee's agents, contractors, and subcontractors) and all supervisory and managerial personnel involved in lease activities of the lessee and its agents, contractors, and subcontractors. Individual training is transferable from one facility to another except for elements of the training specific to a particular site.

Lessees shall maintain a record onsite of all personnel who attend the program for so long as the site is active, though not to exceed the 5 most recent years of operations. This record shall include the name and dates(s) of attendance of each attendee.

Traditional Land Use Sites:

64. Lessees shall conduct an inventory of known traditional land use sites prior to any field activity. This inventory will be compiled from sites listed in the most current Traditional Land Use Inventory available from the NSB's Inupiat History, Language, and Cultural Commission, and shall be approved by the AO. Based on this inventory, the lessee shall develop a plan to avoid these sites and mitigate any potential damage that could result from field activities. The plan shall indicate how access to the site by local subsistence users will be provided. Lessees shall submit copies of the plan to BLM and the Subsistence Advisory Panel with any application for permit to drill.

Other Activities:

65. It is the responsibility of the authorized user to ensure that all individuals brought to the planning area under its auspices adhere to these stipulations. Authorized users of the planning area shall provide all employees, contractors, subcontractors, and clients with a briefing regarding stipulations applicable to the lease and/or permit. A copy of applicable stipulations will be posted in a conspicuous place in each work site and campsite.
66. The authorized user shall protect all survey monuments and be responsible for survey costs if remonumentation is required as a result of the user's actions.
67. All activities shall be conducted to avoid or minimize disturbance to vegetation.
68. The BLM, through the AO, reserves the right to impose closure of any area to operators in periods when fire danger or other dangers to natural resources are severe.
69. The authorized user shall be financially responsible for any damage done by a wildfire caused by its operations.
70. Construction camps are prohibited on frozen lakes and river ice. Siting of construction

camps on river sand and gravel bars is allowed and, where feasible, encouraged. Where leveling of trailers or modules is required and the surface has a vegetative mat, leveling shall be accomplished through blocking rather than use of a bulldozer.

71. Use of pesticides without the specific authority of the AO is prohibited.
72. The feeding of wildlife by authorized users is prohibited.
73. Hunting and trapping by lessee's employees, agents, and contractors are prohibited when persons are on "work status." Work status is defined as the period during which an individual is under the control and supervision of an employer. Work status is terminated when the individual's shift ends and he/she returns to a public airport (e.g., Fairbanks, Barrow, Nuiqsut, or Deadhorse). Use of lessee facilities, equipment, or transport for personnel access or aid in hunting and trapping is prohibited.
74. Lessees shall conduct a cultural and paleontological resources survey prior to any ground-disturbing activity. Upon finding any potential cultural or paleontological resource, the lessee or their designated representative shall notify the AO and suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the AO.
75. Petroleum exploration and production activities are prohibited within ½ mile of occupied grizzly bear dens, identified by the ADF&G, unless alternative mitigation measures are approved by the AO in consultation with appropriate Federal, State, and NSB regulatory and resource agencies.
76. Oil and gas lessees and their contractors and subcontractors will prepare and implement bear-interaction plans to minimize conflicts between bears and humans. These plans shall include measures to: (a) minimize attraction of bears to the drill sites; (b) organize layout of buildings and work areas to minimize human/bear interactions; (c) warn personnel of bears near or on drill sites and identify proper procedures to be followed; (d) if authorized, deter bears from the drill site; (e) provide contingencies in the event bears do not leave the site or cannot be deterred by authorized personnel; (f) discuss proper storage and disposal of materials that may be toxic to bears; and (g) provide a systematic record of bears on the site and in the immediate area. The lessee's shall develop educational programs and camp layout and management plans as they prepare their lease operations plans. These plans shall be developed in consultation with appropriate Federal, State, and NSB regulatory and resource agencies and submitted to the AO.
77. Operators are encouraged to apply for a letter of authorization from the FWS to conduct activities in polar bear denning areas.
78. Permanent structures, other than oil and gas facilities, are prohibited within 100 feet of the highest high water mark of the nearest body of water.

79. Lessees shall use smokeless flares for handling routine conditions and use auxiliary smokeless flares for planned events that exceed the capacity of routine flares. Lessees shall use flares that meet the Federal New Source Performance design standards listed in 40 CFR 60.18.

EXHIBIT C:

INFORMATION TO LESSEES

1. The Northwest Planning Area Record of Decision (ROD) established Required Operating Procedures (ROP's) for lands covered by the ROD. These are pre-application requirements, procedures, management practices, or design features that BLM has adopted as operational requirements. These requirements will be addressed through the permitting process. An oil and gas lease does not in itself authorize any on-the-ground activity. Seismic operations, drilling, ice road construction, pipeline construction, etc. require additional land use authorizations. Any applicant requesting such authorization will have to address the required operating procedures either before submitting the application (e.g., subsistence consultation, brant surveys) or as part of the application proposal (e.g., proposal states garbage will not be buried, or pipelines and roads will be separated by 500 ft or more). Requirements that are met prior to submission of the application, as well as procedures, practices, and design features that are an integral part of a proposal, do not need to be stipulated in a permit or lease. Because ROP's are operational requirements, not lease stipulations, their applicability goes beyond the oil and gas leasing to any permitted activity where the requirement is relevant.

The Authorized Officer (AO) may add more restrictive stipulations as determined necessary by further NEPA analysis and as developed through consultation with other Federal, State, and NSB regulatory and resource agencies. Laws or regulations may require other Federal, State, and NSB permits (e.g., Clean Water Act [CWA] Section 404) for an oil and gas project to proceed. Specific State permits are required when the State has authority, under Federal or State law or regulation, to enforce the provision in question. Specific permits issued by Federal agencies other than BLM could include permit conditions that are more stringent than those identified in the ROD.

Appendix B of the ROD provides a thorough discussion of ROP's, so we have provided the language contained therein as Exhibit C-1 of this Detailed Statement of Sale.

2. The Department has noted that it is possible that a parcel offered for lease may contain hazardous substances or oil-related contaminants which are the result of activities in NPR-A which occurred prior to the current lease offering of this property. Accordingly, the Department is working with the Departments of Justice, Defense, and the Environmental Protection Agency to consider the development of a model agreement to address such pre-existing contamination. If such an agreement is developed, it would be designed to address the issue of potential liability stemming from contamination which predates the lessee's tenure of occupancy, while encouraging a lessee to conduct its activities in a responsible manner. Any such agreement would require the approval of the Departments of the Interior, Justice, Defense, and the Environmental Protection Agency. Assuming that such a model agreement is developed and receives the approval of the concerned agencies, we would consider entering into an agreement with any lessee in NPR-A consistent with the terms of that model. The development of such a model agreement is not intended to preclude or discourage lessees from entering into agreements

with the Bureau of Land Management to plug pre-existing wells or to otherwise assist in addressing pre-existing environmental conditions on leased parcels. We continue to encourage such efforts as responsible corporate citizenship.

3. On April 11, 2002, the Final Rulemaking was published in the Federal Register establishing the NPR-A regulations providing for unitization, lease suspensions, and subsurface storage agreements.

4. Conservation of Surface Values for Northeast NPR-A Planning Area Lands

The lessee, his agents, contractors, subcontractors and operators (hereafter referred to as "Lessee") will operate within the resource management policy of the Bureau of Land Management (BLM). This policy is outlined in the National Petroleum Reserves Production Act of 1976 (NPRPA) (90 Stat. 303), as amended, and the Federal Land Policy and Management Act (40 U.S.C. 1701 et seq.) which states that "... public lands will be managed in a manner that will protect the quality of scientific, scenic, historical, ecological, environmental, air and atmospheric, water resources, and archeological values ... that will provide food and habitat for fish and wildlife and domestic animals; and that will provide for outdoor recreation and human occupancy and use ... " The Lessee will be required to protect these identified resource values and to operate in a manner which minimizes environmental impacts to physical, biological, cultural and aesthetic resources. Areas requiring special protection are identified by the Northeast National Petroleum Reserve-Alaska Final Integrated Activity Plan / Environmental Impact Statement and the related Record of Decision. In this regard, the NPRPA also provides "Any exploration within the Utukok River, the Teshekpuk Lake areas, and other areas designated by the Secretary of the Interior containing any significant subsistence, recreational, fish and wildlife, or historical or scenic value, shall be conducted in a manner which will assure the maximum protection of such surface values to the extent consistent with the requirements of this Act for the exploration of the reserve. (42 U.S.C. 6504(b)). These requirements apply to both exploration and production under this lease sale (42 U.S.C. 6508). Operational procedures designed to protect resource values will be cooperatively developed during Surface Use Plan preparation, and additional protective measures may be required beyond the standard and special stipulations identified in the above-referenced documents.

Prior to entry upon the National Petroleum Reserve in Alaska (NPR-A) for purposes of conducting geophysical operations, the Lessee shall obtain a permit authorizing specific geophysical exploration activities from the BLM Northern Field Office. Such permit shall provide for conditions, restrictions, and prohibitions as the Authorized Officer deems necessary or appropriate to mitigate reasonably foreseeable and significant adverse effects upon the surface resources, including bonding for geophysical activities not covered by a lease bond, NPR-A-wide bond or Nationwide bond with NPR-A and geophysical exploration riders.

Lessee's activities are subject to all federally approved coastal zone plans and ordinances. A Lessee requesting a federal permit on the lease (e.g., an Application for Permit to Drill) must acquire a state consistency determination.

The Lessee shall comply with all federal laws and regulations, including rules and regulations of the Secretary of Health and Human Services and the Environmental Protection Agency and State and local laws and codes governing the emission; or discharge of pollutants from activities which are embraced in the lease permit. Surface disturbing activities may be prohibited during muddy and/or wet soil periods. This limitation does not apply to operations and maintenance of producing wells using authorized roads. During periods of adverse conditions due to climatic factors, all activities creating irreparable impacts may be suspended. The lessee is advised that during the conduct of all activities related to leases issued as a result of this lease sale, it will be subject to the 43 CFR 3130 and the 43 CFR 3160 regulations and to the provisions of the Onshore Oil and Gas Order No. 1. BLM will add such site specific stipulations derived from the Environmental Assessment / Environmental Impact Statement and the adjoining field examination, as necessary, to insure conservation of resource values. These will be in addition to stipulations attached to and made a part of each oil and gas lease.

5. Early Filing of APD Recommended

The Lessee, authorized officer and Northern Field Office representatives should hold a conference at least one year prior to each specific drill site occupation to discuss pertinent stipulations, applicable regulations, other permits, and any research survey and/or analysis and report formats required of the Lessee to complete the APD or to be considered in the formulation of a drilling plan. Common practice dictates that Environmental Assessments / Environmental Impact Statements and staking must coincide with the snow-free season.

It is recommended that APDs be filed by early to mid-summer and at least six months prior to proposed commencement of drilling operations. This will aid BLM in completing necessary surface and environmental field inspections which can be completed only during the summer months. It will also provide the time required to gather site specific subsistence information and allow for analysis and coordination with other Federal, State and local entities. Early filing of an APD will provide a greater likelihood of a timely decision.

6. Other Permits

The Lessee is responsible for obtaining all required Federal, State, local or private permits and authorizations prior to commencing any operations.

7. Gravel Extraction

The oil and gas lease does not entitle the Lessee to NPR-A gravel resources. Use of federal gravel resources must be in compliance with BLM regulations, which require, among other things, that a mineral material sale contract be obtained from the appropriate office (Northern Field Office) for the purpose of gravel extraction and use. Use of sand and gravel from Congressionally approved Native Allotments must be arranged with the allottee and the Bureau of Indian Affairs. The Lessee is advised that gravel is basically a scarce commodity within the

Reserve, so conservation of gravel is of utmost concern.

8. Equal Employment Opportunity

The Lessee is advised that, during the period of operations within NPR-A, the Lessee will ensure equal employment opportunity consistent with the authority contained in Section 10 of the Oil and Gas Lease Form.

EXHIBIT C-1

NW NPR-A PLANNING AREA RECORD OF DECISION **LANGUAGE FROM APPENDIX B**

APPENDIX B: Stipulations and Required Operating Procedures

The stipulations and required operating procedures (ROP's) were developed through the IAP/EIS process. They are based on knowledge of the resources in the planning area and current industry practices. They are consistent with existing policies and laws.

In developing these stipulations and ROP's, BLM has tried not to include requirements that already exist as regulation or law. Most requirements identified here as stipulations constitute significant restrictions on the conduct of operations under a lease. For example, a stipulation that does not allow permanent facilities within one mile of a river could result in a well being located far enough from the (lessee's) optimum site to prevent an oil reservoir from being fully developed. Such restrictions must be attached to the lease. As part of a lease contract, lease stipulations are specific to the lessee. All oil and gas activity permits subsequently issued to a lessee will comply with the lease stipulations appropriate to the activity under review.

The ROP's are pre-application requirements, procedures, management practices, or design features that BLM adopts here as operational requirements. These requirements will be addressed through the permitting process. An oil and gas lease does not in itself authorize any on-the-ground activity. Seismic operations, drilling, ice road construction, pipeline construction, etc. require additional land use authorizations. Any applicant requesting such authorization will have to address the required operating procedures either before submitting the application (e.g., subsistence consultation, brant surveys) or as part of the application proposal (e.g., proposal states garbage will not be buried, or pipelines and roads will be separated by 500 ft or more). Requirements that are met prior to submission of the application, as well as procedures, practices, and design features that are an integral part of a proposal, do not need to be stipulated in a permit or lease. Because ROP's are identified in this ROD as operational requirements, not as lease stipulations, their applicability goes beyond the oil and gas leasing to any permitted activity where the requirement is relevant.

The Authorized Officer (AO) may add additional more restrictive stipulations as determined necessary by further NEPA analysis and as developed through consultation with other Federal, State, and NSB regulatory and resource agencies. Laws or regulations may require other Federal, State, and NSB permits (e.g., Clean Water Act [CWA] Section 404) for an oil and gas project to proceed. Specific State permits are required when the State has authority, under Federal or State law or regulation, to enforce the provision in question. Specific permits issued by Federal agencies other than BLM could include permit conditions that are more stringent than those presented below. Standardized stipulations that BLM commonly applies to authorized activities are listed in Appendix 13 of the Final IAP/EIS.

Definitions. The following definitions apply to stipulations and required operating procedures described here.

Active Floodplain: The lowland and relatively flat areas adjoining inland and coastal waters, including the flood-prone areas of offshore islands, composing, at a minimum, that area subject to a one percent or greater chance of flooding in any given year (also referred to as the 100-year or base floodplain).

Body of Water or Waterbody: A lake, river, stream, creek, or pond that holds water throughout the summer and supports a minimum of aquatic life.

Permanent Oil and Gas Facilities: Production facilities, pipelines, roads, airstrips, production pads, docks and other bottom-founded structures, seawater-treatment plants, and other structures associated with an oil and gas operation that occupy land for more than one winter season. Material sites and seasonal facilities such as ice roads and ice pads are excluded, even when the pads are designed for use in successive winters.

Exceptions to Lease Stipulations and Required Operating Procedures. As specified in Congressional legislation, exploration, development and production of the NPR-A shall be conducted in a manner that provides maximum protection for special areas, prevents unnecessary and undue surface damage, minimizes ecological disturbances, and avoids conflicts with subsistence activities. However, such protection efforts are generally not intended as a prohibition of petroleum and related activities. The BLM acknowledges that effective mitigation will come with some cost to oil and gas operations. However, a balance must be achieved to provide opportunities for successful oil and gas operations while providing maximum protection for the environment and local residents. While many prescriptive stipulations have been converted to performance-based lease stipulations and required operating procedures based on resource management objectives, there will remain a need to consider exceptions and modifications on a case-by-case basis. The following guidelines for considering and granting exceptions to stipulations or ROP's will be used.

In the event that an exception to a stipulation or ROP is requested and before an exception may be granted, the lessee/permittee shall demonstrate to the satisfaction of the AO that implementation of the stipulation or ROP is technically not feasible; or is economically prohibitive; or an environmentally preferable alternative is available and the alternative proposed by the lessee/permittee fully satisfies the objective(s) of the Lease Stipulation or ROP.

The lessee/permittee shall notify the AO in a timely manner that an exception is going to be requested. In demonstrating to the AO that the alternative proposal meets the above criteria, the lessee/permittee shall provide sufficient documentation (technical reports, new/revised procedures, scientific research results, etc.) to allow for a thorough review/evaluation of the proposal.

Before considering or granting an exception to a stipulation or ROP, consultation requirements must be met. Except in the case of an emergency, the AO shall consult with the appropriate Federal, State, and NSB regulatory and resource agencies before an exception may be granted. The AO's power to grant exceptions to a stipulation or ROP is limited to those subjects, uses, and permits over which the BLM has authority. Exceptions may be granted in emergencies involving human health and safety.

The BLM may also initiate an exception to a stipulation or ROP when information (technical reports, new/revised procedures, scientific research results, etc.) becomes available that demonstrates the alternative proposal satisfies the objective of the stipulation or ROP and meets the management objectives for the area in which the alternative is proposed. Before granting an exception (other than those granted for emergencies), whether proposed by the lessee/permittee or the BLM, the action shall undergo appropriate NEPA review.

A. Waste Prevention, Handling, Disposal; Spills, and Public Safety

A-1 Required Operating Procedure

Objective: Protect the health and safety of oil field workers and the general public by avoiding the disposal of solid waste and garbage near areas of human activity.

Requirement/Standard: Areas of operation shall be left clean of all debris.

A-2 Required Operating Procedure

Objective: Minimize impacts on the environment from non-hazardous waste generation.

Encourage continuous environmental improvement. Protect the health and safety of oil field workers and the general public. Avoid human-caused changes in predator populations.

Requirement/Standard: Lessees/permittees shall prepare and implement a comprehensive waste management plan for all phases of exploration and development, including seismic activities.

Management decisions affecting waste generation shall be addressed in the following order of priority: 1) prevention and reduction, 2) recycling, 3) treatment, and 4) disposal. The plan shall be submitted to the AO for approval, in consultation with Federal, State and North Slope Borough regulatory and resource agencies, as appropriate (based on agency legal authority and jurisdictional responsibility), as part of a plan of operations or other similar permit application. The plan shall consider and take into account the following requirements:

- a) Methods to avoid attracting wildlife to food and garbage: All feasible precautions shall be taken to avoid attracting wildlife to food and garbage. (A current list of approved precautions, specific to type of permitted use, can be obtained from the AO.)
- b) Disposal of putrescible waste: Current requirements prohibit the burial of garbage. Lessees and permitted users shall have a written procedure to ensure that the handling and disposal of putrescible waste will be accomplished in a manner that prevents the attraction of wildlife. All putrescible waste shall be incinerated, backhauled, or composted in a manner approved by the AO. All solid waste, including incinerator ash, shall be disposed of in an approved waste-disposal facility in accordance with U.S. Environmental Protection Agency (EPA) and Alaska Department of Environmental Conservation (ADEC) regulations and procedures. The burial of human waste is prohibited except as authorized by the AO.
- c) Disposal of pumpable waste products: Except as specifically provided, BLM requires all pumpable solid, liquid, and sludge waste be disposed of by injection in accordance with EPA, ADEC, and the Alaska Oil and Gas Conservation Commission regulations and procedures. On-pad temporary muds and cuttings storage, as approved by ADEC, will be allowed as necessary to facilitate annular injection and/or backhaul operations.
- d) Disposal of wastewater and domestic wastewater: BLM prohibits wastewater discharges or disposal of domestic wastewater into bodies of fresh, estuarine, and marine water, including wetlands, unless authorized by the National Pollution Discharge Elimination System (NPDES) or State permit.

A-3 Required Operating Procedure

Objective: Minimize pollution through effective hazardous-materials contingency planning.

Requirement/Standard: For oil- and gas-related activities, a Hazardous-Materials Emergency-Contingency Plan shall be prepared and implemented before transportation, storage, or use of fuel or hazardous substances. The plan shall include a set of procedures to ensure prompt response, notification, and cleanup in the event of a hazardous substance spill or threat of a release. Procedures applicable to fuel and hazardous substances handling (associated with transportation vehicles) may consist of Best Management Practices if approved by the AO. The plan shall include a list of resources available for response (e.g., heavy-equipment operators, spill-cleanup materials or companies), and names and phone numbers of Federal, State, and NSB contacts. Other Federal and State regulations may apply and require additional planning requirements. All staff shall be instructed regarding these procedures.

A-4 Required Operating Procedure

Objective: Minimize the impact of contaminants on fish, wildlife, and the environment, including wetlands, marshes and marine waters, as a result of fuel, crude oil and other liquid chemical spills. Protect subsistence resources and activities. Protect public health and safety.

Requirement/Standard: Before initiating any oil and gas or related activity or operation, including field research/surveys and/or seismic operations, lessees/permittees shall develop a comprehensive spill prevention and response contingency plan per 40 CFR 112 (OPA). The plan shall consider and take into account the following requirements:

- a) On-site clean-up materials. Sufficient oil-spill-cleanup materials (absorbents, containment devices, etc.) shall be stored at all fueling points and vehicle-maintenance areas and shall be carried by field crews on all overland moves, seismic work trains, and similar overland moves by heavy equipment.
- b) Storage Containers. Fuel and other petroleum products and other liquid chemicals shall be stored in proper containers at approved locations. Except during overland moves and seismic operations, fuel, other petroleum products, and other liquid chemicals designated by the AO in excess of 1,320 gallons in storage capacity, shall be stored within an impermeable lined and diked area or within approved alternate storage containers such as overpacks, capable of containing 110 percent of the stored volume.
- c) Liner Materials. Liner material shall be compatible with the stored product and capable of remaining impermeable during typical weather extremes expected throughout the storage period.
- d) Permanent Fueling Stations. Permanent fueling stations shall be lined or have impermeable protection to prevent fuel migration to the environment from overfills and spills.
- e) Proper Identification of Containers. All fuel containers, including barrels and propane tanks, shall be marked with the responsible party's name, product type, and year filled or purchased.
- f) Notice of Reportable Spills. Notice of any reportable spill (as required by 40 CFR 300.125 and 18 AAC 75.300) shall be given to the AO as soon as possible, but no later than 24 hours after occurrence.

A-5 Required Operating Procedure

Objective: Minimize the impact of contaminants from refueling operations on fish, wildlife, and the environment.

Requirement/Standard: Refueling of equipment within 500 ft of the active flood plain of any fish-bearing waterbody and 100 ft from non-fish-bearing water bodies is prohibited. Small caches (up to 210 gallons) for motorboats float planes, ski planes, and small equipment, e.g. portable generators and water pumps, will be permitted. The AO may allow storage and operations at areas closer than the stated distances if properly designed to account for local hydrologic conditions.

A-6 Required Operating Procedure

Objective: Minimize the impact on fish, wildlife, and the environment from contaminants associated with the exploratory drilling process.

Standard/Requirement: Surface discharge of reserve-pit fluids is prohibited unless authorized by applicable NPDES, ADEC, and NSB permits (as appropriate) and approved by the AO.

A-7 Required Operating Procedure

Objective: Minimize the impacts to the environment of disposal of produced fluids recovered during the development phase on fish, wildlife, and the environment.

Requirement/Standard: Procedures for the disposal of produced fluids shall meet the following:

- a) In upland areas, including wetlands, disposal will be by subsurface-disposal techniques. The AO may permit alternate disposal methods if the lessee demonstrates that subsurface disposal is not feasible or prudent and the alternative method will not result in adverse environmental effects.
- b) In marine waters, approval of discharges by the AO will be based on a case-by-case review of environmental factors and consistency with the conditions of an NPDES permit. Discharge of produced fluids will be prohibited at locations where currents and water depths, in combination with other conditions, are not adequate to prevent impacts to known biologically sensitive areas. Alternate disposal methods will require an NPDES permit certified by the State.

A-8 Required Operating Procedure

Objective: Minimize conflicts resulting from interaction between humans and bears during leasing and associated activities.

Requirement/Standard: Oil and gas lessees and their contractors and subcontractors will, as a part of preparation of lease operation planning, prepare and implement bear-interaction plans to minimize conflicts between bears and humans. These plans shall include measures to:

- a) Minimize attraction of bears to the drill sites.
- b) Organize layout of buildings and work areas to minimize human/bear interactions.
- c) Warn personnel of bears near or on drill sites and identify proper procedures to be followed.
- d) Establish procedures, if authorized, to deter bears from the drill site.
- e) Provide contingencies in the event bears do not leave the site or cannot be deterred by authorized personnel.
- f) Discuss proper storage and disposal of materials that may be toxic to bears.
- g) Provide a systematic record of bears on the site and in the immediate area.

B. Water Use for Permitted Activities

B-1 Required Operating Procedure

Objective: Maintain populations of, and adequate habitat for, fish and invertebrates.

Requirement/Standard: Water withdrawal from rivers and streams during winter is prohibited.

B-2 Required Operating Procedure

Objective: Maintain natural hydrologic regimes in soils surrounding lakes and ponds and maintain populations of, and adequate habitat for, fish and invertebrates.

Requirement/Standard: Water withdrawal from lakes may be authorized on a site-specific basis depending on size, water volume, depth and fish population and species diversification. Current water withdrawal requirements specify:

- a) Water withdrawals from any fish bearing lake 7 feet or deeper shall be limited to 15 percent of the estimated free water volume located beneath the ice.
- b) Water withdrawals from lakes with depths between 5 and 7 feet that contain only ninespine stickleback and/or Alaska blackfish are limited to up to 30 percent of the under-ice volume.
- c) Water withdrawal may be authorized from any lake if the proponent demonstrates that no fish

exist in the lake.

d) A water-monitoring plan may be required to assess draw down and water quality changes before, during, and after pumping any fish-bearing lake.

e) The removal of naturally grounded ice may be authorized from lakes and shallow rivers on a site-specific basis depending upon its size, water volume, depth, and fish population and species diversification.

f) Removed ice aggregate shall be included in the 15 percent or 30 percent (whichever is the appropriate case) withdrawal limits, unless otherwise approved.

g) Any water intake structures in fish-bearing waters shall be designed, operated and maintained to prevent fish entrapment, entrainment, or injury.

h) Compaction of snow cover or snow removal from fish-bearing water bodies shall be prohibited except at approved ice road crossings, water pumping stations on lakes or areas of grounded ice.

C. Winter Overland Moves and Seismic Work

The following stipulations and ROP's apply to overland moves, seismic work, and any similar cross-country vehicle use of heavy equipment on non-roaded surfaces during the winter season. These restrictions do not apply to the use of such equipment on ice roads after they are constructed.

C-1 Required Operating Procedure

Objective: Protect grizzly bear, polar bear, and marine mammal denning and/or birthing locations.

Requirement/Standard:

a) Cross-country use of heavy equipment and seismic activities are prohibited within ½ mile of occupied grizzly bear dens identified by Alaska Department of Fish & Game (ADF&G) unless alternative mitigation measures are approved by the AO in consultation with ADF&G.

b) Cross-country use of heavy equipment and seismic activities are prohibited within 1 mile of known or observed polar bear dens or seal birthing lairs. Operators shall consult with the U.S. Fish and Wildlife FWS (FWS) and/or NOAA Fisheries, as appropriate, before initiating activities in coastal habitat between October 30 and April 15.

C-2 Required Operating Procedure

Objective: Protect stream banks, minimize compaction of soils, and minimize the breakage, abrasion, compaction, or displacement of vegetation.

Requirement/Standard:

a) Ground operations shall be allowed only when frost and snow covers are at sufficient depths to protect the tundra. Ground operations shall cease when the spring snowmelt begins, approximately May 5 in the foothills area where elevations reach or exceed 500 ft, and approximately May 15 in the northern coastal areas. The exact dates will be determined by the AO.

b) Only low-ground-pressure vehicles shall be used for on-the-ground activities off ice roads or pads. A list of approved vehicles can be obtained from the AO. Limited use of tractors equipped with wide tracks or "shoes" will be allowed to pull trailers, sleighs, or other equipment with approved undercarriage. (Note: This provision does not include the use of heavy equipment such as front-end loaders and similar equipment required during ice road construction.)

c) Bulldozing of tundra mat and vegetation, trails, or seismic lines is prohibited; however, on existing trails, seismic lines or camps, clearing of drifted snow is allowed to the extent that the tundra mat is not disturbed.

d) To reduce the possibility of ruts, vehicles shall avoid using the same trails for multiple trips unless necessitated by serious safety or superseding environmental concern. This provision does not apply to hardened snow trails for use by low-ground-pressure vehicles such as Rolligons.

e) The location of winter ice roads shall be designed and located to minimize compaction of soils and the breakage, abrasion, compaction, or displacement of vegetation. Offsets may be required to avoid using the same route or track in the subsequent year.

C-3 Required Operating Procedure

Objective: Maintain natural spring runoff patterns, avoid flooding, prevent streambed sedimentation, protect water quality and protect stream banks.

Requirement/Standard: Crossing of waterway courses shall be made using a low-angle approach. Snow and ice bridges shall be removed, breached or slotted before spring breakup. Ramps and bridges shall be substantially free of soil and debris.

C-4 Required Operating Procedure

Objective: Avoid additional freeze down of deep-water pools harboring over-wintering fish and invertebrates used by fish.

Requirement/Standard: Travel up and down stream beds is prohibited. Rivers and streams shall be crossed at shallow riffles from point bar to point bar whenever possible.

D. Oil and Gas Exploratory Drilling

D-1 Lease Stipulation

Objectives: Protect fish-bearing rivers, streams and lakes from blowouts, and minimize alteration of riparian habitat.

Requirement/Standard: Exploratory drilling is prohibited in rivers and streams, as determined by the active floodplain, and fish-bearing lakes, except where the lessee can demonstrate on a site-specific basis that impacts would be minimal or it is determined that there is no feasible or prudent alternative.

D-2 Lease Stipulation

Objective: Minimize surface impacts from exploratory drilling.

Requirement/Standard: Exploratory drilling shall be limited to temporary facilities such as ice pads, ice roads, ice airstrips, temporary platforms, etc., unless the lessee demonstrates that construction of permanent facilities such as gravel airstrips, storage pads, and connecting roads is environmentally preferable or necessary to carry out exploration more economically.

E. Facility Design and Construction

E-1 Required Operating Procedure

Objective: Protect subsistence use and access to traditional subsistence hunting and fishing areas, and minimize the impact of oil and gas activities on air, land, water, fish and wildlife resources.

Requirement/Standard: All roads must be designed, constructed, maintained and operated to minimize environmental impacts and to protect subsistence use and access to traditional subsistence hunting and fishing areas. Subject to approval by the AO, the construction, operation and maintenance of oil field roads is the responsibility of the lessee. Note: This provision does not apply to intercommunity or other permanent roads constructed with public funds for general transportation purposes. This preserves the opportunity to plan, design and construct public transportation systems to meet the economic, transportation, and public health and safety needs of the State of Alaska and/or communities within NPR-A.

E-2 Lease Stipulation

Objective: Protect fish-bearing water bodies, water quality and aquatic habitats.

Requirement/Standard: The design and location of permanent oil and gas facilities within 500 feet of fish-bearing or 100 feet of non-fish-bearing water bodies will only be approved on a case-by-case basis if the lessee can demonstrate that impacts to fish, water quality, and aquatic and riparian habitats are minimal. (Note: Also refer to Area-Specific Stipulations and ROP's for Rivers (Stipulation K-1) and Deep Water Lakes (Stipulation K-2).)

E-3 Lease Stipulation

Objective: Maintain free passage of marine and anadromous fish, and protect subsistence use and access to traditional subsistence hunting and fishing.

Requirement/Standard: Causeways and docks are prohibited in river mouths or deltas. Artificial gravel islands and bottom-founded structures are prohibited in river mouths or active stream channels on river deltas. Causeways, docks, artificial islands, and bottom-founded structures shall be designed to ensure free passage of marine and anadromous fish and to prevent significant changes to nearshore oceanographic circulation patterns and water quality characteristics. A monitoring program may be required to address the objectives of water quality and free passage of fish.

E-4 Required Operating Procedure

Objective: Minimize the potential for pipeline leaks, the resulting environmental damage and industrial accidents.

Requirement/Standard: All pipelines shall be designed, constructed, and operated under an AO-approved Quality Assurance/Quality Control plan that is specific to the product transported.

E-5 Required Operating Procedure

Objective: Minimize impacts of the development footprint.

Requirement/Standard: Facilities shall be designed and located to minimize development footprint to the maximum extent practicable considering environmental, economic, and social impacts. **Note:** Where aircraft traffic is an issue, consideration shall be given to balancing gravel pad size and available supply storage capacity with potential reductions in the use of aircraft to support oil and gas operations.

E-6 Required Operating Procedure

Objective: Reduce the potential for ice-jam flooding, erosion, alteration of natural drainage patterns, and restriction of fish passage.

Requirement/Standard: Stream and marsh crossings shall be designed and constructed to ensure free passage of fish, maintain natural drainage, and minimal adverse effects to natural stream flow. **Note:** Bridges, rather than culverts, are the preferred method for crossing rivers. When necessary, culverts can be constructed on smaller streams, if they are large enough to avoid restricting fish passage or adversely affecting natural stream flow.

E-7 Required Operating Procedure

Objective: Minimize disruption of caribou movement and subsistence use.

Requirement/Standard: Pipelines and roads shall be designed to allow the free movement of caribou and the safe, unimpeded passage of the public while participating in traditional subsistence activities. Listed below are the accepted design practices:

- a) Above ground pipelines shall be elevated a minimum of 7 feet as measured from the ground to the bottom of the pipeline at vertical support members.
- b) In areas where facilities or terrain may funnel caribou movement, ramps over pipelines, buried pipelines, or pipelines buried under roads may be required by the AO after consultation with Federal, State, and North Slope Borough regulatory and resource agencies (as appropriate, based on agency legal authority and jurisdictional responsibility).

c) A minimum distance of 500 feet between pipelines and roads should be maintained when feasible. Separating roads from pipelines may not be feasible within narrow land corridors between lakes and where pipelines and roads converge on a drill pad.

E-8 Required Operating Procedure

Objective: Minimize the impact of mineral materials mining activities on air, land, water, fish, and wildlife resources.

Requirement/Standard: Gravel mine site design and reclamation will be in accordance with a plan approved by the AO. The plan shall consider:

- a) Locations outside the active flood plain.
- b) Design and construction of gravel mine sites within active flood plains to serve as water reservoirs for future use.
- c) Potential use of site for enhancing fish and wildlife habitat.

E-9 Required Operating Procedure

Objective: Avoidance of human-caused increases in populations of predators of ground nesting birds.

Requirement/Standard: Lessee shall utilize best available technology to prevent facilities from providing nesting, denning, or shelter sites for ravens, raptors, and foxes. The lessee shall provide the AO with an annual report on the use of oil and gas facilities by ravens, raptors and foxes as nesting, denning, and shelter sites.

E-10 Required Operating Procedure

Objective: Prevention of migrating waterfowl, including species listed under the Endangered Species Act, from striking oil and gas and related facilities during low light conditions.

Requirement/Standard: Except for safety lighting, illumination of higher structures shall be designed to direct artificial exterior lighting inward and downward, rather than upward and outward. All drilling structures, production facilities, and other structures that exceed 20 ft shall be illuminated as outlined above.

E-11 Required Operating Procedure

Objective: Minimize the take of species listed under the Endangered Species Act and minimize the disturbance of other species of interest from direct or indirect interaction with oil and gas facilities.

Requirement/Standard: In accordance with the guidance below, before the approval of facility construction, aerial surveys of breeding pairs of the following species shall be conducted within any area proposed for development.

Spectacled and/or Steller's Eiders: a) Surveys shall be conducted by the lessee for at least three (3) years before authorization of construction, if such construction is within the FWS North Slope Eider survey area (Map 62), and at least one (1) year outside that area. Results of aerial surveys and habitat mapping may require additional ground nest surveys. Spectacled and/or Steller's eider surveys shall be conducted following accepted BLM-protocol during the second week of June.

b) If spectacled and/or Steller's eiders are determined to be present within the proposed development area, the applicant shall consult with the FWS and BLM in the design and placement of roads and facilities in order to minimize impacts to nesting and brood-rearing eiders and their preferred habitats. Such consultation shall address timing restrictions and other temporary mitigating measures, construction of permanent facilities, placement of fill, alteration of eider habitat, aircraft operations, and introduction of high noise levels.

c) To reduce the possibility of spectacled and/or Steller's eiders from striking above-ground

utility lines (power and communication), such lines shall either be buried in access roads, or suspended on vertical support members, to the extent practical. Support wires associated with communication towers, radio antennas, and other similar facilities, shall be clearly marked along their entire length to improve visibility for low flying birds. Such markings shall be jointly developed through consultation with FWS.

Yellow-billed Loon: a) Aerial surveys shall be conducted by the lessee for at least 3 years before authorization of construction of facilities proposed for development that are within 1 mile of a lake 25 acres or larger in size. These surveys along shorelines of large lakes shall be conducted following accepted BLM protocol during nesting in late June and during brood rearing in late August.

b) Should yellow-billed loons be present, the design and location of facilities must be such that disturbance is minimized. Current accepted mitigation is a one-mile buffer around all recorded nest sites and a minimum 500-meter buffer around the remainder of the lake shoreline. Development may be prohibited within buffers or activities curtailed while birds are present.

E-12 Required Operating Procedure

Objective: Use ecological mapping as a tool to assess wildlife habitat before development of permanent facilities, to conserve important habitat types, including wetlands, during development.

Requirement/Standard: An ecological land classification map of the development area shall be developed before approval of facility construction. The map will integrate geomorphology, surface-form and vegetation at a scale, level of resolution, and level of positional accuracy adequate for detailed analyses of development alternatives. The map shall be prepared in time to plan one season of ground-based wildlife surveys, if deemed necessary by the AO, before approval of exact facility location and facility construction.

E-13 Required Operating Procedure

Objective: Protect cultural and paleontological resources.

Requirement/Standard: Lessees shall conduct a cultural and paleontological resources survey prior to any ground-disturbing activity. Upon finding any potential cultural or paleontological resource, the lessee or their designated representative shall notify the AO and suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the AO.

F. Use of Aircraft for Permitted Activities

F-1 Required Operating Procedure

Objective: Minimize the effects of low-flying aircraft on wildlife, traditional subsistence activities, and local communities.

Requirement/Standard: The lessee shall ensure that aircraft used for permitted activities maintain altitudes according to the following guidelines:

a) Aircraft shall maintain an altitude of at least 1,500 ft above ground level (AGL) when within ½ mile of cliffs identified as raptor nesting sites from April 15 through August 15 and within ½ mile of known gyrfalcon nest sites from March 15 to August 15, unless doing so would endanger human life or violate safe flying practices. Permittees shall obtain information from BLM necessary to plan flight routes when routes may go near falcon nests.

b) Aircraft shall maintain an altitude of at least 1,000 ft AGL (except for takeoffs and landings) over caribou winter ranges from December 1 through May 1, unless doing so would endanger human life or violate safe flying practices. Caribou wintering areas will be defined annually by the AO.

- c) The number of takeoffs and landings to support oil and gas operations with necessary materials and supplies should be limited to the maximum extent possible. During the design of proposed oil and gas facilities, larger landing strips and storage areas should be considered so as to allow larger aircraft to be employed, resulting in a fewer number of flights to the facility.
- d) Use of aircraft, especially rotary wing aircraft, near known subsistence camps and cabins or during sensitive subsistence hunting periods (spring goose hunting and fall caribou and moose hunting) should be kept to a minimum.
- e) Aircraft used for permitted activities shall maintain an altitude of at least 2,000 ft AGL (except for takeoffs and landings) over the Caribou Study Area (Map 91) from June 15 through July 31, unless doing so would endanger human life or violate safe flying practices.
- f) Aircraft shall maintain an altitude of at least 2,000 ft AGL (except for takeoffs and landings) over the Caribou Coastal Insect-Relief Areas (Map 91) from June 15 through July 31, unless doing so would endanger human life or violate safe flying practices.

G. Oil Field Abandonment

G-1 Lease Stipulation

Objective: Ensure the final disposition of the land meets the current and future needs of the public.

Requirement/Standard: Upon abandonment or expiration of the lease, all oil- and gas-related facilities shall be removed and sites rehabilitated to as near the original condition as practicable, subject to the review of the AO. The AO may determine that it is in the best interest of the public to retain some or all facilities.

H. Subsistence Consultation for Permitted Activities

"Consultation" may take place by in-person meetings, teleconference, videoconference, and exchange of written documents, e-mail, or other means appropriate to the circumstances. Consultation does not include public meetings that are primarily for the purpose of information distribution, unless it is explained at the beginning of the meeting that there is an open dialogue, and that comments, concerns, or other information are being actively solicited.

H-1 Required Operating Procedure

Objective: Provide opportunities for participation in planning and decision-making to prevent unreasonable conflicts between subsistence uses and oil and gas and related activities.

Requirement/Standard: Lessee/permittee shall consult directly with affected communities using the following guidelines.

- a) Before submitting an application to the BLM, the applicant shall consult with directly affected subsistence communities, the North Slope Borough, and the NPR-A Subsistence Advisory Panel to discuss the siting, timing and methods of proposed operations. Through this consultation, the applicant shall make every reasonable effort, including such mechanisms as conflict avoidance agreements and mitigating measures, to ensure that proposed activities will not result in unreasonable interference with subsistence activities.
- b) The applicant shall submit documentation of consultation efforts as part of its operations plan. Applicants should submit the proposed plan of operations to provide an adequate time for review and comment by the NPR-A Subsistence Advisory Panel and to allow time for formal government-to-government consultation with Native Tribal Governments. The applicant shall submit documentation of its consultation efforts and a written plan that shows how its activities, in combination with other activities in the area, will be scheduled and located to prevent unreasonable conflicts with subsistence activities. Operations plans must include a discussion of the potential effects of the proposed operation, and the proposed operation in combination with

other existing or reasonably foreseeable operations.

c) A subsistence plan addressing the following items must be submitted.

1. A detailed description of the activity(ies) to take place (including the use of aircraft).
2. A description of how the lessee/permittee will minimize and/or deal with any potential impacts identified by the AO during the consultation process
3. A detailed description of the monitoring effort to take place, including process, procedures, personnel involved and points of contact both at the work site and in the local community.
4. Communication elements to provide information on how the applicant will keep potentially affected individuals and communities up-to-date on the progress of the activities and locations of possible, short-term conflicts (if any) with subsistence activities. Communication methods could include holding community meetings, open house meetings, workshops, newsletters, radio and television announcements, etc.
5. Procedures necessary to facilitate access by subsistence users to conduct their activities.
6. In the event that no agreement is reached between the parties, the AO shall consult with the directly involved parties and determine which activities will occur, including the timeframes.
7. During development, monitoring plans must be established for new permanent facilities, including pipelines, to assess an appropriate range of potential effects on resources and subsistence as determined on a case-by-case basis given the nature and location of the facilities. The scope, intensity, and duration of such plans will be established in consultation with the AO and Subsistence Advisory Panel.

H-2 Required Operating Procedure

Objective: Prevent unreasonable conflicts between subsistence activities and geophysical (seismic) exploration.

Requirement/Standard: In addition to the consultation process described above for permitted activities, before applying for permits to conduct geophysical (seismic) exploration, the applicant shall consult with local communities and residents:

- a) Because of the large land area covered by typical geophysical operations and the potential to impact a large number of subsistence users during the exploration season, the permittee/operator will notify, in writing, all potentially affected long-term cabin and camp users.
- b) The official recognized list of cabin and campsite users is the North Slope Borough's 2001 (or most current) inventory of cabins and campsites.
- c) For the purpose of this standard, potentially affected cabins and campsites are defined as any camp or campsite within the boundary of the area subject to proposed geophysical exploration and/or within 1,200 feet of actual or planned travel routes used to supply the seismic operations while it is in operation.
- d) A copy of the notification letter and a list of potentially affected users shall also be provided to the office of the appropriate Native Tribal Government.
- e) Based on that consultation, the AO may prohibit seismic work up to 1,200 feet of any known, long-term, cabin or campsite. Generally, the AO will allow wintertime seismic work to be conducted within 300 feet of a long-term cabin or campsite that is not in use.

I. Orientation Programs Associated with Permitted Activities

I-1 Required Operating Procedure

Objective: Minimize cultural and resource conflicts.

Requirement/Standard: All personnel involved in oil and gas and related activities shall be provided information concerning applicable stipulations, required operating procedures, standards, and specific types of environmental, social, traditional, and cultural concerns that relate to the region. The lessee/permittee shall ensure that all personnel involved in permitted activities shall attend an orientation program at least once a year. The proposed orientation program shall

be submitted to the AO for review and approval and should:

- a) Provide sufficient detail to notify personnel of applicable stipulations and required operating procedures as well as inform individuals working on the project of specific types of environmental, social, traditional and cultural concerns that relate to the region.
- b) Address the importance of not disturbing archaeological and biological resources and habitats, including endangered species, fisheries, bird colonies, and marine mammals, and provide guidance on how to avoid disturbance.
- c) Include guidance on the preparation, production, and distribution of information cards on endangered and/or threatened species.
- d) Be designed to increase sensitivity and understanding of personnel to community values, customs, and lifestyles in areas in which personnel will be operating.
- e) Include information concerning avoidance of conflicts with subsistence, commercial fishing activities, and pertinent mitigation.
- f) Include information for aircraft personnel concerning subsistence activities and areas/seasons that are particularly sensitive to disturbance by low flying aircraft. Of special concern is aircraft use near traditional subsistence cabins and campsites, flights during spring goose hunting and fall caribou and moose hunting seasons, and flights near North Slope communities.
- g) Provide that individual training is transferable from one facility to another, except for elements of the training specific to a particular site.
- h) Include on-site records of all personnel who attend the program for so long as the site is active, though not to exceed the 5 most recent years of operations. This record shall include the name and dates(s) of attendance of each attendee.
- i) Include a module discussing bear interaction plans to minimize conflicts between bears and humans

J. Endangered Species Act Section 7 Consultation Stipulation

J-1 Lease 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.

K. Area-Specific Lease Stipulations and Required Operating Procedures

K-1 Lease Stipulation—Rivers

Objective: Minimize the disruption of natural flow patterns and changes to water quality; the disruption of natural functions resulting from the loss or change to vegetative and physical characteristics of floodplain and riparian areas; the loss of spawning, rearing or over-wintering habitat for fish; the loss of cultural and paleontological resources; the loss of raptor habitat; impacts to subsistence cabin-and-camp-sites; the disruption of subsistence activities; and impacts to scenic and other resource values. (See ROP D-1 for restrictions on exploration activities.)

Requirement/ Standard: Permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines, are prohibited in the stream bed and adjacent to the rivers listed below at the

distances identified. These setbacks are measured from the centerline of the river as determined by the current hydrology at the time of application. The standard setback is $\frac{1}{2}$ mile and increased to $\frac{3}{4}$ mile where subsistence cabins and campsites are numerous. Along the Colville River and a portion of the Ikpikpuk a 1-mile setback is required to protect important raptor habitat. (For locations along rivers where setback distances change, see Map 20 in the Final Northwest National Petroleum Reserve-Alaska Integrated Activity Plan/Environmental Impact Statement). On a case-by case basis, and in consultation with Federal, State, and North Slope Borough regulatory and resource agencies (as appropriate, based on agency legal authority and jurisdictional responsibility), essential pipeline and road crossings perpendicular to the main channel will be permitted (unless noted otherwise) through setback areas. The above setbacks may not be practical within river deltas. In these situations, permanent facilities shall be designed to withstand a 200-year flood event.

- a) Colville River: a 1-mile setback from the northern bluff (or bank if there is no bluff) of the Colville River extending the length of that portion of the river within the Planning Area. Road crossings intended to solely support oil and gas activities are prohibited. Note: This provision does not apply to intercommunity or other permanent roads constructed with public funds for general transportation purposes. This preserves the opportunity to plan, design, and construct public transportation systems to meet the economic, transportation, and public health and safety needs of the State of Alaska and/or communities within NPR-A.
- b) Ikpikpuk River: a $\frac{3}{4}$ -mile setback from the centerline of the Ikpikpuk River extending from the mouth south to Sec. 19, T7N, R11W, UM. From Sec. 19, T7N, R11W, UM to Sec. 4 T3N, R12W, UM, a 1-mile setback is required. Beginning at Sec. 4 T3N, R12W, UM, a $\frac{1}{2}$ -mile setback will be required to the confluence of the Kigalik River and Maybe Creek.
- c) Alaktak River: a $\frac{3}{4}$ -mile setback from the centerline of the Alaktak River extending from the mouth to the Ikpikpuk River.
- d) Chipp River: a $\frac{3}{4}$ -mile setback from the centerline of the Chipp River extending from the mouth to the Ikpikpuk River.
- e) Oumalik River: a $\frac{3}{4}$ -mile setback from the centerline of the Oumalik River from the mouth upstream to Sec. 5, T8N, R14W, UM, and a $\frac{1}{2}$ -mile setback from Sec. 5, T8N, R14W, UM, upstream to Sec. 2, T5N, R15W, UM.
- f) Titaluk River: a $\frac{1}{2}$ -mile setback from the centerline of the Titaluk River from the confluence with the Ikpikpuk River upstream to Sec. 1, T2N, R22W, UM.
- g) Kigalik River: a $\frac{1}{2}$ -mile setback from the centerline of the Kigalik River from the confluence with the Ikpikpuk River upstream to the Planning area boundary.
- h) Maybe Creek: a $\frac{1}{2}$ -mile setback from the centerline of the Maybe Creek from the confluence with the Ikpikpuk River upstream to Sec. 8, T2S R6W, UM.
- i) Topagoruk River: a $\frac{3}{4}$ -mile setback from the centerline of the Topagoruk River from the mouth upstream to the confluence with Ishuktak Creek. A $\frac{1}{2}$ -mile setback from each bank upstream from the confluence with the Ishuktak to Sec. 3, T7N, R17W, UM.
- j) Ishuktak Creek: a $\frac{1}{2}$ -mile setback from the centerline of Ishuktak Creek from the confluence with the Topagoruk River to Sec. 24, T8N, R16W, UM.
- k) Meade River: a $\frac{3}{4}$ -mile setback from the centerline of the Meade River upstream to Sec. 6, T6N, R21W, UM. A $\frac{1}{2}$ -mile setback from each bank upstream from Sec. 6, T6N, R21W, UM to the Planning area boundary.
- l) Usuktuk River: a $\frac{3}{4}$ -mile setback from the centerline of the Usuktuk River upstream from the confluence with the Meade River to Sec. 36, T10N, R19W, UM.
- m) Pikroka Creek a $\frac{3}{4}$ -mile setback from the centerline of the Pikroka Creek upstream from the confluence with the Meade River to Sec. 11, T8N, R23W, UM.
- n) Nigisakturik River: a $\frac{3}{4}$ -mile setback from the centerline of the Nigisakturik River upstream from the confluence with the Meade River to Sec. 1, T11N, R25W, UM.
- o) Inaru River: a $\frac{3}{4}$ -mile setback from the centerline of the Inaru River from the mouth upstream

to Sec. 17, T15N, R25W, UM.

p) Kucheak Creek: a ¾-mile setback from the centerline of Kucheak Creek from the confluence with the Inaru River upstream to Sec. 20, T13N, R24W, UM.

q) Avalik River: a ½-mile setback from the centerline of the Avalik River along that portion of the river within the Planning area.

r) Niklavik Creek: a ½-mile setback from the centerline of the Niklavik Creek from the confluence with the Inaru River upstream to Sec. 5, T17N, R21W, UM.

K-2 Lease Stipulation—Deep Water Lakes

Objective: Minimize the disruption of natural flow patterns and changes to water quality; the disruption of natural functions resulting from the loss or change to vegetative and physical characteristics of deep water lakes; the loss of spawning, rearing or over wintering habitat for fish; the loss of cultural and paleontological resources; impacts to subsistence cabin- and camp-sites; and the disruption of subsistence activities.

Requirement/ Standard: Permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines, are prohibited on the lake or lakebed and within ¼ mile of the ordinary high water mark of any deep lake as determined to be in lake zone III, i.e., depth > 4 meters (Mellor, 1985). On a case-by case basis, and in consultation with Federal, State and North Slope Borough regulatory and resource agencies (as appropriate based on agency legal authority and jurisdictional responsibility), essential pipeline, road crossings and other permanent facilities may be permitted through or in these areas where the lessee can demonstrate on a site-specific basis that impacts would be minimal or it is determined that there is no feasible or prudent alternative.

K-3 Lease Stipulation—Dease Inlet, Admiralty Bay, Elson Lagoon, and Associated Barrier Islands

Lease stipulations for Dease Inlet, Admiralty Bay, Elson Lagoon, and the Barrier Islands, contain specific criteria that have been incorporated into stipulation language. Because of sensitive biological resources and/or subsistence concerns of Dease Inlet, Admiralty Bay, Elson Lagoon, and inland of the Barrier Islands, the standard(s) for exploration and development activities are set high with the burden of proof resting with the lessee to demonstrate to the AO that granting an approval is warranted.

Objective: Protect fish and wildlife habitat, preserve air and water quality, and minimize impacts to traditional subsistence activities and historic travel routes on Dease Inlet, Admiralty Bay, and Elson Lagoon.

Requirement/Standard (Exploration): Oil and gas exploration operations (e.g., drilling, seismic exploration, and testing) are not allowed on Dease Inlet, Admiralty Bay, and Elson Lagoon (including natural and barrier islands), between May 15 and October 15 of each season. Requests for approval of any activities must be submitted in advance and must be accompanied by evidence and documentation that demonstrates to the satisfaction of the Authorized Office that the actions or activities meet all of the following criteria:

- a) Exploration activities will not unreasonably conflict with traditional subsistence uses or significantly impact seasonally concentrated fish and wildlife resources.
- b) There is adequate spill response capability to effectively respond during periods of broken ice and/or open water, or the availability of alternative methods to prevent well blowouts during periods when adequate response capability cannot be demonstrated. Such alternative methods may include improvements in blowout prevention technology, equipment and/or changes in operational procedures and "top-setting" of hydrocarbon-bearing zones.
- c) Reasonable efforts will be made to avoid or minimize impacts related to oil spill response activities, including vessel, aircraft, and pedestrian traffic will be conducted to minimize additional impacts or further compounding of "direct spill" related impacts on area resources and

subsistence uses.

d) The location of exploration and related activities shall be sited so as to not pose a hazard to navigation by the public using high-use traditional subsistence-related travel routes into and through Dease Inlet, Admiralty Bay and Elson Lagoon, as identified by the North Slope Borough, recognizing that marine and nearshore travel routes change over time, subject to shifting environmental conditions.

e) Before conducting open water activities, the lessee shall consult with the Alaska Eskimo Whaling Commission and the North Slope Borough to minimize impacts to the fall and spring subsistence whaling activities of the communities of the North Slope.

Requirement/Standard (Development): With the exception of linear features such as pipelines, no permanent oil and gas facilities are permitted on or under the water within $\frac{3}{4}$ mile seaward of the shoreline (as measured from mean high tide) of Dease Inlet, Admiralty Bay, and Elson Lagoon or the natural islands (excluding Barrier Islands). Elsewhere, permanent facilities within Dease Inlet, Admiralty Bay, and Elson Lagoon will only be permitted on or under the water if they can meet all the following criteria:

f) Design and construction of facilities shall minimize impacts to traditional subsistence uses, travel corridors, seasonally concentrated fish and wildlife resources.

g) Daily operational activities, including use of support vehicles, watercraft, and aircraft traffic, alone or in combination with other past, present, and reasonably foreseeable activities, shall be conducted to minimize impacts to traditional subsistence uses, travel corridors, and seasonally concentrated fish and wildlife resources.

h) The location of oil and gas facilities, including artificial islands, platforms, associated pipelines, ice or other roads, bridges or causeways, shall be sited and constructed so as to not pose a hazard to navigation by the public using traditional high-use subsistence-related travel routes into and through Dease Inlet, Admiralty Bay and Elson Lagoon as identified by the North Slope Borough.

i) Demonstrated year-round oil spill response capability, including the capability of adequate response during periods of broken ice or open water, or the availability of alternative methods to prevent well blowouts during periods when adequate response capability cannot be demonstrated. Such alternative methods may include seasonal drilling restrictions, improvements in blowout prevention technology, equipment and/or changes in operational procedures, and "top-setting" of hydrocarbon-bearing zones.

j) Reasonable efforts will be made to avoid or minimize impacts related to oil spill response activities, including vessel, aircraft, and pedestrian traffic that add to impacts or further compound "direct spill" related impacts on area resources and subsistence uses.

k) Before conducting open water activities, the lessee shall consult with the Alaska Eskimo Whaling Commission and the North Slope Borough to minimize impacts to the fall and spring subsistence whaling activities of the communities of the North Slope

K-4 Required Operating Procedure—Brant Survey Area

Objective: Minimize the loss or alteration of habitat for, or disturbance of, nesting and brood rearing brant in the Brant Survey Area.

Requirement/Standard:

a) Aerial surveys for brant nesting colonies and brood-rearing areas shall be conducted for a minimum of 2 years before authorization of construction of permanent facilities. At a minimum, the survey area shall include the proposed development site(s) (i.e., the footprint) and the surrounding $\frac{1}{2}$ -mile area. These surveys shall be conducted following accepted BLM protocol.

b) Development may be prohibited or activities curtailed within $\frac{1}{2}$ mile of all identified brant nesting colonies and brood-rearing areas identified during the 2-year survey.

K-5 Required Operating Procedure—Caribou Study Area

Requirement/Standard: Before authorization of construction of permanent facilities, the lessee shall design and implement a study of caribou movement, especially during the insect season. The study would include a minimum of 3 years of current data on caribou movements. The study design shall be approved by the AO and should provide information necessary to determine facility (including pipeline) design and location. Lessees may submit individual study proposals or they may combine with other lessees in the area to do a single, joint study for the entire Caribou Study Area. Study data may be gathered concurrently with other activities.

K-6 Lease Stipulation--Coastal Areas

Objective: Minimize hindrance or alteration of caribou movement within caribou coastal insect-relief areas; to prevent contamination of marine waters; loss of important bird habitat; alteration or disturbance of shoreline marshes; and impacts to subsistence resources activities.

Requirement/Standard: In the Coastal Area, permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines established to support exploration and development activities shall be located at least $\frac{3}{4}$ mile inland from the coastline to the extent practicable. Where, as a result of technological limitations, economics, logistics, or other factors, a facility must be located within $\frac{3}{4}$ mile inland of the coastline, the practicality of locating the facility at previously occupied sites, such as the former Cape Simpson, Peard Bay, or Wainwright DEW-line sites, shall be considered. Use of existing sites within $\frac{3}{4}$ mile of the coastline shall also be acceptable where it is demonstrated that use of such sites will reduce impacts to shorelines or otherwise be environmentally preferable. All lessees/permittees involved in activities in the immediate area must coordinate use of these new or existing sites with all other prospective users.

K-7 Required Operating Procedure--Colville River Special Area

Objective: Prevent or minimize loss of raptor foraging habitat.

Requirement/Standard: If necessary to construct permanent facilities within the Colville River Special Area, all reasonable and practicable efforts shall be made to locate permanent facilities as far from raptor nests as feasible. Within 15 mile of raptor nest sites, significant alteration of high quality foraging habitat shall be prohibited unless the lessee can demonstrate on a site-specific basis that impacts would be minimal or it is determined that there is no feasible or prudent alternative. Of particular concern are ponds, lakes, wetlands, and riparian habitats. Note: On a case-by case basis, and in consultation with appropriate Federal and State regulatory and resource agencies, essential pipeline and road crossings will be permitted through these areas where no other options are available.

K-8 Lease Stipulation--Kasegaluk Lagoon Special Area

Objective: Protect the habitat of the fish, waterfowl, and terrestrial and marine wildlife resources of Kasegaluk Lagoon, and protect traditional subsistence uses and public access to and through Kasegaluk Lagoon for current and future generations of North Slope residents.

Requirement/Standard: Within the Kasegaluk Lagoon Special Area, oil and gas leasing is approved subject to the decision to defer the implementation of oil and gas leasing in the "Leasing Deferral Area." When leasing is implemented, no permanent oil and gas facilities are permitted within the boundary of the Special Area. Geophysical (seismic) exploration is authorized subject to the terms and conditions provided in other applicable ROP's. No restrictions are imposed on traditional subsistence activities and access for subsistence purposes.

BID FORM AND ENVELOPE

Bidders are **strongly urged** to use the attached formats for the bid form and envelope. A blank bid form is provided which may be copied and filled in.

Additional Information:

1. Name of bidding entity, official address, Tract Number.
2. Use large boldface type-style, such as Times New Roman Bold - 12 pt.
3. A statement **must** be included on the bid form acknowledging that the bidder(s) understand that they are legally required to comply with all applicable regulations.
4. Amount Bid must be in whole dollar figure.
5. Indicate "Amount of payment submitted with bid" (right column).
6. Proportional interest of joint bids must not exceed 5 decimal places; total must always equal 100%. There is no limit to the number of joint bidders that may participate.
7. Type Signer's name under signature; each joint bidder must sign.

BID FORM

Bureau of Land Management
Alaska State Office
222 W. 7th Avenue, #13
Anchorage, Alaska 99513-7599

NPR-A Oil and Gas Lease Sale 2004
Date of Sale: June 2, 2004
Bid Submitter:

NPR-A OIL AND GAS LEASE BID

It is understood that this bid legally binds the bidder(s) to comply with the regulations in Title 43 Code of Federal Regulations Subpart 3132, other applicable regulations, and requirements of the Notice of Sale.

The following bid is submitted for an oil and gas lease for the tract specified below:

Tract Number	Amount Bid	Amount of Payment Submitted with Bid
_____	\$ _____	\$ _____

Bidder Name	Percent Interest	Name(s), Address(es), and Signature(s)
_____	_____	
_____	_____	
_____	_____	

By: _____

By: _____

By: _____

TOTAL: 100.00

SAMPLE OF BID FORM

Bureau of Land Management
Alaska State Office
222 W. 7th Avenue, #13
Anchorage, Alaska 99513-7599

NPR-A Oil and Gas Lease Sale 2004
Date of Sale: June 2, 2004
Bid Submitter: Let's Explore

NPR-A OIL AND GAS LEASE BID

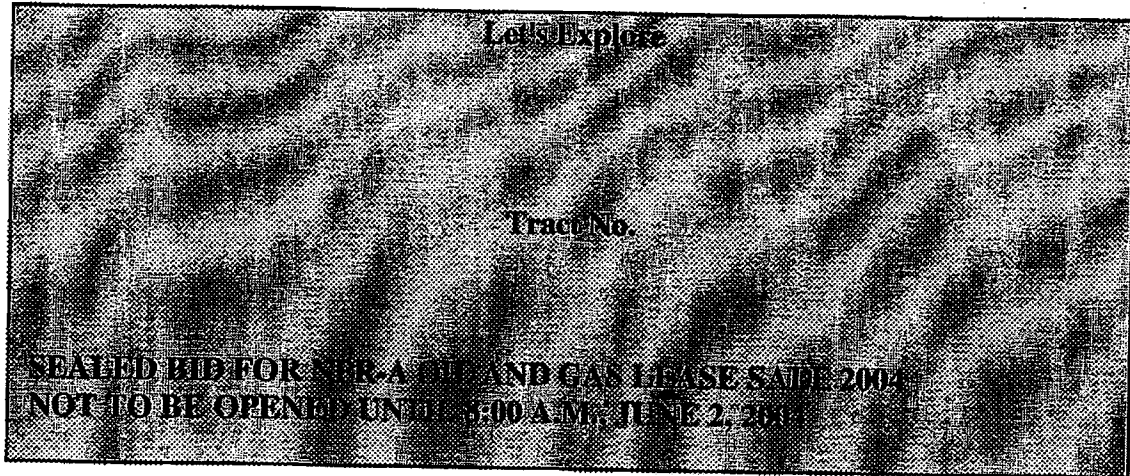
It is understood that this bid legally binds the bidder(s) to comply with the regulations in Title 43 Code of Federal Regulations Subpart 3132, other applicable regulations, and requirements of the Notice of Sale.

The following bid is submitted for an oil and gas lease on the tract specified below:

Tract Number	Amount Bid	Amount of Payment Submitted with Bid
<u>2002-XXX</u>	<u>\$6,157,623</u>	<u>\$1,231,524.60</u>
Bidder Name	Percent Interest	Name(s), Address(es), and Signature(s)
<u>Explorer LTD.</u>	<u>33.33</u>	<u>Explorer LTD</u> <u>Box 123456</u> <u>Dime Box, Texas 12345</u>
		By: <u>(signature)</u> <u>I. W. In</u> <u>Vice President</u>
<u>Oil Musher's Inc.</u>	<u>33.33</u>	<u>Oil Musher's Inc.</u> <u>General Delivery</u> <u>Cicely, Alaska 99000</u>
		By: <u>(signature)</u> <u>M. E. Too, II</u> <u>Attorney-in-Fact</u>
<u>Let's Explore</u>	<u>33.34</u>	<u>Let's Explore</u> <u>246 Muskeg Lane</u> <u>Anchorage, Alaska 99000</u>
		By: <u>(signature)</u> <u>I. Al So</u> <u>President</u>
TOTAL:	100.00	

Sample Bid Envelope

1. Use standard size envelopes not to exceed 4-1/2" x 10-1/2" when submitting bids.
2. Use large boldface type, such as Times New Roman Bold - 12 pt.



United States Department of the Interior
Bureau of Land Management
Alaska State Office
222 W. 7th Avenue, #13
Anchorage, AK 99513-7599

Exhibit E

Bidder Contact Form
NPR-A Oil and Gas Lease Sale

Bidder Name: _____
(Bidder submitting bids)

Signature: _____

Title: _____

Area Code - Phone Number: _____

Date: _____

I. Payments and Refunds

Indicate below the contact for notification of bid acceptance and payment instructions for the 4/5ths bonus and first year rental amounts (please also indicate an alternate):

(Name) _____ (Alternate) _____

(Company or Bidder) _____

(Area Code - Phone Number) _____

(Area Code - Fax Number) _____

II. Deliver Leases to: (Federal Express requires Street Address and Zip Code)

(Company/Bidder) _____

(Street) _____

(City) _____ (State) _____ (Zip) _____

(Attention) _____

(Area Code - Phone Number) _____

III. Return of Unsuccessful Checks

The bid deposit check or checks for unsuccessful bids will be returned to only one bidder within a bidding combine. Indicate preferred method of delivery:

☐ Pick-up at Alaska State Office

(Individual Authorized to Pick up Checks)

(Company/Bidder)

(Area Code - Phone Number)

☐ Mail to: (Federal Express requires Street Address and Zip Code)

(Company/Bidder)

(Street)

(City) _____ (State) _____ (Zip) _____

(Attention)

(Area Code - Phone Number)

IV. Return of Deposit for Rejected Bids

All refunds for rejected bids will be made to only one bidder within a bidding combine. Indicate in which manner you would like these refunds returned.

☐ Mail ☐ Pick-up at Alaska State Office

(Name of Authorized Individual)

(Address)

(City) _____ (State) _____ (Zip) _____

(Phone Number)

****RETURN AT TIME OF BID SUBMISSION - DO NOT ENCLOSE IN ENVELOPE****

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Bond Number

OIL AND GAS OR GEOTHERMAL LEASE BOND

EXHIBIT F:

Act of February 25, 1920 (30 U.S.C. 181 et seq.)
Act of August 7, 1947 (30 U.S.C. 351-359)
Department of the Interior Appropriations Act, FY 1981 (42 U.S.C. 6508)
Act of December 24, 1970 (30 U.S.C. 1001-1025)
Other Oil and Geothermal Leasing Authorities as Applicable

Lease Serial Number (For Individual Bond Only)

CHECK ONE: ☐ OIL AND GAS ☐ GEOTHERMAL RESOURCES

CHECK ONE:

☐ SURETY BOND

KNOW ALL BY THESE PRESENTS, THAT

_____ (name)
of _____ (address)
as principal, and _____ (name)
of _____ (address), as surety,
are held and firmly bound unto the United States of America in the sum of _____

_____ dollars (\$ _____),

lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

☐ PERSONAL BOND

KNOW ALL BY THESE PRESENTS, That

_____ (name)
of _____ (address) as principal, and is held firmly
bound unto the United States of America in the sum of _____

_____ dollars (\$ _____), lawful money of the United States which sum may be
increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, in order to more fully secure the United States in the payment of the aforesaid sum, hereby pledges as security therefore United States negotiable securities of a par value equal to the amount specified. The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney. The interest accruing on the United States securities deposited, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond and the instrument(s) granting rights and interests in Federal lands, must be paid to the principal. The principal hereby for himself/herself, any heirs, executors, administrators, successors, and assigns, joint and severally, ratifies and confirms whatever the Secretary shall do by virtue of these presents.

The principal/surety shall apply this bond or the Secretary shall transfer this deposit as security for the faithful performance of any and all of the conditions and stipulations as set forth in this bond and the instruments granting rights and interest in Federal lands. In the case of any default in performance of the conditions and stipulations of such undertaking, it is agreed that: (1) for a Surety Bond, the surety/principal shall apply the bond or any portion thereof; (2) for a personal Bond, the Secretary shall have full power to assign, appropriate, apply, or transfer the deposit or any portion thereof, to the satisfaction of any damages, assessments, late payment charges, penalties, or deficiencies arising by reason of such default.

This bond is required for the use and benefit of (1) the United States; (2) the owner of any land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the oil and gas and geothermal deposits to the United States; (3) any lessee, permittee, or contractor, under a lease, permit, or resource sale contract issued, or to be issued, by the United States covering the same land subject to this bond, covering the use of the surface or the prospecting for, or the development of other mineral deposits in any portion of such land, to be paid to the United States. For such payment, well and truly to be made, we bind ourselves and each of our heirs, executors, administrators, successors, and assigns, jointly and severally.

This bond shall cover all surface disturbing activities related to drilling operations on a Federal leasehold(s) in accordance with authorization(s) granted under the Acts cited above for:

- ☐ NATIONWIDE BOND - Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s) in the United States including the National Petroleum Reserve in Alaska (NPR-A) when a rider sufficient to bring the amount in conformance with 43 CFR 3134 is provided, and provided a rider is obtained, also coverage of multiple exploration operations.
- ☐ STATEWIDE BOND - Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s), except the NPR-A, and, provided a rider is obtained, also coverage of multiple exploration operations within the single state of _____.
- ☐ INDIVIDUAL BOND - Operations conducted by or on behalf of the principal or on the leasehold of the principal on the single lease identified by the serial number above.
- NATIONAL PETROLEUM RESERVE IN ALASKA (NPR-A) BOND - This bond shall cover:
- ☐ NPR-A LEASE BOND - The terms and conditions of a single lease.
- ☐ NPR-A WIDE BOND - The terms and conditions of all leases, and provided a rider is obtained, coverage of multiple exploration operations.

(Continued on reverse)

BOND CONDITIONS

The conditions of the foregoing obligations are such that:

1. WHEREAS the principal has an interest in a lease(s) and/or responsibility for operations on a lease(s) issued under the Acts cited in this bond; and
2. WHEREAS the principal and surety agree(s) that with notice to the surety the coverage of this bond, in addition to the present holding(s) of and/or authorization(s) granted to the principal, shall extend to include:

a. Any lease(s) hereafter issued to or acquired by the obligor/principal, except under individual lease bonds, the coverage is to be confined to the principal's holding(s) and/or authorization(s) granted under the Acts cited in this bond, and to become effective immediately upon such authorization, approval or issuance of a transfer in favor of the principal; and

b. Any transfer(s) of operating rights hereafter entered into or acquired by the principal affecting lease(s); and

c. Any activity subsequent hereto of the principal as operator under a lease(s) issued pursuant to the Acts cited in this bond; and

Provided, That the surety may elect to terminate additional coverage authorized under this paragraph. Such termination will become effective 30 days after the BLM receives notice of the election to terminate. After the termination becomes effective, the additional interest(s) identified in this paragraph will not be covered by this bond; and

3. WHEREAS the principal and surety agree(s) that with notice to the surety that this bond shall remain in full force and effect notwithstanding: Any assignment(s) of an undivided interest in any part or all of the lands in the lease(s) in which event the assignee(s) shall be considered to be coprincipal(s) on an individual or NPR-A bond as fully and to the same extent as though his/her or their duly, authenticated signatures appeared thereon; and

4. WHEREAS the obligor/surety hereby waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding:

a. Any assignment(s) of 100% of some of the lands described in the lease(s), the bond to remain in full force and effect only as to the lands retained in the lease(s); and

b. Any transfer(s) either in whole or part, of any or all of the operating rights and further agrees to remain bound under this bond as to the interests in the operating rights retained by the principal; and

c. Any modification of a lease or operating right, or obligation thereunder, whether made or effected by commitment of lease or operating right to unit, cooperative, communitization or storage agreements, or development contracts, suspensions of

operations or production, waivers, suspensions or changes in rental, minimum royalty and royalties, compensatory royalty payments, or otherwise; and

d. Any extension of a lease(s) covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease; and

5. WHEREAS the principal and surety hereby agree(s) that notwithstanding the termination, expiration, cancellation, or relinquishment of any lease(s), whether by operation of law or otherwise, the bond shall remain in full force and effect as to the terms and conditions of all remaining leases and obligations covered by the bond; and

6. WHEREAS the principal, as to any lease or part of a lease for land on which he/she is the operator, in consideration of being permitted to furnish this bond in lieu of the lessee(s) or operating rights owner(s), agrees and by these presents does hereby bind himself/herself to fulfill on behalf of each lessee or operating rights owner all obligations of such for the entire leasehold in the same manner and to the same extent as though he/she were lessee or operating rights owner; and

7. WHEREAS the obligatory/principal and surety agree(s) that the neglect or forbearance of said lessor in enforcing, as against any responsible party, the payment of rentals or royalties or the performance of any other term or condition of the lease(s) shall not, in any way, release the principal and surety, or either of them from any liability under this bond; and

8. WHEREAS the principal and surety agree(s) that in the event of any default under the lease(s) the lessor may commence and prosecute any claim, suit, or other proceeding against the principal and surety or either of them, without the necessity of joining the lessee(s); and

9. WHEREAS if the principal fails to comply with any provisions of an oil and gas lease, and the noncompliance continues for thirty (30) days after written notice thereof, such lease shall be subject to cancellation and the principal shall also be subject to applicable provisions and penalties of the Federal Oil and Gas Royalty Management Act (30 U.S.C. 1701 et. seq.) or the Federal Onshore Oil and Gas Leasing Reform Act. This provision shall not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default.

10. NOW, THEREFORE If said principal, his/her heirs, executors, administrators, successors, or assigns shall in all respects faithfully comply with all of the provisions of the instrument(s) granting rights and interests in federal lands referred to above, then the obligations are to be void; otherwise remain in full force and effect.

Signed this _____ day of _____, 20____, in the presence of:

NAMES AND ADDRESSES OF WITNESSES

_____	_____ (L. S.)
_____	(Principal)
_____	(Business Address)
_____	_____ (L. S.)
_____	(Surety)
_____	(Business Address)

If this bond is executed by a corporation, it must bear the seal of that corporation.

NOTICE

The Privacy Act of 1974 and the regulations at 43 CFR 2.48(d) provide that you be furnished with the following information:

AUTHORITY: 50 Stat. 900; 25 U.S.C. 500

PRINCIPAL PURPOSE: The primary uses of the records are (1) to determine your qualification to receive an oil and gas lease; and (2) to provide information concerning oil and gas leases for administrative and public use.

ROUTINE USES: BLM and the Department of the Interior (DOI) may disclose your information on this form: (1) to members of the public who have a need for the information that is maintained by BLM for public record; (2) to the U.S. Department of Justice, court, or other adjudicative body when DOI determines the information is necessary and relevant to litigation; (3) to appropriate Federal, State, local or foreign agencies responsible for investigating, prosecuting violations, enforcing or implementing this statute, regulation, or lease; and (4) to a congressional office when you request the assistance of the Member of Congress in writing.

EFFECT OF NOT PROVIDING THIS INFORMATION: If you do not furnish all the information required by this form, your application may be rejected.

EXHIBIT F-1
U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ALASKA STATE OFFICE - ANCHORAGE, ALASKA

NATIONAL PETROLEUM RESERVE-ALASKA - WIDE
OIL AND GAS LEASE BOND
GEOPHYSICAL EXPLORATION RIDER

Department of the Interior Appropriations Act, Fiscal Year 1981 (P.L. 96-514)
Other Oil and Gas Leasing Authorities as Applicable

Coverage under National Petroleum Reserve-Alaska Oil and Gas Lease Bond, which has been assigned SerialNumber _____, or which is being filed concurrently with this rider in the Alaska State Office of the Bureau of Land Management, is hereby extended to include oil and gas exploration operations as prescribed by the regulations at 43 CFR 3152.

Signed this _____ day of _____, 20__ in the presence of:

NAMES AND ADDRESSES OF WITNESSES:

(Signature of Witness)

(Signature of Principal)

(Address)

(Business Address)

(Signature of Witness)

(Signature of Surety)

(Address)

(Business Address)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ALASKA STATE OFFICE
OFFER TO LEASE AND LEASE FOR OIL AND GAS

Serial No.

EXHIBIT G:

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the Naval Petroleum Reserve Production Act of 1976 (42 U.S.C. 6501 et seq.), as amended.

READ INSTRUCTIONS BEFORE COMPLETING

1. Name
Street
City, State, Zip Code

2. This application/offer/lease is for Public Domain Lands in the National Petroleum Reserve - Alaska (NPR-A)

Legal description of land requested: *Tract No.: *Sale Date (m/d/y): June / 02 / 2004

***SEE INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE**

T. R. Meridian State County

Amount remitted: Filing fee \$ _____ Rental fee \$ _____ Total acres applied for _____
Total \$ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. R. Meridian State County

Total acres in lease _____

Rental retained \$ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR Part 3130 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease:

- ☐ Noncompetitive lease (ten years)
☐ Competitive lease (ten years)
☒ Other Competitive NPR-A Lease (ten years)

THE UNITED STATES OF AMERICA

by

(Signing Officer)
Sr. Leasable Minerals Adjudicator
(Title)

(Date)

EFFECTIVE DATE OF LEASE September 1, 2004

(a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR Part 3100 and the leasing authorities; (3) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NOTICE

The Privacy Act of 1974 and the regulations at 43 CFR 2.48(d) provide that you be furnished with the following information:

AUTHORITY: 50 Stat. 900; 25 U.S.C. 500

PRINCIPAL PURPOSE: The primary uses of the records are (1) to determine your qualification to receive an oil and gas lease; and (2) to provide information concerning oil and gas leases for administrative and public use.

ROUTINE USES: BLM and the Department of the Interior (DOI) may disclose your information on this form: (1) to members of the public who have a need for the information that is maintained by BLM for public record; (2) to the U.S. Department of Justice, court, or other adjudicative body when DOI determines the information is necessary and relevant to litigation; (3) to appropriate Federal, State, local or foreign agencies responsible for investigating, prosecuting violations, enforcing or implementing this statute, regulation, or lease; and (4) to a congressional office when you request the assistance of the Member of Congress in writing.

EFFECT OF NOT PROVIDING THIS INFORMATION: If you do not furnish all the information required by this form, your application may be rejected.

Duly executed this _____ day of _____, 20_____

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals - Rentals shall be paid to the proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment; or for NPR-A: \$5 for Area A; \$3 for Area B; or as specified in the detailed statement of sale.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, within 30 days after receipt of a Notice of Delinquency shall cause this lease to terminate. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties - Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rules are:

- (a) Noncompetitive lease, 12½%;
- (b) Competitive lease, 12½%;
- (c) Other, see attachment, or for NPR-A: 16½% for Area A; 12.5% for Area B; or as specified in the detailed statement of sale.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of the lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rules, regulations, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds - A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage - Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves the right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection - Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that support costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting office for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations - Lessee shall conduct operation in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations - To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium - Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property - Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity - Lessee shall pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities. During the performance of this lease, the Lessee must comply fully with paragraphs (1) through (7) of 41 CFR 60-1.4(a) with respect to employment discrimination on the basis of race, color, religion, sex or national origin, and must incorporate the requirements set forth in those paragraphs in every subcontract or purchase order, as provided by that regulation.

Sec. 11. Transfer of lease interests and relinquishment of lease - As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises - At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default - If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil and gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. As such remedy or waiver shall prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGPMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

INSTRUCTIONS

A. General

1. The front of this form is to be completed only by parties filing for a noncompetitive lease. The BLM will complete front of form for all other types of leases.
2. Entries must be typed or printed plainly in ink. Offeror must sign Item 4 in ink.
3. An original and two copies of this offer must be prepared and filed in the proper BLM State Office. See regulations at 43 CFR 1821.2-1 for office locations.
4. If more space is needed, additional sheets must be attached to each copy of the form submitted.

B. Special:

Item 1 - Enter offeror's name and billing address.

Item 2 - A single tract number and Sale Date shall be the only acceptable description.

Item 3 - This space will be completed by the United States.

PAPERWORK REDUCTION ACT STATEMENT

The Paperwork Reduction Act of 1990 (44 U.S.C. 3501 et seq.) requires us to inform you that:

1. This information is being collected pursuant to the law.
2. This information will be used to create and maintain a record of oil and gas lease activity.
3. Response to this request is required to obtain a benefit.

EFFECT OF NOT PROVIDING INFORMATION - If all the information is not provided, the offer may be rejected. See regulations at 43 CFR 3130.