

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

National Petroleum Reserve - Alaska, Oil and Gas Lease Sale 2010

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 Department of the Interior Appropriations Act (P.L. 96-514); the Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6501 et seq.), as amended; the Federal Land 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. Pursuant to 43 CFR 3131.4-1(a), a Notice of Sale must be published in the Federal Register at least 30 days prior to August 11, 2010, the scheduled date of sale. Pursuant to 43 CFR 3131.4-1(c), a detailed statement of sale must be available to the public on the same day as the Federal Register notice is published.

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. The Locator Map and description of tracts being offered are provided in the Exhibits of this Detailed Statement of Sale.

The tracts being offered in this sale are within the Northeast NPR-A Planning Area and are subject to stipulations and required operating procedures (ROPs) established by the Record of Decision (ROD) for the Northeast NPR-A Supplemental Integrated Activity Plan (IAP), dated July 2008, as shown in Exhibit C. All offered Tracts are also subject to non-discretionary Terms and Conditions 1A thru 5A of the final Fish and Wildlife Service (FWS) Biological Opinion (BO) for the BLM for the Northern Planning Areas of the NPR-A dated July 2008, as shown in Exhibit E. In addition, Tracts offered within the Colville River Special Area (CRSA) are subject to protection measures established by the Decision Record for the Colville River Special Area Management Plan (CRSAMP), dated July 18, 2008, as shown in Exhibit D. Offered tracts are listed in Exhibit B. Tracts affected by the site-specific K stipulations and protection measures applicable to the CRSA are identified in the tract descriptions in Exhibit B and by reference designation, such as "K-1(h), Protection 1 thru 9." Exhibit B is based on the BLM's current mapping. Stipulations and CRSA protection measures apply to all leases as appropriate based upon mapping current at the time of application for BLM authorization for post-leasing activity.

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.

Leases issued as a result of this sale will have primary terms of ten (10) years.

Variable	NE High Potential Tracts	NE Low Potential Tracts
Tract Size	¼ township (+ 5,760 acres)	½ township (+ 11, 500 acres)
Minimum Bid	\$25.00 or more per acre or fraction thereof	\$5.00 or more per acre or fraction thereof
Fixed Royalty Rate	16 2/3 percent	12 ½ percent
Rental Rate and Minimum Royalty	\$5.00 per acre or fraction thereof	\$3.00 per acre or fraction thereof

3. Acreage and Land Status.

The acreage shown above is only a general approximation. The acreage for each tract is shown on Exhibit B. 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 Native Allottees, Village or Regional Native Corporations, or by Air Navigation Sites or other surface ownership or uses which may restrict surface access.

4. Split Estate Parcels.

The lessee has a right to access so much of the surface as is reasonably necessary to explore and develop the lease but will be responsible for negotiating any surface use and access issues with the surface owner or managing surface agency for split-estate lands. For Certified 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 are found at paragraph 9.

5. Filing of Bids.

Bidders must comply with the following requirements. Times specified hereafter are Alaska Daylight Time.

- a) No bid will be accepted for less than an entire tract as described in Exhibit B. 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. 2010-(alpha-numeric designation or alpha-alpha, as appropriate, e.g. 2010-H-000, 2010-L-000, and not to be opened until 9 a.m., August 11, 2010, at the Wilda Marston Theater, located at the Z.J. Loussac Library. 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 Detailed Statement Package as Exhibit F.

Each bid must be accompanied by a bid deposit of 1/5th 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 (Exhibit F) 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 Detailed Statement Package as Exhibit F).

Bidders also need to submit with their bids a "Bidder Contact Form" (Exhibit G) which identifies contact information relative to the bids.

- b) Sealed bids must be received by the BLM Alaska State Office, 222 West Seventh 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., August 9, 2010. 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 pm August 9, 2010.

- c) Bid Opening. Bid Opening Time will be 9:00 a.m., August 11, 2010, at the Wilda Marston Theater located within the Z.J. Loussac Library at 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. Tied Bids will be announced publicly on August 11, 2010.
- 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.
- e) Tied Bids. In the event the highest bids are tie bids, the tying bidders are allowed to submit on or before 3:45 pm, September 9, 2010, additional sealed bids to break the tie. The additional bids must include any additional amount necessary to bring the amount tendered with his/her bid to 1/5th of the additional bid. Additional bids to break the tie will be opened on September 13, 2010, at 9am in the Denali Room on the 4th floor of the Federal Building and Courthouse at 222 west 7th Avenue, Anchorage, Alaska. The opening of the tied bids are for the sole purpose of publicly announcing and recording the tied bids received, and no bids will be accepted or rejected at that time.

If tie breaking 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 additional bids unless the BLM receives a written modification or written withdrawal request prior to 3:45 p.m. September 9, 2010.

6. Deposit of Payment.

Any payments made in accordance with paragraph 5(b) 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 requirements listed on documents contained therein, and the applicable regulations;
- b) The bid is the highest valid bid; and
- c) The amount of the bid has been determined by the Authorized Officer (AO) 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. 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 AO to execute copies of lease Form AK-3130-1 (sample) shown in Exhibit J of this statement, pay the balance of the 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:
 - (1) Citizens and nationals of the United States;
 - (2) Aliens lawfully admitted for permanent residence in the United States as defined in 8 U.S.C. 1101(a)(20);
 - (3) 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
 - (4) Associations of such citizens, nationals, resident aliens or private, public, or municipal corporations.
- c) Bonding Requirements. Prior to issuance of a lease, an individual lease surety or personal bond must be furnished to the AO 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 Detailed Statement of Sale Package as Exhibit H.

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 Information Center located on the first floor of the Federal Building and Courthouse, 222 W. Seventh Avenue, #13, Anchorage, Alaska 99513-7599. These tracts are shown on the Locator Map of Exhibit A and are described in detail in Exhibit B of this Detailed Statement of Sale.

10. Lease Terms and Stipulations.

- a) Leases resulting from this sale will have initial terms of 10 years. A sample of the lease form is available as Exhibit J of this statement.

- b) The applicability of general and special lease stipulations and required operating procedures are explained in Exhibit C for the Northeast. The applicability of the non-discretionary Terms and Conditions 1A thru 5A of the final FWS BO for the BLM for the Northern Planning Areas of the NPR-A dated July 2008, is explained in Exhibit E. Term and Condition 4A does not apply to this lease sale since the Barrow Triangle lands are not being offered. The applicability of additional protection measures are explained in Exhibit D for the CRSA. The standard stipulations will become a part of all leases. The special stipulations and protection measures affecting each tract are identified in the tract descriptions on Exhibit B and will become a part of the leases for those tracts.

11. Information to Lessees.

- a) The Northeast Supplemental IAP (ROD) established Required Operating Procedures (ROPs) 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 ROPs 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 AO may add more restrictive stipulations as determined necessary by further NEPA analysis and as developed through consultation with 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 A of the NPR-A Supplemental IAP ROD provides the Stipulations and ROPs for the planning area. A thorough discussion of ROPs is in the Rod's Appendix A; we have provided the language contained therein as Exhibit C of this Detailed Statement of Sale.

- b) Colville River Special Area Management Plan (CRSAMP). On July 18, 2008, the CRSAMP Decision Record was signed. This Decision authorized the implementation of the CRSAMP Proposed Action as outlined in the CRSAMP EA.

The BLM conducted an environmental analysis (EA Number AK-023-08-01) to evaluate the effects of implementation of the CRSAMP. The CRSAMP provides additional protections for the Arctic peregrine falcon. Additional indirect benefits to other birds, moose, fish, and fish habitat, and subsistence may occur. This action is in conformance with multiple management

objectives of the Northeast NPR-A Northeast Supplemental IAP (ROD). Additional management actions for the CRSAMP were developed from the NPR-A Raptor Workshop. The final action complies with all laws, regulations, and policies. The final action "Protection Measures 1 thru 9" is found in Section 2.1 of the CRSAMP. The CRSAMP Decision Record and Table 2-1 (Protection Measures 1 thru 9) have been provided herein as Exhibit D of this Detailed Statement of Sale.

- c) The Final Fish and Wildlife Service Biological Opinion (BO) for the Northern Planning Areas of the NPR-A listing the non-discretionary Terms and Conditions 1A thru 5A was signed July 14, 2008. The BO assessed potential impact from oil and gas leasing, exploration, and development on listed species resulting from the implementation of Alternative D of the Northeast NPR-A Integrated Activity Plan/Supplemental Environmental Impact Statement.
- d) Energy Policy Act of 2005 On August 8, 2005, the Energy Policy Act of 2005 was signed into law. The BLM has issued a final regulation, codified at 43 CFR Part 3130, and effective March 5, 2008, to implement the change in lease terms mandated by the Act. The change in lease terms mandated by the Act will be applicable to all leases issued through this lease sale.
- e) Conservation of Surface Values for Northeast NPR-A Planning Area Land The lessee, his agents, contractors, subcontractors, and operators (hereafter referred to as "Lessee") will operate within the resource management policy of the BLM. This policy is outlined in the Naval Petroleum Reserves Production Act of 1976 (NPRPA) (42 U.S.C. 6501 et seq), as amended, and the Federal Land Policy and Management Act (43 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 NPR-A Supplemental ROD. 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(a)). These requirements apply to both exploration and production under this lease sale (42 U.S.C. 6506a). Operational procedures designed to protect resource values will be developed during Surface Use Plan preparation, and additional protective measures may be required beyond the general and special stipulations identified in the above-referenced documents.

Prior to entry upon the NPR-A for purposes of conducting geophysical operations, the Lessee shall obtain a permit authorizing specific geophysical exploration activities from the BLM Fairbanks District Office. Such permit shall provide for conditions, restrictions, and prohibitions as the AO 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 a 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, the Environmental Protection Agency, and with 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 weather conditions, all activities creating irreparable impacts may be suspended. The lessee is advised that conducting activities related to leases issued as a result of this lease sale will be subject to 43 CFR 3130 and 43 CFR 3160 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 associated field examination, as necessary, to ensure conservation of resource values. These will be in addition to stipulations attached to and made a part of each oil and gas lease.

- f) Early Filing of Applications for Permit to Drill (APD) Recommended The Lessee, the AO, the appropriate Borough and/or Native Regional or Village Corporation (when a subsistence stipulation is part of the lease) and Fairbanks District Office representatives should hold a conference at least one year prior to each onsite inspection of the proposed drill pad 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.

- g) Other Permits The Lessee is responsible for obtaining all required federal, state, local, or private permits and authorizations prior to commencing any operations.
- h) 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 (Fairbanks District Office) for the purpose of gravel extraction and use. Use of sand and gravel from Certified 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.

- i) Endangered Species Act Section 7 Consultation Stipulation The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. The 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 species or their habitat. The 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. The 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.
- j) Cultural Resources and Tribal Consultation Stipulation This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, Executive Order 13007, or other statutes and executive orders. The BLM will not approve any ground-disturbing activities that may affect any such properties or resources until it completes its obligations (e.g., State Historic Preservation Officer (SHPO) and tribal consultation) under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized, or mitigated.
- k) 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.

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 following Exhibits are included in the statement and contain additional information essential for bidders. Bidders are expected to understand the information contained therein.

Exhibit A: Locator Map Northeast Area Tracts Offered

Exhibit B: Description of Northeast Planning Area Tracts Offered

Exhibit C: Appendix A of the Northeast Record of Decision with Stipulations and Required Operating Procedures

- Exhibit D:** The Colville River Special Area Management Plan Decision Record and Table Protection Measures 1 thru 9
- Exhibit E:** The Final Fish and Wildlife Service Biological Opinion for BLM for the Northern Planning Areas of the NPR-A Non-Discretionary Terms and Conditions 1A thru 5A
- Exhibit F:** Bid Form and Envelope
- Exhibit G:** Bidder Contact Form
- Exhibit H:** Oil and Gas Lease Bond Form 3000-4 (This form may be used for lease, statewide, nationwide, or NPR-A-wide bonds)
- Exhibit I:** Geophysical Exploration Rider Form for Use with NPR-A-wide bonds
- Exhibit J:** Sample Lease Form AK-3130-1

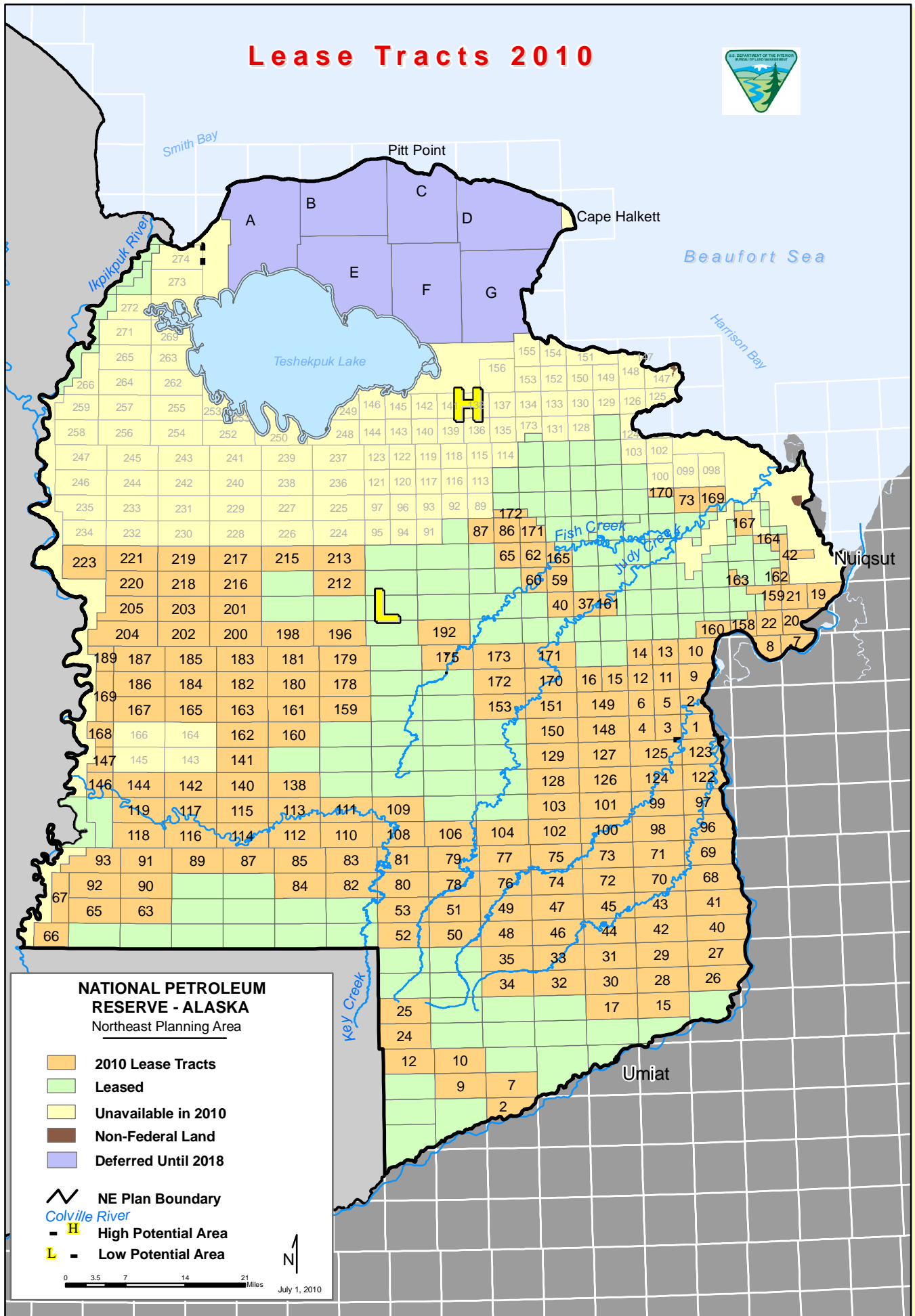


EXHIBIT B

Northeast Planning Area

DESCRIPTION OF TRACTS OFFERED

NOTE 1 All lands are based on the Umiat Meridian.

NOTE 2 In addition to the tract-specific K stipulations and Colville River Special Area Protection Measures listed below, all of the stipulations in Exhibit C are applicable to all lands to be leased within the Northeast Planning Area will be attached to and made a part of each such lease.

NOTE 3 Exhibit B is based on the BLM's current mapping. Stipulations and CRSA protection measures apply to all leases as appropriate based upon mapping current at the time of application for BLM authorization for post-leasing activity.

NOTE 4 All offered Tracts are subject to non-discretionary Terms and Conditions 1A thru 5A of the final Fish and Wildlife Service (FWS) Biological Opinion for the BLM for the Northern Planning Areas of the NPR-A dated July 2008, as shown in Exhibit E.

AREA H (High Potential Area) **1/4 Township Tracts [5,760 (+/-) Acres]**

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u>	<u>Acres</u>
	<u>Special Stipulations, if applicable</u>	
2010-H-001	T7N, R2E S 1/2, Portion of sections 22, 27, 34 Sections 19-21, 27-33 and 35 K-1(a), K-1(d), Protection 1 thru 9	7,163
2010-H-002	T7N, R2E N 1/2 Portion of sections 3, 4, 9, 15; Sections 5-8, 16-18, K-1(a), K-1(d), Protection 1 thru 9	5,727
2010-H-003	T7N, R1E S 1/2 Sections 22-27, 34-36 K-1(d), Protection 1-9	5,760
2010-H-004	T7N, R1E S 1/2 Sections 19-21, 28-33 K-1(g)	5,654
2010-H-005	T7N, R1E N 1/2 Sections 1-3, 10-15 K-1(d), K-1(g), Protection 1 thru 9	5,760

Tract #	Description (Township/Range/Sections/Portion) <u>Special Stipulations, if applicable</u>		Acres
2010-H-006	T7N, R1E	N 1/2 Sections 4-9, 16-18 K-1(g)	5, 631
2010-H-007	T9N, R4E	N 1/2 Sections 2-10, 18 K-1(a), Protection 1 thru 9	4,288
2010-H-008	T8N, R3E	Sections 1-4, 10-15 K-1(a), Protection 1 thru 9	5,074
2010-H-009	T8N, R2E	S 1/2 Sections 19-22, 28-33; and Portion of sections 23, 26, 27, 34 K-1(a), Protection 1 thru 9	7,267
2010-H-010	T8N, R2E	N 1/2 Sections 2-11, 14-18 K-1(a), Protection 1 thru 9	8,058
2010-H-011	T8N, R1E	S 1/2 Sections 22-27, 34-36 K-1(g), Protection 1 thru 9	5,760
2010-H-012	T8N, R1E	S 1/2 Sections 19-21, 28-33 K-1(g)	5,607
2010-H-013	T8N, R1E	N 1/2 Sections 1-3, 10-15 K-1(g), Protection 1 thru 9	5,760
2010-H-014	T8N, R1E	N 1/2 Sections 4-9, 16-18 K-1(g)	5,583
2010-H-015	T8N, R1W	N 1/2 Sections 22-27, 34-36 K-1(g)	5,760
2010-H-016	T8N, R1W	S 1/2 Sections 19-21, 28-33 K-1(g)	5,607
2010-H-019	T9N, R4E T9N, R5E	N 1/2 Sections 1-3, 10-15 N 1/2 Sections 5-7 K-1(a)	6,406
2010-H-020	T9N, R4E	S 1/2 Sections 19-24, 27-34 K-1(a)	6,415
2010-H-021	T9N, R4E	N 1/2 Sections 4-9, 16-18 K-1(a) Protection 1 thru 9	5,724

Tract #	Description (Township/Range/Sections/Portion) <u>Special Stipulations, if applicable</u>		Acres
2010-H-022	T9N, R3E	S 1/2 Sections 22-27, 34 and 35 K-1(a) Protection 1 thru 9	3,718
2010-H-037	T9N, R1W	N 1/2 Sections 4-9, 16-18 K-1(f)	5,725
2010-H-040	T9N, R2W	N 1/2 Sections 1-3, 10-15 K-1(f), K-2	5,760
2010-H-042	T10N, R4E	N 1/2 Sections 6, 7, 15-19 S 1/2 Sections 30 and 31 K-1	5,616
2010-H-059	T10N, R2W	S 1/2 Sections 22-27, 34-36 K-1(e), K-2	5,760
2010-H-060	T10N, R2W	S 1/2 Sections 19-21, 28-33 K-1(e), K-2	5,701
2010-H-062	T10N, R2W	N 1/2 Sections 4-9, 16-18 K-1(e), K-2	5,676
2010-H-065	T10N, R3W	N 1/2 Sections 1-3, 10-15 K-1(e), K-2	5,760
2010-H-073	T11N, R2E	S 1/2 Sections 4-9, 16-18 K-1(e), K-4	5,628
2010-H-086	T11N, R3W	S 1/2 Sections 22-27, 34-36	5,760
2010-H-087	T11N, R3W	S 1/2 Sections 19-21, 28-33 K-2	5,653
2010-H-158	T9N, R3E	S 1/2 Sections 21, 28-33 K-1(a), K-1(f), Protections 1thru 9	5,716
2010-H-159	T9N, R3E	N 1/2 Sections 1-4, 11-14	5,120
2010-H-160	T9N, R2E	S 1/2 Sections 25-28, 33-36 K-1(a), K-1(f), Protections 1thru 9	4,850
2010-H-161	T9N, R1W	N 1/2 Sections 2, 3, 10, 11, 14, 15	3,840

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u> <u>Special Stipulations, if applicable</u>		<u>Acres</u>
2010-H-162	T10N, R3E	S 1/2 Sections 25 and 36	1,280
2010-H-163	T10N, R3E	S 1/2 Sections 30-32 K-1(f)	1,883
2010-H-164	T10N, R3E	N 1/2 Sections 1-3, 12 K-1(f), K-4	2,560
2010-H-165	T10N, R2W	N 1/2 Sections 3, 10-15 K-1(e)	4,481
2010-H-167	T11N, R3E	S 1/2 Sections 20, 21, 28, 29, 32 and 33 K-4	3,840
2010-H-169	T11N, R2E	S 1/2 Sections 1-3, 10-12, 14 and 15 K-1(e), K-4	5,120
2010-H-170	T11N, R1E	N 1/2 Sections 1-3	1,920
2010-H-171	T11N, R2W,	S 1/2 Sections 19, 20, 28-33 K-1(e)	5,013
2010-H-172	T11N, R2W T11N, R3W	N 1/2 Section 18 N 1/2 Sections 13-15	2,519

AREA L (Low Potential Area)
1/2 Township Tracts [11,520(+/-) Acres]

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u> <u>Special Stipulations, if applicable</u>		<u>Acres</u>
2010-L-002	T2S, R3W	N 1/2 Sections 2-10, Portion of sections 1, 11, 12, 15-18; K-1(a), Protection 1 thru 9	7,432
2010-L-007	T1S, R3W	S 1/2 Sections 19-36 K-1(a), Protection 1 thru 9	11,373
2010-L-009	T1S, R4W	S 1/2 Sections 19-36 K-1(a) Protection 1 thru 9	11,373
2010-L-010	T1S, R4W	N 1/2 Sections 1-18 K-1(a) Protection 1 thru 9	11,350

Tract #	Description (Township/Range/Sections/Portion) <u>Special Stipulations, if applicable</u>		Acres
2010-L-012	T1S, R5W	N 1/2 Sections 1-18 K-1 (a) Protection 1 thru 9	11,350
2010-L-015	T1N, R1E	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,485
2010-L-017	T1N, R1W	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,485
2010-L-024	T1N, R5W	S 1/2 Sections 19-36	11,508
2010-L-025	T1N, R5W	N 1/2 Sections 1-18 K-1(f)	11,485
2010-L-026	T2N, R2E T2N, R3E	S 1/2 Sections 19-36 S 1/2 Section 19, and Portions of sections 20, 30; K-1(a), K-1(d), Protection 1 thru 9	12,413
2010-L-027	T2N, R2E T2N, R3E	N 1/2 Sections 1-18 N 1/2 Portion of sections 6-7, 18; K-1(a), K-1(d), Protection 1 thru 9	12,901
2010-L-028	T2N, R1E	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,462
2010-L-029	T2N, R1E	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,439
2010-L-030	T2N, R1W	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,462
2010-L-031	T2N, R1W	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,439
2010-L-032	T2N, R2W	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,463
2010-L-033	T2N, R2W	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,439
2010-L-034	T2N, R3W	S 1/2 Sections 19-36 K-1(a), Protection 1 thru 9	11,462

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u> <u>Special Stipulations, if applicable</u>		<u>Acres</u>
2010-L-035	T2N, R3W	N 1/2 Sections 1-18 K-1(a), Protection 1 thru 9	11,439
2010-L-040	T3N, R2E T3N, R3E	S 1/2 Sections 19-36 S 1/2 Sections 19, 30, 31, and Portion of sections 20, 29, 32; K-1(a), K-1(d), Protection 1 thru 9	13,623
2010-L-041	T3N, R2E T3N, R3E	N 1/2 Sections 1-18 N 1/2 Section 7, 18 and Portion of sections 6, 8, 17; K-1(a), K-1(d), Protection 1 thru 9	13,478
2010-L-042	T3N, R1E	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,416
2010-L-043	T3N, R1E	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,393
2010-L-044	T3N, R1W	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,416
2010-L-045	T3N, R1W	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,393
2010-L-046	T3N, R2W	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,416
2010-L-047	T3N, R2W	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,393
2010-L-048	T3N, R3W	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,416
2010-L-049	T3N, R3W	N 1/2 Sections 1-18 K-1(d), K-2, Protection 1 thru 9	11,393
2010-L-050	T3N, R4W	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,416
2010-L-051	T3N, R4W	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,393

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u> <u>Special Stipulations, if applicable</u>		<u>Acres</u>
2010-L-052	T3N, R5W	S 1/2 Sections 19-36 K-1(f)	11,416
2010-L-053	T3N, R5W	N 1/2 Sections 1-18 K-1(f)	11,393
2010-L-063	T3N, R10W	N 1/2 Sections 1-18	11,393
2010-L-065	T3N, R11W	N 1/2 Sections 1-18	11,393
2010-L-066	T3N, R12W	S 1/2 Sections 21-28, 33-36 K-1(b)	7,680
2010-L-067	T3N, R12W T4N, R12W	N 1/2 Sections 1-2, 11-14; S 1/2 Sections 23-26, 35-36 K-1(b)	7,680
2010-L-068	T4N, R2E T4N, R3E	S 1/2 Sections 19-36 S 1/2 Portion of sections 19, 30, 31; K-1(a), K-1(d), Protection 1 thru 9	11,921
2010-L-069	T4N, R2E	N 1/2 Sections 2-11, 14-18, and Portion of sections 1, 12, 13; K-1(a), K-1(d), Protection 1 thru 9	10,832
2010-L-070	T4N, R1E	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,370
2010-L-071	T4N, R1E	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,346
2010-L-072	T4N, R1W	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,370
2010-L-073	T4N, R1W	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,346
2010-L-074	T4N, R2W	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,370
2010-L-075	T4N, R2W	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,346

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u> <u>Special Stipulations, if applicable</u>		<u>Acres</u>
2010-L-076	T4N, R3W	S 1/2 Sections 19-36 K-1(d), K-2, Protection 1 thru 9	11,370
2010-L-077	T4N, R3W	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,346
2010-L-078	T4N, R4W	S 1/2 Sections 19-36 K-1(f)	11,370
2010-L-079	T4N, R4W	N 1/2 Sections 1-18 K-1(f)	11,346
2010-L-080	T4N, R5W	S 1/2 Sections 19-36	11,370
2010-L-081	T4N, R5W	N 1/2 Sections 1-18	11,346
2010-L-082	T4N, R6W	S 1/2 Sections 19-36	11,370
2010-L-083	T4N, R6W	N 1/2 Sections 1-18	11,346
2010-L-084	T4N, R7W	S 1/2 Sections 19-36	11,370
2010-L-085	T4N, R7W	N 1/2 Sections 1-18	11,346
2010-L-087	T4N, R8W	N 1/2 Sections 1-18	11,346
2010-L-089	T4N, R9W	N 1/2 Sections 1-18 K-2	11,346
2010-L-090	T4N, R10W	S 1/2 Sections 19-36 K-2	11,370
2010-L-091	T4N, R10W	N 1/2 Sections 1-18 K-2	11,346
2010-L-092	T4N, R11W	S 1/2 Sections 19-36 K-1(a) Protection 1 thru 9	11,370
2010-L-093	T4N, R11W T4N, R12W	N 1/2 Sections 1-4, 7-18; N 1/2 Section 13 K-1(b)	10,767

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u>	<u>Acres</u>
	<u>Special Stipulations, if applicable</u>	
2010-L-096	T5N, R2E S 1/2 Sections 19-23, 26-35, and Portion of sections 24, 25, 36; K-1(a), K-1(d), Protection 1 thru 9	10,745
2010-L-097	T5N, R2E N 1/2 Sections 3-10, 15-18, and Portions of sections 2, 11, 14; K-1(a), K-1(d), Protection 1 thru 9	8,872
2010-L-098	T5N, R1E S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11, 508
2010-L-099	T5N, R1E N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,485
2010-L-100	T5N, R1W S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,508
2010-L-101	T5N, R1W N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,485
2010-L-102	T5N, R2W S 1/2 Sections 19-36 K-1(d) Protection 1 thru 9	11,508
2010-L-103	T5N, R2W N 1/2 Sections 1-18 K-1(d) Protection 1 thru 9	11,485
2010-L-104	T5N, R3W S 1/2 Sections 19-36 K-2	11,508
2010-L-106	T5N, R4W S 1/2 Sections 19-36 K-1(f)	11,508
2010-L-108	T5N, R5W S 1/2 Sections 19-36 K-2	11,508
2010-L-109	T5N, R5W N 1/2 Sections 1-18 K-2	11,485
2010-L-110	T5N, R6W S 1/2 Sections 19-36	11,508
2010-L-111	T5N, R6W N 1/2 Sections 1-18 K-2	11,485

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u> <u>Special Stipulations, if applicable</u>		<u>Acres</u>
2010-L-112	T5N, R7W	S 1/2 Sections 19-36 K-2	11,508
2010-L-113	T5N, R7W	N 1/2 Sections 1-18 K-2	11,485
2010-L-114	T5N, R8W	S 1/2 Sections 19-36 K-2	11,508
2010-L-115	T5N, R8W	N 1/2 Sections 1-18 K-2	11,485
2010-L-116	T5N, R9W	S 1/2 Sections 19-36 K-2	11,508
2010-L-117	T5N, R9W	N 1/2 Sections 1-18 K-2	11,485
2010-L-118	T5N, R10W	S 1/2 Sections 19-36	11,508
2010-L-119	T5N, R10W	N 1/2 Sections 1-18	11,485
2010-L-122	T6N, R2E	S 1/2 Sections 19-22, 27-34, and Portion of sections 23, 25, 26, 35, 36; K-1(a), K-1(d), Protection 1 thru 9	9,216
2010-L-123	T6N, R2E	N 1/2 Sections 3-10, 15-18, and Portion of sections 2, 11, 14; K-1(a), K-1(d), Protection 1 thru 9	8,797
2010-L-124	T6N, R1E	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,461
2010-L-125	T6N, R1E	N 1/2 Sections 1-18 K-1(d), Protection 1 thru 9	11,437
2010-L-126	T6N, R1W	S 1/2 Sections 19-36 K-1(d), Protection 1 thru 9	11,461
2010-L-127	T6N, R1W	N 1/2 Sections 1-18	11,437
2010-L-128	T6N, R2W	S/ 1/2 Sections 19-36 K-2	11,462

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u> <u>Special Stipulations, if applicable</u>		<u>Acres</u>
2010-L-129	T6N, R2W	N 1/2 Sections 1-18 K-2	11,437
2010-L-138	T6N, R7W	S 1/2 Sections 19-36 K-2	11,461
2010-L-140	T6N, R8W	S 1/2 Sections 19-36 K-2	11,461
2010-L-141	T6N, R8W	N 1/2 Sections 1-18 K-2	11,438
2010-L-142	T6N, R9W	S 1/2 Sections 19-36 K-2	11,461
2010-L-144	T6N, R10W	S 1/2 Sections 19-36 K-2	11,461
2010-L-146	T6N, R11W	S 1/2 Sections 22-27, 34-36; N 1/2 Sections 1, 2, 11-15 K-1(b), K-2	10,240
2010-L-147	T6N, R11W	N 1/2 Sections 1, 2, 11-15 K-2	4,480
2010-L-148	T7N, R1W	S 1/2 Sections 19-36 K-2	11,414
2010-L-149	T7N, R1W	N 1/2 Sections 1-18 K-1(g)	11,391
2010-L-150	T7N, R2W	S 1/2 Sections 19-36	11,414
2010-L-151	T7N, R2W	N 1/2 Sections 1-18 K-1(f)	11,391
2010-L-153	T7N, R3W	N 1/2 Sections 1-18 K-1(f)	11,391
2010-L-159	T7N, R6W	N 1/2 Sections 1-18 K-2	11,391
2010-L-160	T7N, R7W	S 1/2 Sections 19-36 K-2	11,414

Tract #	Description (Township/Range/Sections/Portion) <u>Special Stipulations, if applicable</u>		Acres
2010-L-161	T7N, R7W	N 1/2 Sections 1-18 K-2	11,391
2010-L-162	T7N, R8W	S 1/2 Sections 19-36 K-2	11,414
2010-L-163	T7N, R8W	N 1/2 Sections 1-18 K-2	11,391
2010-L-165	T7N, R9W	N 1/2 Sections 1-18 K-2	11,391
2010-L-167	T7N, R10W	N 1/2 Sections 1-18 K-2	11,391
2010-L-168	T7N, R11W	S 1/2 Sections 22-27, 35-36 K-1(b), K-2	5,120
2010-L-169	T7N, R11W T8N, R11W	N 1/2 Sections 1-2, 11-14; S 1/2 Sections 23-26, 35-36 K-1(b)	7,680
2010-L-170	T8N, R2W	S 1/2 Sections 19-36 K-1(f)	11,367
2010-L-171	T8N, R2W	N 1/2 Sections 1-18 K-1(f), K-2	11,343
2010-L-172	T8N, R3W	S 1/2 Sections 19-36 K-2	11,367
2010-L-173	T8N, R3W	N 1/2 Sections 1-18 K-2	11,343
2010-L-175	T8N, R4W	N 1/2 Sections 1-18 K-2	11,343
2010-L-178	T8N, R6W	S 1/2 Sections 19-36 K-2	11,367
2010-L-179	T8N, R6W	N 1/2 Sections 1-18 K-2	11,343

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u> <u>Special Stipulations, if applicable</u>		<u>Acres</u>
2010-L-180	T8N, R7W	S 1/2 Sections 19-36 K-2	11,367
2010-L-181	T8N, R7W	N 1/2 Sections 1-18 K-2	11,343
2010-L-182	T8N, R8W	S 1/2 Sections 19-36 K-2	11,367
2010-L-183	T8N, R8W	N 1/2 Sections 1-18 K-2	11,343
2010-L-184	T8N, R9W	S 1/2 Sections 19-36 K-2	11,367
2010-L-185	T8N, R9W	N 1/2 Sections 1-18 K-2	11,343
2010-L-186	T8N, R10W	S 1/2 Sections 19-36 K-2	11,367
2010-L-187	T8N, R10W	N 1/2 Sections 1-18 K-2	11,343
2010-L-189	T8N, R11W	N 1/2 Sections 1-3, 11-14 K-1(b)	4,480
2010-L-192	T9N, R4W	S 1/2 Sections 19-36 K-2	11,508
2010-L-196	T9N, R6W	S 1/2 Sections 19-36 K-2	11,508
2010-L-198	T9N, R7W	S 1/2 Sections 19-36 K-2	11,508
2010-L-200	T9N, R8W	S 1/2 Sections 19-36 K-2	11,508
2010-L-201	T9N, R8W	N 1/2 Sections 1-18 K-2	11,484

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u> <u>Special Stipulations, if applicable</u>		<u>Acres</u>
2010-L-202	T9N, R9W	S 1/2 Sections 19-36 K-2	11,508
2010-L-203	T9N, R9W	N 1/2 Sections 1-18 K-2	11,484
2010-L-204	T9N, R10W T9N, R11W	S 1/2 Sections 19-36; S 1/2 Sections 24-26, 35, 36 K-1(b), K-2	14,708
2010-L-205	T9N, R10W T9N, R11W	N 1/2 Sections 1-18; N 1/2 Section 13 K-1(b), K-2	12,125
2010-L-212	T10N, R6W	S 1/2 Sections 19-36 K-2	11,460
2010-L-213	T10N, R6W	N 1/2 Sections 1-18 K-2	11,435
2010-L-215	T10N, R7W	N 1/2 Sections 1-18 K-2	11,435
2010-L-216	T10N, R8W	S 1/2 Sections 19-36 K-2	11,460
2010-L-217	T10N, R8W	N 1/2 Sections 1-18 K-2	11,435
2010-L-218	T10N, R9W	S 1/2 Sections 19-36 K-2	11,460
2010-L-219	T10N, R9W	N 1/2 Sections 1-18 K-2	11,436
2010-L-220	T10N, R10W	S 1/2 Sections 19-36 K-2	11,460
2010-L-221	T10N, R10W	N 1/2 Sections 1-18 K-2	11,436

<u>Tract #</u>	<u>Description (Township/Range/Sections/Portion)</u>		<u>Acres</u>
	<u>Special Stipulations, if applicable</u>		
2010-L-223	T10N, R11W	N 1/2 Sections 1-5, 8-17; S 1/2 Sections 20-24 K-1(b), K-2	12,800

Appendix A: Lease Stipulations and Required Operating Procedures

Definitions

The following definitions in the context of this document apply to general lease stipulations and site specific lease stipulations (K-Lease stipulations) and Required Operating Procedures (ROPs):

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 1% or greater chance of flooding in any given year (also referred to as the 100-year or base floodplain).

Authorized Officer (AO): A position of authority for approval of various activities through delegation from the Secretary of the Interior. Currently, the designated AOs in the State of Alaska for leasing, surface use, and permitting are 1) State Director, 2) Manager of the Arctic Field Office in Fairbanks, and 3) Deputy State Director, Division of Resources.

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

Buffer: A zone extending outward or inward from the periphery of a “protected” feature for a specified distance. Activities and development may be prohibited or limited by type or time within the buffer dependent on the goal associated with applying the buffer.

Consultation: Consultation, as it is referenced in the lease stipulations, does not infer formal consultation as required under other legal mandates such as “Section 7 Consultation” under the ESA. Rather, consultation implies that the BLM or the Lessee/Permittee will contact other agencies or entities to inform them of potential actions and to seek input on noted topics. This includes informal contacts, and written, electronic, and/or verbal communication.

Criteria Air Pollutants: Those pollutants subject to the National Air Quality Standards (<http://www.epa.gov/air/criteria.html>). They currently include carbon monoxide, nitrogen dioxide, lead, ozone (including its precursors oxides of nitrogen and photo-reactive volatile organic compounds), particulate matter with an effective diameter of 10 micrometers in size, particulate matter with an effective diameter of 2.5 micrometers in size, and sulfur dioxide.

Development Activities: Any activity associated with construction and operation of facilities or equipment post exploration.

Field: The term used to describe the area containing surface infrastructure above one or more subsurface reservoirs. In this sense, “field” is analogous to “a Unit participating area or collection of participating areas.” The infrastructure in the field includes, but is not limited to, drilling and production pads, service roads, perhaps an airstrip, and processing and support facilities. Field infrastructure may be used in the development and production of several oil/gas accumulations in different subsurface reservoirs. Fields typically have a primary reservoir that supports initial development in addition to satellite reservoirs that are developed later and tie into the main facilities. Although oil and gas reservoirs may vary greatly in subsurface depth and other geologic characteristics, because they are located in the same geographic area it is more efficient to coordinate and share the necessary surface infrastructure. Fields may or may not be connected by permanent roads to adjacent fields or transportation facilities outside the field area.

Hazardous Air Pollutants: Those pollutants listed in the 1990 Amendments to the federal Clean Air Act, as amended, (<http://www.epa.gov/ttn/atw/orig189.html>) that cause or may cause cancer or other serious health effects, such as reproductive effects or birth defects, or adverse environmental and ecological effects. They currently include 188 chemicals and compounds.

In-field Roads: “In-field roads” are a component of the potential “footprint” of permanent oil and gas facilities. BLM defines “in-field roads” as gravel roads utilized by industry to conduct operational activities associated with development and production activities. The actual length/width and construction details of any gravel used for roads will be required as a component of any permit application for permanent facilities.

Lease Stipulation: Mitigation developed through BLM planning process/NEPA process that is specifically attached to any lease issued in the Northeast Planning Area.

Permanent Oil and Gas Facilities: Permanent Facilities include 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; also included are material sites such as sand and gravel, and “temporary platforms” if those platforms are used for production rather than exploration. Exploration wellheads and seasonal facilities such as ice roads and ice pads are excluded, even when the pads are designed for use in successive winters. This definition does not include over-summering ice pads for exploration purposes.

Required Operating Procedure: Mitigation developed through the BLM planning process/NEPA process that is not attached to the oil and gas lease but is required, implemented, and enforced at the operational level for all authorized (not just oil and gas) activities in the planning area.

Required Operating Procedures were developed with various mechanisms in place to ensure compliance. These mechanisms include the following:

- 1) Some ROPs are pre-application requirements; therefore compliance will precede approval of the proposed activity. For example, ROP H-1 a. requires consultation with affected communities prior to submission of an application for relevant activities within the Northeast Planning Area. If consultation has not taken place, the application will be rejected or will be considered incomplete until such time that the consultation has occurred.
- 2) Other ROPs are required design features, and will have to be incorporated into the applicant’s proposal. As an integral part of the proposal and the authorization, the requirement does not need to be stipulated to be enforceable. For example, a minimum pipeline height of 7 feet for above ground pipelines is a required design of any approved above ground pipeline (ROP E-7). Since the authorization (a ROW in this case) authorizes a pipeline with a minimum height of 7 feet, anything less (unless specifically approved through additional NEPA analysis and the permit) is not in compliance and enforcement

actions may be taken even if the permit does not specify a minimum of 7 feet.

- 3) Other ROPs will become conditions of approval on post oil and gas lease land use authorizations and they will be enforceable. For example, ROP C-1 prohibits heavy equipment used for cross-country moves within ½ mile of occupied grizzly bear dens.

Restricted Surface Occupancy: No permanent oil and gas facilities, except pipelines and, in some cases, roads, will be allowed.

Site Specific Lease Stipulation (K-Stipulations): A mitigation measure developed through the BLM planning process/NEPA process attached only to leases issued within spatially defined areas in the Northeast Planning Area (See Map 1).

Temporary Platform: A facility that does not require the use of an ice or gravel pad to support oil and gas and related exploration activities. An example of a temporary platform recently used on the North Slope is Anadarko Petroleum's Arctic Drilling Platform used for the company's Hot Ice Project during the winters of 2003-2004. The facility consisted of a series of platform modules joined together and supported above the tundra surface on steel legs. Once the project was completed the platform was disassembled and the support legs were removed, leaving the tundra surface undisturbed. Note: A temporary platform that is used for production, as opposed to exploration, would be considered a permanent oil and gas facility and be subject to the restrictions on placement of such structures.

Applicability of Requirements/Standards

All surface disturbing activities such as exploratory drilling, road/pipeline construction, seismic acquisition, and overland moves require additional authorization(s) issued subsequent to leasing. The stipulations and ROPs require that certain protections of resources and uses be achieved. Requirements and standards listed with the stipulations and ROPs represent BLM's current understanding of how lessees/permittees would achieve the objectives of the stipulation or ROP.

A lessee/permittee may propose a deviation from the requirements/standards of stipulations and ROPs as part of an authorization application. Prior to approving an alternative procedure as part of the authorization, BLM's staff would analyze the proposal and determine if the proposal incorporating the alternative procedure would achieve the objectives of the stipulations and ROPs. If the BLM determines that the alternative procedure proposed by the applicant would meet the stipulation's or ROP's objective, BLM could approve the alternative procedure.

If BLM determines that the alternative procedure proposed by the applicant is unlikely to meet the objectives of a stipulation or ROP, the AO may allow a deviation from the objectives and requirement/standard in a new decision document supported by additional NEPA analysis.

The BLM could independently require different actions than those listed under requirements/standards. If, after experience or additional study, BLM concludes that a requirement/standard is not achieving or is unlikely to achieve the protective objective when applied to a specific future on-the-ground action or would not do so as well as the use of recently proven technology or techniques, BLM could at the permitting stage and under the terms of the stipulation or ROP, impose other restrictions to meet the objective.

Stipulations and Required Operating Procedures

Waste Prevention, Handling, Disposal, Spills, Air Quality, and Public Health and Safety:

A-1 Required Operating Procedure

Objective: Protect the health and safety of oil field workers and the general public by disposing of solid waste and garbage in accordance with applicable Federal, state, and local law and regulations.

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 and 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. The plan shall be submitted to the AO for approval, in consultation with Federal, state, and NSB 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. 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 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 list of approved precautions, specific to the type of permitted use, can be obtained from the AO.)
- b. Disposal of putrescible waste. 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 USEPA and 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, the BLM requires that all pumpable solid, liquid, and sludge waste 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, as approved by ADEC, will be allowed as necessary to facilitate annular injection and/or backhaul operations.
- d. Disposal of wastewater and domestic wastewater. The BLM prohibits wastewater discharges or disposal of domestic wastewater into bodies of fresh, estuarine, and marine water, including wetlands, unless authorized by a 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) shall consist of Best Management Practices (BMPs) 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 appropriate staff shall be instructed regarding these procedures.

In addition contingency plans related to facilities developed for oil production shall include requirements to:

- a. provide refresher spill-response training to NSB and local community spill-response teams on a yearly basis,
- b. plan and conduct a major spill-response field-deployment drill annually,
- c. prior to production and as required by law, 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 National Petroleum Reserve - Alaska 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.

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 subsistence 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 (Oil Pollution Act). 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 that in total exceed 1,320 gallons shall be stored within an impermeable lined and diked area or within approved alternate storage containers, such as over packs, capable of containing 110% of the stored volume. In areas within 500 feet of water bodies, fuel containers are to be stored within appropriate containment.
- 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.
- g. Identification of Oil Pans (“duck ponds”). All oil pans shall be marked with the responsible party's name.

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 feet of the active floodplain of any water body is prohibited. Fuel storage stations shall be located at least 500 feet from any water body with the exception of small caches (up to 210 gallons) for motor boats, 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.

Requirement/Standard: Surface discharge of reserve-pit fluids is prohibited.

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: Discharge of produced water in upland areas and marine waters is prohibited.

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 discourage bears from approaching the drill site.
- e. Provide contingencies in the event bears do not leave the site or cannot be discouraged 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.
- h. Encourage lessee/permittee to participate and comply with the Incidental Take Program under the Marine Mammal Protection Act.

A-9 Required Operating Procedure

Objective: Reduce air quality impacts.

Requirement/Standard: Concurrent with implementation of the requirement for adoption of use of ultra low sulfur diesel in the “North Slope Ultra Low Sulfur Diesel Transition Agreement,” as amended, between the State of Alaska, BP Exploration (Alaska) Inc. and ConocoPhillips Alaska, Inc., or implementation of federal regulations requiring use of “ultra low sulfur” diesel within NPR-A if these regulations take effect prior to the “Transition Agreement,” all oil and gas operations (vehicles and equipment) that burn diesel fuels must use “ultra low sulfur” diesel as defined by the Alaska Department of Environmental Conservation – Division of Air Quality, subject to its availability. The use of alternative diesel fuel may be considered and approved by BLM’s Authorized Officer on a case-by-case basis.

A-10 Required Operating Procedure

Objective: Prevent unnecessary or undue degradation of the lands and protect health.

Requirement/Standard: This measure includes the following elements:

- a. Prior to initiation of a NEPA analysis for an application to develop a CPF, production pad/well, airstrip, road, gas compressor station, or other potential substantial air pollutant emission source, the lessee shall obtain on-site background air quality and meteorology data to be used in predicting potential future air quality conditions resulting from the proposed action and other Reasonably Foreseeable Future Actions. Monitoring should examine the background concentration of criteria air pollutants. Monitoring data collection must meet BLM standards for quality control and quality assurance before use. (The BLM may consult with the applicant and appropriate federal, state, and/or local agencies to avoid duplication of effort.) The monitoring mechanism for the predevelopment stage would be one that does not require an on-site air polluting emission source. If background data exists that the AO determines is representative of that existing at the proposed development site, the AO may waive this requirement.

- b. For developments with a potential for air pollutant emissions as described in subparagraph (a), the lessee shall prepare (and submit for BLM approval) a complete list of reasonably foreseeable air pollutant emissions, including, but not limited to criteria air pollutants and hazardous air pollutants designated under authority of the Clean Air Act, as amended.
- c. For developments with a potential for air pollutant emissions as described in subparagraph (a) and informed by the pollutant emissions identified in subparagraph (b), the AO may require air quality modeling using BLM-approved atmospheric dispersion models that are appropriate for local conditions. (The AO may consult with the applicant and appropriate federal, state, and/or local agencies regarding modeling to inform his/her decision and avoid duplication of effort.) The modeling shall compare predicted impacts to all applicable local, state, and Federal air quality standards and increments, as well as other scientifically defensible significance thresholds (such as impacts to Air Quality Related Values, incremental cancer risks, etc.).
- d. Depending on the significance of the predicted impacts, a lessee proposing a CPF or other facility with potentially significant impacts on air quality may be required to monitor air pollutant emissions and/or air quality impacts for at least one year of operation. Depending upon the initial monitoring results, the AO may require additional monitoring.
- e. If monitoring indicates impacts would cause unnecessary or undue degradation of the lands or fail to protect health (either directly or through use of subsistence resources), the AO may require changes in the lessee's activities at any time to reduce these emissions, such as, but not limited to, use of cleaner-burning fuels or installation of additional emission control systems.

A-11 Required Operating Procedure

Objective: Ensure that permitted activities do not create human health risks through contamination of subsistence foods.

Requirement/Standard: A lessee proposing a permanent oil and gas development shall design and implement a monitoring study of contaminants in locally-used subsistence foods. The monitoring study shall examine subsistence foods for all contaminants that could be associated with the proposed development. The study shall identify the level of contaminants in subsistence foods prior to the proposed permanent oil and gas development

and monitor the level of these contaminants throughout the operation and abandonment phases of the development. If ongoing monitoring detects a measurable and persistent increase in a contaminant in subsistence foods, the lessee shall design and implement a study to determine how much, if any, of the increase in the contaminant in subsistence foods originates from the lessee's activities. If the study determines that a portion of the increase in contamination in subsistence foods is caused by the lessee's activities, the AO may require changes in the lessee's processes to reduce or eliminate emissions of the contaminant. The design of the study/studies must meet the approval of the AO. The AO may consult with appropriate Federal, state, and NSB agencies prior to approving the study/studies design. The AO may require/authorize changes in the design of the studies throughout the operations and abandonment period, or terminate or suspend studies if results warrant.

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, and waterfowl.

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

- a. Lakes that are ≥ 7 feet with sensitive fish (any fish except ninespine stickleback or Alaska blackfish), water available for withdrawal is limited to 15% of calculated volume deeper than 7 feet; lakes that are between 5 and 7 feet with sensitive fish, water available for withdrawal would be calculated on a case by case basis.
- b. Lakes that are ≥ 5 feet with only non-sensitive fish (i.e., ninespine stickleback or Alaska blackfish), water available for withdrawal is limited to 30% of calculated volume deeper than 5 feet.

- c. Any lake with no fish present, regardless of depth, water available for withdrawal is up to 35% as specified within the permit.
- 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 or lake of special concern.
- 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, and depth, and fish population and species diversification.
- f. Removed ice aggregate shall be included in the 15% or 30% withdrawal limits—whichever is the appropriate case—unless otherwise approved.
- g. Any water intake structures in fish bearing or non-fish bearing waters shall be designed, operated, and maintained to prevent fish entrapment, entrainment, or injury. Note: All water withdrawal equipment must be equipped and must utilize fish screening devices approved by the Alaska Department of Natural Resources (ADNR).
- 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.

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

Winter Overland Moves and Seismic Work:

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 is prohibited within ½ mile of occupied grizzly bear dens identified by the ADFG unless alternative protective measures are approved by the AO in consultation with the ADFG.
- b. Cross-country use of heavy equipment and seismic activities is prohibited within 1 mile of known or observed polar bear dens or seal birthing lairs. Operators shall consult with the USFWS 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 cover 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 feet 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.
- f. Motorized ground-vehicle use within the CRSA associated with overland moves, seismic work, and any similar use of heavy equipment shall be minimized within the Colville River Raptor, Passerine, and Moose Area 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.

C-3 Required Operating Procedure

Objective: Maintain natural spring runoff patterns and fish passage, avoid flooding, prevent streambed sedimentation and scour, 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. Except at approved crossings, operators are encouraged to travel a minimum of 100 feet from known overwintering fish streams and lakes.

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 streambeds is prohibited unless it can be demonstrated that there will be no additional impacts from such travel to over-wintering fish or the invertebrates they rely on. Rivers and streams shall be crossed at shallow riffles from point bar to point bar whenever possible.

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.

D-2 Lease Stipulation

Objective: Minimize surface impacts from exploratory drilling.

Requirement/Standard: Construction of permanent or gravel oil and gas facilities shall be prohibited for exploratory drilling. Use of a previously constructed road or pad may be permitted if it is environmentally preferred.

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 create minimal environmental impacts and to protect subsistence use and access to traditional subsistence hunting and fishing areas. The AO will consult with appropriate Federal, state, and NSB regulatory and resources agencies prior to approving construction of roads. Subject to approval by the AO, the construction, operation and maintenance of oil field roads is the responsibility of the lessee unless the construction, operation, and maintenance of roads are assumed by the appropriate governing entity.

E-2 Lease Stipulation

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

Requirement/Standard: Permanent oil and gas facilities, including roads, airstrips, and pipelines, are prohibited upon or within 500 feet as measured from the ordinary high water mark. Essential pipeline and road crossings will be permitted on a case-by-case basis. Note: Also refer to Area-Specific Stipulations and ROPs for Rivers Area (*Lease Stipulation K-1*) and Deep Water Lakes (*Lease Stipulation K-2*).

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.

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 drilling 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, developed in consultation with appropriate Federal, state, and NSB regulatory and resource agencies, shall 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 and shall be constructed to accommodate the best available technology for detecting and preventing corrosion or mechanical defects during routine structural integrity inspections.

E-5 Required Operating Procedure

Objective: Minimize impacts of the development footprint.

Requirement/Standard: Facilities shall be designed and located to minimize the development footprint to the maximum extent practicable considering environmental, economic, safety, and social impacts. Issues and methods that are to be considered include: a) use of maximum feasible extended-reach drilling for production drilling to minimize the number of pads and the network of roads between pads; b) sharing facilities with existing development when prudent and technically feasible; c) collocation of all oil and gas facilities, except airstrips, docks, and seawater-treatment plants, with drill pads; d) integration of airstrips with roads; e) use of gravel-reduction technologies, e.g., insulated or pile-supported pads. Note: Where aircraft traffic is a concern, 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, impacts to wetlands and floodplains, 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, reduce erosion, maintain natural drainage, and minimize 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 NSB 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 shall be maintained. Separating roads from pipelines may not be feasible within narrow land corridors between lakes and where pipelines and roads converge on a drill pad. Where it is not feasible to separate pipelines and roads, alternative pipeline routes, designs and possible burial within the road will be considered by the AO.

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 be developed in consultation with appropriate Federal, state, and NSB regulatory and resource agencies and 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 the 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:

- a. 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.
- b. Feeding of wildlife is prohibited and will be subject to non-compliance regulations.

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: Illumination of all structures between August 1 and October 31 shall be designed to direct artificial exterior lighting inward and downward, rather than upward and outward, unless otherwise required by the Federal Aviation Administration.

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 the following species shall be conducted within any area proposed for development.

Special Conditions in Spectacled and/or Steller's Eiders Habitats:

- a. Surveys shall be conducted by the lessee for at least 3 years before authorization of construction, if such construction is within the USFWS North Slope eider survey area and at least 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 USFWS 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 colliding with above-ground utility lines (power and communication), such lines shall either be buried in access roads or suspended on vertical support members except in rare cases which are to be few in number and limited in extent. Exceptions are limited to the following situations, and must be reported to the USFWS when exceptions are authorized:
 - 1. Overhead power or communication lines may be allowed when located entirely within the boundaries of a facility pad;
 - 2. Overhead power or communication lines may be allowed when engineering constraints at the specific and limited location make it infeasible to bury or connect the lines to a vertical support member; or
 - 3. Overhead power or communication lines may be allowed in situations when human safety would be compromised by other methods.
 - d. To reduce the likelihood of spectacled and/or Steller's eiders colliding with communication towers, towers should be located, to the extent practicable, on existing pads and as close as possible to buildings or other structures, and on the east or west side of buildings or other structures if possible. Support wires associated with communication towers, radio antennas, and other similar facilities, should be avoided to the extent practicable. If support wires are necessary, they should be clearly marked along their entire length to improve visibility to low flying birds. Such markings shall be developed through consultation with the USFWS.

Special Conditions in Yellow-billed Loon Habitats:

- a. Aerial surveys shall be conducted by the lessee for at least 3 years before authorization of construction of facilities proposed for development which 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. The default standard mitigation is a 1-mile buffer around all recorded nest sites and a minimum 1,625-foot (500-meter) buffer around the remainder

of the shoreline. Development will generally be prohibited within buffers unless no other option exists.

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 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 analysis 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 the 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.

E-14 Required Operating Procedure

Objective: Ensure the passage of fish at stream crossings.

Requirement/Standard: To ensure that crossings provide for fish passage, all proposed crossing designs shall adhere to the best management practices (BMPs) outlined in "Stream Crossing Design Procedure for Fish Streams on the North Slope Coastal Plain" by McDonald et al. (1994), "Fundamentals of Culvert Design for Passage of Weak-Swimming Fish" by Behlke et al. (1991), and other generally accepted best management procedures prescribed by the AO. To adhere to these BMPs, at least three years of hydrologic and fish data shall be collected by the lessee for any proposed crossing of a stream whose structure is designed to occur, wholly or partially, below the stream's ordinary high water mark. These data shall include, but are not limited to, the range of water levels (highest and lowest) at the location of the planned crossing, and the seasonal distribution and composition of fish populations using the stream.

E-15 Required Operating Procedure

Objective: Prevent or minimize the loss of nesting habitat for cliff nesting raptors.

Requirement/Standard:

- a. Removal of greater than 100 cubic yards of sand and/or gravel from cliffs shall be prohibited.
- b. Any extraction of sand and/or gravel from an active river or stream channel shall be prohibited unless preceded by a hydrological study that indicates no potential impact by the action to the integrity of the river bluffs.

E-16 Required Operating Procedure

Objective: Prevent or minimize the loss of raptors due to electrocution by power lines.

Requirement/Standard: Comply with the most up to date industry accepted suggested practices for raptor protection on power lines. Current accepted standards were published in *Suggested Practices for Avian Protection on Power Lines: The State of the Art in 2006* in 2006 by the Avian Power Line Interaction Committee (APLIC) and are updated as needed.

E-17 Stipulation/ROP (*This measure is to be incorporated as a stipulation in new and renewed leases. It is a ROP for existing leases and will be required for any relevant permanent facilities.*)

Objective: Minimize impacts to important spectacled eider nesting habitat.

Requirement/Standard: With the exception of pipelines, no a.) permanent oil and gas facilities, b.) material sites, or c.) staging areas that would occupy land through more than one winter season would be permitted in spectacled eider nesting and breeding habitat identified by the USFWS as being “high” density (≥ 1.06 eiders per square mile) using the best available long-term data from the Annual Eider Breeding Survey at the time development is proposed.

E-18 Required Operating Procedure

Objective: Avoid and reduce temporary impacts to productivity from disturbance near Steller’s and/or spectacled eider nests.

Requirement/Standard: Ground-level activity (by vehicle or on foot) within 200 meters of occupied Steller’s and/or spectacled eider nests, from June 1 through August 15, will be restricted to existing thoroughfares, such as pads and roads. Construction of permanent facilities, placement of fill, alteration

of habitat, and introduction of high noise levels within 200 meters of occupied Steller's and/or spectacled eider nests will be prohibited. In instances where summer (June 1 through August 15) support/construction activity must occur off existing thoroughfares, USFWS-approved nest surveys must be conducted during mid-June prior to the approval of the activity. Collected data would be used to evaluate whether the action could occur based on employment of a 200m buffer around nests or if the activity would be delayed until after mid-August once ducklings are mobile and have left the nest site. The BLM will also work with the USFWS to schedule oil spill response training in riverine, marine, and inter-tidal areas that occurs within 200 meters of shore outside sensitive nesting/brood-rearing periods or conduct nest surveys. The protocol and timing of nest surveys for Steller's and/or spectacled eiders will be determined in cooperation with the USFWS, and must be approved by the USFWS. Surveys should be supervised by biologists who have previous experience with Steller's and/or spectacled eider nest surveys.

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 (Note: This ROP is not intended to restrict flights necessary to survey wildlife to gain information necessary to meet the stated objective of the stipulations and ROPs. However, flights necessary to gain this information will be restricted to the minimum necessary to collect such data):

- a. Aircraft shall maintain an altitude of at least 1,500 feet 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 the BLM necessary to plan flight routes when routes may go near falcon nests.
- b. Aircraft shall maintain an altitude of at least 1,000 feet 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. The AO will consult directly with the Alaska Department of Fish and Game in annually defining caribou winter ranges.
- c. Land user shall submit an aircraft use plan as part of an oil and gas exploration or development proposal. The plan shall address strategies to minimize impacts to subsistence hunting and associated activities, including but not limited to the number of flights, type of aircraft, and flight altitudes and routes, and shall also include a plan to monitor flights. Proposed aircraft use plans should be reviewed by appropriate Federal, state, and Borough agencies. Consultations with these same agencies will be required if unacceptable disturbance is identified by subsistence users. Adjustments, including possible suspension of all flights, may be required by the AO if resulting disturbance is determined to be unacceptable. 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 fewer 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 feet AGL (except for takeoffs and landings) over the Teshekpuk Lake Caribou Habitat Area (Map 1) from May 20 through August 20, unless doing so would endanger human life or violate safe flying practices. Aircraft use (including fixed wing and helicopter) by oil and gas lessees in the Goose Molting Area (Map 2) should be minimized from May 20 through August 20, unless doing so would endanger human life or violate safe flying practices.

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. Within the Goose Molting Area, the AO, when determining if it is in the best interest of the public to retain a facility, will consider the impacts of retention to molting geese and goose molting habitat.

Subsistence Consultation for Permitted Activities:

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 NSB, and the National Petroleum Reserve - Alaska Subsistence Advisory Panel to discuss the siting, timing and methods of their proposed operations to help discover local traditional and scientific knowledge, resulting in measures that minimize impacts to subsistence uses. 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 National Petroleum Reserve - Alaska 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.

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. 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. Permittees that propose barging facilities, equipment, supplies, or other materials to NPR-A in support of oil and gas activities in the planning area shall notify, confer, and coordinate with the Alaska Eskimo Whaling Commission, the appropriate local community whaling captains' associations, and the NSB to minimize impacts from the proposed barging on subsistence whaling activities.

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 in ROP H-1 for permitted activities, before applying for permits to conduct geophysical (seismic) exploration, the applicant shall 1) consult with local communities and residents and 2) notify the local Search and Rescue

organizations of current and recent seismic surveys. For the purpose of this standard, a potentially affected cabin/campsite is defined as any camp or campsite within the boundary of the area subject to proposed geophysical exploration and/or within 1 mile of actual or planned travel routes used to supply the seismic operations while it is in operation.

- 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 NSB's 2001 (or most current) inventory of cabins and campsites.
- c. 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.
- d. The AO will prohibit seismic work within 1 mile of any known, long-term, cabin or campsite unless an alternate agreement between the cabin/campsite owner/user is reached through the consultation process and presented to the AO. (Regardless of the consultation outcome, the AO will prohibit wintertime seismic work within 300 feet of a known long-term cabin or campsite.)
- e. The permittee shall notify the appropriate local Search and Rescue (e.g., Nuiqsut Search and Rescue, Atqasuk Search and Rescue) of their current operational location within the NPR-A on a weekly basis. This notification should include a map indicating the current extent of surface use and occupation, as well as areas previously used/occupied during the course of the operation in progress. The purpose of this notification is to allow hunters up-to-date information regarding where seismic exploration is occurring, and has occurred, so that they can plan their hunting trips and access routes accordingly. Identification of the appropriate Search and Rescue offices to be contacted can be obtained from the NPR-A Subsistence Advisory Panel.

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, ROPs, 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 ROPs 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. Provide a copy of 43 CFR 3163 regarding Non-Compliance Assessment and Penalties to on-site personnel.
- k. Include training designed to ensure strict compliance with local and corporate drug and alcohol policies. This training should be offered to the NSB Health Department for review and comment.
- l. Include training developed to train employees on how to prevent transmission of communicable diseases, including sexually transmitted diseases, to the local communities. This training should be offered to the NSB Health Department for review and comment.

Endangered Species Act—Section 7 Consultation Process:

J. The lease areas may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or to have some other special status. The BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activities that will contribute to the need to list such a species or their habitat. The BLM may require modifications to or disapprove a 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. The BLM will not approve any activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 USC § 1531 et seq., including completion of any required procedure for conference or consultation.

Lease Stipulations that Apply in Biologically Sensitive Areas:

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 campsites; the disruption of subsistence activities; and impacts to scenic and other resource values.

Requirement/Standard: Permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines, are prohibited in the streambed and adjacent to the rivers listed below at the distances identified. (Gravel mines may be located within the active flood plain consistent with ROP E-8). With the exception of the Ikpihpuk River, these setbacks are measured from the bank of the river as determined by the hydrology at the time of application. The standard setback is $\frac{1}{2}$ mile (from the bank's highest high water mark) and increased to $\frac{3}{4}$ mile (from the bank's highest high water mark) where subsistence cabin and campsites are numerous. Along the Colville River and a portion of the Ikpihpuk a 1-mile (from the bank's highest high water mark) setback is required to protect important raptor habitat (for locations along rivers where setback distances change). On a case-by case basis, and in consultation with Federal, state, and NSB regulatory and resource agencies (as appropriate, based on agency legal authority and jurisdictional responsibility), essential pipeline and road crossings to the main channel will be permitted 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 boundary of NPR-A along the Colville River as determined by cadastral survey to be the highest high watermark on the left (western or northern) bank extending the length of that portion of the river located within the planning area. Note: The planning area excludes conveyed Native lands along the lower reaches of the Colville River. Development of road crossings intended to support oil and gas activities shall be consolidated with other similar projects and uses to the maximum extent possible. 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 National Petroleum Reserve - Alaska.
- b. **Ikpihpuk River:** a $\frac{3}{4}$ -mile setback from each side of the centerline ($1\frac{1}{2}$ miles total) of the Ikpihpuk River extending from the mouth south to Sec. 19, T. 7 N., R. 11 W., U.M. (Umiat Meridian). From Sec. 19, T. 7 N., R. 11 W., U.M., to Sec. 4, T. 3 N., R. 12 W., U.M., a 1-mile setback is required. Beginning at Sec. 4, T. 3 N., R. 12 W., U.M., a $\frac{1}{2}$ -mile setback from the centerline (1 mile total) will be required to the confluence of the Kigalik River and Maybe Creek.

- Note: The setback distances only apply to the east bank where the Ikpiuk River is the planning area boundary.
- c. **Miguakiak River:** a ½-mile setback from the bank's highest high water mark.
 - d. **Kikiakrorak and Kogosukruk Rivers:** Note: The following discussion refers only to portions of the Kikiakrorak River downstream from T. 2 N., R. 4 W., U.M. and the Kogosukruk River (including the four tributaries off the southern bank) downstream from T. 2 N., R. 3 W., U.M.. No permanent oil and gas surface facilities, except essential transportation crossings, would be allowed within 1 mile of the top of the bluff (or bank if there is no bluff) on either side of the rivers and several of the Kogosukruk tributaries.
 - e. **Fish Creek:** No permanent oil and gas surface facilities, except essential transportation crossings, would be allowed within 3 miles (from the bank's highest high water mark) of the creek downstream from the eastern edge of Sec. 31, T. 11 N., R. 1 E., U.M. or within ½ mile (from the bank's highest high water mark) of the creek farther upstream.
 - f. **Judy Creek:** a ½-mile setback from the banks' highest high water mark extending from the mouth to the confluence of an unnamed tributary in Sec. 8, T8N., R.2W., Umiat Meridian.
 - g. **Tingmiaksiqvik River:** No permanent oil and gas surface facilities, except essential transportation crossings, would be allowed within ½ mile (from the bank's highest high water mark) of this river from its headwaters within Sec. 13, T. 7 N., R. 1 W., U.M. downstream to its confluence with Fish Creek.

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 campsites; and the disruption of subsistence activities.

Requirement/Standard: Generally, 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 greater than 13 feet [4 meters]; Mellor 1985). On a case-by-case basis in consultation with Federal, state and NSB regulatory and resource agencies (as appropriate based on

agency legal authority and jurisdictional responsibility), essential pipeline(s), road crossings, and other permanent facilities may be considered through the permitting process in these areas where the lessee can demonstrate on a site-specific basis that impacts will be minimal and if it is determined that there is no feasible or prudent alternative.

K-3 Stipulation - Teshekpuk Lake Shoreline

(Note: Teshekpuk Lake and islands within the lake (approximately 219,000 acres) will not be available for oil and gas leasing.)

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 this large and regionally significant deep water lake; the loss of cultural and paleontological resources; impacts to subsistence cabins, campsites and associated activities; and to protect fish and wildlife habitat including important insect relief areas.

Requirement/Standard: Permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines, are prohibited within ¼ mile of the ordinary high water mark of Teshekpuk Lake. In addition, no permanent oil and gas facilities, except pipelines, would be allowed in portions of Ts. 14-15 N., R. 9 W., and T. 15 N., R. 8 W., U.M. greater than ¼ mile of the ordinary high water mark of Teshekpuk Lake as depicted on Map 1. (No alternative procedures will be approved.)

K-4 Lease Stipulation - Goose Molting Area

Objective: Minimize disturbance to molting geese and loss of goose molting habitat in and around lakes in the Goose Molting Area.

Requirement/Standard (General): Within the Goose Molting Area no permanent oil and gas facilities, except for pipelines will be allowed on the approximately 240,000 acres of lake buffers illustrated in lavender on Map 2. No alternative procedures will be considered. Prior to the permitting of a pipeline in the Goose Molting Area, a workshop will be convened to determine the best corridor for pipeline construction in efforts to minimize impacts to wildlife and subsistence resources. The workshop participants will include but will not be limited to Federal, state, and NSB representatives. In addition, only “In Field” roads will be authorized as part of oil and gas field development.

Requirement/Standard (Exploration): In goose molting habitat area exploratory drilling shall be limited to temporary facilities such as ice pads, ice roads, and ice airstrips, unless the lessee demonstrates that construction

of permanent facilities (outside the identified Goose Molting Restricted Surface Occupancy Areas) such as gravel airstrips, storage pads, and connecting roads is environmentally preferable (Also see *Stipulation K-11* regarding allowable surface disturbance). In addition, the following standards will be followed for permitted activities:

- a. From June 15 through August 20 exploratory drilling and associated activities are prohibited. The intent of this rule is to restrict exploration drilling during the period when geese are present.
- b. Water extraction from any lake used by molting geese shall not alter hydrological conditions that could adversely affect identified goose-feeding habitat along lakeshore margins. Considerations will be given to seasonal use by operators (generally in winter) and geese (generally in summer), as well as recharge to lakes from the spring snowmelt.
- c. Oil and gas exploration activities will avoid alteration (e.g., damage or disturbance of soils, vegetation, or surface hydrology) of critical goose-feeding habitat types along lakeshore margins (grass/sedge/moss), as identified by the AO in consultation with the USFWS.

Requirement/Standard (Development): In Goose Molting Area, the following standards will be followed for permitted activities:

- a. Within the Goose Molting Area from June 15 through August 20, all off-pad activities and major construction activities using heavy equipment (e.g., sand/gravel extraction and transport, pipeline and pad construction, but not drilling from existing production pads) shall be suspended (see also Lease Stipulation K-5-d), unless approved by the AO in consultation with the appropriate Federal, state, and NSB regulatory and resource agencies. The intent of this requirement is to restrict activities that will disturb molting geese during the period when geese are present.
- b. Water extraction from any lakes used by molting geese shall not alter hydrological conditions that could adversely affect identified goose-feeding habitat along lakeshore margins. Considerations will be given to seasonal use by operators (generally in winter) and geese (generally in summer), as well as recharge to lakes from the spring snowmelt.
- c. Oil and gas activities will avoid altering (i.e., damage or disturbance of soils, vegetation, or surface hydrology) critical goose-feeding habitat types along lakeshore margins (grass/sedge/moss) and salt marsh habitats.
- d. Permanent oil and gas facilities (including gravel roads, pads, and airstrips, but excluding pipelines) and material sites will be sited

- outside the identified buffers and RSO areas. Additional limits on development footprint apply; (also see Lease Stipulation K-11.)
- e. Between June 15 and August, 20 within the Goose Molting Area, oil and gas facilities shall incorporate features (e.g., temporary fences, siting/orientation) that screen/shield human activity from view of any Goose Molting Area lake, as identified by the AO in consultation with appropriate Federal, state, and NSB regulatory and resource agencies.
 - f. Strategies to minimize ground traffic shall be implemented from June 15 through August 20. These strategies may include limiting trips, use of convoys, different vehicle types, etc. to the extent practicable. The lessee shall submit with the development proposal a vehicle use plan that considers these and any other mitigation. The vehicle use plan shall also include a vehicle-use monitoring plan. Adjustments will be required by the AO if resulting disturbance is determined to be unacceptable.
 - g. Within the Goose Molting Area aircraft use (including fixed wing and helicopter) shall be restricted from June 15 through August 20 unless doing so endangers human life or violates safe flying practices. Restrictions may include: 1) limiting flights to two round-trips/week, and 2) limiting flights to corridors established by the BLM after discussions with appropriate Federal, state, and NSB regulatory and resource agencies. The lessee shall submit with the development proposal an aircraft use plan that considers these and other mitigation. The aircraft use plan shall also include an aircraft monitoring plan. Adjustments, including perhaps suspension of all aircraft use, will be required by the AO if resulting disturbance is determined to be unacceptable. Note: This site-specific lease stipulation is not intended to restrict flights necessary to survey wildlife to gain information necessary to meet the stated objective of the stipulations and ROPs. However, flights necessary to gain this information will be restricted to the minimum necessary to collect such data.
 - h. Any permit for development issued under this IAP/EIS will include a requirement for the lessee to conduct monitoring studies necessary to adequately determine consequences of development and any need for change to mitigations. Monitoring studies will be site- and development-specific within a set of over-arching guidelines developed by the BLM after conferring with appropriate Federal, state, NSB agencies. The study(s) will include the construction period and will continue for a minimum of 3 years after construction has been completed and production has begun. The monitoring studies

will be a continuation of evaluating the effectiveness of the K-4 Lease Stipulation requirements in meeting the objective of K-4 and determine if any changes to the lease stipulation or any project specific mitigation(s) are necessary. If changes are determined to be necessary, the BLM, with the lessee and/or their representative, will conduct an assessment of the feasibility of altering development operation (e.g. reduced human activity, visibility barriers, noise abatement). Any changes determined necessary will be implemented prior to authorization of any new construction.

K-5 Lease Stipulation - Teshekpuk Lake Caribou Habitat Area

Objective: Minimize disturbance and hindrance of caribou, or alteration of caribou movements through portions the Teshekpuk Lake Caribou Habitat Area that are essential for all season use, including calving and rearing, insect-relief, and migration.

Requirement/Standard: In the Teshekpuk Lake Caribou Habitat Area the following standards will be applied to permitted activities:

- a. Before authorization of construction of permanent facilities (limited as they may be by RSO areas established in other lease stipulations), the lessee shall design and implement and report a study of caribou movement unless an acceptable study(s) specific to the Teshekpuk Lake Caribou Herd (TLCH) has been completed within the last 10 years. The study shall include a minimum of four years of current data on the TLCH movements and the study design shall be approved by the AO in consultation with the appropriate Federal, state, and NSB wildlife and resource agencies. The study 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 TLCHA. Study data may be gathered concurrently with other activities as approved by the AO and in consultation with the appropriate Federal, state, and NSB wildlife and resource agencies. A final report of the study results will be prepared and submitted. Prior to the permitting of a pipeline in the TLCHA, a workshop will be convened to identify the best corridor for pipeline construction in efforts to minimize impacts to wildlife (specifically the TLCH) and subsistence resources. The workshop participants will include but will not be limited to Federal, state, and NSB representatives. All of these modifications will increase protection for caribou and other wildlife that utilize the TLCHA during all seasons.

- b. Within the TLCHA, lessees shall orient linear corridors when laying out oil field developments to the extent practicable, to address migration and corralling effects and to avoid loops of road and/or pipeline that connect facilities.
- c. Ramps over pipelines, buried pipelines, or pipelines buried under the road may be required by the AO, after consultation with appropriate Federal, state, and NSB regulatory and resource agencies, in the TLCHA where pipelines potentially impede caribou movement.
- d. Major construction activities using heavy equipment (e.g., sand/gravel extraction and transport, pipeline and pad construction, but not drilling from existing production pads) shall be suspended within TLCHA from May 20 through August 20, unless approved by the AO in consultation with the appropriate Federal, state, and NSB regulatory and resource agencies. The intent of this requirement is to restrict activities that will disturb caribou during calving and insect-relief periods. If caribou arrive on the calving grounds prior to May 20, major construction activities will be suspended. The lessee shall submit with the development proposal a “stop work” plan that considers this and any other mitigation related to caribou early arrival. The intent of this latter requirement is to provide flexibility to adapt to changing climate conditions that may occur during the life of fields in the region.
- e. The following ground and air traffic restrictions shall apply to permanent oil and gas-related roads in the areas and time periods indicated:
 - 1. Within the TLCHA, from May 20 through August 20, traffic speed shall not exceed 15 miles per hour when caribou are within $\frac{1}{2}$ mile of the road. Additional strategies may include limiting trips, using convoys, using different vehicle types, etc., to the extent practicable. The lessee shall submit with the development proposal a vehicle use plan that considers these and any other mitigation. The vehicle use plan shall also include a vehicle-use monitoring plan. Adjustments will be required by the AO if resulting disturbance is determined to be unacceptable.
 - 2. The lessee or a contractor shall observe caribou movement from May 20 through August 20, or earlier if caribou are present prior to May 20. Based on these observations, traffic will be stopped temporarily to allow a crossing by 10 or more caribou. Sections of road will be evacuated whenever an attempted crossing by a large number of caribou appears to be imminent. The lessee shall

submit with the development proposal a vehicle use plan that considers these and any other mitigation. The vehicle use plan shall also include a vehicle-use monitoring plan. Adjustments will be required by the AO if resulting disturbance is determined to be unacceptable.

3. Major equipment, materials, and supplies to be used at oil and gas work sites in the TLCHA shall be stockpiled prior to or after the period of May 20 through August 20 to minimize road traffic during that period.
4. Within the TLCHA aircraft use (including fixed wing and helicopter) shall be restricted from May 20 through August 20 unless doing so endangers human life or violates safe flying practices. Restrictions may include prohibiting the use of aircraft larger than a Twin Otter by authorized users of the planning area, including oil and gas lessees, from May 20 through August 20 within the TLCHA, except for emergency purposes. The lessee shall submit with the development proposal an aircraft use plan that considers these and other mitigation. The aircraft use plan shall also include an aircraft monitoring plan. Adjustments, including perhaps suspension of all aircraft use, will be required by the AO if resulting disturbance is determined to be unacceptable. This lease stipulation is not intended to restrict flights necessary to survey wildlife to gain information necessary to meet the stated objective of the stipulations and ROPs. However, flights necessary to gain this information will be restricted to the minimum necessary to collect such data.
5. Within the TLCHA aircraft use (including fixed wing and helicopter) shall be restricted from May 20 through June 20 unless doing so endangers human life or violates safe flying practices. Restrictions may include limiting fixed-wing aircraft takeoffs and landings by authorized users of the planning area to an average of one round-trip flight per day from May 20 through June 20, at aircraft facilities within the TLCHAs. The lessee shall submit with the development proposal an aircraft use plan that considers these and other mitigation. The aircraft use plan shall also include an aircraft monitoring plan. Adjustments, including perhaps suspension of all aircraft use, will be required by the AO if resulting disturbance is determined to be unacceptable.
6. Aircraft shall maintain a minimum height of 1,000 feet AGL (except for takeoffs and landings) over caribou winter ranges from

December 1 through May 1, and 2,000 feet AGL over the TLCHA from May 20 through August 20, unless doing so endangers human life or violates safe flying practices. Caribou wintering ranges will be defined annually by the AO in consultation with the Alaska Department of Fish and Game. This lease stipulation is not intended to restrict flights necessary to survey wildlife to gain information necessary to meet the stated objective of the stipulations and ROPs. However, flights necessary to gain this information will be restricted to the minimum necessary to collect such data.

K-6 Stipulation - Coastal Area

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 Camp Lonely, various Husky/USGS drill sites, and Distant Early Warning (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. Before conducting open water activities, the lessee shall consult with the Alaska Eskimo Whaling Commission, the Nuiqsut Whaling Captains' Association, and the NSB to minimize impacts to the fall and spring subsistence whaling activities of the communities of the North Slope.

K-7 Lease Stipulation - Colville River Special Area

Objective: Prevent or minimize loss of raptor foraging habitat. (also see Lease Stipulation K-1; Rivers Area).

Requirement/Standard for Facilities: 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. Additionally, within 15 miles 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 feasible or prudent options are available.

K-8 Lease Stipulation - Pik Dunes

Objective: Retain unique qualities of the Pik Dunes, including geologic and scenic uniqueness, insect-relief habitat for caribou, and habitat for several uncommon plant species.

Requirement/Standard: Surface structures, except approximately perpendicular pipeline crossings and ice pads, are prohibited within the Pik Dunes.

K-9 Lease Stipulation – Caribou Movement Corridor

Objective: Minimize disturbance and hindrance of caribou, or alteration of caribou movements (that are essential for all season use, including calving and rearing, insect-relief, and migration) in the area extending from the eastern shore of Teshekpuk Lake to approximately 6 miles eastward towards the Kogru Inlet and 2) the area adjacent to the northwest corner of Teshekpuk Lake.

Requirement/Standard: Within the Caribou Movement Corridors, no permanent oil and gas facilities, except for pipelines, will be allowed on the approximately 54,700 (approximately 45,000 acres east of Teshekpuk Lake, and approximately 9,700 acres northwest of Teshekpuk Lake) illustrated on Map 1. Prior to the permitting of a pipeline in the Caribou Movement Corridors, a workshop will be convened to identify the best corridor for pipeline construction in efforts to minimize impacts to wildlife and subsistence resources. The workshop participants will include but will not be limited to Federal, state, and NSB representatives. Note: In addition to the general lease stipulations and ROPs, site-specific lease stipulations, i.e. K-3, K-4, K-5, and K-11 will also apply.

K-10 Lease Stipulation – Southern Caribou Calving Area

Objective: Minimize disturbance and hindrance of caribou, or alteration of caribou movements (that are essential for all season use, including calving

and post calving, and insect-relief) in the area south/southeast of Teshekpuk Lake:

Requirement/Standard: Within the Southern Caribou Calving Area, no permanent oil and gas facilities, except pipelines, would be allowed on the approximately 240,000 acres illustrated on Map 1. Prior to the permitting of a pipeline in the Southern Caribou Calving Area, a workshop will be convened to identify the best corridor for pipeline construction in efforts to minimize impacts to wildlife and subsistence resources. The workshop participants will include but will not be limited to Federal, state, and NSB representatives. Note: In addition to the general stipulations and ROPs, site specific *Stipulations K-4, K-5, K-6, and K-11* would also apply.

K-11 Lease Stipulation: Lease Tracts A-G

Objective: To protect key surface resources and subsistence resources/activities resulting from permanent oil and gas development and associated activities.

Requirement Standard: Permanent surface disturbance resulting from oil and gas activities is limited to 300 acres within the following described lease tracts (Map 1); this does not include surface disturbance activities from pipeline construction. Existing gravel pads within these tracts would not count against the 300-acre limit. A pipeline will be considered after a workshop is convened to identify the best corridor for pipeline construction in efforts to minimize impacts to wildlife and subsistence resources. The workshop participants will include but will not be limited to Federal, state, and NSB representatives. (No alternative procedures will be approved). (Acreages are based on GIS calculations and are approximate):

A. Total Acreage: approximately 52,700:

- 26,500 acres = RSO for Permanent Oil and Gas facilities excluding pipelines (the 23,350 acres includes 5,605 acres of overlap with the Coastal area restrictions).
- 26,200 acres = Area open to development subject to general and site specific lease stipulations and required operating procedures.

The total new development footprint cannot exceed 300 acres (0.6 % of total acreage).

B. Total Acreage: approximately 55,000:

- 38,200 acres = RSO for Permanent Oil and Gas facilities, excluding pipelines (the 33,478 acres includes 5,131 acres of overlap with the Coastal Area restrictions).
- 16,800 acres = Area open to development subject to general and site specific lease stipulations and required operating procedures.

The total new development footprint cannot exceed 300 acres (0.5 % of total acreage).

C. Total Acreage: approximately 46,100:

- 32,500 acres = RSO for Permanent Oil and Gas facilities, excluding pipelines.
- 13,600 acres = Area open to development subject to general and site specific lease stipulations and required operating procedures.

The total new development footprint cannot exceed 300 acres (0.7 % of total acreage).

D. Total Acreage: approximately 54,500:

- 46,900 acres = RSO for Permanent Oil and Gas facilities excluding pipelines.
- 7,700 acres = Area open to development subject to general and site specific lease stipulations and required operating procedures.

The total new development footprint cannot exceed 300 acres (0.6% of total acreage).

E. Total Acreage: approximately 56,500:

- 32,200 acres = RSO for Permanent Oil and Gas facilities, excluding pipelines.
- 24,300 acres = Area open to development subject to general and site specific lease stipulations and required operating procedures.

The total new development footprint cannot exceed 300 acres (0.5% of total acreage).

F. Total Acreage: approximately 57,100:

- 43,200 acres = RSO for Permanent Oil and Gas facilities, excluding pipelines.
- 4,900 acres = Restricted area open to development subject to the results of 3 year study requirement to determine appropriate placement of permanent facility(s) (Map 2)
- 9,000 acres = Area open to development subject to general and site specific lease stipulations and required operating procedures.

The total new development footprint cannot exceed 300 acres (0.5 % of total acreage).

G. Total Acreage: approximately 56,800:

- 48,700 acres = RSO for Permanent Oil and Gas facilities excluding pipelines
- 300 acres = Restricted area open to development subject to the results of 3 year study requirement to determine appropriate placement of permanent facility(s) (Map 2)

- 7,800 acres = Area open to development subject to general and site specific lease stipulations and required operating procedures.
- The total new development footprint cannot exceed 300 acres (0.5 % of total acreage).

Summer Vehicle Tundra Access:

L-1 Required Operating Procedure

Objective: Protect stream banks and water quality; minimize compaction and displacement of soils; minimize the breakage, abrasion, compaction, or displacement of vegetation; protect cultural and paleontological resources; maintain populations of, and adequate habitat for birds, fish, and caribou and other terrestrial mammals; and minimize impacts to subsistence activities.

Requirement/Standard: On a case-by-case basis, BLM may permit low-ground-pressure vehicles to travel off of gravel pads and roads during times other than those identified in ROP C-2a. Permission for such use would only be granted after an applicant has:

- a. Submitted studies satisfactory to the AO of the impacts on soils and vegetation of the specific low-ground-pressure vehicles to be used. These studies should reflect use of such vehicles under conditions similar to those of the route proposed for use and should demonstrate that the proposed use would have no more than minimal impacts to soils and vegetation.
- b. Submitted surveys satisfactory to the AO of subsistence uses of the area as well as of the soils, vegetation, hydrology, wildlife and fish (and their habitats), paleontological and archaeological resources, and other resources as required by the AO.
- c. Designed and/or modified the use proposal to minimize impacts to the AO's satisfaction. Design steps to achieve the objectives and based upon the studies and surveys may include, but not be limited to, timing restrictions (generally it is considered inadvisable to conduct tundra travel prior to August 1 to protect ground-nesting birds), shifting of work to winter, rerouting, and not proceeding when certain wildlife are present or subsistence activities are occurring. At the discretion of the AO, the plan for summer tundra vehicle access may be included as part of the spill prevention and response contingency plan required by 40 CFR 112 (Oil Pollution Act) and ROP A-4.

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

**Arctic Field Office
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Fairbanks, AK 99709
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DECISION RECORD

**Colville River Special Area Management Plan
Environmental Assessment
Environmental Assessment AK-023-08-01**

INTRODUCTION

The Bureau of Land Management (BLM) has conducted an environmental analysis (EA Number AK-023-08-01) to evaluate the effects of implementation of the Colville River Special Area Management Plan (CRSAMP), which is located within the National Petroleum Reserve — Alaska (NPR-A).

The CRSAMP builds upon the protections for the arctic peregrine falcon provided in the Records of Decision (RODs) for the Northeast NPR-A Supplemental Integrated Activity Plan (IAP)/EIS (2008) and the Northwest NPR-A EIS (2004). It also includes additional management actions to protect arctic peregrine falcons that were developed from the NPR-A Raptor Workshop and were not covered in the two NPR-A IAP/EISs. New protections are associated with requirements for permittees and other authorized users. The CRSAMP applies protections for the arctic peregrine falcon for the CRSA lands within the South NPR-A, which does not have a current integrated activity plan that defines specific protections as contained in the CRSAMP.

The EA considered two alternatives: the No Action Alternative and the Proposed Action, which is the alternative recommended by the cooperating parties.

PLAN CONFORMANCE AND COMPLIANCE

The action is in conformance with multiple management objectives of the RODs of the Northeast NPR-A Supplemental EIS/IAP and Northwest NPR-A IAP/EIS. The Proposed Action complies with all laws, regulations, and policies.

DECISION TO IMPLEMENT THE PROPOSED ACTION ALTERNATIVE

It is my decision to authorize implementation of the CRSAMP Proposed Action as outlined in the Colville River Special Area Management Plan Environmental Assessment (EA AK-023-08-01). The Proposed Action is found in Section 2.1. The Proposed Action is a compilation of protection measures designed to protect the arctic peregrine falcon in the CRSA. The CRSAMP includes implementation of nine protective measures that would apply consistently throughout the South, Northwest and Northwest planning units in the CRSA. Specifically these Protections include: 1) 1 mile setback prohibiting construction of permanent facilities, 2) considerations for 15 mile foraging area, 3) aircraft flight restrictions, 4) minimize campsite disturbance, 5) minimize authorized cliff site visits, 6) minimize construction and clean up impacts near nest sites, 7) minimize impacts from motorized ground-vehicles, 8) minimize impacts from power lines, and 9) minimize effects from sand/gravel extraction.

FINDING OF NO SIGNIFICANT IMPACT (FONSI)

Based upon a review of the EA and the supporting documents, the Proposed Action will not have a significant effect on the quality of the human environment, individually or cumulatively with other actions in the general area. Therefore, an environmental impact statement is not required. See FONSI for more information.

PUBLIC INVOLVEMENT

Public involvement during the development of this management plan and EA included discussions and coordination with the U.S. Fish and Wildlife Service, Alaska Department of Fish and Game (ADF&G), Alaska Department of Natural Resources (ADNR), the Arctic Slope Regional Corporation (ASRC), the North Slope Borough (NSB), federally-recognized tribes, several non-governmental organizations, industry, the Alaska Resource Advisory Council, as well as interested individuals. Announcements were made available on the Arctic Field Office Planning web page beginning in January 2008. Preliminary versions of the CRSAMP and EA were provided to these organizations and available to the public on June 2, 2008, and comments were received through June 27, 2008. In addition the availability of the documents was included in the "Spotlight" section of Alaska BLM webpage. Comments on the preliminary documents were received from the Peregrine Fund, North Slope Borough, Center for Biological Diversity, Alaska Audubon (also representing The Wilderness Society, Northern Alaska Environmental Center, and Natural Resources Defense Council), the State of Alaska DNR, and the U.S. Fish and Wildlife Service.

Comments and responses are included in Appendix E of the EA. Any changes to the CRSAMP and EA as a result of the comments are described in Appendix E. BLM reviewed a total of 95 itemized comments from the six letters received. We responded to 95 comment, and 38 of these responses led to changes to the CRSAMP or EA.

RATIONALE FOR THE DECISION

The Proposed Action meets the Purpose and Need of the EA (see Section 1.2); the No

Decision Record and Table 2-1. Final Action Protection Measures 1 thru 9

Action Alternative was not selected because it would not meet the purpose and need. The No Action alternative does not provide for consistent protections for arctic peregrine falcons within CRSA, oil and gas leasing would not be allowed in the Northwest NPR-A; and the mandate to prepare a management plan for the CRSA, as stated in the Northeast Supplemental NPR-A ROD (2008), would not be fulfilled.

The Proposed Action is consistent with the JAP/EIS Records of Decision for the Northeast and Northwest NPR-A. The public has been involved with the planning process, and many substantial comments have been considered. No significant adverse impacts to resources and values have been identified.

APPEAL PROVISIONS

This decision shall take effect immediately upon the date it is signed by the authorized officer, July 18, 2008, and shall remain in effect while any appeal is pending unless the Interior Board of Land Appeals issues a stay (43 CFR 2801.10(b)). Any appeal of this decision must follow the procedures set forth in 43 CFR Part 4. Within 30 days of the decision, a notice of appeal must be filed in the office of the authorized officer at: Arctic Field Office, 1150 University Avenue, Fairbanks AK 99709. If a statement of reasons for the appeal is not included with the notice, it must be filed with the Interior Board of Land Appeals, Office of Hearings and Appeals, U.S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with the authorized officer. If you wish to file a petition for stay pursuant to 43 CFR Part 4.2 1(b), the petition for stay should accompany your notice of appeal and shall show sufficient justification based on the following standards: (1) The relative harm to the parties if the stay is granted or denied, (2) The likelihood of the appellant's success on the merits, (3) The likelihood of irreparable harm to the appellant or resources if the stay is not granted, and (4) Whether the public interest favors granting the stay. If a petition for stay is submitted with the notice of appeal, a copy of the notice of appeal and petition for stay must be served on each party named in the decision from which the appeal is taken, and with the IBLA at the same time it is filed with the authorized officer. A copy of the notice of appeal, any statement of reasons and all pertinent documents must be served on each adverse party named in the decision from which the appeal is taken and on the Office of the Solicitor, U.S. Department of the Interior, 4230 University Drive Suite 300, Anchorage, AK 99508, not later than 15 days after filing the document with the authorized officer and/or IBLA.

Approved:
Arctic Field Office Manager7/18/2008
Date

Table 2-1. Proposed Action and No Action Alternative

Proposed Action ¹	No Action Alternative	
	Northeast NPR-A 2008 ROD	Northwest NPR-A 2004 ROD
<p>Protection 1 <u>Objective:</u> Minimize the loss of arctic peregrine falcon nesting habitat in the CRSA</p> <p><u>Requirement/Standard:</u> To minimize the direct loss of arctic peregrine falcon nesting habitat and to protect nest sites in the CRSA the following protective measures apply: 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. 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 through setback areas.</p> <p>a. Colville River: downstream of the Etivluk River a continuous 1-mile setback measured from the highest high water mark on the left bank (facing downstream); upstream of the Etivluk River a 1-mile setback measured from the ordinary high water mark of the bank on both sides of the river. Development of road crossings intended to support oil and gas activities shall be consolidated with other similar projects and uses to the maximum extent possible. This provision does not apply to intercommunity or other permanent roads constructed with public funds for general transportation purposes.</p>	<p>K-1 Lease Stipulation - Rivers <u>Objective:</u> Minimize the...the loss of raptor habitat...</p> <p><u>Requirement/Standard:</u> Permanent oil and gas facilities, including gravel pads, roads, airstrips, and pipelines, are prohibited in the streambed and adjacent to the rivers listed below at the distances identified...Along the Colville River and a portion of the Ikpiukuk a 1-mile (from the bank's highest high water mark) setback is required to protect important raptor habitat (for locations along rivers where setback distances change). On a case-by case basis, and in consultation with Federal, state, and NSB regulatory and resource agencies (as appropriate, based on agency legal authority and jurisdictional responsibility), essential pipeline and road crossings to the main channel will be permitted through setback areas...</p> <p>a. Colville River: a 1-mile setback from the boundary of NPR-A along the Colville River as determined by cadastral survey to be the highest high watermark on the left (western or northern) bank extending the length of that portion of the river located within the Planning Area. Note: The Planning Area excludes conveyed Native lands along the lower reaches of the Colville River. Development of road crossings intended to support oil and gas activities shall be consolidated with other similar projects and uses to the maximum extent possible. Note: This provision does not apply to</p>	<p>K-1 Lease Stipulation-Rivers <u>Objective:</u> Minimize...the loss of raptor habitat...</p> <p><u>Requirement/ Standard:</u> 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....Along the Colville River and a portion of the Ikpiukuk 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. ..</p> <p>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</p>

Proposed Action ¹	No Action Alternative	
	Northeast NPR-A 2008 ROD	Northwest NPR-A 2004 ROD
<p>b. Kikiarorak River: downstream from T. 2 N., R. 4 W., U.M., a continuous 1-mile setback as measured from the top of the bluff (or bank if there is no bluff) of both sides of the river.</p> <p>c. Kogosukruk River: downstream from T. 2 N., R. 3 W., U.M., a continuous 1-mile setback as measured from the top of the bluff (or bank if there is no bluff) of both sides of the river and several of its tributaries.</p>	<p>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 National Petroleum Reserve - Alaska.</p> <p>d. Kikiakrorak and Kogosukruk Rivers: Note: The following discussion refers only to portions of the Kikiakrorak River downstream from T. 2 N., R. 4 W., U.M. and the Kogosukruk River (including the four tributaries off the southern bank) downstream from T. 2 N., R. 3 W., U.M.. No permanent oil and gas surface facilities, except essential transportation crossings, would be allowed within 1 mile of the top of the bluff (or bank if there is no bluff) on either side of the rivers and several of the Kogosukruk tributaries.</p>	<p>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.</p>
<p>Protection 2</p> <p><u>Objective:</u> Prevent or minimize loss of arctic peregrine falcon foraging habitat in the CRSA</p> <p><u>Requirement/Standard:</u> To minimize the direct loss of arctic peregrine falcon foraging habitat in the CRSA the following measures apply: If necessary to construct permanent facilities within the CRSA, all reasonable and practicable efforts shall be made to locate permanent facilities as far from arctic peregrine falcon nests as feasible. Within 15 miles of arctic peregrine falcon nest sites, significant alteration of high quality foraging habitat shall be prohibited unless the lessee can demonstrate on a site-specific basis that</p>	<p>K-7 Lease Stipulation–Colville River Special Area</p> <p><u>Objective:</u> Prevent or minimize loss of raptor foraging habitat. (also see Lease Stipulation K-1; Rivers Area)</p> <p><u>Requirement/Standard for Facilities:</u> 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 miles 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</p>	<p>K-7 Required Operating Procedure–Colville River Special Area</p> <p><u>Objective:</u> Prevent or minimize loss of raptor foraging habitat.</p> <p><u>Requirement/Standard:</u> 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</p>

Proposed Action ¹	No Action Alternative	
	Northeast NPR-A 2008 ROD	Northwest NPR-A 2004 ROD
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 feasible or prudent options are available.	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 feasible or prudent options are available.	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.
<p>Protection 3</p> <p><u>Objective:</u> Minimize the effects of low-flying aircraft on arctic peregrine falcons in the CRSA</p> <p><u>Requirement/Standard:</u> To minimize disturbance to nesting arctic peregrine falcons, aircraft authorized by BLM are required to maintain an altitude of at least 1,500 feet above ground level (AGL) when within ½ mile of cliffs identified as arctic peregrine falcon nesting sites from April 15 through August 15. This protection is not intended to restrict flights necessary to conduct wildlife surveys to obtain information necessary to satisfy wildlife data collection requirements. However, flights necessary to gain this information will be restricted to the minimum necessary to collect such data.</p>	<p>F-1 Required Operating Procedure</p> <p><u>Objective:</u> Minimize the effects of low-flying aircraft on wildlife, traditional subsistence activities, and local communities.</p> <p><u>Requirement/Standard:</u> The lessee shall ensure that aircraft used for permitted activities maintain altitudes according to the following guidelines (Note: This ROP is not intended to restrict flights necessary to survey wildlife to gain information necessary to meet the stated objectives of the stipulations and ROPs. However, flights necessary to gain this information will be restricted to the minimum necessary to collect such data.):</p> <p>a. Aircraft shall maintain an altitude of at least 1,500 feet 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 the BLM necessary to plan flight routes when routes may go near falcon nests...</p>	<p>F-1 Required Operating Procedure</p> <p><u>Objective:</u> Minimize the effects of low-flying aircraft on wildlife....</p> <p><u>Requirement/Standard:</u> The lessee shall ensure that aircraft used for permitted activities maintain altitudes according to the following guidelines:</p> <p>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.</p>
Protection 4	None	None

Colville River Special Area Management Plan
Decision Record and Table 2-1. Final Action Protection Measures 1 thru 9

EXHIBIT D

Proposed Action ¹	No Action Alternative	
	Northeast NPR-A 2008 ROD	Northwest NPR-A 2004 ROD
<p>This protection has been adapted from the memorandum, Implementation of Recommendations from NPR-A Raptor Workshop (BLM 2000).</p> <p><u>Objective</u>: Minimize disturbance impacts on nesting arctic peregrine falcons in the CRSA by reducing effects of campsite activity.</p> <p><u>Requirement/Standard</u>: To reduce disturbance from campsite activity to nesting arctic peregrine falcons campsites authorized by BLM, including short and long-term camps and agency work camps, shall be located at least 500 meters from any known arctic peregrine falcon nest site. Exceptions may be granted by the authorized officer on a case-by-case basis.</p>		
<p>Protection 5 This protection has been adapted from the memorandum, Implementation of Recommendations from NPR-A Raptor Workshop (BLM 2000)</p> <p><u>Objective</u>: Minimize disturbance impacts to nesting arctic peregrine falcons from authorized activities at cliff sites.</p> <p><u>Requirement/Standard</u>: All users authorized by BLM, including BLM and other agency personnel, shall submit for approval an operational plan that includes dates, locations, and schedule of visits to cliff sites, when dates are between April 15 and August 15.</p> <p>The cumulative number of authorized visits (defined as each day in which work is done within 500 meters of a nest site) to any cliff per nesting season (April 15 through August 15) by all authorized users shall be</p>	None	None

Colville River Special Area Management Plan
Decision Record and Table 2-1. Final Action Protection Measures 1 thru 9

EXHIBIT D

Proposed Action ¹	No Action Alternative	
	Northeast NPR-A 2008 ROD	Northwest NPR-A 2004 ROD
<p>limited to three. Exceptions may be granted if the detailed operations plan documents why the necessary work could be done no other way.</p> <p>Raptor biologists must coordinate their activities with the BLM, U.S. Fish and Wildlife Service (USFWS), Alaska Department of Fish and Game (ADF&G) and the North Slope Borough (NSB); follow the guidelines for conduct activities near arctic peregrine falcon nests; and follow Protection 4 regarding campsite placement. Exceptions to this requirement may be granted when necessary to conduct certain studies.</p>		
<p>Protection 6 This protection has been adapted from the memorandum, Implementation of Recommendations from NPR-A Raptor Workshop (BLM 2000)</p> <p><u>Objective:</u> Minimize disturbance impacts to arctic peregrine falcons in the CRSA from construction and non-emergency clean up.</p> <p><u>Requirement/Standard:</u> To reduce disturbance impacts to arctic peregrine falcons in the CRSA, off-road foot traffic construction or non-emergency hazardous materials or solid waste clean-up efforts within 1 mile of known arctic peregrine falcon nests shall be prohibited during the period April 15 through August 15. Construction refers to building permanent facilities, not those used in winter only. Non-emergency clean-up refers to remediation of old sites, such as removal of drums, buildings with asbestos, or soil that has been contaminated longer than one season. Off-road foot-traffic refers to human activity (walking) associated with construction or clean-up,</p>	None	None

Proposed Action ¹	No Action Alternative	
	Northeast NPR-A 2008 ROD	Northwest NPR-A 2004 ROD
occurring off the gravel road or pad, or off the immediate site clean-up.		
<p>Protection 7 This protection has been adapted from C-2 ROP from the Record of Decision for the Northeast NPR-A Supplemental IAP/EIS (BLM 2008b).</p> <p><u>Objective:</u> Minimize disturbance impacts to nesting arctic peregrine falcons in the CRSA from motorized ground-vehicle use.</p> <p><u>Requirement/Standard:</u> Motorized ground-vehicle use within the CRSA authorized by BLM shall be minimized within one mile of any known arctic peregrine falcon nest from April 15 through August 15. Such use shall be prohibited within ½ mile of nests during the same period unless an exception is granted by BLM.</p>	<p>C-2 Required Operating Procedure <u>Objective:</u> Protect stream banks, minimize compaction of soils, and minimize the breakage, abrasion, compaction, or displacement of vegetation.</p> <p><u>Requirement/Standard:</u> f. Motorized ground-vehicle use within the CRSA associated with overland moves, seismic work, and any similar use of heavy equipment shall be minimized within the Colville River Raptor, Passerine, and Moose Area 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.</p>	None
<p>Protection 8 This protection has been adapted from E-16 ROP from the Record of Decision for the Northeast NPR-A Supplemental IAP/EIS (BLM 2008b).</p> <p><u>Objective:</u> Minimize impacts to arctic peregrine falcon in the CRSA from power lines.</p> <p><u>Requirement/Standard:</u> To minimize impacts to arctic peregrine falcons in the CRSA from the power lines, construction projects will comply with the most up to date suggested practices for arctic peregrine falcon protection on power lines. All power lines and poles shall be designed and constructed in a manner which reflects safe configurations to prevent death of arctic peregrine falcons by electrocution (BLM 2008b).</p>	<p>E-16 Required Operating Procedure <u>Objective:</u> Prevent or minimize the loss of raptors due to electrocution by power lines.</p> <p><u>Requirement/Standard:</u> Comply with the most up to date suggested practices for raptor protection on power lines.</p>	None

Proposed Action ¹	No Action Alternative	
	Northeast NPR-A 2008 ROD	Northwest NPR-A 2004 ROD
<p>Protection 9 This protection has been adapted from E-15 ROP from the Record of Decision for the Northeast NPR-A Supplemental IAP/EIS (BLM 2008b).</p> <p><u>Objective</u>: Minimize impacts from sand and/or gravel extraction to arctic peregrine falcons in the CRSA.</p> <p><u>Requirement/Standard</u>: To reduce impacts to arctic peregrine falcons in the CRSA from sand or gravel extraction the following measures apply:</p> <ul style="list-style-type: none"> a. Removal of greater than 100 cubic yards of sand and/or gravel from cliffs shall be prohibited. b. Any extraction of sand and/or gravel from an active river or stream channel shall be prohibited unless preceded by a hydrological study that indicates no potential impact by the action to the integrity of the river bluffs (BLM 2008b). 	<p>E-15 Required Operating Procedure <u>Objective</u>: Prevent or minimize the loss of nesting habitat for cliff nesting raptors.</p> <p><u>Requirement/Standard</u>: a. Removal of greater than 100 cubic yards of sand and/or gravel from cliffs shall be prohibited. b. Any extraction of sand and/or gravel from an active river or stream channel shall be prohibited unless preceded by a hydrological study that indicates no potential impact by the action to the integrity of the river bluffs.</p>	<p>None</p>

¹ Note: This table does not provide a comprehensive list of all stipulations and required operating procedures that may be adopted. It includes stipulations and ROPs from those RODs designed to protect arctic peregrine falcons or the habitat important to those birds within the CRSA. Also, while the protections listed under the Proposed Action apply to all areas of the CRSA, including the South NPR-A, those for the No Action Alternative apply only to the NE or NW NPR-A.

10. TERMS AND CONDITIONS

In order to be exempt from the prohibitions of Section 9 of the ESA, BLM must comply with the following terms and conditions, which implement the reasonable and prudent measures described above and outline required reporting/monitoring requirements. These terms and conditions are non-discretionary. (The reasonable and prudent measures are re-iterated, in italics, before the corresponding terms and conditions).

1. To minimize the likelihood that migrating spectacled and Steller's eiders will strike drill rigs, towers, buildings, communication and transmission wires, and associated infrastructure within NE and NW NPR-A, BLM and their agents will avoid the use of lighting that unnecessarily increases collision risk, avoid the use of overhead wires except in extremely rare exceptions, and avoid the use of unmarked guy wires supporting towers.

1A. To prevent unnecessary radiation of light that will increase the risk of migrating Steller's and/or spectacled eiders colliding with drill rigs, towers, buildings, and other structures, illumination of all structures shall be designed to direct artificial exterior lighting inward and downward, rather than upward and outward, unless otherwise required by the Federal Aviation Administration (FAA). This restriction applies exclusively to the interval Aug 1 to October 31 each year.

1B. To reduce the possibility of Steller's and/or spectacled eiders colliding with above-ground utility lines (power and communication), such lines shall either be buried in access roads or suspended on vertical support members except in rare cases which are to be few in number and limited in extent. Exceptions are limited to the following situations, and must be reported to the Service when exceptions are authorized:

1. Overhead power or communication lines may be allowed when located entirely within the boundaries of a facility pad;
2. Overhead power or communication lines may be allowed when engineering constraints at the specific and limited location make it unfeasible to bury or connect the lines to a vertical support member; or
3. Overhead power or communication lines may be allowed in situations when human safety would be compromised by other methods.

1C. To reduce the likelihood of Steller's and/or spectacled eiders colliding with communication towers, towers should be located, to the extent practicable, on existing pads and as close as possible to buildings or other structures, and on the east or west side of buildings or other structures if possible. Support wires associated with communication towers, radio antennas, and other similar facilities, should be avoided to the extent practicable. If support wires are necessary, they should be clearly marked along their entire length to improve visibility to low flying birds. Such markings shall be developed through consultation with the Service.

2. To avoid and reduce temporary impacts to productivity from disturbance near Steller's and/or spectacled eider nests, ground level activity (by vehicle or on foot) within 200 meters of occupied Steller's and/or spectacled eider nests will be restricted to existing thoroughfares. Construction of permanent/temporary facilities, placement of fill, alteration of habitat, and introduction of high noise levels within 200 meters of occupied Steller's and/or spectacled eider nests is prohibited. Aircraft flights to areas of existing gravel fill are not restricted.

2A. Temporary impacts to Stellers' and/or spectacled eider productivity due to disturbance and direct habitat impacts must be minimized by ensuring protection of females with nests and ducklings. Ground-level activity (by vehicle or on foot) within 200 meters of occupied Steller's and/or spectacled eider nests, from June 1 through August 15, will be restricted to existing thoroughfares, such as pads and roads. Construction of permanent facilities, placement of fill, alteration of habitat, and introduction of high noise levels within 200 meters of occupied Steller's and/or spectacled eider nests will be prohibited. In instances where summer (June 1 through August 15) support/construction activity must occur off existing thoroughfares, Service-approved nest surveys must be conducted during mid-June prior to the approval of the activity. Collected data would be used to evaluate whether the Action could occur based on employment of a 200 m buffer around nests, or if the activity would be delayed until after mid-August once ducklings are mobile and have left the nest site. BLM will also work with the Service to schedule oil spill response training in riverine, marine and inter-tidal areas, that occurs within 200 meters of shore, outside sensitive nesting/brood-rearing periods or conduct nest surveys. The protocol and timing of nest surveys for Steller's and/or spectacled eiders will be determined in cooperation with the Service, and must be approved by the Service. Surveys should be supervised by biologists who have previous experience with Steller's and/or spectacled eider nest surveys.

3. BLM compliance specialists will monitor industry compliance with Reasonable and Prudent Measures, Terms and Conditions, STIPs, ROPs, and enforceable elements of assumptions listed in Appendix 1 of this BO at sites of oil and gas industry activity.

3A. One or more BLM compliance specialists will monitor industry compliance with STIPs, ROPs and enforceable elements of assumptions listed in Appendix 1 of this BO at sites of oil and gas related activity. BLM will provide the Service with a copy of the monitoring plan. To ensure protection of listed eiders, special emphasis shall be placed on compliance monitoring for ROPs A-1 through 7, E-9, 10, 11, 12, 14 and F-1 and STIPs D-2 and K-1, 2, 3, 6 and 8. All acts of noncompliance or nonconformance to the ROPs, STIPs and enforceable elements of assumptions mentioned above will be reported in writing to the Field Supervisor, U.S. Fish and Wildlife Service, Fairbanks Fish and Wildlife Field Office, 101 12th Ave., Fairbanks, AK 99701. In the event that noncompliance/nonconformance issues arise, BLM and the Service will cooperatively develop a strategy to eliminate the problem.

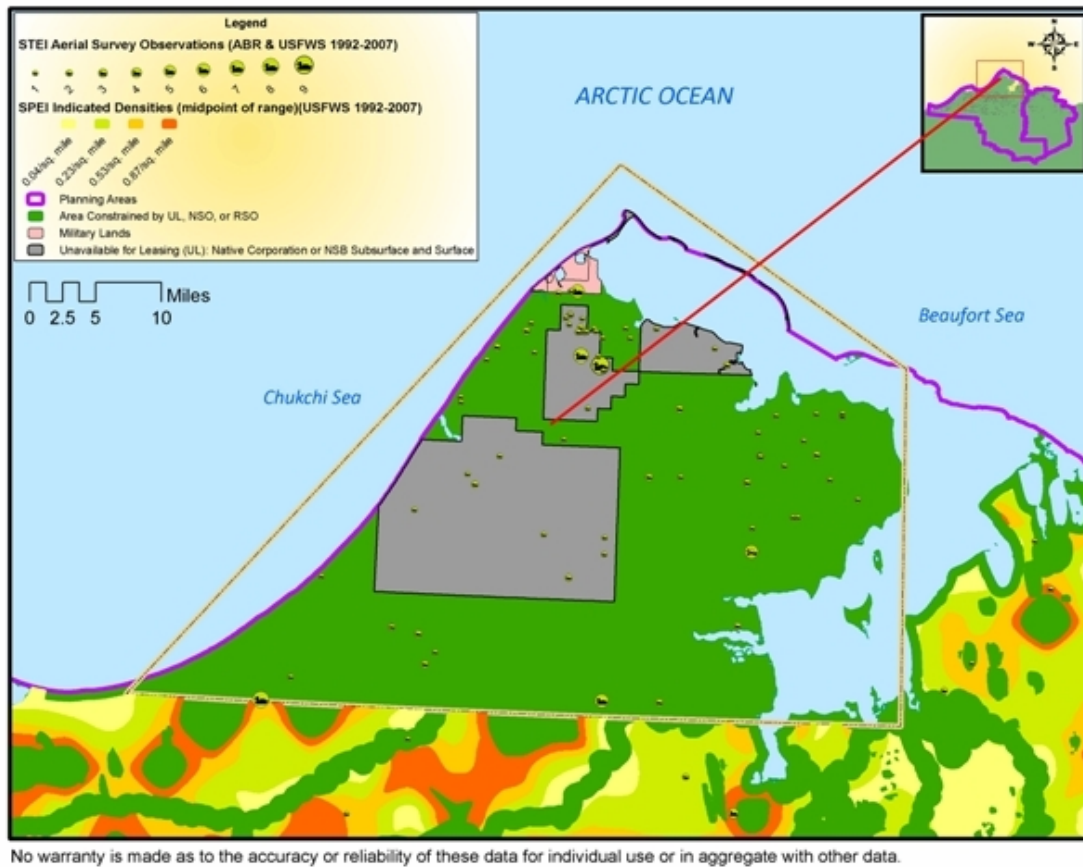
4. To minimize impacts to spectacled and Steller's eider nesting habitat and avoid or reduce impacts to productivity from disturbance, BLM will allow no permanent facilities, except pipelines, within administered lands located in the Barrow Triangle area, which has been documented to be disproportionately important to the conservation of listed eiders on the ACP. Within the Barrow triangle, BLM will also require lessees extracting resources from BLM-leased lands to comply with all STIPs and ROPs that affect Steller's and/or spectacled eiders.

4A. The Barrow triangle is the 2,757 km² area north of 70°50' north latitude and west of Dease Inlet. The majority of sightings of Stellers' eiders made in the last 20 years have occurred within this area, despite that it comprises <4% of the area annually surveyed during the North Slope eider breeding survey. High densities of spectacled eiders also occur in this area (Figure 10.1). To protect this area's long-term potential to support Steller's and spectacled eider reproduction, BLM shall prohibit permanent oil and gas facilities, material sites, and staging areas, with the exception of pipelines on tracts subject to new leases or tracts subject to lease renewals. In addition, to extract federal subsurface mineral resources by constructing and utilizing new facilities based on adjacent non-federal surface lands, lessees will be required to comply with ROPs and STIPs outlined in Table 10.1.

Table 10.1 – ROPs and STIPs that will reduce impacts to listed eiders

Protection	Listed Eiders ROP/Stipulation	
	NE	NW
Predator Attraction	A1, A2a, b; E9	A1, A2a, b; E9
Disturbance	E11, F1e, I1, K1, K2, K3; K4, d, f, g (development); K5d; K5e1, e3, e5, e6; K6, K9; K10	E11, F1e, I1, K1, K2, K6, K8
Habitat	E1; E2; E5; E6; E11; E17; K1; K2; K3; K4; K6; K9; K10	E1; E2; E5; E6; E11; E17; K1; K2 K6; K8
Contaminants	A2c, d; A3; A4; A5; A6; E4	A2c, d; A3; A4; A5; A6; E4, K3
Collisions	E10; E11	E10; E11

Figure 10.1 – Density of spectacled eiders, locations of Steller’s eider observations, and land ownership in the Barrow Triangle portion of NW NPR-A



5. To minimize impacts to important spectacled eider nesting habitat, BLM will allow no permanent oil and gas facilities, with the exception of pipelines, within areas determined to be high-density spectacled nesting habitat.

5A. With the exception of pipelines, no permanent oil and gas facilities, material sites, or staging areas would be permitted in spectacled eider nesting and breeding habitat identified by the USFWS as being “high” density (≥ 1.06 eiders per sq. mile) in NE NPR-A, and in the portion of NW NPR-A south and east of the Barrow triangle using the best available long-term data from the Annual Eider Breeding Survey at the time development is proposed.

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 2010
 Date of Sale: August 11, 2010
 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 Detailed Statement 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 2010
 Date of Sale: August 11, 2010
 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 Detailed Statement 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>2008-X-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: (signature)
I. W. In
Vice President

<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: (signature)
M. E. Too, II
Attorney-in-Fact

<u>Let's Explore</u>	<u>33.34</u>	<u>Let's Explore</u> <u>246 Muskeg Lane</u> <u>Anchorage, Alaska 99000</u>
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By: (signature)
I. Al So
President

TOTAL:	<u>100.00</u>
--------	----------------------

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.

Let's Explore

Tract No.

**SEALED BID FOR NPR-A OIL AND GAS LEASE SALE 2010
NOT TO BE OPENED UNTIL 9:00 A.M., August 11, 2010**

EXHIBIT G

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

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 1/5th 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****

Form 3000-4
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL AND GAS OR GEOTHERMAL LEASE BOND

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 Gas and Geothermal Leasing Authorities as Applicable

Bond Number

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 _____, as surety,
(address)

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 _____, as principal, is held and firmly
(address)

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 interests in Federal lands. In the case of any default in the 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 of the 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:

CHECK ONE:

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 page 2)

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 and 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 the 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 in 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 oper-

ations 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(s); 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 obligor/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 to 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.

EXHIBIT I

**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 Serial Number _____, 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**

EXHIBIT J

Serial No. _____

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): _____ / _____ / _____

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 provision 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)

[X] Other Competitive NPR-A Lease (ten years)

THE UNITED STATES OF AMERICA

by _____

(Signing Officer)

(Title)

(Date)

EFFECTIVE DATE OF LEASE _____

4. (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 3132.1 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 must 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 year; thereafter \$2.00
- (c) Other, see attachment; or for NPR-A: \$5.00 for Area H; \$3.00 for Area L; 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 rent, 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 the proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12 ½%;
- (b) Competitive lease, 12 ½%;
- (c) Other, see attachment, or for NPR-A: 16 2/3% for Area H; 12 ½% for Area L; 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 the 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 the 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 loss 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, orders, or citations 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 must exercise reasonable diligence in developing and producing, and must 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 the 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 operations 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 the 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 provision 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 of 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 the 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 you do not provide all the information, the offer may be rejected. See regulations at 43 CFR Part 3130.