

STIPULATIONS

CORPS OF ENGINEERS
FORT WORTH DISTRICT

1. NSO/ND -No Surface Occupancy and No Drilling:

This stipulation applies to all Corps of Engineer (COE) fee ownership within 3,000 horizontal feet of prime facilities critical to the operation of a project. These facilities include the dam, spillway, outlet structure, levees and related structures. This stipulation allows the identified area to be included in a lease for the purpose of becoming a part of a drilling unit so that the United States will share in the royalty.

2. NSO/DD -No Surface Occupancy, Open for Directional Drilling:

This stipulation applies to all Corps of Engineer (COE) fee ownership designated as parks, recreation areas, public use areas, wildlife management areas, archeological and historical sites, trails and roads, and the lake surface at the conservation pool elevation (694' NGVD at Lake Benbrook). Directional drilling is permitted from outside the identified areas where occupancy is allowed

3. NSO/ELEV -No Surface Occupancy Based on Elevation:

This stipulation prohibits surface occupancy on all lands lying at or below the elevation of the spillway crest (724' NGVD at Lake Benbrook) where alternative surface ownership is available within the same drilling unit. If no alternative ownership is available, in no case will surface occupancy be permitted below the spillway crest, or within 1,000 feet from the lake surface at the conservation pool elevation (694' NGVD at Lake Benbrook). The purpose of this stipulation is to protect the integrity of the project land and water resources.

The above stipulations are summarized as follows. Surface occupancy of Government fee property at Benbrook Lake will not be allowed if any of the following conditions apply:

1. Site is within 3,000 horizontal feet of prime facilities.
2. Site is designated as a public use area or wildlife management area; as an archeological or historical site; as a trail or road; or is within the lake surface at 694' elevation.
3. Site is at or below the 724' elevation of the spillway crest.
4. Site is within 1000 linear feet of the 694' elevation conservation pool of the lake.

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3. NSO/ELEV -No Surface Occupancy Based on Elevation:

This stipulation prohibits surface occupancy on all lands lying at or below the elevation of the spillway crest (724' NGVD at Lake Benbrook) where alternative surface ownership is available within the same drilling unit. If no alternative ownership is available, in no case will surface occupancy be permitted below the spillway crest, or within 1,000 feet from the lake surface at the conservation pool elevation (694' NGVD at B. A. Steinhagen Lake). The purpose of this stipulation is to protect the integrity of the project land and water resources.

The above stipulations are summarized as follows. Surface occupancy of Government fee property at B. A. Steinhagen Lake will not be allowed if any of the following conditions apply:

1. Site is within 3,000 horizontal feet of prime facilities.
2. Site is designated as a public use area or wildlife management area; as an archeological or historical site; as a trail or road; or is within the lake surface at 694' elevation.
3. Site is at or below the 724' elevation of the spillway crest.
4. Site is within 1000 linear feet of the 694' elevation conservation pool of the lake.

NOTICE TO OIL AND GAS LESSEES AND OPERATORS
U. S. Army Engineer District, Fort Worth

Permit Requirements for Oil and Gas Well Activities:

The Corps of Engineers strives to create and maintain conditions under which the human and natural environments can exist in productive harmony. As a steward of the environment, the Corps acknowledges its responsibility to comply with environmental laws and regulations. Strict compliance is an integral part of the Corps' environmental ethic. The Corps is pro-active in its focus on environmental compliance at its Projects and Facilities, including facilities under license on Corps administered lands.

Types of Permits:

In connection with the Corps of Engineers Civil Works missions of flood control, water conservation, and associated natural and recreational resource management functions, the United States has acquired certain lands in fee, and has acquired flowage easement estates over private property in other cases. These acquisitions required either that the mineral rights be subordinated to mission purposes, or that they be acquired outright.

Oil and gas operators wishing to occupy, use or enter on fee or flowage easement lands for exploration or development of oil and gas must obtain written authorization from the District Engineer, U.S. Army Engineer District, Fort Worth, Texas. Use and occupancy of fee land normally requires a formal written Easement. The use and occupancy of flowage easement land requires a Consent to Easement approval letter from the Fort Worth District Real Estate Office.

In the material that follows, there are differing requirements noted for operations on Government lands, depending on whether it is fee-owned property, or flowage easement property. If no differences are noted, the stated requirements apply for both circumstances.

Approval Process Time:

Oil and gas lessees or operators must make application in advance to allow sufficient time for the Corps of Engineers to conduct an evaluation of the impact of proposed activities, and to issue a written authorization prior to the anticipated starting date. Written authorization is required in advance of any oil and gas operation or construction activity on both Government fee lands and on private property with flowage easements. Complete applications must be submitted to the local Corps of Engineers Project Office a minimum of 90 days in advance of the proposed activity starting date. Addresses of the project offices within the Fort Worth District are listed in Appendix C. Applications will be processed as quickly as possible. Individual applications will be processed according to the date the complete application is filed. A higher priority due to an emergency will be duly considered but no special consideration will be given

simply because a late filing is made.

Application Procedure:

Applications will take the form of a letter of application and a Surface Use and Operations Plan. Applications will be submitted to the Corps of Engineers Reservoir or Project Manager. Submitting an application directly to the Fort Worth District Office will cause needless delay in processing the application. The original and four (4) copies are required.

Emergency Procedures and Approvals:

Operators, as well as their contractors and subcontractors, will not commence any construction activity or operation on Government lands or flowage easements without the prior written approval of the Surface Use and Operations Plan. An approval may be oral only in the case of a profound environmental emergency. Any oral approval so received must be followed by: 1) written application, 2) Surface Use and Operations Plan, and 3) written approval thereof for confirmation.

Surface Use and Operations Plan Content:

The letter of application and Surface Use and Operations Plan must provide a detailed description of all aspects of the proposed operation or activity, the magnitude of the surface disturbance involved and procedures to be followed in rehabilitating the surface once the operation or construction activity has been completed.

In developing the Surface Use and Operations Plan, the operator will make use of all information available concerning surface resources, environmental considerations, and rehabilitation procedures. The Plan will be reviewed for adequacy. A Plan considered inadequate will require modification. The Plan shall be developed in conformity with the stipulations and the guidelines provided by this *Notice*.

Operators have the responsibility to see that their exploration, development, production and construction operations are conducted in a manner which affords adequate safeguards for the environment, results in the proper rehabilitation of disturbed lands, assures the protection of the public's interests, health and safety and conforms to the best professional practice. In this regard, operators will be held fully accountable for their contractors' and subcontractors' compliance with the requirements of the approved Surface Use and Operations Plan.

Amendment of the Surface Use and Operations Plan:

The terms and conditions of the approved Surface Use and Operations Plan may not be altered unless approved in writing through an amendment to the approval document. Operators are required to obtain an amendment prior to undertaking any subsequent new construction, reconstruction, or alteration of existing facilities, including roads, dams, lines, pump jacks or other production facilities. This requirement applies to the re-entry of existing well bores for

additional drilling activities. Sufficient information must be submitted to permit a complete evaluation of the proposed activities, as well any planned accommodations necessary to mitigate potential adverse environmental effects. Emergency repairs may be conducted without prior written approval provided prompt notification is given to the local Corps of Engineers Project Office.

Applications for amendments to approval documents shall reference the submitted or approved Surface Use and Operations Plan. Submit applications for amendments to the attention of the Oil and Gas Coordinator in care of the local Corps of Engineers Reservoir or Project Manager. Submitting an application for amendments to approval documents directly to the Fort Worth District Office will cause needless delay in processing the application. The original and four (4) copies are required. If the proposed activity is located on lands leased to the State of Texas, the original and six (6) copies are required. Addresses of the project offices within the Fort Worth District are listed in Appendix C.

Guidelines for Surface Use and Operation Plans:

The following guidelines are provided for the preparation of a Surface Use and Operations Plan. In preparing the plan, operators should submit maps, facility layouts and narrative descriptions that adhere closely to the following:

1. LOCATION, EXISTING ROADS:

- a. A map or aerial photography for locating the proposed well site is required. Either USGS topographic 7.5' maps or USGS digital Ortho Quarter-Quads are preferred for this purpose; a county road map will also be accepted.
- b. The proposed route to the location including appropriate distances from reference points to the point where the access route exits the highway or county road shall be shown. All roads proposed for access shall be appropriately labeled or color-coded. All existing roads within a radius of three (3) miles from the location of a proposed well shall be shown, including information relative to the type of surface, condition, and load capacity. Any plans for the improvement and/or maintenance of existing roads shall be stated. Information required by Items numbered 2 through 9 herein may also be shown on this map, if appropriately labeled.

2. LOCATION OF PLANNED ACCESS ROADS: (This information is to be submitted on a map.)

- a. Identify all permanent and temporary access roads that are to be constructed or reconstructed in connection with the drilling and production of the proposed well. Width, turnouts, drainage design, location and size of culverts, and surfacing material, if any, shall be stated. At the time of submittal, the center line location of all proposed new or reconstructed roads shall be identified on the ground with the stakes being visible from any one to the next.

- b. Modification of the proposed road design may be required after the location is approved for drilling. If the well is completed for productions, final road design and construction may depend on the amount and type of hydrocarbon found by the well.
 - c. Information shall also be furnished to indicate where existing fences will be cut and whether gates or cattle guards will be used. The discussion shall reference any existing gates and cattle guards.
- 3. LOCATION OF EXISTING WELLS: (This information shall be submitted on a map.) Include all wells (water, abandoned, temporarily abandoned, disposal etc.) within a one mile radius of the location of the proposed well.
- 4. LOCATION OF LEASEHOLD, TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: On a map, show the boundaries of the mineral Leasehold or leaseholds.
 - a. If pooling agreements are involved, show which leases are pooled. Provide copies of leases and agreements. Existing tank batteries, production facilities, and production, gathering, or service lines within a one-mile radius of the proposed location which are owned or controlled by the lessee or operator shall be shown. The type of each existing facility and the nature of each existing line (oil flow line, gas gathering line, injection line, water disposal line, etc.) shall be identified. Note which lines are buried.
 - b. If new facilities (tank battery, other production equipment, and lines) are contemplated in the event production is established, and those new facilities are to be placed at locations other than on the well site itself, the map or plat furnished in this regard must also indicate the location of all proposed new facilities. The dimensions of these facilities, the proposed construction methods and materials, and the protective measures and devices to be employed to minimize hazards to livestock, waterfowl, and other wildlife will be stated.
 - c. At the time of submittal, the approximate center location of all production facility locations and the center lines of proposed gathering and service lines will be staked. A plan for rehabilitation of all disturbed areas no longer needed for operations and maintenance will also be submitted.
- 5. LOCATION AND TYPE OF WATER SUPPLY (rivers, creeks, lakes, ponds and wells): This information may be shown on a plat or map or may be a written description.
 - a. The source of all water to be used in drilling the proposed well must be noted. The method of transporting the water shall be stated, and any access roads crossing fee or easement land which are needed will be described in paragraphs 1 or 2 above, as appropriate. If a quick line is to be used include a description of the route of this line. If a water supply well is to be drilled on the lease, it must be so stated under this item.
 - b. If water is to be removed from the reservoir, identify the point of diversion on

the shoreline. Describe the method to be used to set and secure water pumps. Approval of the Surface Use and Operations Plan does not relieve the operator from obtaining any other authorization which may be required for the use of such water. Include a copy of the contract or authorization document.

6. **SOURCE OF CONSTRUCTION MATERIALS:** This information may be shown on a plat or map or may be a written description. The proposed source, character and use of all construction materials such as timber, sand, gravel, stone, and soil shall be stated. Any access roads crossing fee or easement land which are needed to haul such materials should be described in paragraphs 1 or 2 above, as appropriate. Include under this item a certification that all construction materials are free of contamination.
7. **METHODS FOR HANDLING WASTE DISPOSAL:**
 - a. Describe the methods and location proposed for the safe containment and disposal of each type of waste material (cuttings, drilling muds, garbage, salts chemicals, and sewage) that may result from the drilling of the proposed well. Likewise, the narrative should include plans for the eventual disposal of drilling fluids and any produced oil or water recovered during testing operations.
 - b. Identify the location of waste material disposal tracking documents.
8. **ANCILLARY FACILITIES:** The Plan or subsequent amendments to the Plan shall identify all ancillary facilities as to their location, land area required, and the methods and standards to be employed in their construction. Such facilities shall be shown on a map.
9. **WELL SITE LAYOUT:** A plat of the well site layout drawn to a scale of not less than 1 inch equaling 50 feet is required.
 - a. Include cross section diagrams of the drill pad showing all cuts and fills in relation to topography. Include the proposed location of the closed mud system and skimming system steel tanks, steel pits (reserve, and trash), pipe racks, access roads, turnaround areas, parking areas, living facilities, water well, gas flare and associated structures and soil material stockpiles. Indicate the orientation of the rig with respect to the pad and other facilities.
 - b. Until the location is approved, it will be necessary to stake on the ground the actual location of the well and the exterior dimensions of the pad. The stakes shall be appropriately marked to indicate proper cuts and fills to the dirt contractor.
 - c. If the well site is on fee land, include a statement that steel tanks will be used and that dug pits will not be used. This statement is not required for flowage easement lands.
10. **PLANS FOR RESTORATION OF THE SURFACE:** State the proposed plan for surface restoration upon completion of the operation.

- a. Include the determination of the reshaped topography, the drainage system, the segregation, containment, removal and disposal of spoils and waste materials. Indicate the surface manipulations, the re-vegetation methods, the soil treatments and amendments and any other practices necessary to rehabilitate all disturbed areas including any access roads no longer needed.
- b. A proposed timetable for the commencement and completion of rehabilitation operations must be provided.
- c. Identify the location of waste material disposal tracking documents.

11. **TOPOGRAPHIC, GEOLOGIC AND CULTURAL INFORMATION:** This information may be shown on a USGS 7.5' topographic map or may be a written description. Identify in relation to the proposed operation the proximity to steep hillsides, gullies, water wells, ponds, streams, occupied dwellings, other facilities and archaeological, historical or cultural sites.

- a. Applications will include a written archaeological survey report of all areas to be disturbed. The report is not required by the COE on flowage easement land, however the State of Texas has similar requirements for any disturbance of archeological, historical or cultural sites.
- b. If a cultural resource site on fee land will be adversely affected, activities must be. Relocated to miss the site, or the operator will satisfactorily mitigate the site. The operator will be responsible for archaeological, historical and cultural clearance of any area where soil disturbance will occur. Information concerning required cuts and fills during the construction of roads and location of and all construction practices necessary to accommodate potential geologic hazards shall be discussed.

12. **LESSEE'S OR OPERATOR'S REPRESENTATIVE AND AMENDMENTS:** Include the name, address and phone and FAX numbers of the operator's field representative who is responsible for assuring compliance with the approved Surface Use and Operations Plan.

13. **HOLD HARMLESS STATEMENT:** Any approval will require that the operator will hold the United States and the U. S. Army Corps of Engineers harmless from the operator's activities.

14. **FINANCIAL AND TECHNICAL CAPABILITY:** Operators shall submit evidence of financial and technical capability for their proposed operations.

15. **SPILL PREVENTION CONTROL AND COUNTERMEASURE PLAN:** Operators shall submit a Spill Prevention Control and Countermeasure (SPCC) plan statement for all units to be considered in the request. The plan shall address both exploration and production

activities and shall conform to **40 CFR 122.7** in content and format.

16. STIPULATIONS: The Surface Use and Operations Plan will conform to the stipulations that follow.

16.1. Pollution Control: It is the responsibility of the operator to comply with all applicable Federal, state, county and municipal laws, concerning stream, air and noise pollution. All dredge or fill operations below the elevation of the conservation pool of the reservoir, or in wetland areas, Section 404 of the Clean Water Act. This elevation is 694' for Benbrook Lake, found in Appendix A.

16.2. Erosion Control: All earthwork shall be planned and conducted to minimize the duration of exposure of unprotected soils. Operators shall control erosion and sedimentation by measures such as berms, dikes, drains, sedimentation basins, grassing, mulching etc. Temporary control measures shall be used until permanent measures can be established. Run-off from work areas shall be controlled, diverted, retarded, etc. to protect the natural drainage courses. Sedimentation or erosion damage of natural drainage courses that result from the operator's activities will be repaired or restored by the operator to the satisfaction of the Reservoir Manager.

16.3. Tank Batteries:

16.3.1. Policy prohibits placement of tank batteries on Government fee land unless there exists an overriding technical requirement which requires an exception. Economic considerations alone are not sufficient justification for placement of tank batteries on Government fee land. Where private surface is part of the leasehold, the tank batteries will be located on private land.

16.3.2. The bottom elevation of tank battery fluid containing equipment such as storage tanks, gun barrel tanks, separators, heater treaters, etc., shall be located above the flood pool of the reservoir, whether on fee or flowage easement land. This elevation is 724' for Benbrook Lake, found in Appendix A.

16.3.3. Battery equipment shall be diked to prevent spread of liquid in case of leakage. The diked area shall have a capacity of not less than the volume of the largest tank plus 10 percent of the volume of other tanks and equipment enclosed. Flow lines located outside diked areas will be placed underground.

16.4. Wellheads:

16.4.1. Well sites will be located above the five-year pool of the reservoir. This

elevation is 697.1' for Benbrook Lake, found in Appendix A.

- 16.4.2. Wellheads planned for locations below the flood pool [724' for Benbrook Lake, Appendix A] of the reservoir will be fitted with a storm choke or wellhead enclosure capable of protecting the wellhead from floating debris.
- 16.4.3. Any activities below the elevation of the conservation pool of the reservoir [694' For Benbrook Lake, Appendix A] will require a separate permit from the Corps of Engineers in accordance with Section 404 of the Clean Water Act.
- 16.5. Control of Operations: Operators will control their activities to approved work areas. The operator will not remove, cut, deface, injure, or destroy land resources including trees, shrubs, vines, grasses, top soil and land forms outside the approved work areas. Cable, ropes or guys will not be attached to any trees for anchorage.
- 16.6. Solid Waste Control:
 - 16.6.1. Materials, except clearing vegetative debris, will not be burned but will be placed in containers which are emptied on a regular schedule. Waste materials shall be recycled wherever possible. Where recycling of waste materials is not possible, waste materials shall be hauled to and disposed of in landfill sites operated in accordance with state and local regulations. Operators may be required to furnish documentation of the disposal of waste materials.
 - 16.6.2. Clearing vegetative debris may be burned where suitable sites exist, approved by the Reservoir Manager on a case-by-case basis and accordance with state and local regulations. Operators may be required to utilize cleared vegetative debris in habitat restoration, or to remove cleared vegetative debris from the Government Land if not burned.
 - 16.6.3. Temporary toilets (portable or vault type) must be provided until all drilling activities are completed.
- 16.7. Chemical Waste Control: Chemical wastes including lubricants and fuels drained or spilled from equipment and salt water produced with oil and gas will be collected and stored in containers that will prevent pollution and will be removed from the Government Land and disposed of in accordance with Federal, state, and local regulations.
 - 16.7.1. Identify the location of chemical waste material disposal tracking documents.
 - 16.7.2. Operators may be required to furnish documentation of the disposal of

waste materials.

16.8. Well Testing:

- 16.8.1. Tanks shall be provided for containing all fluid produced in well tests. No test fluid will be discharged into earthen pits. No dug pits will be permitted on Government land. Steel tanks will be used throughout all phases of all oil and gas activities. This use of tanks for well testing is not a requirement on flowage easement lands.
- 16.8.2. Where gas will be flared the location of a vertical flare shall insure the safety of surrounding vegetation. Containment for vertical flares shall be constructed above the surface of material free of contamination.

16.9. Electrical Safety and Operations: A cutoff switch will be provided above elevation of the flood pool of the reservoir [724' for Benbrook Lake, Appendix A] to disconnect service during times of high water. This is recommended but not required on flowage easement lands.

- 16.9.1. Wells requiring a pumping unit must be powered electrically, except for those areas where the construction of a utility line will result in severe environmental damage. Underground utility lines are preferred. Easements for electric utilities are not included in oil and gas approval documents; a separate easement is required. The utility company providing the electrical power must apply for the easement.
- 16.9.2. If electrical service lines cross the areas within the pool designated by elevation 710' for Benbrook Lake, the low sag point of the line shall be no less than fifty five feet (55') above this elevation.

16.10. Drilling Cleanup:

- 16.10.1. After completion of drilling operations, the operator will remove all drilling equipment and debris from the site. Facilities not required for production such as drilling and work area foundations and structures, roads, dikes, etc., will be removed or obliterated.
- 16.10.2. Restoration to the exact original contours is not required; however, excavation and filling will be required to restore the area to near natural conditions. *No change in flood storage capacity will be allowed.*
- 16.10.3. Disturbed areas shall be disced, graded, and filled, topsoil spread to a depth of 6 inches over the entire area and the entire disturbed area sprigged, seeded, or sodded with grass species approved by the Reservoir Manager, as required to prevent erosion of the surface contour. Disturbed areas will be repaired in time to prevent invasion and

infestation by invader species. The operator will maintain the area free of erosion until the vegetative cover is re-established.

16.11. Other requirements

- 16.11.1. Firewalls be large enough to contain any fluids produced over a twenty-four hour period.
- 16.11.2. Firewalls and containment structures be built to withstand partial or complete inundation by flood waters.
- 16.11.3. Fluids that result from leaks or maintenance workovers be disposed of at an approved disposal site.
- 16.11.4. All pits needed for repairs or maintenance be lined and emptied daily.

16.12. Fence and Sign Requirements: After all drilling activities are completed and the well is put into production, the wellhead area (includes pumping unit where used) and the tank battery will be protected to prevent unauthorized personnel from entry.

16.12.1. For fee land only, this will require an eight (8) foot, climb-proof, chain-link fence with gate or gates capable of being locked. Tank batteries shall be secured in the same manner as the wellhead area. A five-strand barbed wire fence with a cattle guard and steel gate capable of being locked is required to enclose the pad at its exterior dimensions. The gates are required to be kept closed and locked at all times, except during the actual service of the well and associated structures. The operator will furnish a combination padlock for each gate, and will provide the Reservoir Manager with the combination to all locks at the time the approval is issued. Signs identifying the operator and well are required at the wellhead, at the tank battery serving the well and at the point of vehicular entry to the lease.

16.12.2. Park areas will additionally require warning signs placed on all production pad exterior fences and on the wellhead area and tank battery enclosures. Warning signs shall be of a size sufficient for recognition from a minimum distance of fifty (50) feet, and shall identify the site as a hazard area, warn against entry and contain both the operator's name and twenty-four hour emergency telephone number.

16.13. Resource Mitigation: Corps of Engineer personnel will specify the natural resource mitigation and recreation resource mitigation requirements, which in the form of a resource mitigation plan, will be appended to any approval document. Resource mitigation will not be required on flowage easement lands.

- 16.14. Post Production Cleanup: Upon termination of production, or the termination, revocation or voluntary relinquishment of any approval document, the operator shall promptly vacate the premises, remove all property and restore the site to a condition approximating its prior condition that is satisfactory to the Reservoir Manager.
- 16.14.1. The operator shall notify the local Corps of Engineers Project Office of its intention to plug and abandon prior to commencement of plugging and abandonment activities. All drill holes will be properly plugged and cemented in such a manner as to prevent damage and/or contamination to all upper water zones by reason of formation, migration or surface percolation in accordance with current state regulations governing the plugging of abandoned wells or test holes. A copy of all plugging reports shall be furnished to the Reservoir Manager.
- 16.14.2. Facilities which are no longer necessary, such as roads, dikes, steel pits, tanks, anchors, foundations, structures, pipelines, etc. will be removed or obliterated. Excavation and filling will be required to restore the area to near natural conditions. If mutually agreed, access roads may be left in place for future use by the Government.
- 16.14.3. Disturbed areas shall be disced, filled and graded and topsoil spread to a depth of six inches over the entire area. The entire area will be sprigged, seeded or sodded with a grass species approved by the Reservoir Manager. The operator will maintain the area free of erosion until vegetation cover is re-established. Disturbed areas will be mitigated in time to prevent invasion and infestation by invader species.

Bobby D. Faucett
Reservoir Manager
Benbrook Lake Office
PO Box 26619
Fort Worth TX 76126-0619

APPENDIX A -PERTINENT LAKE ELEVATIONS

	<i>Conservation pool- minimum elevation Section 404 Permit</i>	<i>Five Year Pool- minimum elevation for wellheads</i>	<i>Flood pool- minimum elevation of electric disconnect</i>	<i>Flowage easement- Minimum elevation for tank batteries</i>
Aquilla	525.0	543.8	553.0	564.5
B.A. Steinhagen	83.0	84.0	85.0	88
Bardwell	421.0	432.0	439.0	444
Belton	594.0	605.0	631.0	642
Benbrook	694.0	697.1	724.0	724.0
Canyon	909.0	918.0	943.0	948
Cooper	440.2	443.4	446.2	447.2
Grapevine	535.0	542.0	560.0	575
Granger	504.0	511.0	528.0	533
Hords Creek	1,900.0	1,902.0	1,920.0	1925
Joe Pool	522.0	524.5	536.0	541
Georgetown	791.0	802.2	834.0	839
Lake o'the Pines	230.0	236.0	249.5	254.5
Lavon	492.0	496.0	503.5	505.8
Lewisville	522.0	524.0	535.0	537
Navarro Mills	424.5	438.0	443.0	446
O.C. Fisher	1,908.5	1,909.0	1,938.5	1909
Proctor	1,162.0	1,172.0	1,197.0	1200
Ray Roberts	632.5	632.5	640.5	645.5
Sam Rayburn	164.0	171.0	176.0	179
Somerville	238.0	245.0	258.0	263
Stillhouse	622.0	632.0	666.0	671
Waco	455.0	470.0	500.0	503
Whitney	533.0	550.0	571.0	573
Wright Patman	227.5	265	259.5	265

Note: The Section 404 elevations represent the normal, or conservation pool of each lake. *All areas below these elevations fall within the jurisdiction of Section 404 of the Clean Water Act. Other areas at each lake may fall within the jurisdiction of Section 404, regardless of elevation, including wetlands, streams, and ponds.*

APPENDIX B -STIPULATIONS

CORPS OF ENGINEERS

FORT WORTH DISTRICT

BENBROOK LAKE OFFICE

1. NSO/ND -No Surface Occupancy and No Drilling (including horizontal drilling)

This stipulation applies to all Corps of Engineer (COE) fee ownership within 3,000 feet, whether horizontal or vertical, of prime facilities critical to the operation of a project. These facilities include the dam, spillway, outlet structure, levees and related structures. This stipulation allows the identified area to be included in a lease for the purpose of becoming a part of a drilling unit so that the United States will share in the royalty.

2. NSO/DD -No Surface Occupancy, Open for Directional Drilling

This stipulation applies to all Corps of Engineer (COE) fee ownership designated as parks, recreation areas, public use areas, wildlife management areas, archeological and historical sites, trails and roads, and the lake surface at the conservation pool elevation (694' NGVD at Lake Benbrook). Directional drilling is permitted from outside the identified areas where occupancy is allowed.

3. NSO/ELEV -No Surface Occupancy Based on Elevation

This stipulation prohibits surface occupancy on all lands lying at or below the elevation of the spillway crest (724' NGVD at Lake Benbrook) where alternative surface ownership is available within the same drilling unit. If no alternative ownership is available, in no case will surface occupancy be permitted below the spillway crest, or within 1,000 feet from the lake surface at the conservation pool elevation (694' NGVD at Lake Benbrook). The purpose of this stipulation is to protect the integrity of the project land and water resources.

The above stipulations are summarized as follows. Surface occupancy of Government fee property at Benbrook Lake will not be allowed if any of the following conditions apply:

1. Site is within 3,000 horizontal feet of prime facilities.
2. Site is designated as a public use area or wildlife management area; as an archeological or historical site; as a trail or road; or is within the lake surface at 694' elevation.
3. Site is at or below the 724' elevation of the spillway crest.
4. Site is within 1000 linear feet of the 694' elevation conservation pool of the lake.

APPENDIX C -Lake Office addresses

Aquilla Lake Office	PO Box 5038, Laguna Park Rural Station, Clifton, TX 76638-5038, (817) 622-3243
B.A. Steinhagen, Town Bluff ProjO	890 FM 92, Woodville, Texas 75979-9631
Bardwell Project Office	Route 4, Box 60, Ennis, TX 75119-9563, (817) 875-5711
Belton Lake Office	99 FM 2271, Belton, TX 76513-9717, (817) 939-8016
Benbrook Project Office	PO Box 26619, Fort Worth TX 76126-0619, 817-292-2400
Canyon Lake Project Office	HDC4, Canyon Lake, TX 78133-4112, 210-964-3341
Cooper Lake Project Office	PO Box 461, Cooper, TX 75432-0461, (903) 945-2108
Grapevine Lake Project Office	110 Fairway Drive, Grapevine, TX 76051-3495, (817) 481-4541
Granger Lake Office	Route 1, Box 172, Granger, TX 76530-9712, (512) 859-2668
Hords Creek Project Office	HCR 75, Box 33, Coleman, TX 76834-9320, (915) 625-2322
Joe Pool Project Office	PO Box 26619, Fort Worth, TX 76126-0619, (817) 292-2400
Georgetown Lake Office	Route 5, Box 500, Georgetown, TX 78626-9551, (512) 863-3016
Lake O' the Pines Project Office	PO Drawer W, Jefferson, TX 75657-0660, (903) 665-8441
Lavon Project Office	PO Drawer 1660, Wylie, TX 75098-1660, (214) 442-3141
Lewisville Project Office	1801 N. Miller Street, Lewisville, TX 75067-1821, (214) 434-1666
Navarro Mills Project Office	Route 4, Box 60, Ennis, TX 75119-9563, (817) 875-5711
O.C. Fisher Project Office	3900 Mercedes, San Angelo, TX 76901-2630 (915) 949-4757
Proctor Lake Office	Route 1, Box 71-A, Comanche, TX 76442-9201, (817) 879-2424
Ray Roberts Project Office	1801 N. Miller Street, Lewisville, TX 75067-1821, (214) 434-1666
Sam Rayburn Project Office	Route 3, Box 486, Jasper, TX 75951-9598, (409) 384-5716
Somerville Lake Office	PO Box 549, Somerville, TX 77879-0549, (409) 596-1622
Stillhouse Hollow Lake Office	Route 3, Box 3407, Belton, TX 76513-9503, (817) 939-2461
Waco Lake Office	Route 10, Box 173-G, Waco, TX 76708-9602, (817) 756-5359
Whitney Lake Office	PO Box 5038, Laguna Park Rural Station, Clifton, TX 76638-5038 (817) 622-3243
White Oak Creek Office	PO Box 1817, Texarkana, TX 75504-1817, (903) 832-8781
Wright Patman Lake Office	PO Box 1817, Texarkana, TX 75504-1817, (903) 832-8781

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

In conducting operations associated with this lease, the lessee/operator must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the code of Federal Regulations governing the use, occupancy, and management of the National Forest System (NFS) when not inconsistent with existing lease rights granted by the Secretary of the Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

To: Forest Service
Cibola National Forest
At: Federal Bldg
2113 Osuna Rd., NE Suite A
Albuquerque, NM 87113-1001

Telephone No: (505) 346-3804

Who is the authorized representative of the Secretary of Agriculture.

CULTURAL RESOURCES (National Historic Preservation Act of 1966 (NHPA), P.L. 89-665 as amended by P.L. 94-422, P.L. 94-458, and P.L. 96-515):

The Forest Service authorized officer is responsible for ensuring that the leased lands are examined prior to the undertaking of any ground-disturbing activities to determine whether or not cultural resources are present, and to specify mitigation measures for effects on cultural resources that are found to be present.

The lessee or operator shall contact the Forest Service to determine if a site-specific cultural resource inventory is required prior to undertaking any surface-disturbing activities on Forest Service lands covered by this lease.

The lessee or operator may engage the services of a cultural resource specialist acceptable to the Forest Service to conduct any necessary cultural resource inventory of the area of proposed surface disturbance. In consultation with the Forest Service authorized officer, the lessee or operator may elect to conduct an inventory of a larger area to allow for alternative or additional areas of disturbance that may be needed to accommodate other resource needs or operations.

The lessee or operator shall implement mitigation measures required by the Forest Service to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing, salvage, and recordation or other protective measures.

During the course of actual surface operations on Forest Service lands associated with this lease, the lessee or operator shall immediately bring to the attention of the Forest Service the discovery of any cultural or paleontological resources. The lessee or operator shall leave such discoveries intact until directed to proceed by Forest Service.

THREATENED OR ENDANGERED SPECIES (The Endangered Species Act. (ESA), P.L. 93-205 (1973), P.L. 94-359 (1974), P.L. 95-212 (1977), P.L. 95-632 (1978), P.L. 96-159 (1979), P.L. 97-304 (1982), P.L. 100-653 (1988)).

The Forest Service authorized officer is responsible for compliance with the Endangered Species Act. This includes meeting ESA Section 7 consultation requirements with the U.S. Fish and Wildlife Service prior to any surface disturbing activities associated with this lease with potential effects to species and/or habitats protected by the ESA. The results of consultation may indicate a need for modification of or restrictions on proposed surface disturbing activities.

The lessee or operator may choose to conduct the examination at their cost. Results of the examination will be used in any necessary ESA consultation procedures. This examination and any associated reports, including Biological Assessments, must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. Any reports must also be formally approved by the USDA Forest Service biologist or responsible official.

CONTROLLED SURFACE USE STIPULATION

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

A closed loop circulation system will be used for all oil and gas drilling. No open pits will be allowed.

On the lands described below:

For the purpose of:

Avoiding potential impacts and contamination to ground and surface water, and the surface disturbance associated with open pits.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

NO SURFACE OCCUPANCY STIPULATION

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

For the purpose of:

- a. Protection of heritage resource sites that have been listed on or determined eligible for inclusion on the National Register of Historical Places, or whose eligibility remains undetermined. Minimum distance for surface occupancy will vary depending on the nature and setting of the site, and will be determined during site specific analysis.
- b. Protection of riparian areas or wetlands and or where the Forest's Terrestrial Ecosystem Survey and vegetation data indicates riparian or wetland conditions (hydrology, hydrophytic plants, hydric soil), including floodplains.
- c. Protection of developed campgrounds, picnic grounds, recreational loading/unloading ramps, recreational buildings, shelters, and all other developed recreational facilities and interpretive sites.
- d. Protection of Lake Marvin
- e. Protection of the historical military camp and its associated trail that traverses the Lake Marvin Unit.
- f. Protection of slopes with a high erosion potential and preventing loss of long-term site productivity.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

TIMING LIMITATION STIPULATION

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

November 1 through March 31.

On the lands described below:

.25 mile of known roosting sites.

For the purpose of (reasons):

Protection of Bald Eagles' roosting sites

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

The permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

To : Forest Service
National Forests in Texas
At : 2221 North Raguet Street
: Lufkin, TX 75904
Telephone No : (936) 639-8501

Who is the authorized representative of the Secretary of Agriculture.

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect streamside management zones)

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

Portions of this lease contain streamside management zones (floodplains, wetlands). As a minimum, these areas are established within the 100 year flood plain of all intermittent streams and perennial streams, and 100 feet from the normal pool level contour of lakes. Site- specific proposals for surface-disturbing activities (such as pipelines and seismic surveys) within these areas will be analyzed and will normally result in establishment of protective requirements or limitations for the affected site. Surface occupancy for oil and gas wells will not be allowed within the streamside management zone. (MA-4-63)

On the lands described below:

All lands in lease.

For the purpose of:

To meet visual quality objectives and protect streamside management zones in accordance with the National Forest and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

CONTROLLED SURFACE USE STIPULATION
NATIONAL GRASSLANDS IN TEXAS
(Protect Streamside Management Zone Areas)

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

Portions of this lease contain segments of either perennial or intermittent streams as defined by the Forest Service. Areas within 100' of perennial streams or 66' of intermittent streams will be subject to special requirements or limitations for surface use or occupancy. Specific requirements or limitations will be determined as Surface Use Plans of Operations (SUPOs) are submitted and will normally result in establishment of protective requirements or limitations for the affected site. (MA-3-43)

On the lands described below:

For the purpose of:

To meet visual quality objectives and protect streamside management zone areas in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

CONTROLLED SURFACE USE STIPLATION
NATIONAL FOREST IN TEXAS
(Protect Trails)

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

Four C National Recreation Trail and Piney Creek Horse Trails. Proposals for drilling sites located 150 feet or less from the trail may be subject to special requirements or limitations, such to be determined on a case-by-case basis.

Trail may be crossed by vehicles but may not be used as a travel way. Vehicles may not parallel the trail closer than 25 feet. When crossing the trail with vehicles any brush pushed into the trail must be totally removed from the trail. Shot holes will be placed no closer than 25 feet from the trail's edge to meet public safety requirements. If necessary, the shot holes may be required to be located farther than 25 feet from the trail. (FW-158)

On the lands described below:

All Lands in Lease.

For the purpose of: To protect the trail and meet visual quality objectives as per National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect Rivers and Associated Bottom Land Areas)

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

Areas within the bottom land associated with the Neches River; Cochino Bayou; or the Winters Bayou may be subject to special requirements or limitations, such to be determined on a case by case basis. Drilling and production facilities will be located at least 100 feet from the river. (MA-8b-62)(MA-8b-63)

On the lands described below:

For the purpose of:

To meet visual quality objectives and protect rivers and associated bottom land areas in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

CONTROLLED SURFACE USE STIPULATION 11-2
NATIONAL FORESTS IN TEXAS

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

Portions of the land in this lease are, or may be, occupied by clusters of the endangered red-cockaded woodpeckers (RCWs). Exploration and development proposals may be modified and/or limited, in accordance with the *Recovery Plan for the Red-cockaded Woodpecker*, second revision approved January 27, 2003. Protective measures include, but are not limited to, the following requirements of the recovery plan:

Protection of Cavity Tree Clusters During Nesting Season

The protected area includes all cavity trees used by the RCWs and a 200 ft. buffer zone. This area usually doesn't exceed 10 acres. During the nesting season, which generally runs from March 1 through July 31, human disturbance within and adjacent to the clusters will be reduced as much as possible, for example, use of motorized vehicles will be restricted to existing roads, other potentially disturbing activities will be limited to daylight hours, avoiding activities within at least one or two hours of dawn and dusk. New road construction through these areas wouldn't be allowed during nesting season.

Foraging Habitat:

120 acres of good quality foraging habitat should be provided within 0.5 miles of the center of each cluster, as described in Section 8I of the recovery plan, preferably 50% or more within 0.25 miles of the cluster center. In areas that have multiple clusters the foraging habitat will overlap so that the 120 acres of habitat may support more than one cluster.

Upon receipt of a site-specific proposal, the Forest Service will provide current inventory records of cluster locations and may require that localized surveys be performed to assure no uninventoried clusters are present.

On the lands described below:

All lands in lease.

For the purpose of: To protect red-cockaded woodpecker clusters foraging and habitat areas in accordance with the National Forest and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the regulatory provisions for such changes.

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS
(Soil erosion, water quality or flood prevention)

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

Extensive areas within this lease are considered critical areas for flood prevention and/or erosion control. Control structures and erosion damage rehabilitation work either exist now or may be added during the period of the lease. Surface occupancy may be restricted, including no surface occupancy, or limited in order to assure minimum conflict with erosion control or flood prevention goals. Restrictions or limitations will be identified by a site-specific analysis of a proposal for lease activities.
(MA-3)

On the lands described below:

For the purpose of:

To meet soil erosion, water quality, or flood prevention goals in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

NO SURFACE OCCUPANCY STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect Recreational Values)

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

Lake Conroe, Big Creek Scenic Area, Winters Bayou Scenic Area and Double Lake Recreation Area, of which portions lie within these parcels/tracts, except hand-laying of electronic gear or apparatus could be further considered. Vehicle traffic may be restricted in this area. Seismic work requiring use of explosives will not be allowed.

For the purpose of:

To meet visual quality objectives and to protect lake, scenic area and recreation area values in accordance with (MA-8c-62)(MA-9a-72)(MA-9b-72), of the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

NO SURFACE OCCUPANCY STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect Recreation Area Values)

No surface occupancy or use is allowed on the lands described below:

Ratcliff Lake Recreation Area, of which approximately 600 acres lie within Tract K-1a-V Parcel #1, except hand-laying of electronic gear or apparatus could be further considered. Vehicle traffic may be restricted in this area. Seismic work requiring use of explosives will not be allowed.

For the purpose of:

To meet visual quality objectives and to protect recreation area values in accordance with MA-9a-72, Page 266, of the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

NO SURFACE OCCUPANCY STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect Lakeshore Areas)

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

Areas along lakeshores where visual resources would be severely impacted by drilling facilities, which includes some portions of the lakeshores within the following tracts. These areas involve portions of the tracts which are prone to flooding.

For the purpose of:

To meet visual quality objectives and to protect lakeshore areas in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan dated March 28, 1996.

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

DRAINAGE STIPULATION FOR FEDERAL LANDS

All or part of the lands contained in this lease is subject to drainage by well(s) located adjacent to this lease. The lessee shall be required within 60 days of lease issuance to submit to the authorized officer plans for protecting the lease from drainage. Compensatory royalty will be assessed effective the expiration of this 60-day period if no plan is submitted. The plan must include either an Application for Permit to Drill (APD) a protective well, or an application to communitize the lease so that it is allocated production from a protective well off the lease. Either of these options may include obtaining a variance to State spacing for the area. In lieu of this plan, the lessee shall be required to demonstrate that a protective well would have little or no chance of encountering oil and gas in quantities sufficient to pay in excess the costs of drilling and operating the well. In the absence of either an acceptable plan for protecting the lease from drainage or an acceptable justification why a protective well would be uneconomical, the lessee shall be obligated to pay compensatory royalty to the Office of Natural Resources Revenue at a rate to be determined by the authorized officer.

SPECIAL CULTURAL RESOURCE
LEASE NOTICE

All development activities proposed under the authority of this lease are subject to compliance with Section 106 of the NHPA and Executive Order 13007. The lease area may contain historic properties, traditional cultural properties (TCP's), and/or sacred sites currently unknown to the BLM that were not identified in the Resource Management Plan or during the lease parcel review process. Depending on the nature of the lease developments being proposed and the cultural resources potentially affected, compliance with Section 106 of the National Historic Preservation Act and Executive Order 13007 could require intensive cultural resource inventories, Native American consultation, and mitigation measures to avoid adverse effects—the costs for which will be borne by the lessee. The BLM may require modifications to or disapprove proposed activities that are likely to adversely affect TCP's or sacred sites for which no mitigation measures are possible. This could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

CONTROLLED SURFACE USE
FLOODPLAIN PROTECTION STIPULATION

All or portions of the lands under this lease lie in and/or adjacent to a major watercourse and are subject to periodic flooding. Surface occupancy of these areas will not be allowed without specific approval, in writing, of the Bureau of Land Management.

For the following described land(s):

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

Bureau of Land Management
Oklahoma Field Office

ORA-1 CSU
November 1991

CONTROLLED SURFACE USE
WETLAND/RIPARIAN STIPULATION

All or portions of the lands under this lease contain wetland and/or riparian areas. Surface occupancy of these areas will not be allowed without the specific approval, in writing, of the Bureau of Land Management. Impacts or disturbance to wetlands and riparian habitats which occur on this lease must be avoided, or mitigated. The mitigation shall be developed during the application for permit to drill process.

For the following described land(s)

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

Bureau of Land Management
Oklahoma Field Office

ORA-2 CSU
November 1991

SEASON OF USE STIPULATION

Surface occupancy of this lease will not be allowed from February 15 to May 15, as well as all applicable hunting seasons without the specific approval, in writing, from the authorized officer of the Bureau of Land Management. This stipulation does not apply to operation and maintenance of production facilities.

On the land(s) described below:

For the Purpose of: Wildlife seasonal use requirements or recreation use conflicts with drilling activities.

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

Bureau of Land Management
Oklahoma Field Office

ORA-3 SS
November 1991

OKLAHOMA STATE UNIVERSITY STIPULATION

No occupancy or other activity on the surface is allowed in order to protect Lake Carl Blackwell and associated facilities owned by the Oklahoma State University.

On the lands described below:

OKLAHOMA STATE UNIVERSITY STIPULATION

Prior to conducting operations, a plan of operations must be approved by the Tulsa District Office of the Bureau of Land Management. Any drilling, construction, or other operations on the leased lands are subject to site-specific stipulations as may be necessary to assure reasonable protection of Lake Carl Blackwell and associated facilities owned by Oklahoma State University. A plan shall not be approved if it will result in unacceptable impacts on any land use or the environment.

The successful bidder will be required to seek the University's portion of the mineral interests through the State of Oklahoma Commissioners of the land office. Successful bidder shall work with the University areas assigned usage of those particular lands to see that the appropriate steps are taken to protect departmental interest from surface and nuisance damages. All information on this sale and lease should be directed to both:

Oklahoma State University
Attn: Suzanne Frits
210 Whitehurst
Stillwater, OK 74078-1025
(405) 744-6787

State of Oklahoma Land Commissioners
Attn: David Shipman
P.O. Box 26910
Oklahoma City, OK 73126
(405) 271-1000

LEASE NOTICE
POTENTIAL CAVE OR KARST OCCURRENCE AREA

All or a portion of the lease is located in a potential cave or karst occurrence area. Within this area, caves or karst features such as sinkholes, passages, and large rooms may be encountered from the surface to a depth of as much as 2,000 feet, within surface areas ranging from a few acres to hundreds of acres. Due to the sensitive nature of the cave or karst systems of this area, special protective measures may be developed during environmental analyses and be required as part of approvals for drilling or other operations on this lease. These measures could include: changes in drilling operations; special casing and cementing programs; modifications in surface activities; or other reasonable measures to mitigate impacts to cave or karst values. These measures may be imposed in accordance with 43 CFR 3101.1-2; 43 CFR 3162.5-1; Onshore Oil and Gas Order No. 1; and Section 6 of the lease terms.

LEASE NOTICE
OIL AND GAS DEVELOPMENT WITHIN THE DESIGNATED POTASH AREA

This lease is located within the Secretary of the Interior's Designated Potash Area. It is subject to Secretarial Order No. 3324, signed December 3, 2012, the Federal Land Policy and Management Act (FLPMA), the Mineral Leasing Act (MLA) and regulations, orders, and directives of the Bureau of Land Management. The Order provides procedures and guidelines for more orderly co-development of oil, gas and potash deposits owned by the United States within the Secretary's Potash Area.

Pursuant to applicable laws; the terms, conditions and attached stipulations to the Lease; the Secretary of the Interior's formal orders; and regulations; drilling of an oil and gas well from a surface location within the Designated Potash Area will only be permitted if drilling occurs under the following conditions:

- 1) a Drilling Island associated with a Development Area established under this Order or a Drilling Island established under a prior Order;
- 2) a Barren Area and the Authorized Officer (AO) determines that such operations will not adversely affect active or planned potash mining operations in the immediate vicinity of the proposed drill-site; or
- 3) a Drilling Island, not covered by (1) above, or single well site established under this Order by the approval and in the sole discretion of the AO, provided that such site was jointly recommended to the AO by the oil and gas lessee(s) and the nearest potash lessee(s).

In addition, the lessee may be required to participate in an approved Development Area. A Development Area is an area established by the BLM within the Designated Potash Area in consideration of appropriate oil and gas technology such that wells can be drilled from a Drilling Island capable of effectively extracting oil and gas resources while managing the impact on potash resources. A Development Area typically will contain a single Drilling Island from which all new oil and gas wells that penetrate the potash formations will be drilled. Drilling Islands will not be allowed within one mile of any area where approved potash mining operations will be conducted within three years consistent with a three-year mine plan without the consent of the affected potash lessee(s).

Leases within a Development Area will be unitized or subject to an approved communitization agreement unless there is a compelling reason for another operating system. In addition, the drilling of new wells will be subject to safety Buffer Zones of ¼ mile for oil wells and ½ mile for gas wells from the perimeter of existing underground open mine workings within which oil or gas operations will generally not be allowed

OIL & GAS DEVELOPMENT WITHIN THE DESIGNATED POTASH AREA
STIPULATION

This lease is located within the Secretary of the Interior's Designated Potash Area. It is subject to Secretarial Order No. 3324, signed December 3, 2012. Pursuant to applicable laws; the terms, conditions and attached stipulations to the Lease; the Secretary of the Interior's formal orders; and regulations;, this lease is subject to the following requirements.

The lessee agrees that:

- (1) Drilling for oil and gas shall be permitted only in the event that the lessee establishes to the satisfaction of the Authorized Officer, Bureau of Land Management, that such drilling will not interfere with the mining and recovery of potash deposits, or the interest of the United States will best be served by permitting such drilling.
- (2) No wells shall be drilled for oil or gas at a location which, in the opinion of the Authorized Officer, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.
- (3) When the Authorized Officer determines that unitization is necessary for orderly oil and gas development and proper protection of potash deposits, no well shall be drilled for oil or gas except pursuant to a unit plan approved by the Authorized Officer.
- (4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations (43 CFR 3160), including such requirements as the Authorized Officer may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.
- (5) Drilling for and production of oil and gas will be subject to applicable laws; the terms, conditions and attached stipulations; the Secretary of the Interior's formal orders in effect as of lease issuance, including Secretarial Order No. 3324; any subsequent revisions and orders of the Authorized Officer thereunder; and to regulations and formal orders hereafter promulgated.

On the land(s) described below:

All Lands in Lease

For the protection of: The rights and safety of the oil and gas and potash lessees and operators.

Bureau of Land Management
Carlsbad Field Office

SENM-S-1
July 2013

CONTROLLED SURFACE USE
SLOPES OR FRAGILE SOILS

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

Surface disturbance will not be allowed on slopes over 30 percent. Exceptions will be considered for authorized mineral material extraction sites and designated OHV areas, for the installation of projects designed to enhance or protect renewable natural resources, or if a plan of operating and development which provides for adequate mitigation of impacts was approved by the Authorized Officer. Occupancy or use of fragile soils will be considered on a case-by-case basis.

On the lands described below:

For the purpose of:

Protecting Slopes or Fragile Soils

Bureau of Land Management
Roswell/Carlsbad Field Office

SENM-S-17
December 1997

CONTROLLED SURFACE USE
STREAMS, RIVERS, AND FLOODPLAINS

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

Surface disturbance will not be allowed within up to 200 meters of the outer edge of 100-year floodplains, to protect the integrity of those floodplains. On a case-by-case basis, an exception to this requirement may be considered based on one or more of the criteria listed below. The first three criteria would not be applied in areas of identified critical or occupied habitat for federally listed threatened or endangered species.

--Additional development in areas with existing developments that have shown no adverse impacts to the riparian areas as determined by the Authorized Officer, following a case-by-case review at the time of permitting.

--Suitable off-site mitigation if habitat loss has been identified.

--An approved plan of operations ensures the protection of water or soil resources, or both.

--Installation of habitat, rangeland or recreation projects designed to enhance or protect renewable natural resources.

For the purpose of: Protecting Streams, Rivers and Floodplains

On the lands described below:

CONTROLLED SURFACE USE
PLAYAS AND ALKALI LAKES

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

Surface disturbance will not be allowed within up to 200 meters of playas or alkali lakes. Waiver of this requirement will be considered on a case-by-case basis for projects designed to enhance or protect renewable natural resources. An exception for oil and gas development will be considered if playa or lake loss was mitigated by the protection and development of another playa exhibiting the potential for improvement.

Mitigation could include:

installing fencing; developing a supplemental water supply; planting trees and shrubs for shelter belts; conducting playa basin excavation; constructing erosion control structures or cross dikes; or by improving the habitat in another area.

On the lands described below:

For the purpose of:

Protecting playas and alkali lakes

Bureau of Land Management
Pecos District

SENM-S-19
Revised July 2010

CONTROLLED SURFACE USE
SPRINGS, SEEPS AND TANKS

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

Surface disturbance will not be allowed within up to 200 meters of the source of a spring or seep, or within downstream riparian areas created by flows from the source or resulting from riparian area management. Surface disturbance will not be allowed within up to 200 meters of earthen tanks or the adjacent riparian areas created as a result of the presence of the tanks. Exceptions to this requirement will be considered for the installation of habitat or rangeland projects designed to enhance the spring or seep, or downstream flows.

For the purpose of:

Protecting Springs, Seeps and Tanks

CONTROLLED SURFACE USE
CAVES AND KARST

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

Surface disturbance will not be allowed within up to 200 meters of known cave entrances, passages or aspects of significant caves, or significant karst features. Waiver of this requirement will be considered for projects that enhance or protect renewable natural resource values, or when an approved plan of operations ensures the protection of cave and karst resources.

For the purpose of:

Protecting Caves and Karst Features

CONTROLLED SURFACE USE
LESSER PRAIRIE-CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to the operation and maintenance of production facilities.

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in lesser prairie-chicken habitat during the period of March 1 through June 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m. The 3:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise. Exceptions to these requirements will be considered for areas of no or low lesser prairie-chicken booming activity, or unoccupied habitat, including leks, as determined at the time of permitting, or in emergency situations.

For the purpose of:

Protecting Lesser Prairie-Chickens

Bureau of Land Management
Pecos District Offices

SENM-S-22
Revised July 2010

CONTROLLED SURFACE USE
SAND DUNE LIZARD

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

Surface disturbance will not be allowed in documented occupied habitat areas, or within up to 200 meters of suitable habitat associated with occupied habitat areas identified through field review. An exception to this restriction will be considered when an on-site evaluation of habitat extent, available species occurrence data, the proposed surface use, and proposed mitigations indicate the proposal will not adversely affect the local population.

For the purpose of:

Protecting Sand Dune Lizards

VISUAL RESOURCE MANAGEMENT

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

Painting of oil field equipment and structures to minimize visual impacts is to be conducted according to the requirements of Notice to Lessees (NTL) 87-1, New Mexico. Low profile facilities also may be required, when needed to reduce the contrast of a project with the dominant color, line, texture, and form of the surrounding landscape. Other surface facilities or equipment approved by the BLM, such as large-scale range improvements or pipelines, will be painted, when needed, to conform to the requirements of visual resource management to minimize visual impacts. Paint colors will be selected from the environmental color chart approved by the Rocky Mountain Coordinating Committee. The selected paint color will match as closely as possible the predominant soil or vegetation color of the area. Upon completion of the well and installation of the production facilities (if the well is a producer) the pad will be reclaimed back to a size necessary for production operations only. The edges will be recontoured and the extra caliche and pad material (excluding top soil) will be hauled off-site. The BLM may require additional reclamation depending upon vegetation recovery. The reclaimed area will be recontoured and reseeded according to vegetation and soil type.

For the purpose of: Protecting Visual Resources Management

NO SURFACE OCCUPANCY
Lesser Prairie-Chicken – Sand Dune Lizard Habitat Core Areas

All or a portion of the lease is within habitat suitable for the lesser prairie-chicken (LPC) and/or the sand dune lizard, special (SDL) status species of concern. In accordance with the 2008 Pecos District Special Status Species Resource Management Plan Amendment, Bureau of Land Management (BLM) may lease Federal minerals under LPC and/or SDL habitat with a No Surface Occupancy (NSO) stipulation. This lease is issued with the intention that it be developed by directional drilling from a surface location outside of the designated NSO portion of the lease, with the bottom hole located within the lease. Potential impacts from drilling off lease must also adhere to the principle of avoiding LPC and/or SDL habitat and would be subject to review through the NEPA process. Plans of development may be requested by the BLM in these habitats.

No Surface Occupancy on the lands described below:

For the purpose of:

Managing habitat for the lesser prairie-chicken and sand dune lizard.

Bureau of Land Management
Pecos District

SENM-S-33
Revised July 2010

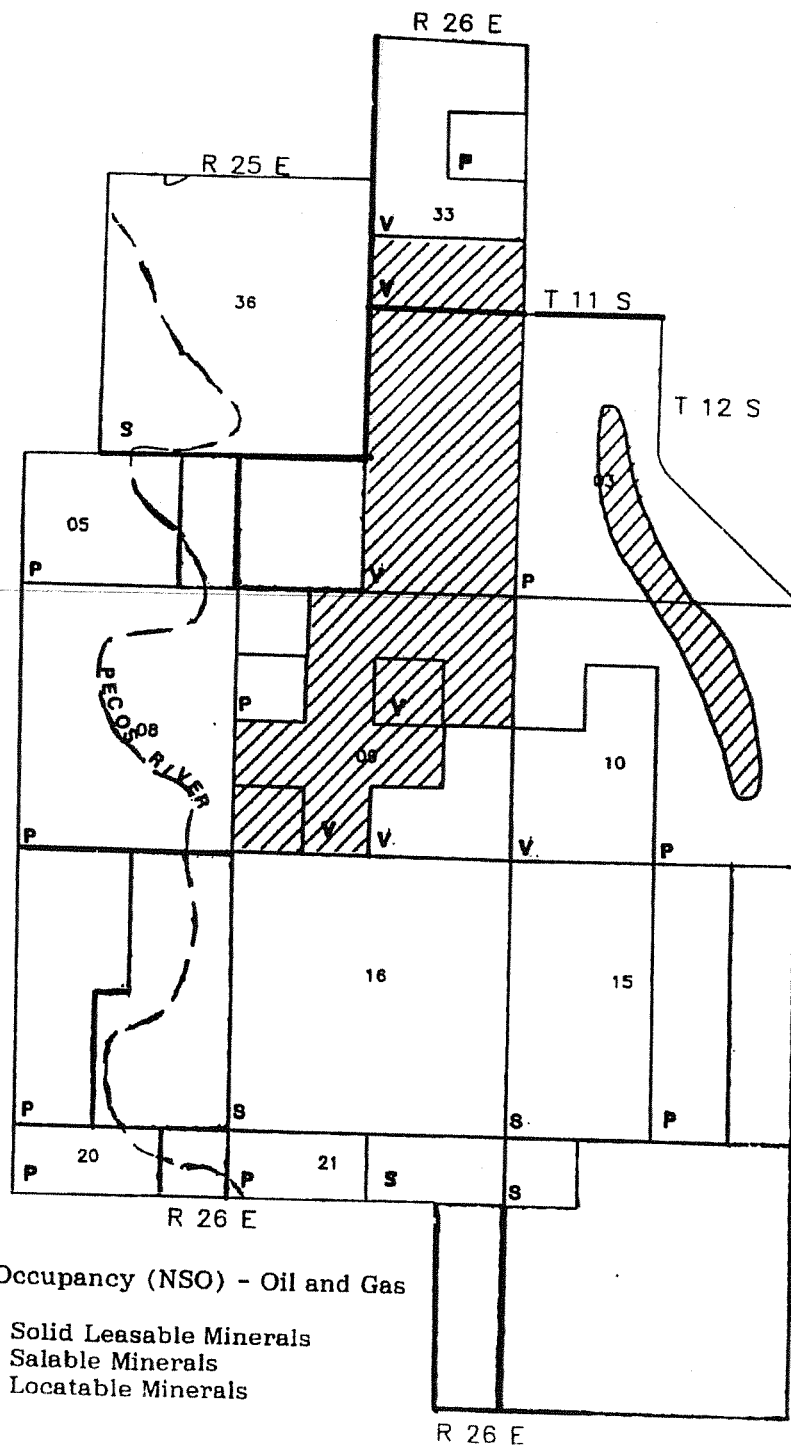
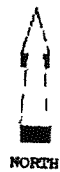
NO SURFACE OCCUPANCY
OVERFLOW WETLANDS ACEC



All or a portion of the lease is within the boundary of the Overflow Wetlands Area of Critical Environmental Concern (ACEC). A portion of this ACEC is designated as no surface occupancy (NSO) for oil and gas operations. The restricted areas are illustrated on the map included with this stipulation. Access for oil and gas lease development is prohibited within these designated areas or as described below. The portion of the lease within the NSO zones may be developed by prorationing or directional drilling from outside the restricted area.

For the purpose of: protecting resource values within the Overflow Wetlands ACEC.

Note: with attached map.

V - Federal Land
(Public Lands)
P - Private Land
S - State Lands



-  No Surface Occupancy (NSO) - Oil and Gas
-  Closed to
 - Solid Leasable Minerals
 - Salable Minerals
 - Locatable Minerals

MAP A12-2
OVERFLOW WETLANDS
Roswell Resource Area

PLAN OF DEVELOPMENT (POD) STIPULATION

A plan of development (POD) for the entire lease must be submitted for review and approval, including NEPA analysis, by the Bureau of Land Management (BLM) authorized officer, prior to approval of development (APD, Sundry Notices) actions. The POD must indicate planned access to well facilities (roads, pipelines, power lines), and the approximate location of well sites. Should it become necessary to amend the POD, the amendment must be approved prior to the approval of subsequent development action. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the Purpose of:

Plans of Development will be required to help direct development to reduce surface impacts.

New Mexico State Office
Pecos District

SENM-S-39
Revised July 2010

SAND DUNE LIZARD SURVEY REQUIREMENTS
AND PLAN OF DEVELOPMENT

A survey for occupied and suitable sand dune lizard habitat for the entire lease is required. The surveys will occur according to BLM approved protocol by BLM approved surveyors. Survey results must be submitted and reviewed by BLM prior to approval of development actions (APD, Sundry Notices). Based on the results of the surveys, a Plan of Development (POD) may be required. The POD must indicate planned access to well facilities (roads, pipelines, power lines), and the approximate location of well sites. Should it become necessary to amend the POD, the amendment must be approved prior to approval of subsequent development actions. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the purpose of:

Managing habitat suitable for the sand dune lizard (SDL). The lease contains isolated blocks of habitat potentially suitable for SDL. Surveying the entire lease for occupied and suitable habitat will provide vital information for management of this special status species habitat.

Bureau of Land Management
Pecos District Office

SENM-S-46
May 2008

RECLAMATION

The subject properties contain facilities (well, pad, road, powerline, pipeline, etc.) that were not plugged, removed and/or reclaimed to current standards. Unless the facilities are put to a beneficial and direct use under the new lease, the lessee shall plug, remediate and reclaim the facilities within two years of lease issuance. If an extension is requested, the lessee must submit a detailed plan (including dates) prior to the two year deadline. All plugging, remediation and reclamation shall be performed in accordance with Bureau of Land Management requirements and be approved in advance by the Authorized Officer.

The well(s) to be plugged and reclaimed are as follows:

The facilities to be reclaimed are as follows:

Bureau of Land Management
Pecos District

SENM-S-47
Revised July 2010

**CONTROLLED SURFACE USE
FARMLAND STIPULATION**

All or a portion of this lease contains private surface used for cultivation. Any surface-disturbing activities associated with oil and gas development will be excluded from the surface area used for cultivation. The BLM may consider on an individual application basis, an exception to this stipulation if the surface owner signs an agreement with the lessee or operator allowing the proposed surface-disturbing activity within the cultivated area. Each application submitted to the BLM must include a copy of any agreement signed by the surface owner.

On the lands described below:

For the purpose of:

Protecting agricultural lands used for cultivation.

Bureau of land Management
Pecos District Office

SENM-S-51
August 2010

ENDANGERED SPECIES ACT
SECTION 7 CONSULTATION STIPULATION

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

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.

We're On-Line!!

BLM, New Mexico
Oklahoma
Kansas
Texas

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Oil & Gas Information includes:

- Sale Notice
- Sale Schedule
- FAQs
- Leasing Instructions & Guidelines
- NTLs, Onshore Orders
- Sale Results
- Forms
- Contacts

Email links are provided at the site
for your comments and suggestions