

# STIPULATIONS

**U. S. ARMY CORPS OF ENGINEERS**  
**SPECIAL STIPULATIONS 1-A**  
**EUFAULA LAKE**

1. This is a no surface occupancy lease.
2. All oil and gas drilling and production operations shall be under the supervision of the District Manager, Bureau of Land Management (BLM), in accordance with 43 Code of Federal Regulations 3160.
3. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
4. If the District Engineer or his authorized representative discovers an imminent danger to safety or security which allows no time to consult the BLM, that person may order such activities stopped immediately. The District Manager, BLM, will be notified immediately, will review the order, and will determine the need for further remedial action.
5. Lessee liability for damage to improvements shall include improvements of the Department of Defense. Lessee shall be liable for pollution and other damages, as a result of their operations, to Government-owned land and property and to the property of the Government's authorized surface user.
6. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the lease area and must consider programs for which third parties have contractual responsibility.
7. A license to conduct geophysical test on the leased area must be obtained separately from the District Engineer.
8. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-named project.

9. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities; and the lessee shall hold the United States harmless from any and all such claims.

10. That the work performed by the lessee on the lands shall be under the general supervision of the District Engineer, Corps of Engineers, in direct charge of the project, and subject to such conditions and regulations as may be prescribed by him, and the plans and locations for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval in advance of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises, at any time, to inspect both the installation and operational activities of the lessee

11. That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.

12. That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

13. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials there from, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work performed on land outside the property included in the lease is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in the amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.

14. All areas with 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas,

including drilling outside of the restricted areas which would cause a bore hole to be under the restricted area, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming part of a drilling unit so that the United States will share in the royalty of the unit.

15. All existing or proposed public use areas, recreation areas, wildlife and waterfowl refuges, historical sites, and hiking and horseback trail areas may be leased for the sole purpose of becoming a part of a drilling unit. The lessee, his operators, agents, or employees will not use or enter upon the surface for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.

16. All storage tanks and slush pits will be protected by dikes of sufficient capacity to protect the reservoir from pollution to flood pool elevation **604.96** feet for Eufaula Lake, National Geodetic Vertical Datum.

17. It is the responsibility of the lessee to identify and be aware of areas where entry is prohibited.

18. The operator will immediately stop work and advise the District Engineer or his authorized representative if contamination is found in the operating area.

**LEASE NOTICE**  
**MOUNTAIN PLOVER**

All development activities proposed under the authority of this lease are subject to compliance with mitigation measures described in the Biological Assessment prepared as part of the Endangered Species Act Section 7 consultation for the Farmington RMP. Specifically, the lease is within potential habitat for mountain plover. Surface disturbance activities proposed for the breeding season (April 1 through July 31) will require surveys for mountain plover. If the species is detected in the project area, construction will be restricted to the period of August 1 through March 31. Permanent facilities such as compressor stations may require site-specific mitigation such as noise remediation or maintenance construction timing restrictions. The BLM may require modifications to or disapprove proposed activities that would adversely affect nesting mountain plovers or their habitat. 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.

**NO SURFACE OCCUPANCY**  
**Special Cultural Values and/or Traditional Cultural Properties**

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

For the purpose of: Protection of known cultural resource values and/or traditional cultural properties in areas not already within ACECs.

If circumstances or relative resource values change or if it can be demonstrated that oil and gas operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the BLM Authorized Officer, if such action is consistent with the Farmington Resource Management Plan, or if not consistent, through a land use plan amendment and associated National Environmental Policy Act analysis document. If the BLM Authorized Officer determines that the waiver, exception, or modification involves an issue of major public concern, the waiver, exception, or modification shall be subject to a 30-day public review period.

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

Bureau of Land Management  
Farmington District Office

F-39-NSO  
November 2006

**LEASE NOTICE**  
**BIOLOGICAL SURVEY**

**A biological survey may be required prior to any surface disturbing activity on BLM managed lands. Proposed activities may be subject to seasonal closures within sensitive species habitat.**

**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 Building  
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 a 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.

**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 a 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.

**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 : 415 South First Street, Suite 110  
Lufkin, TX 75901  
Telephone No : (936) 639-8501

Who is the authorized representative of the Secretary of Agriculture.

**CONTROLLED SURFACE USE STIPULATION**  
**(Prevention of soil erosion and to prevent riparian areas**

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

Facilities will be located at least 300 feet away from all riparian corridors (i.e. 300 feet away from the edge of vegetation zones associated with riparian areas whether they are perennial, intermittent or ephemeral).

Activities associated with drilling and production will be limited or special actions may be required in areas with high potential for wind or water erosion.

New road access will be limited to areas of less than 30% slopes. New road access in or near drainage (watercourses) will be limited to essential crossings with the least environmental impact. All Soil and Water Conservation Practices described in FSH 2509.22 will be followed for each site-specific case of road construction.

On the lands described below:

For the purpose of: Prevention of soil erosion and to protect riparian areas.

Any changes 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**

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

**The lessee is given notice that a closed 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 ground and surface water contamination and 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.**

**CONTROLLED SURFACE USE**

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

The lessee is given notice that a closed 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:

Avoid potential ground and surface water contamination and 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.

**CONTROLLED SURFACE USE STIPULATION**  
**(Protecting Black-Tailed Prairie Dog Towns/  
Swift Fox Den Habitat)**

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

**No surface occupancy within any identified black-tailed prairie dog towns or within .25 mile of any active Swift fox den.**

**On the lands described below:**

**For the purpose of:**

**Protecting black-tailed prairie dog burrowing habitat and Swift fox den habitat.**

**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 operational and maintenance of production facilities.

**Ferruginous Hawk and Swainson's Hawk Nesting Season –  
Between the dates of March 1 and April 31, within a quarter  
mile of any suitable nesting sites; Between April 1 and July 31,  
within a quarter mile of any active nest.**

On the lands described below:

For the purpose of:

Protecting nesting ferruginous and Swainson's hawks and their young.

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**  
**NATIONAL FORESTS AND GRASSLANDS IN TEXAS**  
**(Probable Bald Eagle Nesting Locations)**

Surface use may be deferred during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Part or all of this lease is within one (1) mile of a bald eagle nesting site. During nesting periods, seismic exploration, new clearing of vegetation, and exploratory drilling or any other site-specific proposals for activities within these areas will be analyzed. Such analysis could result in establishment of protective requirements or limitations for the affected site and activities may be restricted if, in the opinion of the responsible agency biologist, restrictions are necessary to assure nesting success. (FW-221)

Approximately October 1 through May 15 per year

On the lands described below:

For the purpose of:

To avoid disturbance of actual or probable bald eagle nesting locations in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

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

**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) (MA-5-31)

On the lands described below:

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.

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 STIPULATION**  
**NATIONAL FORESTS IN TEXAS**  
**(Unique Plants or Plant Communities)**

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

Portions of this lease may contain large (greater than 40 acres) areas identified under the Texas Natural Heritage Program's Sensitive Plant and Natural Community Inventory. These areas may contain bogs and seeps or sensitive plants and plant communities. Site-specific proposals for surface-disturbing activities within these areas will be analyzed. Such analysis could result in establishment of protective requirements, limitations for the affected site, or possibly require relocation of the activities.

On the lands described below:

For the purpose of:

To meet requirements of the National Forest Management Act of 1976 and regulation, 36 CFR 219.26. Also to protect and promote sustainable populations of unique plants or plant communities as per 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 1I-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:

**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.

**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.

Bureau of Land Management  
New Mexico State Office

NM-11-LN  
February 9, 2004

**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.

**LEASE NOTICE**  
**POTENTIAL CAVE OR KARST OCCURRENCE AREA**

All or portion of the lease are 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.

Bureau of Land Management  
Roswell/Carlsbad Field Office

SENM-LN-1  
February 1991

**LEASE NOTICE**  
**PROTECTION OF THE SAND DUNE LIZARD**

This lease may encompass suitable and occupied habitat of the sand dune lizard (SDL) (Sceloporus arenicolous). The lizard can be found in active or semi-active sand dunes with shinnery oak vegetation. All or portions of the lease may contain suitable or occupied habitat of this special status species.

The Bureau of Land Management through its NEPA process, is responsible for assuring that the leased lands are examined prior to any surface disturbing activities on the lands covered by this lease to determine potential impacts to the lizard and its habitat.

In accordance with Section 6 of the lease terms, the lessee may be required to conduct an examination of the lands to determine the occurrence of the lizard. Protocol for these surveys can be found in the 2008 Special Status Species Resource Management Plan Amendment. The survey would be conducted by a qualified biologist or herpetologist approved by the Bureau of Land Management. A report of the findings would be submitted to the authorized officer.

Exploration and lease development activities may be limited to areas outside of suitable or occupied habitat within the lease. If the surface management agency determines that lease development activities may adversely impact suitable or occupied habitat, restrictions to the lessee's proposal or denial of any beneficial use of the lease may result.

Conditions of Approval for Applications for Permit to Drill or Sundry Notices may be developed to protect habitat for the dunes sagebrush lizard. The lessee will take such measures as may be required by the authorized officer to protect the lizard and its habitat.

Bureau of Land Management  
Pecos District Office

SENM-LN-2  
May 2008

**POTASH STIPULATION**

Stipulations to be made part of any oil and gas lease involving lands described in Secretarial Order, 51 Federal Register 39425 (October 28, 1986).

The lessee further 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 it is determined by the Authorized Officer, 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.

On the land(s) described below:

Bureau of Land Management  
Carlsbad Field Office

SENM-S-1  
Revised December 1996

**CONTROLLED SURFACE USE**  
**WILDLIFE HABITAT PROJECTS**

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

Surface disturbance will not be allowed within up to 200 meters of existing or planned wildlife habitat improvement projects. Large-scale vegetation manipulation projects such as prescribed burns will be excepted. This requirement will be considered for waiver with appropriate off-site mitigation, as determined by the Authorized Officer.

For the purpose of: Protecting Wildlife Habitat Projects

**CONTROLLED SURFACE USE**  
**RAPTOR NESTS AND HERONRIES**

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

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both. Raptor nests on special, natural habitat features, such as trees, large brush, cliff faces and escarpments, will be protected by not allowing surface disturbance within up to 200 meters of nests or by delaying activity for up to 90 days, or a combination of both. Exceptions to this requirement for raptor nests will be considered if the nests expected to be disturbed are inactive, the proposed activity is of short duration (e.g. habitat enhancement projects, fences, pipelines), and will not result in continuing activity in proximity to the nest.

Conditions of Approval: Phantom Banks Heronries (SMA 15)

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.

For the purpose of: Protecting Raptor Nests and Heronries.

**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 of 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 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 playas 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  
Roswell/Carlsbad Field Offices

SENM-S-19  
December 1997

**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**  
**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 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 Prairie Chickens

Bureau of Land Management  
Roswell/Carlsbad Field Offices

SENM-S-22  
May 2008

**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

**CONTROLLED SURFACE USE STIPULATION**  
**NORTHERN APLOMADO FALCON SUITABLE HABITAT**

The Bureau of Land Management has determined that oil and gas development will be managed at three different levels throughout the Hope, New Mexico study area and adjacent outlying areas based on the following criteria:

- Whether suitable Aplomado Falcon habitat exists within lease boundaries based on habitat suitability model findings and/or grassland mapping
- If grasslands occur within lease, whether the quality of the grassland is adequate for falcon occupancy (i.e. shrub density approaching threshold, nesting structure availability, etc.). This will be determined by BLM using a habitat suitability rating process.
- Whether oil and gas disturbances currently exist within the lands to be leased, and/or existing adjacent leases.

**Level I Development**

Are those areas that exhibit oil and gas development at significant levels (full field development), and those areas not possessing habitat suitable for the falcon.

Measures to be applied: Standard lease terms and conditions

**Level III Development**

Are areas within Eagle Draw portion of the Hope study area that are highly suitable based on the suitability ranking criteria used by the model, and/or are considered high suitability for the falcon based on the grassland mapping initiative.

Measures Applied: Defer from leasing until the lands are addressed through the Resource Management Plan (RMP) process.

This oil and gas lease, as described below, meets the criteria for Level II Development. Surface occupancy or use is subject to the following special operating constraints:

**Level II Development**

Are those areas that possess habitat identified as suitable for the falcon based on the model and/or the grassland mapping initiative, and those areas where there is minimal existing development (less than full field development)

Measures to be applied:

♦ A plan of development (POD) for the entire lease must be submitted to the BLM authorized officer for approval prior to initiation of any development;

♦ The following well pad construction and reclamation measures must be implemented to provide for minimal long-term disturbance:

-remove all caliche from well pads and roads associated with wells that are abandoned, and are not capable of producing in paying quantities.

-well pad size within grasslands will not exceed 300ft x 390ft (unless multiple wells are drilled from the same well pad), and all unused portions of well pads/pit area associated with producing wells will be reclaimed using the seed mixture below;

-within grasslands determined suitable for the Aplomado Falcon, utilize a seed mixture that consists of the following:

Tobosa ( <i>Hilaria mutica</i> )	-----4 lbs/acre
Black grama ( <i>Bouteloua eriopoda</i> )	----- 1 lb/acre
Silver bluestem ( <i>Bothriochloa saccharoides</i> )	----- 5 lbs/acre
Sideoats grama ( <i>Bouteloua curtipendula</i> )	----- 5 lbs/acre
Plains bristlegass ( <i>Setaria macrostachya</i> )	----- 6 lbs/acre

♦ Utilize existing well pads to locate new wells when location is within a grassland;

♦ Earthen pits for drilling and disposal are not allowed unless this restriction is waived by the BLM authorized officer. Steel tank circulation system must be used. Earthen pits will not be allowed unless they can be effectively netted;

♦ All yuccas and/or other nesting structure greater than 5 feet in height must be avoided;

♦ All development activities will avoid inactive raptor/raven nests by a minimum of 200 meters, and active raptor/raven nests by a minimum of 400 meters. Operations that cannot meet this offset may be delayed for up to 120 days.

On the lands described below:

**For the purpose of: Managing habitat suitable for the Northern Aplomado Falcon within the designated Hope study area, and areas adjacent to the study area that meet the habitat characteristics of occupied falcon habitat.**

**Waiver: Operations within the Level II Development Area will be strictly controlled. Where allowed, conditions for waiver of the above restrictions are listed above in the measures to be applied. Other restrictions may be waived or modified by the BLM authorized officer on a case by case basis.**



**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 and/or the Sand Dune Lizard, special status species of concern. In accordance with the BLM “INTERIM MANAGEMENT FOR THE SHINNER OAK SAND DUNE HABITAT COMPLEX,” dated August 2004, surface occupancy is not allowed within the Zone 2 habitats identified below. This lease is issued with the intention that it be developed by directional drilling from or pro-rationing with a pre-existing authorized well location on an adjacent tract or on another location acceptable to BLM. This stipulation may not be waived unless or until decisions on management of the habitat complex allow such waivers. These decisions will be made by the Bureau of Land Management in a Resource Management Plan (RMP) Amendment to the Rowell and Carlsbad RMPs.

No Surface Occupancy on the lands described below:

For the purpose of: Preserving habitat for the lesser prairie chicken and Sand Dune lizard.

Bureau of Land Management  
Roswell and Carlsbad Field Offices

SENM-S-33  
August 2004

**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 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 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:

**RECLAMATION**

The subject properties contain wells, roads and/or facilities that were not plugged and/or reclaimed to current standards. Unless the facilities (well, pad and road) 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 BLM 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:

**CONTROLLED SURFACE USE STIPULATION**  
**PALEONTOLOGY**

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

- Restrict vehicles to existing roads and trails.
- A pedestrian survey must be conducted for paleontological material, using a qualified paleontologist as identified in BLM Handbook 8270, prior to any surface disturbing activity. A report on the results of the paleontological survey must be submitted and approved by BLM as part of the permit application for the proposed lease activity. The survey and report will be used to determine the presence of paleontological material, and if necessary, the appropriate treatments such as avoidance and/or project re-design during all phases of the proposed lease activity.

The lessee shall immediately notify the BLM Authorized Officer of any paleontological resources discovered as a result of operations under this authorization. The lessee shall suspend all activities in the vicinity of such discovery until notified to proceed by the Authorized Officer and shall protect the discovery from damage or looting. The Authorized Officer will evaluate, or will have evaluated, such discoveries after being notified. Appropriate measures to mitigate adverse effects to significant paleontological resources will be determined by the Authorized Officer after consulting with the operator. Upon approval of the Authorized Officer, the operator will be allowed to continue construction through the site, or will be given the choice of either (1) following the Authorized Officer's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or (2) following the Authorized Officer's instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area.

On the lands described below:

**For the purpose of: Protecting paleontological resources.**

**If circumstances or relative resource value change or if it can be demonstrated that oil and gas operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the BLM Authorized Officer, if such action is consistent with the provisions of the Roswell and Carlsbad Resource Management Plan as amended, or if not consistent, through a land use plan amendment and associated National Environmental Policy Act analysis document. If the BLM Authorized Officer determines that the waiver, exception, or modification is substantial, the waiver, exception, or modification will be subject to a 30-day public review period.**

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

**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.

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