

LEASE NOTICE

Requirements for Federal Coal Lessees

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A) or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

<u>Parcel</u>	<u>Description of Lands</u>
NV-15-06-001 THRU NV-15-06-197	All Lands

LEASE NOTICE

Endangered Species Act Section 7 Consultation

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 modifications 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, 16 USC § 1531 et seq., as amended, including completion of any required procedure for conference or consultation.

Parcel

Description of Lands

NV-15-06-001
THRU
NV-15-06-197

All Lands

LEASE NOTICE**Cultural Resources And Tribal Consultation**

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

Parcel**Description of Lands**

**NV-15-06-001
THRU
NV-15-06-197**

All Lands

LEASE NOTICE**Multiple Mineral Development**

This parcel may contain existing mining claims and/or mill sites located under the 1872 Mining Law. To the extent it does, the oil and gas lessee must conduct its operations, so far as reasonably practicable, to avoid damage to any known deposit of any mineral for which any mining claim on this parcel is located, and should not endanger or unreasonably or materially interfere with the mining claimant's operations, including any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of mining operations. The provisions of the Multiple Mineral Development Act (30 U.S.C. 521 et seq.) shall apply on the leased lands.

Parcel**Description of Lands****NV-15-06-001**

THRU

NV-15-06-197

All Lands

MATERIAL SITE

The lessee accepts this lease subject to the right of the State of Nevada to remove road building material from the land embraced in Material Site No. (see below) and agrees that its operations will not interfere with the material operations of the Department of Transportation.

Parcels**Description of Lands**

NV-15-06-030
N 83054

T. 0100N., R. 0380E., 21 MDM, NV
Sec. 016, SE (within).

NV-15-06-105
N 81418

T. 0070N., R. 0410E., 21 MDM, NV
Sec. 033, SW (within).

TIMING LIMITATION STIPULATION

Migratory Birds

Surface-disturbing activities during the migratory bird nesting season (March 1 to July 31) may be restricted in order to avoid potential violation of the Migratory Bird Treaty Act. Appropriate inventories of migratory birds shall be conducted during analysis of actual site development. If active nests are located, or if other evidence of nesting is observed (mating pairs, territorial defense, carrying of nesting material, transporting of food), the proponent shall coordinate with BLM to establish appropriate protection measures for the nesting sites. Protection measures may include avoidance or restricting or excluding development in certain areas until nests and nesting birds will not be disturbed. After July 31, no further avian survey, will be conducted until the following year.

Parcel

Description of Lands

NV-15-06-001
 THRU
NV-15-06-197

All Lands

LEASE NOTICE

Wild Horse and Burros

The use of helicopter below 500' AGL would be prohibited between (March 1 to June 30) to prevent disruption during the foaling period and orphan or abandoned foals.

The BLM has long standing policy about the use of aircraft during the foaling period, and is essentially restricted from using aircraft to inventory or gather wild horses during the peak foaling season. Wild horses will run when in the presence of aircraft. Mares may not wait for foals, and may abandon them, especially when foals are young.

If operations cause a water source to become unavailable to wild horses, the Authorized Officer may require a new well to be drilled or another water development to be constructed in the general area to provide adequate water for the wild horses. If the lease area is within an HMA, the Field Manager may require additional measures for the protection of wild horses such as seasonal restrictions during the peak foaling period. Additional measures could include placement of equipment away from important water sources, or placement of equipment outside of areas suitable for use or movement by wild horses. Please refer to Tables 6-11 of the June 2015 Competitive Oil and Gas Lease Sale, Battle Mountain District, Nevada Environmental Assessment DOI-BLM-NV-B000-2015-0001-EA for the list of proposed parcels located within HMAs.

Parcels

NV-15-06-163
THRU
NV-15-06-197

Description of Lands

All Lands within a HMA

NV-065-65

LEASE NOTICE

Threatened, Endangered, and Special Status Species

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 complete 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.

Authority: BLM Washington Office Instruction Memorandum 2002-174; Endangered Species Act

Plants

A list of BLM special status plant species can be found in Appendix E of the June 2015 Competitive Oil and Gas Lease Sale, Battle Mountain District, Nevada Environmental Assessment DOI-BLM-NV-B000-2015-0001-EA, and seasonally appropriate surveys for the respective species by a qualified biologist will be required before surface disturbance will be authorized.

Parcels

Description of Lands

NV-15-06-001
THRU
NV-15-06-197

All Lands

NV-065-A

LEASE NOTICE

Fire

The following precautionary measures should be taken to prevent wildland fires. In the event your operations should start a fire, you could be held liable for all suppression costs.

- All vehicles should carry fire extinguishers, and a minimum of 10 gallons of water.
- Adequate firefighting equipment i.e. shovel, pulaski, extinguisher(s), and a minimum 10 gallons of water should be kept at the drill site(s).
- Vehicle catalytic converters should be inspected often and cleaned of all brush and grass debris.
- When conducting welding operations, they should be conducted in an area free from or mostly free from vegetation. A minimum of 10 gallons water and a shovel should be on hand to extinguish any fires created from the sparks. Extra personnel should be at the welding site to watch for fires created by welding sparks.
- Report wildland fires immediately to the BLM Central Nevada Interagency Dispatch Center (CNIDC) at (775) 623-3444. Helpful information to reported is location (latitude and longitude if possible), what's burning, time started, who/what is near the fire, and direction of fire spread.
- When conducting operations during the months of (May through September), the operator must contact the BLM Battle Mountain District Office, Division of Fire and Aviation at (775) 635-4000 to find out about any fire restrictions in place for the area of operation and to advise this office of approximate beginning and ending dates for your activities.

Parcels

Description of Lands

NV-15-06-001
THRU
NV-15-06-197

All Lands

NV-065-C

LEASE NOTICE

Paleontological Resources

Paleontological resources are managed and preserved under various authorities, including the Omnibus Act (PRPA), the Federal Cave Resources Protection Act (16 U.S.C. 4301 et seq.) and the Archaeological Resources Protection Act (16 U.S.C. 470 et seq.) which establishes penalties for the unauthorized excavation, removal, or damage to a paleontological resource when it is found in a direct physical relationship with an archaeological resource. In addition, FLPMA establishes penalties for the theft and/or degradation of federal property which includes paleontological resources. The BLM will not authorize any ground-disturbing activities that may affect significant paleontological resources prior to assessing impacts in accordance with BLM IM No. 2009-011 and other relevant authorities. The BLM may require modification to exploration or development proposals to protect such significant paleontological resources, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided or mitigated.

Paleontological resources constitute a fragile and non-renewable scientific record of the history of life on earth. Although no paleontological resources are known or identified in the immediate area, this project may have an unintended adverse effect on such resources. The operator should note that fossils are not part of the mineral estate. Paleontological resources are protected by the Paleontological Resources Protection Act (OPLA-PRP: Omnibus Public Land Management Act of 2009 Paleontological Resources Preservation Subtitle 123 Stat. 1172, 16 U.S.C. 470aaa et seq.) which establishes criminal and civil penalties. The operator should also be aware that if paleontological resources are found in direct association with cultural resources, then such occurrences are subject to Archaeological Resource Protection Act (ARPA: 43 CFR 7.4, 7.14, 7.15, 7.16) provisions. OPLA-PRP requires that the nature and location of paleontological resources on public lands be kept confidential. If paleontological resources are discovered, the operator must cease operations in the vicinity of the discovery and ensure adequate protection to the discovery, then notify the BLM immediately, by telephone, with written confirmation to follow. Notification should be made to the BLM, Battle Mountain District Office, 50 Bastian Road, Battle Mountain, NV, 89820, (775-635-4000). No activity in the vicinity of the discovery should resume until the operator has been issued a Notice to Proceed by the Authorized Officer.

Parcels

Description of Lands

NV-15-06-001
THRU
NV-15-06-197

All Lands

NV-065-D

LEASE NOTICE

Native American Consultation

In accordance with the National Historic Preservation Act (P.L. 89-665), the National Environmental Policy Act (P.L. 91-190), the Federal Land Policy and Management Act (P.L. 94-579), the American Indian Religious Freedom Act (P.L. 95-341), the Native American Graves Protection and Repatriation Act (P.L. 101-601) and Executive Order 13007, the BLM must also provide affected tribes an opportunity to comment and consult on the proposed project. BLM must attempt to limit, reduce, or possibly eliminate any negative impacts to Native American traditional/cultural/spiritual sites, activities, and resources.

BLM reserves the right to deny or alter proposed activities associated with any surface occupancy that results from Oil, Gas, and Geothermal leasing. Maintaining physical and spiritual integrity of certain locations within the BMD administrative boundary is detrimental to present and future cultural/spiritual/traditional activities. In accordance with Federal legislation and executive orders, Federal agencies must consider the impacts their actions may have to Native American traditions and religious practices. Consequently, the BLM must take steps to identify locations having traditional/cultural or religious values to Native Americans and insure that its actions do not unduly or unnecessarily burden the pursuit of traditional religion or traditional lifeways.

Due to the sensitivity of the unique resources of the Big Smoky Valley, Native American related stipulations should be applied. Companies or individuals moving forward with lease purchases within or in close proximity to sensitive areas noted above can expect an extensive, complex, and lengthy Native American consultation process.

Parcels

Description of Lands

NV-15-06-001
THRU
NV-15-06-197

All Lands

LEASE NOTICE**General Occupancy**

Surface occupancy may be restricted for specific periods by the BLM's authorized officer for reasons that include, but are not limited to (a) extended periods of high soil moisture or runoff when unusual road damage or land surface rutting can occur, and (b) disturbance activity that could have a significant effects on sage-grouse breeding or brood-rearing, raptor nesting, or crucial deer or pronghorn antelope wintering areas.

Warming and cooling trends during winter, spring runoff events and other large precipitation events can contribute to extended periods of high soil moisture or runoff that can cause road damage or land surface rutting. These issues can be compounded in areas where slopes are greater than 30%.

Parcels**Description of Lands**

**NV-15-06-001
THRU
NV-15-06-197**

All Lands

NV-065-F

LEASE NOTICE

Cultural Resources

The Archeological Resource Protection Act (ARPA: 43 CFR 7.4, 7.14, 7.15, 7.16) provides for civil and/or criminal penalties for the disturbance of archaeological resources on federal lands. In addition, the Native American Graves Protection and Repatriation Act (NAGPRA: 43 CFR 10) protects items of cultural patrimony, Native American funerary items, Native American remains and sacred objects. This lease may be found to contain historic properties and/or resources protected under ARPA, NAGPRA, the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Executive Order 13007, and/or other statutes and executive orders. The BLM will not approve any ground-disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized, or mitigated.

In the event Native American skeletal remains, funerary items, sacred items, or objects of cultural patrimony, are discovered during any phase of project implementation, all operations must cease in the vicinity of the discovery and adequate protection must be provided to the discovery. The BLM must be notified immediately, by telephone, with written confirmation to follow (43 CFR 10.4 (c), (d), (g); and Nevada State Protocol Agreement VIII (B). Notification shall be made to Doug Furtado, District Manager, Battle Mountain District Office, 50 Bastian Road, Battle Mountain, NV, 89820, (775-635-4000). No activity in the vicinity of the discovery shall resume until the operator has been issued a Notice to Proceed by the Authorized Officer.

Parcels

Description of Lands

**NV-15-06-001
THRU
NV-15-06-197**

All Lands

NV-065-G