

NOTICE TO LESSEE

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>Parcels</u>	<u>Description of Lands</u>
NV-16-03-002 THRU NV-16-03-040	ALL LANDS

**ENDANGERED SPECIES ACT
SECTION 7 CONSULTATION STIPULATION**

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. The Bureau of Land Management (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. The BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modifications of a designated or proposed critical habitat. The BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act, 16 USC § 1531 et seq., as amended, including completion of any required procedure for conference or consultation.

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-002 THRU NV-16-03-040	ALL LANDS

NVSO-ESA

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 Bureau of Land Management (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.

Parcels

Description of Lands

NV-16-03-002
THRU
NV-16-03-040

ALL LANDS

NVSO-CR

NOTICE TO LESSEE

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.

Parcels

Description of Lands

NV-16-03-002
THRU
NV-16-03-040

ALL LANDS

NVSO-MMD

LEASE STIPULATION

Threatened, Endangered and Sensitive 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 USC&1531 et seq., including completion of any required procedure for conference or consultation.

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

Parcels

Description of Lands

NV-16-03-002
THRU
NV-16-03-040

ALL LANDS

OG-010-05-01

LEASE STIPULATION

Raptor Nesting Sites

This lease may contain lands with active raptor nesting sites. These lands are subject to seasonal protection from disturbance to avoid displacement and mortality of raptor young. Restrictions apply up to a 0.5 mile radius around the active nesting sites of the following species during the period described. The entire Elko District may provide suitable nesting for one or more of the species listed below.

- A. Golden Eagles and Great Horned Owls during the period 1/1-6/30, inclusive.
- B. Long-eared Owls during the period 2/1-5/15, inclusive.
- C. Prairie Falcons during the period 3/1-6/30, inclusive.
- D. Ferruginous Hawks, Northern Harriers and Barn Owls during the period 3/1-7/31, inclusive.
- E. Goshawk and Sharp-shinned Hawks during the period 3/15-7/15, inclusive.
- F. Cooper's Hawks, Kestrels, and Burrowing Owls during the period 4/1-6/30, inclusive.
- G. Red-tailed and Swainson's Hawk during the period 4/1-7/15, inclusive.
- H. Short-eared Owls during the period 2/1-6/15, inclusive.

Authority/Supporting Documentation: Wells RMP ROD (p. 25); Elko RMP ROD (p. 25), Birds of the Great Basin, 1985; State Director Decision: Horse Canyon Decision, 2005;

Parcels

Description of Lands

NV-16-03-002
THRU
NV-16-03-040

ALL LANDS

OG-010-05-02

LEASE STIPULATION

Cultural Resources

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 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.

Parcels

Description of Lands

NV-16-03-002
THRU
NV-16-03-040

ALL LANDS

OG-010-05-03

LEASE STIPULATION

Mule Deer Crucial Winter Range

This lease contains lands which have been identified as mule deer crucial winter range (BLM EA 2005/030, September 2005). These lands are subject to seasonal protection from disturbance to avoid displacement and mortality to animals during the winter. Seasonal restrictions from disturbance in mule deer crucial winter ranges apply during the period 11/15-3/16, inclusive.

Authority/Supporting Documentation: Wells RMP ROD (p. 10); Elko RMP ROD (pg. 3); Field Guide to Mammals (1976)

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-006	ALL LANDS
NV-16-03-007	ALL LANDS
NV-16-03-015	ALL LANDS
NV-16-03-016	ALL LANDS
NV-16-03-017	ALL LANDS

OG-010-05-04

LEASE STIPULATION

Pronghorn Antelope Crucial Winter Range

This lease contains lands which have been identified as pronghorn antelope crucial winter range. These lands are subject to seasonal protection from disturbance to avoid displacement and mortality to animals during the winter. Seasonal restrictions from disturbance in pronghorn antelope crucial winter ranges apply during the period 11/15-3/16, inclusive.

Authority/Supporting Documentation: Wells RMP ROD (p. 25); Elko RMP ROD (p. 3); Field Guide to Mammals (1976)

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-009	ALL LANDS
NV-16-03-017 THRU	ALL LANDS
NV-16-03-019	ALL LANDS
NV-16-03-022 THRU	ALL LANDS
NV-16-03-024	ALL LANDS
NV-16-03-029	ALL LANDS
NV-16-03-039	ALL LANDS
NV-16-03-040	ALL LANDS

OG-010-05-05

LEASE STIPULATION

Pronghorn Antelope Kidding Areas

This lease contains lands which have been identified as pronghorn antelope kidding areas. These lands are subject to seasonal protection from disturbance to avoid displacement and mortality to animals during kidding season. Seasonal restrictions from disturbance in pronghorn antelope kidding areas apply during the period 5/1-6/30, inclusive.

Authority/Supporting Documentation: Elko RMP (pg. 2-6), ROD, Field Guide to Mammals (1976)

Parcels

Description of Lands

NONE

OG-010-05-06

LEASE STIPULATION

Sage Grouse Strutting Ground (Leks)

This lease contains lands which have been identified as sage grouse strutting grounds (leks) that are subject to seasonal protection from disturbance. No Surface Occupancy is permitted within 0.5 miles, or other, lesser, appropriate distance based on site-specific conditions, of sage grouse leks.

Authority/Supporting Documentation: Wells RMP ROD (p. 10); Elko RMP ROD (p. 35); Management Guidelines for Sage Grouse and Sagebrush Ecosystems in Nevada, 2000; State Director Decision: Horse Canyon Decision, 2005

Parcels

Description of Lands

NV-16-03-004

ALL LANDS

OG-010-05-07

LEASE STIPULATION

Sage Grouse Brood Rearing Areas

This lease contains lands which have been identified as sage grouse brood rearing areas that are subject to seasonal protection from disturbance. Seasonal restrictions from disturbance in sage grouse brood rearing areas apply within 0.5 miles or other appropriate distance based on site-specific conditions from 5/15 to 8/15, inclusive. This restriction does not apply to operating facilities.

Authority/Supporting Documentation: Wells RMP ROD (p. 25); Elko RMP ROD (p. 3 and 36) Management Guidelines for Sage Grouse and Sagebrush Ecosystems in Nevada, 2000, State Director Decision: Horse Canyon Decision, 2005

Parcels

Description of Lands

NV-16-03-002
THRU
NV-16-03-040

ALL LANDS

LEASE STIPULATION

Sage Grouse Crucial Winter Habitat

This lease contains lands which have been identified as sage grouse crucial winter habitat that are subject to seasonal protection from disturbance. Seasonal restrictions from disturbance in sage grouse crucial winter habitat apply during the period November 1 to March 15. This stipulation does not apply to operating facilities.

Authority/Supporting Documentation: Wells RMP ROD (p. 22 and 25); Elko RMP ROD; Management Guidelines for Sage Grouse and Sagebrush Ecosystems in Nevada, 2000;

Parcels

Description of Lands

NONE

OG-010-05-09

LEASE STIPULATION

I-80 "Low Visibility Corridor"

This parcel includes lands within the I-80 Visual Corridor. Visual impacts are to be minimized within 1.5 miles on either side of Interstate 80. Within this three-mile wide Low Visibility Corridor, the objective is for management actions not to be evident in the characteristic landscape. Management objectives for Class II VRM areas will be used as a guideline when evaluating projects within the Low Visibility Corridor. The Class II VRM objective is to retain the existing character of the landscape. The level of change to the characteristic landscape should be low. Management activities may be seen but should not attract the attention of the casual observer. Any changes must repeat the basic elements of form, line, color, and texture found in the predominant natural features of the characteristic landscape.

Authority: Wells RMP ROD (p. 3); Elko RMP ROD (p. 1); Elko District Office IM NV-2004-013)

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-017	ALL LANDS
NV-16-03-027	ALL LANDS
NV-16-03-028	ALL LANDS
NV-16-03-034	ALL LANDS
THRU	
NV-16-03-038	ALL LANDS

LEASE STIPULATION

Special Recreation Management Areas

This parcel includes lands within a Special Recreation Management Area (South Fork Canyon SRMA, Wild Horse SRMA, Wilson Reservoir SRMA, South Fork Owyhee River SRMA, Zunino/Jiggs SRMA, or proposed Salmon Falls Creek SRMA) that are within ½ mile of the high water line. No surface occupancy is allowed within ½ mile of the high water line.

Authority: Wells RMP ROD (p. 25); Elko RMP ROD (p. 3)

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-028	ALL LANDS
NV-16-03-034 THRU	ALL LANDS
NV-16-03-038	ALL LANDS

LEASE STIPULATION

Tabor Creek Campground

This parcel includes lands within the Tabor Creek Campground area. No surface occupancy is allowed on lands within the designated boundaries of Tabor Creek Campground: T41N R61E, S1/2 Section 16, S1/2SE1/4 Section 16, E1/2 Section 20, Section 21, NW1/4 Section 28, Section 29.

Authority: Wells RMP ROD (p. 25)

Parcels

Description of Lands

NONE

OG-010-05-12

LEASE STIPULATION

Congressionally Designated Historic Trails

The following lease stipulation is to advise the permittees or lease operators of the presence of a congressionally designated National Trail and the BLM's responsibility not to permit uses along trails that would substantially interfere with the nature and purposes of the trail, and also to make efforts to avoid activities incompatible with the purposes for which trails were established, to the extent practicable, while respecting valid existing rights. Where a proposed action is found to be inconsistent with the purpose for which the National Trail was designated, the BLM shall consider rejecting applications for proposed projects. (BLM Manual 6280 5.3 A-B). There is no surface occupancy within one mile of the center of Congressionally designated historic trails unless approved by the authorizing officer. The lease may be limited or modified to protect the historical and scenic values of the trails.

Authority: Nevada BLM Manual 6280 Section 5.3 A-B.

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-014 THRU NV-16-03-030	ALL LANDS
NV-16-03-032 THRU NV-16-03-038	ALL LANDS

LEASE NOTICE

National Historic Railroads

Remains of historic railroads eligible for listing on the National Register of Historic Places are or may be present. Mitigation of impacts could require substantial buffers to protect the view-shed of the railroad.

Parcels

Description of Lands

NV-16-03-002

ALL LANDS

OG-010-05-C

LEASE NOTICE

Historic Roads or Trails

Historic roads or trails eligible for listing on the National Register of Historic Places are or may be present. Mitigation of impacts could require substantial buffers to protect the viewshed of the trail.

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-002 THRU NV-16-03-030	ALL LANDS
NV-16-03-032 THRU NV-16-03-040	ALL LANDS

LEASE NOTICE

Stream Habitat

High priority stream habitat (Elko RMP) or stream habitat (Wells RMP) exists in or near the proposed parcel. Special restrictions, including at least a 400' buffer, may apply to protect habitat.

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-002	ALL LANDS
NV-16-03-005 THRU	ALL LANDS
NV-16-03-008	ALL LANDS
NV-16-03-010	ALL LANDS

LEASE NOTICE

Water Quality

A surface water resource for which water quality standards apply, is present in or near the proposed parcel. Special restrictions may apply to protect water quality.

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-002	ALL LANDS
NV-16-03-003	ALL LANDS
NV-16-03-005	ALL LANDS
NV-16-03-007	ALL LANDS
NV-16-03-009	ALL LANDS
THRU	
NV-16-03-012	ALL LANDS

LEASE NOTICE

Groundwater Resources

Groundwater resources have been permitted for beneficial use within or near the parcel. The BLM may place special restrictions on how the parcel may be developed depending on sensitivity of the resources present, and/or the nature of the proposed development. The groundwater connectivity between the developable resource and the existing used strata will have a bearing on these restrictions and BLM may require the lessee to collect extensive baseline data within the parcel before drilling can occur.

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-005	ALL LANDS
NV-16-03-007 THRU	ALL LANDS
NV-16-03-011	ALL LANDS
NV-16-03-014	ALL LANDS
NV-16-03-016	ALL LANDS
NV-16-03-027	ALL LANDS

LEASE NOTICE

Cultural Resources

Although all surface use authorizations would be subject to review, and mitigative measures may be required for cultural resources in any parcel, the Elko District Office advised potential lessees that these parcels are in areas with high potential for containing important cultural resources. Implementing measures to mitigate impacts to cultural resources may delay timeliness of permit approvals and restrict surface occupancy.

<u>Parcels</u>	<u>Description of Lands</u>
NV-16-03-031 THRU NV-16-03-040	ALL LANDS ALL LANDS