



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
California State Office  
2800 Cottage Way, Suite W1623  
Sacramento, CA 95825

May 8, 2009

## NOTICE OF COMPETITIVE LEASE SALE OIL AND GAS

### SALE LOCATION

In accordance with 43 CFR Part 3120, the California State Office is offering for competitive oil and gas lease sale, **21** parcels containing 35,287.06 acres of Federal lands in the State of California. This notice provides:

- The time and place of the sale;
- How to participate in the bidding process;
- The sale process;
- The conditions of the sale;
- How to file a noncompetitive offer after the sale;
- How to file a presale noncompetitive offer; and
- How to file a protest to our offering the lands in this Notice.

Attached to this notice is a list of the lands being offered by parcel number and legal land description. They are listed in Township and Range order and will be offered in that sequence. Below each parcel, we have listed the notices and stipulations that apply to the parcel. These notices and stipulations will be made part of the lease at the time we issue it. For your convenience, we are including copies of the bid form and the lease form.

#### **When and where will the sale take place?**

**When:** The competitive oral sale will begin at 9:00 a.m. on **June 23, 2009**. The sale room will open at 8:00 a.m. to allow you to register and obtain your bid number.

**Where:** The sale will be held at the **Bureau of Land Management, California State Office 2800 Cottage Way, Sacramento, CA 95825**. Parking is available.

**Access:** The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact **Laurie Moore at (916) 978-4377, by email at lmoore@ca.blm.gov, or at the mailing address in the letterhead of this sale notice by June 10, 2009.**

### **How do I participate in the bidding process?**

To participate in the bidding process, you must register to obtain a bidder number. If you are bidding for more than one party, you must register and obtain a separate bidder number for each company or individual you represent. We will begin registering bidders at 8 a.m. on the day of the sale.

When you register to bid, you will be asked to sign a statement that your bid is a good faith intention to acquire an oil and gas lease and that you understand any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed, whether or not a lease is subsequently issued. Further, you will acknowledge that you understand it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious or fraudulent statements or representations regarding your qualifications, bidder registration and intent to bid, accept a lease and pay monies owed.

If you, or the party you represent, owe the United States any monies which were due the day of a previous oil and gas lease auction conducted by any BLM office—the minimum monies owed the day of sale—you will not be allowed to register to bid at this lease sale. The Mineral Leasing Act sets out that leases be issued to a “responsible qualified bidder.” (30 U.S.C. 226(b)(1)(A)) Any bidder, or party represented by a bidding agent, who does not pay the minimum monies owed the day of the sale is considered as not meeting the qualifications to hold a lease—that is, is not considered a “responsible qualified bidder”—and will be barred from participating in any oil and gas lease auction until that debt to the United States is settled.

### **What is the sale process?**

Starting at 9:00 a.m. on the day of the sale:

- The auctioneer will offer the parcels in the order they are shown in this notice;
- All bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the Parcel;
- The winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- The decision of the auctioneer is final.

The minimum acceptable bid is \$2.00 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.501 acres requires a minimum bid of \$202 (\$2 x 101 acres). After all the parcels have been offered, you may ask the auctioneer to reoffer any unsold parcel.

### **What conditions apply to the lease sale?**

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the California State Office Information Access Center (Public Room). If we cancel the sale, we will try to notify all interested parties early enough to stop them from traveling to the sale site.
- **Fractional interests:** If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel we will show that information with the parcel. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2 x 200 acres) and the advance annual rental will be \$300 (\$1.50 x 200 acres) for the first 5 years and \$400 (\$2 x 200 acres) for the remainder of the lease term.
- **Payment due on the day of the sale:** You cannot withdraw a bid. Your bid is a legally binding contract. For each parcel you win, you must pay the minimum bonus bid of \$2 per acre or fraction of an acre; the first year's advance rental of \$1.50 per acre or fraction of an acre; and a non-refundable administrative fee of \$140. These are monies you owe the United States, whether or not a lease is issued. You must make this payment either, during the sale or immediately following the sale

The minimum monies owed on the day of the sale for a winning bid are monies owed to the United States, whether or not a lease is issued. (43 CFR 3120.5-2(b) and 43 CFR 312035-3(a)) If payment of the minimum monies owed the day of the sale is not received by the date and time above, the Bureau of Land Management will issue a bill for the monies owed. If payment then is not received by the bill due date, the United States will pursue collection by all available methods, and when appropriate issue late fees, civil penalties, interest, administrative charges and penalties on past due amounts. "All available methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus, salary or administrative offset, federal and state payments, including goods or services, federal and state tax refunds, and retirement payments. The debt may be sent to the Internal Revenue Service for inclusion as income to you on form 1099C, Cancellation of Debt. (Federal Claims Collection Act of 1966, as amended ; The Debt Collection Improvement Act of 1996; 31 CFR 285, Debt Collection Authorities Under the Debt Collection Act of 1966.)

- **Remaining payments:** Any unpaid balance of the bonus bid must be submitted to the BLM California State Office, 2800 Cottage Way, Sacramento, CA 95825 by 4:30 p.m., July 7, 2009, which is the tenth working day following the sale. If you do not pay the balance due by this date, you forfeit the right to the lease and all money paid the day of the sale. If you forfeit a parcel, we may offer it at a later sale.
- **Form of payment:** You can pay by personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only). If you plan to make your payment using a credit card, you should contact your bank prior to the sale and let them know you will be making a substantial charge against your account. Please note, we will not accept credit or debit card payments for an amount equal to or greater than \$100,000. We also will not accept aggregated smaller amounts to bypass this requirement. If you pay by check, please make checks payable to: **Department of the Interior—BLM**. We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may require a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. *However, we cannot grant you any extension of time to pay the money that is due the day of the sale.*
- **Bid form:** For each parcel, the successful bidder is required to submit a properly signed Form 3000-2 (dated Oct 1989 or later) with the required payment on the day of the sale. A copy of the bid form is included in this notice. This form constitutes a legally binding offer to accept a lease and can be signed ONLY by the prospective lessee or an authorized representative. You may complete the bid form with the exception of the money part before the sale. You may fill out the money part at the sale. Your completed bid form certifies (1) that you and the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and (2) that both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders. *We will not accept any bid form that has information crossed out or is otherwise altered.*
- **Federal oil and gas lease acreage limitations:** Qualified individuals, associations, or corporations may only participate in a competitive lease sale and purchase Federal oil and gas leases from this office if such purchase will not result in exceeding the State limit of 246,080 acres of public domain land and 246,080 acres of acquired land (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than 10 percent. Lease acreage committed to a unit agreement, communitization agreement or development contract that you hold, own or control and acreage in leases for which royalty (including compensatory royalty or royalty-in-kind) was paid in the preceding calendar year is excluded from chargeability for acreage limitation purposes.

The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, transfer of interest by assignment of record title or operating rights, and options to acquire interest in leases regardless of whether an individual, association, or corporation has received, under 43 CFR 3101.2-4, additional time to divest excess acreage acquired through merger or acquisition.

- **Lease terms:** A lease issued as a result of this sale has a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. Rental at \$1.50 per acre or fraction of an acre for the first 5 years (\$2 per acre after that) is due on or before the lease anniversary date each year until production begins. Once a lease becomes producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11, July 2006). A copy of the lease form is included in this notice.
- **Stipulations:** Some parcels have requirements and/or restrictions. Stipulations are included in the parcel descriptions. These stipulations become part of the lease and supersede any inconsistent provisions of the lease form.
- **Lease issuance:** After we receive the bid form, all monies due, and, if appropriate, your unit joinder information, the lease can be issued. The lease effective date is the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.
- **Cellular Phone Usage:** You are restricted from using cellular phones in the sale room during the oral auction. You must confine your cellular phone usage to the hallway outside the sale room when the auction is taking place.

#### **What parcels are available for noncompetitive offer to lease?**

- Unless stated in this Notice, parcels that do not receive a bid at the competitive sale are available for noncompetitive offers to lease beginning the first business day following the day of the sale. If not withdrawn, these parcels are available for a period of two years, following the date of the sale, for noncompetitive offers to lease.

#### **How do I file a noncompetitive day-after-sale offer after the sale?**

If you want to file a noncompetitive offer to lease on an unsold parcel, you must give us:

- Three copies of Form 3100-11, (July 2006 or later edition), *Offer to Lease and Lease for Oil and Gas* properly completed and signed. (**Note:** The most current oil and gas forms are available on the Internet at [www.blm.gov/blmforms](http://www.blm.gov/blmforms)). You must describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and

- Your payment for the total of the **\$365** filing fee and the advanced first year's advance rental computed at \$1.50 per acre. Remember to round up any fractional acreage when you calculate the amount of rental.

All offers filed the first business day after the sale are considered filed simultaneously. When a parcel receives more than one filing by 4:30 p.m. on the day after the sale, a drawing is held to determine the winner. A presale offer has priority over any offer filed after the sale. Thereafter, any parcels remaining are available for a period of two-years. Offers receive priority as of the date and time of filing in the California State Office.

### **How do I file a noncompetitive presale offer?**

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:

- are available;
- have not been under lease during the previous one-year period; or
- have not been included in a competitive lease sale within the previous two-year period.

Your noncompetitive presale offer to lease must be filed prior to the official posting of this Sale Notice. If your presale offer was timely filed, was complete and we do not receive a bid for the parcel that contains the lands in your offer, it has priority over any other noncompetitive offer to lease for that parcel filed after the sale. Your presale offer to lease is your consent to the terms and conditions of the lease, including any additional stipulations. If you want to file a presale offer, follow the guidance listed above for filing a noncompetitive offer after the sale and the regulations at 43 CFR 3110.1(a).

### **When is the next competitive oil and gas lease sale scheduled?**

We have tentatively scheduled our next competitive sale for **September 9, 2009**.

### **How can I find out the results of this sale?**

We will post the sale results in our Public Room. You can buy (\$5) a printed copy of the results list by contacting our Public Room at (916) 978-4400. Both this Sale Notice and the results list will be available at our internet site:

<http://www.blm.gov/ca/st/en/prog/energy/og/instructions/leasesale.html>

### **May I protest BLM's decision to offer the lands in this Notice for lease?**

Yes, under regulation 43 CFR 3120.1-3, you may protest the inclusion of a parcel listed in this sale notice. All protests must meet the following requirements:

- We must receive a protest no later than close of business on the 15th calendar day prior to the date of the sale. If our office is not open on the 15th day prior to the date of the sale, a protest received on the next day our office is open to the public will be considered timely filed. The protest must also include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons.
- A protest must state the interest of the protesting party in the matter.
- You may file a protest either by mail in hardcopy form or by telefax. You may not file a protest by electronic mail. A protest filed by fax must be sent to **(916) 978-4389**. A protest sent to a fax number other than the fax number identified or a protest filed by electronic mail will be dismissed.
- If the party signing the protest is doing so on behalf of an association, partnership, or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act for it, the individual cannot make a protest in the group's name.

### **If BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?**

We will announce receipt of any protests at the beginning of the sale. We will also announce a decision to either withdraw the parcel or proceed with offering it at the sale.

### **If I am the high bidder at the sale for a protested parcel, when will BLM issue my lease?**

We will make every effort to decide the protest within 60 days after the sale. We will issue no lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

### **If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?**

No. In accordance with BLM regulations (43 CFR 3120.5-3) you may not withdraw your bid.

**If BLM upholds the protest, how does that affect my competitive bid?**

If we uphold a protest and withdraw the parcel from leasing, we will refund your first year's rental, bonus bid and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations prior to lease issuance. If you do not accept the additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid, and administrative fee.

**If BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?**

Yes, you may. Note, an appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

**May I appeal BLM's decision to deny my protest?**

Yes, you may. Note, an appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

**May I withdraw my bid if the protestor files an appeal?**

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid. We will issue your lease concurrently with the decision to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize refund of the bonus bid, rentals, and administrative fee if—

- There is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it, and;
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid, and administrative fee.

**Who should I contact if I have a question?**

For general information, please contact our Information Access Center at (916) 978-4400 or for more information or questions about the sale, contact: **Laurie Moore at (916) 978-4377**

*/S/Debra Marsh*  
Debra L. Marsh  
Chief, Branch of Adjudication  
Division of Energy and Mineral Resources

THE FOLLOWING PUBLIC DOMAIN LANDS ARE SUBJECT TO FILINGS IN THE MANNER SPECIFIED IN THE APPLICABLE PORTIONS OF THE REGULATIONS IN 43 CFR, SUBPART 3120.

**PARCEL CA 6-09-1**

T. 22 S., R. 8 E., MD Mer.,  
Sec. 1, Lot 4, S2SW;  
Sec. 2, Lots 1-4, SWNE, S2NW,  
SESW, S2SE;  
Sec. 11, NE, W2W2, SESW, S2SE,  
NESE;  
Sec. 12, NENE, S2NE, NW, S2.

Monterey County 1,641.01 acres

Split Estate Lands except:

Sec. 1, S2SW;  
Sec. 2, SESW, S2SE;  
Sec. 11, N2NE, W2SW;  
Sec. 12, SWNE, S2S2NE.

Hollister FO

Subject to Information Notices 1-5

Subject to Special Stipulations 1-5

**PARCEL CA 6-09-2**

T. 22 S., R. 8 E., MD Mer.,  
Sec. 3, ALL;  
Sec. 4, ALL;  
Sec. 5, Lots 1-4, S2NE, NESW,  
S2SW, SE;  
Sec. 6, Lots 1-5, 7, S2NE, SENW,  
E2SW, NWSE;

Monterey County 2335.50 acres

Split Estate Lands

Hollister FO

Subject to Information Notices 1-5

Subject to Special Stipulations 1-5

**PARCEL CA 6-09-3**

T. 22 S., R. 8 E., MD Mer.,  
Sec. 7, E2NE, NESE;  
Sec. 8, N2NE, SENE, NW, N2SW,  
SESW, NESE;  
Sec. 9, ALL;  
Sec. 10, ALL;  
Sec. 15, E2, E2W2, NWNW;  
Sec. 17, E2NE, SWSE.

Monterey County 2480.00 acres

Split Estate Lands except:

Sec. 10, E2, NENW;  
Sec. 15, E2.

Hollister FO

Subject to Information Notices 1-5

Subject to Special Stipulations 1-5

**PARCEL CA 6-09-4**

T. 22 S., R. 8 E., MD Mer.,  
Sec. 13, N2, SW, N2SE, SWSE;  
Sec. 14, ALL;  
Sec. 23, N2, N2SW, SWSW, SESE;  
Sec. 24, SWNW, S2.

Monterey County 2080.00 acres

Split Estate Lands except:

Sec. 13, E2NE, NESE;  
Sec. 14, W2W2, SESW, S2SE;  
Sec. 23, W2NE, E2NW, NWNW.

Hollister FO

Subject to Information Notices 1-5

Subject to Special Stipulations 1-5

**PARCEL CA 6-09-5**

T. 22 S., R. 8 E., MD Mer.,  
Sec. 20, SWNE;  
Sec. 21, N2N2, SWNE, SWNW,  
NWS, NWSE;  
Sec. 22, NE, NENW, S2NW, N2SW,  
SWSW, SE;  
Sec. 27, SWNE, NWNW, NWSE;  
Sec. 28, E2NE, NENW.

Monterey County 1160.00 acres  
Split Estate Lands except:  
Sec. 22, N2NE.

Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-6**

T. 22 S., R. 8 E., MD Mer.,  
Sec. 25, ALL;  
Sec. 35, E2NE.

Monterey County 720.00 acres  
Split Estate Lands except:  
Sec. 25, SENE, S2.

Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-7**

T. 21 S., R. 10 E., MD Mer.,  
Sec. 1, NESW, N2SE;  
Sec. 10, NW;  
Sec. 11, SE;  
Sec. 14, NESE.

Monterey County 480.00 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-8**

T. 21 S., R. 10 E., MD Mer.,  
Sec. 4, NESE;  
Sec. 5, E2 Lot 2 of NE, W2 LOT 1  
of NE, E2 LOT 1 of NW;  
Sec. 6, E2 Lot 2 of NW;  
Sec. 8, S2;  
Sec. 9, N2NE, NWNW, SWSW;  
Sec. 17, ALL;  
Sec. 18, SENE, N2SE, SESE.

Monterey County 1,482.48 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-9**

T. 21 S., R. 10 E., MD Mer.,  
Sec. 22, SENE, SENW;  
Sec. 23, NWNE;  
Sec. 24, S2SW;  
Sec. 25, NENW;  
Sec. 34, NENE, NESE.

Monterey County 320.00 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-10**

T. 24 S., R. 10 E., MD Mer.,  
Sec. 5, Lot 4, NWSW, S2SW;  
Sec. 6, Lots 1-7, S2NE, SENW,  
E2SW, SE;  
Sec. 7, Lot 2, 3, NE, E2SE;  
Sec. 8, NW, S2;  
Sec. 9, SW, W2SE;  
Sec. 17, N2, N2SW, SESW, SE;  
Sec. 18, NENE.

Monterey County 2,457.84 acres  
Split Estate Lands except:  
Sec. 5, NWSW, S2SW.  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-11**

T. 24 S., R. 10 E., MD Mer.,  
Sec. 15, SW, S2SE;  
Sec. 20, NE, E2SE;  
Sec. 21, ALL;  
Sec. 22, E2;  
Sec. 23, N2SW, SESW;  
Sec. 27, SW;  
Sec. 28, Lot 3, N2N2, SENE;  
Sec. 34, NE, NENW.

Monterey County 2,159.65 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-12**

T. 21 S., R. 11 E., MD Mer.,  
Sec. 2, SWSW;  
Sec. 3, Lot 3-14, S2NE;  
Sec. 10, ALL;  
Sec. 11, NW, S2;  
Sec. 12, W2SW.

Monterey County 1,710.97 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-13**

T. 21 S., R. 11 E., MD Mer.,  
Sec. 4, Lot 1, 2, 4, 7-11, 13-16;  
Sec. 5, Lot 1;  
Sec. 6, Lot 1-3, 6, 7, S2NE, SENW,  
E2SW, N2SE, SWSE;  
Sec. 8, Lot 1-16, S2NW;  
Sec. 9, ALL.

Monterey County 2319.70 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-14**

T. 21 S., R.11 E., MD Mer.,  
Sec. 13, S2N2, SW, SWSE;  
Sec. 14, N2NE, W2W2, S2SE;  
Sec. 15, ALL;  
Sec. 22, W2NE, S2SE;  
Sec. 23, NE, S2NW, S2;  
Sec. 24, E2NE, W2, SESE;  
Sec. 26, N2NE, NWNW.

Monterey County 2,499.36 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-15**

T. 21 S., R. 11 E., MD Mer.,  
Sec. 17, ALL;  
Sec. 18, ALL.

Monterey County 1282.94 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-16**

T. 21 S., R. 11 E., MD Mer.,  
Sec. 19, Lot 1, E2, E2W2;  
Sec. 20, Lots 1-8, SW, N2SE,  
SWSE;  
Sec. 21, Lots 2-8, N2SW, SWSW;  
Sec. 29, NW;  
Sec. 30, NE, NWSE, SESE.

Monterey County 2095.35 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-17**

T. 21 S., R. 11 E., MD Mer.,  
Sec. 32, SESE;  
Sec. 33, SE;  
Sec. 34, S2;  
Sec. 35, S2.

Monterey County 840.00 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-18**

T. 22 S., R. 11 E., MD Mer.,  
Sec. 1, Lots 6, 7, SW, W2SE;  
Sec. 2, Lots 1-4, S2NE, SENW,  
NESW, S2SW, SE;  
Sec. 11, ALL;  
Sec. 12, ALL.

Monterey County 2,176.17 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-3

**PARCEL CA 6-09-19**

T. 22 S., R. 11 E., MD Mer.,  
Sec. 4, ALL;  
Sec. 8, Lots 1-4, NENW, S2NW,  
N2S2;  
Sec. 9, N2, NESE, S2SW, SE.

Monterey County 1676.18 Acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-20**

T. 22 S., R. 11 E., MD Mer.,  
Sec. 13, ALL;  
Sec. 24, ALL;  
Sec. 25, ALL;  
Sec. 35, N2, N2SW.

Monterey County 2,169.88 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**PARCEL CA 6-09-21**

T. 22 S., R. 11 E., MD Mer.,  
Sec. 17, NE, NWSE, S2SE;  
Sec. 19, NENE;  
Sec. 20, SENE;  
Sec. 21, NE, NENW, S2NW, SW,  
W2SE;  
Sec. 29, NENE, S2NE, NESW,  
S2SW, N2NE.

Monterey County 1,200.00 acres  
Split Estate Lands  
Hollister FO  
Subject to Information Notices 1-5  
Subject to Special Stipulations 1-5

**The following notice will be attached to all issued leases:**

**NOTICE TO LESSEE  
MLA Section 2(a)(2)(A)**

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments 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 approval by a State Office on 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.

## Information Notices

### 1. Measures to Protect Threatened, Endangered, and Other Special Status Species

All or a portion of the lands in this lease are within the habitat of threatened or endangered species. Measures included in the Hollister Field Office's Record of Decision for the Southern Diablo Mountain Range and Central Coast of California (2007) for oil and gas operations in special status species habitat to mitigate oil and gas exploration and development activities will be implemented on those lands described herein. If these measures are not sufficient to prevent a "may affect" determination to the species, section 7 consultation with the USFWS will be required. The measures are:

A) BLM Standard Lease Stipulations (BLM Form 3100-11).

These provisions require the operator to minimize impacts to biological resources, take reasonable measures required by the BLM to protect resources, conduct minor inventories or short term special studies, contact the BLM if threatened or endangered species are observed, and cease operations that would result in the destruction of threatened or endangered species. Reasonable measures are defined in 43 CFR 3101.1-2 as consistent with lease rights if, at a minimum, they do not require relocation of operations more than 200 meters, require siting of facilities off the lease, or prohibit surface disturbing operations more than 60 days in any lease year.

B) Prior to authorization of any surface disturbing activity a review of existing ecological data would be conducted to determine if any threatened, endangered, or other special status species may exist on the proposed site. If this review indicates species of concern may occur on the site, then a site-specific field examination would be conducted during the appropriate season to determine if the species occupies the site. Field surveys would be conducted by qualified botanists following the standards established by the California Department of Fish and Game (2000) and the California Native Plant Society (revised from Nelson 1987, approved by CNPS Board on June 2, 2001, included in CNPS 2001). If species occur, then all surface disturbing activity would be moved up to 200 meters and/or prohibited for up to 60 days in any lease year to avoid adverse impacts to the species. If movement of the site this distance or these seasonal restrictions were insufficient to avoid impacts, then additional mitigation measures would be developed in conjunction with consultations with the U.S. Fish & Wildlife Service per Section 7 of the Endangered Species Act. Similar procedures would also be used to avoid adverse impacts to state-listed species, with appropriate measures developed in concert with the California Department of Fish & Game regional managers.

C) Specialized habitats such as riparian areas, vernal pools, other wetlands, floodplains, native perennial grasses, saltbrush, and oak woodlands would be avoided by surface disturbing activities when practical and feasible alternatives exist.

- D) Measures included in the Panoche/Coalinga ACEC Plan (1987) to mitigate oil and gas exploration and development activities would be implemented in all areas within the resource area where potential or occupied habitat for these species occurs. These measures would also be applied to T&E plant habitat as appropriate. (These measures are included as Management Actions in Chapter 2 of this RMP/EIS under ACEC–A3 through ACEC–A27).
- E) A stipulation prohibiting surface occupancy within ½ mile of raptor nest sites during nesting and fledgling seasons would be placed on all leases that include known raptor nest sites. The seasonal prohibition could be waived if field examination indicated the nest site was not being used.

*In addition to the Standard Lease Stipulations identified above, the following measures would also be required on BLM–administered oil and gas leases for special status species protection:*

**ACEC-COM5.** Evaluate surface-disturbing activities such as road construction, ground leveling, mining or oil and gas development for potential adverse impacts on fossil resources, cultural resources, and special status species. Do an on-site field exam for all applications within the ACEC. Consult with the USFWS, in accordance with Section 7 of the ESA, if appropriate. If necessary, take protective measures. These measures can be categorized as *pre-development, development, and post-development*. Such measures are useful not only in evaluating oil and gas applications but all surface-disturbing activities. Not all measures apply in every situation. Evaluate each surface-disturbing action on a case-by-case basis for applicability of the following measures:

#### **Pre-development Protective Measures**

**ACEC-COM6.** Mitigation for vegetation and cultural resources impacts would include the following:

- Avoiding the impact altogether by not taking a certain action or part of an action;
- Minimizing impacts by limiting the degree or magnitude of the action and its implementation;
- Rectifying the impact by repairing, rehabilitating, or restoring the affected environment;
- Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action;
- Compensating for the impact by replacing or providing substitute resources or environments.

**ACEC-C5.** Install temporary fencing on a case-by-case basis.

**ACEC-C6.** Plan access roads and pipelines to use existing roads and trails. New roads should avoid, where possible, cultural resources and populations of special status species and their potential habitat and critical habitat.

**ACEC-C7.** Consider seasonal limitations for operational activities on a case-by-case basis.

**ACEC-C8.** Conduct employee awareness of conservation measures to protect the values for which an ACEC is established on an informal basis.

**ACEC-C9.** Consider surface occupancy in critical or sensitive habitat areas on a case-by-case basis.

### **Development Protective Measures**

**ACEC-COM7.** Install pipelines/steam lines aboveground and align with roads, where possible.

**ACEC-COM8.** Determine size and alignment (or orientation) of pads to minimize surface disturbance and habitat loss while at the same time accommodating construction activities (i.e., lengthwise or parallel to existing roads, short side toward sensitive features). Revegetate portions of pads not needed for production purposes as soon as possible.

**ACEC-COM9.** Contain and/or remove wastewater to a designated disposal site.

**ACEC-COM10.** Stockpile topsoil from surface-disturbing activities to be used in conjunction with revegetation efforts.

**ACEC-COM11.** Maintain buffer zones around cultural resources (100 feet) and sensitive habitat features (minimum of 200 feet from active or inactive kit fox dens; minimum of 100 feet from all intermittent streams; 100 feet from dry washes in blunt-nosed leopard lizard habitat; and minimum of 200 feet from giant kangaroo rat colonies). Use fencing if necessary.

**ACEC-COM12.** Fence or cover all existing and active sumps with fine wire mesh to prevent entrapment of animals.

**ACEC-C11.** Consolidate locations for maintenance activities where feasible or identify alternative locations. Implement appropriate mitigation measures to minimize impacts.

**ACEC-C12.** Stipulate in leases for all energy developments that access is limited to two roads.

### **Post-development Protective Measures**

**ACEC-COM13.** Delineate areas to be rehabilitated in writing, by map, and by staking/flagging on-site.

**ACEC-COM14.** If in an active field, conduct rehabilitation efforts before the first rainy season after project completion.

**ACEC-COM15.** If necessary, fence-in revegetated sites (or block with physical barriers) from vehicular or livestock access.

**ACEC-COM16.** Dispose of all well site debris, including equipment, pipelines, and garbage in an acceptable manner (i.e., remove to a designated disposal site for contaminated soil and/or other debris).

**ACEC-COM17.** In addition to the protective measures listed above, require compensation in the form of on-site or off-site habitat enhancement (installation of guzzlers, conversion of oil and gas wells to water wells, seeding of native shrub species, etc.). Project applicants may also be required to provide funds for purchase of off-site lands.

**ACEC-COM18.** Require sheep grazing lessees within ACECs to eliminate sheep trailing and bedding activities from within 200 feet of sensitive habitat areas (giant kangaroo rat colonies and kit fox dens). Also, locate sheep camps at least 200 feet from these areas.

**ACEC-COM19.** Require cattle grazing lessees within ACECs to eliminate salting or supplemental feed or watering facilities within 200 feet of sensitive habitat areas.

**ACEC-COM20.** Work with cattle and sheep grazing lessees in on-the-ground meetings at least annually at the beginning of each grazing season.

**ACEC-COM21.** Preclude predator trapping and rodent poisoning on all BLM surface lands in the subject area. Work with adjacent landowners and counties to the extent possible to avoid placing poison on public land. Monitoring for placement of poison on public land would be a high priority.

**ACEC-COM22.** Work with cattle and sheep grazing lessees to prevent overgrazing by establishing seasons of use, fencing, control of water, and placement of supplemental feed and salt. Provide fence materials if funds are available.

**ACEC-C13.** Determine reclamation by the degree of impacts.

**ACEC-C14.** The lessee does all ripping, reseeding, and recontouring of all roads, pads, sumps, and all other past surface disturbances (including oil spills from operations) not of value to the leasehold operation, as approved by the BLM.

**ACEC-C15.** Reseed with environmentally compatible species, including non-native, non-invasive, non-persistent species, in all disturbed areas within construction zones, as well as any additional locations agreed to for the benefit of special status species and surface protection from erosion.

## **2. Measures to Protect Scenic Quality (Visual Resources)**

- A) BLM Standard Lease Stipulations (BLM Form 3100-11).

The operator is required to take reasonable measures to minimize impacts to visual resources. Reasonable measures are defined in 43 CFR 3101.1-2 to include, but not limited to, modification of design or siting of facilities, and relocation of proposed operations by up to 200 meters.

## **3. Measures to Protect Water Quality**

- A) BLM Standard Lease Stipulations (BLM Form 3100-11).

The operator is required to take reasonable measures to minimize impacts to land, air, and water resources. Such measures include, but are not limited to, specifications of interim and final reclamation measures.

- B) Standards and guidelines in the Surface Operating Standards for Oil and Gas Exploration and Development (RMRCC 1989) would be applied to all oil and gas exploration and development activities. These are interagency guidelines developed to provide design and construction techniques and other practices that would minimize surface disturbance, effects on other resources, and maintain reclamation on potential of lease sites.
- C) Proposed oil and gas development proposals (pad/access road construction, vegetation removal, etc.) on slopes that exceed 10%, within the selenium-bearing Moreno shale formation would require submission of designs prepared by a licensed professional engineer, incorporating adequate mitigation measures to preclude slope failure or off-site sediment transport of sediments and detailing reclamation procedures that would result in successful restoration and revegetation of the site.

## **4. Measures to Protect Cultural Resources**

- A) BLM Standard Lease Stipulations (BLM Form 3100-11).

The operator is required to minimize impacts to cultural resources, take reasonable measures required by the BLM to protect resources, conduct minor inventories or short term special studies, contact the BLM if objects of historic or scientific interest are observed, and cease operations that would result in destruction of historic objects. Reasonable measures are defined in 43 Code of Federal Regulations 3101.1-2 as consistent with lease rights if, at a minimum, they do not require relocation of operations more than 200 meters or require siting of facilities off the lease.

- B) A cultural resource inventory would be required prior to authorization of any surface disturbing activity. Proposed activities would be moved up to 200 meters to avoid adverse impacts to all potentially significant archaeological sites. For sites that could not be avoided, an appropriate data recovery plan would be developed in consultation with the State Historic Preservation Officer and the National Advisory Council on Historic Preservation. Implementation of the data recovery plan would be a condition of approval of the proposed activity.

## **5. Measures to Protect Air Quality**

- A) All oil and gas exploration and development activities that require off-road vehicle use or surface disturbance would be required to obtain an air quality emission permit or verification that such permits are not appropriate from the regional air quality control board.
- B) All oil and gas exploration and development activities resulting in surface disturbance or requiring the use of motorized vehicles would be required to suppress fugitive dust emissions from paved and unpaved surfaces in accordance with local APCD regulations.

## Special Lease Stipulations

### STIPULATION NO. 1

#### LIMITED SURFACE USE – SPECIAL STATUS SPECIES:

**Limited Surface Use - Protected Species:** All or a portion of this lease is within the range of one or more plant or animal species (shown at the end of this stipulation) that are either listed as threatened or endangered, or are proposed for such listing by the U.S. Fish and Wildlife Service (USFWS).

The lessee is notified that time frames for processing applications may be delayed beyond established standards to allow for species surveys, and consultation or conferencing with the USFWS. Notice is also given that surface-disturbing activities may be moved or modified, and that some activities may be prohibited during seasonal time periods. Surface disturbing activities will be prohibited on the lease only where:

- a. The proposed action is likely to jeopardize the continued existence of listed or proposed species, or
- b. The proposed action is inconsistent with the recovery needs of a listed species as identified in an approved USFWS Recovery Plan.

Prior to the authorization of any surface disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year.

The BLM may need to initiate consultation or conference with the USFWS if the site inspection concludes that a listed or proposed species may be affected by the proposed activity. The lessee should be aware that the USFWS has up to 135 days to render their biological opinion, and that there are provisions for an additional 60-day extension. Offsite habitat protection or enhancement for wildlife or vegetation (compensation) may be required by the USFWS when habitat is disturbed. The consultation may also result in some restrictions to the lessee's plan of development, including movement or modification of activities, and seasonal restrictions. Surface disturbing activities will be prohibited on the lease if the consultation or conference concludes that either of the conditions identified in a or b above exists.

## Endangered Species List

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
<b>Special Status Plants</b>		
California jewelflower	<i>Caulanthus californicus</i>	Endangered
San Joaquin wooly-threads	<i>Lembertia congdonii</i>	Endangered
Hoover's woolly-star	<i>Eriastrum hooveri</i>	Threatened
<b>Special Status Animals</b>		
Blunt nosed leopard lizard	<i>Gambelia silus</i>	Endangered
Giant kangaroo rat	<i>Dipodomys ingens</i>	Endangered
San Joaquin kit fox	<i>Vulpes macrotis mutica</i>	Endangered
California red-legged frog	<i>Rana aurora draytonii</i>	Threatened
California tiger salamander	<i>Ambystoma californiense</i>	threatened
<b>Special Status Birds</b>		
California condor	<i>Gymnogypus californianus</i>	Endangered
<b>Special Status Invertebrates</b>		
Conservancy fairy shrimp	<i>Branchinecta conservatio</i>	Endangered
Longhorn fairy shrimp	<i>B. Longiantenna</i>	Endangered
Vernal pool fairy shrimp	<i>B. lynchi</i>	Threatened
Vernal pool tadpole shrimp	<i>Lepidurus packardi</i>	Endangered

**STIPULATION NO. 2**  
**LIMITED SURFACE USE - SENSITIVE SPECIES**

All or a portion of this lease is within the range of one or more plant or animal species (shown at the end of this stipulation) that are either Federal candidates for listing as threatened or endangered (Federal Candidate), are listed by the State of California as threatened or endangered (State Listed), or are designated by the Bureau of Land Management (BLM) as Sensitive (Bureau Sensitive).

The lessee is notified that time frames for processing applications may be delayed beyond established standards to allow for species surveys and coordination with the USFWS and California Department of Fish and Game. Notice is also given that surface-disturbing activities may be relocated beyond the standard 200 meters but not more than 1/4 mile and that surface disturbing activities may be prohibited during seasonal time periods.

Prior to the authorization of any surface disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year. The BLM may need to coordinate with the USFWS or the California Department of Fish and Game if the site inspection concludes that a Federal Candidate, State Listed or Bureau Sensitive species may be affected by the proposed activity. Coordination may delay application processing beyond established time frames.

To prevent or reduce disturbance to Federal Candidate, State Listed, or Bureau Sensitive species, surface operations may be moved up to 1/4 mile and surface disturbing activities may be prohibited during seasonal time periods.

**Sensitive/Candidate Species List**

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
	<b>Special Status Plants</b>	
Panoche Pepper-Grass	<i>Lepidium jaredii album</i>	BLM sensitive
	<b>Special Status Animals</b>	
San Joaquin Antelope Squirrel	<i>Ammospermophilus nelsoni</i>	BLM sensitive

**STIPULATION NO. 3**  
**LIMITED SURFACE USE - RAPTORS:**

This lease includes lands that have been identified as important raptor foraging, wintering or nesting areas. Notice is given that surface-disturbing activities may be relocated beyond the standard 200 meters, but not more than 1/2 mile or that some activities may be prohibited during seasonal time periods to avoid unnecessary and undue disturbance to sensitive raptor foraging grounds, wintering areas or nest sites.

**STIPULATION NO. 4**  
**CULTURAL RESOURCE 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, 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.

**STIPULATION NO. 5**  
**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.