



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

California State Office
2800 Cottage Way, Suite W-1834
Sacramento, California 95825
www.ca.blm.gov



August 2, 2007

NOTICE

Notice of Competitive Oil and Gas Lease Sale
Dated July 27, 2007 Amended

On July 27, 2007 a Notice of Competitive Oil and Gas Lease Sale was posted announcing a competitive oil and gas lease sale to be held September 12, 2007. The Notice is hereby amended as follows:

1. On page 5; correction of date;

We have tentatively scheduled our next competitive sale for **December 12, 2007**.

2. Special Stipulation No. 3 for Parcel CA 09-07-16 is hereby amended to read as follows;

Parcel CA 09-07-16 (North Kern Front)

1. This parcel contains 19 existing wells. Not all of the wells have pumping equipment on them. All of the existing gathering lines are still in place. There are no production facilities located within the confines of this parcel. There is a waste water processing facility on this parcel. The successful bidder must install BLM approved facilities OR make arrangements with the lessee of the southern parcel for processing of production OR request and receive approval to move the production to another adjacent production facility. If the existing facilities on the southern parcel are utilized, or another adjacent facility, the BLM requires approval of an off-lease storage and sales agreement prior to production.

2. The successful bidder on this parcel will have up to 180 days (trial period) to evaluate the property and meet with the Bakersfield Field Office to present the results of this study and any data acquired. This trial period will require no bonding. The testing and evaluation phase of this trial period will constitute a maximum of the first 90 days. Production testing can occur but no sales will be allowed until transition into phase two of the trial period. This maximum 90 day production period (Phase 2) also complies with the California Department of Oil, Gas, and Geothermal Resources (CDOGGR) "test drive" program. The decision must be made by the end of trial period (end of phase 2) whether to keep the lease and produce it or to relinquish it back to the BLM. At the end of the trial period the lessee will either relinquish the lease OR post a bond in an amount to be determined by the Bakersfield Field Office.

3. During or following the 180-day trial, if the successful lessee or his designated operator chooses to resume normal lease operations, such lessee or operator must comply with all terms and conditions of the Federal lease, as well as applicable BLM policy and federal regulations pertaining to oil and gas lease operations. This will include compliance with all onshore orders and BLM California Idle Well Policy.

4. During the trial period, the lessee may not salvage or remove any of the existing leasehold equipment without prior approval of the Bakersfield Field Office.

5. Individual well and facility data are available for viewing at the Bakersfield Field Office by appointment only. Contact Nora DeDios at (661) 391-6129 or John Kaiser at (661) 391-6142 for more information.

6. All or part of the lands contained in this parcel tract may be subject to drainage by the wells listed below, all of which are located adjacent to this parcel in section 2, T. 28S., R. 27E., and section 35, T. 27S., R. 27E., MDB&M, Kern County, California.

2-1A	Section 2	Oxy USA Inc.
3-1	Section 2	Oxy USA Inc.
4-1	Section 2	Oxy USA Inc.
5-1	Section 2	Oxy USA Inc.
6-1	Section 2	Oxy USA Inc.
1-8	Judkins	Western States International
2-8	Judkins	Western States International
3-8	Judkins	Western States International
4-8	Judkins	Western States International
5-8	Judkins	Western States International
6-8	Judkins	Western States International
8-7	Witmer A	Western States International

Special Stipulation No. 4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3730-1
(July 1984)

POWERSITE STIPULATION

The lessee or permittee hereby agrees:

(a) If any of the land covered by this lease or permit was, on the date the lease or permit application or offer was filed, within a powersite classification, powersite reserve, waterpower designation, or project on which an application for a license or preliminary permit is pending before the Federal Energy Regulatory Commission or on which an effective license or preliminary permit had been issued by the Federal Energy Regulatory Commission under the Federal Power Act, or on which an authorized power project (other than one owned or operated by the Federal Government) had been constructed, the United States, its permittees or licensees shall have the prior right to use such land for purposes of power development so applied for, licensed, permitted, or authorized and no compensation shall accrue to the mineral lessee or permittee for loss of prospective profits or for damages to improvements or workings, or for any additional expense caused the mineral lessee as a result of the taking of said land for power development purposes. It is agreed, however, that where the mineral lessee or permittee can make adjustments of his improvements to avoid undue interference with

power development, he will be permitted to do so at his own expense. Furthermore occupancy and use of the land by mineral lessee or permittee shall be subject to such reasonable conditions with respect to the use of the land as may be prescribed by the Federal Energy Regulatory Commission for the protection of any improvements and workings constructed thereon for power development.

(b) If any of the land covered by this lease or permit is on the date of the lease or permit within a powersite classification, powersite reserve, or waterpower designation which is not governed by the preceding paragraph, the lease or permit is subject to the express condition that operations under it shall be so conducted as not to interfere with the administration and use of the land for powersite purposes to a greater extent than may be determined by the Secretary of the Interior to be necessary for the most beneficial use of the land. In any case, it is agreed that where the mineral lessee or permittee can make adjustments to avoid undue interference with power development, he will be permitted to do so at his own expense.

The total number of parcels, total acreage and all other terms of the sale remain the same. If there are any questions regarding this amendment, please contact Laurie Moore at (916) 978-4377.

/s/ Brenda Kidder
acting for; Debra L. Marsh
Chief, Branch of Adjudication
Division of Energy & Mineral Resources