



Notice of Competitive Oil and Gas Lease Sale

Bureau of Land Management - Eastern States
Office

June 20, 2013



**United States Department of the Interior
Bureau of Land Management**

Eastern States
7450 Boston Boulevard
Springfield, Virginia 22153

<http://www.es.blm.gov>



March 22, 2013

**NOTICE OF COMPETITIVE LEASE SALE
OIL AND GAS**

In accordance with Federal Regulations 43 CFR Part 3120, the Eastern States Office is offering competitively 7 parcels containing **668.82** acres of Federal lands in Louisiana (228.82 acres) and Michigan (440.00 acres) for oil and gas leasing.

This notice provides:

- the time and place of the sale;
- how to register and 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.

Beginning on page 12, is a list of the lands we are offering. The lands are listed by state and described by parcel number and legal land description. Below each parcel we have included any stipulations, lease notices, special conditions, or restrictions that will be made a part of the lease at the time we issue it. We have also identified those parcels where the United States owns less than 100 percent interest in the oil and gas mineral rights; and those that have pending pre-sale noncompetitive offers to lease which will not be available for noncompetitive offers to lease if they receive no bid at the sale. For your convenience, we are also including copies of the stipulations, lease notices, etc. affecting the parcels in this sale notice.

When and where will the sale take place?

When: The competitive oral auction will begin at **10:00 a.m. on June 20, 2013.**
The sale room will open at 9:00 a.m. to allow you to register and obtain your bid number.

Where: The sale will be held at the Bureau of Land Management, Eastern States Office, 7450 Boston Boulevard, Springfield, VA 22153. Parking is available.

Access: The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact the Minerals Adjudication Team on (703) 440-1600, or at the mailing address on the letterhead of this notice by **May 20, 2013.**

Information regarding leasing of Federal minerals overlain with private surface, referred to as “Split Estate”, is available at the following Washington Office website. A Split Estate brochure is available at this site. The brochure outlines the rights, responsibilities, and opportunities of private surface owners and oil and gas operators in the planning, lease sale, permitting/development, and operations/production phases of the oil and gas program: http://www.blm.gov/bmp/Split_Estate.htm.

What is the sale process?

Starting at 10:00 a.m. on the day of the sale:

- the auctioneer will offer the parcels in the order they are shown in the 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.

How do I participate in the bidding process?

To participate in the Bureau of Land Management (BLM) bidding process, you must register and 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. The BLM will begin registering bidders at 9:00 a.m. on the day of the sale.

When you register to bid, you will be required to show a valid government-issued photo identification (ID) to verify your identity. If you do not provide a valid photo ID, you will not be allowed to register as a bidder and participate in the auction.

You will also be asked to sign a statement to confirm that any bid you cast will represent a good-faith intention to acquire an oil and gas lease and that you understand that any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed. Further, you will acknowledge that you understand that 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; acceptance of a lease; or payment of monies owed; and that any such offense may result in a fine or imprisonment for not more than 5 years or both. You will also acknowledge that you understand that it is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations. Any person who knowingly violates this provision will be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

If you, or the party you represent, owe the United States any monies that 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 requires 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, that does not pay the minimum monies owed the day of the sale is not a “responsible qualified bidder” and will be barred from participating in any oil and gas lease auction nationwide until that debt to the United States is settled. In addition, if you or the party you represent defaults at any three sales conducted by any BLM office, you or the party you represent will be barred permanently from participating in any other BLM oil and gas lease sale auction.

-Federal 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 lands and 246,080 acres of acquired lands (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 or development contract that you hold, own or control 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.

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 Eastern States' Public Room and on our website at http://www.blm.gov/es/st/en/prog/minerals/current_sales_and.html . You may also get the number(s) of withdrawn parcels by contacting the Minerals Adjudication Team on (703) 440-1600. If there's a need to cancel the sale, we will try to notify all interested parties in advance.

Inclement Weather

In the event of hazardous weather, please tune in to local television or radio stations. Weather related or regional information may also be accessed via the Internet at www.opm.gov. If there is a broadcast for Federal employees, BLM's hours of operation will be affected.

The procedure for Oil and Gas Lease Sales scheduled on a business day with a 2-hour delay or if the office is closed for business, the BLM will proceed as follows:

1. In the event of a 2-hour delay, the doors to the BLM, Eastern States Office will remain locked until 10:00 a.m. The Oil and Gas Lease Sale will begin at 11:30 a.m. with registration starting at 10:00 a.m., please call for the recorded information on delays at (703) 440-1777.
2. In the event that the BLM office is closed for business on the day of an Oil and Gas Lease Sale, the Sale will be cancelled and rescheduled at a later date. Please call for recorded information on closures at (703) 440-1777.

Every effort will be made to post the information on delays or closed for business on the main entrance exterior doors of the building.

Your safety and the safety of our BLM employees is our major concern.

- **Payment due on the day of the sale:** Payment is due on the day of the sale. You cannot withdraw a bid. 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 \$150. You must pay these monies by 4:30 p.m. June 20, 2013 at the sale site. Any remaining balance on the bonus bid is due by **July 5, 2013** (10 business days after the sale) at BLM-ES' Accounts Department.

The minimum monies owed on the day of the sale for a winning bid are monies owed to the United States (43 CFR 3120.5-2(b) and 43 CFR 3120.5-3(a)). If payment of the minimum monies owed the day of the sale is not received by the date and time above, the BLM will issue a bill for the monies owed. If payment is not received by the bill due date, a demand letter will be sent to you that will include additional fees. If payment is not received as requested by the demand letter, the U.S. will immediately pursue collection by all appropriate methods, and when appropriate, collect late fees, interest, administrative charges, and on past-due amounts assess civil penalties. "All appropriate methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus; salary or administrative offset; offset of Federal and state payments, including goods or services; Federal and state tax refund offset; and retirement payment offset. Debts may be sent to the Internal Revenue Service and charged 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 part 285).

- **Forms of payment:** You can pay by personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only). Cash is unacceptable. 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. If you pay by check, please make checks payable to: **Department of the Interior - BLM**. If a check you have sent to us in the past has been returned for "*insufficient funds*" we will require that you give us a guaranteed payment, such as a certified check.

Effective June 30, 2012, BLM will not accept credit card or debit card payments to the Bureau for any amount equal to or greater than \$50,000 for any purpose. We also will not accept aggregate smaller amounts to bypass this requirement. We encourage you to make any payments of \$50,000 or more by Automated Clearing House (ACH).

How do I calculate my bonus bid for parcels where the U. S. only owns a fractional mineral interest?

If the United States owns less than 100 percent of the oil and gas rights in a parcel, the parcel will reflect the percentage of interest the United States owns. You must calculate your bonus bid and advance rental payment on the **gross acreage in the parcel**. For example, if the U.S. owns 50 percent of the oil and gas in a 100.48 acre parcel, the minimum bid is \$202 (101 acres x \$2) and the advance rental due is \$151.50 (101 acres x \$1.50).

What are the terms and conditions of a lease issued as a result of this sale?

- **Term of the lease:** A lease is issued for a primary term of 10 years. It continues beyond that if it has production in paying quantities. Advance rental at \$1.50 per acre or fraction of an

acre for the first 5 years (\$2.00 per acre after that) is due on or before the anniversary date each year until production begins. We charge a royalty of 12.5 percent of the value of oil or gas removed or sold from a lease. You will find other lease terms on our standard lease form (Form 3100-11, October 2008).

- **Stipulations:** Some parcels are subject to surface use stipulations. They are requirements or restrictions on how you conduct operations. These stipulations are included in the parcel descriptions on the attached list. They become part of the lease and supersede any inconsistent provisions in the lease form.

The applicable Forest Service (FS) Environmental Impact Studies (EIS) describe stipulations for parcels located within the administrative boundary of the Forest Service units. The Geographic Information System (GIS) maps of the stipulations may be viewed at the following FS offices:

- The individual District Office identified in the stipulation listing included with this sale notice, or
 - The individual Forest Supervisor Office identified in the stipulation listing included with this sale notice, or
 - USDA Forest Service - Region 8, Room 792 South, Lands & Minerals, 1720 Peachtree Road, N.W., Atlanta, Georgia 30367 or
 - USDA Forest Service - Region 9, Gas Light Building, Suite 600, 626 E. Wisconsin Avenue, Milwaukee, WI 53202
- **Bid Form:** Successful bidders must submit a signed competitive lease bid form (Form 3000-2, July 2012) with their payment on the day of the auction. This form is a legally binding offer by a prospective lessee to accept a lease and all applicable terms and conditions. We recommend you get the form and complete part of it before the auction, leaving part to be filled out at the auction. Your completed bid form certifies that you are qualified to be a lessee under our regulations at 43 CFR Part 12 and Subpart 3102.5-2. It also certifies that you comply with 18 U.S.C. 1860, a law prohibiting unlawful combinations, intimidation of or collusion among bidders. Fillable bid forms are available online at: http://www.blm.gov/es/st/en/prog/minerals/frequently_used_oil.html
 - **Issuance of a lease:** We (the BLM) will issue your lease within 60 days of the sale date by signing the lease form provided you have paid your fees and rent. The effective date of a lease is the first day of the month following the month in which we sign the lease. We can make it effective the first day of the month in which we sign it, if we receive your written request before we sign the lease.

How do I file a noncompetitive over-the-counter offer after the auction?

You may be able to get a noncompetitive lease for a parcel we offered if –

- we did not withdraw it from the sale;
- it did not receive a bid; and
- it does not have a noncompetitive pre-sale offer pending.

Parcels that meet all these criteria are available on a first-come, first-served basis for two years from the date of the auction. If you want to file a noncompetitive offer for unsold parcel immediately after the sale or on the next business day, give us the items listed below under presale offers in a sealed envelope marked “Noncompetitive Offer.” We consider all noncompetitive offers that we receive on the day of the sale and the first business day after the sale as filed at the same time (simultaneously). Where an unsold parcel receives more than one simultaneous filing, we will hold a public drawing in our Public Room to determine first priority.

How do I file a noncompetitive “pre-sale” offer?

Per Federal Regulations 43 CFR 3110.1(a), you can file a noncompetitive pre-sale 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.

If no bid is received on them, your pre-sale offer gives you priority over any offer filed after the auction. In the list of parcels attached to this notice, we have used an asterisk to mark any parcel that has a pending pre-sale offer. By filing a pre-sale offer, you are consenting to all terms and conditions of the lease, including any stipulations for listed on the attachment to this notice.

To file a —pre-sale offer, you must send us --:

- A standard lease form (Form 3100-11, October 2008), which is properly filled out, as required by the regulations under 43 CFR 3110;
- the first year’s advance rent in the amount of Rental \$1.50 per acre or fraction thereof; and
- a non-refundable administrative fee in the amount of \$390.00.

NOTE: You cannot file a “pre-sale” offer for any of the lands included in this Notice.

Can I protest BLM’s decision to offer the lands in this Notice for lease?

Yes. Under Federal Regulations 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:

- Protests must be filed within **30 calendar days of the posting date of the sale**. We must receive a protest no later than close of business on **April 23, 2013**. 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 fax. **You may not file a protest by electronic mail.** A protest filed by fax must be sent to **(703) 440-1551**. **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 Federal 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. An appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

Can I appeal BLM's decision to deny my protest?

Yes. An appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

Can 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 refunds of the bonus bid, rental 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.

Where can I get copies of the BLM forms mentioned in the Notice?

Form 3100-11 (October 2008), Offer to Lease and Lease for Oil and Gas, and Form 3000-2 (July 2012), Competitive Oil and Gas or Geothermal Resources Lease Bid may be downloaded from the following Forms Central web address: <http://www.blm.gov/noc/st/en/business/eForms.html>.

When is BLM-ES' next competitive sale date?

The next sale is tentatively scheduled for September 12, 2013. We will notify the public in advance should this date change.

Who should I contact if I have questions regarding this lease sale?

For more information, please contact the Kemba K. Anderson-Artis on (703) 440-1659.

/s/ Mr. Tony J. Herrell
Mr. Tony J. Herrell
Associate State Director
Eastern States Office

Enhanced Bidder Registration Form
Bidder Registration Form
Competitive Oil and Gas Lease Sale

By completing this form, I certify that the undersigned, or the principal party whom the undersigned is acting on behalf of, is in compliance with the applicable regulations and leasing authorities governing a bid and subsequent lease. I certify that any bid submitted by the undersigned or on behalf of the principal party is a good faith statement of intention by the undersigned or the principal party to acquire an oil and gas lease on the offered lands. Further, I acknowledge that if a bid is declared the high bid, it will constitute a legally binding commitment to execute the Bureau of Land Management's Form 3000-2, Competitive Oil and Gas or Geothermal Resources Lease Bid, and to accept the lease.

In addition, if a bid is declared the high bid, the undersigned or the principal party will pay to the Bureau of Land Management (BLM) by the close of official business hours on the day of the auction, or such other time as may be specified by the authorized officer, an amount at least equal to the minimum monies owed the day of sale for that bid, as set out in applicable regulations. The undersigned and the principal party acknowledge that these monies are due to the Bureau of Land Management as a result of winning the auction. Further, the undersigned and the principal party understand that if payment is not received by the due date, the BLM will issue a bill for monies owed, and if payment is not received, the United States will pursue collection by all appropriate methods, and as appropriate, will assess late fees, civil penalties, interest, administrative charges, and penalties on past due amounts (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR part 285).

I certify that neither I nor the principal party whom I represent owes the United States any monies that were due the day of sale from any oil and gas lease auction conducted by any Bureau of Land Management office.

It is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 for any person to knowingly and willfully make any false, fictitious, or fraudulent statements or representations as to any matter within the jurisdiction of the government. Any such offense may result in a fine or imprisonment for not more than 5 years, or both.

It is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations or for any person to obtain money or property by means of false statements regarding a person's ability to obtain a lease. Any person who knowingly violates this provision shall be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

A separate registration is required for each company or individual you are representing.

Please fill in the company/individual name and address as it would appear on any issued lease. We will send a copy of the lease and billing notices to the name and address as shown below. (NOTE: Please use the same lessee name and address information on BLM Form 3000-2.)

Bidder Number (leave blank)

Lessee Name: _____

Mailing Address: _____

City: _____

State: _____ Zip Code: _____

Bidder Name: _____ Phone number: _____
(including area code)

Relationship to lessee: _____
(Self, Agent, Attorney-in-fact, President, etc.)

Signature _____
Date

For BLM Use Only: Type of identification: _____

HOTEL INFORMATION

Holiday Inn
6401 Brandon Avenue
Springfield, Virginia
(703) 644-5555

Comfort Inn
6560 Loisdale Court
Springfield, Virginia
(703) 942-0140

Hampton Inn
6550 Loisdale Court
Springfield, Virginia
(703) 922-9000

Ramada Plaza Hotel
4641 Kenmore Avenue
Alexandria, Virginia
(703) 922-9000
Hotel shuttle to National Airport and Metro Subway

Directions to Bureau of Land Management – Eastern States:

From Washington, DC: take I-395 South through the Springfield Interchange to where I-395 becomes I-95. Continue on I-95 to Backlick/Fullerton Road Exit 167. At the light turn right onto Fullerton Road. At the SECOND Stoplight, turn left onto Boston Boulevard (COSTCO to the left). Eastern States is approximately 0.3 miles on the right. Public parking is behind the building.

From Maryland: Take I-95/I-495, Capital Beltway's Inner Loop, across the Wilson Bridge to Alexandria, VA. Continue on I-95/I-495 to the I-395 Interchange; FOLLOW I-95, SOUTH, towards Richmond, VA. Take Exit 167, Backlick Road/Fullerton Road - the second exit south of the Beltway. At the FIRST Stoplight, Turn RIGHT onto Fullerton Road. At the SECOND Stoplight, Turn LEFT onto Boston Boulevard. Eastern States office (7450 Boston Boulevard) is about 0.3 miles on your right. Public parking is behind the building.

Traveling North I-95 in Virginia: Take I-95 NORTH, to Exit 166-B, Backlick Road/Fullerton Road, just past the fuel tank farm. Merger onto the Fairfax County Parkway. Take exit for Boudinot Drive. At the FIRST Stoplight, Turn RIGHT onto Fullerton Road. At the FIRST Stoplight, Turn LEFT onto Boston Boulevard. Eastern States office (7450 Boston Boulevard) is about 0.3 miles on your right. Public parking is behind the building.

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 which 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) 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.

LOUISIANA
PRIVATE SURFACE/ FEDERAL MINERALS

ES-001-06/13 LAES 057773 PD

Rapides Parish, Louisiana, BLM
T3N, R1E, Louisiana Meridian
Sec. 9, All.
22.16 Acres
\$33.75 Rental

Subject to: BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, Freshwater Aquatic Habitat, and Bald Eagle.
BLM Lease Notices for Disposal of Produced Water, Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Species, Pesticide Application.
(EOI #1711)

ES-002-06/13 LAES 057774 PD

Rapides Parish, Louisiana, BLM
T5N, R4W, Louisiana Meridian
Sec. 4, SWNW.
38.02 Acres
\$58.50 Rental

Subject to: BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat.
BLM Lease Notices for Disposal of Produced Water, Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Species, Pesticide Application.
(EOI # 1581)

ES-003-06/13 LAES 057775 PD

Caddo Parish, Louisiana, BLM
T20N, R14W, Louisiana Meridian
Sec. 8, SESW.
39.88 Acres
\$60.00 Rental

Subject to: BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, and Sensitive Plant Species.
BLM Lease Notices for Disposal of Produced Water, Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Species, Pesticide Application.
(EOI #1672)

ES-004-06/13 LAES 057776 PD

Caddo Parish, Louisiana, BLM
T20N, R16W, Louisiana Meridian
Sec. 32, Lots 1& 3.

91.56 Acres

\$138.00 Rental

Subject to: BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, Freshwater Aquatic Habitat, and Interior Least Tern.

BLM Lease Notices for Disposal of Produced Water, Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Species, Pesticide Application.

(EOI #1714)

ES-005-06/13 LAES 057777 PD

Caddo Parish, Louisiana, BLM
T20N, R16W, Louisiana Meridian
Sec. 36, Lot 1.

9.12 Acres

\$14.25 Rental

Subject to: BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, Freshwater Aquatic Habitat and Interior Least Tern.

BLM Lease Notices for Disposal of Produced Water, Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Species, Pesticide Application.

(EOI #1715)

ES-006-06/13 LAES 057778 PD

Caddo Parish, Louisiana, BLM
T19N, R16W, Louisiana Meridian
Sec. 6, Lot 1 and Fractional NE Quarter.

28.08 Acres

\$42.75 Rental

Subject to: BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, Freshwater Aquatic Habitat, and Interior Least Tern.

BLM Lease Notices for Disposal of Produced Water, Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Species, Pesticide Application

(EOI #1716)

MICHIGAN
MANISTEE NATIONAL FOREST

ES-007-06/13 MIES 057779 ACQ *Presale Offer MIES 038349 ACQ**

Newaygo County, Michigan, Manistee NF

T16N, R13W, Michigan Meridian

Sec. 17, N2NE, SWNE, NW, N2SW, SWSW, NWSE.

440.00 Acres

\$660.00 Rental

75% Mineral Interest

Subject to:

Forest Service Standard Lease Stipulations

Lease Notice #1, 2, 3, 6

Lease Stipulation 3 applies to all lands except E2SEWSE

Lease Stipulation 4 applies to E2SEWSE

Lease Stipulation 22 applies to E2SEWSE

(EOI# 010)

Stipulations

BLM Stipulations - Louisiana

Cultural Resources and Tribal Consultation

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. These obligations may include a requirement that you provide a cultural resources survey conducted by a professional archaeologist approved by the State Historic Preservation Office (SHPO). If currently unknown burial sites are discovered during development activities associated with this lease, these activities must cease immediately, applicable law on unknown burials will be followed and, if necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place. 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.

Endangered Species

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.

Exception: None

Modification: None

Waiver: None

Sensitive Plant Species

Stipulation (CSU): All suitable special status plant species habitat will be identified during environmental review of any proposed surface use activity. If field examination indicates that habitat of one or more of these species is present, the BLM will require a survey by a qualified botanist for special status plants during periods appropriate to each species. Operations will not be allowed in areas where sensitive plants would be affected.

Objective: To protect threatened, endangered, candidate, proposed, and BLM sensitive plant species.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and in coordination with State agencies. **Modification:** The stipulation may be modified if it is determined that a portion of the lease area does not contain sensitive plant species habitat.

Waiver: The stipulation may be waived if, based on field surveys, it is determined that the lease area does not contain sensitive plant species habitat.

Freshwater Aquatic Habitat

This stipulation applies to Parcels #1-2 (EOIs 1711 and 1581) and #4-6 (EOIs #1714, 1715, and 1716).

Stipulation (NSO): No surface occupancy or disturbance, including discharges, are permitted within 250 feet of a river, stream, wetland spring, headwater, wet meadow, wet pine savanna, pond, tributary, lake, coastal slough, sand bar, vernal pools, calcareous seepage marsh, or small, marshy calcareous stream. If the slope exceeds 10 percent, the buffer may be extended to 600 feet to provide adequate protection for aquatic habitats and associated species.

Objective: To protect the water quality of watersheds and natural stream substrate and morphology and to avoid potential impacts to aquatic species and their habitat.

Exception: An exception may be granted if the operator agrees to 1) span creeks, rivers, wetlands, and floodplains by attaching pipelines to bridges; 2) directionally drill wells and pipelines from upland sites under creeks, rivers, other waters, and wetlands or 3) implement other measures developed in consultation with USFWS and in coordination with State agencies.

Modification: The buffer may be reduced if the adjacent waterway has been surveyed for 100 yards upstream and 300 yards downstream of the site, and the results document the lack of suitable/occupied/critical habitat for listed species which may be affected by the project, as determined by the BLM and USFWS.

Waiver: None

Bald Eagle

This stipulation applies to Parcel #1 (EOI #1711).

Stipulation (NSO): No surface occupancy or disturbance will be permitted within a 660-foot buffer zone (1,500-foot buffer zone in LA) around active or inactive bald eagle nests and communal roost sites.

Objective: To avoid impact to nesting eagles, including impact to courtship and nesting behavior, egg laying and incubation, and feeding and fledging activity.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and appropriate State agencies.

Modification: This stipulation may be modified to remain consistent with Federal or State guidelines or if a portion of the stipulated area is no longer within the 660-foot buffer zone (1,500-foot buffer zone in LA).

Waiver: This stipulation may be waived if no suitable nest sites are within 660 feet (1,500 feet in LA) of any portion of the leased tract or if documented evidence can be provided that an inactive nest within 660 feet (1,500 feet in LA) has not been used for at least 5 years.

Bald Eagle

This stipulation applies to Parcel #1 (EOI #1711).

Stipulation (CSU): BLM-permitted projects will not remove trees suitable for nesting within a 0.5-mile buffer zone around active or inactive bald eagle nests and communal roost sites.

Objective: To protect foraging habitat, promote nest fidelity, and maintain habitat integrity around bald eagle nests and communal roosting sites.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and in coordination with State agencies.

Modification: This stipulation may be modified to remain consistent with Federal and State guidelines or if a portion of the stipulated area is no longer within the 0.5-mile buffer zone.

Waiver: This stipulation may be waived if no nest or communal roosting site can be identified within 0.5 miles of the leased tract or if the applicant can document that no sites have been used by bald eagles for 5 consecutive years.

Interior Least Tern

This stipulation applies to Parcels 4-6 (EOIs #1714, 1715, and 1716).

Stipulation: Seasonal Limitation: No surface disturbance within a 650 foot buffer (LA) and 1,000 foot buffer (AR and KY) from sandbars on the Mississippi, Ohio, Arkansas, and Red Rivers. During interior least tern nesting season (May 15-August 31).

Objective: To protect interior least tern nesting and feeding habitat.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with the USFWS and in coordination with State agencies.

Modification: Temporary surface use may be permitted if USFWS concurs that the action would not adversely affect least tern or suitable habitat.

Waiver: This stipulation may be waived if suitable interior least tern habitat does not occur within 650 feet (LA) or 1,000 feet (AR and KY) of the leased tract.

Red-cockaded Woodpecker

Stipulation (NSO): No surface occupancy or disturbance within 0.5 mile of a red-cockaded woodpecker cluster, defined as the area containing all active and inactive cavity trees and a 200foot buffer zone surrounding that area. Vehicle use is prohibited within a cluster except for through-travel on existing, maintained, paved roads.

Objective: To protect red-cockaded woodpecker nest sites from disturbance and habitat degradation.

Exception: An exception may be granted to allow surface occupancy within 0.5 mile of a cluster if the operator agrees to measures developed in consultation with USFWS and in coordination with State agencies.

Modification: This stipulation may be modified if a portion of the stipulated area is no longer within the 0.5-mile buffer zone.

Waiver: This stipulation may be waived if no cluster can be identified within 0.5 mile of the leased tract.

Lease Notices Best Management Practices - Louisiana

Disposal of Produced Water

Objective: To protect aquatic habitats for and to avoid potential impacts to special status fish, mussels, turtles, snails, plants, and migratory birds.

The preferred method for disposal of produced water will be through reinjection to a permeable formation with total dissolved solids (TDS) content higher than 10,000 milligrams per liter (mg/L) where the aquifer is not hydrologically connected to caves, wetlands, or surface water. In Alabama, the injection of produced water is regulated by the Alabama State Oil and Gas Board. In Mississippi, the injection of produced water is regulated by the Mississippi Department of Environmental Quality (MDEQ) and the Mississippi Oil and Gas Board.

If reinjection is not practicable, closed-containment treatment systems should be used to contain and treat produced water for those contaminants and sediments exceeding State standards or EPA criteria. Salt content of any surface ponds for produced water, pigging pits, or other fluids must be less than 7,500 microsiemens per centimeter (*IIS/cm*). If surface pond salt content is greater than 7,500 IIS/cm, if other bird toxicity is present, or if the surface exhibits sheen, then the ponds must be netted or covered with floating balls, or other methods must be used to exclude migratory birds.

Produced waters may be released into an impounded reservoir if there is documentation that the discharge site and affected waters do not support special status species, are not designated critical habitat, and State and Federal water quality standards/criteria are met. Produced waters may be released into a stream/river if the discharge site and affected waters have been recently surveyed and lack special status species, or if the applicant conducts approved surveys documenting the absence of special status species, State and Federal water quality standards/criteria are met, and a National Pollution Discharge Elimination System (NPDES) permit is obtained. The applicant should be aware that some species can be surveyed only during certain times of the year.

Produced waters may be released into a stream/river if the applicant can document that the produced waters would not adversely affect special status species. Water quality tests would be conducted on stream segment(s) or other locations proposed as discharge points, volumes to be released, and any settling ponds or other treatments proposed to improve wastewater quality. The water quality test data, any monitoring proposed, and other available information about general coalbed methane effluent characteristics (from published or unpublished literature) shall be reviewed by USFWS. Information about timing of the releases in relation to low water and other planned BMPs would also be required. Testing would include analysis of the discharge site and affected waters for chemical oxygen demand (COD), conductivity, total suspended solids (TSS), As, Hg, Se, and polycyclic aromatic hydrocarbons (P AH). Dissolved oxygen and ammonia standards/criteria must be met in bottom waters if they support listed benthic or epibenthic species. If a special status species has been documented to be more sensitive than State/Federal standards/criteria, site-specific standards for that species may be imposed. Calculations would be

based on State standards (or Federal CCC criteria for protection of freshwater aquatic life when the State has not determined a standard for these parameters).

Migratory Birds and Federally Listed Wildlife

Objective: To protect perch and roosting sites and terrestrial habitats for and to avoid potential impacts to migratory birds and federally listed wildlife.

Any reserve pit that is not closed within 10 days after a well is completed and that contains water must be netted or covered with floating balls, or another method must be used to exclude migratory birds.

All powerlines must be built to protect raptors and other migratory birds, including bald eagles, from accidental electrocution, using methods detailed by the Avian Power Line Interaction Committee (APLIC 2006)

Perching and Nesting Birds and Bats

Objective: To prevent birds and bats from entering or nesting in or on open vent stack equipment.

Open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units and, to the extent practical, to discourage birds from perching on the stacks. Installing coneshaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

Invasive and Non-Native Species

Objective: To discourage the spread of invasive, non-native plants.

Use of native or non-invasive plants in seeding mixtures will be encouraged to stabilize disturbed areas and during restoration activities. Construction sites will be surveyed for invasive species prior to ground disturbance. If invasive species are found, the proper control measures will be used to either eradicate the species from the area or minimize its spread to other areas. If cogongrass is found on site, equipment will be washed before exiting the site to prevent the spread of this highly invasive species to other locations. Post-construction monitoring for cogongrass and other invasive plant species should be conducted to ensure early detection control. In the case of split-estate lands, final seed mixtures will be formulated in consultation with the private landowner.

Pesticide Application

Objective: To protect the water quality of watersheds and natural stream substrate and morphology supporting special status species and their host species.

Any ground application of herbicides or other pesticides, sterilants, or adjuvants within 150 feet of listed species or habitat will require site-specific control measures developed in coordination

or formal consultation with USFWS. No aerial application of herbicides or pesticides will be permitted.

USDA- FOREST SERVICE
STANDARD STIPULATIONS- LEASE
(FSM 2820)

Serial No.: **MIES 057779**

Lessee:

National Forest: Huron-Manistee NF

The lessee is notified and agrees:

All work and any operations authorized under this permit shall be done according to an approved operating plan on file with the Forest Supervisor at 1755 S. Mitchell St. Cadillac, MI 49601. Plans generally require a minimum of 45 days for Forest Service review. Bureau of Land Management must also review and also approve.

Operating plan will contain information the Forest Officer determines reasonable for assessment of (1) public safety, (2) environmental damage, and (3) protection for surface resources. Content of such plans will vary according to location and type of activity and may contain:

1. Steps taken to provide public safety.
2. Location and extent of areas to be occupied during operations.
3. Operation methods including size and type of equipment.
4. Capacity, character, standards of construction and size of all structures and facilities to be built.
5. Location and size of areas where vegetation will be destroyed or soil lay bare.
6. Steps taken to prevent and control soil erosion.
7. Steps taken to prevent water pollution.
8. Character, amount, and time of use of explosives or fire, including safety precautions during their use.
9. Program proposed for rehabilitation and revegetation of disturbed land.

Copies of all permits obtained from State or Federal agencies pertaining to work might be required. Archeological studies, if required, will accompany plan.

The Forest Supervisor or his/her designated agent has authority to temporarily suspend or modify operations in whole or in part due to emergency forest conditions such as high fire danger or other unsafe situations.

The lessee must keep the Authorized Officer informed about progress of operations to the extent reasonably necessary for assuring public safety. This is especially important with geophysical inventory and testing activities because of their mobile nature. The Authorized Officer will alert the lessee to circumstances, which may affect safe and efficient conduct of work activities.

Terms of this lease are considered violated if not done according to these stipulations.

See Special Stipulations & Notifications

Lessee
R9-2800-6a (3/83)

Huron-Manistee National Forest
EOI-010

Lease Notices

Lease Notice #1) Operations under this lease will be consistent with the Standards and Guidelines found in the Huron-Manistee National Forests Land and Resource Management Plan (Plan) and hereby incorporated into this lease *in* their entirety.

Lease Notice #2) Surface disturbance will be limited to that necessary for reasonable, safe and prudent extraction of the oil and gas. Measures will be implemented to minimize erosion and sedimentation. Road and stream crossings will be planned to eliminate stream crossings whenever practical.

Lease Notice #3) Processing of proposed surface use plans of operation on National Forest System lands includes site-specific analysis to determine effects to threatened, endangered, or sensitive species. This analysis may require surveys for certain plants and/or animals. Depending upon the species of concern, it may be necessary to survey through spring, summer, and fall. The extent of required surveys could delay permit issuance. Operators are encouraged to submit proposals as soon as possible to facilitate the scheduling of necessary survey work.

Lease Notice #6) Portions of this lease parcel have had occurrences of certain threatened, endangered, or sensitive species or communities. At the time a drilling permit application or other request for surface use is filed, a site-specific review will be done to determine potential effects to these species. Depending upon the findings of the site-specific review, additional operating constraints, such as seasonal restrictions or re-location of the proposed wellsite, may be necessary to mitigate effects to threatened, endangered, or sensitive species or communities.

Lease Stipulations

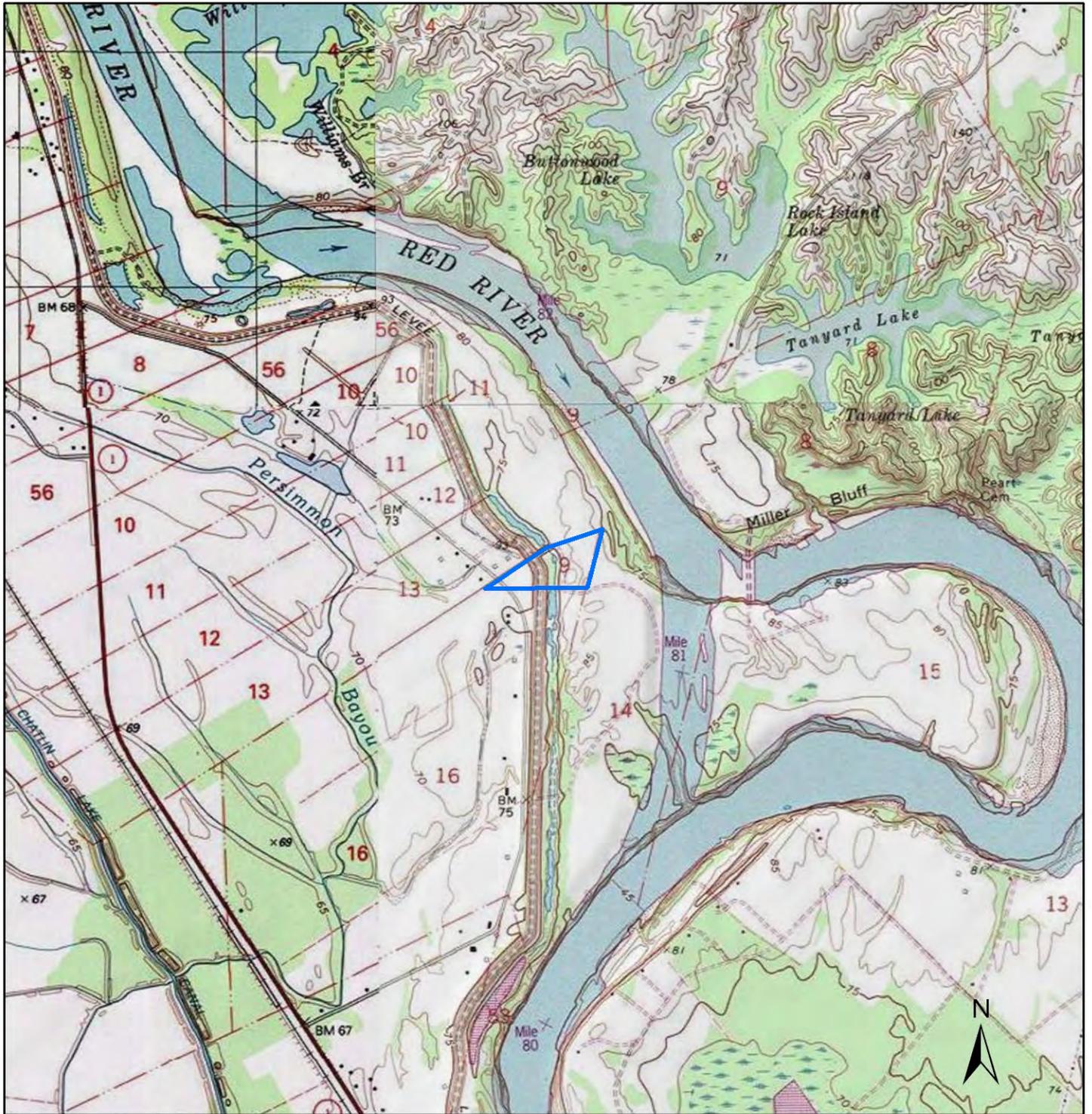
Stipulation #3) All or portions of this lease parcel are located in an area managed as Old Growth. In accordance with the Huron-Manistee National Forest Plan, no surface occupancy is permitted on this parcel due to the lack of existing reasonable access.

Stipulation #4) All or portions of this lease parcel are located in an area managed as Old Growth. Surface disturbing activities will take place outside of old growth where there are reasonable alternative locations. Due to the presence of existing reasonable access via roads/trails, surface occupancy is permitted, however, is limited to existing roads and trails.

Stipulation #22) This parcel is located in an area managed as a semi-primitive motorized area. The Huron-Manistee National Forest Plan limits surface location density in these areas. The maximum surface development density in this area is 1 surface location per 160 acres. Production facilities will be located outside the area when practical and needed pumps will be run by electric motors or equipped to minimize noise.

Maps

Proposed Federal Oil and Gas Lease
EOI 1711



2,000 1,000 0 2,000 4,000 6,000 Feet

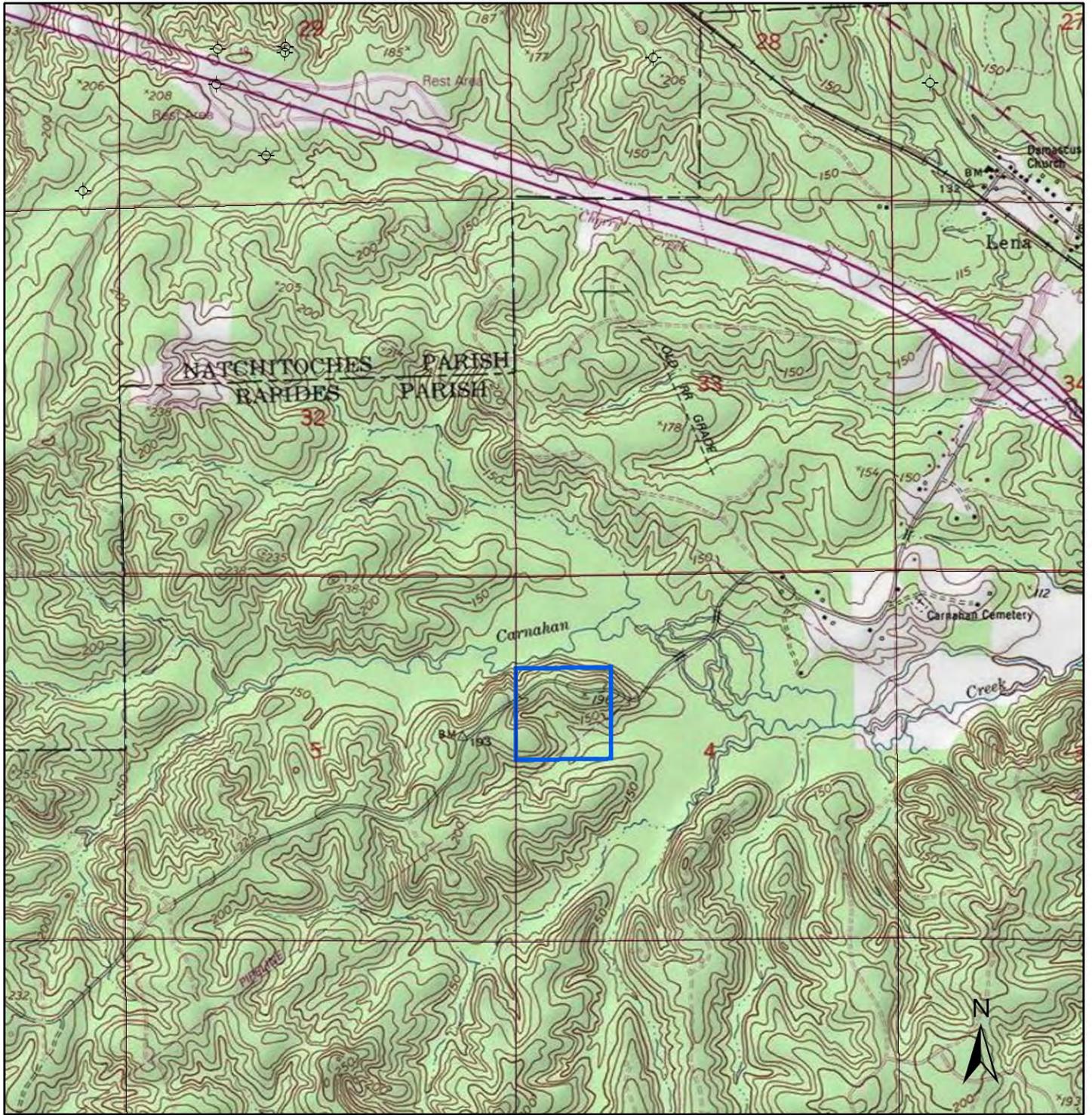
 Proposed Lease Area

Proposed Lease Area:
Rapides Parish, Louisiana, Louisiana Meridian
T. 3N., R. 1E., Sec.9, Entire section
Approximately 22.16 acres.

U.S. Department of the Interior
Bureau of Land Management
Eastern States
Southeastern States Field Office
Jackson, Mississippi

This map contains portions of the following USGS 1:24,000 Topographic Quadrangles: Latanier, Woodworth East, Alexandria, Libuse
No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of this data for individual use or aggregate use with other data.

Proposed Federal Oil and Gas Lease
EOI 1581



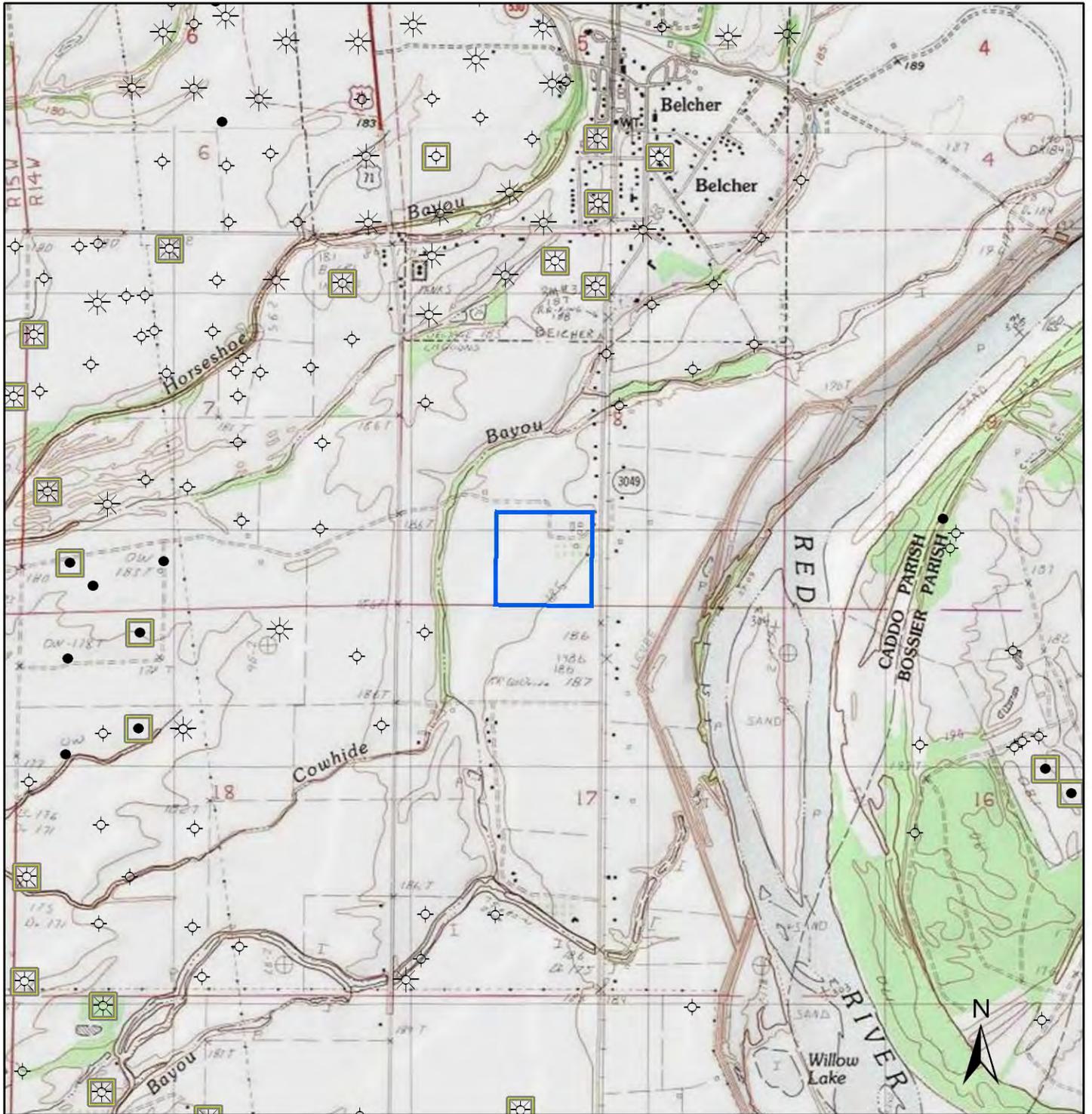
 Proposed Lease Area
Oil and Gas Wells
 Dry Hole, Temporarily Abandoned

Proposed Lease Area:
 Rapides Parish, Louisiana, Louisiana Meridian
 T. 5N., R. 4W., Sec. 4, SWNW
 Approximately 38.02 acres.

U.S. Department of the Interior
Bureau of Land Management
 Eastern States
 Southeastern States Field Office
 Jackson, Mississippi

This map contains portions of the following USGS 1:24,000 Topographic Quadrangle: Lena
 No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or
 completeness of this data for individual use or aggregate use with other data.

Proposed Federal Oil and Gas Lease
EOI 1672



2,000 1,000 0 2,000 4,000 6,000 Feet

Proposed Lease Area

Oil and Gas Wells

- ◊ Dry Hole, Temporarily Abandoned
- Oil Well
- ☼ Gas Well
- ◻ Inactive Wells

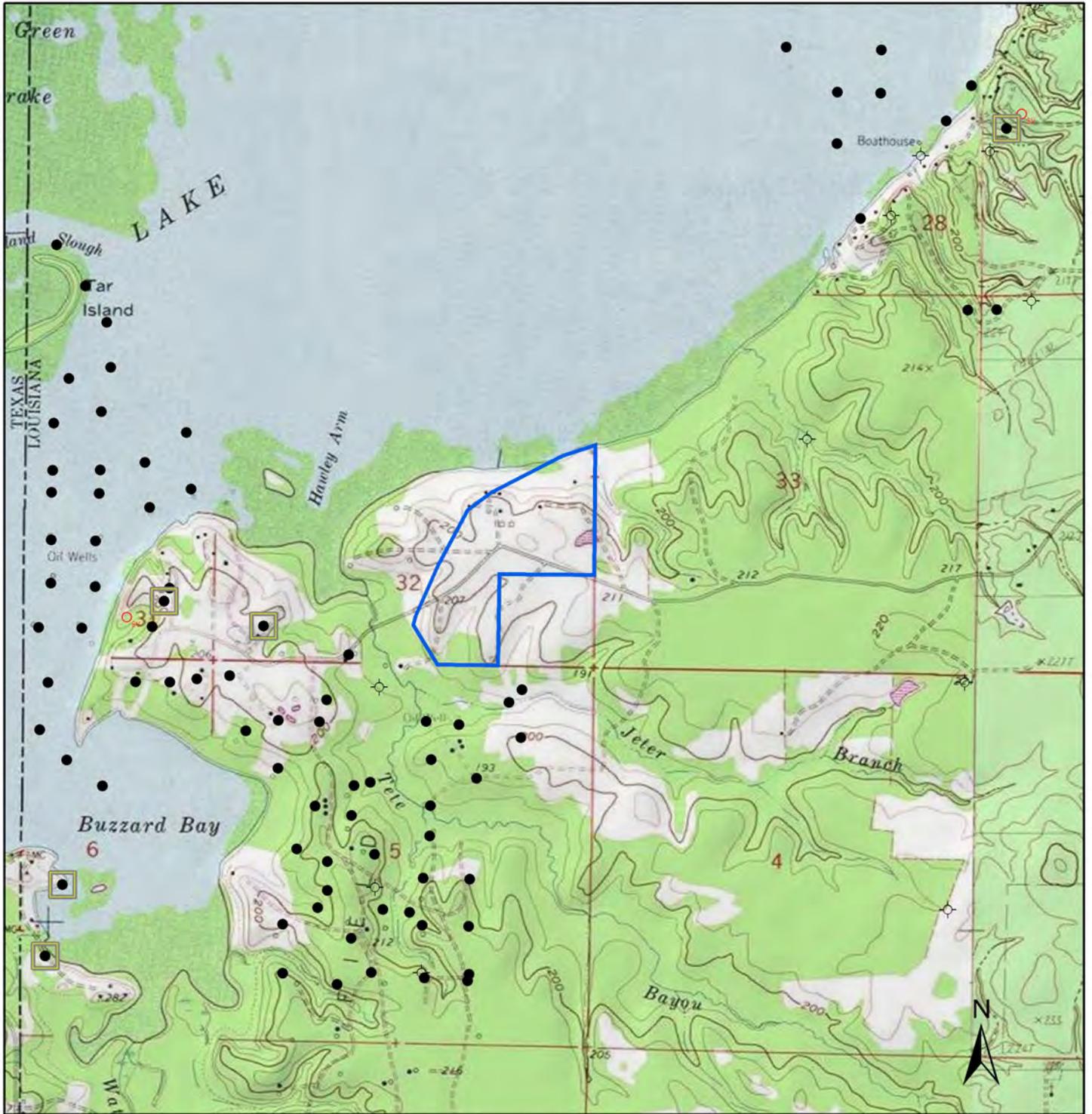
Proposed Lease Area:
Caddo Parish, Louisiana, Louisiana Meridian
T. 20N., R. 14W., Sec. 8, SESW
Approximately 39.88 acres.

U.S. Department of the Interior
Bureau of Land Management
Eastern States, Jackson Field Office
Jackson, Mississippi

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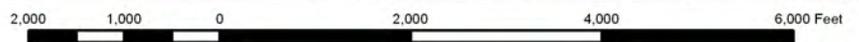
Proposed Federal Oil and Gas Lease
EOI 1714



Proposed Lease Area

Oil and Gas Wells

- ◊ Dry Hole, Temporarily Abandoned
- Oil Well
- _{sv} Inj, Srv, CO2, Storage, WDW, Pseudo Orig, Mining Borhole
- ◻ Inactive Wells



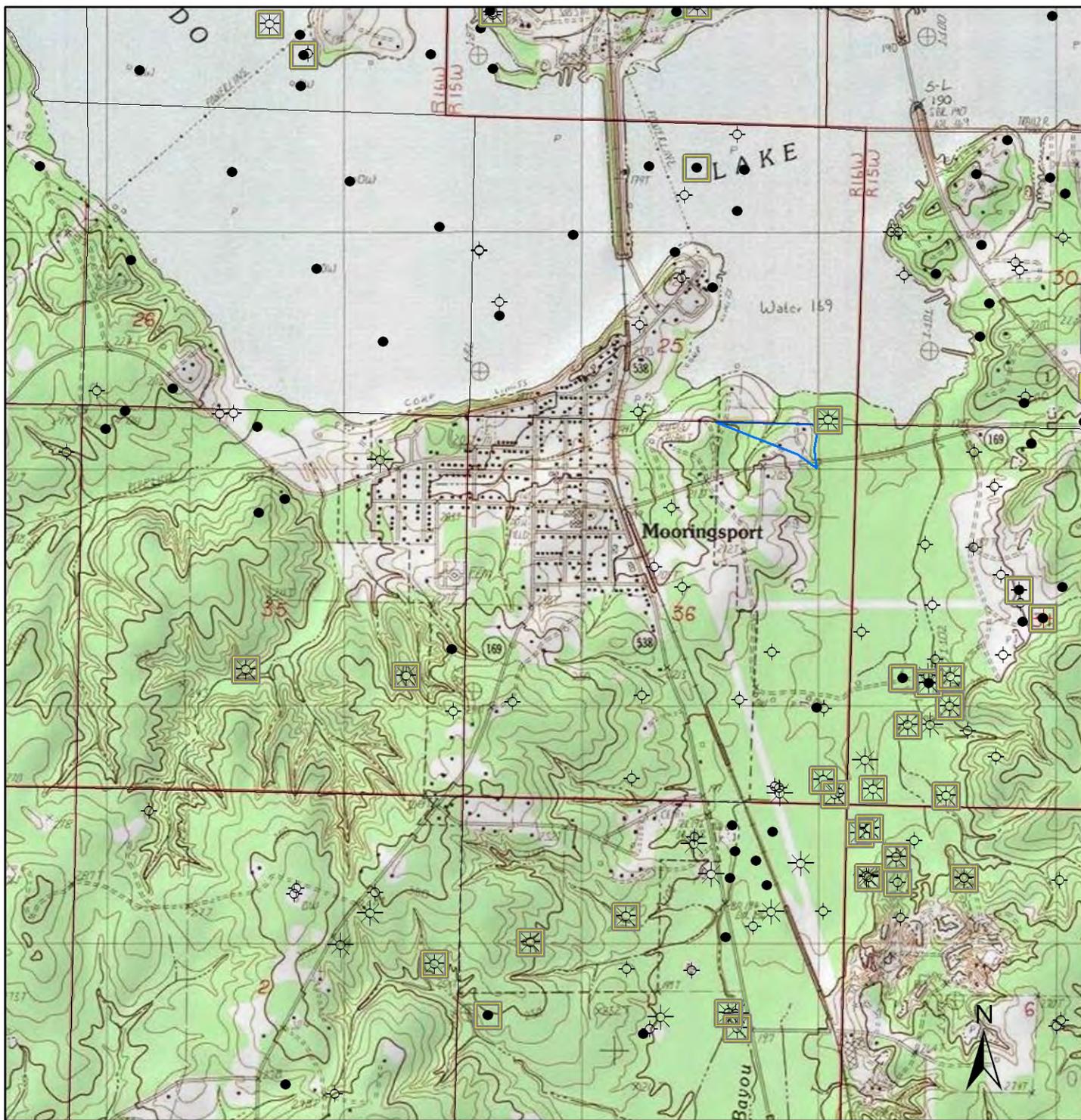
Proposed Lease Area:
Caddo Parish, Louisiana, Louisiana Meridian
T. 20N., R. 16W., Sec.32, Lots 1 and 3
Approximately 91.56 acres.

U.S. Department of the Interior
Bureau of Land Management
Eastern States
Southeastern States Field Office
Jackson, Mississippi

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No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of this data for individual use or aggregate use with other data.

Proposed Federal Oil and Gas Lease EOI 1715



2,000 1,000 0 2,000 4,000 6,000 Feet

Proposed Lease Area

Oil and Gas Wells

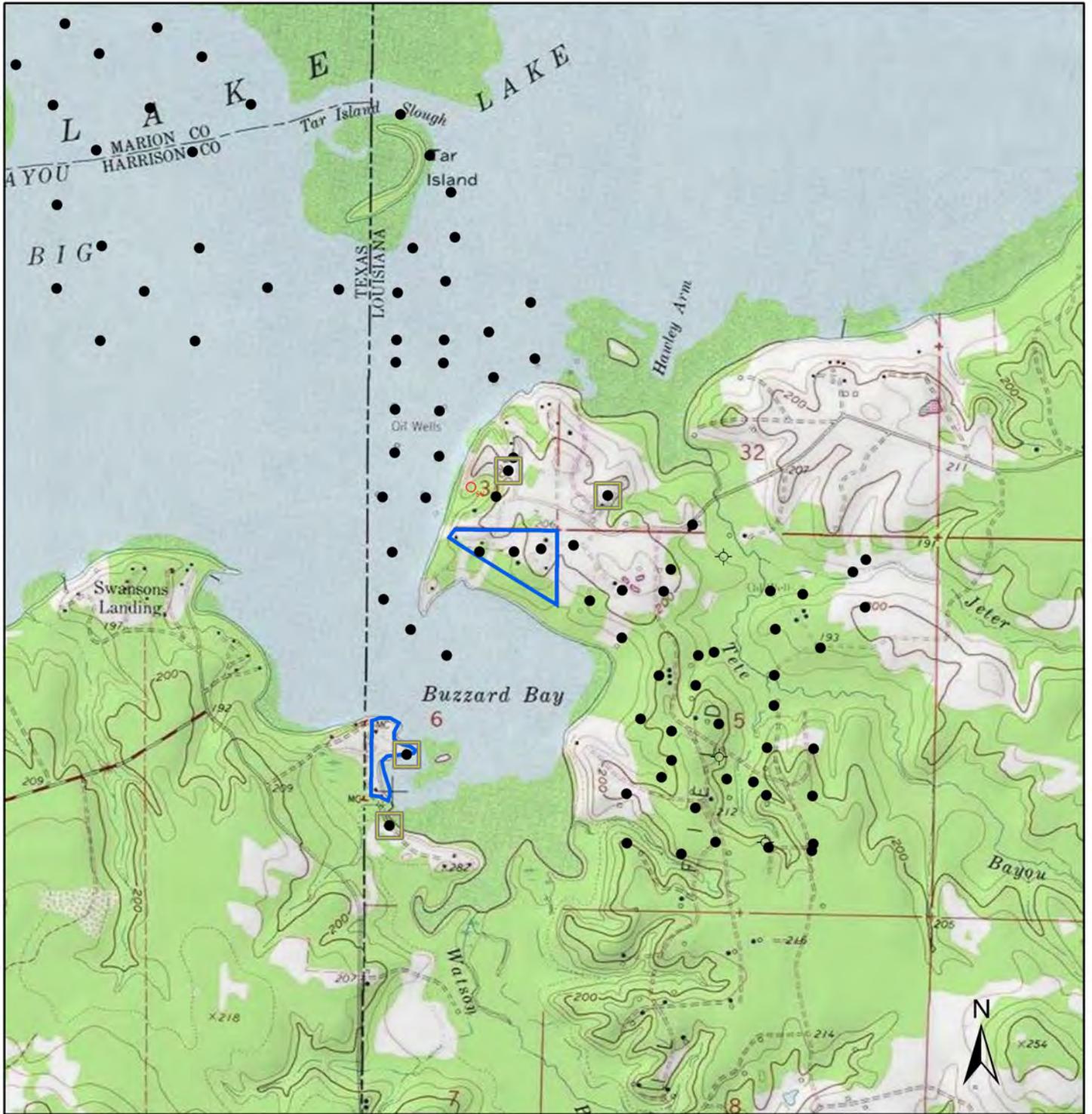
- ⊕ Dry Hole, Temporarily Abandoned
- Oil Well
- ☀ Gas Well
- ⊕ Inj. Srv. CO₂ Storage, WDW, Pseudo Orig, Mining Borhole
- Inactive Wells

Proposed Lease Area:
Caddo Parish, Louisiana, Louisiana Meridian
T. 20N., R. 16W., Sec. 36 Lots 1
Approximately 9.12 acres.

U.S. Department of the Interior
Bureau of Land Management
Eastern States
Southeastern States Field Office
Jackson, Mississippi

This map contains portions of the following USGS 1:24,000 Topographic Ouadrangle: Mooringsport
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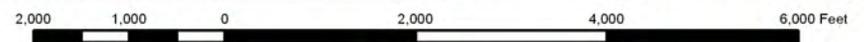
Proposed Federal Oil and Gas Lease
EOI 1716



Proposed Lease Area

Oil and Gas Wells

- ⊕ Dry Hole, Temporarily Abandoned
- Oil Well
- _{sv} Inj. Srv, CO₂ Storage, WDW, Pseudo Orig, Mining Borhole
- Inactive Wells



Proposed Lease Area:
Caddo Parish, Louisiana, Louisiana Meridian
T. 19N., R. 16W., Sec.6, Lots 1 and Fractional
NE Quarter
Approximately 28.08 acres.

U.S. Department of the Interior
Bureau of Land Management
Eastern States
Southeastern States Field Office
Jackson, Mississippi

This map contains portions of the following USGS 1:24,000 Topographic Quadrangle: Potters Point

No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of this data for individual use or aggregate use with other data.

EOI-010

Manistee N.F.
Newaygo County

- Other Roads
- USFS Roads
- North Country Trail
- Management Areas
- EOI-010
- Forest Boundary
- Oldgrowth
- Not Available
- No Surface Occupancy
- KBB / Wildlife Emphasis
- 1 well per 160 acres
- 1 well per 640 acres
- USFS Ownership

