



United States Department of the Interior
Bureau of Land Management
Eastern States
7450 Boston Boulevard
Springfield, Virginia 22153
<http://www.es.blm.gov>



May 11, 2009

NOTICE OF COMPETITIVE LEASE SALE OIL AND GAS

In accordance with Federal Regulations 43 CFR Part 3120, the Eastern States Office is offering competitively 23 parcels containing 6,010.04 acres of Federal lands in Arkansas (ES-001 thru ES-016), Louisiana (ES-017 thru ES-022) and Michigan (ES-023), 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.

When and where will the sale take place?

When: The competitive oral auction will begin at **10:00 a.m. on June 25, 2009**. 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) 440-1727, or at the mailing address on the letterhead of this notice by March 5, 2009.

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 attached 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?

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 the 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.

To participate in the bidding process, you must fill out a registration form identifying the lessee’s name and address that will be shown on the lease form and get 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 in the Conference Room at 9:00 a.m. on the day of the sale. You must display your bidder number to the auctioneer when you make a bid.

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 that 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 bidder registration and intent to bid, accept a lease and pay monies owed.

NOTICE: To assure the fairness and legitimacy of the auction process, the auctioneer or the authorized officer may at any time temporarily suspend the auction. The authorized officer will resume the auction as soon as possible on the same day when the fairness and legitimacy of the auction process is assured. If before the conclusion of the auction, the authorized officer finds that one or more tracts have been purchased by a bidder who cannot or does not intend to make the required payments of rentals and bonus bids, the authorized officer may nullify the sale of that tract or tracts, and auction those tract(s) again on the same day. If the authorized officer finds that one or more tracts have been purchased by good-faith bidders, but that the auction of those tracts was or may have been tainted by the bidding of a person unwilling or unable to make the required payments of rentals or bonus bids, the authorized officer may offer the winning

bidders a reasonable time to elect to rescind the lease agreement and receive a refund of rentals and bonus bids. The authorized officer may at any time exclude from the auction any person who is unwilling or unable to make required payments of rentals and bonus bids, or who does not cooperate in good faith with inquires by the authorized officer or other federal official regarding any person's intention or ability to pay the required rentals and bonus bids for any tract.

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. You may also get the number(s) of withdrawn parcels by contacting the Minerals Adjudication Team on (703) 440-1727. If there's a need to cancel the sale, we will try to notify all interested parties in advance.
- **Payment due on the day of the sale:** You cannot withdraw a bid. Your bid is a legally binding contract. For **each parcel** you are the successful high bidder, you must pay the minimum bonus bid of \$2 per acre or fraction thereof, the first year's rental \$1.50 per acre or fraction thereof, and a nonrefundable administrative fee of \$140. You must make this payment directly after the sale in BLM-ES' Accounts Department. **Any unpaid balance of the bonus bid must be submitted to the BLM-ES by 4:30 p.m., July 9, 2009,** which is the tenth business day following the sale. If you do not pay the balance due by this date, you forfeit the right to the lease and all monies paid on the day of the sale. If you forfeit a parcel, we may re-offer it on a later sale date.

The minimum monies owed 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 3120.5-3(a)). If payment of minimum monies owed the day of the sale is not received by the date and time specified above, the Bureau of Land Management will issue a bill for the monies owed. If payment 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, Collection of Debt. (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; and 31 CFR 285, Debt Collection Authorities Under the Debt Collection Act of 1966.)

- **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 February 1, 2005, BLM will not accept credit card or debit card payments to the Bureau for any amount equal to or greater than \$100,000 for any purpose. We also will not accept aggregate smaller amounts to bypass this requirement. We encourage you to make any payments of \$100,000 or more by Automated Clearing House (ACH) or Fed Wire Transfer.

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. 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.
- **Bid Form:** Successful bidders must submit a signed competitive lease bid form (Form 3000-2, August 2007) 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.
- **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 an unsold parcel immediately after the sale or on the next business day, give us the items listed above under pre-sale 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 \$365.00.

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:

- 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 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 (August 2007), Competitive Oil and Gas or Geothermal Resources Lease Bid may be downloaded from the following Forms Central web address: <http://www.blm.gov/blmforms/>.

When is BLM-ES' next competitive sale date?

The next sale is tentatively scheduled for September 17, 2009. 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, contact the Minerals Adjudication Team on (703) 440-1727.

/S/ Robyn Shoop

Supervisory Land Law Examiner
Lands and Minerals
Division of Natural Resources

Enhanced 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, including the qualification requirements at 30 U.S.C. 181, and 43 CFR subpart 3102.

I certify that any bid I make or submit in any way is a good-faith declaration of intent by me or by my principal to acquire and to pay for 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 BLM Form 3000-2 and to accept the lease.

Additionally, if a bid I make or submit in any way is declared the high bid, the undersigned or the principal party will pay to the Bureau of Land Management 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 minimum monies owed the day of sale for that bid, as set out in applicable regulations. I acknowledge that these monies are due to the Bureau of Land Management, whether or not a lease is subsequently issued as a result of the winning bid. I understand that if payment is not received by the due date and time, the bid is rejected and the Bureau of Land Management will issue a bill for monies owed. Further, I understand that if payment is not received by the bill due date, the United States will pursue collection by all available methods, and will assess appropriate 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; and 31 CFR 285. Debt Collection Authorities Under the Debt Collection Act of 1966).

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 statement or representation on this form, on BLM Form 3000-2, or on any other written statement on any public land matter.

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

Please fill in the principal's name and address as it will appear (as lessee) 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

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 third light, turn left onto Boston Boulevard (COSTCO to the left). Eastern States is approximately 0.3 miles on the right.

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 THIRD Stoplight, Turn LEFT onto Boston Boulevard. Eastern States office (7450 Boston Boulevard) is about 0.3 miles on your right. Take either the sixth or seventh driveway to the 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. Take Exit 167, to Fullerton Road - the second exit. At the FIRST Stoplight, Turn LEFT 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. Take either the sixth or seventh driveway to the right. Public parking is available.

OZARK NATIONAL FOREST – ARKANSAS

ES-001-06/09 ARES 55673 ACQ

Arkansas, Logan County, Ozark N.F.
T6N, R25W, Fifth Principal Meridian
Sec. 3, SWNW, less 3 acres in the southeast corner of
said forty, containing 37.75 acres, more or less.
37.75 Acres
\$57.00 Rental
Subject to F.S. Controlled Surface Use Stipulation #1A.
Subject to F.S. Lease Notice No. 3.

ES-002-06/09 ARES 55674 ACQ

Arkansas, Logan County, Ozark N.F.
T6N, R25W, Fifth Principal Meridian
Sec. 3, Part of the SENW described as that part of Tract
1122 lying in the northwest corner, containing 3
acres more or less.
3.00 Acres
\$4.50 Rental
Subject to F.S. Lease Notice No. 3

ES-003-06/09 ARES 55675 ACQ

Arkansas, Logan County, Ozark N.F.
T6N, R25W, Fifth Principal Meridian
Sec. 31, NESW, SE.
Sec. 32, SE;
360.00 Acres
\$540.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Controlled Surface Use Stipulation #1C.

Future Interest Minerals

(Reservation expires January 1, 2013)

ES-004-06/09 ARES 55676 ACQ

Arkansas, Logan County, Ozark N.F.
T6N, R25W, Fifth Principal Meridian
Sec. 7, NENE;
40.00 Acres
\$60.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Controlled Surface Use Stipulation #1A.

Future Interest Minerals

(Reservation expires January 1, 2014)

ES-005-06/09 ARES 55677 ACQ

Arkansas, Logan County, Ozark N.F.
T6N, R25W, Fifth Principal Meridian

Sec. 18, SWNE; E2NW; NESW.
159.20 Acres
\$240.00 Rental
Subject to F.S. Controlled Surface Use Stipulation 1A.
Subject to F.S. Lease Notice No. 3.

ES-006-06/09 ARES 55678 ACQ
Arkansas, Logan County, Ozark N.F.
T6N, R26W, Fifth Principal Meridian
Sec. 12, NENE, S2NE;
Sec. 13, E2, S2NW, SW.
736.87 Acres
\$1,105.50 Rental

ES-007-06/09 ARES 55679 PD
Arkansas, Pope County, Ozark N.F.
T10 N, R 18W, Fifth Principal Meridian
Sec. 34, N2N2, SENW.
200.00 Acres
\$300.00 Rental
Subject to F.S. Lease Notice #3
Subject to F.S. Controlled Surface Use Stipulation #1D

ES-008-06/09 ARES 55680 ACQ
Arkansas, Pope County, Ozark N.F.
T10N, R19W, Fifth Principal Meridian
Sec. 8, N2NW less and except 0.91 acres lying South and East of the county road.
79.09 Acres
\$120.00 Rental
Subject to F.S. No Surface Occupancy Stipulation #2

ES-009-06/09 ARES 55681 ACQ
Arkansas, Crawford County, Ozark N.F.
T12N, R33W, Fifth Principal Meridian
Sec. 1, NWNE.
40.00 Acres
\$60.00 Rental
Subject to F.S. Controlled Surface Use Stipulation #1

CONTROLLED SURFACE USE STIPULATION #1A

OZARK (AR)

Surface occupancy or use is subject to the following special operating constraints.

Activities must be conducted in such a manner as to protect the Pine Woodland Management Areas.

On the acquired lands described below:

T6N, R25W, Fifth PM

Section 3:	S2NENW, NWNENW, N2NWNW, SWNW, W2NWSENW
Section 4:	E2NE, NWNE
Section 5:	NE, N2NW, S2
Section 6:	N2NE, S2NW, S2
Section 7:	NE, E2NW, E2SW, SE
Section 8:	NE, NWNW, S2NW, SW, N2SE
Section 17:	N2NE, NW, N2NWSW
Section 18:	NE, NENW, NENESE

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

CONTROLLED SURFACE USE STIPULATION #1C

OZARK (AR)

Surface occupancy or use is subject to the following special operating constraints.

Activities must be conducted in such a manner as to protect the old growth management areas on Forest; emphasizing the protection, restoration and management of old growth forests and their associated wildlife, botanical, recreational, scientific, educational and cultural values.

On the acquired lands described below:

T6N, R25W, Fifth PM

Section 30: SENE, N2NESE, E2SESE
Section 32: N2S2NE, NENW, N2SWNW, SESWNW, SENW, N2NWSE
Section 33: N2NW, N2S2NW, N2NESE
Section 34: N2
Section 36: NWSWNW

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**CONTROLLED SURFACE USE STIPULATION #1D
OZARK (AR)**

Surface occupancy or use is subject to the following special operating constraints.

Activities must be conducted in such a manner as to protect the Pine Woodland Management Areas.

On the public domain lands described below:

T10N, R18W, Fifth PM

Section 12:	E2SENE
Section 13:	E2NESE, SESESW, S2SE
Section 20:	NESE, E2SESE
Section 21:	NWSW
Section 24:	E2, N2NW, SENW, SW
Section 26:	NENE, S2
Section 28:	N2, N2SE, SESE
Section 34:	N2N2, SENW
Section 36:	N2

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**NO SURFACE OCCUPANCY STIPULATION #2
OZARK (AR)**

No surface occupancy or use is allowed on the acquired lands described below:

T10N, R19W, Fifth PM

Section 5:	W2NW, S2SE, N2SW, N2SE, E2SWSE, W2W2SESE, NENWSESE
Section 6:	E2E2, E2W2NE
Section 7:	E2SE
Section 8:	W2NE, SENW, S2SWNW, N2N2NW, N2SWSW, NESWSWSW, N2SESWSW, SESE, PT NWNWNE, PT N2SWNW, PT NESW, PT NWSW, PT NWSE, PT SESW, AND W2SE
Section 9:	W2NWNW, NWSWNW
Section 16:	W2NW, SENW SW
Section 17:	NE, N2NW, N2SE, E2SESE
Section 21:	NW, NWSW

For the purpose of:

To protect the North Fork of the Illinois Bayou, Recommended Wild and Scenic River and meet the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St. Francis National Forests Land & Resource Management Plan effective January 2006.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**CONTROLLED SURFACE USE STIPULATION #1
OZARK (AR)**

Surface occupancy or use is subject to the following special operating constraints.

Activities must be conducted in such a manner as to protect Oak Savannah/Woodland Management Areas.

On the acquired lands described below:

T12N, R33W, Fifth PM

Section 1: N2NE, E2NW, SWSW, S2SE
Section 2: SENE, S2SE
Section 10: SENE, FRL. SE
Section 11: N2NE, SENE, NENW, S2NW, NESW, W2SE, NESE
Section 12: NE, NENW, S2NW, SW, SESE, N2SE
Section 13: NE, NW, SW, NWSE
Section 14: E2, E2SW
Section 15: FRL. N2
Section 23: All
Section 24: SENE, NW, SW, SE
Section 25: NWNE, S2NE, NW, NESE, S2SE
Section 26: E2NE, SWNE, SENW, FRL. SW, N2SE
Section 35: S2NE, NWNE, FRL. NW, SE, SESW
Section 36: N2N2SENE, Pt of the SWNE, S2NW, NWNW, S2

For the purpose of:

Meeting the Forest Management Direction of Chapter 2, pages 30-31 of the Ozark-St.
Francis National Forests Land & Resource Management Plan effective January 2006.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**LEASE NOTICE #3
OZARK (AR)**

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's list of sensitive plant and animal species. Further information concerning the classification of these species may be obtained from the authorized Forest officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations, and the Forest Land and Resource Management Plan guidelines.

**All available land in: T6N, R25W
T10N, R18W**

OUACHITA NATIONAL FOREST – ARKANSAS

ES-010-06/09 ARES 55682 PD

Arkansas, Scott County, Ouachita N.F.
T2N, R30W, 5th Principal Meridian
Sec. 17, NENE, SESE.
80.00 Acres
\$120.00 Rental
Subject to F.S. Controlled Surface Use Stipulation No. 1
Subject to F.S. Lease Notices No. 3 and No. 4

ES-011-06/09 ARES 55683 ACQ

Arkansas, Scott County, Ouachita N.F.
T2N, R30W, 5th Principal Meridian
Sec. 5, NWSE, W3/4SWSW;
Sec. 6, SENW, SWNE, E2SW, Part of Tract A-4036 in W2SW.
308.29 Acres
\$463.50 Rental
Subject to F.S. Controlled Surface Use Stipulation No. 1
Subject to F.S. Lease Notices No. 3 and No. 4

ES-012-06/09 ARES 55684 ACQ

Arkansas, Scott County, Ouachita N.F.
T2N, R30W, 5th Principal Meridian
Sec. 7, E2NE, W2E2, Fr. W2 containing 274.38 acres;
Sec. 8, W2NW, SENW, NESW.
674.38 Acres
\$1,012.50 Rental
Subject to F.S. Controlled Surface Use Stipulation No. 1
Subject to F.S. Lease Notices No. 3 and No. 4

ES-013-06/09 ARES 55685 ACQ

Arkansas, Scott County, Ouachita N.F.
T2N, R30W, 5th Principal Meridian
Sec. 15, S2SENW, N2SW, SWSW;
Sec. 18, Fr. W3/4NWNW.
169.24 Acres
\$255.00 Rental
Subject to F.S. Controlled Surface Use Stipulation No. 1
Subject to F.S. Lease Notices No. 3 and No. 4

ES-014-06/09 ARES 55686 PD

Arkansas, Scott County, Ouachita N.F.
T2N, R31W, 5th Principal Meridian
Sec. 24, N2N2, SWNE.
200.00 Acres
\$300.00 Rental
50% U.S. Mineral Interests
Subject to F.S. Controlled Surface Use Stipulation No. 1
Subject to F.S. Lease Notices No. 3 and No. 4

ES-015-06/09 ARES 55687 PD

Arkansas, Scott County, Ouachita N.F.

T2N, R31W, 5th Principal Meridian

Sec. 33, NWNWSW.

10.00 Acres

\$15.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1

Subject to F.S. Lease Notices No. 3 and No. 4

ES-016-06/09 ARES 55688 ACQ

Arkansas, Scott County, Ouachita N.F.

T2N, R31W, 5th Principal Meridian

Sec. 31, N2SE, SENE.

120.00 Acres

\$180.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1

Subject to F.S. Lease Notices No. 3 and No. 4

CONTROLLED SURFACE USE STIPULATION #1

Surface occupancy or use is subject to the following special operating constraints:

Management Area 22 – Renewal of Shortleaf Pine and Bluestem Grass ecosystem and Red-Codkaded Woodpecker (RCW): Activities must be conducted in such a manner as to reasonably reduce visibility of the operation and meet visual quality and other Management Area objectives to the extent practical. .

On the lands described below:

T2N R30W

Sections: All

For the purpose of:

To meet Management Area 22 Forest Plan objectives; Ouachita National Forest Revised Forest Plan 9/23/2005, as amended and Final EIS. RFP Design Criteria RS003.

Any changes to this stipulation will be made in accordance with the Ouachita National Forest Land and Resource Management Plan, as amended, and/or the regulatory provisions for such changes. (For guidance on the use of of this stipulation, see BLM Manual 1624 and 3101 or FS manual 1950 and 2820).

LEASE NOTICE #3

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

LEASE NOTICE #4

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Additional management requirements for the protection of riparian areas are contained in 36 CFR 219.27(e) and the National Forest Management Act of 1976.

All activities within these areas may require special measures to mitigate adverse impacts to the resource values. They must comply with the above referenced executive orders, regulations, laws and be in accordance with the Forest Land and Resource Management Plan guidelines.

Further information concerning the classification and management of these lands may be obtained from the authorized Forest Officer.

KISATCHIE NATIONAL FOREST

ES-017-06/09 LAES 55689 ACQ

Louisiana, Webster Parish, Kisatchie N.F.
T20N, R 9W, Louisiana Meridian
Sec. 21, N2, SE, N2SW, SESW.
590.26 Acres
\$886.50 Rental
Subject to F.S. Controlled Surface Use Stipulations #1 and #2

ES-018-06/09 LAES 55690 ACQ

Louisiana, Claiborne Parish, Kisatchie N.F.
T22N, R 5W, Louisiana Meridian
Sec. 6, SWNW, S2SE, SW, and 4 acres of Tract Y-20 in NW corner
of SWSE.
223.07 Acres
\$336.00 Rental
Subject to F.S. Controlled Surface Use Stipulation (CSU #1)
Subject to F.S. Lease Notice No.1 and No. 2

ES-019-06/09 LAES 55691 ACQ

Louisiana, Claiborne Parish, Kisatchie N.F.
T22N, R 5W, Louisiana Meridian
Sec. 16, W2SW, less 1.42 acres beginning at the Northwest
corner of the SW of sec. 16, thence East 1320 feet, thence
south 145 feet, north 83 degrees 36' west 935 feet, thence
north 87 degrees 30' west 400 feet to the point of beginning.
78.52 Acres
\$118.50 Rental
Subject to F.S. Controlled Surface Use Stipulation (CSU #1)
Subject to F.S. Lease Notice No. 1 and No. 2

ES-020-06/09 LAES 55692 ACQ

Louisiana, Claiborne Parish, Kisatchie N.F.
T22N, R 5W, Louisiana Meridian
Sec. 17, S2.
319.00 Acres
\$478.50 Rental
Subject to F.S. Controlled Surface Use Stipulations (CSU #1 and #2)
Subject to F.S. Lease Notice No. 1 and No. 2

ES-021-06/09 LAES 55693 ACQ

Louisiana, Claiborne Parish, Kisatchie N. F.
T 22N, R 5W, Louisiana Meridian
Sec. 7, S2S2NW, SW, W2SE, and that part of Tract Y-12 in NESE containing
18 acres;
Sec. 18, N2N2NWNE, N2N2NW, NWNW, S2NW,
SW, less 2.02 acres in the SE corner of
Tract Y68b; SE;
752.23 Acres

\$1,129.50 Rental

Subject to F.S. Controlled Surface Use Stipulation (CSU#1 and #2)

Subject to F.S. Lease Notice No.1 and No. 2

ES-022-06/09 LAES 55694 ACQ

Louisiana, Claiborne Parish, Kisatchie N. F.

T 22N, R 5W, Louisiana Meridian

Sec. 19, NE, W2NENW; SENW; W2NW;

Sec. 20, SWNW.

340.15 Acres

\$511.50 Rental

Subject to F.S. Controlled Surface Use Stipulation (CSU#1)

Subject to F.S. Controlled Surface Use Stipulation (CSU#2) for sec. 19 only.

Subject to F.S. Lease Notice No.1 and No. 2

CONTROLLED SURFACE USE STIPULATION #1

Surface occupancy or use is subject to the following operating constraints.

Placement of mineral extraction equipment, buildings, roads, ponds, and wellpads and the clearing of pipeline right-of-way vegetation are prohibited.

T20N, R9W, Louisiana Meridian

<u>SECTION</u>	<u>ACRES</u>
1	129.6
2	100.9
3	8.0
9	7.5
10	118.4
11	103.2
12	60.0
13	137.4
14	16.7
15	72.0
16	40.1
20	50.7
21	143.5
22	119.7
23	103.8
24	183.4
25	106.6
26	57.8
27	19.4
28	85.1
29	27.4
32	4.8
33	8.9
34	53.0
35	117.0

For the purpose of:

Streamside Zones

Any changes to this stipulation will be made in accordance with the land use plan and/or regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

KISATCHIE NATIONAL FOREST

CONTROLLED SURFACE USE STIPULATION #2

Surface occupancy or use is subject to the following operating constraints.

Roads and clearing of right-of-way vegetation may occur if a site-specific environmental analysis determines that the mitigated environment effects would not be significant.

T20N, R9W, Louisiana Meridian

<u>SECTION</u>	<u>ACRES</u>
1	65.0
9	4.0
10	2.9
15	22.1
16	187.0
20	265.6
21	251.9
22	87.4
23	43.9
24	0.2
25	2.7
26	54.0
27	59.8
28	354.2
29	164.2
32	35.3
33	199.4
34	68.7
35	40.4

For the purpose of:

Riparian Zones

Any changes to this stipulation will be made in accordance with the land use plan and/or regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

**KISATCHIE NATIONAL FOREST
TOWNSHIP 22 NORTH, RANGE 5 WEST**

CONTROLLED SURFACE USE STIPULATION (CSU #1)

Surface occupancy or use is subject to the following constraints:

Roads and clearing of right-of-way vegetation may be limited on all streamside habitat protection zones (SHPZS) which vary in width from 50 feet to 150 feet, and within those Riparian Area Protection Zones (RAPZS) which fall within the Louisiana pearl shell mussel sub-watersheds. These activities may be allowed if a site-specific environmental analysis determines that the mitigated environment effects would not be significant.

T22N, R5W – Louisiana Meridian

SECTION	ACRES
6	68.92
7	79.95
16	23.13
17	92.03
18	155.41
19	83.59
20	11.40

For the purpose of:

Protection of the streamside habitat protection and riparian area protection zones within the Louisiana pearl shell mussel sub-watersheds, in accordance with the Revised Land and Resource Management Plan, Forest-wide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**KISATCHIE NATIONAL FOREST
TOWNSHIP 22 NORTH, RANGE 5 WEST**

CONTROLLED SURFACE USE STIPULATION (CSU #2)

Surface occupancy or use is subject to the following operating constraints:

Roads and clearing of right-of-way vegetation may occur if a site-specific environmental analysis determines that the mitigated environment effects would not be significant.

T22N, R5W, Louisiana Meridian

SECTION	ACRES
6	0
7	107.46
16	0
17	180.66
18	282.62
19	133.40
20	0

For the purpose of:

Protection of Riparian Zones in accordance with the Revised Land and Resource Management Plan, Forest-wide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

Kisatchie National Forest

LEASE NOTICE NO. 1

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required in activity if planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

All available land in **T22N R5W**, Louisiana Meridian

LEASE NOTICE NO. 2

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Additional management requirements for the protection of riparian areas are contained in 36 CFR 219.27(e) and the National Forest Management Act of 1976.

All activities within these areas may require special measures to mitigate adverse impacts to the resource values. They must comply with the above referenced executive orders, regulations, laws and be in accordance with the Forest Land and Resource Management Plan guidelines.

Further information concerning the classification and management of these lands may be obtained from the authorized Forest officer.

T22N R5W, Louisiana Meridian

MANISTEE NATIONAL FOREST

ES-023-06/09 MIES 55695 ACQ

Michigan, Oceana County, Manistee N.F.

T14N, R15W, Michigan Meridian

Sec. 4, S2SE, SESW;

Sec. 5, Pt. W2SE (exc. for 1.01 ac.);

Sec. 7, E2SENE, SWSE;

Sec. 8, W2NWNE, SWNE, SENE, NWSE, NWSWSE;

Sec. 9, W2NE.

488.99 Acres

\$733.50 Rental

Subject to Forest Service Standard Lease Stipulations;

Lease Notices #1, #2, #3 and #6;

Lease Stipulation #1 applies to Sec. 7, S2E2SENE;

Lease Stipulation #2 applies to Sec. 4, SWSESW, S2SESWSE; Sec. 5, E2SWSE; Sec. 8, N2NESENE;

Lease Stipulation #13 applies to Sec. 4, SESE; Sec. 7, SWSE; Sec. 8, NWSE, NWSWSE; Sec. 9, W2NE.

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 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 #1) No surface occupancy is permitted on this parcel within 300 feet, measured at a perpendicular, from the normal high water mark of any river, stream, or lake. If site-specific examination determines that rivers, streams or lakes do not exist on the lease parcel, this stipulation may be waived.

Stipulation #2) No surface occupancy is permitted on this parcel due to the presence of wetlands. If site-specific examination determines that wetlands do not exist on the lease parcel, this stipulation may be waived.

Stipulation #13) This parcel is located within the corridor of a Study Wild and Scenic River. No surface occupancy for oil and gas development will be permitted within this corridor.

Huron-Manistee National Forest **Standard Lease Stipulations**

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 Huron-Manistee National Forest at the appropriate District Ranger Office and/or Supervisor's Office at 1755 S. Mitchell St., Cadillac, MI 49601. Plans generally require a minimum of 45 days for Forest Service review (see Lease Notice No. 5). 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 District Ranger 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 District Ranger 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.