United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Idaho State Office
1387 S. Vinnell Way
Boise, ID 83709-1657
http://www.id.blm.gov

October 5, 2007

Notice of Competitive Lease Sale
Oil and Gas

We wish to announce that in accordance with 43 CFR Part 3120, we will offer for competitive sale certain lands in the State of Idaho for Federal oil and gas leasing. This notice describes:

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

Attached to this notice is a list of the lands we are offering by parcel number and description. We have included any special conditions or restrictions that will be made a part of the lease below each parcel. Bid and lease forms can be found at www.blm.gov/FormsCentral/show-home.do, at BLM form number 3000-002 and 3100-011 (use the Fill in PDF format).

When and where will the sale take place?

When: The competitive oral sale will begin at 9:00 a.m. on **Tuesday, November 20, 2007**. The room will open at 7:45 a.m. so you can register and get your bidding number.

Where: The sale will be held at the Bureau of Land Management, Idaho State Office, 1387 S. Vinnell Way, Boise, Idaho. There are parking facilities at the building.

Access: The sale room is accessible to people with disabilities. If you need an auxiliary aid or service to participate in the sale, such as sign language interpreter or materials in an alternate format, contact Tracy Cron (208) 373-3886, by November 8, 2007.

How do I participate in the bidding process?

To participate in the bidding process, you must register and get a bidding number. We will begin registering bidders at 7:45 a.m. on the day of the sale. You must display your bid number to the auctioneer when you submit a bid.

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

- The auctioneer will offer the parcels in the order they are shown in the attached list;
- All bids are on a per-acre basis for the entire acreage in the parcel;
- The winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- The decision of the auctioneer is final.

The minimum bid BLM can accept is $2 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of $202 ($2 x 101 acres). After we have offered all the parcels, you may ask the auctioneer to re-offer any unsold parcels.

What conditions apply to the lease sale?

• **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the Idaho State Office Information Access Center (Public Room) before the day of the sale. We will announce withdrawn parcels before beginning the sale. If we cancel the sale, we will notify you as soon as possible.

• **Payment due:** You cannot withdraw a bid. Your bid is a legally binding commitment to sign the bid form, accept the lease, and pay the money due on the day of the sale. You <u>may</u> pay in full immediately after the sale; you <u>must</u> pay at least the annual rental, administrative fee and the minimum bonus bid by 4:30 p.m. on the day of the sale, at the Accounting Office on the 1st floor of the Idaho State Office. You must pay any balance due by the close of business on December 5, 2007, which is the 10th working day following the sale. If you do not pay in full by that date, you lose the right to the lease and all money due on the day of the sale. If you forfeit a parcel, we may offer it at a later sale.

In accordance with 43 CFR 3120.5-2(b) for each parcel you win, the money due the day of the sale is the minimum bonus bid of $2 per acre or fraction thereof, the total amount of the first year's rental ($1.50 per acre); and an administrative fee of $140.

• **Forms of payment:** You can pay by personal check, certified check, money order, or credit card (American Express, Discover, MasterCard, or Visa only). Make checks payable to: **Department of the Interior-BLM.** We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. However,

we cannot grant you any extension of time to pay the money that is due the day of the sale.

Limitations on Credit Cards and Debit Payments: Per Instruction Memorandum (IM) No. BC-2005-008, Change 1, dated December 13, 2004, effective February 1, 2005, credit or debit cards can not be used for any amount in excess of $99,999.99, for any purpose.

• **Bid form:** On the day of the sale, if you are a successful bidder you must give us a properly completed and signed competitive bid form (Form 3000-2, August 2007 edition) with your payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. We will not accept any bid form that has information crossed out or is otherwise altered.

We recommend you get a copy of the bid form and complete it prior to the sale. Your completed bid form certifies that:

(1) You and the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and

(2) Both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.

• **Lease Issuance:** After we receive the bid form and all the money due, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do so. We have to receive your request before we sign the lease.

• **Lease terms:** A lease issued as a result of this sale will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. Rental at $1.50 per acre for the first five years ($2 per acre after that) is due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty of 12.5 percent on the production. You will find other lease terms on our standard lease form (Form 3100-11).

• **Stipulations:** Some parcels have special requirements or restrictions, called stipulations. These are included with the parcel descriptions. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.

All Federal oil and gas lease rights are granted subject to applicable laws under Section 6 of the lease terms, and lessees must meet certain requirements under the Endangered Species Act, as amended, 16 U.S.C. 1531 et. seq. In accordance with Washington Office (WO) IM No. 2002-174, each parcel included in this lease sale will be subject to the attached Endangered Species Act Section 7 Consultation Stipulation.

In accordance with WO IM No. 2005-003, each parcel in this lease sale will be subject to the attached Cultural Resource Protection Stipulation.

How do I file a noncompetitive offer after the sale?

Lands that do not receive a bid are available on a first-come, first-served basis for a two-year period, beginning the day after the sale. If you want to file a noncompetitive offer on an unsold parcel, you must give us:

• An original and two copies of Offer to Lease and Lease for Oil and Gas (Form 3100-11, October 1992 or later), properly completed and signed. Describe the lands in your offer as specified in our regulations at 43 CFR 3110.5, and;

• Your payment for the total of the $360 filing fee and the first year's rental ($1.50 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.

File offers on the day of the sale and the first business day after the sale in the Information Access Center (Public Room). We consider these offers to be simultaneously filed. If a parcel receives more than one filing by 4:00 pm on the first business day after the sale, we will hold a drawing to determine the winner. Offers filed after this time period receive priority according to the date and time of filing in this office.

How do I file a noncompetitive presale offer?

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

- Are available, and;
- 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.

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

If the parcel(s) contained in your presale offer do not receive a bid at the sale, we will issue a lease. You can withdraw your presale offer prior to the date we sign your lease.

How can I find out the results of this sale?

We will post the sale results in the Idaho State Office Information Access Center. You can buy a printed copy of the results list from the Idaho State Office Information Access Center for $5.00. The list will also be available at our public internet site: www.blm.gov/id/st/en.html.

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

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

- We must receive a protest no later than close of business on the 15th calendar day prior to the date of the sale. If our office is not open on the 15th day prior to the date of the sale, a protest received on the next day our office is open to the public will be considered timely filed. The protest must also include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons.
- A protest must state the interest of the protesting party in the matter.
- You may file a protest either by mail in hardcopy form or by fax. You may not file a protest by electronic mail. A protest filed by fax must be sent to (208) 373-3899. 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 not issue a lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

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

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

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

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

additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid and administrative fee.

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

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

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

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

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

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

How do I nominate lands for future sales?

- File a letter with this office describing the lands you want put up for competitive lease sale (including a complete legal description, divided by parcel); or
- File a pre-sale offer.

For more information, please contact Tracy Cron, BLM Idaho State Office, at (208) 373-3886.

/s/ Jimmie Buxton

Jimmie Buxton
Chief, Branch of Lands, Minerals
& Water Rights

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IN REPLY REFER TO:
3100
(ID-933)

Endangered Species Act Section 7 Consultation Stipulation

The lease area may now or hereafter contain plants, animals or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. 1531 et seq., including completion of any required procedure for conference or consultation.

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Cultural Resource Protection – Lease Stipulation

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

WO IM 2005-003, 10/5/04

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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), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee 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, sublessor 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.

SAMPLE BIDDER REGISTRATION FORM

BUREAU OF LAND MANAGEMENT UTAH STATE OFFICE COMPETITIVE OIL AND GAS BIDDER REGISTRATION	DATE AND LOCATION OF SALE: 1	BIDDER REGISTRATION NUMBER: 2 TELEPHONE NUMBER: 3

NAME AND ADDRESS OF FIRM (*Lease To Be Issued To*):	NAME, ADDRESS, AND TITLE OF BIDDER:
4	5

ADDITIONAL INTEREST OWNERS:
6

AGREEMENT/CERTIFICATE (*Check One Of The Blocks Below*)

Subject to all the terms and conditions and provisions set forth in the Notice of Competitive Oil and Gas Lease Sale, I, the undersigned, do hereby agree to be bound thereby.

7 ☐ Further, the undersigned certifies that he/she is submitting bids on this sale for his/her own account and not for the account of another individual and/or organization; and is qualified to hold Federal oil and gas leases in accordance with 43 CFR 3102; or

☐ Is submitting bids on this sale for _____ and to the best of my knowledge and belief such individual/organization is qualified to hold Federal oil and gas leases in accordance with 43 CFR 3102.

☐ Is submitting bids on this sale for an individual and/or organization whose identity will be disclosed to the Authorized Officer upon request. To the best of my knowledge and belief such individual/organization is qualified to hold Federal oil and gas leases in accordance with 43 CFR 3102.

8 _____
(Signature) USO 3100-02-4

INSTRUCTIONS

TYPE (PREFERRED) OR PRINT PLAINLY IN INK AND SIGN IN INK. A SEPARATE BIDDER REGISTRATION FORM AND BIDDER NUMBER IS REQUIRED FOR EACH PROSPECTIVE LESSEE REPRESENTED.

1. Sale date and location will be completed by the Bureau of Land Management (BLM).
2. Leave blank. BLM will assign a number at the sale.
3. Area code and telephone number where the lessee or bidder/agent may be contacted for further information.
4. Name of individual or firm that will appear on the face of the lease.
5. Enter "SAME" if identical to box 4. Otherwise, enter name of bidder/agent, address, and title of bidder/agent.
6. List other parties, if applicable.
7. Check applicable box.
8. Original signature of lessee or bidder/agent is required.

☐ Is submitting bids on this sale for _____ and to the best of my knowledge and belief such individual/organization is qualified to hold Federal oil and gas leases in accordance with 43 CFR 3102.

☐ Is submitting bids on this sale for an individual and/or organization whose identity will be disclosed to the Authorized Officer upon request. To the best of my knowledge and belief such individual/organization is qualified to hold Federal oil and gas leases in accordance with 43 CFR 3102.

_____