

BLM

New Mexico
Oklahoma
Texas & Kansas

Competitive Oil and Gas Lease Sale

October 17, 2007

Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
Santa Fe, New Mexico, 87505

BLM





In Reply
Refer To:

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
New Mexico State Office
1474 Rodeo Road,
P.O. Box 27115
Santa Fe, New Mexico 87502-0115
<http://www.nm.blm.gov/>



3120 (NM921-gsb)

August 30, 2007

NOTICE OF COMPETITIVE LEASE SALE Oil and Gas

We are pleased to announce that we will offer for competitive sale certain Federal lands in the States of **New Mexico, Oklahoma, Kansas, and Texas** for oil and gas leasing. This notice describes:

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

Beginning on page 1, is a list of the lands we are offering. The lands are described by parcel number and legal land description. They are listed in Range and Township order by state and land type and will be offered in that sequence. 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, have pending pre-sale noncompetitive offers to lease, and are not available for noncompetitive offers to lease if they receive no bid at this 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 sale will begin at **9:00 a.m.** on **Wednesday, October 17, 2007**, The **Accounts Office at the Bureau of Land Management, New Mexico State Office Building**, will be used to register all bidders. Registration will start at 8:00 a.m. through 9:00 a.m. so you can obtain your bidding number.
- Where:** We will hold the sale at the **Bureau of Land Management, New Mexico State Office, 1474 Rodeo Road, Santa Fe, New Mexico 87505, in the second floor conference room.**
- Access:** The sale room is accessible to persons with disabilities. If you need an auxiliary aid or service to participate in the sale, such as sign language interpreter or material in an alternate format, contact the New Mexico State Office, Marcella Montoya at (505) 438-7537 by **October 9, 2007**.

How will the sale be conducted?

The sale will be conducted by oral auction. You must make your bids verbally. The winning bid is the highest verbal bid equal to or exceeding the national minimum acceptable bid.

How do I participate in the bidding process?

To participate in the bidding process, you must fill out a Bidder Registration form identifying the lessee's name and address that will be shown on the lease form and get a bidding number. We will begin registering bidders at 8:00 a.m. on the day of the sale in the **Accounts Office at the Bureau of Land Management**. If you plan to bid, you must be registered before the sale begins. You must display your bid number to the auctioneer when you make a bid.

What is the sale process?

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

- The auctioneer will offer the parcels in the order they are shown in this Notice;
- All bids are on a per-acre basis for the entire acreage in the parcel;
- The winning bid is the highest oral bid;
- The decision of the auctioneer is final. However, if you believe the auctioneer has made an error or not acknowledged your bid, you must immediately make your concerns known to the auctioneer. Once the auctioneer has opened the bidding on the next parcel available for an oil and gas lease, the decisions made on the previous parcels offered are final.

The minimum bid BLM can accept is \$2.00 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x 101 acres).

How long will the sale last?

We begin the sale at 9:00 a.m. and it continues until all of the parcels in this Notice have been offered. The length of the sale depends on the number of parcels we are offering and the pace of the bidding. Normally, the sale is done before noon.

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(s), we will post a notice in the New Mexico 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.

-Fractional interests: If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel, we will show that information with the parcel. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2 X 200 acres) and the advance annual rental will be \$300 (\$1.50 X 200 acres) for the first 5-years and \$400 (\$2 X 200 acres) for the remainder of the lease term. Royalty on production will be calculated on the United States net oil and gas mineral interest.

Payment due on the day of the sale: For **each parcel** you are the successful high bidder, you must pay the minimum bonus bid of \$2 per acre or fraction of an acre; the first years' advance annual rental of \$1.50 per acre or fraction of an acre; and a non-refundable administrative fee of **\$130**. You must make this payment in our Accounts Office at the BLM office either during, or immediately following the sale.

-Remaining payments: If your bonus bid was more than \$2.00 per acre or fraction of an acre and you didn't pay the full amount on the day of the sale, you must pay the balance of your bonus bid by **4:00 p.m. on October 31, 2007**, which is the 10th working day following the sale. **If you do not pay in full by this date, you lose the right to the lease and you will forfeit the money you paid on the day of the sale.** If you forfeit a parcel, we may offer it at a later sale.

-Method of payment: You can pay by personal check, cashier's check, money order, or credit card (Visa, MasterCard, American Express or Discover Card 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 money order. **Note for customers planning to pay with Credit Card, effective February 1, 2005, BLM will not accept credit or debit card payments to the Bureau for any amount equal to or greater than \$100,000. Payments of \$100,000 or more should be made by Automated Clearing House (ACH) or Federal Wire Transfer. We suggest that no one plan to make a payment of \$100,000 or more by credit card.** If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. **However, we cannot grant you any extension of time to pay the money that is due the day of the sale.**

Bid Form: 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, November 2001**, or earlier edition, copy included) 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 all, but the money part, before the sale. You can fill out the money part at 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 Title 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.

-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.

-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 is produced in paying quantities on or for the benefit of the lease. 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. Once a lease is producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (**Form 3100-11, February 2003** or later edition, copy included).

-Stipulations: Some parcels have special requirements or restrictions which are called stipulations. These are noted with each of the parcels. Stipulations are part of the lease and supercede any inconsistent provisions of the lease form.

-Lease Issuance: After we receive the bid form and all the money due, and, if appropriate, your unit joinder information, 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 this. We have to receive your request before we sign the lease.

-Legal Land Descriptions: We prepared this Notice with land status information from our Legacy Rehost 2000 (LR2000) case recordation system. We are providing you with the following information to assist you in understanding the legal descriptions given for each parcel:

- The township and range contains additional zeros. For example, T. 28 N., R. 32 E., is shown as T 0280 N, R 0320 E (additional zeros Underlined).

-The section numbers contain additional leading zeros. For example, section 4 is shown as sec. 004.

-Lands are described separately by lots, aliquot parts, tracts, and exceptions to survey for each section.

-LR2000 will code a ½ township as a 2 in the database. This 2 will appear as the last digit in the number. For example, T 14 ½ N, will appear as T 0142 N.

-Cellular Phone Usage: You are restricted from using cellular phones in the sale room during the oral auction. You must confine your cellular phone usage to the hallway or area outside the saleroom when the auction is taking place.

-Other Conditions of the Sale: At the time the sale begins, we will make any rules regarding sale procedures that we feel are necessary for the proper conduct of the sale.

NONCOMPETITIVE OFFERS TO LEASE

What parcels are available for noncompetitive offers to lease?

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

How do I file a noncompetitive offer after the sale?

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

-Three copies of Form 3100-11, *Offer to Lease and Lease for Oil and Gas* properly completed and signed. **(Note: We will accept copies of the official form, including computer generated forms, that are legible and have no additions, omissions, other changes, or advertising. If you copy this form you must copy both sides on one page. If you copy the form on 2 pages or use an obsolete lease form, we will reject your offer).** You must describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and

-Your payment for the total of the **\$335** filing fee and the first year's advance rental computed at (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the rental amount.

For your convenience, you may leave your noncompetitive offers for any parcel which has received no bid with the Accounts Staff. We consider all offers filed the day of the sale and the first business day after it, for any of the unsold parcels, to be filed as of 9:00 a.m. the first business day following the day of the sale. If a parcel receives more than one offer, we will hold a drawing to select the winner (see 43 CFR 1822.17). We have identified those parcels that have pending presale offers. A noncompetitive presale offer to lease has priority over any other noncompetitive offer to lease filed after the sale.

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.

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

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

We have tentatively scheduled our next competitive sale for **January 16, 2008**. Please send nominations for that sale by **September 7, 2007**.

How can I find out the results of this sale?

We will post the sale results in the New Mexico State Office Information Access Center (Public Room). You can buy (\$5) a printed copy of the results by contacting our Accounts Staff, at (505) 438-7462. The results list is also available on our public internet website: <http://www.nm.blm.gov> (click on Programs, then click on Energy).

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

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

- ? We must receive a protest no later than close of business on the 15th calendar day **prior** to the date of the sale. If our office is not open on the 15th day prior to the date of the sale, a protest received on the next day our office is open to the public will be considered timely filed. The protest must also include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons.
- ? A protest must state the interest of the protesting party in the matter.
- ? You may file a protest either by mail in hardcopy form or by telefax. You may not file a protest by electronic mail. A protest filed by fax must be sent to **(505) 438-7684**. 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 on an association, partnership or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act for it, the individual cannot make a protest in the group's name.

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

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

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

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

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

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

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

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

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

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

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

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

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

Whom should I contact if I have a question?

For general information, please contact our Information Access Center at (505) 438-7471 or for information or questions about the sale, contact: **Gloria S. Baca at (505) 438-7566.**

/s/ Gloria S. Baca

**Gloria S. Baca
Land Law Examiner
Fluids Adjudication Team**

**PLEASE FILL IN THE NAME AND ADDRESS AS IT SHOULD
APPEAR ON THE ISSUED LEASE**

NEW BIDDER REGISTRATION FORM

**BIDDER NO. _____
(Leave Blank)**

NAME: _____

TELEPHONE: _____

ADDRESS: _____

CITY: _____

STATE: _____ **ZIP CODE:** _____

E-MAIL ADDRESS: _____

**THE LESSEE MUST BE QUALIFIED TO HOLD A FEDERAL OIL
AND GAS LEASE.**

SIGNATURE

DATE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COMPETITIVE OIL AND GAS OR
GEOTHERMAL RESOURCES LEASE BID
30 U.S.C. 181 et seq.; 30 U.S.C. 351-359;
30 U.S.C. 1001-1025; 42 U.S.C. 6508

FORM APPROVED
OMB NO. 1004-0074
Expires: May 31, 2000

		State	Date of sale
PARCEL NUMBER		AMOUNT OF BID (See Instructions below)	
		TOTAL BID	PAYMENT SUBMITTED WITH BID
THE BID IS FOR (Check one) :			
<input type="checkbox"/> Oil and Gas Parcel Number _____			
<input type="checkbox"/> Geothermal Parcel Number _____ Name of Known Geothermal Resource Area (KGRA) _____			

The appropriate regulations applicable to this bid are: (1) for oil and gas leases—43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases—43 CFR 3132; and (3) for Geothermal resources leases—43 CFR 3220. (See details concerning lease qualifications on reverse.)

I CERTIFY THAT I have read and am in compliance with, and not in violation of, the lessee qualification requirements under the applicable regulations for this bid.

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

IMPORTANT NOTICE: Execution of this form, where the offer is the high bid, constitutes a binding lease offer, including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made shall result in rejection of the bid and forfeiture of all monies submitted.

Print or Type Name of Lessee			Signature of Lessee or Bidder		
Address of Lessee					
City	State	Zip Code			

INSTRUCTIONS

INSTRUCTIONS FOR OIL AND GAS BID
(Except NPR-A)

1. Separate bid for each parcel is required. Identify parcel by the parcel number assigned in the *Notice of Competitive Lease Sale*.
2. Bid **must** be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance **must** be in the form specified in 43 CFR 3103.1-1. The remainder of the bonus bid, if any, **must** be submitted to the proper BLM office within 10 working days after the last day of the oral auction. **Failure to submit the remainder of the bonus bid within 10 working days will result in rejection of the bid offer and forfeiture of all monies paid.**
3. If bidder is **not** the sole party in interest in the lease for which the bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.
4. This bid may be executed (*signed*) before the oral auction. If signed before the oral auction, this form cannot be modified without being executed again.
5. In view of the above requirement (4), bidder may wish to leave AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the Bureau of Land Management at the oral auction.

INSTRUCTIONS FOR GEOTHERMAL OR
NPR-A OIL AND GAS BID

1. Separate bid for each parcel is required. Identify parcel by the number assigned to a tract.
2. Bid **must** be accompanied by one-fifth of the total amount of bid. The remittance **must** be in the form specified in 43 CFR 3220.4 for a Geothermal Resources bid and 3132.2 for a NPR-A lease bid.
3. Mark envelope Bid for Geothermal Resources Lease in (*Name of KGRA*) or Bid for NPR-A Lease, as appropriate. Be sure correct parcel number of tract on which bid is submitted and date of bid opening are noted plainly on envelope. No bid may be modified or withdrawn unless such modification or withdrawal is received prior to time fixed for opening of bids.
4. Mail or deliver bid to the proper BLM office or place indicated in the *Notice of Competitive Lease Sale*.
5. If bidder is **not** the sole party in interest in the lease for which bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the authorized officer.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on reverse)

OFFICIAL USE COPY

Form 3000-2 (July 1997)

QUALIFICATIONS

For leases that may be issued as a result of this sale under the Mineral Leasing Act (The Act) of 1920, as amended, the oral bidder must: (1) Be a citizen of the United States; an association (including partnerships and trusts) of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, in oil and gas leases in the State identified do not exceed 246,080 acres each in public domain or acquired lands including acreage covered by this bid, of which not more than 200,000 acres are under options. If this bid is submitted for lands in Alaska, the bidder's holdings in each of the Alaska leasing districts do not exceed 300,000 acres, of which no more than 200,000 acres are under options in each district; (3) Be in compliance with Federal coal lease holdings as provided in sec. 2(a)(2)(A) of the Act; (4) Be in compliance with reclamation requirements for all Federal oil and gas holdings as required by sec. 17 of the Act; (5) Not be in violation of sec. 41 of the Act; and (6) Certify that all parties in interest in this bid are in compliance with 43 CFR Groups 3000 and 3100 and the leasing authorities cited herein.

For leases that may be issued as a result of this sale under the Geothermal Steam Act of 1970, as amended, the bidder must: (1) Be a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; and (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, do not exceed 51,200 acres; and (3) Certify that all parties in interest in this bid are in compliance with 43 CFR Group 3200 and the leasing authority cited herein.

For leases that may be issued as a result of this sale under the Department of the Interior Appropriations Act of 1981, the bidder must: (1) Be a citizen or national of the United States; an alien lawfully admitted for permanent residence; a private, public or municipal corporation organized under the laws of the United States or of any State or Territory thereof; an association of such citizens, nationals, resident aliens or private, public or municipal corporations, and (2) Certify that all parties in interest in this bid are in compliance with 43 CFR Part 3130 and the leasing authorities cited herein.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this bid for a Competitive Oil and Gas or Geothermal Resources Lease.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

PRINCIPAL PURPOSE: The information is to be used to process your bid.

ROUTINE USES: (1) The adjudication of the bidder's right to the resources for which this bid is made. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when comment or concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, your bid may be rejected.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected in accordance with 43 CFR 3120, 43 CFR 3130, or 43 CFR 3220..

This information will be used to determine the bidder submitting the highest bid.

Response to this request is required to obtain a benefit..

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 2 hours per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (WO-630), 1620 L Street, Washington, D.C. 20036 and the Office of Management and Budget, Desk Officer for the Interior Department, Office of Regulatory Affairs (1004-0074), Washington, D.C. 20503.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. _____

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (*reverse*) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

READ INSTRUCTIONS BEFORE COMPLETING

Name _____
Street _____
City, State, Zip Code _____

2. This application/offer/lease is for: (*Check only One*) PUBLIC DOMAIN LANDS ACQUIRED LANDS (percent U.S. interest _____)
Surface managing agency if other than BLM: _____ Unit/Project _____
Legal description of land requested: _____ *Parcel No.: _____ *Sale Date (m/d/y): _____ / _____ / _____
***SEE ITEM 2 IN INSTRUCTIONS BELOW PRIOR TO COMPLETING PARCEL NUMBER AND SALE DATE.**
T. _____ R. _____ Meridian _____ State _____ County _____

Amount remitted: Filing fee \$ _____

Rental fee \$ _____

Total acres applied for _____
Total \$ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:
T. _____ R. _____ Meridian _____ State _____ County _____

Total acres in lease _____
Rental retained \$ _____

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (*except helium*) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease: _____ THE UNITED STATES OF AMERICA
 Noncompetitive lease (ten years) by _____
(Signing Officer)
 Competitive lease (ten years) _____
(Title) _____ (Date) _____
 Other _____ EFFECTIVE DATE OF LEASE _____

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options; (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 19 _____.

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12½ %;
- (b) Competitive lease, 12½ %;
- (c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
 October 17, 2007, Lease Sale Statistics by State
 Parcels With and Without Pre-sale Noncompetitive Priority Offers

STATE	PARCELS WITH PRESALE OFFERS	PARCELS WITHOUT PRESALE OFFERS	TOTAL PARCELS	ACRES WITH PRESALE OFFERS	ACRES WITHOUT PRESALE OFFERS	TOTAL ACRES
NM	0	28	28	0.00	13,451.17	13,451.17
KS	0	2	2	0.00	2,609.32	2,609.32
OK	1	25	26	235.30	19,577.42	19,812.72
TX	0	9	9	0.00	9,480.63	9,480.63
TOTAL	1	64	65	235.30	45,118.54	45,353.84

KANSAS ACQUIRED - SE

NM-200710-001 720.380 Acres

T.0260S, R.0140E, 06 PM, KS
Sec. 018 TR B234;
019 TR B215,B226;
020 TR B218-1,B218-2;
030 TR A121;
031 TR A101,A102,A103;
031 TR A104,A106,A119;
T.0270S, R.0140E, 06 PM, KS
Sec. 006 TR A101,A105;
Woodson and Wilson Counties
Tulsa FO
CORPS OF ENGINEERS
TORONTO LAKE PROJECT
KSNM 67828, KSW 75289
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-002 1888.940 Acres

T.0310S, R.0180E, 06 PM, KS
Sec. 032 TR 136,137;
032 TR 103,132,132-2,133,134;
033 TR 103;
T.0320S, R.0180E, 06 PM, KS
Sec. 004 TR 101;
005 TR 102,103,103-2,104,106-1;
005 TR 107,113,114;
006 TR 108,109,112;
007 TR 123,124,126,127;
008 TR 116-1,116-2,116-3,117;
008 TR 118,119,121;
Labette County
Tulsa FO
CORPS OF ENGINEERS
BIG HILL LAKE
KSW 75353
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NEW MEXICO PUBLIC DOMAIN - SE

NM-200710-003 640.000 Acres

T.0140S, R.0240E, 23 PM, NM
Sec. 034 N2;
035 N2;
Chaves County
Roswell FO
NMNM 62159, NMNM 67789, NMNM 80171
Stipulations:
No Stipulations Attached

NM-200710-004 160.000 Acres

T.0150S, R.0240E, 23 PM, NM
Sec. 032 NW;
Chaves County
Roswell FO
NMNM 93462
Stipulations:
No Stipulations Attached

NM-200710-005 640.000 Acres

T.0120S, R.0260E, 23 PM, NM
Sec. 024 NW,N2SW,SESW,SE;
025 N2NE,NENW,NESW,NESE;
Chaves County
Roswell FO
NMNM 102926
Stipulations:
No Stipulations Attached

NM-200710-006 40.000 Acres

T.0150S, R.0260E, 23 PM, NM
Sec. 033 E2SENW;
033 E2SWSW;
Chaves County
Roswell FO
NMNM 57236, NMNM 94586
Stipulations:
No Stipulations Attached

NM-200710-007 120.000 Acres

T.0200S, R.0260E, 23 PM, NM
Sec. 018 SESW,S2SE;
Eddy County
Carlsbad FO
NMNM 102903
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-5 (NSO) Threatened Plant Species
(Sec. 18: S2S2SE)
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200710-008 160.000 Acres

T.0120S, R.0270E, 23 PM, NM
Sec. 017 W2NE;
033 S2SW;
Chaves County
Roswell FO
NMNM 71756, NMNM 90515, NMNM 93187
Stipulations:
No Stipulations Attached

NM-200710-009 440.000 Acres

T.0160S, R.0290E, 23 PM, NM
Sec. 004 E2SW,SWSW,SE;
010 NW;
Eddy County
Carlsbad FO
NMNM 98169
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-19 Playas and Alkali Lakes

NM-200710-010 240.000 Acres

T.0160S, R.0290E, 23 PM, NM
Sec. 007 S2SE;
008 SW;
Eddy County
Carlsbad FO
NMNM 98172
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-19 Playas and Alkali Lakes

NM-200710-011 40.000 Acres

T.0200S, R.0290E, 23 PM, NM
Sec. 021 NENE;
Eddy County
Carlsbad FO
NMNM 98174
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils

NM-200710-012 160.000 Acres

T.0230S, R.0290E, 23 PM, NM
Sec. 020 S2S2;
Eddy County
Carlsbad FO
NMNM 93475, NMNM 98177
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management

NM-200710-013 80.000 Acres

T.0230S, R.0290E, 23 PM, NM
Sec. 021 S2SE;
Eddy County
Carlsbad FO
NMNM 66424, NMNM 69366
Stipulations:
SENM-S-12 Open Potash Mine Workings

NM-200710-014 50.000 Acres

T.0240S, R.0290E, 23 PM, NM
Sec. 020 W2W2SE,SESWSSE;
Eddy County
Carlsbad FO
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-19 Playas and Alkali Lakes
SENM-S-21 Caves and Karst
SENM-S-25 Visual Resource Management
SENM-S-43 NSO - Pecos River Corridor SRMA

NM-200710-015 640.000 Acres

T.0150S, R.0300E, 23 PM, NM
Sec. 029 ALL;
Chaves County
Roswell FO
NMNM 0338-A, NMNM 90893
Stipulations:
SENM-S-33 NSO-LPC-SDL Habitat
(Sec. 29: W2)
This parcel contains 2 unplugged wells. The unplugged wells are the Perry Federal #2, API 30-005-0515, Sec. 29: SWNE and the Perry Federal #3, API 30-005-0515, Sec. 29: NESW. The new lessee shall agree to accept full responsibility and liability for the unplugged wells. The two unplugged wells will have to be utilized or plugged and abandoned within six months of effective date of the lease.

The successful bidder will be required to submit a \$10,000.00 or adequate bonding to assume liability for the wells, unless adequate statewide or nationwide bond coverage is being maintained.

NM-200710-016 480.000 Acres

T.0260S, R.0300E, 23 PM, NM
Sec. 004 SE;
009 W2;
Eddy County
Carlsbad FO
NMNM 93206
Stipulations:
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-16 Raptor Nests and Heronries
SENM-S-18 Streams, Rivers, and Floodplains

NM-200710-017 480.000 Acres

T.0240S, R.0320E, 23 PM, NM
Sec. 010 N2,SW;
Lea County
Carlsbad FO
NMNM 93212
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-19 Playas and Alkali Lakes
SENM-S-20 Springs, Seeps and Tanks
SENM-S-22 Prairie Chickens

NM-200710-018 480.000 Acres

T.0250S, R.0330E, 23 PM, NM
Sec. 034 E2SW,E2SE;
035 S2NW,SW,W2SE;
Lea County
Carlsbad FO
NMNM 96863, NMNM 97905
Stipulations:
NM-11-LN Special Cultural Resource

NM-200710-019 320.000 Acres

T.0260S, R.0330E, 23 PM, NM
Sec. 003 E2NE,NW,E2SW;
Lea County
Carlsbad FO
NMNM 94103, NMNM 94620
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-19 Playas and Alkali Lakes

NM-200710-020 40.000 Acres

T.0200S, R.0340E, 23 PM, NM
Sec. 001 NESE;
Lea County
Carlsbad FO
NMNM 93218
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-22 Prairie Chickens

NM-200710-021 880.320 Acres

T.0250S, R.0350E, 23 PM, NM
Sec. 026 NE;
030 SESW,SE;
031 LOTS 3,4;
031 E2SW,SE;
033 E2E2,NWNE;
Lea County
Carlsbad FO
NMNM 96251, NMNM 98201,
NMNM 98202, NMNM 113904
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-19 Playas and Alkali Lakes
SENM-S-20 Springs, Seeps and Tanks
SENM-S-22 Prairie Chickens

NEW MEXICO PUBLIC DOMAIN - NW

NM-200710-022 1281.240 Acres

T.0220N, R.0060W, 23 PM, NM
Sec. 017 SW;
018 LOTS 3,4;
018 E2SW,SE;
019 NE;
020 ALL;
Sandoval County
Farmington FO
NMNM 17008, NMNM 005452
Stipulations:
NM-11-LN Special Cultural Resource

NM-200710-023 162.160 Acres

T.0220N, R.0070W, 23 PM, NM
Sec. 019 LOTS 1,2;
019 E2NW;
Sandoval County
Farmington FO
NMNM 004565
Stipulations:
NM-11-LN Special Cultural Resource

NM-200710-024 1125.940 Acres

T.0240N, R.0080W, 23 PM, NM
Sec. 004 LOTS 7-10;
004 SW;
005 LOTS 1-2;
005 S2NE,SE;
009 NE;
033 NW,SE;
San Juan County
Farmington FO
NMNM 20305, NMNM 97107
Stipulations:
NM-11-LN Special Cultural Resource

NM-200710-025 320.000 Acres

T.0250N, R.0080W, 23 PM, NM
Sec. 017 W2;
San Juan County
Farmington FO
NMNM 61561
Stipulations:
NM-11-LN Special Cultural Resource

NM-200710-026 1841.440 Acres

T.0220N, R.0090W, 23 PM, NM
Sec. 003 S2;
004 LOTS 3,4;
004 S2NW,SE;
005 SE;
008 S2SW,SE;
009 NW,SE;
017 NE,S2;
San Juan County
Farmington FO
NMNM 89098, NMNM 90478, NMNM 92737
Stipulations:
NM-11-LN Special Cultural Resource

NM-200710-027 400.000 Acres

T.0250N, R.0090W, 23 PM, NM
Sec. 013 NE;
025 NW,W2SW;
San Juan County
Farmington FO
NMNM 6897, NMNM 61565
Stipulations:
NM-11-LN Special Cultural Resource

NM-200710-028 640.740 Acres

T.0230N, R.0100W, 23 PM, NM
Sec. 022 S2;
028 NW;
030 LOTS 3,4;
030 E2SW;
San Juan County
Farmington FO
NMNM 55845, NMNM 76850, NMNM 84692
Stipulations:
NM-11-LN Special Cultural Resource
F-19-NSO Special Cultural Values
(Sec. 30: Lots 3,4)
F-35-LN Noise
(Sec. 30: E2SW)

NM-200710-029 949.330 Acres

T.0230N, R.0110W, 23 PM, NM
Sec. 006 LOTS 1-7;
006 S2NE, SENW, E2SW, SE;
007 LOTS 1, 2;
007 NE, E2NW;
San Juan County
Farmington FO
NMNM 59739, NMNM 76854
Stipulations:
NM-11-LN Special Cultural Resource
F-33-LN Mountain Plover

NM-200710-030 640.000 Acres

T.0230N, R.0110W, 23 PM, NM
Sec. 015 ALL;
San Juan County
Farmington FO
NMNM 96801
Stipulations:
NM-11-LN Special Cultural Resource

OKLAHOMA PUBLIC DOMAIN - NE

NM-200710-031 102.640 Acres

T.0060N, R.0220E, 17 PM, OK
Sec. 033 SEE EXH A FOR M&B;
034 SEE EXH A FOR M&B;
Latimer County
Tulsa FO
OKNM 71641, OKNM 71642
Stipulations:
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-032 21.940 Acres

T.0020N, R.0280E, 11 PM, OK
Sec. 006 LOTS 4;
Beaver County
Tulsa FO
OKNM 97302
Stipulations:
WO-ESA-7 Endangered Species Act

OKLAHOMA PUBLIC DOMAIN - NW

NM-200710-033 120.000 Acres

T.0230N, R.0150W, 17 PM, OK
Sec. 029 SENE, W2NW;
Major County
Tulsa FO
OKNM 93516
Stipulations:
ORA-2 Wetland/Riparian (CSU)

NM-200710-034 120.000 Acres

T.0260N, R.0150W, 17 PM, OK
Sec. 009 SWNE, NWNW, SENW;
Woods County
Tulsa FO
OKNM 95591
Stipulations:
No Stipulations Attached

NM-200710-035 79.660 Acres

T.0170N, R.0220W, 17 PM, OK
Sec. 007 LOTS 3;
007 NESE;
Ellis County
Tulsa FO
OKNM 93518
Stipulations:
ORA-3 Season of Use Stipulation

OKLAHOMA ACQUIRED - NE

NM-200710-036 33.000 Acres

T.0070N, R.0150E, 17 PM, OK
Sec. 034 NENE EXCL 7AC RR ROW;
Pittsburg County
Tulsa FO
US OWNS 50% MINERAL INTEREST
OKNM 23965
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-037 26.600 Acres

T.0090N, R.0150E, 17 PM, OK
Sec. 034 TR 5637;
McIntosh County
Tulsa FO
CORPS OF ENGINEERS
EUFAULA LAKE
OKNM 51312
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-038 152.718 Acres

T.0100N, R.0160E, 17 PM, OK
Sec. 005 NESW, W2SW LESS 1 AC;
008 NWNW LESS 6.282 AC;
McIntosh County
Tulsa FO
CORPS OF ENGINEERS
EUFAULA LAKE PROJECT
US OWNS 75% MINERAL INTEREST
OKNM 97189
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-039 235.300 Acres

T.0150N, R.0170E, 17 PM, OK
Sec. 033 SEE EXH B FOR M&B;
T.0160N, R.0170E, 17 PM, OK
Sec. 003 W2SW;
Muskogee and Wagoner Counties
Tulsa FO
OKNM 46188, OKNM 46188A
US OWNS 75% MI-155.30 AC MUSKOGEE CO
US OWNS 25% MI-80.00 AC WAGONER CO
PENDING PRESALE OFFER NO. OKNM 118437
Stipulations:
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-040 1929.180 Acres

T.0020N, R.0190E, 17 PM, OK
Sec. 007 LOTS 3,4;
007 NENENE;
007 E2SW,SE;
008 W2NE,E2NW,NWNW,S2;
008 E2SWNW,NWSWNW;
017 NWNE,NW,W2SW;
017 N2NESW,SWNESW,NWSESW;
018 LOTS 2-4;
018 E2,E2NW,NESW;
019 N2NE,SWNE,NENW;
019 N2SENE,NESENW,N2NWSWENW;

Pushmataha County
Tulsa FO
CORPS OF ENGINEERS
SARDIS LAKE
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act
US OWNS 75% MINERAL INTEREST
(Sec. 18: E2NESW)
US OWNS 50% MINERAL INTEREST
(Sec. 19: N2NE)
US OWNS 25% MINERAL INTEREST
(Sec. 18: W2 OF LOT 3)
(Sec. 18: SE OF LOT 3)
(Sec. 18: W2NESW)

NM-200710-041 348.750 Acres

T.0050N, R.0220E, 17 PM, OK
Sec. 001 SESW OF L1,SE OF L1;
001 N2NESWNE,NWNWSENE,E2SENE;
001 E2W2SENE,E2NWSE,N2SWSE;
001 E2SESWSE,E2SE;
002 SWSW,SWSESW;
011 W2SWNWNE,NESENWNW;
011 N2SESENWNW,S2NW,E2NESE;
012 S2S2NENW,S2SENWNW;

Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE
OKNM 42833, OKNM 53270, OKNM 62267
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-042 622.500 Acres

T.0050N, R.0220E, 17 PM, OK
Sec. 004 S2NE OF L2;
005 S2NESENE,SENWSENE;
005 NESWSENE,N2SESENE;
005 SESESENE;
007 NENENE,E2NWNENE,S2NENE;
007 E2SWNWNE,SWSWNWNE,SENWNE;
007 S2NE,S2NESENW,S2SENW;
007 NESW,N2SESW,NESESE;
007 W2NESE,NWSE,N2SWSE;
007 W2NWSESE;
007 S2SE OF L2, E2NE OF L3;
007 SE OF L3, NENE OF L4;
008 SWNE,N2SENE,SWSENE;
008 NESESENE,N2NW,N2N2S2NW;
008 S2NWSWNW,SWNESWNW;
008 N2SWSWNW,SWSWSWNW;
008 NWSESWNW,SESESENW;
008 W2NWNWSW;
009 NENWNE,N2NWNWNE,SENENW;
009 S2NWNW,N2SENW,NWSWSENW;

Latimer and Le Flore Counties
Tulsa FO
CORPS OF ENGINEERS, WISTER LAKE PROJECT
LATIMER CTY-550.00, LEFLORE CTY-72.50
OKNM 36624, OKNM 42833, OKNM 62267,
OKNM 67836, OKNM 93513, OKNM 97194
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-043 1898.420 Acres

T.0050N, R.0230E, 17 PM, OK
Sec. 002 E2NE OF L4, S2 OF L4;
002 W2NWSW,SENWSW;
003 S2 OF L1,S2 OF L2;
003 S2 OF L3,S2 OF L4;
003 S2N2,S2;
010 ALL;
011 ALL;

Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 43584, OKNM 54923, OKNM 70243
OKNM 69193
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-044 974.600 Acres

T.0050N, R.0230E, 17 PM, OK
Sec. 004 LOTS 1;
004 E2 OF L2,N2NW OF L2;
004 SESW OF L2,S2N2,S2;
009 N2,W2W2SW,N2NENWSW;
009 SWSESWSW,E2E2SE,NWNENE;
016 NWNENWNW,N2NWNWNW;

Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 42834, OKNM 54923, OKNM 63785
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-045 1991.650 Acres

T.0050N, R.0230E, 17 PM, OK
Sec. 005 N2 OF L1, NE OF L2;
005 S2N2S2NE,S2S2NE,S2SENE;
005 S2S2SWNW,S2;
006 LOTS 6,7;
006 S2S2S2NE,S2S2SENE,NESW;
006 S2SESW,N2SE,N2SWSE,SESE;
007 LOTS 1-4;
007 E2,E2W2;
008 N2,SW,N2SE,SWSE,W2NWSWSE;

Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 36625, OKNM 42834, OKNM 43583,
OKNM 53270, OKNM 54923, OKNM 70245
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-046 205.000 Acres

T.0060N, R.0230E, 17 PM, OK
Sec. 032 S2SWNE,SWSWNESE,SENESE;
032 S2NENWSE,NWNENWSE;
032 N2NWNWSE,E2W2SWSE,E2SWSE;
032 W2W2SESE,SESESESE;
032 S2SESESE;
033 SWSWSWSW,E2SWSWSW,SESWSW;
033 S2N2SESW,S2SESW,S2NWSWSE;
033 S2S2SE;
034 SWSWSW;
035 SWSESE;

Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 50734, OKNM 67520
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-047 2362.520 Acres

T.0050N, R.0240E, 17 PM, OK
Sec. 001 LOTS 1-4;
001 S2N2,S2;
002 LOTS 1-4;
002 S2N2,S2;
011 ALL;
012 N2NE,SWNE,NW,N2S2;

Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 94639, OKNM 94553
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-048 1927.720 Acres

T.0050N, R.0240E, 17 PM, OK
Sec. 003 LOTS 1-4;
003 S2N2,S2;
004 LOTS 1-4;
004 S2N2,S2;
010 ALL;

Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 94640, OKNM 94641
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-049 2384.370 Acres

T.0050N, R.0240E, 17 PM, OK
Sec. 005 S2 OF L1, S2 OF L2;
005 S2 OF L3, S2 OF L4;
005 S2N2,S2;
006 LOTS 5-7;
006 S2S2 OF L1, NWSW OF L2;
006 S2S2 OF L2, S2 OF L3;
006 W2 OF L4, SE OF L4;
006 S2NE,SENE,E2SW,SE;
007 LOTS 1-4;
007 E2,E2W2;
008 ALL;

Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 54018, OKNM 94641, OKNM 94642
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-050 1212.850 Acres

T.0050N, R.0240E, 17 PM, OK
Sec. 017 N2,N2SW;
018 LOTS 1-4;
018 NE,E2W2,N2SE,SWSE;
019 LOTS 1-3;
019 N2 OF L4,E2NW;
Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 66289, OKNM 94642, OKNM 94643
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-051 425.000 Acres

T.0050N, R.0240E, 17 PM, OK
Sec. 020 E2NENENE,SWNENENE;
020 SENWNENE,S2NENE,NESWNE;
020 NESWSWNE,NWSESWNE;
020 N2SENE;
021 N2N2NE,N2SWNENE,N2S2NWNE;
021 SWSWNWNE,E2NENW,W2E2W2;
021 N2NESENW,SWNESENW,W2W2;
021 SWNENESW,W2SENESEW,E2SESEW;
021 NWSWSWSE,S2SWSWSE;
Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 57560
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-052 1152.500 Acres

T.0050N, R.0240E, 17 PM, OK
Sec. 025 E2,N2NW,N2S2NW,N2SWSWNW;
025 SESWNW,S2SENEW,NENESW;
025 N2NWNESW,SWNWSW,S2SW;
026 N2N2,N2SENE,W2NWSWNE;
026 SWSWNE,S2NW,N2SW,N2SWSW;
026 N2SWSWSW,NWSESWSW;
026 W2NESESEW,NWSESEW;
026 NWNWNWSE;
027 S2SWNENE,S2SENWNW;
027 S2NE,SENEW;
027 N2NESWNW,SENESEWNW;
027 E2SESEWNW,N2N2NWSE;
027 SENWNWSE,E2E2SESE;
027 SESWSESE,W2SESESE;
Le Flore County
Tulsa FO
CORPS OF ENGINEERS
WISTER LAKE PROJECT
OKNM 106923
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

OKLAHOMA ACQUIRED - NW

NM-200710-053 241.320 Acres

T.0120N, R.0190W, 17 PM, OK
Sec. 003 LOTS 1,2;
003 S2NE,SENESE,E2SESE;
005 E2 OF LOT 1;
010 E2E2NE,NENESE;
Custer County
Tulsa FO
BUREAU OF RECLAMATION
FOSS RESERVOIR
OKNM 97922
Stipulations:
BOR-GP-135
ORA-2 Wetland/Riparian (CSU)
This parcel may have a non-participating royalty interest (NPRI) reserved. This is a separate royalty payment, in addition to the royalty paid to the United States under the terms of any BLM Lease issued, and is paid by the lessee directly to the NPRI owner.

NM-200710-054 80.000 Acres

T.0150N, R.0220W, 17 PM, OK
Sec. 031 S2NE;
Roger Mills County
Tulsa FO
BLACK KETTLE NATIONAL GRASSLANDS
Stipulations:
FS1
FS3 (OK) CSU1
FS3 (OK) CSU2

NM-200710-055 340.000 Acres

T.0240N, R.0220W, 17 PM, OK
Sec. 033 W2;
033 W2NWNWNE;
Woodward County
Tulsa FO
CORPS OF ENGINEERS
FT. SUPPLY LAKE
OKNM 53279
Stipulations:
COE-SS 1-A (NSO)
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act

NM-200710-056 824.480 Acres

T.0250N, R.0220W, 17 PM, OK
Sec. 020 ALL;
028 NESE;
028 SESE, LESS 19.17 ACRES;
028 E2NE, LESS 25.84 ACRES;
029 NWSW;
029 SWSW, LESS 10.51 ACRES;
Harper County
Tulsa FO
USDA - AGRIC RESEARCH SERVICE
US 50% MIN INT - 549.49 AC
US 100% MIN INT - 274.99 AC
OKNM 67433, OKNM 67119
Stipulations:
ARS-1
ARS-2
WO-ESA-7 Endangered Species Act

TEXAS ACQUIRED

NM-200710-057 273.120 Acres

T.000, R.000, TX PM, TX
Sec. 000 TR J-32;
000 TR SEE EXH C FOR M&B W/MAP;
Montgomery County
Tulsa FO
SAM HOUSTON NATIONAL FOREST
US OWNS 50% MINERAL INTEREST
Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1I

NM-200710-058 967.520 Acres

T.000, R.000, TX PM, TX
Sec. 000 TR K-1B-II PARCEL #3;
000 SEE EXH D FOR M&B W/MAP;
Houston County
Tulsa FO
DAVY CROCKETT NATIONAL FOREST
TXNM 96118
Stipulations:
FS1
FS8 (TX) NSO1

NM-200710-059 1752.210 Acres

T.000, R.000, TX PM, TX
Sec. 000 TR NR-12, NR-13;
Live Oak County
Tulsa FO

BUREAU OF RECLAMATION
NUECES RIVER PROJECT
TXNM 41449, TXNM 41451
Stipulations:

BOR-GP-135
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act
This parcel may have a non-participating royalty interest (NPRI) reserved. This is a separate royalty payment, in addition to the royalty paid to the United States under the terms of any BLM Lease issued, and is paid by the lessee directly to the NPRI owner.

NM-200710-060 153.070 Acres

T.000, R.000, TX PM, TX
Sec. 000 TR NR-42-1, NR-42-2;
000 SEE EXH E FOR MAP;

McMullen and Live Oak Counties
Tulsa FO
BUREAU OF RECLAMATION-NUECES RIVER PROJECT
TXNM 97175
MCMULLEN CO -149.57 AC LIVE OAK CO -3.50AC
QUAD NO. 2898134

Stipulations:
BOR-GP-135
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act
This parcel may have a non-participating royalty interest (NPRI) reserved. This is a separate royalty payment, in addition to the royalty paid to the United States under the terms of any BLM Lease issued, and is paid by the lessee directly to the NPRI owner.

NM-200710-061 425.570 Acres

T.000, R.000, TX PM, TX
Sec. 000 TR CAL-1M;
000 SEE EXH F FOR M&B W/MAP;

McMullen County
Tulsa FO
BUREAU OF RECLAMATION-NUECES RIVER PROJECT
QUAD NO. 2898134

Stipulations:
BOR-GP-135
ORA-2 Wetland/Riparian (CSU)
WO-ESA-7 Endangered Species Act
This parcel may have a non-participating royalty interest (NPRI) reserved. This is a separate royalty payment, in addition to the royalty paid to the United States under the terms of any BLM Lease issued, and is paid by the lessee directly to the NPRI owner.

NM-200710-062 2297.350 Acres

T.000, R.000, TX PM, TX
Sec. 000 TR S-2K-I PARCEL #3;
000 SEE EXH G FOR M&B W/MAP;

Sabine County
Tulsa FO
SABINE NATIONAL FOREST
TXNM 85987
QUAD NO. 3193224, 3193231

Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU1B-4
FS8 (TX) CSU#1I

NM-200710-063 1268.130 Acres

T.000, R.000, TX PM, TX
Sec. 000 TR S-2K-I PARCEL #6;
000 SEE EXH H FOR M&B W/MAP;

Sabine County
Tulsa FO
SABINE NATIONAL FOREST
TXNM 93504
QUAD NO. 3193223, 3193232

Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU1B-4
FS8 (TX) CSU#1I

NM-200710-064 1261.750 Acres

T.000, R.000, TX PM, TX
Sec. 000 TR S-2K-I PARCEL #13;
000 SEE EXH I FOR M&B W/MAP;

Sabine County
Tulsa FO
SABINE NATIONAL FOREST
TXNM 93505
QUAD NO. 3193224

Stipulations:
FS1
FS8 (TX) CSU#1A
FS8 (TX) CSU#1C
FS8 (TX) CSU#1E
FS8 (TX) CSU#1I
FS8 (TX) LN-4

NM-200710-065 **1081.910 Acres**

T.0000, R.0000, TX PM, TX

Sec. 000 TR 9-1,33-1,33-2;

Live Oak County

Tulsa FO

BUREAU OF RECLAMATION

NUECES RIVER PROJECT

TXNM 41448

Stipulations:

BOR-GP-135

ORA-2 Wetland/Riparian (CSU)

WO-ESA-7 Endangered Species Act

This parcel may have a non-participating royalty interest (NPRI) reserved. This is a separate royalty payment, in addition to the royalty paid to the United States under the terms of any BLM Lease issued, and is paid by the lessee directly to the NPRI owner.

Number of Parcels - 65

Total Acreage - 45,353.838

Total number of Parcels with Presale Offers - 1

Parcel Number of Parcels with Presale Offers - 039

Total Acreage With Presale Offers - 235.30

Any portion of the listed lands may be deleted upon determination that such lands are not available for leasing.

**METES AND BOUNDS DESCRIPTION
OF 5.77 ACRE TRACT OF LAND IN SECTION 33,
T. 6 N., R. 22 E., IM
LATIMER COUNTY, OKLAHOMA**

BEGINNING at a point on the West boundary of the Turkey Creek spur C.R. I. & P. R.R. right-of-way 1130' North of the South line of Sec. 33, T. 6 N., R. 22 E., IM; thence North along said Turkey Creek spur boundary 740'; thence West at an angle of 85° 12' to said boundary 339.6'; thence South parallel to said boundary and at an angle of 94° 48' to the above described East-West line 740' thence East at an angle of 85° 12' to the above described North-South line 339.6' to the PLACE OF BEGINNING, containing 5.77 acres, more or less.

**METES AND BOUNDS DESCRIPTION
OF 96.87 ACRE TRACT OF LAND IN SECTION 34,
T. 6 N., R. 22 E., IM
LATIMER COUNTY, OKLAHOMA**

BEGINNING at a point 372' East and 200' North of the Southwest corner of Section 34, T. 6 N., R. 22 E., IM; Thence North parallel with the West line of said Section 34, 792'; thence East at an angle of 90° 00', 850'; thence South parallel with the West line of said Section 34, 792'; thence West at an angle of 90° 00', 850' to the PLACE OF BEGINNING.

BEGINNING at a point on the South right-of-way boundary of the C.R. I. & P., R.R. 261' East of the East line of the NWSW, Section 34, T. 6 N., R. 22 E., IM, Oklahoma, at the point of intersection of the C.R.I. & P. R.R. right-of-way boundary and the West boundary of the Hughes Station Grounds; Thence South along the West boundary of said Hughes Station 100'; thence East along the South boundary of said Hughes Station 2380' to the East line NWSE, Section 34, T. 6 N., R. 22 E., IM; thence South along said East line 517'; thence West parallel to the South boundary of said Hughes Station 1320.5' to the North-South center line of Section 34, T. 6 N., R. 22 E., IM, thence South along said center line 33'; thence West parallel to the South boundary of the Hughes Station Grounds and the C.R.I. & P., R.R. right-of-way to the East boundary of the Turkey Creek Spur C.R.I. & P. R.R. right-of-way; thence along said East boundary to its intersection with the South right-of-way boundary of the C.R.I. & R. R.R.; thence East along said South boundary to the PLACE OF BEGINNING.

BEGINNING at a point on the North boundary of the C.R.I. & P. R.R. right-of-way 1019.3' East of the West line of Section 34, T. 6 N., R. 22 E., IM; thence North at an angle of 88° 00' to said C.R.I. & P. R.R. right-of-way boundary, 350'; thence East parallel to said C.R.I. & P.R.R. right-of-way boundary and the North boundary of the Hughes Station Grounds; 1450'; thence South at an angle of 88° 22' to the last described line, 300' to the North boundary of said Hughes Station Grounds; thence Northwest corner; thence South along the West boundary of said Hughes Station Grounds; 50' to the North boundary of the C.R.I. & P. R.R. right-of-way; thence along said North right-of-way boundary West 565' to the PLACE OF BEGINNING.

That part of the N2NESE lying South of the South line of the C.R.I. & P. R.R., containing 96.87 acres, more or less.

**METES AND BOUNDS DESCRIPTION
OF 155.30 ACRE TRACT OF LAND IN SECTION 33,
T. 15 N., R. 17 E., IM
MUSKOGEE COUNTY, OKLAHOMA**

Sec. 33: NW (less a strip belonging to the Midland Valley Railroad) said strip being 100 feet in width, lying 50 feet each side of the following described center line:

BEGINNING at a point on the North boundary of Section 33, T. 15 N., R. 17 E., a distance of 1442.00 feet East of the NW corner of said Section 33; Thence along a line bearing South 34 ° 25' East for a distance of 1604.20 feet; Thence to the left, on a 3 degree curve for a distance of 442.40 feet, to a point on the East boundary, said point being a distance of 976.6 feet North of the SE corner of the NW of Section 33, containing 4.70 acres, (leaving a total of 155.30 acres, more or less).

DESCRIPTION FOR MINERAL LEASING OF
TRACT J-32
SAM HOUSTON NATIONAL FOREST
MONTGOMERY COUNTY, TEXAS
273.12 ACRES

All that certain tract or parcel of land lying and being in Montgomery County, Texas, a part of the James I. Foster Survey, Abstract No. 204, dated July 22, 1853, described herein for mineral leasing purposes only, containing 273.12 acres, more or less. Tract J-32 was acquired from The Trust for Public Land by deed dated January 22, 1980 and recorded in File No. 003-01-1768, Real Property Records of Montgomery County Deed Records.

BEGINNING at corner 1 of Tract J-32, an iron pipe with aluminum cap on the west line of the John Stokeley Survey, A-475, common to the most southerly east line of the James I. Foster Survey;

THENCE S 88° 36' 43" W, within said Foster Survey, 3193.73 feet to corner 2 of Tract J-32;

THENCE N 01° 11' 04" W, 1483.65 feet to corner 3 of Tract J-32;

THENCE N 88° 22' 59" E, 98.81 feet to corner 4 of Tract J-32;

THENCE N 00° 57' 06" W, 3271.80 feet to corner 5 of Tract J-32;

THENCE N 88° 39' 29" E, 2253.88 feet to corner 6 of Tract J-32, an iron pipe with aluminum cap on the west line of the William Francis Survey, A-217, common to the northerly east line of the said Foster Survey;

THENCE S 01° 00' 00" E, with the said line between the said Francis and Foster Surveys, 3528.02 feet to corner 7 of Tract J-32, a concrete monument with a brass cap, being the south west corner of the said Francis Survey, and an inset corner of the said Foster Survey;

THENCE N 89° 52' 00" E, with the said Francis and Foster Surveys, 847.56 feet to corner 8 of Tract J-32, an iron pipe with aluminum cap, on the south line of the said Francis Survey, and a middle eastern corner of the said Foster Survey, and the north west corner of the said Stokeley Survey;

THENCE 00° 47' 22" E, with the line between the said Stokeley and Foster Surveys, 1207.49 feet to the **PLACE OF BEGINNING**, containing 273.12 acres, be the same more or less.

**DESCRIPTION FOR MINERAL LEASING
OF TRACT K-1b-II PARCEL #3
CALLED 967.52 ACRES
DAVY CROCKETT NATIONAL FOREST
HOUSTON COUNTY, TEXAS**

All that certain tract or parcel of land lying and being in Houston County, Texas, embracing in part the Pedro Elias Bean Survey, A-6, dated October 20, 1835, and being identified for mineral leasing purposes as Tract K-1b-II Parcel #3. Tract K-1b-II Parcel #3 contains a called 967.52 acres described as follows for mineral leasing purposes only. Parent Tract K-1b-II was acquired from Houston County Timber Company by deed dated July 1, 1935 and recorded in Volume 172, Page 1 et seq., Deed Records, Houston County, Texas. It is not the intent of this description of Tract K-1b-II Parcel #3 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or lease offerings.

BEGINNING at corner 1 of Tract K-1b-II, the beginning corner of the Maria Francisco Perez Survey, A-64;

THENCE N 23° 00' E, common to the Leonard Williams Survey, A-94, and the Pedro Elias Bean Survey. At 84.80 chains the centerline of an old tram road. At 106.50 chains corner 2 of Tract K-1b-II, perpetuated as the beginning corner of the Pedro Elias Bean Survey and the beginning corner of the Leonard Williams Survey, a stake near the mouth of a drainage ditch on the right bank of the Neches River;

THENCE in a general southeasterly direction, down and with the meanders of the right bank of the Neches River, 148.00 chains to Corner 3 of Tract K-1b-II, the second corner of the Pedro Elias Bean Survey, a stake set on the right bank of the Neches River, having a calculated chord bearing and distance for closure of S 51° 04' 59" E, 109.98 chains;

THENCE S 22° 30' W, common to the easterly line of the Pedro Elias Bean Survey, 75.70 chains to corner 4 of Tract K-1b-II, the intersection of the second call of the Pedro Elias Bean Survey with the first call of the Maria Francisco Perez Survey, A-64;

THENCE a calculated bearing and distance of N 67° 20' 41" W, common to the Pedro Elias Bean and Maria Francisco Perez Surveys, 106.43 chains across Tract K-1b-II to the PLACE OF BEGINNING, and being called 967.52 acres, more or less.

**Metes and Bounds Description
TR CAL-1M
Nueces River Project
McMullen County, Texas
(Final Judgment of Condemnation, Civil No. L-89-128 September 13, 1994)**

The minerals under 425.57 acres in McMullen County, Texas, out of the Michael Hely Survey, Abstract No. 6, and more particularly described as follows:

BEGINNING at a point, said point being a stake on the South Bank of the Frio River, same being the northeast corner of this tract; Thence South 10° West, 5,502.66 feet to an iron pin for the southeast corner of this tract; Thence North 80° West, 3,927.80 feet to an iron pin for the southwest corner of this tract and the line between the James Garner Survey and the Michael Hely Survey; Thence, along the line between the Garner and Hely Survey, North 10° East, 3,541.46 feet to the south bank of Salt Branch and the northwest corner of this tract; Thence South 75° East, 445.00 feet down Salt Branch; Thence South 53 1/2° East, 293.00 feet down Salt Branch; Thence North 47° East, 390.00 feet to the mouth of Salt Branch; Thence downstream along the south bank of the Frio River, following its meanders; Thence, South 56° East, 120 feet; Thence East 90° East, 350 feet; Thence North 31° East, 220 feet; Thence North 2° East, 352.80 feet; Thence North 30° East, 211.10 feet; Thence North 46 1/2° East, 1,005.50 feet; Thence North 20° East 451.40 feet; Thence North 70° East, 402.80 feet; Thence South 54 1/2° East, 140.30 feet; Thence South 49 1/2° East, 391.70 feet; Thence South 61 1/2° East, 100 feet; Thence South 77° East, 222.20 feet; Thence South 71 1/2° East, 469.40 feet; Thence North 73 1/2° East, 170 feet; to a PLACE OF BEGINNING and containing 425.57 acres, more or less.

All of the land described above is in the Michael Hely Survey and situated in McMullen County, Texas.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT S-2k-I PARCEL #3
SABINE NATIONAL FOREST
SABINE COUNTY, TEXAS
2,297.35 ACRES**

All that certain tract or parcel of land lying and being in Sabine County, Texas, embracing in part the following patented surveys: C. W. Conner Survey, A-262, dated June 5, 1882; J. W. Cadwell Survey, A-296, dated April 30, 1884; Nancy Easley Survey, A-248, dated February 17, 1880; H. & T.C.R.R. No. 3 Survey, A-129, dated October 24, 1903; William W. Davis, A-89, dated February 11, 1846; and the Anthony W. Walters Survey, A-223, dated October 10, 1883, and being identified for mineral leasing purposes as Tract S-2k-I Parcel #3 and described as follows for mineral leasing purposes only. Parent Tract S-2k-I was acquired from Temple Lumber Company by deed dated December 27, 1935 and recorded in Volume 39, Pages 293-387, Deed Records, Sabine County, Texas. Tract S-2k-I Parcel #3 contains approximately 2,882.40 acres, more or less, LESS AND EXCEPT approximately 585.05 acres of private surface within Exceptions No. 1, No. 2, No. 3, No. 7, and No. 8, and Tract S-71, leaving a net area of 2,297.35 acres for Tract S-2k-I Parcel #3. Of these 2,297.35 acres, 14.25 acres, identified as Tract S-42, are subject to split estate. Tract S-42 surface area was exchanged to Dorothy Birdwell by Exchange Deed dated May 5, 1986, but the U.S. retained all mineral interest. It is not the intent of this description of Tract S-2k-I Parcel #3 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or any surface exchanged under Tract S-71.

BEGINNING AT CORNER 17 of Tract S-2k-I, the beginning corner of the F. M. Davis Survey, A-383, and the sixth corner of the Hugh Milligan Survey, A-161, a stake witnessed by scribed bearing trees;

THENCE S 58° 40' E, common to the Anthony W. Walters Survey, A-223, and the Hugh Milligan Survey, 38.90 chains to Corner 18 of Tract S-2k-I, the twelfth corner of the J. W. Cadwell Survey, A-296, and the fifth corner of the Hugh Milligan Survey, a stake witnessed by scribed bearing trees;

THENCE N 89° 00' E, common to the J. W. Cadwell and Hugh Milligan Surveys, 7.10 chains to Corner 19 of Tract S-2k-I, common to a corner of Forest Service Tract S-2k-II, the thirteenth corner of the J. W. Cadwell Survey and the fifth corner of the W. M. Arledge Survey, A-259, a stake witnessed by scribed bearing trees;

THENCE S 25° 30' E, with Tract S-2k-II, common to the J. W. Cadwell and W. M. Arledge Surveys, 87.70 chains to Corner 20 of Tract S-2k-I, the beginning corner of the J. W. Cadwell Survey and the fourth corner of the W. M. Arledge Survey;

THENCE S 63° 00' W, across Tract S-2k-I, common in part to the J. W. Cadwell Survey, the C. W. Conner Survey, A-262, and the north line of the Walter Hughes Survey, A-24, 168.40 chains to a point for corner of Tract S-2k-I Parcel #3, common to Corner 43 of Tract S-2k-I, a stake witnessed by scribed bearing trees;

THENCE N 58° 00' W, within the J. W. Cadwell Survey, 10.00 chains to Corner 44 of Tract S-2k-I;

THENCE S 31° 30' W, common to the J. W. Cadwell Survey and the Nancy Easley Survey, A-248, 16.10 chains to Corner 45 of Tract S-2k-I, the third corner of the Nancy Easley Survey and the sixth corner of the J. W. Cadwell Survey;

THENCE a calculated bearing and distance of N 58° 00' W, across Tract S-2k-I, within the Nancy Easley Survey and the H.& T.C.R.R. No. 3 Survey, A-129, 108.30 chains to a point for corner for Tract S-2k-I Parcel #3 within the H.& T.C.R.R. No. 3 Survey;

THENCE a calculated bearing and distance of N 31° 45' E, across Tract S-2k-I, within the H.& T.C.R.R. No. 3 Survey and the William W. Davis Survey, A-89, 118.30 chains to a point for corner for Tract S-2k-I Parcel #3 within the William W. Davis Survey;

THENCE a calculated bearing and distance of N 77° 32' 54" E, across Tract S-2k-I, within the William W. Davis Survey and the Anthony W. Walters Survey, 121.30 chains to the PLACE OF BEGINNING, containing 2,882.40 acres, more or less, LESS AND EXCEPT Exception No. 1 to Tract S-2k-I containing 224.00 acres, Exception No. 2 containing 154.60 acres, Exception No. 3 containing 165.00 acres, Exception No. 7 containing 1.00 acres, Exception No. 8 containing 38.70 acres, and Exchange Tract S-71 containing 1.75 acres, leaving a net area of 2,297.35 acres, more or less. Parcel #3 is also subject to 14.25 acres of split estate (private surface/federal minerals) that was exchanged to Dorothy Birdwell as Tract S-42 in Exchange Deed dated May 5, 1986. Each exception and exchanged area is described as follows:

EXCEPTION NO. 1, 224.00 acres: BEGINNING at corner 1 of Exception No. 1 to Tract S-2k-I, the third corner of the L. J. Whittlesey Survey, A-486, and the

eighth corner of the J. W. Cadwell Survey, A-296. From this corner, corner 44 of Forest Service Tract S-2k-I bears S 30° 15' E, 13.50 chains distant;

THENCE N 59° 00' W, common to the Nancy Easley Survey, A-248, and the L. J. Whittlesey Survey, 28.20 chains to Corner 2 of Exception No. 1, the second corner of the L. J. Whittlesey Survey and the beginning corner of the Nancy Easley Survey;

THENCE N 31° 10' E, common to the L. J. Whittlesey Survey and the H. & T.C.R.R. No. 3 Survey, A-129, 15.50 chains to Corner 3 of Exception No. 1;

THENCE four lines within the H. & T.C.R.R. No. 3 Survey:

S 88° 30' W, 16.70 chains to corner 4 of Exception No. 1;
N 02° 45' W, 28.60 chains to corner 5 of Exception No. 1;
N 79° 40' E, 8.80 chains to corner 6 of Exception No. 1;
S 43° 00' E, 24.60 chains to corner 7 of Exception No. 1;

THENCE N 31° 10' E, common to the L. J. Whittlesey and the H. & T.C.R.R. No. 3 Surveys, 31.60 chains to Corner 8 of Exception No. 1, the beginning corner of the L. J. Whittlesey Survey and the third corner of the H. & T.C.R.R. No. 3 Survey;

THENCE S 57° 30' E, common to the L. J. Whittlesey Survey and Anthony W. Walters Survey, A-223, 28.50 chains to Corner 9 of Exception No. 1, the fourth corner of the L. J. Whittlesey Survey and the ninth corner of the J. W. Cadwell Survey;

THENCE S 31° 20' W, common to the L. J. Whittlesey and J. W. Cadwell Surveys, 60.00 chains to the PLACE OF BEGINNING, containing 224 acres, more or less.

EXCEPTION NO. 2, 154.60 acres: BEGINNING at corner 1 of Exception No. 2 to Tract S-2k-I, on line common to the Anthony W. Walters and H. & T.C.R.R. No. 3 Surveys. From this corner, corner 8 of Forest Service Tract S-2k-I Exception No. 1 bears S 57° 30' E, 18.70 chains distant;

THENCE N 57° 30' W, common to the Anthony W. Walters and H. & T.C.R.R. No. 3 Surveys, 12.40 chains to corner 2 of Exception No. 2;

THENCE two lines within the H. & T.C.R.R. No. 3 Survey:

S 31° 40' W, 22.20 chains to corner 3 of Exception No. 2;
N 61° 30' W, 21.90 chains to corner 4 of Exception No. 2,
a point in the center of a small creek;

THENCE N 30° 40' E, common to the William W. Davis Survey and in part to the H. & T.C.R.R. No. 3 and Anthony W. Walters Surveys. At 22.80 chains the fourth corner of the Anthony W. Walters Survey and the second corner of the H. & T.C.R.R. Survey No. 3, a F.S. standard concrete post marked S-329, witnessed by scribed bearing trees. At 58.40 chains corner 5 of Exception No. 2;

THENCE eight lines within the Anthony W. Walters Survey:

**S 55° 10' E, 29.50 chains to corner 6 of Exception No. 2;
S 31° 30' W, 24.70 chains to corner 7 of Exception No. 2,
S 57° 30' E, 6.30 chains to corner 8 of Exception No. 2;
S 31° 40' W, 1.60 chains to corner 9 of Exception No. 2;
S 57° 30' E, 3.33 chains to corner 10 of Exception No. 2;
S 31° 40' W, 3.33 chains to corner 11 of Exception No. 2,
N 57° 30' W, 3.33 chains to corner 12 of Exception No. 2;
S 31° 40' W, 4.60 chains to the PLACE OF BEGINNING,
containing 154.60 acres, more or less.**

EXCEPTION NO. 3, 165.00 acres: BEGINNING at corner 1 of Exception No. 3 to Tract S-2k-l, a Forest Service standard concrete post marked S-355 within the Anthony W. Walters Survey, A-223. From this corner, corner 9 of Forest Service Tract S-2k-l Exception No. 1 bears S 63° 00' W, 12.00 chains distant;

THENCE twenty-four lines within the Anthony W. Walters Survey:

**N 58° 00' W, 18.77 chains to corner 2 of Exception No. 3;
N 11° 00' E, 41.80 chains to corner 3 of Exception No. 3;
N 74° 00' W, 2.86 chains to corner 4 of Exception No. 3;
N 49° 30' E, 4.41 chains to corner 5 of Exception No. 3;
N 14° 00' W, 7.36 chains to corner 6 of Exception No. 3;
N 66° 45' E, 4.97 chains to corner 7 of Exception No. 3;
S 14° 00' E, 12.00 chains to corner 8 of Exception No. 3;
East, 11.78 chains to corner 9 of Exception No. 3;
S 11° 00' W, 15.12 chains to corner 10 of Exception No. 3;
S 42° 00' E, 9.30 chains to corner 11 of Exception No. 3;
N 46° 00' E, 8.41 chains to corner 12 of Exception No. 3;
S 87° 00' E, 11.71 chains to corner 13 of Exception No. 3;
S 21° 00' E, 19.16 chains to corner 14 of Exception No. 3;
S 65° 00' W, 6.63 chains to corner 15 of Exception No. 3;
S 21° 00' W, 9.34 chains to corner 16 of Exception No. 3;
N 71° 00' W, 9.73 chains to corner 17 of Exception No. 3;
N 15° 00' E, 9.25 chains to corner 18 of Exception No. 3;
N 60° 00' W, 15.01 chains to corner 19 of Exception No. 3;**

N 49° 00' E, 2.05 chains to corner 20 of Exception No. 3;
N 48° 00' W, 3.24 chains to corner 21 of Exception No. 3;
S 50° 00' W, 2.86 chains to corner 22 of Exception No. 3;
S 11° 00' W, 23.40 chains to corner 23 of Exception No. 3;
S 57° 30' E, 16.50 chains to corner 24 of Exception No. 3;
S 11° 00' W, 15.74 chains to corner 25 of Exception No. 3.
From this corner, the third corner of the Anthony W. Walters
Survey bears S 57° 30' E, 11.00 chains distant;

THENCE N 57° 30' W, common to the Anthony W. Walters and J. W. Cadwell
Surveys, 16.75 chains to corner 26 of Exception No. 3;

THENCE N 11° 00' E, within the Anthony W. Walters Survey, 11.20 chains to the
PLACE OF BEGINNING, containing 165 acres, more or less.

EXCEPTION NO. 7, 1.00 acres: BEGINNING at corner 1 of Exception No. 7 to Tract
S-2k-I within the Anthony W. Walters Survey, A-223. From this corner, corner 8 of
Forest Service Tract S-2k-I Exception No. 1 bears S 38° 30' W, 7.30 chains distant;

THENCE four lines within the Anthony W. Walters Survey:

N 05° 00' W, 3.33 chains to corner 2 of Exception No. 7;
N 85° 00' E, 3.33 chains to corner 3 of Exception No. 7;
S 05° 00' E, 3.33 chains to corner 4 of Exception No. 7;
N 85° 00' W, 3.33 chains to the place of beginning,
containing 1.00 acres, more or less.

EXCEPTION NO. 8, 38.70 acres: BEGINNING at corner 1 of Exception No. 8 to
Tract S-2k-I identical with the second corner of the C. W. Conner Survey,
A-262, and the fifth corner of the J. W. Cadwell Survey, A-296, a Forest Service
standard concrete post marked S-390, witnessed by scribed bearing trees.

THENCE N 28° 00' W, common to the C. W. Conner and J. W. Cadwell
Surveys, 20.06 chains to corner 2 of Exception No. 8, a stake in edge of a road;

THENCE in a general northeasterly direction with the meanders of the road, 27.10
chains to corner 3 of Exception No. 8;

THENCE S 28° 00' E, within the C. W. Conner Survey, 16.50 chains to corner 4 of
Exception No. 8. From this corner, corner 20 of Forest Service Tract S-2k-I bears
N 63° 00' E, 39.30 chains distant;

THENCE S 63° 00' W, common to the C. W. Conner Survey and the Walter Hughes Survey, A-24, 24.60 chains to the PLACE OF BEGINNING, containing 38.70 acres, more or less.

Exchange Tract S-71, 1.75 acres, Private Surface and Minerals. All that certain tract or parcel of land lying and being in Sabine County, Texas, within the William W. Davis Survey, A-89, being out of and a part of that certain 22,819 acre tract which was conveyed as Tract S-2k-I, from Temple Lumber Company to United States of America by deed dated December 27, 1935 and recorded in Volume 39, Page 293, Deed Records of Sabine County, Texas, to which reference is hereby made for any and all purposes, and being described by metes and bounds as follows:

BEGINNING at corner 1 of Tract S-71, located on the boundary common to the said Davis Survey with that of the A. W. Walters Survey, A-223. From that corner, Forest Service Class A monument marked S-329 bears S 31° 02' W, 1411.30 feet distant;

THENCE N 25° 49' 48" W, at 296.28 feet pass on line a standard F.S. corner set for reference corner, and in all 361.36 feet to corner 2 of Tract S-71, a point located on the existing centerline of State Farm to Market Road No. 2426;

THENCE N 48° 24' 41" E, with the existing centerline of State Farm to Market Road No. 2426, at 240.15 feet intersect the existing centerline of State Highway No. 87, a point for corner 3 of Tract S-71, from which a broken right-of-way monument found bears N 80° 53' 00" W, 83.18 feet and a standard F.S. corner set for reference bears S 10° 36' 52" W, 102.20 feet;

THENCE S 29° 36' 44" E, with the existing centerline of State Highway No. 87, 264.87 feet to a point in same for corner 4 of Tract S-71, from which corner 5 of the Yellowpine Village Exception No. 2 to Tract S-2k-I, 154.60 acres, bears N 31° 02' 00" E, 700.67 feet;

THENCE S 31° 02' 00" W, with the northwest boundary line of said 3.207 acre tract 296.88 feet to the PLACE OF BEGINNING, containing 1.75 acres of land, more or less.

Exchange Tract S-42, Private Surface, Federal Minerals: All that certain tract or parcel of land, lying and being in Sabine County, Texas a part of the Anthony W. Walters Survey, A-223, dated October 10, 1883.

BEGINNING at corner 1 of Tract S-42, a ½-inch iron pin set in the boundary line of Forest Service Tract S-2k-I Exception No. 3, between corners 23 and 24 of said Exception No. 3, and being N 57° 35' 37" W 788.60 feet along said boundary line from said corner 24, a 1-1/4 inch iron pipe with aluminum cap stamped "S2kl, Exc. No. 3, Cor. 24";

THENCE six lines along and with F.S. Tract S-2k-I:

North 57° 35' 37" West, 322.63 feet to corner 2 of Tract S-42, a 1-1/4 inch iron pipe with aluminum cap stamped "S2kl, Exc.No. 3, Cor 23";

North 11° 00' 00" East, 1571.19 feet to corner 3 of Tract S-42, a 1-1/4 inch iron pipe with aluminum cap stamped "S2kl, Exc.No. 3, Cor 22";

North 50° 35' 30" East, 189.26 feet to corner 4 of Tract S-42, a 1-1/4 inch iron pipe with aluminum cap stamped "S2kl, Exc.No. 3, Cor 21";

South 48° 13' 11" East, 214.00 feet to corner 5 of Tract S-42, a 1-1/4 inch iron pipe with aluminum cap stamped "S2kl, Exc.No. 3, Cor 20";

South 46° 30' 01" West, 135.44 feet to corner 6 of Tract S-42, a pine knot marking corner 19 of said Exception No. 3 to Tract S-2k-I;

South 59° 57' 55" East, 226.20 feet to corner 7 of Tract S-42, a ½ inch iron pipe set in said boundary line, distant there along North 59° 57' 55" West, 764.65 feet from corner 18 of said Exception No. 3, a 1-1/4 inch iron pipe with aluminum cap stamped "S2kl, Exc.No. 3, Cor 18";

THENCE South 16° 09' 43" West, across a portion of F.S. Tract S-2k-I, 1547.52 feet to the POINT OF BEGINNING, containing 14.25 acres of land, more or less, for Tract S-42.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT S-2k-I PARCEL #6
SABINE NATIONAL FOREST
SABINE COUNTY, TEXAS
1,268.13 ACRES**

All that certain tract or parcel of land lying and being in Sabine County, Texas, embracing in part the John Moore Survey, A-41, dated March 7, 1835, the T. & N.O.R.R. No. 39 Survey, A-303, dated August 21, 1884, and the William M. Rice, Jr. Survey, A-435, dated September 29, 1904, and being identified for mineral leasing purposes as Tract S-2k-I Parcel #6 and described as follows for mineral leasing purposes only. Parent Tract S-2k-I was acquired from Temple Lumber Company by deed dated December 27, 1935 and recorded in Volume 39, Pages 293-387, Deed Records, Sabine County, Texas. Tract S-2k-I Parcel #6 contains approximately 1,268.13 acres, more or less. It is not the intent of this description of Tract S-2k-I Parcel #6 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or any private lands.

BEGINNING at Corner 74 of Tract S-2k-I, a stake with witnesses, common to the T. & N.O.R.R. No. 39 Survey, A-303 and the James Curry Survey, A-12;

THENCE a calculated bearing and distance of N 40° 46' 55" E, 201.61 chains across Tract S-2k-I to a point for corner of Parcel #6, common to Corner 67 of Tract S-2k-I and to the William Cain Survey, A-263 and the John Moore Survey, A-41, said line also common to an issued BLM lease;

THENCE N 36° 30' E, common to the William Cain and John Moore Surveys, a calculated distance of 19.00 chains to a point for corner of Tract S-2k-I Parcel #6, on direct line between corners 67 and 66 of Tract S-2k-I;

THENCE a calculated bearing and distance of N 54° 40' W, within the John Moore Survey, 43.70 chains to a point for corner of Tract S-2k-I Parcel #6, said line common to an issued BLM lease;

THENCE a calculated bearing and distance of S 36° 14' W, across Tract S-2k-I within the John Moore Survey, 143.00 chains to a point for corner of Parcel #6, said line common to an issued BLM lease;

THENCE a calculated bearing and distance of N 54° 09' 43" W, common to the John Moore Survey and the William M. Rice Jr. Survey, A-435, 37.59 chains to a point for corner of Tract S-2k-I Parcel #6, common to corner 104 of Tract S-2k-I and said line common to an issued BLM lease;

THENCE S 33° 41' W, common in part to the William M. Rice and T. & N.O.R.R. No. 39 Surveys and the lands quitclaimed to San Augustine Timber Company by quitclaimed deed dated 5/15/1964, 80.82 chains to a point for corner of Tract S-2k-I Parcel #6, common to revised corner 103 of Tract S-2k-I and said line common in part to an issued BLM lease;

THENCE a calculated bearing and distance of S 26° 00' W, common with an issued BLM lease, 35.50 chains to a point for corner of Tract S-2k-I Parcel #6;

THENCE a calculated bearing and distance of S 58° 30' E, across Tract S-2k-I and common to the T. & O.N.R.R. No. 39 Survey and the W. F. Goodrich Survey, A-398, 42.30 chains to a point for corner of Parcel #6, said line common to an issued BLM lease;

THENCE a calculated bearing and distance of N 56° 13' 03" E, across Tract S-2k-I and common to the T. & O.N.R.R. No. 39 Survey and the James Curry Survey, A-12, 38.47 chains to the POINT OF BEGINNING, containing 1,268.13 acres, more or less.

**DESCRIPTION FOR MINERAL LEASING OF
TRACT S-2k-I PARCEL #13
SABINE NATIONAL FOREST
SABINE COUNTY, TEXAS
1,261.75 ACRES**

All that certain tract or parcel of land lying and being in Sabine County, Texas, embracing in part the Walter Hughes Survey, A-24, dated June 9, 1835, and being identified for mineral leasing purposes as Tract S-2k-I Parcel #13 and described as follows for mineral leasing purposes only. Parent Tract S-2k-I was acquired from Temple Lumber Company by deed dated December 27, 1935 and recorded in Volume 39, Pages 293-387, Deed Records, Sabine County, Texas. Tract S-2k-I Parcel #13 contains approximately 1,318.15 acres, more or less, LESS AND EXCEPT approximately 10.00 acres within Exception No. 9 to Tract S-2k-I and 46.40 acres of private surface ownership (primarily under waters of Toledo Bend Reservoir) conveyed by the United States to the Sabine River Authority (SRA) on April 2, 1985 as the Second Tract of SRA Tract 1140, leaving a net area of 1,261.75 acres for Tract S-2k-I Parcel #13. It is not the intent of this description of Tract S-2k-I Parcel #13 to include any lands within adjacent issued Bureau of Land Management (BLM) leases or any surface exchanged to the Sabine River Authority.

BEGINNING at Corner 20 of Tract S-2k-I, the beginning corner of the J. W. Cadwell Survey, A-296 and the fourth corner of the W. M. Arledge Survey, A-259;

THENCE N 63° 00' E, common to the Walter Hughes Survey, A-24, and the W. M. Arledge Surveys, 25.80 chains to Corner 21 of Tract S-2k-I, the second corner of the Walter Hughes Survey and the third corner of the W. M. Arledge Survey;

THENCE S 25° 30' E, common to the Walter Hughes Survey and in part to the W. M. Arledge Survey and Eli Lowe Survey, A-34, at 21.80 chains the second corner of the W. M. Arledge Survey and the beginning corner of the Eli Lowe Survey, a F.S. standard concrete post marked S-326. At 36.33 chains, corner 22 of Tract S-2k-I, a point in the center of a road, witnessed by scribed bearing trees;

THENCE three lines within the Walter Hughes Survey:

**N 75° 00' W, 7.92 chains to Corner 23 of Tract S-2k-I,
a point in center of a road;
S 03° 30' E, 16.47 chains to Corner 24 of Tract S-2k-I;
S 75° 30' E, 15.80 chains to Corner 25 of Tract S-2k-I;**

THENCE S 25° 30' E, common to the Walter Hughes and Eli Lowe Surveys, 33.33 chains to Corner 26 of Tract S-2k-I;

THENCE two lines within the Walter Hughes Survey:

**N 85° 50' W, 14.60 chains to Corner 27 of Tract S-2k-I;
S 14° 00' W, 7.11 chains to Corner 28 of Tract S-2k-I,
a point in the center of Conner Creek;**

THENCE in a general northwesterly direction, up and with the meanders of Conner Creek within the Walter Hughes Survey, 24.55 chains to corner 29 of Tract S-2k-I, a point in the center of Conner Creek, having a calculated chord bearing and distance of N 67° 06' W, 17.91 chains;

THENCE a calculated bearing and distance of S 61° 30' W, within the Walter Hughes Survey and across Tract S-2k-I, 75.50 chains to a point for corner for Tract S-2k-I Parcel #13, common to Corner 6 of Exception No. 4 to Tract S-2k-I;

THENCE seven lines with Exception No. 4 within the Walter Hughes Survey:

**N 71° 20' W, 16.26 chains to a point for corner for Tract S-2k-I Parcel #13, common to Corner 5 of Exception No. 4 to Tract S-2k-I;
N 27° 00' W, 12.21 chains to a point for corner for Tract S-2k-I Parcel #13, common to Corner 4 of Exception No. 4 to Tract S-2k-I;
N 02° 10' W, 14.49 chains to a point for corner for Tract S-2k-I Parcel #13, common to Corner 3 of Exception No. 4 to Tract S-2k-I;
S 89° 30' W, 7.03 chains to a point for corner for Tract S-2k-I Parcel #13, common to Corner 2 of Exception No. 4 to Tract S-2k-I;
S 61° 30' W, 18.66 chains to a point for corner for Tract S-2k-I Parcel #13, common to Corner 1 of Exception No. 4 to Tract S-2k-I, a Forest Service standard concrete post marked S-358. From this corner, corner 43 of Tract S-2k-I bears N 83° 40' W, 68.40 chains distant; S 27° 00' E, 27.77 chains to a point for corner for Tract S-2k-I Parcel #13, common to Corner 10 of Exception No. 4 to Tract S-2k-I;
S 63° 00' W, 6.68 chains to a point for corner for Tract S-2k-I Parcel #13, common to Corner 9 of Exception No. 4 to Tract S-2k-I;**

THENCE a calculated bearing and distance of S 72° 00' W, within the Walter Hughes Survey and across Tract S-2k-I, 53.50 chains to a point for corner for Tract S-2k-I Parcel #13, common to Corner 40 of Tract S-2k-I, a point in the center of Walnut Creek;

THENCE in a general northwesterly direction, up and with the meanders of Walnut Creek, within the Walter Hughes Survey, 28.00 chains to Corner 41 of Tract S-2k-I, having a calculated chord bearing and distance of N 42° 30' W, 26.50 chains;

THENCE N 10° 00' W, within the Walter Hughes Survey and common to the east line of Exception No. 10 to Tract S-2k-I, 31.60 chains to corner 43 of Tract S-2k-I;

THENCE N 63° 00' E, common to the Walter Hughes Survey and in part to the J. W. Cadwell Survey, A-296, and to the C. W. Conner Survey, A-262, a calculated distance of 168.40 chains to the PLACE OF BEGINNING, containing 1,318.15 acres, more or less, LESS AND EXCEPT, 10.00 acres within Exception No. 9 to Tract S-2k-I and 46.40 acres within private surface ownership identified as the Second Tract of SRA Tract 1140 (primarily under water) conveyed to the Sabine River Authority (SRA) in Exchange Deed dated April 2, 1985 and both described as follows, leaving a net acreage available for lease of 1,261.75 acres, more or less, for Tract S-2k-I Parcel #13.

EXCEPTION NO. 9, 10.00 acres: BEGINNING at corner 1, a Forest Service standard concrete post marked S-336, witnessed by scribed bearing trees. From this corner, corner 24 of F.S. Tract S-2k-I bears N 74° 40' E, 58.00 chains distant;

THENCE four lines within the Walter Hughes Survey:

S 08° 00' W, 8.41 chains to Corner 2 of Exception No. 9 to Tract S-2k-I;
N 82° 00' W, 11.90 chains to Corner 3 of Exception No. 9 to Tract S-2k-I;
N 08° 00' E, 8.41 chains to Corner 4 of Exception No. 9 to Tract S-2k-I;
S 82° 00' E, 11.90 chains to the PLACE OF BEGINNING, containing 10.00 acres, more or less.

46.40 surface acres exchanged to Sabine River Authority (SRA) as Tract 1140, Second Tract:

BEGINNING at corner 27 of F.S. Tract S-2k-I, a stake within the Walter Hughes Survey, and being the northwest corner of private lands adjacent to Tract S-2k-I;

THENCE S 04° 21' 22" W, 419.00 feet to corner 28 of Tract S-2k-I, a point in the center of Conner Creek;

THENCE in a general northwesterly direction, up and with the meanders of Conner Creek, 1620.30 feet to Corner 29 of Tract S-2k-l, a point in the center of Conner Creek;

THENCE S 19° 35' 05" W, 82.00 feet to a point on the taking line traverse;

THENCE with said taking line traverse as follows:

**N 82° 15' 26" W, 52.00 feet to point 667;
N 35° 46' 48" W, 119.00 feet to point 668;
N 79° 32' 30" W, 146.00 feet to point 669;
N 54° 45' 30" W, 108.00 feet to point 670;
S 87° 19' 38" W, 63.00 feet to point 671;
N 08° 44' 06" W, 175.00 feet to point 672;
N 36° 51' 05" W, 151.00 feet to point 673;
S 88° 34' 14" W, 106.00 feet to point 674;
N 34° 26' 07" W, 300.00 feet to point 675;
N 03° 00' 54" W, 76.00 feet to point 676;
N 89° 01' 25" W, 52.00 feet to point 677;
N 17° 25' 37" W, 355.00 feet to point 678;
S 71° 12' 12" E, 70.00 feet to point 679;
S 12° 37' 04" E, 121.00 feet to point 680;
S 59° 14' 11" E, 528.00 feet to point 681;
N 71° 56' 26" E, 335.00 feet to point 682;
N 39° 48' 35" E, 71.00 feet to point 683;
N 31° 31' 01" W, 299.00 feet to point 684;
S 81° 06' 01" W, 73.00 feet to point 685;
N 42° 56' 35" W, 321.00 feet to point 686;
N 12° 16' 32" E, 83.00 feet to point 687;
N 71° 49' 09" W, 157.00 feet to point 688;
S 36° 36' 41" W, 134.00 feet to point 689;
S 86° 18' 59" W, 121.00 feet to point 690;
S 71° 32' 47" W, 143.00 feet to point 691;
N 22° 09' 04" W, 339.00 feet to point 692;
N 38° 54' 23" E, 84.00 feet to point 693;
N 69° 41' 11" E, 101.00 feet to point 694;
N 37° 27' 24" E, 70.00 feet to point 695;
N 11° 07' 22" E, 212.00 feet to point 696;
N 08° 11' 54" W, 83.00 feet to point 697;
S 60° 42' 33" W, 152.00 feet to point 698;
S 41° 41' 46" W, 72.00 feet to point 699;
N 56° 32' 05" W, 221.00 feet to point 700;
N 20° 04' 53" E, 200.00 feet to point 701;**

N 68° 25' 56" E, 84.00 feet to point 702;
N 84° 04' 55" E, 120.00 feet to point 703;
N 32° 10' 17" W, 94.00 feet to point 704;
S 71° 19' 20" W, 206.00 feet to point 705;
S 66° 01' 18" W, 233.00 feet to point 706;
S 54° 19' 36" W, 160.00 feet to point 707;
N 74° 52' 40" W, 100.00 feet to point 708;
S 24° 08' 10" W, 92.00 feet to point 709;
S 64° 13' 15" W, 75.00 feet to point 710;
S 36° 58' 18" W, 146.00 feet to point 711;
N 14° 17' 50" W, 91.00 feet to point 712;
N 43° 52' 37" E, 150.00 feet to point 713;
N 26° 16' 35" E, 235.00 feet to point 714;
S 50° 21' 11" E, 124.00 feet to point 715;
N 55° 23' 16" E, 345.00 feet to point 716;
N 38° 56' 34" E, 120.00 feet to point 717;
N 26° 29' 06" W, 211.00 feet to point 718;
S 70° 06' 53" E, 186.00 feet to point 719;
S 36° 20' 15" E, 224.00 feet to point 720;
S 50° 20' 17" E, 108.00 feet to point 721;
N 79° 45' 25" E, 108.00 feet to point 722;
S 23° 39' 11" E, 176.00 feet to point 723;
S 44° 20' 36" W, 137.00 feet to point 724;
S 37° 29' 22" E, 80.00 feet to point 725;
N 64° 55' 30" E, 260.00 feet to point 726;
S 08° 49' 41" E, 320.00 feet to point 727;
S 30° 35' 16" W, 143.00 feet to point 728;
S 25° 03' 44" W, 154.00 feet to point 729;
S 83° 36' 17" W, 100.00 feet to point 730;
S 68° 23' 04" E, 101.00 feet to point 731;
S 01° 34' 16" E, 110.00 feet to point 732;
N 38° 38' 26" E, 177.00 feet to point 733;
S 89° 50' 55" E, 207.00 feet to point 734;
S 61° 59' 56" E, 104.00 feet to point 735;
S 04° 07' 28" E, 93.00 feet to point 736;
S 74° 50' 35" E, 110.00 feet to point 737;
S 05° 36' 22" E, 144.00 feet to point 738;
S 88° 03' 34" E, 142.00 feet to point 739;
N 24° 35' 32" E, 75.00 feet to point 740;
N 83° 25' 30" E, 128.00 feet to point 741;
S 17° 22' 26" W, 223.00 feet to point 742;
S 06° 46' 30" E, 162.00 feet to point 743;
S 54° 57' 37" E, 173.00 feet to point 744;

S 17° 00' 19" E, 187.00 feet to point 745;
S 53° 29' 49" W, 86.00 feet to point 746;
N 64° 18' 17" W, 160.00 feet to point 747;
S 07° 16' 20" W, 162.00 feet to point 748;
S 61° 18' 20" W, 234.00 feet to point 749;
S 14° 39' 13" W, 176.00 feet to point 750;
N 82° 17' 37" E, 170.00 feet to point 751;
N 42° 46' 52" E, 131.00 feet to point 752;
N 81° 03' 00" E, 136.00 feet to point 753;
N 28° 50' 38" E, 139.00 feet to point 754;
N 53° 15' 56" E, 110.00 feet to point 755;
N 04° 14' 09" E, 122.00 feet to point 756;
S 56° 27' 27" E, 260.00 feet to point 757;
N 72° 37' 06" E, 175.00 feet to point 758;
S 80° 09' 38" E, 259.00 feet to point 759;
N 88° 50' 29" E, 160.00 feet to point 760;
S 85° 05' 32" E, 200.00 feet to point 761;
S 51° 36' 44" E, 259.00 feet to point 762;
S 06° 41' 58" W, 171.00 feet to point 763;
S 35° 53' 12" E, 293.00 feet to point 764;
S 26° 48' 04" E, 21.00 feet to a point on the
north line of said private tract;

THENCE with said line common to Tract S-2k-I, within the Walter Hughes Survey,
N 86° 38' 38" W, 360.00 feet to the POINT OF BEGINNING, containing 46.40 acres,
more or less.

LEAVING A NET AREA OF 1,261.75 ACRES FOR TRACT S-2K-I PARCEL #13.

**SPECIAL STIPULATIONS FOR
DRILLING OIL & GAS WELLS ON THE
AGRICULTURE RESEARCH STATION**

The lands embraced in this lease for oil and gas being under the jurisdiction of the Secretary of Agriculture, the lessee hereby agrees to accept the following terms and conditions, and to have them incorporated into the lease:

The authorized representative of the Secretary of Agriculture is the Location Leader, Southern Plains Range Research Station, SEA-AR, Woodward, Oklahoma, to whom all matters relating to this stipulation will be addressed.

1. At the commencement of preparation of the location by lessee, lessee shall install sixteen (16) foot by six (6) foot cattle guards at the entrance onto the premises and at each appropriate fence line along the road way and said cattle guards shall remain in place and become the property of the lessor at the conclusion of the lessee's drilling operation.
2. Direction of road to location will be laid out in such fashion as to do lease damage to grass, crops, and surface and be in accordance with Location Leader's supervision.
3. Right-of-Way road will be restricted to a width of 16' and said right-of-way will be hard surfaced with gravel as specified by the Location Leader to prevent rutting and erosion.
4. All vehicles entering and leaving the premises shall be restricted to the roadways.
5. Lessee shall gravel roadways only as necessary, and in the event of a dry hole, lessee shall remove as much of said gravel as Location Leader may desire removed. Such roadways shall be located in accordance with a diagram developed by the lessee and approved by the Location Leader and made a part of the lease. In the event lessee completes a producing well on the premises, all such roadways shall be restricted to twelve (12) feet in width and the smallest turn around area at the well head.
6. If Location Leader chooses, all road material will be removed from the site and be redistributed at other designated locations on the area. Top soil will be removed prior to developing roadway and placed in such areas that it can be restored to its original location when drilling operations are concluded.

7. For all surface areas distributed during the drilling and completion operations including roads, developer shall locate all top soil separately from subsoil and upon completion or abandonment the top soil shall be evenly replaced on the surface of the area disturbed.
8. No “double-trucking” of rigs and/or equipment shall take place in or out of the premises except by written consent of the Location Leader.
9. The proposed well location shall be situated as agreed by the Location Leader. Said location including all area around the proposed well but not including the roadway shall not exceed 1.5 acres in total area. At the request of the Location Leader, lessee shall adequately fence the location.
10. No pits shall be excavated in connection with the drilling operation by lessee. Tank trucks will be used for drilling mud, water, effluents or other solutions or liquids used during the drilling operations. The lessee must develop a water quality monitoring procedure to make sure that any of the drilling and related activities do not affect or pollute the water table. This plan must be approved by the Location Leader prior to initiation of drilling activities.
11. All trash, litter, discarded equipment, and discarded tools shall be kept in a reasonably neat pile and hauled away at the conclusion of the drilling operation. In no event shall any trash, litter, discarded tools or discarded equipment be placed in an excavation on the described lands.
12. All trash and litter will be kept cleaned from areas adjacent to roadways and well location and removed from the premises.
13. Any travel off of the permitted right-of-way will be considered as a default of the lease agreement.
14. The fence surrounding the well location will be left intact until the site is re-vegetated and a mature stand of grass or cover is obtained.
15. If the proposed well is completed as a producing well, the area permitted as a fenced location after grass is re-established shall be reduced and restricted to a size no larger than one-third (1/3) acre.

16. Soil which has been contaminated by escaping fluids on roads and /or around and on well location will be removed, replaced with a fresh soil of similar characteristics to the depth of contamination and restored to its natural condition.
17. Lessee shall be liable and agrees to pay for all damages to the vegetation, livestock, crops and improvements on the lease site and surrounding areas caused by the lessee's operation of said lease. In the event that lessee and lessor are unable to agree on the amount of damages by the lessee's operation on the lease, the parties agree that three (3) appraisers will be chosen, to appraise the damage done by the lessee's operations on said land, and both lessor and lessee agree to be bound by said appraisal.
18. Any fences installed as a result of ingress and egress in the drilling of this well, will be constructed in a design approved by the Location Leader. All construction of fences are to be at the expense of the lessee.
19. The lessee, its agent's employees, subcontractors and employees of contractors and subcontractors, when on the leased land shall exercise extraordinary precaution to prevent and suppress any and all range fires. Any fire caused by the lessee, its agent's employees, contractors, subcontractors, which burn the major part of any one experimental pasture or parts of two or more experimental pastures will require controlled burning of all pastures in same unit of which these pastures are an integral part, so that SEA experiments on the whole unit will be treated uniformly. All cost of such control burning will be borne by the lessee and in accords with written instruction by the Location Leader.
20. The lessee will not burn rubbish, trash or other inflammable materials and will not use explosives in such a manner as to scatter inflammable material on the surface of the land during the operation of this lease.
21. Unless otherwise authorized, prior to the beginning of the operations upon the leased lands, lessee will appoint and maintain at all times during the term of this lease including rehabilitation or closure of the site, a local agent upon whom may be served written orders and notices respecting matters contained in this stipulation and to inform the Location Leader in writing the name and address of such agent. If a substitute agent is appointed, the lessee will immediately so inform the Location Leader.

- 22. In the event the lessee completes a producing well on the premises and in the event it becomes necessary to erect a “workover” or service rig at the location, lessee shall give owner prior notice to such activities and receive approval before it is brought in. At that time, lessee and the Location Leader will agree on the number of days that the workover or service rig will be on site.**
- 23. Lessee shall instruct and supervise it’s employees, contractors, and agents in the performance of the terms of this agreement.**
- 24. This agreement is not intended to and does not encompass pipeline easements or any extraordinary damage to the leased property or adjoining areas which may result from blowout, fire, pollution or other unusual occurrence or breach of this agreement or injury to livestock or damage to or interference with the operation of the research station by workover or service rigs.**
- 25. The company will appoint a qualified person or firm that will monitor the environmental concern and any surface-disturbing activities, and then monitor the company’s compliance with recognized environmental standards and these stipulations. This person or firm will report to the ARS representative.**

**SPECIAL STIPULATIONS FOR
PIPELINE EASEMENTS ON THE
AGRICULTURE FIELD STATION**

The lands embraced in this pipeline easement being under the jurisdiction of the Secretary of Agriculture, the lessee hereby agrees to accept the following terms and conditions, and to incorporate them into the easement. The authorized representative of the Secretary of Agriculture is the Location Leader, Southern Plains Range Research Station, USDA, 2000 18th Street, Woodward, Oklahoma 73801 (hereinafter referred to as "Location Leader") to whom all matters relating to this stipulation will be addressed.

Pipeline construction and maintenance will be conducted with due regard for good land management so as to create a minimum disturbance to the surface vegetation and to the experimental research of the Southern Plains Range Research Station. A cooperative and mutual effort will be exercised by both parties in the solution of any and all operational problems. Each pipeline location will be staked in joint agreement between the lessee and the Location Leader.

Routes of ingress and egress to pipeline, including maintenance thereon, will be specified by the Location Leader, without undue burden to normal requirements of the lessee. Such routes will be posted, and no deviation therefrom will be permitted except in an emergency.

Any fence crossed by a pipeline will have a temporary gate installed during construction and the fence will be properly braced on both sides; all construction to be at the expense of the lessee and in accordance with specifications to be furnished by the Location Leader.

All pipelines will be buried a minimum of forty-eight (48) inches below the surface of the ground, unless otherwise agreed to in writing by the Location Leader. The ditch will be dug double, that is, the top sixteen (16) inches will be piled along one side of the ditch, and bottom thirty-two (32) inches will be piled along the other side and will be replaced first.

The lessee, its agents, employees, contractors, subcontractors, and employees of contractors and subcontractors, when on SPRRS land shall exercise extraordinary precaution to prevent and suppress any and all range fires. Any fire caused by the lessee, its agents, employees, contractors, subcontractors, or employees of such contractors or subcontractors, which burns the major part of

one experimental pasture, or parts of two or more experimental pastures, will require controlled burning of all other pastures in the same unit of which these pastures are an integral part, so that ARS experiments on the whole unit will be treated uniformly. All costs of such controlled burning will be borne by the lessee and in accordance with written instructions of the Location Leader.

During period of serious fire danger to brush or grass, as may be specified by the Location Leader, the lessee will have at each site where welding is in progress a fire-fighting vehicle (water and pump) alertly manned during and for at least one (1) hour following all welding operations.

The lessee will not burn rubbish, trash or other inflammable materials except with the consent of the Location Leader and will not use explosives in such a manner as to scatter inflammable materials on the surface of the land during the brush or grass fire season, except as authorized to do so or on areas approved by such representative.

The lessee will be responsible for payment of a just and reasonable sum for death or injury to any Government-owned or Government-supervised livestock properly grazing in pastures crossed by a pipeline, where such death or injury is attributable to the negligence of the lessee, its agents, employees, contractors, subcontractors, or employees of such contractors or subcontractors.

Unless otherwise authorized, prior to the beginning of pipeline construction, lessee will appoint a local agent upon whom may be served written orders and notice respecting matters contained in this stipulation, and to inform the Location Leader, in writing, of the name and address of such agent. If a substitute agent is appointed, the lessee will immediately so inform the Location Leader.

SPECIAL STIPULATION
BUREAU OF RECLAMATION

To avoid interference with recreation development and/or impacts to fish and wildlife habitat and to assist in preventing damage to any Bureau of Reclamation dams, reservoirs, canals, ditches, laterals, tunnels, and related facilities, and contamination of the water supply therein, the lessee agrees that the following conditions shall apply to all exploration and developmental activities and other operation of the works thereafter on lands covered by this lease:

1. Prior to commencement of any surface-disturbing work including drilling, access road work, and well location construction, a surface use and operations plan will be filed with the appropriate officials. A copy of this plan will be furnished to the Area Manager Oklahoma-Texas Area Office, Great Plains Region, Bureau of Reclamation, 5924 NW 2nd Street, Suite 200, Oklahoma City, Oklahoma 73127, for review and consent prior to approval of the plan. Such approval will be conditioned on reasonable requirements needed to prevent soil erosion, water pollution, and unnecessary damages to the surface vegetation and other resources, including cultural resources, of the United States, its lessees, permittees, or licensees, and to provide for the restoration of the land surface use and vegetation. The plan shall contain provisions as the Bureau of Reclamation may deem necessary to maintain proper management of the water, recreation, lands, structures, and resources, including cultural resources, within the prospecting, drilling, or construction area.

Drilling sites for all wells and associated investigations such as seismograph work shall be included in the above-mentioned surface use and operation plan.

If later explorations require departure from, or additions to the approved plan, these revisions or amendments, together with a justification statement for proposed revisions, will be submitted for approval to the Area Manager, Oklahoma-Texas Area Office, Bureau of Reclamation, or his authorized representative.

Any operations conducted in advance of approval of an original, revised, or amended prospecting plan, or which are not in accordance with an approved plan, constitute a violation of the terms of this lease. The Bureau of Reclamation reserves the right to close down operations until such corrective action, as is deemed necessary, is taken by the lessee.

2. No occupancy of the surface of the following excluded areas is authorized by this lease. It is understood and agreed that the use of these areas for Bureau of Reclamation purposes is superior to any other use. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation Project where the United States owns 100 percent of the fee mineral interest.

- a. Within 500 feet on either side of the centerline of any and all roads or highways within the leased area.
- b. Within 200 feet on either side of the centerline of any and all trails within the leased area.
- c. Within 500 feet of the normal high-water line of any and all live streams in the leased area.
- d. Within 400 feet of any and all recreation developments within the leased area.
- e. Within 400 feet of any improvements either owned, permitted, leased, or otherwise authorized by the Bureau of Reclamation within the leased area.
- f. Within 200 feet of established crop fields, food plots, and tree/shrub plantings within the leased area.
- g. Within 200 feet of slopes steeper than a 2:1 gradient within the leased area.
- h. Within established rights-of-way of canals, laterals, and drainage ditches within the leased area.
- i. Within a minimum of 500 feet horizontal from the centerline of the facility or 50 feet from the outside toe of the canal, lateral, or drain embankment, whichever distance is greater, for irrigation facilities without clearly marked rights-of-way within the leased area.
- j. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation may consider, on a case-by-case basis, waiving the requirements specified in Section 2 hereof.

HOWEVER, LESSEES ARE ADVISED THAT OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.

3. No occupancy of the surface or surface drilling will be allowed in the following areas. In addition, no directional drilling will be allowed that would intersect the subsurface zones delineated by a vertical plane in these areas. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100% of the fee mineral interest.

- a. Within 1,000 feet of the maximum water surface, as defined in the Standard Operating Procedures (SOP), of any reservoirs and related facilities located within the leased area.
- b. Within 2,000 feet of dam embankments and appurtenance structures such as spillway structures, outlet works, etc.
- c. Within one-half (1/2) mile horizontal from the centerline of any tunnel within the leased area.
- d. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation may consider, on a case-by-case basis, waiving the requirements specified in Section 3 hereof.

HOWEVER, LESSEES ARE ADVISED THE OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.

4. The distances stated in items 2 and 3 above are intended to be general indicators only. The Bureau of Reclamation reserves the right to revise these distances as needed to protect Bureau of Reclamation facilities.

5. The use of explosives in any manner shall be so controlled that the works and facilities of the United States, its successors and assigns, will in no way be endangered or damaged. In this connection, an explosives use plan shall be submitted to and approved by the Area Manager, Oklahoma-Texas Office, Bureau of Reclamation, or his authorized representative.

6. The lessee shall be liable for all damage to the property of the United States, its successors and assigns, resulting from the exploration, development, or operation of the works contemplated by this lease, and shall further hold the United States, its successors and assigns, and its officers, agents, and employees, harmless from all claims of third parties for injury or damage sustained, or in any way resulting from, the exercise of the rights and privileges conferred by this lease.

7. The lessee shall be liable for all damage to crops or improvements of any entryman, non-mineral applicant, or patentee, their successors and assigns, caused by or resulting from, the drilling or other operations of the lessee, including reimbursement of any entryman or patentee, their successors and assigns, for all construction, operation, and maintenance charges becoming due on any portion of their said lands damaged as a result of the drilling or other operations of the lessee.

8. In addition to any other bond required under the provisions of this lease, the lessee shall provide such bond as the United States may at any time require for damages which may arise under the liability provisions of sections six (6) and seven (7) above.

CORPS OF ENGINEERS
SPECIAL STIPULATIONS 1-A
BIG HILL LAKE

1. This is a no surface occupancy lease.
2. All oil and gas drilling and production operations shall be under the supervision of the District Manager, Bureau of Land Management (BLM), in accordance with 43 Code of Federal Regulations 3160.
3. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
4. If the District Engineer or his authorized representative discovers an imminent danger to safety or security which allows no time to consult the BLM, that person may order such activities stopped immediately. The District Manager, BLM, will be notified immediately, will review the order, and will determine the need for further remedial action.
5. Lessee liability for damage to improvements shall include improvements of the Department of Defense. Lessee shall be liable for pollution and other damages, as a result of their operations, to Government-owned land and property and to the property of the Government's authorized surface user.
6. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the lease area and must consider programs for which third parties have contractual responsibility.
7. A license to conduct geophysical test on the leased area must be obtained separately from the District Engineer.
8. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-named project.

9. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities; and the lessee shall hold the United States harmless from any and all such claims.

10. That the work performed by the lessee on the lands shall be under the general supervision of the District Engineer, Corps of Engineers, in direct charge of the project, and subject to such conditions and regulations as may be prescribed by him, and the plans and locations for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval in advance of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises, at any time, to inspect both the installation and operational activities of the lessee.

11. That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.

12. That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

13. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work performed on land outside the property included in the lease is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in the amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.

14. All areas with 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas, including drilling outside of the restricted areas which would cause a bore hole to be under the restricted area, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming part of a drilling unit so that the United States will share in the royalty of the unit.

15. All existing or proposed public use areas, recreation areas, wildlife and waterfowl refuges, historical sites, and hiking and horseback trail areas may be leased for the sole purpose of becoming a part of a drilling unit. The lessee, his operators, agents, or employees will not use or enter upon the surface for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.

16. All storage tanks and slush pits will be protected by dikes of sufficient capacity to protect the reservoir from pollution to flood pool elevation 867.5 feet for Pearson-Skubitz Big Hill Lake, National Geodetic Vertical Datum.

17. It is the responsibility of the lessee to identify and be aware of areas where entry is prohibited.

18. The operator will immediately stop work and advise the District Engineer or his authorized representative if contamination is found in the operating area.

U. S. ARMY CORPS OF ENGINEERS
SPECIAL STIPULATIONS 1-A
EUFAULA LAKE

1. This is a no surface occupancy lease.
2. All oil and gas drilling and production operations shall be under the supervision of the District Manager, Bureau of Land Management (BLM), in accordance with 43 Code of Federal Regulations 3160.
3. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
4. If the District Engineer or his authorized representative discovers an imminent danger to safety or security which allows no time to consult the BLM, that person may order such activities stopped immediately. The District Manager, BLM, will be notified immediately, will review the order, and will determine the need for further remedial action.
5. Lessee liability for damage to improvements shall include improvements of the Department of Defense. Lessee shall be liable for pollution and other damages, as a result of their operations, to Government-owned land and property and to the property of the Government's authorized surface user.
6. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the lease area and must consider programs for which third parties have contractual responsibility.
7. A license to conduct geophysical test on the leased area must be obtained separately from the District Engineer.
8. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-named project.

9. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities; and the lessee shall hold the United States harmless from any and all such claims.

10. That the work performed by the lessee on the lands shall be under the general supervision of the District Engineer, Corps of Engineers, in direct charge of the project, and subject to such conditions and regulations as may be prescribed by him, and the plans and locations for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval in advance of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises, at any time, to inspect both the installation and operational activities of the lessee

11. That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.

12. That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

13. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work performed on land outside the property included in the lease is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in the amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.

14. All areas with 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas, including drilling outside of the restricted areas which would cause a bore hole to be under the restricted area, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming part of a drilling unit so that the United States will share in the royalty of the unit.

15. All existing or proposed public use areas, recreation areas, wildlife and waterfowl refuges, historical sites, and hiking and horseback trail areas may be leased for the sole purpose of becoming a part of a drilling unit. The lessee, his operators, agents, or employees will not use or enter upon the surface for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.

16. All storage tanks and slush pits will be protected by dikes of sufficient capacity to protect the reservoir from pollution to flood pool elevation 604.96 feet for Eufaula Lake, National Geodetic Vertical Datum.

17. It is the responsibility of the lessee to identify and be aware of areas where entry is prohibited.

18. The operator will immediately stop work and advise the District Engineer or his authorized representative if contamination is found in the operating are

CORPS OF ENGINEERS
SPECIAL STIPULATIONS 1-A
FORT SUPPLY LAKE

1. This is a no surface occupancy lease.
2. All oil and gas drilling and production operations shall be under the supervision of the District Manager, Bureau of Land Management (BLM), in accordance with 43 Code of Federal Regulations 3160.
3. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
4. If the District Engineer or his authorized representative discovers an imminent danger to safety or security which allows no time to consult the BLM, that person may order such activities stopped immediately. The District Manager, BLM, will be notified immediately, will review the order, and will determine the need for further remedial action.
5. Lessee liability for damage to improvements shall include improvements of the Department of Defense. Lessee shall be liable for pollution and other damages, as a result of their operations, to Government-owned land and property and to the property of the Government's authorized surface user.
6. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the lease area and must consider programs for which third parties have contractual responsibility.
7. A license to conduct geophysical test on the leased area must be obtained separately from the District Engineer.
8. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-named project.

9. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other Governmental activities; and the lessee shall hold the United States harmless from any and all such claims.

10. That the work performed by the lessee on the lands shall be under the general supervision of the District Engineer, Corps of Engineers in direct charge of the project and subject to such conditions and regulations as may be prescribed by him, and the plans and locations for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval in advance of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises, at any time, to inspect both the installation and operational activities of the lessee.

11. That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.

12. That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

13. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work performed on land outside the property included in the lease is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in the amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.

14. All areas with 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas, including drilling outside of the restricted areas which would cause a bore hole to be under the restricted area, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming part of a drilling unit so that the United States will share in the royalty of the unit.

15. All existing or proposed public use areas, recreation areas, wildlife and waterfowl refuges, historical sites, and hiking and horseback trail areas may be leased for the sole purpose of becoming a part of a drilling unit. The lessee, his operators, agents, or employees will not use or enter upon the surface for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.

16. All storage tanks and slush pits will be protected by dikes of sufficient capacity to protect the reservoir from pollution to flood pool elevation **2,028.0** feet for Fort Supply Lake, National Geodetic Vertical Datum.

17. It is the responsibility of the lessee to identify and be aware of areas where entry is prohibited.

18. The operator will immediately stop work and advise the District Engineer or his authorized representative if contamination is found in the operating area.

CORPS OF ENGINEERS
SPECIAL STIPULATIONS 1-A
SARDIS LAKE

1. This is a no surface occupancy lease.
2. All oil and gas drilling and production operations shall be under the supervision of the District Manager, Bureau of Land Management (BLM), in accordance with 43 Code of Federal Regulations 3160.
3. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
4. If the District Engineer or his authorized representative discovers an imminent danger to safety or security which allows no time to consult the BLM, that person may order such activities stopped immediately. The District Manager, BLM, will be notified immediately, will review the order, and will determine the need for further remedial action.
5. Lessee liability for damage to improvements shall include improvements of the Department of Defense. Lessee shall be liable for pollution and other damages, as a result of their operations, to Government-owned land and property and to the property of the Government's authorized surface user.
6. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the lease area and must consider programs for which third parties have contractual responsibility.
7. A license to conduct geophysical test on the leased area must be obtained separately from the District Engineer.
8. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-named project.

9. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities; and the lessee shall hold the United States harmless from any and all such claims.

10. That the work performed by the lessee on the lands shall be under the general supervision of the District Engineer, Corps of Engineers, in direct charge of the project, and subject to such conditions and regulations as may be prescribed by him, and the plans and locations for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval in advance of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises, at any time, to inspect both the installation and operational activities of the lessee.

11. That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.

12. That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

13. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work performed on land outside the property included in the lease is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in the amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.

14. All areas with 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas, including drilling outside of the restricted areas which would cause a bore hole to be under the restricted area, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming part of a drilling unit so that the United States will share in the royalty of the unit.

15. All existing or proposed public use areas, recreation areas, wildlife and waterfowl refuges, historical sites, and hiking and horseback trail areas may be leased for the sole purpose of becoming a part of a drilling unit. The lessee, his operators, agents, or employees will not use or enter upon the surface for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.

16. All storage tanks and slush pits will be protected by dikes of sufficient capacity to protect the reservoir from pollution to Sardis Lake flood pool elevation **607.0** feet, National Geodetic Vertical Datum.

17. It is the responsibility of the lessee to identify and be aware of areas where entry is prohibited.

18. The operator will immediately stop work and advise the District Engineer or his authorized representative if contamination is found in the operating area.

CORPS OF ENGINEERS
SPECIAL STIPULATIONS 1-A
TORONTO LAKE

1. This is a no surface occupancy lease.
2. All oil and gas drilling and production operations shall be under the supervision of the District Manager, Bureau of Land Management (BLM), in accordance with 43 Code of Federal Regulations 3160.
3. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
4. If the District Engineer or his authorized representative discovers an imminent danger to safety or security which allows no time to consult the BLM, that person may order such activities stopped immediately. The District Manager, BLM, will be notified immediately, will review the order, and will determine the need for further remedial action.
5. Lessee liability for damage to improvements shall include improvements of the Department of Defense. Lessee shall be liable for pollution and other damages, as a result of their operations, to Government-owned land and property and to the property of the Government's authorized surface user.
6. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the lease area and must consider programs for which third parties have contractual responsibility.
7. A license to conduct geophysical test on the leased area must be obtained separately from the District Engineer.
8. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-named project.

9. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities; and the lessee shall hold the United States harmless from any and all such claims.

10. That the work performed by the lessee on the lands shall be under the general supervision of the District Engineer, Corps of Engineers, in direct charge of the project, and subject to such conditions and regulations as may be prescribed by him, and the plans and locations for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval in advance of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises, at any time, to inspect both the installation and operational activities of the lessee.

11. That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.

12. That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

13. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work performed on land outside the property included in the lease is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in the amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.

14. All areas with 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas, including drilling outside of the restricted areas which would cause a bore hole to be under the restricted area, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming part of a drilling unit so that the United States will share in the royalty of the unit.

15. All existing or proposed public use areas, recreation areas, wildlife and waterfowl refuges, historical sites, and hiking and horseback trail areas may be leased for the sole purpose of becoming a part of a drilling unit. The lessee, his operators, agents, or employees will not use or enter upon the surface for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.

16. All storage tanks and slush pits will be protected by dikes of sufficient capacity to protect the reservoir from pollution to flood pool elevation **931.0** feet for Toronto Lake, National Geodetic Vertical Datum.

17. It is the responsibility of the lessee to identify and be aware of areas where entry is prohibited.

18. The operator will immediately stop work and advise the District Engineer or his authorized representative if contamination is found in the operating area.

CORPS OF ENGINEERS
SPECIAL STIPULATIONS 1-A
WISTER LAKE

1. This is a no surface occupancy lease.
2. All oil and gas drilling and production operations shall be under the supervision of the District Manager, Bureau of Land Management (BLM), in accordance with 43 Code of Federal Regulations 3160.
3. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
4. If the District Engineer or his authorized representative discovers an imminent danger to safety or security which allows no time to consult the BLM, that person may order such activities stopped immediately. The District Manager, BLM, will be notified immediately, will review the order, and will determine the need for further remedial action.
5. Lessee liability for damage to improvements shall include improvements of the Department of Defense. Lessee shall be liable for pollution and other damages, as a result of their operations, to Government-owned land and property and to the property of the Government's authorized surface user.
6. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the lease area and must consider programs for which third parties have contractual responsibility.
7. A license to conduct geophysical test on the leased area must be obtained separately from the District Engineer.
8. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-named project.

9. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities; and the lessee shall hold the United States harmless from any and all such claims.

10. That the work performed by the lessee on the lands shall be under the general supervision of the District Engineer, Corps of Engineers, in direct charge of the project, and subject to such conditions and regulations as may be prescribed by him, and the plans and locations for all structures, appurtenances thereto, and work on said lands shall be submitted to the said District Engineer for approval in advance of commencement of any work on said lands. The District Engineer shall have the right to enter on the premises, at any time, to inspect both the installation and operational activities of the lessee.

11. That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.

12. That the construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

13. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work performed on land outside property included in the lease is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in the amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.

14. All areas with 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas, including drilling outside of the restricted areas which would cause a bore hole to be under the restricted area, will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming part of a drilling unit so that the United States will share in the royalty of the unit.

15. All existing or proposed public use areas, recreation areas, wildlife and waterfowl refuges, historical sites, and hiking and horseback trail areas may be leased for the sole purpose of becoming a part of a drilling unit. The lessee, his operators, agents, or employees will not use or enter upon the surface for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.

16. All storage tanks and slush pits will be protected by dikes of sufficient capacity to protect the reservoir from pollution to flood pool elevation **502.5** feet, for Wister Lake, National Geodetic Vertical Datum.

17. It is the responsibility of the lessee to identify and be aware of areas where entry is prohibited.

18. The operator will immediately stop work and advise the District Engineer or his authorized representative if contamination is found in the operating area.

**NOTICE FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE**

In conducting operations associated with this lease, the lessee/operator must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use, occupancy, and management of National Forest System (NFS) lands when not inconsistent with existing lease rights granted by the Secretary of Interior.

All matters related to this notice are to be addressed

To: Forest Supervisor
Cibola National Forest

At: 2113 Osuna Rd., NE, Suite A
Albuquerque, NM 87113-1001

Telephone: 505-346-3804

who is the authorized representative of the Secretary of Agriculture.

CULTURAL RESOURCES (National Historic Preservation Act of 1966 (NHPA), P.L. 89-665 as amended by P.L. 94-422, P.L. 94-458, and P.L. 96-515):

The Forest Service authorized officer is responsible for ensuring that the leased lands are examined prior to the undertaking of any ground-disturbing activities to determine whether or not cultural resources are present, and to specify mitigation measures for effects on cultural resources that are found to be present.

The lessee or operator shall contact the Forest Service to determine if a site-specific cultural resource inventory is required prior to undertaking any surface-disturbing activities on Forest Service lands covered by this lease.

The lessee or operator may engage the services of a cultural resource specialist acceptable to the Forest Service to conduct any necessary cultural resource inventory of the area of proposed surface disturbance. In consultation with the Forest Service authorized officer, the lessee or operator may elect to conduct an inventory of a larger area to allow for alternative or additional areas of disturbance that may be needed to accommodate other resource needs or operations.

The lessee or operator shall implement mitigation measures required by the Forest Service to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing, salvage, and recordation or other protective measures.

During the course of actual surface operations on Forest Service lands associated with this lease, the lessee or operator shall immediately bring to the attention of the Forest Service the discovery of any cultural or paleontological resources. The lessee or operator shall leave such discoveries intact until directed to proceed by Forest Service.

THREATENED OR ENDANGERED SPECIES (The Endangered Species Act. (ESA), P.L. 93-205 (1973), P.L. 94-359 (1974), P.L. 95-212 (1977), P.L. 95-632 (1978), P.L. 96-159 (1979), P.L. 97-304 (1982), P.L. 100-653 (1988)).

The Forest Service authorized officer is responsible for compliance with the Endangered Species Act. This includes meeting ESA Section 7 consultation requirements with the U.S. Fish and Wildlife Service prior to any surface disturbing activities associated with this lease with potential effects to species and/or habitats protected by the ESA. The results of consultation may indicate a need for modification of or restrictions on proposed surface disturbing activities.

The lessee or operator may choose to conduct the examination at their cost. Results of the examination will be used in any necessary ESA consultation procedures. This examination and any associated reports, including Biological Assessments, must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. Any reports must also be formally approved by the USDA Forest Service biologist or responsible official.

CONTROLLED SURFACE USE STIPULATION
(Prevention of soil erosion and to prevent riparian areas

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

Facilities will be located at least 300 feet away from all riparian corridors (i.e. 300 feet away from the edge of vegetation zones associated with riparian areas whether they are perennial, intermittent or ephemeral).

Activities associated with drilling and production will be limited or special actions may be required in areas with high potential for wind or water erosion.

New road access will be limited to areas of less than 30% slopes. New road access in or near drainage (watercourses) will be limited to essential crossings with the least environmental impact. All Soil and Water Conservation Practices described in FSH 2509.22 will be followed for each site-specific case of road construction.

On the lands described below:

For the purpose of:

Prevention of soil erosion and to protect riparian areas.

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

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

The lessee is given notice that a closed circulation system will be used for all oil and gas drilling. No open pits will be allowed.

On the lands described below:

For the purpose of:

Avoiding potential ground and surface water contamination and surface disturbance associated with open pits.

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

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

The permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

To : Forest Service
National Forests in Texas
At : 415 South First Street, Suite 110
Lufkin, TX 75901
Telephone No : (936) 639-8580

Who is the authorized representative of the Secretary of Agriculture.

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect streamside management zones)

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

Portions of this lease contain streamside management zones (floodplains, wetlands). As a minimum, these areas are established within the 100 year flood plain of all intermittent streams and perennial streams, and 100 feet from the normal pool level contour of lakes. Site- specific proposals for surface-disturbing activities (such as pipelines and seismic surveys) within these areas will be analyzed and will normally result in establishment of protective requirements or limitations for the affected site. Surface occupancy for oil and gas wells will not be allowed within the streamside management zone. (MA-4-63)

On the lands described below:

For the purpose of:

To meet visual quality objectives and protect streamside management zones in accordance with the National Forest and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the 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.)

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS
(Trail Between the Lakes Hiking Trail)

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

Trail Between the Lakes Hiking Trail. Proposals for drilling sites located 150 feet or less from the trail may be subject to special requirements or limitations, such to be determined on a case-by-case basis.

Trail may be crossed by vehicles but may not be used as a travelway. Vehicles may not parallel the trail closer than 25 feet. When crossing the trail with vehicles any brush pushed into the trail must be totally removed from the trail. Shot holes will be placed no closer than 25 feet from the trail's edge to meet public safety requirements. If necessary, the shot holes may be required to be located farther than 25 feet from the trail. (FW-158)

On the lands described below:

For the purpose of: To protect the trail and meet visual quality objectives as per National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the land use plan and/or the 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).

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect Lakeshores – Toledo Bend Reservoir)

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

Proposals for a structure, facility, or motorized uses on Toledo Bend Reservoir lands between the 172' and 175' MSL contours, or on a strip of land extending inland 200 meters from the 175' contour, may be subject to special requirements or limitations, such to be determined on a case-by-case basis.

On the lands described below:

For the purpose of:

To meet visual quality objectives and protect lakeshores in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the land use plan and/or the 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.)

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS
(Unique Plants or Plant Communities)

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

Portions of this lease may contain large (greater than 40 acres) areas identified under the Texas Natural Heritage Program's Sensitive Plant and Natural Community Inventory. These areas may contain bogs and seeps or sensitive plants and plant communities. Site-specific proposals for surface-disturbing activities within these areas will be analyzed. Such analysis could result in establishment of protective requirements, limitations for the affected site, or possibly require relocation of the activities.

On the lands described below:

For the purpose of:

To meet requirements of the National Forest Management Act of 1976 and regulation, 36 CFR 219.26. Also to protect and promote sustainable populations of unique plants or plant communities as per the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the land use plan and/or the 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.)

CONTROLLED SURFACE USE STIPULATION
NATIONAL FORESTS IN TEXAS
(Protect Red-Cockaded Woodpecker Clusters)

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

Portions of the land in this lease are, or may be, occupied by clusters of the endangered red-cockaded woodpecker. Exploration and development proposals may be modified and/or limited, including no surface occupancy, within $\frac{1}{4}$ mile of an active red-cockaded woodpecker cluster. In addition, if foraging habitat is limited, no surface occupancy may occur within $\frac{1}{2}$ mile of an active red-cockaded woodpecker cluster. Upon receipt of a site-specific proposal, the Forest Service will provide current inventory records of cluster locations and may require that localized surveys be performed to assure no uninventoried clusters are present. (MA-2-80-4.6)

On the lands described below:

For the purpose of:

To protect red-cockaded woodpecker clusters foraging and habitat areas in accordance with the National Forest and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the 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.)

LEASE NOTICE
NATIONAL FORESTS IN TEXAS
**(Proposals for surface occupancy
below the 172' MSL contour)**

Proposals for surface occupancy, other than foot travel, below the 172' MSL contour will require concurrence of the United States Corps of Engineers prior to issuance of a Forest Service decision on that proposal. In addition, the Sabine River Authority of Texas will be requested to comment on such proposals.

NO SURFACE OCCUPANCY STIPULATION
NATIONAL FORESTS IN TEXAS

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

Tracts K-1b-II Parcel 3 where minimal surface area is available and resources would be impacted by drilling facilities.

For the purpose of: To meet visual quality objectives and to protect areas in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the land use plan and/or the 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.)

NO SURFACE OCCUPANCY STIPULATION
SPECIAL CULTURAL VALUES

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

(the lease operator may use existing access roads on this tract)

For the purpose of: Protects cultural resource values.

If circumstances or relative resource values change or if it can be demonstrated that oil and gas operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the BLM Authorized Officer, if such action is consistent with the provisions of the Farmington Resource Management Plan, or if not consistent, through a land use plan amendment and associated National Environmental Policy Act analysis document. If the BLM Authorized Officer determines that the waiver, exception, or modification shall be subject to a 30-day public review period.

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
MOUNTAIN PLOVER

All development activities proposed under the authority of this lease are subject to compliance with mitigation measures described in the Biological Assessment prepared as part of the Endangered Species Act Section 7 consultation for the Farmington RMP. Specifically, the lease is within potential habitat for mountain plover. Surface disturbance activities proposed for the breeding season (April 1 through July 31) will require surveys for mountain plover. If the species is detected in the project area, construction will be restricted to the period of August 1 through March 31. Permanent facilities such as compressor stations may require site-specific mitigation such as noise remediation or maintenance construction timing restrictions. The BLM may require modifications to or disapprove proposed activities that would adversely affect nesting mountain plovers or their habitat. This could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

LEASE NOTICE
NOISE

This lease is adjacent to a noise sensitive area (Bisti/De-Na-Zin Wilderness Area). Noise sources that operate on a continual basis (more than 8 hours/day), long term (more than 1 week in duration) can not exceed a noise level of 48.6 dB(A)Leq at the boundary of the wilderness area. If 48.6 dB(A)Leq does not provide an adequate level of protection from the auditory impact created by lease operations, a stricter stand shall be applied. BLM staff would work with the leaseholder on a case-by-case basis to achieve an acceptable level of noise mitigation. This requirement will not normally apply to transient operations such as construction, drilling, completion, workover activities, and other temporary sound sources. These short-term activities will be handled on a case-by-case basis during the permitting process. Compliance with the Field Office noise policy could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

Special Cultural Resource
Lease Notice

All development activities proposed under the authority of this lease are subject to compliance with Section 106 of the NHPA and Executive Order 13007. The lease area may contain historic properties, traditional cultural properties (TCP's), and/or sacred sites currently unknown to the BLM that were not identified in the Resource Management Plan or during the lease parcel review process. Depending on the nature of the lease developments being proposed and the cultural resources potentially affected, compliance with Section 106 of the National Historic Preservation Act and Executive Order 13007 could require intensive cultural resource inventories, Native American consultation, and mitigation measures to avoid adverse effects—the costs for which will be borne by the lessee. The BLM may require modifications to or disapprove proposed activities that are likely to adversely affect TCP's or sacred sites for which no mitigation measures are possible. This could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

CONTROLLED SURFACE USE
WETLAND/RIPARIAN STIPULATION

All or portions of the lands under this lease contain wetland and/or riparian areas. Surface occupancy of these areas will not be allowed without the specific approval, in writing, of the Bureau of Land Management. Impacts or disturbance to wetlands and riparian habitats which occur on this lease must be avoided, or mitigated. The mitigation shall be developed during the application for permit to drill process.

For the following described land(s):

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

SEASON OF USE STIPULATION

Surface occupancy of this lease will not be allowed from February 15 to May 15, as well as all applicable hunting seasons without the specific approval, in writing, from the authorized officer of the Bureau of Land Management. This stipulation does not apply to operation and maintenance of production facilities.

On the land(s) described below:

For the Purpose of: Wildlife seasonal use requirements or recreation use conflicts with drilling activities.

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

Bureau of Land Management
Oklahoma Field Office

ORA-3 SS
November 1991

LEASE NOTICE
POTENTIAL CAVE OR KARST OCCURRENCE AREA

All or portion of the lease are located in a potential cave or karst occurrence area. Within this area, caves or karst features such as sinkholes, passages, and large rooms may be encountered from the surface to a depth of as much as 2,000 feet, within surface areas ranging from a few acres to hundreds of acres. Due to the sensitive nature of the cave or karst systems of this area, special protective measures may be developed during environmental analyses and be required as part of approvals for drilling or other operations on this lease. These measures could include: changes in drilling operations; special casing and cementing programs; modifications in surface activities; or other reasonable measures to mitigate impacts to cave or karst values. These measures may be imposed in accordance with 43 CFR 3101.1-2; 43 CFR 3162.5-1; Onshore Oil and Gas Order No. 1; and Section 6 of the lease terms.

**NO SURFACE OCCUPANCY STIPULATION
THREATENED PLANT SPECIES**

No surface occupancy or use is allowed on the land(s) described below:

For the purpose of: Protecting the Federally listed threatened and endangered gypsum wild-buckwheat species (*Eriogonum gypsophilum*) and designated Critical habitat (Federal Register Notice dated January 19, 1981), and as discussed in the Carlsbad RMP.

If circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable Land Use Plan, or if not consistent, through a planning amendment. If the authorized officer determines that the waiver, exception, or modification is substantial, the waiver, exception, or modification will be subject to a 30-day public review period.

**Bureau of Land Management
Carlsbad Field Office**

**SENM-S-5
Revised January 1989**

NO SURFACE OCCUPANCY STIPULATION
POTASH

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

For the purpose of:

- a. preventing hazards to oil and gas operations due to drilling through open potash mine workings, cavities or voids over which the lands are situated.
- b. preventing open potash mine workings from becoming gassey thereby creating a hazard to human health and safety during underground mining.
- c. protecting critical, economically important potash resources within the Secretary's Potash Area as discussed in the Carlsbad Resource Management Plan.

CONTROLLED SURFACE USE
RAPTOR NESTS AND HERONRIES

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

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both. Raptor nests on special, natural habitat features, such as trees, large brush, cliff faces and escarpments, will be protected by not allowing surface disturbance within up to 200 meters of nests or by delaying activity for up to 90 days, or a combination of both. Exceptions to this requirement for raptor nests will be considered if the nests expected to be disturbed are inactive, the proposed activity is of short duration (e.g. habitat enhancement projects, fences, pipelines), and will not result in continuing activity in proximity to the nest.

For the purpose of: **Protecting Raptor Nests and Heronries.**

CONTROLLED SURFACE USE
SLOPES OR FRAGILE SOILS

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

Surface disturbance will not be allowed on slopes over 30 percent. Exceptions will be considered for authorized mineral material extraction sites and designated OHV areas, for the installation of projects designed to enhance or protect renewable natural resources, or if a plan of operating and development which provides for adequate mitigation of impacts was approved by the Authorized Officer. Occupancy or use of fragile soils will be considered on a case-by-case basis.

On the lands described below:

For the purpose of: Protecting Slopes or Fragile Soils

CONTROLLED SURFACE USE
STREAMS, RIVERS, AND FLOODPLAINS

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

Surface disturbance will not be allowed within up to 200 meters of the outer edge of 100-year floodplains, to protect the integrity of those floodplains. On a case-by-case basis, an exception to this requirement may be considered based on one or more of the criteria listed below. The first three criteria would not be applied in areas of identified critical or occupied habitat for federally listed threatened or endangered species.

--Additional development in areas with existing developments that have shown no adverse impacts to the riparian areas as determined by the Authorized Officer, following a case-by-case review at the time of permitting.

--Suitable off-site mitigation if habitat loss has been identified.

--An approved plan of operations ensures the protection of water or soil resources, or both.

--Installation of habitat, rangeland or recreation projects designed to enhance or protect renewable natural resources.

For the purpose of: Protecting Streams, Rivers and Floodplains

On the lands described below:

CONTROLLED SURFACE USE
PLAYAS AND ALKALI LAKES

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

Surface disturbance will not be allowed within up to 200 meters of PLAYAS of Alkali Lakes. Waiver of this requirement will be considered on a case-by-case basis for projects designed to enhance or protect renewable natural resources. An exception for oil and gas development will be considered if Playa lake loss was mitigated by the protection and development of another playa exhibiting the potential for improvement.

Mitigation could include:

installing fencing; developing a supplemental water supply; planting trees and shrubs for shelter belts; conducting playas basin excavation; constructing erosion control structures or cross dikes; or by improving the habitat in another area.

On the lands described below:

For the purpose of: Protecting Playas and Alkali Lakes

CONTROLLED SURFACE USE
SPRINGS, SEEPS AND TANKS

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

Surface disturbance will not be allowed within up to 200 meters of the source of a spring or seep, or within downstream riparian areas created by flows from the source or resulting from riparian area management. Surface disturbance will not be allowed within up to 200 meters of earthen tanks or the adjacent riparian areas created as a result of the presence of the tanks. Exceptions to this requirement will be considered for the installation of habitat or rangeland projects designed to enhance the spring or seep, or downstream flows.

For the purpose of: Protecting Springs, Seeps and Tanks

CONTROLLED SURFACE USE
CAVES AND KARST

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

Surface disturbance will not be allowed within up to 200 meters of known cave entrances, passages or aspects of significant caves, or significant karst features. Waiver of this requirement will be considered for projects that enhance or protect renewable natural resource values, or when an approved plan of operations ensures the protection of cave and karst resources.

For the purpose of: Protecting Caves and Karst Features

CONTROLLED SURFACE USE
PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to the operation and maintenance of production facilities.

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m. The 3:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise. Exceptions to these requirements will be considered for areas of no or low prairie chicken booming activity, or unoccupied habitat, including leks, as determined at the time of permitting, or in emergency situations.

For the purpose of: Protecting Prairie Chickens

VISUAL RESOURCE MANAGEMENT

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

Painting of oil field equipment and structures to minimize visual impacts be conducted according to the requirements of Notice to Lessees (NTL) 87-1, New Mexico. Low profile facilities also may be required, when needed to reduce the contrast of a project with the dominant color, line, texture, and form of the surrounding landscape. Other surface facilities or equipment approved by the BLM, such as large-scale range improvements or pipelines, will be painted, when needed, to conform with the requirements of visual resource management to minimize visual impacts. Paint colors will be selected from the ten standard environmental colors approved by the Rocky Mountain Coordinating committee. The selected paint color will match as closely as possible the predominant soil or vegetation color of the area.

For the purpose of: **Protecting Visual Resources Management**

NO SURFACE OCCUPANCY
Lesser Prairie Chicken – Sand Dune Lizard Habitat Core Areas

All or a portion of the lease is within habitat suitable for the Lesser Prairie Chicken and/or the Sand Dune Lizard, special status species of concern. In accordance with the BLM “INTERIM MANAGEMENT FOR THE SHINNERY OAK SAND DUNE HABITAT COMPLEX,” dated August 2004, surface occupancy is not allowed within the Zone 2 habitats identified below. This lease is issued with the intention that it be developed by directional drilling from or prorationing with a pre-existing authorized well location on an adjacent tract or on another location acceptable to BLM. This stipulation may not be waived unless or until decisions on management of the habitat complex allow such waivers. These decisions will be made by the Bureau of Land Management in a Resource Management Plan (RMP) Amendment to the Rowell and Carlsbad RMPs.

No Surface Occupancy on the lands described below:

For the purpose of: preserving habitat for the lesser prairie chicken and Sand Dune lizard.

NO SURFACE OCCUPANCY STIPULATION
PECOS RIVER CORRIDOR SRMA

No surface occupancy or use is allowed on the land(s) described below. It is the intention of the lessor that these lands be developed by directional drilling techniques or by prorationing with adjacent wells.

For the purpose of: Protecting a combination of significant natural resource values including highly sensitive scenic landscapes, erosive soils, prime wildlife habitat, and for the protection of the scarce water-based and semi-primitive recreation activities within the Pecos River Corridor SRMA (CRA SMA No. 23) as discussed in the 1988 Carlsbad Resource Management Plan.

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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