

STIPULATIONS

CORPS OF ENGINEERS
BENBROOK LAKE PROJECT, TEXAS

1. NSO/ND - No Surface Occupancy and No Drilling

This stipulation applies to all Corps of Engineers (COE) fee ownership within 3000 horizontal feet of prime facilities critical to the operation of Benbrook Lake, Texas. These facilities include the dam, spillway, outlet structure, levees and related structures. This stipulation allows the identified area to be included in a lease for the purpose of becoming a part of a drilling unit so that the United States will share in the royalty.

2. NSO/DD - No Surface Occupancy, Open for Directional Drilling

This stipulation applies to all designated parks, recreation areas, public use areas, wildlife management areas, archeological and historical sites, trails and roads, and the lake surface at the conservation pool elevation of 694.0 feet National Geodetic Vertical Datum (NGVD) Directional drilling is permitted from outside the identified areas where occupancy is allowed.

3. NSO/ELEV - No Surface Occupancy Based on Elevation

This stipulation prohibits surface occupancy on all lands lying at or below the elevation of the spillway crest or tainter gate sill where alternative surface ownership is available within the same drilling unit. At Benbrook Lake, the spillway crest is at elevation 724.0 feet NGVD. If no alternative surface ownership is available, in no case will surface occupancy be permitted below the 25-year frequency pool (as calculated by COE hydraulics engineering staff) or within 1000 horizontal feet from the lake surface at the conservation pool elevation of 694.0 feet NGVD. The purpose of this stipulation is to protect the integrity of Benbrook Lake land and water resources.

Note: The surface acreage affected by the above stipulations is provided as follows:

Lake surface at conservation pool.....	3,769
Designated Parks/Recreation Areas.....	3,033
Wildlife Management Areas.....	193
Lake Operations.....	176
Areas Below 25-year frequency pool.....	To Be Determined
Archeological/Historical Sites.....	To Be Determined

CORPS OF ENGINEERS
LEWISVILLE LAKE

1. NSO/ND ... No Surface Occupancy and No Drilling

This stipulation applies to all Corps of Engineers (COE) fee ownership within 3000 horizontal feet of prime facilities critical to the operation of Lewisville Lake. These facilities include the dam, spillway, outlet structure, levees and related structures. This stipulation allows the identified area to be included in a lease for the purpose of becoming a part of a drilling unit so that the United States will share in the royalty.

2. NSO/DD... No Surface Occupancy, Open for Directional Drilling

This stipulation applies to all designated parks, recreation areas, public use areas, wildlife management areas, archeological and historical sites, trails and roads, and the lake surface at the conservation pool elevation of 522 feet National Geodetic Vertical Datum (N.G.V.D.) Directional drilling is permitted from outside the identified areas where occupancy is allowed.

3.NSO/ELEV... No Surface Occupancy Based on Elevation

This stipulation prohibits surface occupancy on all lands lying at or below the elevation of the spillway crest or tainter gate sill where alternative surface ownership is available within the same drilling unit. At Lewisville Lake, the spillway crest is at elevation 532 feet N.G.V.D. If no alternative surface ownership is available, in no case will surface occupancy be permitted below the 25-year frequency pool (as calculated by COE hydraulics engineering staff) or within 1000 horizontal feet from the lake surface at the conservation pool elevation of 522 feet N.G.V.D. The purpose of this stipulation is to protect the integrity of Lewisville Lake land and water resources.

Note: The surface acreage affected by the above stipulations is provided as follows:

Lake surface at conservation pool.....	29,592
Designated Parks/Recreation Areas.....	9,359
Wildlife Management Areas.....	7,034
Lake Operations.....	1,170
Areas Below 25-year frequency pool	To be Determined
Archeological/Historical Sites	To be Determined

CORPS OF ENGINEERS
SPECIAL STIPULATIONS 1-A
MARION RESERVOIR

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 **1,358.5 feet, for Marion Reservoir 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.

LEASE NOTICE
BIOLOGICAL SURVEY

A biological survey may be required prior to any surface disturbing activity on BLM managed lands. Proposed activities may be subject to seasonal closures within sensitive species habitat.

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) 639-8501

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) (MA-5-31)

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
(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 11-2
NATIONAL FORESTS IN TEXAS

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 woodpeckers (RCWs). Exploration and development proposals may be modified and/or limited, in accordance with the *Recovery Plan for the Red-cockaded Woodpecker*, second revision approved January 27, 2003. Protective measures include, but are not limited to, the following requirements of the recovery plan:

Protection of Cavity Tree Clusters During Nesting Season

The protected area includes all cavity trees used by the RCWs and a 200 ft. buffer zone. This area usually doesn't exceed 10 acres. During the nesting season, which generally runs from March 1 through July 31, human disturbance within and adjacent to the clusters will be reduced as much as possible, for example, use of motorized vehicles will be restricted to existing roads, other potentially disturbing activities will be limited to daylight hours, avoiding activities within at least one or two hours of dawn and dusk. New road construction through these areas wouldn't be allowed during nesting season.

Foraging Habitat:

120 acres of good quality foraging habitat should be provided within 0.5 miles of the center of each cluster, as described in Section 8I of the recovery plan, preferably 50% or more within 0.25 miles of the cluster center. In areas that have multiple clusters the foraging habitat will overlap so that the 120 acres of habitat may support more than one 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.

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.

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
(Protect Recreational Values)

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

- Red Hills Lake Recreation Area on Tract S-1Bh
- Communication Tower Sites (2) located on Tract S-1Bh

The areas listed above, except hand-laying of electronic gear or apparatus could be further considered. Vehicle traffic may be restricted in this area. Seismic work requiring use of explosives will not be allowed.

For the purpose of:

To meet visual quality objectives and to protect recreational values 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
NATIONAL FORESTS IN TEXAS
(Protect Lakeshore Areas)**

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

Areas along lakeshores of Tract S-1Av where visual resources would be Severely impacted by drilling facilities.

For the purpose of:

To meet visual quality objectives and to protect lakeshore 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.)

TIMING LIMITATION STIPULATION
NATIONAL FORESTS AND GRASSLANDS IN TEXAS
(Probable bald eagle nesting locations)

Surface use may be deferred during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Part or all of this lease is within one (1) mile of a bald eagle nesting site. During nesting periods, seismic exploration, new clearing of vegetation, and exploratory drilling or any other site-specific proposals for activities within these areas will be analyzed. Such analysis could result in establishment of protective requirements or limitations for the affected site and activities may be restricted if, in the opinion of the responsible agency biologist, restrictions are necessary to assure nesting success. (FW-221)

Approximately October 1 through May 15 per year

On the lands described below:

For the purpose of:

To avoid disturbance of actual or probable bald eagle nesting locations in accordance with the National Forests and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any changes 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 stipulations, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

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.

**Bureau of Land Management
New Mexico State Office**

**NM-11-LN
February 9, 2004**

CONTROLLED SURFACE USE
FLOODPLAIN PROTECTION STIPULATION

All or portions of the lands under this lease lie in and/or adjacent to a major watercourse and are subject to periodic flooding. Surface occupancy of these areas will not be allowed without specific approval, in writing, of the Bureau of Land Management.

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.

Bureau of Land Management
Oklahoma Field Office

ORA-1 CSU
November 1991

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.

NO SURFACE OCCUPANCY STIPULATION

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

Note: The lands may be drilled directionally from an off-site location where occupancy is allowed.

For the purpose of: Protection of a resource or use not compatible with oil and gas development.

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

LEASE NOTICE
HACKBERRY LAKE OHV AREA

All or a portion of the lease is located in the Hackberry Lake Off-Highway Vehicle (OHV) area. This OHV-use area consists of 55,800 acres of stabilized dune lands and cliffs. This area features intensively used OHV trails and campgrounds. The area is used annually for competitive enduro events and other OHV use. The area is also heavily developed for oil and gas related activities. Special protective measures would be developed to protect existing OHV trails and camping areas. These would be required as part of the environmental analysis, approval for drilling or any other operation on this lease. These measures could include modifications or relocation of proposed well locations; burial of linear facilities such as pipelines at lease road and OHV trail intersections; additional sign placement; modifications in surface activities; or other reasonable measures to mitigate impacts to recreational activities. 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 Form 3100-11 (Offer to Lease and Lease for Oil and Gas) section 6 of page 3.

POTASH STIPULATION

Stipulations to be made part of any oil and gas lease involving lands described in Secretarial Order, 51 Federal Register 39425 (October 28, 1986).

The lessee further agrees that:

- (1) Drilling for oil and gas shall be permitted only in the event that the lessee establishes to the satisfaction of the Authorized Officer, Bureau of Land Management, that such drilling will not interfere with the mining and recovery of potash deposits, or the interest of the United States will best be served by permitting such drilling.
- (2) No wells shall be drilled for oil or gas at a location which, in the opinion of the Authorized Officer, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.
- (3) When it is determined by the Authorized Officer, that unitization is necessary for orderly oil and gas development and proper protection of potash deposits, no well shall be drilled for oil or gas except pursuant to a unit plan approved by the Authorized Officer.
- (4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations (43 CFR 3160), including such requirements as the Authorized Officer may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.

On the land(s) described below:

Bureau of Land Management
Carlsbad Field Office

SENM-S-1
Revised December 1996

NO SURFACE OCCUPANCY STIPULATION

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

For the purpose of: The lease or portion of a lease for the area described above is issued for the sole purpose of assisting in the orderly development of the Federal mineral estate. This lease absolutely does not grant surface occupancy or use, and that requirement cannot be waived unless changes are made in a land use plan or plan amendment.

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.**

Bureau of Land Management
Pecos District Office

SENM-S-16
Revised July 2010

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 or 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 or 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 playa 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
LESSER 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 1 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 lesser 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 Lesser Prairie-Chickens

SHINNERY OAK SAND DUNE HABITAT COMPLEX

PLAN OF DEVELOPMENT

A plan of development (POD) for the entire lease must be submitted for review and approval, including NEPA analysis, by the BLM, prior to approval of development actions (APD, Sundry Notices). The POD must indicate planned access to well facilities (roads, pipelines, power lines), and the approximate location of well sites. Should it become necessary to amend the POD, the amendment must be approved prior to approval of subsequent development actions. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the purpose of:

Managing habitat suitable for the lesser prairie-chicken (LPC) and sand dune lizard (SDL). The lease contains isolated blocks of unfragmented habitat suitable for LPC or SDL. Habitat parameters within this area are needed for the life cycle of the species (e.g., edge) or, with habitat manipulation, the area could become suitable habitat. To the extent possible, buffer zones around active LPC leks will be utilized to provide resource protection.

PLAN OF DEVELOPMENT (POD) STIPULATION

A plan of development (POD) for the entire lease must be submitted for review and approval, including NEPA analysis, by the Bureau of Land Management (BLM) authorized officer, prior to approval of development (APD, Sundry Notices) actions. The POD must indicate planned access to well facilities (roads, pipelines, power lines), and the approximate location of well sites. Should it become necessary to amend the POD, the amendment must be approved prior to the approval of subsequent development action. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the Purpose of: Plans of Development will be required to direct development to reduce surface impacts.

CONTROLLED SURFACE USE STIPULATION
PALEONTOLOGY

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

~ Restrict vehicles to existing roads and trails.

~ A pedestrian survey must be conducted for paleontological material, using a qualified paleontologist as identified in BLM Handbook 8270, prior to any surface disturbing activity. A report on the results of the paleontological survey must be submitted and approved by BLM as part of the permit application for the proposed lease activity. The survey and report will be used to determine the presence of paleontological material, and if necessary, the appropriate treatments such as avoidance and/or project re-design during all phases of the proposed lease activity.

The lessee shall immediately notify the BLM Authorized Officer of any paleontological resources discovered as a result of operations under this authorization. The lessee shall suspend all activities in the vicinity of such discovery until notified to proceed by the Authorized Officer and shall protect the discovery from damage or looting. The Authorized Officer will evaluate, or will have evaluated, such discoveries after being notified. Appropriate measures to mitigate adverse effects to significant paleontological resources will be determined by the Authorized Officer after consulting with the operator. Upon approval of the Authorized Officer, the operator will be allowed to continue construction through the site, or will be given the choice of either (1) following the Authorized Officer's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or (2) following the Authorized Officer's instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area.

On the lands described below:

For the purpose of: Protecting paleontological resources.

If circumstances or relative resource value 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 Roswell and Carlsbad Resource Management Plan as amended, 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 is substantial, the waiver, exception, or modification will 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.

CONTROLLED SURFACE USE
OFF-SITE MITIGATION

Public (Federal) and partnership funds have been used to conduct reclamation and restoration activities on all or a portion of this lease. In order to protect the value of this investment and the results of the restoration, the lessee or operator must contribute \$ 22,500.00 (4.5 acres @ \$5000/acre of reclamation and restoration work previously completed) to an Assistance Agreement approved by BLM. The BLM will then work with the cooperative parties associated with the Assistance Agreement to ensure that off-site mitigation compensates for any impacts caused by future development on the lease. The lessee or operator must deposit the amount shown above into the Assistance Agreement within 60 days after lease issuance.

On the lands described below:

For the purpose of: Protecting the value of the public and partnership investments in reclamation and restoration activities on public lands.

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.