

STIPULATIONS

NM-9 NSO

NO SURFACE OCCUPANCY
POOLING PURPOSES ONLY

No surface occupancy or use is allowed on the lease. The purpose of this lease is solely for participation in a unit or for pooling purposes.

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

**NM-9 NSO
May 15, 1991**

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.

LEASE NOTICE
POTENTIAL CAVE OR KARST OCCURRENCE AREA

All or a portion of the lease is 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.

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.

LEASE NOTICE
OIL AND GAS DEVELOPMENT WITHIN THE DESIGNATED POTASH AREA

This lease is located within the Secretary of the Interior's Designated Potash Area. It is subject to Secretarial Order No. 3324, signed December 3, 2012, the Federal Land Policy and Management Act (FLPMA), the Mineral Leasing Act (MLA) and regulations, orders, and directives of the Bureau of Land Management. The Order provides procedures and guidelines for more orderly co-development of oil, gas and potash deposits owned by the United States within the Secretary's Potash Area.

Pursuant to applicable laws; the terms, conditions and attached stipulations to the Lease; the Secretary of the Interior's formal orders; and regulations; drilling of an oil and gas well from a surface location within the Designated Potash Area will only be permitted if drilling occurs under the following conditions:

- 1) a Drilling Island associated with a Development Area established under this Order or a Drilling Island established under a prior Order;
- 2) a Barren Area and the Authorized Officer (AO) determines that such operations will not adversely affect active or planned potash mining operations in the immediate vicinity of the proposed drill-site; or
- 3) a Drilling Island, not covered by (1) above, or single well site established under this Order by the approval and in the sole discretion of the AO, provided that such site was jointly recommended to the AO by the oil and gas lessee(s) and the nearest potash lessee(s).

In addition, the lessee may be required to participate in an approved Development Area. A Development Area is an area established by the BLM within the Designated Potash Area in consideration of appropriate oil and gas technology such that wells can be drilled from a Drilling Island capable of effectively extracting oil and gas resources while managing the impact on potash resources. A Development Area typically will contain a single Drilling Island from which all new oil and gas wells that penetrate the potash formations will be drilled. Drilling Islands will not be allowed within one mile of any area where approved potash mining operations will be conducted within three years consistent with a three-year mine plan without the consent of the affected potash lessee(s).

Leases within a Development Area will be unitized or subject to an approved communitization agreement unless there is a compelling reason for another operating system. In addition, the drilling of new wells will be subject to safety Buffer Zones of ¼ mile for oil wells and ½ mile for gas wells from the perimeter of existing underground open mine workings within which oil or gas operations will generally not be allowed unless the Buffer Zones are adjusted in an individual case by the AO or revised by the BLM Director.

Leases will be subject to applicable laws; the terms, conditions and attached stipulations; the Secretary of the Interior's formal orders in effect as of lease issuance; and to regulations and formal orders hereafter promulgated.

Prior to submitting an application for permit to drill or to re-enter an existing well bore, the lessee should contact the Field Office to determine if a Development Area has been established for the area that includes this lease.

OIL & GAS DEVELOPMENT WITHIN THE DESIGNATED POTASH AREA
STIPULATION

This lease is located within the Secretary of the Interior's Designated Potash Area. It is subject to Secretarial Order No. 3324, signed December 3, 2012. Pursuant to applicable laws; the terms, conditions and attached stipulations to the Lease; the Secretary of the Interior's formal orders; and regulations;, this lease is subject to the following requirements.

The lessee 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 the Authorized Officer determines 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.
- (5) Drilling for and production of oil and gas will be subject to applicable laws; the terms, conditions and attached stipulations; the Secretary of the Interior's formal orders in effect as of lease issuance, including Secretarial Order No. 3324; any subsequent revisions and orders of the Authorized Officer thereunder; and to regulations and formal orders hereafter promulgated.

On the land(s) described below:

For the protection of: The rights and safety of the oil and gas and potash lessees and operators.

Bureau of Land Management
Carlsbad Field Office

SENM-S-1
July 2013

CONTROLLED SURFACE USE
WILDLIFE HABITAT PROJECTS

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

Surface disturbance will not be allowed within up to 200 meters of existing or planned wildlife habitat improvement projects. Large-scale vegetation manipulation projects such as prescribed burns will be excepted. This requirement will be considered for waiver with appropriate off-site mitigation, as determined by the Authorized Officer.

For the purpose of:

Protecting Wildlife Habitat Projects

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 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
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
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 July 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 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.

Open-top tanks, disposal pits, or other open pits will be required to be covered with a fine mesh netting to make them inaccessible to avian species and other wildlife.

Timing

A low profile marker will be required for a plugged or abandoned well. The well marker must be approximately 2 inches above ground level and contain the operator's name, lease name, well number, and location, including unit letter, section, township and range. This information must be welded or stamped or otherwise permanently engraved into the metal of the marker.

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

Bureau of Land Management
Pecos District Office

SENM-S-22
Revised July 2014

CONTROLLED SURFACE USE
SAND DUNE LIZARD

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

Surface disturbance will not be allowed in documented occupied habitat areas, or within up to 200 meters of suitable habitat associated with occupied habitat areas identified through field review. An exception to this restriction will be considered when an on-site evaluation of habitat extent, available species occurrence data, the proposed surface use, and proposed mitigations indicate the proposal will not adversely affect the local population.

For the purpose of:

Protecting Sand Dune Lizards

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 is to 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 to the requirements of visual resource management to minimize visual impacts. Paint colors will be selected from the environmental color chart 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. Upon completion of the well and installation of the production facilities (if the well is a producer) the pad will be reclaimed back to a size necessary for production operations only. The edges will be recontoured and the extra caliche and pad material (excluding top soil) will be hauled off-site. The BLM may require additional reclamation depending upon vegetation recovery. The reclaimed area will be recontoured and reseeded according to vegetation and soil type.

For the purpose of: Protecting Visual Resources Management

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 help direct development to reduce surface impacts.

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 Bureau of Land Management (BLM) that these lands be developed by directional drilling techniques or by communitization 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 Special Recreation Management Area (SMA No. 23) as discussed in the 1988 Carlsbad Resource Management Plan (RMP) and 1997 Carlsbad RMP Amendment.

LEASE RECLAMATION

The subject properties contain wells, roads and/or facilities (well, pad, road, powerline, pipeline, etc.) that were not plugged, removed and/or reclaimed to current standards. Unless the facilities are put to a beneficial and direct use under the new lease, the lessee shall plug, remediate and reclaim the facilities within two years of lease issuance. If an extension is requested, the lessee must submit a detailed plan (including dates) prior to the two year deadline. All plugging, remediation, and reclamation shall be performed in accordance with BLM requirements and be approved in advance by the Authorized Officer.

The well(s) to be plugged and reclaimed are as follows:

NM-201507-047

Getty Riggs A #004: 1650' FNL and 2290' FWL

T. 26 S., R. 37 E.,

Sec. 01: SENW

Reclamation need for well pad, access road and the reserve pit. Approximately 2.2 acres including the road need reclamation.

GD Riggs A #003: 330' FNL and 2310' FWL

T. 26 S., R. 37 E.,

Sec. 01: NENW

Reclamation need for well pad, access road and the reserve pit. Approximately 0.9 acres need reclamation.

Pre-Ongard #001: 330' FNL and 330' FWL

T. 26 S., R. 37 E.,

Sec. 01: NWNW

Reclamation need for well pad, access road and the reserve pit. The total area for reclamation is approximately 1.5 acres including the road.

Pre-Ongard #002: 1980' FNL and 1980' FEL

**T. 26 S., R. 37 E.,
Sec. 01: SENE**

Reclamation need for well pad, access road and the reserve pit. The total area for reclamation is approximately 0.6 acres including the road.

Pre-Ongard #003: 1980' FNL and 1980' FEL

**T. 26 S., R. 37 E.,
Sec. 01: SWNE**

Reclamation need for well pad, access road and the reserve pit. The total area for reclamation is approximately 0.5 acres including the road.

GD Riggs A #007: 1650' FNL and 330' FEL

**T. 26 S., R. 37 E.,
Sec. 01: SENE**

Reclamation need for well pad, access road and the reserve pit. Approximately 0.9 acres need reclamation.

LEASE RECLAMATION

The subject properties contain wells, roads and/or facilities (well, pad, road, powerline, pipeline, etc.) that were not plugged, removed and/or reclaimed to current standards. Unless the facilities are put to a beneficial and direct use under the new lease, the lessee shall plug, remediate and reclaim the facilities within two years of lease issuance. If an extension is requested, the lessee must submit a detailed plan (including dates) prior to the two year deadline. All plugging, remediation, and reclamation shall be performed in accordance with BLM requirements and be approved in advance by the Authorized Officer.

The well(s) to be plugged and reclaimed are as follows:

NM-201507-048

Glenn Ryan #008: 660' FNL and 660' FWL

T. 26 S., R. 37 E.,

Sec. 13: NWNW

**Reclamation need for well pad, access road and the reserve pit.
Approximately 1.5 acres including the road need reclamation.**

Glenn Ryan #009: 660' FNL and 1980' FWL

T. 26 S., R. 37 E.,

Sec. 13: NENW

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.9 acres including the road need reclamation.**

Glenn Ryan #014: 2280' FNL and 900' FWL

T. 26 S., R. 37 E.,

Sec. 13: SWNW

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.7 acres including the road need reclamation.**

Glenn Ryan #015: 1980' FNL and 1980' FWL

**T. 26 S., R. 37 E.,
Sec. 13: SENW**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 1.2 acres including the road need reclamation.**

Glenn Ryan #016: 1974' FNL and 1976' FEL

**T. 26 S., R. 37 E.,
Sec. 13: SWNE**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 0.7 acres of the land need reclamation.**

Glenn Ryan #021: 1980' FSL and 510' FWL

**T. 26 S., R. 37 E.,
Sec. 13: NWSW**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.5 acres including the road need reclamation.**

Glenn Ryan #022: 1980' FSL and 1980' FWL

**T. 26 S., R. 37 E.,
Sec. 13: NESW**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 0.5 acres of the land need reclamation.**

Glenn Ryan #003: 1650' FSL and 1650' FWL

**T. 26 S., R. 37 E.,
Sec. 14: NESW**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.8 acres including the road need reclamation.**

Glenn Ryan #005: 660' FNL and 2080' FEL

**T. 26 S., R. 37 E.,
Sec. 14: NWNE**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 0.8 acres of the land need reclamation.**

Glenn Ryan #006: 657' FNL and 1983' FEL

**T. 26 S., R. 37 E.,
Sec. 14: NWNE**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.9 acres including the road need reclamation.**

Glenn Ryan #007: 660' FNL and 330' FEL

**T. 26 S., R. 37 E.,
Sec. 14: NENE**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.7 acres including the road need reclamation.**

Glenn Ryan #011: 1980' FNL and 2180' FWL

**T. 26 S., R. 37 E.,
Sec. 14: SENW**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.5 acres including the road need reclamation.**

Glenn Ryan #012: 1980' FNL and 1980' FEL

**T. 26 S., R. 37 E.,
Sec. 14: SWNE**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 0.7 acres of the land need reclamation.**

Glenn Ryan #010: 1980' FNL and 660' FWL

**T. 26 S., R. 37 E.,
Sec. 14: SENW**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 0.8 acres of the land need reclamation.**

Glenn Ryan #017: 1980' FSL and 660' FWL

**T. 26 S., R. 37 E.,
Sec. 14: NWSW**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.5 acres including the road need reclamation.**

Glenn Ryan #018: 1980' FSL and 1980' FWL

**T. 26 S., R. 37 E.,
Sec. 14: NESW**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 0.9 acres of the land need reclamation.**

Glenn Ryan #020: 1650' FSL and 990' FEL

**T. 26 S., R. 37 E.,
Sec. 14: NESE**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.7 acres including the road need reclamation.**

Glenn Ryan #025: 660' FSL and 1980' FWL

**T. 26 S., R. 37 E.,
Sec. 14: SESW**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.7 acres including the road need reclamation.**

Glenn Ryan #026: 660' FSL and 1980' FEL

**T. 26 S., R. 37 E.,
Sec. 14: SESW**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 0.9 acres of the land need reclamation.**

Glenn Ryan #027: 660' FSL and 660' FEL

**T. 26 S., R. 37 E.,
Sec. 14: SESE**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 1.0 acres of the land need reclamation.**

Glenn Ryan #003: 1650' FSL and 1650' FWL

**T. 26 S., R. 37 E.,
Sec. 11: NESW**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 0.7 acres of the land need reclamation.**

Glenn Ryan #002: 1650' FSL and 2310' FEL

**T. 26 S., R. 37 E.,
Sec. 11: NWSE**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 0.5 acres of the land need reclamation.**

Glenn Ryan #004: 660' FSL and 1980' FEL

**T. 26 S., R. 37 E.,
Sec. 11: SWSE**

**Plugging of the well and reclamation of pad, road and facility is required.
Approximately 1.20 acres of the land need reclamation.**

LEASE RECLAMATION

The subject properties contain wells, roads and/or facilities (well, pad, road, powerline, pipeline, etc.) that were not plugged, removed and/or reclaimed to current standards. Unless the facilities are put to a beneficial and direct use under the new lease, the lessee shall plug, remediate and reclaim the facilities within two years of lease issuance. If an extension is requested, the lessee must submit a detailed plan (including dates) prior to the two year deadline. All plugging, remediation, and reclamation shall be performed in accordance with BLM requirements and be approved in advance by the Authorized Officer.

The well(s) to be plugged and reclaimed are as follows:

NM-201507-052

EAVES B 1#003: 1980' FNL and 1980' FWL

T. 26 S., R. 37 E.,

Sec. 30: SENE

Reclamation need for well pad, access road and the reserve pit. Approximately 1 acres need reclamation.

EAVES B #005: 2310' FNL and 990' FEL

T. 26 S., R. 37 E.,

Sec. 30: SENE

Reclamation need for well pad, access road. Approximately 1 acres need reclamation that could be accomplished by removing the caliche and re-vegetating.

EAVES B #015: 1980' FNL and 660' FWL

T. 26 S., R. 37 E.,

Sec. 30: SWNW

Reclamation need for well pad, access road. Approximately 0.9 acres need reclamation that could be accomplished by removing the caliche and re-vegetating.

EAVES B 1#013: 1980' FSL and 1980' FWL

**T. 26 S., R. 37 E.,
Sec. 30: NESW**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.8 acres need reclamation that could be accomplished by
removing caliche and re-vegetating.**

EAVES B #011: 660' FSL and 1980' FWL

**T. 26 S., R. 37 E.,
Sec. 30: SESW**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.8 acres need reclamation that could be accomplished by
removing caliche and re-vegetating.**

EAVES B #004: 660' FSL and 1650' FEL

**T. 26 S., R. 37 E.,
Sec. 30: SWSE**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 1.07 acres need reclamation that could be accomplished by
removing caliche and re-vegetating.**

EAVES B #008: 660' FSL and 330' FEL

**T. 26 S., R. 37 E.,
Sec. 30: SESE**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.73 acres need reclamation that could be accomplished by
removing caliche and re-vegetating.**

EAVES B 1#009: 330' FSL and 1980' FWL

**T. 26 S., R. 37 E.,
Sec. 31: SESW**

**Reclamation need for well pad, access road and the reserve pit.
Approximately 0.73 acres need reclamation that could be accomplished by
removing caliche and re-vegetating.**

**CONTROLLED SURFACE USE
FARMLAND STIPULATION**

All or a portion of this lease contains private surface used for cultivation. Any surface-disturbing activities associated with oil and gas development will be excluded from the surface area used for cultivation. The BLM may consider on an individual application basis, an exception to this stipulation if the surface owner signs an agreement with the lessee or operator allowing the proposed surface-disturbing activity within the cultivated area. Each application submitted to the BLM must include a copy of any agreement signed by the surface owner.

On the lands described below:

For the purpose of:

Protecting agricultural lands used for cultivation.

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 3,000 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. **There will be no surface or subsurface entry within 2,000 feet of the dam structure. A portion of the lease includes the Public Use Area, therefore, stipulation is applicable. Stipulation also applies to portions of the lease area.**

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
LAKE TEXOMA, TEXAS
HAGERMAN NATIONAL WILDLIFE REFUGE AREA

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 BLM, that person may order such activities stopped immediately. The District Manager, BLM, will be notified immediately, will review that 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, agent, 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 640 feet, for Lake Texoma, Texas, National Geodetic Vertical Datum.

17. It is the responsibility of the lessee to identify and be aware of areas where entry is prohibited. The lease is in the Hagerman National Wildlife Refuge and use of the surface within the lease area 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
COAL PROTECTION

Federal coal resources exist on this lease. Operations authorized by this lease may be altered or modified by the authorized officer (at the address shown below) in order to conserve and protect the mineral resources and provide for simultaneous operations.

Address:

**Tulsa Field Office
7906 E. 33Rd Street, Suite 101
Tulsa, OK 74145
(918) 621-4100**

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

**NM-8 LN
April 2, 1991**

DRAINAGE STIPULATION FOR FEDERAL LANDS

All or part of the lands contained in this lease is subject to drainage by well(s) located adjacent to this lease. The lessee shall be required within 60 days of lease issuance to submit to the authorized officer plans for protecting the lease from drainage. Compensatory royalty will be assessed effective the expiration of this 60-day period if no plan is submitted. The plan must include either an Application for Permit to Drill (APD) a protective well, or an application to communitize the lease so that it is allocated production from a protective well off the lease. Either of these options may include obtaining a variance to State spacing for the area. In lieu of this plan, the lessee shall be required to demonstrate that a protective well would have little or no chance of encountering oil and gas in quantities sufficient to pay in excess the costs of drilling and operating the well. In the absence of either an acceptable plan for protecting the lease from drainage or an acceptable justification why a protective well would be uneconomical, the lessee shall be obligated to pay compensatory royalty to the Office of Natural Resources Revenue at a rate to be determined by the authorized officer.

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.

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
FLOODPLAIN MANAGEMENT

All or portions of the lands under this lease lie in and/or adjacent to a major watercourse and may be subject to periodic flooding. In accordance with E.O. 11988 – Floodplain Management 5/24/1977, as amended, and the Clean Water Act of 1972, as amended, impacts or disturbances to this area must be avoided or mitigated. Surface occupancy of these areas and surface disturbance within up to 200 meters of the outer edge of the floodplain may not be allowed in order to protect the integrity and functionality of the floodplain and associated watercourse. Controlled surface use requiring special mitigation measures may be required and will be developed during the application for permit to drill. 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; modifications in surface activities; minimizing surface disturbance by co-locating roads, utilities and pipelines in common rights-of-ways; interim reclamation of all surface disturbance initiated immediately after construction; reduction of long term noise producing activities; suitable off-site mitigation or other reasonable measures to mitigate impacts to floodplains. These measures may be imposed in accordance with Section 6 of the lease terms, Onshore Oil and Gas Order No. 1, 43 CFR 3162.5-1 and 43 CFR 3101.1-2.

For the purpose of:

To protect the unique biological and hydrological features associated with rivers, streams, riparian/wetland areas, and areas within the 100-year floodplain demarcation.

OKLAHOMA STATE UNIVERSITY STIPULATION

No occupancy or other activity on the surface is allowed in order to protect Lake Carl Blackwell and associated facilities owned by the Oklahoma State University.

On the lands described below:

OKLAHOMA STATE UNIVERSITY STIPULATION

Prior to conducting operations, a plan of operations must be approved by the Tulsa District Office of the Bureau of Land Management. Any drilling, construction, or other operations on the leased lands are subject to site-specific stipulations as may be necessary to assure reasonable protection of Lake Carl Blackwell and associated facilities owned by Oklahoma State University. A plan shall not be approved if it will result in unacceptable impacts on any land use or the environment.

The successful bidder will be required to seek the University's portion of the mineral interests through the State of Oklahoma Commissioners of the land office. Successful bidder shall work with the University areas assigned usage of those particular lands to see that the appropriate steps are taken to protect departmental interest from surface and nuisance damages. All information on this sale and lease should be directed to both:

Oklahoma State University
Attn: Suzanne Frits
210 Whitehurst
Stillwater, OK 74078-1025
(405) 744-6787

State of Oklahoma Land Commissioners
Attn: David Shipman
P.O. Box 26910
Oklahoma City, OK 73126
(405) 271-1000

United States Fish & Wildlife
Hagerman National Wildlife Refuge
No Surface Occupancy

1. **No Surface Occupancy or use is allowed on or within the federal mineral tract(s).**
2. **Directional and/or Horizontal drilling that results in well bores crossing through the federal lease must be conducted from surface locations outside of Hagerman National Refuge where occupancy is allowed unless demonstrated to not be technically feasible.**
3. **The operator will be required to coordinate with and obtain a permit from the U. S. Fish and Wildlife Service and the U. S. Army Corps of Engineers for any wells that will penetrate, pass through or produce from the federal lease.**

For the purpose of: To protect and preserve significant cultural and other resource values of this lease.

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.

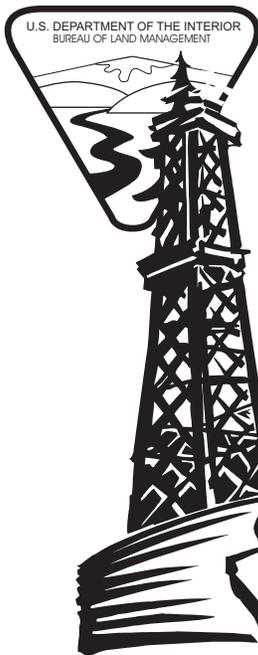
CULTURAL RESOURCES AND TRIBAL CONSULTATION STIPULATION

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

We're On-Line!!

BLM, New Mexico
Oklahoma
Kansas
Texas

blm.gov/nm



Oil & Gas Information includes:

- Sale Notice
- Sale Results
- Sale Schedule
- Forms
- FAQs
- Contacts
- Leasing Instructions & Guidelines
- NTLs, Onshore Orders

Email links are provided at the site
for your comments and suggestions