

FARMINGTON FIELD OFFICE

Lease Stipulation Summary for October 19, 2016 Oil and Gas Lease Sale

<u>Stipulation</u>	<u>Description/Purpose</u>
BIA-1	<p>NAVAJO AREA, BUREAU OF INDIAN AFFAIRS (BIA), SURFACE MANAGEMENT AGENCY LEASE STIPULATION FOR FEDERAL OIL AND GAS LEASE OFFERING</p> <p>Lessees shall abide by and conform to appropriate provisions of Titles 25, 36, and 43, Code of Federal Regulations (CFR), and any and all other applicable regulations and manuals of the Secretary now or hereafter in force relative to surface leasing rights-of-way and as amended, and National Area Environmental Protection guidelines; the National Historic Preservation Act of 1966 (NHPA), as amended, Archaeological Resources Protection Act (ARPA), and American Indian Religious Freedom Act and other applicable laws, 30 BIA, 36 CFR 800 and 43 CFR 7.</p>
BIA-3	<p>NAVAJO AREA, BUREAU OF INDIAN AFFAIRS (BIA), SURFACE MANAGEMENT AGENCY LEASE STIPULATION FOR PIPELINES</p> <p>Pipelines will be installed so that it won't interfere with the construction and/or development of the area for agricultural purposes and/or the operation of the same in connection with the Navajo Indian Irrigation Project (NIIP). Pipelines will be buried to a depth of 48 inches and permanent metering and production equipment installed will exceed two feet above the natural surface elevation and be adequately barricaded.</p>
BIA-5	<p>NO SURFACE OCCUPANCY (NSO) OR USE – OCCUPIED STRUCTURES AND DWELLINGS</p> <p>All or a portion of the lease contains dwellings or structures occupied by one or more persons. No Surface Occupancy or use is allowed on the portion of the lease. These restricted lands may be developed by directional drilling from outside the restricted area.</p>
F-9-CSU	<p>CONTROLLED SURFACE USE (CSU) STIPULATION – PALEONTOLOGY</p> <p>Surface occupancy or use is subject to the following special operating constraints: restrict vehicles to existing roads and trails; and require a paleontological clearance on surface disturbing activities.</p>
F-15-POD	<p>PLAN OF DEVELOPMENT (POD) – STIPULATION</p> <p>A plan of development (POD) for the lease must be submitted prior to approval of development actions. The POD will include planned roads, pipelines, powerlines and locations of well sites.</p>

F-41-LN	<p>LEASE NOTICE – BIOLOGICAL SURVEY</p> <p>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. Federal land management agencies are mandated to manage special status species so they should not need to be listed under Endangered Species Act (ESA) in the future.</p>
F-44-NSO	<p>NO SURFACE OCCUPANCY (NSO) – COMMUNITY/RESIDENCES</p> <p>No surface occupancy is allowed within 660 feet of any occupied residences of a community.</p>
F-47-CSU	<p>CONTROLLED SURFACE USE (CSU) STIPULATION – AIR DISPERSION MODELING</p> <p>Due to the close proximity of occupied dwellings to potential well sites on the lease parcel, information about the air quality impacts at the dwellings must be determined and disclosed as part of the NEPA analysis. In order to determine the impacts, the lessee will be responsible for conducting air dispersion modeling for all wells proposed and within one mile of occupied dwellings prior to BLM making a decision on any proposed wells and associated operations and infrastructure. The BLM will determine the near-field air impacts based on air dispersion modeling that conforms to EPA New Mexico Environment Department guidelines. Based on modeling results, the BLM may have mitigation requirements, with a potential for moving the proposed well and associated operations and infrastructure away from the occupied dwelling(s). A Plan of Development (POD) will be required.</p>
NM-10	<p>DRAINAGE STIPULATION FOR FEDERAL LANDS</p> <p>All or part of the lands contained in this lease are subject to drainage by well(s) located adjacent to this lease. The lessee shall be required within 6 months 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 6-month period if no plan is submitted.</p>
NM-11-LN	<p>SPECIAL CULTURAL RESOURCE – LEASE NOTICE</p> <p>All development activities proposed under the authority of this lease are subject to compliance with Section 106 of the National Historic Preservation Act and Executive Order 13007. Compliance could require intensive cultural resource inventories, Native American consultation and mitigation measures to avoid adverse effects.</p>

<p>WO-ESA-7</p>	<p>ENDANGERED SPECIES ACT – SECTION 7 CONSULTATION STIPULATION</p> <p>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.</p>
<p>WO-NHPA</p>	<p>CULTURAL RESOURCES AND TRIBAL CONSULTATION STIPULATION</p> <p>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.</p>