

BLM OKLAHOMA FIELD OFFICE

Lease Stipulation Summary for April 19, 2017 Oil and Gas Lease Sale

<u>Stipulation</u>	<u>Description/Purpose</u>
BOR – Lavaca- Navidad River Authority / Palmetto Bend Project	<u>No Surface Occupancy – Palmetto Bend Project</u> Generally, no well casing-head shall be placed below the surface elevation of 47.5 feet, mean sea level (M.S.L.). All well storage tanks and production equipment shall be constructed outside the flood plain above elevation 47.0 feet msl. This elevation restriction does not apply to areas downstream of the dam and outlet works. Berms shall be constructed around storage batteries, tanks, and separators to contain their entire volume should an accidental spill or rupture occur. Drilling a well for oil and gas is prohibited within 5,280 feet of any dam, dike, or other major structure, unless otherwise approved by the LNRA General Manager or his designee. Generally, no drilling or production facilities are allowed within any developed recreation areas. No well shall be drilled within 1/8 mile (660 feet) of a river channel, permanent stream, tributary, or marsh site unless otherwise approved by the LNRA General Manager or his designee. To protect watersheds, slopes in excess of 40 percent (2.5:1) should be avoided where possible.
BOR – Nueces River Project	<u>No Surface Occupancy – Nueces River Project</u> No surface access or surface occupancy is allowed. Drilling beneath Choke Canyon Reservoir (defined by the published maximum water surface elevation of 233 feet msl) is prohibited unless approved by Regional Director contingent upon completion of a risk analysis. All areas within 2,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. 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. All storage tanks and slush pits will be protected by dikes of sufficient capacity to protect the reservoir from pollution to maximum water surface elevation 233 ft. for Choke Canyon Reservoir.
COE – Somerville Lake	<u>No Surface Occupancy – Somerville Lake</u> No surface occupancy is allowed within 3,000 horizontal feet of prime facilities critical to the operation of Somerville Lake, including but not limited to the dam, spillway, outlet structure, levees and related structures.

NM-10	<p><u>Drainage for Federal Lands – Lease Notice</u> 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.</p>
ORA-1	<p><u>Controlled Surface Use – Floodplain Protection</u> 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.</p>
ORA-2	<p><u>Controlled Surface Use – Wetland/Riparian</u> 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.</p>
ORA-3	<p><u>Season of Use Stipulation</u> 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.</p>
WO-ESA-7	<p><u>Threatened and Endangered Species Consultation Stipulation</u> 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>

WO-NHPA	<p><u>Cultural Resources and Tribal Consultation Stipulation</u></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>
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