

NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A) or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing 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 modifications 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, 16 USC § 1531 et seq., as amended, including completion of any required procedure for conference or consultation.

CULTURAL RESOURCES AND TRIBAL CONSULTATION

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, E.O. 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.

STIPULATION

This parcel may contain existing mining claims and/or mill sites located under the 1872 Mining Law. To the extent it does, the oil and gas lessee must conduct its operations, so far as reasonably practicable, to avoid damage to any known deposit of any mineral for which any mining claim on this parcel is located, and should not endanger or unreasonably or materially interfere with the mining claimant's operations, including any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of mining operations. The provisions of the Multiple Mineral Development Act (30 U.S.C. 521 et seq.) shall apply on the leased lands.

PARCEL

DESCRIPTION OF LANDS

NV-12-03-001
THRU
NV-12-03-075

ALL LANDS

THREATENED, ENDANGERED, AND SENSITIVE SPECIES

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 complete its obligations under applicable requirements of the Endangered Species Act as amended, 16 USC&1531 et seq., including completion of any required procedure for conference or consultation.

Authority: BLM Washington Office Instruction Memorandum 2002-174; Endangered Species Act

PARCEL

DESCRIPTION OF LANDS

NV-12-03-001
THRU
NV-12-03-075

ALL LANDS

RAPTOR NESTING SITES

This lease may contain lands with active raptor nesting sites. These lands are subject to seasonal protection from disturbance to avoid displacement and mortality of raptor young. Restrictions apply up to a 0.5 mile radius around the active nesting sites of the following species during the period described. The entire Elko District may provide suitable nesting for one or more of the species listed below.

- A. Golden Eagles and Great Horned Owls during the period 1/1-6/30, inclusive.
- B. Long-eared Owls during the period 2/1-5/15, inclusive.
- C. Prairie Falcons during the period 3/1-6/30, inclusive.
- D. Ferruginous Hawks, Northern Harriers and Barn Owls during the period 3/1-7/31, inclusive.
- E. Goshawk and Sharp-shinned Hawks during the period 3/15-7/15, inclusive.
- F. Cooper’s Hawks, Kestrels, and Burrowing Owls during the period 4/1-6/30, inclusive.
- G. Red-tailed and Swainson’s Hawk during the period 4/1-7/15, inclusive.
- H. Short-eared Owls during the period 2/1-6/15, inclusive.

Authority/Supporting Documentation: Wells RMP ROD (p. 25); Elko RMP ROD (p. 25), Birds of the Great Basin, 1985; State Director Decision: Horse Canyon Decision, 2005;

PARCEL

DESCRIPTION OF LANDS

NV-12-03-001
THRU
NV-12-03-075

ALL LANDS

CULTURAL RESOURCES

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, E.O. 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 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.

Authority: BLM Washington Office Instruction Memorandum 2005-03

PARCEL

DESCRIPTION OF LANDS

NV-12-03-001
THRU
NV-12-03-075

ALL LANDS

MULE DEER CRUCIAL WINTER RANGE

This lease contains lands which have been identified as mule deer crucial winter range (BLM EA 2005/030, September 2005). These lands are subject to seasonal protection from disturbance to avoid displacement and mortality to animals during the winter. Seasonal restrictions from disturbance in mule deer crucial winter ranges apply during the period 11/15-3/16, inclusive.

Authority/Supporting Documentation: Wells RMP ROD (p. 10); Elko RMP ROD (pg. 3); Field Guide to Mammals (1976)

<u>PARCEL</u>	<u>DESCRIPTION OF LANDS</u>
NV-12-03-039	ALL LANDS
NV-12-03-066	ALL LANDS

PRONGHORN ANTELOPE CRUCIAL WINTER RANGE

This lease contains lands which have been identified as pronghorn antelope crucial winter range. These lands are subject to seasonal protection from disturbance to avoid displacement and mortality to animals during the winter. Seasonal restrictions from disturbance in pronghorn antelope crucial winter ranges apply during the period 11/15-3/16, inclusive.

Authority/Supporting Documentation: Wells RMP ROD (p. 25); Elko RMP ROD (p. 3); Field Guide to Mammals (1976)

<u>PARCEL</u>	<u>DESCRIPTION OF LANDS</u>
NV-12-03-013	ALL LANDS
NV-12-03-014	ALL LANDS
NV-12-03-018 THRU	
NV-12-03-028	ALL LANDS
NV-12-03-032	ALL LANDS
NV-12-03-033	ALL LANDS
NV-12-03-040	ALL LANDS
NV-12-03-056	ALL LANDS

SAGE GROUSE STRUTTING GROUND (LEKS)

This lease contains lands which have been identified as sage grouse strutting grounds (leks) that are subject to seasonal protection from disturbance. No Surface Occupancy is permitted within 0.5 miles, or other, lesser, appropriate distance based on site-specific conditions, of sage grouse leks.

Authority/Supporting Documentation: Wells RMP ROD (p. 10); Elko RMP ROD (p. 35); Management Guidelines for Sage Grouse and Sagebrush Ecosystems in Nevada, 2000; State Director Decision: Horse Canyon Decision, 2005

<u>PARCEL</u>	<u>DESCRIPTION OF LANDS</u>
NV-12-03-010	ALL LANDS
NV-12-03-015	ALL LANDS
NV-12-03-017	ALL LANDS
NV-12-03-018	ALL LANDS
NV-12-03-022	ALL LANDS
NV-12-03-042	ALL LANDS
NV-12-03-044	ALL LANDS
NV-12-03-046	ALL LANDS
NV-12-03-052	ALL LANDS
NV-12-03-054	ALL LANDS
NV-12-03-055	ALL LANDS
NV-12-03-057	ALL LANDS
NV-12-03-060 THRU	
NV-12-03-064	ALL LANDS

OG-010-05-07

SAGE GROUSE BROOD REARING AREAS

This lease contains lands which have been identified as sage grouse brood rearing areas that are subject to seasonal protection from disturbance. Seasonal restrictions from disturbance in sage grouse brood rearing areas apply within 0.5 miles or other appropriate distance based on site-specific conditions from 5/15 to 8/15, inclusive. This restriction does not apply to operating facilities.

Authority/Supporting Documentation: Wells RMP ROD (p. 25); Elko RMP ROD (p. 3 and 36) Management Guidelines for Sage Grouse and Sagebrush Ecosystems in Nevada, 2000, State Director Decision: Horse Canyon Decision, 2005

<u>PARCEL</u>	<u>DESCRIPTION OF LANDS</u>
NV-12-03-001 THRU NV-12-03-028	ALL LANDS
NV-12-03-030 THRU NV-12-03-042	ALL LANDS
NV-12-03-044 THRU NV-12-03-047	ALL LANDS
NV-12-03-052	ALL LANDS
NV-12-03-054	ALL LANDS
NV-12-03-055	ALL LANDS
NV-12-03-057 THRU NV-12-03-066	ALL LANDS

SAGE GROUSE CRUCIAL WINTER HABITAT

This lease contains lands which have been identified as sage grouse crucial winter habitat that are subject to seasonal protection from disturbance. Seasonal restrictions from disturbance in sage grouse crucial winter habitat apply during the period November 1 to March 15. This stipulation does not apply to operating facilities.

Authority/Supporting Documentation: Wells RMP ROD (p. 22 and 25); Elko RMP ROD; Management Guidelines for Sage Grouse and Sagebrush Ecosystems in Nevada, 2000;

<u>PARCEL</u>	<u>DESCRIPTION OF LANDS</u>
NV-12-03-015	ALL LANDS
NV-12-03-016	ALL LANDS
NV-12-03-029	ALL LANDS
NV-12-03-041 THRU	
NV-12-03-051	ALL LANDS
NV-12-03-055	ALL LANDS

MATERIAL SITE

The lessee accepts this lease subject to the right of the State of Nevada to remove road building material from the land embraced in Material Site No. (see below) and agrees that its operations will not interfere with the material operations of the Department of Transportation.

PARCEL

DESCRIPTION OF LANDS

NV-12-03-001
N 3420

T.0260N, R.0510E, 21 MDM, NV
Sec. 014, SW (within).

COMMUNITY PIT STIPULATION

The lessee accepts this lease subject to the right of individuals, authorized by Bureau of Land Management District Office, to remove sand and gravel from the land embraced in Community Pit No. N-63382. The lessee agrees that its operations will not interfere with the use of the pit(s) by these individuals.

PARCEL

DESCRIPTION OF LANDS

NV-12-03-005
N-47376

T.0270N, R.0510E, 21 MDM, NV
Sec. 024, SW (within).

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