

BLM

New Mexico
Oklahoma
Texas & Kansas

Competitive Oil and Gas Lease Sale

June 20, 2019

Bureau of Land Management New
Mexico State Office
301 Dinosaur Trail

Santa Fe, New Mexico 87508

www.blm.gov

Sale Location:

[https://www.energynet.com/
gov_listing.pl](https://www.energynet.com/gov_listing.pl)



BLM



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico



IN REPLY REFER TO:
3120 (9220)

April 19, 2019

Notice of Competitive Oil and Gas Internet-Based Lease Sale

In accordance with the *Mineral Leasing Act*, as amended by the *National Defense Authorization Act for Fiscal year 2015* (Pub. L. 113-291; 128 Stat. 3762) (Dec. 19, 2014), and the BLM regulations at 43 CFR 3120, the Bureau of Land Management (BLM) is offering 51 parcels containing 39,623.57 acres in the States of Kansas, New Mexico, and Oklahoma for internet-based competitive oil and gas leasing. This notice describes:

- The date, time and location of the sale
- How to participate in the bidding process
- The sale process
- The conditions of the sale
- How to file a noncompetitive offer after the sale
- How to file a presale noncompetitive offer
- How to file a protest

When: The sale date is June 20, 2019. The open bidding period will begin at 8:00 a.m. Mountain Daylight Time (MDT), 9:00 a.m. Central Daylight Time (CDT) on Thursday, June 20, 2019. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for 2 hours, from start to finish, and bids will *only* be accepted during a parcel's open bidding period.

For payment requirements see Payment Due section of this Notice.

Where: The sale is held online at <https://www.energynet.com/>. Click the Government Lease Sales icon to view this online lease sale. Parcels may be viewed online at the EnergyNet website approximately 10 business days after the posting of this Notice of Competitive Lease Sale on the BLM website.

Access: The auction website is open to the public. The internet-based lease sale can be observed in real-time. However, you must register as a bidder on the website, in order to submit bids for a parcel. The auction website will be active and available for use approximately 10 days after the date of this Notice of Competitive Lease Sale and will remain available for viewing until the completion of the auction. The available parcels listed in this Notice will be detailed on the website. Interested parties may visit the website at any time. Potential bidders may register for the online auction as soon as the auction website is active. Further, potential bidders are encouraged to visit the website prior to the start of the open bidding period to become familiar

with the site and review the bidding tutorial. Supporting documentation is available on the website to familiarize new users to the process and answer frequently asked questions.

How will the sale be conducted?

The sale will be conducted *by online bidding only*. The online auction design will be a sequential ascending clock, fixed period, English auction. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for 2 hours, from start to finish. Bids will only be accepted for each parcel during its open bid period. Each parcel will close bidding sequentially so bidders will know if they are the highest winning bid before subsequent parcels close. The website will display each current high bid, and the high bid bidder's number. The winning bid is the highest bid per acre received, equal to or exceeding the minimum acceptable bid, which is on record in the online auction system by the close of the auction period. The online system allows participants to submit maximum bids allow a bidder to and later participate in the online auction without having to be logged into the website at the time the auction period closes. The auction website provides a full explanation of placing maximum bids, as well as an explanation of how they work to place bids on your behalf to maintain your high bidder status up to the chosen maximum bid amount. The BLM strongly encourages potential bidders to review the bidding tutorial, in the Frequently Asked Questions area on the auction website in advance of the online lease sale.

How do I participate in the bidding process?

To participate in the BLM bidding process, you must register and obtain a bidder number. A participant can register to bid at the auction website <https://www.energynet.com/> approximately 10 days after posting of this Notice on the BLM website. Participants are encouraged to register early, to familiarize themselves with the bidding instructions and ensure they have ample time to complete all the required registration before the open bidding period commences.

If an entity is bidding for more than one party, they must register separate credentials, satisfy all registration requirements and obtain a separate bidder number for each company or individual they wish to represent.

You do not have to be "present" in the auction in order to participate as a bidder. The online auction provides a "maximum bid" bidding option. By using this "maximum bid" option, you are asking the system to bid automatically on your behalf, up to an amount you specify.

When registering as a bidder on the auction website, you will be asked to sign a statement to confirm that any bid you cast will represent a good-faith intention to acquire an oil and gas lease and that you understand that any winning bid will constitute a legally binding commitment to accept the terms of the lease and pay monies owed. Further, you will acknowledge, through self-certification of the enhanced bidder form, that you understand that it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious, or fraudulent statements or representations regarding your qualifications; bidder registration and intent to bid; acceptance of a lease; or payment of monies owed; and that any such offense may result in a fine

or imprisonment for not more than 5 years or both. You will also acknowledge that you understand that it is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations. Any person who knowingly violates this provision will be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

If you, or the party you represent, owe the United States any monies that were due the day of a previous oil and gas lease auction conducted by any BLM office (the minimum monies owed the day of sale), or any monies owed EnergyNet for a previous oil and gas lease auction conducted by EnergyNet for any BLM office, you will not be allowed to register to bid at this lease sale.

The Mineral Leasing Act requires that leases be issued to a “responsible qualified bidder” (30 U.S.C. 226(b)(1)(A)). Any bidder, or party represented by a bidding agent, that does not pay the minimum monies owed the day of the sale is not a “responsible qualified bidder” and will be barred from participating in any oil and gas lease auction nationwide until the bidder settles that debt to the United States. In addition, if you or the party you represent defaults at any three sales conducted by any BLM office, you or the party you represent will be barred permanently from participating in any BLM oil and gas lease sale auction.

What is the sale process?

Starting at the posted opening date and time for each parcel:

- All bids are on the gross (total) per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- All bids are made in minimum increments of \$1.00 per acre, or fraction of an acre thereof;
- The winning bid is the highest received bid, equal to or exceeding the minimum acceptable bid, which is on record in the online auction system at the close of the auction period; and
- **The decision of the BLM, as presented on the auction website’s bid history at <https://www.energynet.com>, is final.**

The minimum acceptable bid is \$2 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x 101 acres).

You cannot withdraw a bid once a bid is placed and the auction system determines that you are the high bidder.

How long will the sale last?

Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for 2 hours, from start to finish. The length of the sale depends on the number of parcels we are offering.

What conditions apply to the lease sale?

Parcel withdrawal or sale postponement: We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the New Mexico State Office Information Access Center before the sale begins. Additionally, the auction website will clearly indicate that a parcel is withdrawn. If we postpone the sale, a clear notice will be posted in the State Office Information Access Center, the State Office website, and on the auction website.

Fractional interests: 43 CFR 3120.1-2(c) If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel we will show that information as part of the parcel listing. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross (total) acreage in the parcel, not the United States net interest. For example, if a parcel contains 199.31 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2 x 200 acres) and the advance annual rental will be \$300 (\$1.50 x 200 acres) for the first 5 years and \$400 (\$2 x 200 acres) for the remainder of the lease term. Conversely, your chargeable acreage and royalty on production will be calculated on the United States net acreage.

Payment due: You cannot withdraw a bid. Your bid is a legally binding contract. For **each parcel** you are the successful high bidder, on the day the parcel closes, you must pay the minimum bonus bid of \$2 per acre or fraction of an acre; the first year's advance rental of \$1.50 per acre or fraction of an acre; and a non-refundable administrative fee of \$165.00. These are monies you owe the United States, whether or not a lease is issued. **You must provide notification of the payment process to the BLM New Mexico State Office prior to 4:00 p.m. MDT, the day the parcel(s) closes, i.e., confirmation (via email or fax) that the payment for the parcels(s) has been initiated and the type of payment method.** Payment will be made directly to the BLM New Mexico State Office, or as otherwise directed by the BLM. **Payments to the BLM will not be made through the auction website.** At the conclusion of each parcel's bidding period, the winning bidder will be provided instructions by the online auction system on how to make the required payment to BLM. Also, you will be required to pay the buyer's premium to EnergyNet of 1.5% of any successful bid, in order to participate in the internet-based lease sale.

If your bonus bid was more than \$2 per acre or fraction of an acre and you don't pay the full amount on the day of the sale for the parcel, you must pay any balance due by 4:00 p.m., July 5, 2019, which is the close of business on the 10th working day following the sale. **If you do not pay in full by this date, you forfeit the right to the lease and all money paid the day of the sale.** If you forfeit a parcel, we may offer it again at a future sale.

The minimum monies owed on the day of the sale for a winning bid are monies owed to the United States [43 CFR 3120.5-2(b) and 43 CFR 3120.5-3(a)]. If we do not receive notification of the payment process of the minimum monies owed the day of the sale by the date and time above, the BLM will issue a bill for the monies owed. If we do not receive payment by the bill due date, we will send a demand letter to you that will include additional fees. If we do not receive payment as requested by the demand letter, the U.S. will immediately pursue collection by all appropriate methods, and when appropriate, collect late fees, interest, administrative charges, and on past-due amounts assess civil penalties. "All appropriate methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus; salary or administrative offset; offset of Federal and state payments, including goods or services; and Federal and state tax refund offset; and retirement payment offset. We may send debts to the Internal Revenue Service (IRS) and the IRS may charge them as income to you on Form 1099C, Cancellation of Debt (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR Part 285).

Forms of payment: Specific payment instructions will be provided by the online auction system to high winning bidders. You may pay by:

- Personal check, certified check, money order (expedited mailing methods);
- Electronic Funds Transfer (EFT);
- Automated Clearing House (ACH); and/or
- Credit card (Discover, Visa, American Express, or MasterCard only).
- We cannot accept cash.

In order to meet the payment requirement, you must provide BLM contacts with confirmation that the transaction has been initiated on the day the parcel closes before 4:00 p.m. MDT. An email or fax containing confirmation must include but is not limited the following appropriate documents: overnight shipping tracking document, a copy of the payment instrument, and/or a bank provided electronic confirmation of EFT or ACH. **Do not email or fax privacy information.**

*Please note, in accordance with the Department of Treasury Financial Manual, Announcement No. A-2014-04, the BLM cannot accept credit card payments for an amount equal to or greater than \$24,999.99. The BLM cannot accept aggregated smaller amounts or multiple credit cards to bypass this requirement. The BLM does not have Personal Identification Number (PIN) equipment for the purpose of processing PIN authorized debit cards. All debit card transactions will be processed as credit cards and the dollar value limits will apply. If you pay by check, please make your check payable to: **Department of the Interior-BLM**. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment*

arrangements. *However, we cannot grant you any extension of time to provide confirmation of payment to the BLM contacts.*

Bid form: On the day of the sale, if you are the successful winning high bidder, you must submit (email or fax) to BLM a properly completed and signed competitive bid form (Form 3000-2) with the required payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once you sign the form, you cannot change it. The online auction system will provide the successful winning high bidder with a fillable pdf of this bid form and instructions on how to submit the form to the New Mexico State Office after the auction. We will not accept any bid form that has information crossed out or is otherwise altered. **We will not issue a lease until we receive a signed copy of the bid form in accordance with 43 CFR 3102.4(a).** You will be shown the bid form as part of the bidder registration process, and asked to certify that you will complete and execute it should you be the successful winning high bidder. We ask that you complete the form at that time to ensure that you can meet this condition.

Your completed bid form certifies that:

1. You and/or the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and
2. Both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of, or collusion among bidders.

This notice includes a copy of the bid form, and again, you will be provided a copy during the bidder registration process and asked to assert that you agree that you will be able and willing to comply and sign it if you are the winning bidder at the close of the auction.

Federal acreage limitations: Qualified individuals, associations, or corporations may only participate in a competitive lease sale and purchase Federal oil and gas leases from this office if such purchase will not result in exceeding the state limit of 246,080 acres of public domain land and 246,080 acres of acquired land (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than 10 percent. Lease acreage committed to a unit agreement, communitization agreement or development contract that you hold, own or control and acreage in leases for which royalty (including compensatory royalty or royalty-in-kind) was paid in the preceding calendar year is excluded from chargeability for acreage limitation purposes. The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, and transfer of interest by assignment of record title or operating rights in leases regardless of whether an individual, association, or corporation has received additional time, under 43 CFR 3101.2-4, to divest excess acreage acquired through merger or acquisition.

Lease Issuance: After we receive the bid form, all the money due, and protests have been resolved, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in

which we sign it, you must request in writing to do this. The request must be received before the lease is signed.

Lease terms: A lease issued as a result of this sale will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. **Advance rental at \$1.50 per acre for the first 5 years (\$2 per acre after that) is due on or before the anniversary date each year until production begins.** Once a lease is producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11).

Split Estate: Information regarding leasing of Federal minerals under private surface, referred to as “Split Estate” is available at the following Washington Office website: <https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/leasing/split-estate>. A Split Estate brochure is available at this site. The brochure outlines the rights, responsibilities, and opportunities of private surface owners and oil and gas operators in the planning, lease sale, permitting/development, and operations/production phases of the oil and gas program.

Stipulations: Stipulations are part of the lease and supersede any inconsistent provisions of the lease form. They are requirements or restrictions on how you conduct operations. These stipulations are included in the parcel descriptions on the attached list.

All Federal oil and gas lease rights are granted subject to applicable laws under Section 6 of the lease including Endangered Species Act, as amended, 16 U.S.C. 1531 *et seq.*

Each parcel included in this lease sale will be subject to the attached Endangered Species Act Section 7 Consultation Stipulation and Cultural Resource Protection Stipulation.

Unit and Communitization Agreements: Parcels offered in this Notice may fall within an authorized Unit or Communitization Agreement. If the parcel falls within an authorized Unit or Communitization Agreement, the successful bidder may be required to join the agreement. Any lands included in this Notice that are determined to be in a unit prior to lease issuance are subject to regulation 43 CFR 3101.3-1.

Attached is a list of the lands we are offering by serial number, parcel number, and land description. We have included any stipulations, lease notices, special conditions, or restrictions that will be made a part of the lease at the time we issue it. We have also identified those parcels where the United States owns less than 100 percent interest in the oil and gas mineral rights, and have pending noncompetitive presale offers which will not be available for noncompetitive leasing after the sale if the parcel does not receive a bid. For your convenience, we are including a copy of the bid form. A map showing the sale parcels, the list of lands, and the Shapefiles are also available on our public Internet site at: <https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/leasing/regional-lease-sales/new-mexico>.

How do I file a noncompetitive offer after the sale?

Lands that do not receive a bid are available on a first-come, first-served basis for a 2-year period, following the last day after the auction. The noncompetitive offers are handled directly by the BLM and not through the internet-based leasing website. Noncompetitive offers may not be filed on the lands listed in this Notice until the first business day following the last day of the auction. If you want to file a noncompetitive offer on an unsold parcel, you must file:

- Three copies of form 3100-11, *Offer to Lease and Lease for Oil and Gas* properly completed and signed. Describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and
- Your payment for the total of the \$425.00 non-refundable filing fee and the advanced first year's rental (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the amount of rental.

Submit the aforementioned items to the BLM New Mexico State Office. We consider all offers filed the day of a sale and the first business day following the last day of the auction, filed at the same time. If a parcel receives more than one offer, we will hold a drawing to pick the winner (see 43 CFR 1822.17). In the attached list of parcels, we have noted any parcels that have pending noncompetitive presale offers. A presale offer has priority over any offer filed after the sale.

How do I file a noncompetitive presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:

- Are available; and
- Have not been under lease during the previous 1-year period, or
- Have not been included in a competitive lease sale within the previous 2-year period.

Your noncompetitive presale offer to lease must be filed prior to the official posting of this Notice. **The posting of this notice serves to withdraw the lands listed herein from filings under 43 CFR 3110.1(a)(1)(ii).** If your presale offer was timely filed, was complete and we do not receive a bid for the parcel that contains the lands in your offer, your presale offer has priority over any offer for that parcel filed after the sale. Your presale offer is your consent to the terms and conditions of the lease, including any stipulations described in this Notice. If you want to file a presale offer, you must file:

- Three copies of form 3100-11, *Offer to Lease and Lease for Oil and Gas* properly completed and signed. Describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and

- Your payment for the total of the \$425.00 non-refundable filing fee and the advanced first year's rental (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the amount of rental.

How do I submit an Expression of Interest?

An Expression of Interest (EOI) is an informal nomination requesting certain lands be included in an oil and gas competitive lease sale. This request may be submitted via the National Fluids Lease Sale System at <https://nflss.blm.gov>.

The BLM does not require nominators to provide their name or address. You may still provide this information for contact purposes; however, the BLM will make this information available to the public. If you consider your name and address to be confidential, do not include it in your EOI.

If you are submitting an EOI which includes split estate lands (private surface/federal minerals), you must provide the name and address of the current private surface owner(s) along with your EOI. The BLM will send a courtesy letter to the surface owner(s) providing notice of the scheduled auction as well as information about the BLM's regulations and procedures for Federal oil and gas leasing and development on split estate lands. An EOI that does not provide the name and address of the private surface owner(s) will not be processed by the BLM.

When is the next competitive oil and gas lease sale scheduled?

We have tentatively scheduled our next competitive sale for September 5, 2019. We can make no guarantee as to when a given parcel will be offered for competitive sale. We will try to put EOIs in the earliest possible sale.

How can I find out the results of this sale?

The sale results will be posted on the www.energynet.com website and the BLM New Mexico State Office website at <https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/leasing/regional-lease-sales/new-mexico>. Paper copies are available for viewing or purchase at the BLM New Mexico State Office Information Access Center.

May I protest the BLM's decision to offer the lands in this Notice for lease?

Yes, under regulation 43 CFR 3120.1-3, you may protest the inclusion of a parcel listed in this sale notice. All protests must meet the following requirements:

- We must receive a protest within 10 calendar days of the posting date of this Notice. If our office is not open on the 10th day after the posting, a protest received on the next day our office is open to the public will be considered timely filed. **We will dismiss a late-filed protest.**

- The protest must include a statement of reasons to support the protest. **We will dismiss a protest filed without a statement of reasons.**
- A protest must state the interest of the protesting party in the matter, including the name the name and address of the protesting party, **and reference the specific serial number that is being protested.**
- You may file a protest either by hand delivery or mailed in hardcopy form. You may not file a protest by electronic mail.
- If the party signing the protest is doing so on behalf of an association, partnership, or corporation, the signing party must reveal the relationship between them. For example, unless an association authorizes an individual member of its group to act on their behalf, the individual cannot make a protest in the group's name.

Any protest, including names and street addresses, you submit will be made available for public review. Individual respondents may request confidentiality. If you wish to withhold your personal identifiable information from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your written comment. Such requests will be honored to the extent allowed by law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public inspection in their entirety.

If the BLM receives a timely protest of a parcel advertised in this Notice, how does it affect bidding on the parcel?

We will announce receipt and status of any protests on the auction website prior to the start of the online auction. We will also announce on the website a decision to either withdraw the parcel or proceed with the auction. If the protest is resolved prior to the sale, we will provide copies of our decision on the BLM website.

If I am the high bidder at the sale for a protested parcel, when will the BLM issue my lease?

We will make every effort to decide the protest prior to the sale, or within 60 days after the sale. We will not issue a lease for a protested parcel until the protest is either upheld or denied.

If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?

No. In accordance with BLM regulations (43 CFR 3120.5-3), you may not withdraw your bid.

If the BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will reject your bid, and refund your first year's rental, bonus bid, and administrative fee. The buyer's premium will be handled between EnergyNet and the buyer. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations. If you do not accept the additional stipulations, we will reject your bid and refund your first year's rental, bonus bid, and administrative fee.

If the BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?

Yes. An appeal from the State Director's decision must meet the requirements of Title 43 CFR 4.411 and Part 1840. You may file a notice of appeal by paper hardcopy only. The BLM will not accept a notice of appeal transmitted electronically (e.g., by email, facsimile, or social media means). Also, the BLM will not accept a petition for stay that is transmitted electronically (e.g., by email, facsimile, or social media means). Even if the BLM has previously corresponded with you by email, facsimile, or social media means, the BLM will not accept a notice of appeal transmitted electronically. Both the notice of appeal and any petition for stay must be received on paper at the office address above.

May I appeal the BLM's decision to deny my protest?

Yes. An appeal from the State Director's decision must meet the requirements of Title 43 CFR 4.411 and Part 1840. You may file a notice of appeal by paper hardcopy only. The BLM will not accept a notice of appeal transmitted electronically (e.g., by email, facsimile, or social media means). Also, the BLM will not accept a petition for stay that is transmitted electronically (e.g., by email, facsimile, or social media means). Even if the BLM has previously corresponded with you by email, facsimile, or social media means, the BLM will not accept a notice of appeal transmitted electronically. Both the notice of appeal and any petition for stay must be received on paper at the office address above.

May I withdraw my bid if the protestor files an appeal?

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid. We will issue your lease concurrently with the decision to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize a refund of the bonus bid, rentals, and administrative fees if:

- There is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it; and
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid, and administrative fee.

Who should I contact if I have questions?

If you have questions on BLM stipulations, lease notices, etc., please contact the appropriate BLM Field Office for assistance. If you have questions on another surface management agency's stipulations or restrictions, etc., please contact that agency. For general information about the competitive oil and gas lease sale process, or this Notice of Competitive Lease Sale, you may call our Information Access Center at (505) 954-2098, or for information or questions about the sale, contact Lourdes Ortiz at either (505) 954-2146 or email lortiz@blm.gov.

/s/JulieAnn Serrano

JulieAnn Serrano
Supervisory Land Law Examiner
Branch of Adjudication

COMPETITIVE OIL AND GAS OR GEOTHERMAL RESOURCES LEASE BID

FORM 3000-2 (JULY 2012)

https://www.blm.gov/sites/blm.gov/files/uploads/Services_National-Operations-Center_Eforms_Fluid-and-Solid-Minerals_3000-002.pdf

OFFER TO LEASE AND LEASE FOR OIL AND GAS

FORM 3100-11 (OCTOBER 2008)

https://www.blm.gov/sites/blm.gov/files/uploads/Services_National-Operations-Center_Eforms_Fluid-and-Solid-Minerals_3100-011.pdf

**BUREAU OF LAND MANAGEMENT
 NEW MEXICO STATE OFFICE
 JUNE 20, 2019, LEASE SALE STATISTICS BY STATE
 PARCELS WITH AND WITHOUT PRESALE NONCOMPETITIVE PRIORITY OFFERS**

STATE	PARCELS WITH PRESALE OFFERS	PARCELS WITHOUT PRESALE OFFERS	TOTAL PARCELS	ACRES WITH PRESALE OFFERS	ACRES WITHOUT PRESALE OFFERS	TOTAL ACRES
KANSAS	0	1	1	0	320.00	320.00
NEW MEXICO	0	48	48	0	39,109.97	39,109.97
OKLAHOMA	0	2	2	0	193.60	193.60
TOTALS	0	51	51	0	39,623.57	39,623.57

KANSAS ACQUIRED

NM-201906-001 320.000 Acres

T.0040S, R.0300W, 06 PM, KS

Sec. 033 NE,E2NW,E2SE;

Decatur County

Oklahoma FO

KSW 058413

25% U.S. MINERAL INTEREST

Formerly Lease No.

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA Cultural Resources and Tribal Consultation

NEW MEXICO PUBLIC DOMAIN - SE

NM-201906-002 640.000 Acres

T.0260S, R.0250E, 23 PM, NM

Sec. 010 ALL;

Eddy County

Carlsbad FO

NMNM 113396

Formerly Lease No.

NM-1-LN Special Status Plant Species

NM-11-LN Special Cultural Resource

SENM-LN-1 Cave - Karst Occurrence Area

SENM-S-17 Slopes or Fragile Soils

SENM-S-18 Streams, Rivers, and Floodplains

SENM-S-21 Caves and Karst

WO-ESA-7 Endangered Species Act

WO-NHPA Cultural Resources and Tribal Consultation

Lease Notation: Surface disturbance within this lease may be limited to the areas between ephemeral drainages to avoid impacting known cave and karst resources. Other karst features may exist, both in the surface and subsurface, within this lease. If karst features were to be discovered at the time of the Application for Permit to Drill, the features would be subject to the protective buffers outlined in the stipulation SENM-S-21 attached to the lease.

NM-201906-003 250.600 Acres

T.0260S, R.0250E, 23 PM, NM
Sec. 035 LOTS 1-4;
 035 N2N2;

Eddy County
Carlsbad FO
NMNM 112901, NMNM 104669
Formerly Lease No.
NM-1-LN Special Status Plant Species
NM-11-LN Special Cultural Resource
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-17 Slopes or Fragile Soils
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
WO-ESA-7 Endangered Species Act
WO-NHPA Cultural Resources and Tribal Consultation

Lease Notation: Preliminary surveys revealed the presence of over 50 known caves and sinkholes within the lease. Surface disturbance within this lease may be limited to the northwest and southwest corners of the lease to avoid impacting known cave and karst resources. However, access to the northwest corner of the lease may be limited due to the density of karst features located outside of the lease to the north, east, and west. Other karst features may exist, both in the surface and subsurface. If karst features were to be discovered at the time of the Application for Permit to Drill, the features would be subject to the protective buffers outlined in the stipulations SENM-S-21 attached to the lease.

NM-201906-004 161.280 Acres

T.0150S, R.0300E, 23 PM, NM
Sec. 004 LOTS 1,2;
 004 S2NE;

Chaves County
Roswell FO
NMNM 115418, NMNM 31263
Formerly Lease No.
SENM-LN-2 Protection of the Sand Dune Lizard
SENM-S-22 Prairie Chickens
SENM-S-25 Visual Resource Management
SENM-S-27 Plan of Development (POD) Stipulation
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA Cultural Resources and Tribal Consultation

NM-201906-005 160.000 Acres

T.0150S, R.0300E, 23 PM, NM
Sec. 009 SW;
Chaves County
Roswell FO
NMNM 31263
Formerly Lease No.
SENM-LN-2 Protection of the Dunes Sagebrush Lizard
SENM-S-22 Prairie Chickens
SENM-S-25 Visual Resource Management
SENM-S-27 Plan of Development (POD) Stipulation
SENM-S-47 Reclamation
Wells: Holbrook B Federal #1 API #3000520727
 Holbrook B Federal #2 API #3000520742
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-006 40.000 Acres

T.0260S, R.0300E, 23 PM, NM
Sec. 018 NENW;
Eddy County
Carlsbad FO
NMNM 113408
Formerly Lease No.
SENM-LN-1 Cave - Karst Occurrence Area
SENM-S-16 Raptor Nests and Heronries
SENM-S-18 Streams, Rivers, and Floodplains
SENM-S-21 Caves and Karst
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-009 160.000 Acres

T.0130S, R.0380E, 23 PM, NM
Sec. 021 SE;
Lea County
Carlsbad FO
NMNM 92787, NMNM 66934
Formerly Lease No.
SENM-S-22 Prairie Chickens
SENM-S-51 CSU Farmland
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-010 **27.970 Acres**
T.0130S, R.0380E, 23 PM, NM
Sec. 035 LOTS 3,4;
Lea County
Carlsbad FO
NMNM 84911
Formerly Lease No.
SENM-S-22 Prairie Chickens
SENM-S-51 CSU Farmland
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-011 **120.000 Acres**
T.0130S, R.0380E, 23 PM, NM
Sec. 035 N2NW,S2NW;
Lea County
Carlsbad FO
NMNM 62255, NMNM 82968
Formerly Lease No.
SENM-S-22 Prairie Chickens
SENM-S-51 CSU Farmland
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NEW MEXICO PUBLIC DOMAIN - NW

NM-201906-012 **807.080 Acres**
T.0210N, R.0020W, 23 PM, NM
Sec. 001 LOTS 3,4;
 001 S2NW;
 002 LOTS 1-4;
 002 S2N2,S2;
Sandoval County
Rio Puerco FO
NMNM 96037, NMNM 96038
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-013 1290.760 Acres

T.0210N, R.0020W, 23 PM, NM

Sec. 003 LOTS 1-4;

003 S2N2,S2;

004 LOTS 1-4;

004 S2N2,S2;

Sandoval County

Rio Puerco FO

NMNM 86454

Formerly Lease No.

RP-2 Important Seasonal Wildlife Habitat

RP-6 National Register of Historic Places

NM-11-LN Lease Notice-Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

NM-201906-014 1286.080 Acres

T.0210N, R.0020W, 23 PM, NM

Sec. 005 LOTS 1-4;

005 S2N2;S2;

008 ALL;

Sandoval County

Rio Puerco FO

NMNM 54679, NMNM 89014

Formerly Lease No.

RP-2 Important Seasonal Wildlife Habitat

RP-6 National Register of Historic Places

NM-11-LN Lease Notice-Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

NM-201906-015 1262.340 Acres

T.0210N, R.0020W, 23 PM, NM

Sec. 006 LOTS 1-7;

006 S2NE,SE,SE,SE;

007 LOTS 1-4;

007 E2,E2W2;

Sandoval County

Rio Puerco FO

NMNM 67392, NMNM 86455

Formerly Lease No.

RP-2 Important Seasonal Wildlife Habitat

RP-6 National Register of Historic Places

NM-11-LN Lease Notice-Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

NM-201906-016 1280.000 Acres

T.0210N, R.0020W, 23 PM, NM

Sec. 009 ALL;

010 ALL;

Sandoval County

Rio Puerco FO

NMNM 54680, NMNM 7448

Formerly Lease No.

RP-2 Important Seasonal Wildlife Habitat

RP-6 National Register of Historic Places

NM-11-LN Lease Notice-Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

NM-201906-017 1280.000 Acres

T.0210N, R.0020W, 23 PM, NM

Sec. 015 ALL;

016 ALL;

Sandoval County

Rio Puerco FO

NMNM 7448, NMNM 54680

Formerly Lease No.

RP-2 Important Seasonal Wildlife Habitat

RP-6 National Register of Historic Places

NM-11-LN Lease Notice-Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

NM-201906-018 1272.040 Acres

T.0210N, R.0020W, 23 PM, NM

Sec. 017 ALL;

018 LOTS 1-4;

018 E2,E2W2;

Sandoval County

Rio Puerco FO

NMNM 84665, NMNM 90819

Formerly Lease No.

RP-2 Important Seasonal Wildlife Habitat

RP-6 National Register of Historic Places

NM-11-LN Lease Notice-Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

NM-201906-019 1275.200 Acres

T.0210N, R.0020W, 23 PM, NM
Sec. 019 LOTS 1-4;
 019 E2,E2W2;
 020 ALL;

Sandoval County
Rio Puerco FO
NMNM 89632, NMNM 89633
NMNM 86455, NMNM 94064
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-020 1280.000 Acres

T.0210N, R.0020W, 23 PM, NM
Sec. 021 ALL;
 022 ALL;

Sandoval County
Rio Puerco FO
NMNM 102875, NMNM 102876
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-021 1280.000 Acres

T.0210N, R.0020W, 23 PM, NM
Sec. 027 ALL;
 028 ALL;

Sandoval County
Rio Puerco FO
NMNM 102877, NMNM 101549
NMNM 102878, NMNM 22834
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-022 1278.000 Acres

T.0210N, R.0020W, 23 PM, NM
 Sec. 029 ALL;
 030 LOTS 1-4;
 030 E2,E2W2;

Sandoval County
Rio Puerco FO
NMNM 89632, NMNM 89633
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-023 639.600 Acres

T.0210N, R.0020W, 23 PM, NM
 Sec. 031 LOTS 1-4;
 031 E2,E2W2;

Sandoval County
Rio Puerco FO
NMNM 62577, NMNM 81607
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-024 1360.000 Acres

T.0210N, R.0020W, 23 PM, NM
 Sec. 032 E2NE;
 033 ALL;
 034 ALL;

Sandoval County
Rio Puerco FO
NMNM 34574, NMNM 38646, NMNM 42171
NMNM 53917, NMNM 89631, NMNM 94065
NMNM 101549, NMNM 101550
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-025 160.000 Acres

T.0240N, R.0020W, 23 PM, NM
Sec. 013 NW;
Rio Arriba County
Farmington FO
NMNM 40636
Formerly Lease No.
F-4-TLS Seasonal Wildlife Habitat
F-8-VRM Class IV
F-15-POD Plan of Development
F-27-LN Coal Reserves
F-40-CSU Special Cultural Values or Traditional Properties
F-41-LN Biological Surveys
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA Cultural Resources and Tribal Consultation

NM-201906-026 1294.520 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 001 LOTS 1-4;
 001 S2N2,S2;
 002 LOTS 1-4;
 002 S2N2,S2;
Sandoval County
Rio Puerco FO
NMNM 86856, NMNM 88070
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-027 1298.400 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 003 LOTS 1-4;
 003 S2N2,S2;
 004 LOTS 1-4;
 004 S2N2,S2;
Sandoval County
Rio Puerco FO
NMNM 59686, NMNM 69109
NMNM 88070, NMNM 90454
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-028 1059.330 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 005 LOTS 1-4;
 005 S2N2,S2;
 006 LOTS 1-6;
 006 S2NE,SE;

Sandoval County
Rio Puerco FO
NMNM 25607, NMNM 67395
NMNM 67396, NMNM 90454
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-029 1034.070 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 007 LOTS 1-4;
 007 E2;
 008 ALL;

Sandoval County
Rio Puerco FO
NMNM 54683, NMNM 67395
NMNM 90833, NMNM 92140
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-030 1280.000 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 009 ALL;
 010 ALL;

Sandoval County
Rio Puerco FO
NMNM 81092, NMNM 89781
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-031 1280.000 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 011 ALL;
 012 ALL;

Sandoval County
Rio Puerco FO
NMNM 81092, NMNM 67508, NMNM 81838,
NMNM 86857
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-032 1280.000 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 013 ALL;
 014 ALL;

Sandoval County
Rio Puerco FO
NMNM 88071, NMNM 86857
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-033 1200.000 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 015 ALL;
 016 N2,E2SW,SE;

Sandoval County
Rio Puerco FO
NMNM 88071, NMNM 84678
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-034 **640.000 Acres**
T.0210N, R.0030W, 23 PM, NM
Sec. 017 ALL;
Sandoval County
Rio Puerco FO
NMNM 90833, NMNM 93302
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-035 **1240.000 Acres**
T.0210N, R.0030W, 23 PM, NM
Sec. 021 NE,NWNW,S2NW,S2;
 022 ALL;
Sandoval County
Rio Puerco FO
NMNM 84679, NMNM 29169
Formerly Lease No.
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-036 **1280.000 Acres**
T.0210N, R.0030W, 23 PM, NM
Sec. 023 ALL;
 024 ALL;
Sandoval County
Rio Puerco FO
NMNM 29169, NMNM 76818, NMNM 93443,
NMNM 81839
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-037 1280.000 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 025 ALL;
 026 ALL;

Sandoval County
Rio Puerco FO
NMNM 93443, NMNM 81093, NMNM 86859,
NMNM 84681
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-038 1280.000 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 027 ALL;
 028 ALL;

Sandoval County
Rio Puerco FO
NMNM 84682, NMNM 29169
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-039 1046.030 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 031 LOTS 1-4;
 031 E2;
 032 ALL;

Sandoval County
Rio Puerco FO
NMNM 25295, NMNM 114368
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-040 **640.000 Acres**
T.0210N, R.0030W, 23 PM, NM
Sec. 034 ALL;
Sandoval County
Rio Puerco FO
NMNM 84684, NMNM 76818
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-041 **1280.000 Acres**
T.0210N, R.0030W, 23 PM, NM
Sec. 035 ALL;
 036 ALL;
Sandoval County
Rio Puerco FO
NMNM 84685, NMNM 34574
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-042 **520.800 Acres**
T.0210N, R.0040W, 23 PM, NM
Sec. 001 LOTS 1-4;
 001 S2N2,SW,NWSE;
Sandoval County
Rio Puerco FO
NMNM 67396
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-043 240.000 Acres

T.0210N, R.0040W, 23 PM, NM
Sec. 013 E2SW,SE;
Sandoval County
Rio Puerco FO
NMNM 93433
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-044 320.000 Acres

T.0210N, R.0040W, 23 PM, NM
Sec. 017 E2;
Sandoval County
Rio Puerco FO
NMNM 37754
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-045 640.000 Acres

T.0210N, R.0040W, 23 PM, NM
Sec. 035 ALL;
Sandoval County
Rio Puerco FO
NMNM 93433
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-046 639.200 Acres

T.0210N, R.0050W, 23 PM, NM
Sec. 031 LOTS 1-4;
 031 E2,E2W2;

Sandoval County
Rio Puerco FO
NMNM 99726
Formerly Lease No.
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-047 160.000 Acres

T.0240N, R.0070W, 23 PM, NM
Sec. 033 SW;

Rio Arriba County
Farmington FO
NMNM 127900, NMNM 95617
Formerly Lease No.
F-4-TLS Seasonal Wildlife Habitat
F-8-VRM Class IV
F-15 Plan of Development
F-27-LN Coal Reserves
F-40-CSU Special Cultural Values or Traditional Properties
F-41-LN Biological Survey
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA Cultural Resources and Tribal Consultation

NEW MEXICO ACQUIRED

NM-201906-048 80.000 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 016 W2SW;

Sandoval County
Rio Puerco FO
NMNM 78287
Formerly Lease No.
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-049 40.000 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 021 NENW;
Sandoval County
Rio Puerco FO
NMNM 86858
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-050 426.670 Acres

T.0210N, R.0030W, 23 PM, NM
Sec. 033 PT OF N2S2NW;
 033 E2,N2NW;
Sandoval County
Rio Puerco FO
NMNM 78287, NMNM 84683, NMNM 56419
Formerly Lease No.
RP-2 Important Seasonal Wildlife Habitat
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

NM-201906-051 320.000 Acres

T.0210N, R.0050W, 23 PM, NM
Sec. 016 W2;
Sandoval County
Rio Puerco FO
Formerly Lease No.
RP-6 National Register of Historic Places
NM-11-LN Lease Notice-Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA National Register of Historic Places

OKLAHOMA PUBLIC DOMAIN

NM-201906-052 2.350 Acres

T.0160N, R.0140W, 17 PM, OK
Sec. 032 ACCRETION & RIPARIAN ACREAGE TO LOT 1;
 032 SEE EXHIBIT A FOR;
 032 METES & BOUNDS WITH MAP;

Dewey County
Oklahoma FO
Formerly Lease No.
ORA-1-CSU Floodplain Protection
ORA-2-CSU Wetland/Riparian
ORA-LN-1 Threatened & Endangered Species
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WO-NHPA Cultural Resources and Tribal Consultation

OKLAHOMA ACQUIRED

NM-201906-056 191.250 Acres

T.0190N, R.0150W, 17 PM, OK
Sec. 011 N2N2NE, SENENE;
 012 LOTS 1-4;
 012 NWNW;

Dewey County
Oklahoma FO
OKNM 130893
CORPS OF ENGINEERS
CANTON LAKE
Formerly Lease No.
COE-CE-SS-1A - No Surface Occupancy
WO-ESA-7 Endangered Species Act
WO-NHPA Cultural Resources and Tribal Consultation

NOTE: The successful bidder is required to join the communitization agreement (CA) OKNM 139142 prior to issuance of the lease.

**Operator:
Newfield Exploration Mid-Continent Inc.
24 Waterway Avenue Suite #900
Spring, TX 77380-3797**

**TOTAL PARCELS: 51
TOTAL ACREAGE: 39,623.57**

FIELD OFFICE	PARCELS	ACRES
OKLAHOMA FO	3	513.60
CARLSBAD FO	6	1,238.57
ROSWELL FO	2	321.28
RIO PUERCO FO	38	37,230.12
FARMINGTON FO	2	320.00
TOTALS	51	39,623.57

STIPULATIONS

LEASE NOTICE
POTENTIAL, SUITABLE AND OCCUPIED HABITAT FOR SPECIAL STATUS PLANT SPECIES

The lease contains potential, suitable and/or occupied habitat for special status plant species; therefore, special status plant species clearance surveys may be required prior to approving any surface disturbing activities within or adjacent to BLM Special Status Plant Species' potential, suitable and occupied habitats.

Survey requirements would include the following:

- Clearance surveys must be conducted by a qualified botanist as determined the BLM.
- The area to be surveyed will include at a minimum the project area plus an additional 100 meters outside the project area.
- Clearance surveys will be conducted during the blooming season or the period in which the plant species is most easily detected as determined by the BLM.

Based on the results of the survey, conditions of approval may be applied to land use authorizations and permits that fall within the area of direct/indirect impacts or affected habitat, as appropriate. Possible mitigation strategies may include, but are not limited to:

- Avoidance/restriction of development such as locating the surface disturbance area away from the edge of occupied or suitable habitat and ideally outside of the area where indirect/direct impacts would occur;
- Minimizing the area of disturbance utilizing strategies such as but not limited to twinning, and utilizing existing disturbance and corridors;
- Dust abatement measures;
- Signs, fencing, and other deterrents to reduce human disturbance;
- Construction of well sites, roads and associated facilities outside of the blooming season;
- Specialized reclamation procedures such as, but not limited to,
 - separating soil and subsoil layers with barriers to reclaim in the correct order,
 - using a higher percentage of forbs in the reclamation seed mix to promote pollinator habitat,
 - collection of seeds for sensitive plant species' genetic preservation, grow-out, and reclamation;
- Long term monitoring of indirect/direct impacts on the species and/or habitat;
- Qualified, independent third-party contractors to provide general oversight and assure compliance with project terms and conditions during construction;
- Non-native or invasive species monitoring and control in occupied and suitable habitat;
-

- Any other on-site habitat protection or improvements, known by best available science to be beneficial.

On the following lands: All lands in lease.

LEASE NOTICE
SPECIAL CULTURAL RESOURCE

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.

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.

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
PROTECTION OF THE DUNES SAGEBRUSH LIZARD

This lease may encompass suitable and occupied habitat of the dunes sagebrush lizard (*Sceloporus arenicolus*). The lizard can be found in active or semi-active sand dunes with shinnery oak vegetation. All or portions of the lease may contain suitable or occupied habitat of this special status species.

The Bureau of Land Management through its NEPA process, is responsible for assuring that the leased lands are examined prior to any surface disturbing activities on the lands covered by this lease to determine potential impacts to the lizard and its habitat.

In accordance with Section 6 of the lease terms, the lessee may be required to conduct an examination of the lands to determine the occurrence of the lizard (peak activity is May – August). Protocol for these surveys can be found in the 2008 Pecos District Special Status Species Resource Management Plan Amendment. The survey would be conducted by a qualified biologist or herpetologist approved by the Bureau of Land Management. A report of the findings would be submitted to the authorized officer.

Exploration and lease development activities may be limited to areas outside of suitable or occupied habitat within the lease. If the surface management agency determines that lease development activities may adversely impact suitable or occupied habitat, restrictions to the lessee's proposal or denial of any beneficial use of the lease may result.

Conditions of Approval for Applications for Permit to Drill or Sundry Notices may be developed to protect habitat for the dunes sagebrush lizard. The lessee will take such measures as may be required by the authorized officer to protect the lizard and its habitat.

CONTROLLED SURFACE USE STIPULATION
PROTECTION OF RAPTOR NESTS AND HERONRIES

Stipulation: 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.

On the following lands: <LEGAL DESCRIPTION>

For the purpose of: Protecting Raptor Nests and Heronries.

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

In accordance with the provisions of 43 C.F.R. 3101.1-4, if circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable land use plan, or if not consistent, through a planning amendment.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold. No waivers currently exist.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold. 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.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied. No modifications currently exist.

CONTROLLED SURFACE USE STIPULATION
PROTECTION OF SLOPES OR FRAGILE SOILS

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

Surface disturbance will not be allowed on slopes over 30 percent. Occupancy or use of fragile soils will be considered on a case-by-case basis.

On the following lands: <LEGAL DESCRIPTION>

For the purpose of: Protecting Slopes or Fragile Soils.

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

In accordance with the provisions of 43 C.F.R. 3101.1-4, if circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable land use plan, or if not consistent, through a planning amendment.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

No waivers currently exist.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

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.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

No modifications currently exist.

CONTROLLED SURFACE USE STIPULATION
PROTECTION OF STREAMS, RIVERS, AND FLOODPLAINS

Stipulation: 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 the following lands: <LEGAL DESCRIPTION>

For the purpose of: Protecting Streams, Rivers and Floodplains

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

In accordance with the provisions of 43 C.F.R. 3101.1-4, if circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable land use plan, or if not consistent, through a planning amendment.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

No waivers currently exist.

Exception: An exception is a one-time exemption for a particular site within the leasehold. The stipulation continues to apply to all other sites within the leasehold. 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.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

No modifications currently exist.

CONTROLLED SURFACE USE STIPULATION
PROTECTION OF CAVES AND KARST

Stipulation: 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.

On the following lands: <LEGAL DESCRIPTION>

For the purpose of: Protecting Caves and Karst Features

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

In accordance with the provisions of 43 C.F.R. 3101.1-4, if circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable land use plan, or if not consistent, through a planning amendment.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

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.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

CONTROLLED SURFACE USE STIPULATION
PROTECTION OF LESSER PRAIRIE-CHICKENS

Stipulation: 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.

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.

On the following lands: All lands in lease

For the purpose of: Protecting Lesser Prairie-Chickens

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

In accordance with the provisions of 43 C.F.R. 3101.1-4, if circumstances or relative resource values change or if the lessee demonstrates that operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the authorized officer if such action is consistent with the provisions of the applicable land use plan, or if not consistent, through a planning amendment.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

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.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

CONTROLLED SURFACE USE STIPULATION
VISUAL RESOURCE MANAGEMENT

Stipulation: 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 re-contoured 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 re-contoured and reseeded according to vegetation and soil type.

On the following lands: <LEGAL DESCRIPTION>

For the purpose of: Protecting Visual Resources Management

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

An operator may request that the BLM waive, except, or modify a lease stipulation for a Federal lease. A request to waive, except, or modify a stipulation should include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts. When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. An exception, waiver, or modification may not be approved unless 1) the authorized officer determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified; or 2) the proposed operations would not cause unacceptable impacts.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

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), with concurrence from Bureau of Reclamation (BOR), New Mexico Department of Game and Fish, U.S. Fish & Wildlife Service (FWS), and New Mexico State Parks, as appropriate, 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 approval of subsequent development actions. Deviations from a current POD are not authorized until an amended POD has been approved by the BLM.

This stipulation is a result of Section 7 consultation of the Endangered Species Act with the FWS. Per the consultation this stipulation cannot be waived on the lands described above.

CONTROLLED SURFACE USE STIPULATION
RECLAMATION

Stipulation: The subject properties contain 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 Bureau of Land Management requirements and be approved in advance by the Authorized Officer.

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

For the purpose of: Reclamation and remediation of oil and gas facilities

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

An operator may request that the BLM waive, except, or modify a lease stipulation for a Federal lease. A request to waive, except, or modify a stipulation should include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts. When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. An exception, waiver, or modification may not be approved unless 1) the authorized officer determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified; or 2) the proposed operations would not cause unacceptable impacts.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

**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:

All lands in lease.

For the purpose of:

Protecting agricultural lands used for cultivation.

TIMING LIMITATION STIPULATION
PROTECTION OF IMPORTANT SEASONAL WILDLIFE HABITAT

Stipulation: In order to protect important seasonal wildlife habitat, exploration, drilling, and other development, activity will be allowed only during the period from May 15 to November 15. This limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation in any year may be specifically authorized in writing by the authorized officer of the Bureau of Land Management.

On the following lands: <LEGAL DESCRIPTION>

For the purpose of: Protection of elk and deer winter range, and recreational and scenic values.

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

An operator may request that the BLM waive, except, or modify a lease stipulation for a Federal lease. A request to waive, except, or modify a stipulation should include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts. When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. An exception, waiver, or modification may not be approved unless 1) the authorized officer determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified; or 2) the proposed operations would not cause unacceptable impacts.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

CONTROLLED SURFACE USE STIPULATION
PROTECTION OF LANDS ON NATIONAL REGISTER OF HISTORIC PLACES

Stipulation: The lessee is given notice that all or portions of the lease area contain special values, are needed for special purposes, or require special attention to prevent damage to surface resources. Any surface use or occupancy within such areas will be strictly controlled. Use or occupancy will be authorized only when the lessee/operator demonstrates that the area is essential for operations and when the lessee/operator submits a surface use and operations plan which is satisfactory to the Bureau of Land Management for the protection of these special values and existing or planned uses. Appropriate modifications to the imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.

After the Bureau of Land Management has been advised of the proposed surface use or occupancy on these lands, and on request of the lessee/operator, the Bureau of Land Management will furnish further data on such areas.

Duration of Restriction: Year-round

Prior to acceptance of this stipulation the prospective lessee is encourage to contact the Bureau of Land Management for further information regarding the restrictive nature of this stipulation.

On the following lands: <LEGAL DESCRIPTION>

For the purpose of: Potential or known cultural resource site, eligible for inclusion in the National Register of Historic Places.

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

An operator may request that the BLM waive, except, or modify a lease stipulation for a Federal lease. A request to waive, except, or modify a stipulation should include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts. When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. An exception, waiver, or modification may not be approved unless 1) the authorized officer determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified; or 2) the proposed operations would not cause unacceptable impacts.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

TIMING LIMITATION STIPULATION
IMPORTANT SEASONAL WILDLIFE HABITAT

No surface use is allowed during the following time period.

December 1 through March 31

In addition, no surface use is allowed during the following time period to accommodate the migration of big game within the Lajara and Regina migration route.

November 15 through March 31

This stipulation does not apply to operation and maintenance of production facilities.

On the lands described below:

All land in lease

For the purpose of: Protection of important wildlife habitat (big game winter range).

If circumstances or relative resource values 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 Farmington Resource Management Plan, 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 shall 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 STIPULATION
VISUAL RESOURCE MANAGEMENT CLASS IV OBJECTIVES
SPECIAL STIPULATION

Stipulation: Surface occupancy or use is subject to the following operational constraints:

- Surface activities in this parcel are subject to Visual Resource Management (VRM) Class IV restrictions as set forth in BLM Manual 8400 – Visual Resource Management.

- Provide for management activities which require major modification of the existing character of the landscape. Activities may attract attention, may dominate the view, but are still mitigated. This may require additional mitigation methods such as special painting stipulations, site placement, and/or any other measures necessary for VRM Class IV objectives.

- The need for additional mitigation to meet VRM Class IV will be determined on a case-by-case basis for each proposed well.

On the following lands: <LEGAL DESCRIPTION>

For the purpose of: Protecting Visual Resources.

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

An operator may request that the BLM waive, except, or modify a lease stipulation for a Federal lease. A request to waive, except, or modify a stipulation should include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts. When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. An exception, waiver, or modification may not be approved unless 1) the authorized officer determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified; or 2) the proposed operations would not cause unacceptable impacts.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

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.

LEASE NOTICE
COAL RESERVES

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:

Farmington Field Office
1235 La Plata Highway
Farmington, NM 87401
(505) 599-8900

CONTROLLED SURFACE USE
PROTECTION OF
SPECIAL CULTURAL VALUES and/or TRADITIONAL CULTURAL PROPERTIES

Stipulation: Controlled surface use is allowed.

On the following lands: <LEGAL DESCRIPTION>

For the purpose of: Protection of known cultural resource values and/or traditional cultural properties in areas not already within ACECs.

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

An operator may request that the BLM waive, except, or modify a lease stipulation for a Federal lease. A request to waive, except, or modify a stipulation should include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts. When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. An exception, waiver, or modification may not be approved unless 1) the authorized officer determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified; or 2) the proposed operations would not cause unacceptable impacts.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

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.

CONTROLLED SURFACE USE STIPULATION
PROTECTION OF FLOODPLAINS

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.

On the following lands: All lands in lease.

For the purpose of: Preserving the natural and beneficial values served by floodplains, in accordance with Executive Order (EO) 11988 Floodplain Management of May 24, 1977.

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

An operator may request that the BLM waive, except, or modify a lease stipulation for a Federal lease. A request to waive, except, or modify a stipulation should include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts. When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. An exception, waiver, or modification may not be approved unless 1) the authorized officer determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified; or 2) the proposed operations would not cause unacceptable impacts.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

CONTROLLED SURFACE USE STIPULATION
PROTECTION OF WETLAND/RIPARIAN AREAS

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, in cooperation with appropriate state and federal agencies.

On the following lands: All lands in lease

For the purpose of: To minimize the destruction, loss or degradation of wetlands and to preserve and enhance the natural and beneficial values of wetlands, in accordance with EO 11990, Protection of Wetlands of May 24, 1977.

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 stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

An operator may request that the BLM waive, except, or modify a lease stipulation for a Federal lease. A request to waive, except, or modify a stipulation should include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts. When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. An exception, waiver, or modification may not be approved unless 1) the authorized officer determines that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified; or 2) the proposed operations would not cause unacceptable impacts.

Waiver: A waiver is a permanent exemption from a lease stipulation. When a waiver is granted, the stipulation no longer applies anywhere within the leasehold.

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis. The stipulation continues to apply to all other sites within the leasehold.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

LEASE NOTICE
THREATENED AND ENDANGERED SPECIES

According to preliminary information all or portions of this lease area could contain Federal and/or State-listed threatened or endangered species and/or their habitats. Any proposed surface disturbing activity may require an inventory and consultation with the U.S. Fish and Wildlife Service and/or the State Wildlife agency. The consultation could take up to 180 days to complete. Surface occupancy could be restricted or not allowed as a result of the consultation. Appropriate modifications of the imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.

CORPS OF ENGINEERS
SPECIAL STIPULATIONS 1-A
CANTON 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 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 1638.00 feet, for Canton 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.

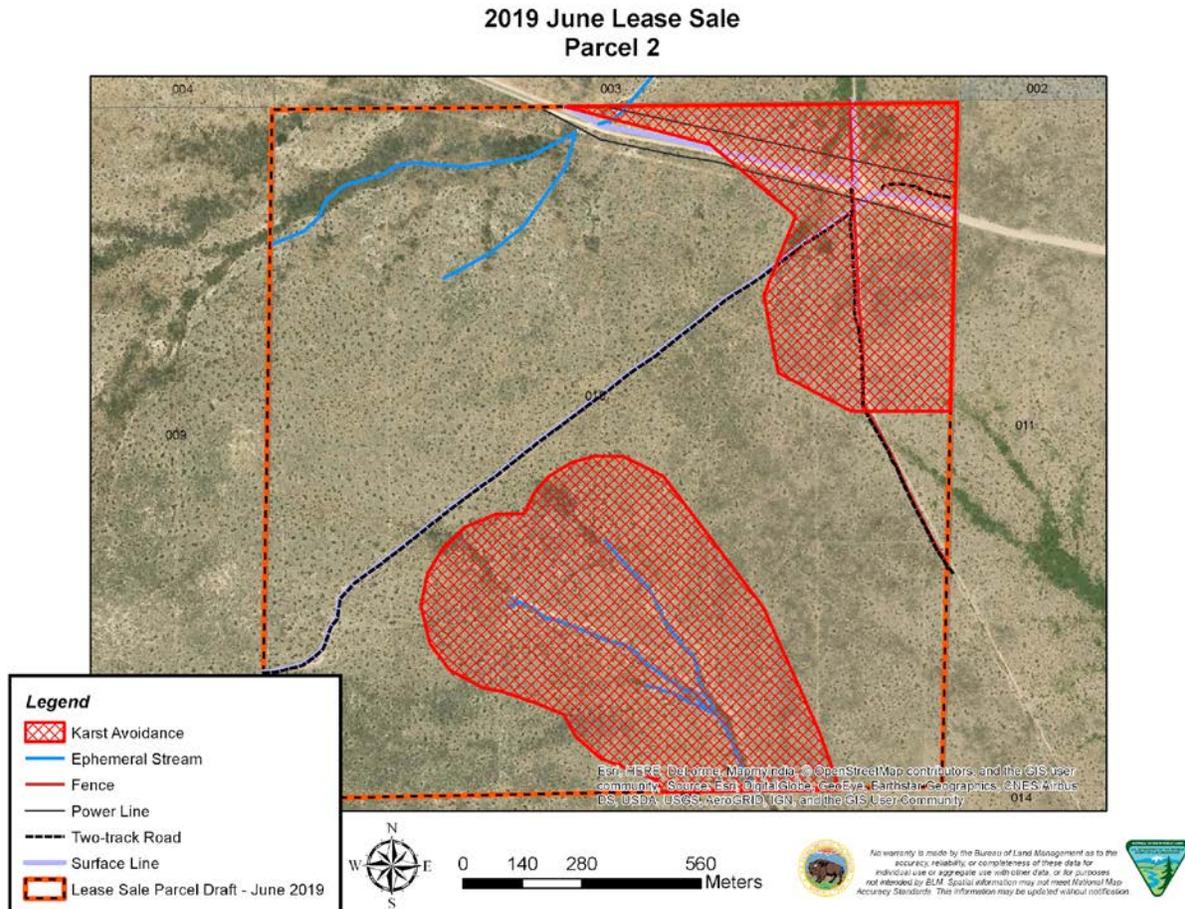
18. The operator will immediately stop work and advise the District Engineer or his authorized representative if contamination is found in the operating area.

Lease Notations

June Lease Sale 2019 - Parcels in High Karst

Parcel 2 - Sec. 10, T26S, R25E - 640 acres

Lease Notation: Surface disturbance within this lease may be limited to the areas between ephemeral drainages to avoid impacting known cave and karst resources. Other karst features may exist, both in the surface and subsurface, within this lease. If karst features were to be discovered at the time of the Application for Permit to Drill, the features would be subject to the protective buffers outlined in the stipulation SENM-S-21 attached to the lease.



Parcel 3 - Sec. 35, T26S, R25E - 250 acres

Lease Notation: Preliminary surveys revealed the presence of over 50 known caves and sinkholes within the lease. Surface disturbance within this lease may be limited to the northwest and southwest corners of the lease to avoid impacting known cave and karst resources. However, access to the northwest corner of the lease may be limited due to the density of karst features located outside of the lease to the north, east and west. Other karst features may exist, both in the surface and subsurface. If karst features were to be discovered at the time of the Application for Permit to Drill, the features would be subject to the protective buffers outlined in the stipulation SENM-S-21 attached to the lease.

2019 June Lease Sale Parcel 3

