

# BLM

New Mexico  
Oklahoma  
Texas & Kansas

## Competitive Oil and Gas Lease Sale

### September 5, 2019

Bureau of Land Management  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
[www.blm.gov](http://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](http://www.blm.gov/new-mexico)



IN REPLY REFER TO:  
3120 (9220)

July 8, 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 16 parcels containing 3,214.08 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 September 5, 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, September 5, 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., September 19, 2019, which is the close of business on the 10<sup>th</sup> 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 November 7, 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](http://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 10<sup>th</sup> 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 Elizabeth Rivera at either (505) 954-2162 or email [lriviera@blm.gov](mailto:lriviera@blm.gov).

*/s/JulieAnn Serrano*

JulieAnn Serrano  
Supervisory Land Law Examiner  
Branch of Adjudication



Link to Competitive Oil and gas or Geothermal Resource Lease Bid From 3000-2  
<https://blmspace.blm.doi.net/oc/intra/dbs/eForms%20Library/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\\_Fluidand-](https://www.blm.gov/sites/blm.gov/files/uploads/Services_National-Operations-Center_Eforms_Fluidand-Solid-Minerals_3100-011.pdf)

[Solid-Minerals\\_3100-011.pdf](https://www.blm.gov/sites/blm.gov/files/uploads/Services_National-Operations-Center_Eforms_Fluidand-Solid-Minerals_3100-011.pdf)

**BUREAU OF LAND MANAGEMENT  
 NEW MEXICO STATE OFFICE  
 SEPTEMBER 5, 2019, LEASE SALE STATISTICS BY STATE  
 PARCELS WITH AND WITHOUT PRESALE NONCOMPETITIVE PRIORITY OFFERS**

<b>STATE</b>	<b>PARCELS WITH PRESALE OFFERS</b>	<b>PARCELS WITHOUT PRESALE OFFERS</b>	<b>TOTAL PARCELS</b>	<b>ACRES WITH PRESALE OFFERS</b>	<b>ACRES WITHOUT PRESALE OFFERS</b>	<b>TOTAL ACRES</b>
<b>KANSAS</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>320.00</b>	<b>320.00</b>
<b>NEW MEXICO</b>	<b>0</b>	<b>13</b>	<b>13</b>	<b>0</b>	<b>2,848.12</b>	<b>2,848.12</b>
<b>OKLAHOMA</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>45.96</b>	<b>45.96</b>
<b>TOTALS</b>	<b>0</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>3,214.08</b>	<b>3,214.08</b>

**KANSAS PUBLIC DOMAIN - SW**

**NM-201909-001                    320.000 Acres**  
T.0200S, R.0430W, 06 PM, KS  
Sec. 023    E2;  
Greeley County  
Tulsa FO  
KSW 41670  
Formerly Lease No.  
NM-11-LN Special Cultural Resource  
ORA-KS-LN-2 Black Footed Ferrets in Kansas  
WO-ESA-7 Endangered Species Act  
WO-NHPA National Register of Historic Places

**NEW MEXICO PUBLIC DOMAIN - SE**

**NM-201909-002                    160.000 Acres**  
T.0180S, R.0240E, 23 PM, NM  
Sec. 033    SE;  
Eddy County  
Carlsbad FO  
NMNM 28864  
Formerly Lease No.  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-18 Streams, Rivers, and Floodplains  
SENM-S-21 Caves and Karst  
SENM-S-31 Northern Aplomado Falcon  
NM-11-LN Special Cultural Resource  
WO-ESA-7 Endangered Species Act  
WO-NHPA National Register of Historic Places

**NM-201909-003                    240.000 Acres**  
T.0210S, R.0270E, 23 PM, NM  
Sec. 021    NE,E2NW;  
Eddy County  
Carlsbad FO  
NMNM 0553785A  
Formerly Lease No.  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
NM-1-LN Special Status Plant Species  
NM-11-LN Special Cultural Resource  
WO-ESA-7 Endangered Species Act  
WO-NHPA National Register of Historic Places

**NM-201909-004**                    **200.000 Acres**  
T.0150S, R.0290E, 23 PM, NM  
Sec. 033    S2NE,N2NW,SENW;  
Chaves County  
Roswell FO  
NMNM 16336  
Formerly Lease No.  
SENM-S-19 Playas and Alkali Lakes  
NM-11-LN Special Cultural Resource  
WO-ESA-7 Endangered Species Act  
WO-NHPA National Register of Historic Places

**NM-201909-005**                    **1131.390 Acres**  
T.0160S, R.0290E, 23 PM, NM  
Sec. 004    LOTS 3-6,9-16;  
          005    LOTS 1-16;  
Eddy County  
Carlsbad FO  
NMNM 98170, NMNM 102028  
NMNM 102029, NMNM 102030  
Formerly Lease No.  
SENM-LN-1 Cave - Karst Occurrence Area  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-19 Playas and Alkali Lakes  
SENM-S-21 Caves and Karst  
NM-1-LN Special Status Plant Species  
NM-11-LN Special Cultural Resource  
WO-ESA-7 Endangered Species Act  
WO-NHPA National Register of Historic Places

**NM-201909-006**                    **80.050 Acres**  
T.0180S, R.0320E, 23 PM, NM  
Sec. 006    LOTS 1;  
          006    SENE;  
Lea County  
Carlsbad FO  
NMNM 90900  
Formerly Lease No.  
SENM-LN-2 Protection of the Sand Dune Lizard  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-22 Prairie Chickens  
SENM-S-23 Sand Dune Lizard  
NM-11-LN Special Cultural Resource  
WO-ESA-7 Endangered Species Act  
WO-NHPA National Register of Historic Places

**NM-201909-007                    160.000 Acres**

T.0180S, R.0320E, 23 PM, NM

Sec. 025    NW;

Lea County

Carlsbad FO

NMLC 065128

Formerly Lease No.

SENM-S-17 Slopes or Fragile Soils

SENM-S-22 Prairie Chickens

SENM-S-23 Sand Dune Lizard

SENM-S-34 Zone 3 - POD

SENM-S-54 NSO Lesser Prairie Chicken

Sec. 25: S2NW;

SENM-LN-2 Protection of the Sand Dune Lizard

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201909-008                    40.000 Acres**

T.0180S, R.0320E, 23 PM, NM

Sec. 035    SWSW;

Lea County

Carlsbad FO

NMNM 90536

Formerly Lease No.

SENM-S-17 Slopes or Fragile Soils

SENM-S-22 Prairie Chickens

SENM-S-23 Sand Dune Lizard

SENM-S-54 NSO Lesser Prairie Chicken

Sec. 35: SWSW;

SENM-LN-2 Protection of the Sand Dune Lizard

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201909-009                    40.000 Acres**

T.0230S, R.0320E, 23 PM, NM

Sec. 013    NENE;

Lea County

Carlsbad FO

NMNM 97142

Formerly Lease No.

SENM-S-17 Slopes or Fragile Soils

SENM-S-22 Prairie Chickens

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201909-010                    40.000 Acres**

T.0180S, R.0330E, 23 PM, NM

Sec. 028    SWSW;

Lea County

Carlsbad FO

NMNM 67993

Formerly Lease No.

SENM-S-17 Slopes or Fragile Soils

SENM-S-22 Prairie Chickens SENM-S-23 Sand Dune Lizard

SENM-LN-2 Protection of the Sand Dune Lizard

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201909-011                    80.000 Acres**

T.0220S, R.0330E, 23 PM, NM

Sec. 020    W2NE;

Lea County

Carlsbad FO

NMNM 98194

Formerly Lease No.

SENM-S-22 Prairie Chickens

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201909-012                    40.000 Acres**

T.0230S, R.0330E, 23 PM, NM

Sec. 030    SESE;

Lea County

Carlsbad FO

NMNM 118725

Formerly Lease No.

SENM-S-22 Prairie Chickens

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201909-013                    396.680 Acres**

T.0220S, R.0340E, 23 PM, NM

Sec. 018    LOTS 1,2;

018    E2E2,W2NE,E2NW;

Lea County

Carlsbad FO

NMNM 103611

Formerly Lease No.

SENM-S-22 Prairie Chickens

SENM-S-34 Zone 3 - POD

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201909-014                    240.000 Acres**

T.0180S, R.0390E, 23 PM, NM

Sec. 018    S2NW,SW;

Lea County

Carlsbad FO

NMNM 57550

Formerly Lease No.

SENM-S-19 Playas and Alkali Lakes

SENM-S-51 Farmland

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**OKLAHOMA PUBLIC DOMAIN**

**NM-201909-016                    5.960 Acres**

T.0010N, R.0100E, 17 PM, OK

Sec. 024    LOTS 13,27;

Coal County Tulsa FO

OKNM 57551

Formerly Lease No.

NM-10 Drainage

NM-11-LN Special Cultural Resource

ORA-2-CSU Wetland/Riparian

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201909-017                    40.000 Acres**

T.0220N, R.0150W, 17 PM, OK

Sec. 025    NWNE;

Major County Tulsa FO

OKNM 71644

Formerly Lease No.

NM-11-LN Special Cultural Resource

ORA-2-CSU Wetland/Riparian

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**TOTAL NUMBER PARCELS: 16**

**TOTAL NUMBER ACRES: 3,214.08**

<b>FIELD OFFICE</b>	<b>PARCELS</b>	<b>ACRES</b>
<b>TULSA</b>	<b>3</b>	<b>365.96</b>
<b>CARLSBAD</b>	<b>12</b>	<b>2,648.12</b>
<b>ROSWELL</b>	<b>1</b>	<b>200.00</b>
<b>TOTALS</b>	<b>16</b>	<b>3,214.08</b>

# **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.**

**DRAINAGE STIPULATION FOR FEDERAL LANDS**

All or part of the lands contained in this lease are subject to drainage by well(s) located adjacent to this lease. The lessee shall be required within 6 months of lease issuance to submit to the AO plans for protecting the lease from drainage. Compensatory royalty will be assessed effective the expiration of this 6-month period if no plan is submitted. The plan must include either an Application for Permit to Drill (APD) a protective well, or an application to communitize the lease so that it is allocated production from a protective well off the lease. Either of these options may include obtaining a variance to State-spacing for the area. In lieu of this plan, the lessee shall be required to demonstrate that a protective well would have little or no chance of encountering oil and gas in quantities sufficient to pay in excess the costs of protecting the lease from drainage or an acceptable justification why a protective well would be uneconomical, the lessee shall be obligated to pay compensatory royalty to the Minerals Management Service at a rate to be determined by the AO.

**SPECIAL CULTURAL RESOURCE**  
**LEASE NOTICE**

All development activities proposed under the authority of this lease are subject to compliance with Section 106 of the NHPA and Executive Order 13007. The lease area may contain historic properties, traditional cultural properties (TCP's), and/or sacred sites currently unknown to the BLM that were not identified in the Resource Management Plan or during the lease parcel review process. Depending on the nature of the lease developments being proposed and the cultural resources potentially affected, compliance with Section 106 of the National Historic Preservation Act and Executive Order 13007 could require intensive cultural resource inventories, Native American consultation, and mitigation measures to avoid adverse effects—the costs for which will be borne by the lessee. The BLM may require modifications to or disapprove proposed activities that are likely to adversely affect TCP's or sacred sites for which no mitigation measures are possible. This could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

**CONTROLLED SURFACE USE**  
**WETLAND/RIPARIAN STIPULATION**

All or portions of the lands under this lease contain wetland and/or riparian areas. Surface occupancy of these areas will not be allowed without the specific approval, in writing, of the Bureau of Land Management. Impacts or disturbance to wetlands and riparian habitats which occur on this lease must be avoided, or mitigated. The mitigation shall be developed during the application for permit to drill process.

For the following described land(s)

Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

**LEASE NOTICE**  
**BLACK FOOTED FERRETS IN KANSAS**

If black-footed ferrets occur anywhere in the wild in Kansas, they are presumed to be associated with prairie dogs. All or portions of this lease area lie within a county of Kansas where prairie dog towns have occurred in the past. Therefore, if a prairie dog town of eighty acres or more is found to occur on or near this lease, a black-footed ferret survey may be required before permitting surface disturbing activity which may impact the prairie dog town, in accordance with the Endangered Species Act (16 USC, Section 1531 et seq.).

**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 SAND DUNE LIZARD**

This lease may encompass suitable and occupied habitat of the sand dune lizard (SDL) (Sceloporus arenicolous). 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 it's 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 it's habitat.

**CONTROLLED SURFACE USE**  
**SLOPES OR FRAGILE SOILS**

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

Surface disturbance will not be allowed on slopes over 30 percent. Exceptions will be considered for authorized mineral material extraction sites and designated OHV areas, for the installation of projects designed to enhance or protect renewable natural resources, or if a plan of operating and development which provides for adequate mitigation of impacts was approved by the Authorized Officer. Occupancy or use of fragile soils will be considered on a case-by-case basis.

On the lands described below:

For the purpose of: Protecting Slopes or Fragile Soils

**CONTROLLED SURFACE USE**  
**STREAMS, RIVERS, AND FLOODPLAINS**

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

Surface disturbance will not be allowed within up to 200 meters of the outer edge of 100-year floodplains, to protect the integrity of those floodplains. On a case-by-case basis, an exception to this requirement may be considered based on one or more of the criteria listed below. The first three criteria would not be applied in areas of identified critical or occupied habitat for federally listed threatened or endangered species.

--Additional development in areas with existing developments that have shown no adverse impacts to the riparian areas as determined by the Authorized Officer, following a case-by-case review at the time of permitting.

--Suitable off-site mitigation if habitat loss has been identified.

--An approved plan of operations ensures the protection of water or soil resources, or both.

--Installation of habitat, rangeland or recreation projects designed to enhance or protect renewable natural resources.

For the purpose of: Protecting Streams, Rivers and Floodplains

On the lands described below:

All Lands in Lease.

**CONTROLLED SURFACE USE**  
**PLAYAS AND ALKALI LAKES**

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

Surface disturbance will not be allowed within up to 200 meters of playas or alkali lakes. Waiver of this requirement will be considered on a case-by-case basis for projects designed to enhance or protect renewable natural resources. An exception for oil and gas development will be considered if playa or lake loss was mitigated by the protection and development of another playa exhibiting the potential for improvement.

Mitigation could include:

installing fencing; developing a supplemental water supply; planting trees and shrubs for shelter belts; conducting playa basin excavation; constructing erosion control structures or cross dikes; or by improving the habitat in another area.

On the lands described below:

For the purpose of: Protecting playas and alkali lakes

**CONTROLLED SURFACE USE**  
**CAVES AND KARST**

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

Surface disturbance will not be allowed within up to 200 meters of known cave entrances, passages or aspects of significant caves, or significant karst features. Waiver of this requirement will be considered for projects that enhance or protect renewable natural resource values, or when an approved plan of operations ensures the protection of cave and karst resources.

For the purpose of: Protecting Caves and Karst Features

**CONTROLLED SURFACE USE**  
**LESSER PRAIRIE-CHICKENS**

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to the operation and maintenance of production facilities.

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in lesser prairie-chicken habitat during the period of March 1 through June 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 a 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. Exceptions to these requirements will be considered for areas of no or low lesser prairie-chicken booming activity, or unoccupied habitat, including leks, as determined at the time of permitting, or in emergency situations.

For the purpose of: Protecting Lesser Prairie-Chickens

**CONTROLLED SURFACE USE**  
**SAND DUNE LIZARD**

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

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

For the purpose of: Protecting Sand Dune Lizards

**CONTROLLED SURFACE USE STIPULATION**  
**NORTHERN APLOMADO FALCON SUITABLE HABITAT**

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

- A plan of development (POD) for the entire lease must be submitted to the BLM authorized officer, when requested, for approval prior to initiation of any development;
- The following well pad construction and reclamation measures must be implemented to provide minimal long-term disturbance:
  - remove all caliche from well pads and roads associated with wells that are abandoned, and are not capable of producing in paying quantities.
  - well pad size within grasslands will not exceed an aggregate size of 2.6 acres (unless multiple wells are drilled from the same well pad), and all unused portions of well pads/pit area associated with producing wells will be reclaimed using the seed mixture below;
  - within grasslands determined suitable for the Aplomado Falcon, utilize a seed mixture that consists of the following:

Tobosa (*Hilaria mutica*) -----4 lbs/acre  
Black grama (*Bouteloua eriopoda*) -----1 lb/acre  
Silver bluestem (*Bothriochloa saccharoides*)-----5 lbs/acre  
Sideoats grama (*Bouteloua curtipendula*)-----5 lbs/acre  
Plains bristlegrass (*Setaria macrostachya*)-----6 lbs/acre

- Utilize existing well pads to locate new wells when location is within a grassland;
- Earthen pits for drilling and disposal are not allowed unless this restriction is waived by the BLM authorized officer. Steel tank circulation system must be used. Earthen pits will not be allowed unless they can be effectively netted;
- All yuccas and/or other nesting structure greater than 5 feet in height must be avoided;
- All development activities will avoid inactive raptor/raven nests by a minimum of 200 meters, and active raptor/raven nests by a minimum of 400 meters. Operations that cannot meet this offset may be delayed for up to 120 days or until nest fledging.

**On the following lands:** All Lands in Lease

**For the purpose of:** Managing habitat suitable for the Northern Aplomado Falcon, a species protected under the Endangered Species Act.

**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.

**SHINNERY OAK SAND DUNE HABITAT COMPLEX**  
**PLAN OF DEVELOPMENT**

A plan of development (POD) for the entire lease must be submitted for review and approval, including NEPA analysis, by the BLM, prior to approval of development actions (APD, Sundry Notices). The POD must indicate planned access to well facilities (roads, pipelines, power lines), and the approximate location of well sites. Should it become necessary to amend the POD, the amendment must be approved prior to approval of subsequent development actions. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the purpose of:

Managing habitat suitable for the lesser prairie-chicken (LPC) and sand dune lizard (SDL). The lease contains isolated blocks of unfragmented habitat suitable for LPC or SDL. Habitat parameters within this area are needed for the life cycle of the species (e.g., edge) or, with habitat manipulation, the area could become suitable habitat. To the extent possible, buffer zones around active LPC leks will be utilized to provide resource protection.

**CONTROLLED SURFACE USE  
FARMLAND STIPULATION**

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

On the lands described below:

For the purpose of: Protecting agricultural lands used for cultivation.

**NO SURFACE OCCUPANCY STIPULATION**  
**PROTECTION OF LESSER PRAIRIE-CHICKEN HABITAT AREA**

**Stipulation:** No surface occupancy or use is allowed.

**On the following lands:**

<LEGAL DESCRIPTION>

**For the purpose of:** Preventing habitat loss and minimizing development impacts in the QP-F, QP-C, QP-A, QP-D, Skeen, Eunice and Mills lesser prairie-chicken Habitat Areas established for the potential to re-establish connectivity to adjacent isolated habitat blocks (2008 Pecos District Special Status Species Resource Management Plan Amendment).

**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 CFR 3101.1-4, 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.

**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.**