

# BLM

New Mexico  
Oklahoma  
Texas & Kansas

## Competitive Oil and Gas Lease Sale

### **November 7, 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)

September 9, 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 7,619.46 acres in the States of 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 November 7, 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, November 7, 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 22, 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 February 6, 2020. 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 Lourdes Ortiz at either (505) 954-2146 or email [lortiz@blm.gov](mailto:lortiz@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  
 NOVEMBER 7, 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>NEW MEXICO</b>	<b>0</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>6,253.86</b>	<b>6,253.86</b>
<b>OKLAHOMA</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>1,365.60</b>	<b>1,365.60</b>
<b>TOTALS</b>	<b>0</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>7,619.46</b>	<b>7,619.46</b>

**NEW MEXICO PUBLIC DOMAIN (SE)**

**NM-201911-001            1533.920 Acres**

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

Sec. 026    ALL;  
      027    ALL;  
      035    LOTS 1-4;  
      035    N2N2;

Eddy County

Carlsbad FO

NMNM 105879

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-19 Playas & Alkali Lakes

SENM-S-21 Caves and Karst

WO-ESA-7 Endangered Species Act

WO-NHPA Cultural Resources and Tribal Consultation

**NM-201911-002            80.000 Acres**

T.0190S, R.0270E, 23 PM, NM

Sec. 021    SWNE,NWSE;

Eddy County

Carlsbad FO

NMNM 17797

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-21 Caves and Karst

WO-ESA-7 Endangered Species Act

WO-NHPA Cultural Resources and Tribal Consultation

**NM-201911-003            80.000 Acres**

T.0190S, R.0270E, 23 PM, NM

Sec. 021    SWNW,NWSW;

Eddy County

Carlsbad FO

NMNM 13627A

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

**NM-201911-004                    640.000 Acres**

T.0190S, R.0270E, 23 PM, NM

Sec. 034    ALL;

Eddy County

Carlsbad FO

NMNM 111954

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-15 Protection of Wildlife Habitat Projects

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

**NM-201911-005                    159.890 Acres**

T.0170S, R.0300E, 23 PM, NM

Sec. 001    LOTS 1,2;

001    S2NE;

Eddy County

Carlsbad FO

NMLC029339B

Formerly Lease No.

NM-11-LN Special Cultural Resource

SENM-LN-2 Protection of Dunes Sagebrush Lizard

SENM-S-17 Slopes or Fragile Soils

SENM-S-18 Streams, Rivers, and Floodplains

SENM-S-22 Lesser Prairie Chicken

SENM-S-23 Protection of Dunes Sagebrush Lizard

SENM-S-34 Shinnery Oak Sand Dune Habitat Complex POD

WO-ESA-7 Endangered Species Act

WO-NHPA Cultural Resources and Tribal Consultation

**NM-201911-006                    40.520 Acres**

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

Sec. 004    LOTS 1;

Lea County

Carlsbad FO

NMNM 83606

Formerly Lease No.

NM-11-LN Special Cultural Resource

SENM-LN-2 Protection of Dunes Sagebrush Lizard

SENM-S-22 Lesser Prairie Chicken

SENM-S-23 Protection of Dunes Sagebrush Lizard

WO-ESA-7 Endangered Species Act

WO-NHPA Cultural Resources and Tribal Consultation

**NM-201911-007                    40.000 Acres**

T.0220S, R.0320E, 23 PM, NM  
Sec. 010    SENW;

Lea County  
Carlsbad FO  
NMNM 113414  
Formerly Lease No.  
NM-11-LN Special Cultural Resource  
SENM-LN-6 Designated Potash Area  
SENM-S-1 Designated Potash Area  
SENM-S-19 Playas & Alkali Lakes  
SENM-S-22 Lesser Prairie Chicken  
WO-ESA-7 Endangered Species Act  
WO-NHPA Cultural Resources and Tribal Consultation

**NM-201911-008                    681.190 Acres**

T.0180S, R.0330E, 23 PM, NM  
Sec. 003    LOTS 4;  
          003    SWNW;  
          004    LOTS 1-3;  
          004    S2N2, S2;

Lea County  
Carlsbad FO  
NMNM 83606, NMLCO29489B  
Formerly Lease No.  
NM-11-LN Special Cultural Resource  
SENM-LN-2 Protection of Dunes Sagebrush Lizard  
SENM-S-17 Slopes or Fragile Soils  
SENM-S-22 Lesser Prairie Chicken  
SENM-S-23 Protection of Dunes Sagebrush Lizard  
SENM-S-34 Shinnery Oak Sand Dune Habitat Complex POD  
WO-ESA-7 Endangered Species Act  
WO-NHPA Cultural Resources and Tribal Consultation

**NM-201911-009                    40.000 Acres**

T.0200S, R.0350E, 23 PM, NM  
Sec. 015    SWNE;

Lea County  
Carlsbad FO  
NMNM 18515  
Formerly Lease No.  
NM-11-LN Special Cultural Resource  
SENM-LN-2 Protection of Dunes Sagebrush Lizard  
SENM-S-22 Lesser Prairie Chicken  
SENM-S-23 Protection of Dunes Sagebrush Lizard  
WO-ESA-7 Endangered Species Act  
WO-NHPA Cultural Resources and Tribal Consultation

**NM-201911-010            120.000 Acres**

T.0200S, R.0350E, 23 PM, NM  
Sec. 022    SWNW,W2SW;

Lea County

Carlsbad FO

NMNM 18515

Formerly Lease No.

NM-11-LN Special Cultural Resource

SENM-LN-2 Protection of Dunes Sagebrush Lizard

SENM-S-22 Lesser Prairie Chicken

SENM-S-23 Protection of Dunes Sagebrush Lizard

WO-ESA-7 Endangered Species Act

WO-NHPA Cultural Resources and Tribal Consultation

**NEW MEXICO - PUBLIC DOMAIN (NW)**

**NM-201911-011            821.950 Acres**

T.0200N, R.0030W, 23 PM, NM  
Sec. 001    LOTS 1-4;  
          001    S2NW,S2;  
          002    LOTS 1-2;  
          002    S2NE,SE;

Sandoval County

Rio Puerco FO

NMNM 37548

Formerly Lease No.

NM-1-LN Special Status Plant Species

NM-11-LN Lease Notice-Special Cultural Resource

RP-2 Important Seasonal Wildlife Habitat

RP-6 National Register of Historic Places

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201911-012            726.000 Acres**

T.0200N, R.0030W, 23 PM, NM  
Sec. 003    LOTS 1-4;  
          003    S2N2,S2;  
          004    LOTS 1-4;

Sandoval County

Rio Puerco FO

NMNM 23733, NMNM 37548

Formerly Lease No.

NM-1-LN Special Status Plant Species

NM-11-LN Lease Notice-Special Cultural Resource

RP-2 Important Seasonal Wildlife Habitat

RP-6 National Register of Historic Places

WO-ESA-7 Endangered Species Act

WO-NHPA National Register of Historic Places

**NM-201911-013                    650.390 Acres**

T.0200N, R.0030W, 23 PM, NM  
Sec. 005    LOTS 3-4;  
          006    LOTS 1-7;  
          006    S2NE, SENW, E2SW, SE;

Sandoval County  
Rio Puerco FO  
NMNM 23734, NMNM 99702, NMNM 114367  
Formerly Lease No.  
NM-1-LN Special Status Plant Species  
NM-11-LN Lease Notice-Special Cultural Resource  
RP-2 Important Seasonal Wildlife Habitat  
RP-6 National Register of Historic Places  
WO-ESA-7 Endangered Species Act  
WO-NHPA National Register of Historic Places

**NM-201911-014                    640.000 Acres**

T.0210N, R.0040W, 23 PM, NM  
Sec. 015    ALL;

Sandoval County  
Rio Puerco FO  
NMNM 114372  
Formerly Lease No.  
NM-11-LN Lease Notice-Special Cultural Resource  
RP-2 Important Seasonal Wildlife Habitat  
RP-6 National Register of Historic Places  
WO-ESA-7 Endangered Species Act  
WO-NHPA National Register of Historic Places

**OKLAHOMA - PUBLIC DOMIAN (NW)**

**NM-201911-015                    5.600 Acres**

T.0170N, R.0190W, 17 PM, OK  
Sec. 008    ACCRETION & RIPARIAN ACREAGE TO LOT 3;  
          018    ACCRETION & RIPARIAN ACREAGE TO LOT 4;  
          019    ACCRETION & RIPARIAN ACREAGE TO LOT 1;  
          019    ACCRETION & RIPARIAN ACREAGE TO LOT 2;  
          SEE **EXHIBIT A** FOR METES & BOUNDS W/MAP;

Dewey County  
Tulsa FO

**Note:** The successful bidder will be required to submit joinder evidence  
Prior to lease issuance on 2 communitization agreements (CAs)

OKNM 136201 Sec. 19: All  
OKNM 136195 Sec. 18: All

Operator:  
JMA Energy Co. LLC  
1021 NW Grand Blvd  
Oklahoma City, OK 73118-6039  
(405) 947-4322

Formerly Lease No.  
 NM-11-LN Lease Notice-Special Cultural Resource  
 ORA-1 Floodplain Protection Stipulation  
 ORA-2 Wetland/Riparian Stipulation  
 ORA-4 No Surface Occupancy (NSO)  
 ORA LN-1 Threatened & Endangered Species  
 WO-ESA-7 Endangered Species Act  
 WO-NHPA National Register of Historic Places

**OKLAHOMA - ACQUIRED (NW)**

**NM-201911-016                    1360.000 Acres**

T.0240N, R.0220W, 17 PM, OK  
 Sec. 028    W2NESE,W2;  
           031    SESE;  
           032    ALL;  
           033    W2NWNE,W2;

Woodward County  
 Tulsa FO  
 CORPS OF ENGINEERS  
 FORT SUPPLY LAKE  
 OKNM 117609, OKNM 118192, OKNM 119314  
 Formerly Lease No.  
 CE SS-1-A NSO/ND  
 NM-11-LN Lease Notice-Special Cultural Resource  
 ORA-2 Wetland/Riparian  
 ORA LN-1 Threatened & Endangered Species  
 WO-ESA-7 Endangered Species Act  
 WO-NHPA National Register of Historic Places

Field Office	# of Parcels	# Acres
Oklahoma FO	2	1365.60
Carlsbad FO	10	3415.52
Rio Puerco FO	4	2838.34
TOTALS	16	7619.46

# EXHIBIT

**METES AND BOUNDS DESCRIPTION  
OF THE ACCRETION AND RIPARIAN ACREAGE  
TO LOT 4, SECTION 18, T. 17N., R. 19W.,  
LYING IN UNIT 18, T 17N., R. 19W,  
NOT COVERED BY EXISTING BLM LEASE OKNM 0100916  
LOCATED ALONG THE CANADIAN RIVER,  
DEWEY COUNTY, OKLAHOMA  
(Bearings and Distances are Geodetic)**

**Beginning at the intersection of the Northerly accretion line to Lot 4, Section 18 and the Easterly boundary of existing BLM Lease OKNM 0100916, said point being North 18 degrees 00' 00" West a distance of 1386.00 feet and North 80 degrees 15' 00" East a distance of 2085.60 feet from the ancient meander corner on the ancient right bank between Section 18 and 19, said meander corner being South 89 degrees 52' 36" East a distance of 924.00 feet from an Iron Rod with cap at the South Quarter corner of Section 18, T. 17N., R. 19W., Dewey County, Oklahoma;**

**Thence along the Northerly accretion line to said Lot 4, North 80 degrees 15' 00" East a distance of 56.28 feet to the intersection of the Northerly accretion line to said Lot 4 and the calculated East line of said Unit 18;**

**Thence along calculated East line of said Unit 18, South 00 degrees 00' 57" East a distance of 332.86 feet to the intersection of the calculated East line of said Unit 18 and the Easterly boundary of said existing BLM Lease;**

**Thence along the Easterly boundary of said existing BLM Lease, North 09 degrees 45' 00" West a distance of 328.07 feet to the point of beginning, and containing 0.21 acres of land more or less.**

**METES AND BOUNDS DESCRIPTION  
OF THE ACCRETION AND RIPARIAN ACREAGE  
TO LOT 3, SECTION 8, T. 17N., R. 19W.,  
LYING IN UNIT 18, T 17N., R. 19W,  
NOT COVERED BY EXISTING BLM LEASE OKNM 0100916  
LOCATED ALONG THE CANADIAN RIVER,  
DEWEY COUNTY, OKLAHOMA  
(Bearings and Distances are Geodetic)**

**Beginning at the intersection of the Southerly accretion line to Lot 3 of said Section 8 and the Westerly boundary of existing BLM Lease OKNM 0100916, said point being South 67 degrees 50' 50" West a distance of 1323.61 feet from the ancient meander corner on the ancient left bank between Sections 8 and 17, said meander corner being North 90 degrees 00' 00" West a distance of 2508.00 feet from an Iron Rod with cap at the North Quarter corner of Section 17, T 17N., R. 19W., Dewey County, Oklahoma;**

**Thence along the Southerly accretion line to said Lot 3, South 67 degrees 50' 50" West a distance of 109.26 feet to a proportional point on the 2013 left bank;**

**Thence South 72 degrees 03' 18" West a distance of 93.05 feet to a point on the 2013 medial line;**

**Thence along the 2013 medial line the following courses and distances:**

**North 17 degrees 56' 42" West a distance of 111.48 feet;**

**North 02 degrees 49' 49" East a distance of 165.92 feet;**

**North 11 degrees 45' 28" East a distance of 114.88 feet;**

**North 23 degrees 20' 50" East a distance of 46.37 feet to the intersection of the 2013 medial line and the Westerly boundary of said existing BLM Lease;**

**Thence along the Westerly boundary of said existing BLM Lease, South 26 degrees 00' 00" East a distance of 397.14 feet to the point of beginning, and containing 1.19 acres of land more or less.**

**METES AND BOUNDS DESCRIPTION  
OF THE ACCRETION AND RIPARIAN ACREAGE  
TO LOT 1, SECTION 19, T. 17N., R. 19W.,  
LYING IN UNIT 20, T 17N., R. 19W,  
NOT COVERED BY EXISTING BLM LEASE OKNM 0100916  
LOCATED ALONG THE CANADIAN RIVER,  
DEWEY COUNTY, OKLAHOMA  
(Bearings and Distances are Geodetic)**

**Beginning at the intersection of the Southerly accretion line to Lot 1, Section 19 and the Easterly boundary of existing BLM Lease OKNM 0100916, said point being South 64 degrees 09' 53" East a distance of 2320.17 feet from the ancient meander corner on the ancient right bank between Sections 18 and 19, said meander corner being South 89 degrees 52' 36" East a distance of 924.00 feet from an Iron Rod with cap at the North Quarter corner of Section 19, T. 17N., R. 19 W., Dewey County, Oklahoma;**

**Thence along the Easterly boundary of said existing BLM Lease, North 09 degrees 45' 00" West a distance of 287.54 feet to the intersection of the Easterly boundary of said existing BLM Lease and the 2013 medial line;**

**Thence along the 2013 medial line the following courses and distances:**

**South 37 degrees 39' 58" East a distance of 165.62 feet;**

**South 27 degrees 18' 30" East a distance of 111.22 feet to a point;**

**Thence South 62 degrees 41' 30" West a distance of 116.52 feet to the point of beginning, and containing 0.40 acres of land more or less.**

**METES AND BOUNDS DESCRIPTION  
OF THE ACCRETION AND RIPARIAN ACREAGE  
TO LOT 2, SECTION 19, T. 17N., R. 19W.,  
LYING IN UNIT 20, T 17N., R. 19W,  
NOT COVERED BY EXISTING BLM LEASE OKNM 0100916  
LOCATED ALONG THE CANADIAN RIVER,  
DEWEY COUNTY, OKLAHOMA  
(Bearings and Distances are Geodetic)**

**Beginning at the intersection of the Northerly accretion line to Lot 2, Section 19 and the Easterly boundary of existing BLM Lease OKNM 0100916, said point being South 64 degrees 09' 53" East a distance of 2320.17 feet from the ancient meander corner on the ancient right bank between Section 18 and 19, said meander corner being South 89 degrees 52' 36" East a distance of 924.00 feet from an Iron Rod with cap at the North Quarter corner of Section 19, T. 17 N., R. 19 W., Dewey County, Oklahoma;**

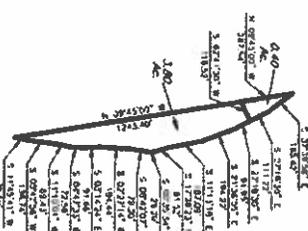
**Thence North 62 degrees 41' 30" East a distance of 116.52 feet to a point on the 2013 medial line;**

**Thence along the 2013 medial line the following courses and distances:**

**South 27 degrees 18' 30" East a distance of 91.95 feet;  
South 21 degrees 36' 55" East a distance of 194.22 feet;  
South 11 degrees 13' 18" East a distance of 187.09 feet;  
South 17 degrees 28' 23" East a distance of 81.52 feet;  
South 00 degrees 35' 34" West a distance of 29.29 feet;  
South 08 degrees 42' 07" West a distance of 79.20 feet;  
South 02 degrees 27' 14" West a distance of 184.44 feet;  
South 03 degrees 14' 24" East a distance of 91.66 feet;  
South 04 degrees 47' 33" West a distance of 72.56 feet;  
South 11 degrees 10' 01" West a distance of 89.43 feet;  
South 05 degrees 42' 56" West a distance of 138.74 feet;  
South 11 degrees 45' 41" West a distance of 75.50 feet to the intersection of the 2013 medial line and the Easterly boundary of said existing BLM Lease;**

**Thence along the Easterly boundary of said existing BLM Lease, North 09 degrees 45' 00" West a distance of 1243.40 feet to the point of beginning, and containing 3.80 acres of land more or less.**

T 17 N - R 19 W  
DEWEY COUNTY, OKLAHOMA



Scale: 1" = 500'

- LEGEND
- Unleased BLM Acreage
  - Existing BLM Lease NM 017742 Okla.
  - Existing BLM Lease NM 0100915 Okla.

SOURCE DATA :  
Topographic Land Surveyors of Oklahoma accretion and riparian survey  
Drawing Number 110008-R2-26-X, dated October 3, 2013.

SURVEYOR'S CERTIFICATE :  
No. 1378, Wayne Frach, Oklahoma Licensed Professional Land Surveyor  
No. 1378, do hereby certify that this plat was prepared from data  
established by surveyor, 2013 survey for the purpose of putting  
that portion of accretion and riparian acreage being considered for  
government lease.

I, Wayne Frach, P.L.S. No. 1378



JMA ENERGY COMPANY, LLC		NO.	REVISION	DATE	BY
UNLEASED BLM ACREAGE IN UNIT 20, T17N-R19W, DEWEY COUNTY, OKLAHOMA					
TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA					
SCALE: 1" = 1000'	DRAWN BY: TW	DRAWING NUMBER:			
DATE: 10/7/2013	APPR. BY: TW	110008-R2-26-E			
FILE: R2026.dwg	SHEET: 1 OF 1				



# **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.

**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.

**LEASE NOTICE**  
**OIL AND GAS DEVELOPMENT WITHIN THE DESIGNATED POTASH AREA**

This lease is located within the Secretary of the Interior's Designated Potash Area. It is subject to Secretarial Order No. 3324, signed December 3, 2012, the Federal Land Policy and Management Act (FLPMA), the Mineral Leasing Act (MLA) and regulations, orders, and directives of the Bureau of Land Management. The Order provides procedures and guidelines for more orderly co-development of oil, gas and potash deposits owned by the United States within the Secretary's Potash Area.

Pursuant to applicable laws; the terms, conditions and attached stipulations to the Lease; the Secretary of the Interior's formal orders; and regulations; drilling of an oil and gas well from a surface location within the Designated Potash Area will only be permitted if drilling occurs under the following conditions:

- 1) a Drilling Island associated with a Development Area established under this Order or a Drilling Island established under a prior Order;
- 2) a Barren Area and the Authorized Officer (AO) determines that such operations will not adversely affect active or planned potash mining operations in the immediate vicinity of the proposed drill-site; or
- 3) a Drilling Island, not covered by (1) above, or single well site established under this Order by the approval and in the sole discretion of the AO, provided that such site was jointly recommended to the AO by the oil and gas lessee(s) and the nearest potash lessee(s).

In addition, the lessee may be required to participate in an approved Development Area. A Development Area is an area established by the BLM within the Designated Potash Area in consideration of appropriate oil and gas technology such that wells can be drilled from a Drilling Island capable of effectively extracting oil and gas resources while managing the impact on potash resources. A Development Area typically will contain a single Drilling Island from which all new oil and gas wells that penetrate the potash formations will be drilled. Drilling Islands will not be allowed within one mile of any area where approved potash mining operations will be conducted within three years consistent with a three-year mine plan without the consent of the affected potash lessee(s).

Leases within a Development Area will be unitized or subject to an approved communitization agreement unless there is a compelling reason for another operating system. In addition, the drilling of new wells will be subject to safety Buffer Zones of ¼ mile for oil wells and ½ mile for gas wells from the perimeter of existing underground open mine workings within which oil or gas operations will generally not be allowed unless the Buffer Zones are adjusted in an individual case by the AO or revised by the BLM Director.

Leases will be subject to applicable laws; the terms, conditions and attached stipulations; the Secretary of the Interior's formal orders in effect as of lease issuance; and to regulations and formal orders hereafter promulgated.

Prior to submitting an application for permit to drill or to re-enter an existing well bore, the lessee should contact the Field Office to determine if a Development Area has been established for the area that includes this lease.

**OIL & GAS DEVELOPMENT WITHIN THE DESIGNATED POTASH AREA**  
**STIPULATION**

This lease is located within the Secretary of the Interior's Designated Potash Area. It is subject to Secretarial Order No. 3324, signed December 3, 2012. Pursuant to applicable laws; the terms, conditions and attached stipulations to the Lease; the Secretary of the Interior's formal orders; and regulations; this lease is subject to the following requirements.

The lessee agrees that:

- (1) Drilling for oil and gas shall be permitted only in the event that the lessee establishes to the satisfaction of the Authorized Officer, Bureau of Land Management, that such drilling will not interfere with the mining and recovery of potash deposits, or the interest of the United States will best be served by permitting such drilling.
- (2) No wells shall be drilled for oil or gas at a location which, in the opinion of the Authorized Officer, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.
- (3) When the Authorized Officer determines that unitization is necessary for orderly oil and gas development and proper protection of potash deposits, no well shall be drilled for oil or gas except pursuant to a unit plan approved by the Authorized Officer.
- (4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations (43 CFR 3160), including such requirements as the Authorized Officer may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.
- (5) Drilling for and production of oil and gas will be subject to applicable laws; the terms, conditions and attached stipulations; the Secretary of the Interior's formal orders in effect as of lease issuance, including Secretarial Order No. 3324; any subsequent revisions and orders of the Authorized Officer thereunder; and to regulations and formal orders hereafter promulgated.

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

**For the protection of:** The rights and safety of the oil and gas and potash lessees and operators.

**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.

**Bureau of Land Management**  
**Carlsbad Field Office**

**SENM-S-1**  
**July 2013**

**CONTROLLED SURFACE USE STIPULATION**  
**PROTECTION OF WILDLIFE HABITAT PROJECTS**

**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 existing or planned wildlife habitat improvement projects. Large-scale vegetation manipulation projects such as prescribed burns will be excepted. This requirement will be considered for waiver with appropriate off-site mitigation, as determined by the Authorized Officer.

**On the following lands:** LEGAL DESCRIPTION>

**For the purpose of:** Protecting Wildlife Habitat Projects

**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 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:** All lands in lease.

**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: All lands in lease.**

**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 PLAYAS AND ALKALI LAKES**

**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 playas or alkali lakes.

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 following lands:** All lands in lease.

**For the purpose of:** Protecting playas and alkali lakes.

**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 on a case-by-case basis for projects designed to enhance or protect renewable natural 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.

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.

**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:** All lands in lease.

**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**  
**PROTECTION OF DUNES SAGEBRUSH LIZARD**

**Stipulation:** 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.

**On the following lands:** All lands in lease.

**For the purpose of:** Protecting dunes sagebrush lizard (*Sceloporus arenicolus*).

**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. 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.

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

**Stipulation:** 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.

**On the following lands:** <LEGAL DESCRIPTION>

**For the purpose of:** Managing habitat suitable for the lesser prairie-chicken (LPC) and dune sagebrush lizard (DSL). The lease contains isolated blocks of unfragmented habitat suitable for LPC or DSL. 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.

**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.

**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**  
**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.

**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.

**NO SURFACE OCCUPANCY STIPULATION**  
**PROTECTION OF RESOURCE VALUES**

**Stipulation:** No surface occupancy or use is allowed. The tract could be leased for inclusion in a drilling unit and may be drilled directionally from an off-site location where occupancy is allowed.

**On the following lands:** <LEGAL DESCRIPTION>

**For the purpose of:** Protect and preserve significant cultural and other resource values of this lease.

**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**  
**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:** All lands in lease.

**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.

**CORPS OF ENGINEERS**  
**SPECIAL STIPULATIONS 1-A**  
**FT SUPPLY LAKE**

- 1. 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 Part 3160.**
- 2. 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.**
- 3. If the District Engineer or his authorized representative discovers an imminent danger to safety or security which allows no time to consult BLM, that person may order such activities stopped immediately by any person conducting or supervising operations subject to BLM mineral leasing operations and that person will also make a good faith effort to contact the authorized official by telephone and other appropriate means, to facilitate BLM review of the order and determine the need for further action.**
- 4. 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.**
- 5. 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.**
- 6. This lease does not authorize geophysical tests or other geophysical activities on the leased area. The lessee must obtain a separate written approval for geophysical activities from the Real Estate Contracting Officer, U. S. Army Corps of Engineers, Tulsa District prior to engaging in such activities on the lease area.**
- 7. This lease does not authorize the lessee to occupy the surface of the lease area. Specific written approval to use, enter, or occupy the surface for any reason must be obtained separately from the Real Estate Contracting Officer, U. S. Army Corps of Engineers, Tulsa District prior to engaging in surface activities.**

**8. 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-mentioned project.**

**9. 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. 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.**

**11. The United States reserves the right to use the land jointly with the mineral 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.**

**12. All areas within 3,000 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.**

**13. 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 of these areas for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.**

**14. It is the responsibility of the lessee to identify and be aware of restricted areas and other areas where operations are prohibited.**

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