February 4, 2020

Notice of Competitive Oil and Gas Internet 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 8 parcels containing 5180.840 acres in the State of Montana for internet-based competitive oil and gas leasing. This notice describes:

- The date, time and place 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; and
- How to file a protest

Attached is a list of 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% interest in the oil and gas mineral rights, less than 12.5% royalty interest, and have pending presale noncompetitive offers to lease which are not available for noncompetitive offers to lease if they receive no bid at the sale.

For your convenience, additional sale documentation is located on https://nflss.blm.gov/.

When and where will the sale take place?

When: The sale date is March 24, 2020. The open bidding period will begin at 7:00 a.m. Mountain Standard (MST) / 8:00 a.m. Central Standard Time (CST). 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 1 hour, from start to finish, and bids will only be accepted during a parcel’s open bidding period.
Where: The sale is held online at https://www.energynet.com/. Click on 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 Oil and Gas Internet Based 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 advance, 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 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 one hour, from start to finish. Bids will only be accepted for each parcel during its open bidding period. Each parcel will close bidding sequentially so that each bidder 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 to enable a bidder to 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 of the required registration steps 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 also 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 other 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 one hour, 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 Montana State Office Information Access Center (Public Room) 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 Montana State Office Information Access Center, the NFLSS website at [https://nflss.blm.gov](https://nflss.blm.gov), and on the auction website.

- **Fractional mineral 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.

- **Fractional royalty interests:** If the United States owns less than 12.5 percent of the oil and gas royalty 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.

- **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 $170.00. These are monies you owe the United States, whether or not a lease is issued.
You must provide notification of the payment process of these monies to the BLM Montana State Office prior to 4 p.m. MST, the day the auction closes, 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 Montana 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 the BLM. You will be required to pay the buyer’s premium to EnergyNet, 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 do not pay the full amount on the day of the sale, you must pay any balance due by the close of business on the 10th working day after the last day of the internet-based auction closes. **Remaining balance will be due in the Montana State Office by 4:00 p.m. MST, April 7, 2020. If you do not pay in full by this date, you lose 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 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.
An email or fax containing confirmation must include but is not limited to 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 to bypass this requirement.* An amount owed that exceeds the maximum dollar amount for a credit card payment transaction may not be split into two or more payment transactions in the same day by using one or more credit cards. 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 plan to make your payment using a credit card, you should contact your bank prior to the sale to let them know that you will be making a substantial charge against your account. If the credit card 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.**

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.

**• Bid form:** On the day of the sale, if you are a successful winning high bidder, you must submit (email or fax) to the 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 bidder with a fillable pdf of this bid form and instructions on how to submit the form to the Montana 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 this 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 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 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, transfer of interest by assignment of record title or operating rights, and options to acquire interest 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 signed bid form, all monies 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 (or as the lease is amended) 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](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 terms including requirements under the Endangered Species Act, as amended, 16 U.S.C. 1531 *et seq*. In accordance with Washington Office (WO) Instruction Memorandum (IM) No. 2002-174, each parcel included in this lease sale will be subject to the Endangered Species Act Section 7 Consultation Stipulation. In accordance with WO IM No. 2005-003, Cultural Resources and Tribal Consultation, for Fluid Minerals Leasing, each parcel in this sale will be subject to the 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.

**How do I file a noncompetitive offer after the sale?**

Lands that do not receive a bid and are not subject to a presale offer are available on a first-come, first-serve basis for a 2-year period, beginning the day after the sale. The noncompetitive offers are handled directly by the BLM and not through the internet leasing website. If you want to file a noncompetitive offer on an unsold parcel, you must filed in the appropriate State Office:

- Three copies of current 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;
- $435.00 nonrefundable administrative fee; and
- First year advance rental ($1.50 per acre or fraction thereof). Remember to round up any fractional acreage when you calculate the amount of rental.

Submit the aforementioned items to the BLM Montana State Office Information Access Center (Public Room) in person or by mail. 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 determine the winner (see 43 CFR 1822.17). Offers filed after this time period receive priority according to the date and time of filing in this office.

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 regulations 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 therein 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 current 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;
- $435.00 nonrefundable administrative fee; and
- First year rental ($1.50 per acre or fraction thereof). Remember to round up any fractional acreage when you calculate the amount of rental.

How do I submit an Expression of Interest (EOI)?

An Expression of Interest (EOI) is an informal nomination requesting certain lands be included in an oil and gas competitive lease sale. Regulations pertaining to competitive oil and gas leasing can be found in 43 CFR 3120. This request may be submitted via the National Fluids Lease Sale System at https://nflss.blm.gov.

- No filing fee or rental is required with an EOI;
- Your EOI must contain a complete legal land description (including metes and bounds description, if applicable);
- Proof of Federal mineral ownership (e.g. Deed(s), Patent(s), or other form of mineral interest conveyance to the United States), if applicable; and
- Name and address of the current surface owner(s), if applicable.

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 June 23, 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 website and the NFLSS website at https://nflss.blm.gov. Paper copies are available for viewing or purchase at the BLM Montana 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 30 calendar days of the posting date of this Notice. All protests must be received no later than **4:00 pm MST on March 5, 2020**. If our office is not open on the 30th 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, by telefax or mailed in hardcopy form. You may not file a protest by electronic mail. A protest filed by fax must be sent to 406-896-5292. **We will dismiss a protest sent to a fax number other than the fax number identified or a protest filed 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.

• The protest document must be signed. **Unsigned protest documents will be dismissed.**

• Please be advised that all protest information and correspondence shall be made publically available.
Any protests, 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 (FOIA), 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 on this Sale Notice, how does it affect bidding on the parcel?**

We will announce receipt 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 NFLSS website at [https://nflss.blm.gov](https://nflss.blm.gov).

**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, but no later than 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 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 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, administrative fees, and EnergyNet’s buyer premium, 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, administrative fee, and EnergyNet’s buyer premium.

**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 a Land Law Examiner at 406-896-5116 or myself at 406-896-5060.

Samantha Iron Shirt, Chief
Fluids Adjudication Section
NOTICE TO LESSEE

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

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

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.
BLM Montana Dakotas March 24, 2020 Competitive Oil and Gas Lease Sale

Total Parcels: 8
5180.84 acres

BLM Surface Acres: 694.17
Split Estate Acres: 4486.67

Parcel Locations
BLM Field Office
Boundary

Parcel Locations
BLM Field Office
Boundary

0 20 Miles

N

HAVRE FIELD OFFICE
MILES CITY FIELD OFFICE
MALTA FIELD OFFICE
GLASGOW FIELD OFFICE
BILLINGS FIELD OFFICE
LEWISTOWN FIELD OFFICE
NORTH DAKOTA FIELD OFFICE
SOUTH DAKOTA FIELD OFFICE

BLM Montana Dakotas
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
COMPTETITIVE OIL AND GAS OR
GEOTHERMAL RESOURCES LEASE BID

Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

<table>
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<th>PARCEL NUMBER</th>
<th>AMOUNT OF BID (see instructions below)</th>
<th>PAYMENT SUBMITTED WITH BID</th>
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THE BID IS FOR (check one):

-Oil and Gas Serial/Parcel No.  
-Geothermal Serial/Parcel No.

The appropriate regulations applicable to this bid are: (1) for oil and gas leases—43 CFR 3120; (2) for National Petroleum Reserve-Alaska (NPR-A) leases—43 CFR 3132; and (3) for Geothermal resources leases—43 CFR 3203.17. (See details concerning lease qualifications on next page.)

I CERTIFY THAT I have read and am in compliance with; and not in violation of the lessee qualification requirements under the applicable regulations for this bid.

I CERTIFY THAT this bid is not in violation of 18 U.S.C. 1860 which prohibits unlawful combination or intimidation of bidders. I further certify that this bid was arrived at independently and is tendered without collusion with any other bidder for the purpose of restricting competition.

IMPORTANT NOTICE: Execution of this form where the offer is the high bid, constitutes a binding lease offer including all applicable terms and conditions. Failure to comply with the applicable laws and regulations under which this bid is made will result in rejection of the bid and forfeiture of all monies submitted.

Print or Type Name of Lessee
Address of Lessee

INSTRUCTIONS FOR OIL AND GAS OR GEOTHERMAL BID

1. Separate bid form for each lease/parcel is required. Identify by the serial/parcel number assigned in the Notice of Competitive Lease Sale.
2. Bid must be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance must be in the form specified: (1) for oil and gas leases in 43 CFR 3103.1-1; and (2) for geothermal resources leases in 43 CFR 3203.17. The remainder of the bonus bid, if any, must be submitted to the proper Bureau of Land Management (BLM) office within 10 working days for oil and gas, and 15 working days for geothermal, after the last day of the oral auction. Failure to submit the remainder of the bonus bond within the statutory timeframe (or regulatory) will result in rejection or revocation, as appropriate, of the bid offer and forfeiture of all monies paid.
3. If the bidder is not the sole party in interest in the lease for which the bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the BLM.
4. This bid may be executed (signed) before the oral auction. If signed before the oral auction, this form cannot be modified without being executed again.
5. In view of the above requirement (4), the bidder may wish to leave the AMOUNT OF BID section blank so that final bid amount may be either completed by the bidder or the BLM at the oral auction.

INSTRUCTIONS FOR NPR-A OIL AND GAS BID

1. Separate bid form for each parcel is required. Identify the parcel by the number assigned to a tract.
2. Bid must be accompanied by one-fifth of the amount of the bid. The remittance must be in the form specified in 43 CFR 3132.2 for a NPR-A lease bid.
3. Mark the envelope “Bid for NPR-A Lease”. Be sure correct parcel number of tract on which the bid is submitted and date of bid opening are noted plainly on envelope. No bid may be modified or withdrawn unless such modification or withdrawal is received prior to time fixed for opening of bids.
4. Mail or deliver bid to the proper BLM office or place indicated in the Notice of Competitive Lease Sale.
5. If the bidder is not the sole party in interest in the lease for which the bid is submitted, all other parties in interest may be required to furnish evidence of their qualifications upon written request by the BLM.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 13212 make it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)
QUALIFICATIONS

For leases that may be issued as a result of this sale under the Mineral Leasing Act (The Act) of 1920, as amended, the oral bidder must: (1) Be a citizen of the United States; an association (including partnerships and trusts) of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) Be in compliance with the acreage limitation requirements wherein the bidder's interests, direct and indirect, in oil and gas leases in the State identified do not exceed 246,080 acres each in public domain or acquired lands including acreage covered by this bid, of which not more than 200,000 acres are under options. If this bid is submitted for lands in Alaska, the bidder's holdings in each of the Alaska leasing districts do not exceed 300,000 acres, of which no more than 200,000 acres are under options in each district; (3) Be in compliance with Federal coal lease holdings as provided in sec. 2(a)2(A) of the Act; (4) Be in compliance with reclamation requirements for all Federal oil and gas holdings as required by sec. 17 of the Act; (5) Not be in violation of sec. 41 of the Act; and (6) Certify that all parties in this bid are in compliance with 43 CFR Groups 3000 and 3100 and the leasing authority cited herein.

For leases that may be issued as a result of this sale under the Geothermal Steam Act of 1970, as amended, the bidder must: (1) Be a citizen of the United States who is at least 18 years of age; an association of such citizens; a municipality; a corporation organized under the laws of the United States or of any State or Territory thereof; or a domestic governmental unit; and (2) Be in compliance with the acreage limitation requirements wherein the bidder's interests, direct and indirect, do not exceed 51,200 acres, and (3) Certify that all parties in this bid are in compliance with 43 CFR Group 3200 and the leasing authority cited herein.

For leases that may be issued as a result of this sale under the Department of the Interior Appropriations Act of 1981, the bidder must: (1) Be a citizen or national of the United States; an alien lawfully admitted for permanent residence; a private, public or municipal corporation organized under the laws of the United States or of any State or Territory thereof; an association of such citizens, nationals, resident aliens or private, public or municipal corporations; and (2) Certify that all parties in interest in this bid are in compliance with 43 CFR Part 3130 and the leasing authority cited herein.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this bid for a Competitive Oil and Gas or Geothermal Resource Lease.


PRINCIPAL PURPOSE: The information is to be used to process your bid.

ROUTINE USES: (1) The adjudication of the bidder's rights to the resources for which this bid is made. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when comment or concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, your bid may be rejected.
The undersigned (page 2) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Lands Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), or ____________________________(other).

READ INSTRUCTIONS BEFORE COMPLETING

1. Name
   Street
   City, State, Zip Code

2. This application/offer/lease is for: (Check Only One) ☑ PUBLIC DOMAIN LANDS ☐ ACQUIRED LANDS (percent U.S. interest ______)  
   Surface managing agency if other than Bureau of Land Management (BLM): _____________________________ Unit/Project _____________________________ 
   Legal description of land requested: *Parcel No.: _____________________________ *Sale Date (mm/dd/yyyy): _____________________________ 
   *See Item 2 in Instructions below prior to completing Parcel Number and Sale Date. 
   T. ______ R. ______ Meridian ______ State ______ County ______ 

   Amount remitted: Filing fee $________ Rental fee $________ Total $________

3. Land included in lease: 
   T. ______ R. ______ Meridian ______ State ______ County ______ 

   Total acres applied for ______
   Total acres in lease ______
   Rental retained $________

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease. 

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid form submitted under 43 CFR 3120 and is subject to the provisions of that bid and those specified on this form. 

Type and primary term:  ☐ Noncompetitive lease (ten years)  ☐ Competitive lease (ten years)  ☐ Other ________ 

THE UNITED STATES OF AMERICA  
by _____________________________  
(BLM)  
(Title)  
(Date)  
EFFECTIVE DATE OF LEASE ______

(Continued on page 2)
4. Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)2(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas leaseholdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.

(b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments.

Duly executed this ______ day of ____________________, 20____ __ (Signature of Lessee or Attorney-in-fact)

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Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or Agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

LEASE TERMS

Sec. 1. Rentals--Rentals must be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

(a) Noncompetitive lease, $1.50 for the first 5 years; thereafter $2.00;
(b) Competitive lease, $1.50; for the first 5 years; thereafter $2.00;
(c) Other, see attachment, or
as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties must be paid on the production allocated to this lease. However, annual rentals must continue to be due at the rate specified in (a), (b), or (c) rentals for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) must automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties must be paid to proper office of lessor. Royalties must be computed in accordance with regulations on production removed or sold. Royalty rates are:

(a) Noncompetitive lease, 12 1/2%;
(b) Competitive lease, 12 1/2 %;
(c) Other, see attachment; or
as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties must be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production must be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee must not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor must lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year must be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge will be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee must be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.
Sec. 3. Bonds - A bond must be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage - Lessee must exercise reasonable diligence in developing and producing, and must prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee must drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection - Lessee must file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee must furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee must keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee must keep open at all reasonable times for inspection by any representative of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee must maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records must be maintained in lessee's accounting offices for future audit by lessor. Lessee must maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section will be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations - Lessee must conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee must take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses must be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee must contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee must immediately contact lessor. Lessee must cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations - To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium - Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessor must include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property - Lessee must pay lessor for damage to lessor's improvements, and must save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity - Lessee must pay, when due, all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee must comply with section 28 of the Mineral Leasing Act of 1920.

Lessee must comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors must maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease - As required by regulations, lessee must file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which will be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises - At such time as all or portions of this lease are returned to lessor, lessee must place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default - If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease will be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communization agreement which contains a well capable of production of unitized substances in paying quantities. This provision will not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver will not prevent later cancellation for the same default occurring at any other time. Lessor will be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest - Each obligation of this lease will extend to and be binding upon, and every benefit hereof will inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.
A. General:

1. Page 1 of this form is to be completed only by parties filing for a noncompetitive lease. The BLM will complete page 1 of the form for all other types of leases.

2. Entries must be typed or printed plainly in ink. Offeror must sign Item 4 in ink.

3. An original and two copies of this offer must be prepared and filed in the proper BLM State Office. See regulations at 43 CFR 1821.2-1 for office locations.

4. If more space is needed, additional sheets must be attached to each copy of the form submitted.

B. Special:

Item 1 - Enter offeror's name and billing address.

Item 2 - Identify the mineral status and, if acquired lands, percentage of Federal ownership of applied for minerals. Indicate the agency controlling the surface of the land and the name of the unit or project which the land is a part. The same offer may not include both Public Domain and Acquired lands. Offeror also may provide other information that will assist in establishing title for minerals. The description of land must conform to 43 CFR 3110. A single parcel number and Sale Date will be the only acceptable description during the period from the first day following the end of a competitive process until the end of that same month, using the parcel number on the List of Lands Available for Competitive Nominations or the Notice of Competitive Lease Sale, whichever is appropriate.

Payments: The amount remitted must include the filing fee and the first year's rental at the rate of $1.50 per acre or fraction thereof. The full rental based on the total acreage applied for must accompany an offer even if the mineral interest of the United States is less than 100 percent. The filing fee will be retained as a service charge even if the offer is completely rejected or withdrawn. To protect priority, it is important that the rental submitted be sufficient to cover all the land requested. If the land requested includes lots or irregular quarter-quarter sections, the exact area of which is not known to the offeror, rental should be submitted on the basis of each such lot or quarter-quarter section containing 40 acres. If the offer is withdrawn or rejected in whole or in part before a lease issues, the rental remitted for the parts withdrawn or rejected will be returned.

Item 3 - This space will be completed by the United States.

NOTICES

The Privacy Act of 1974 and the regulations in 43 CFR 2.48(d) provide that you be furnished with the following information in connection with information required by this oil and gas lease offer.


PRINCIPAL PURPOSE: The information is to be used to process oil and gas offers and leases.

ROUTINE USES: (1) The adjudication of the lessee's rights to the land or resources. (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources. (3) Transfer to appropriate Federal agencies when consent or concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: If all the information is not provided, the offer may be rejected. See regulations at 43 CFR 3100.
Parcels

MTM 111593 MT-2020-03-6924 1054.17 Acres Split Estate
MT, Powder River, Miles City Field Office, Bureau of Land Management, PD
MT T0090S, R0530E, PRINCIPAL MER
Section: 001 E1/2NE1/4;
Section: 012 W1/2NW1/4;
Section: 021 SW1/4NW1/4, NW1/4SW1/4;
Section: 029 E1/2NW1/4, SW1/4NW1/4, S1/2SW1/4;
Section: 032 LOTS 3-6,11,12;
Section: 032 NE1/4NW1/4, W1/2NW1/4;
Section: 033 LOTS 8;
Section: 033 NE1/4;
Section: 035 LOTS 6.
Rental $1,582.50
100.00 % US Mineral Interest

Stipulations:

**CSU 12-23** BLM Stipulation for Air Resources
**CSU 12-24** BLM Stipulation for Soils, Sensitive Soils
For the following lands:
MT T0090S, R0530E, PRINCIPAL MER Section: 001 E1/2NE1/4; Section: 029 E1/2NW1/4, SW1/4NW1/4, S1/2SW1/4; Section: 032 LOTS 4; Section: 033 LOTS 8, E1/2NE1/4;

**CSU 12-25** BLM Stipulation for Riparian, Wetlands
For the following lands:
MT T0090S, R0530E, PRINCIPAL MER Section: 032 N1/2NW1/4, SW1/4NW1/4;

**CSU 12-26** BLM Stipulation for Big Game Crucial Winter Range
For the following lands:
MT T0090S, R0530E, PRINCIPAL MER Section: 029 E1/2NW1/4, SW1/4NW1/4, S1/2SW1/4; Section: 032 LOTS 3,6,11,12, NE1/4NW1/4, W1/2NW1/4;

**CR 16-1** BLM Stipulation for Cultural Resources Lease Stipulation

**TES 16-2** BLM Stipulation for Endangered Species Act Section 7 Consultation Stipulation

**Standard 16-3** BLM Stipulation for Oil And Gas Lease Stipulations

**NSO 11-70** BLM Stipulation for Streams, Waterbodies, Riparian, Wetland, And Floodplains
For the following lands:
MT T0090S, R0530E, PRINCIPAL MER Section: 001 E1/2NE1/4; Section: 012 W1/2NW1/4; Section: 021 NW1/4SW1/4; Section: 029 NE1/4NW1/4, SW1/4NW1/4, S1/2SW1/4; Section: 032 LOTS 4-6,11,12, N1/2NW1/4, SW1/4NW1/4; Section: 033 LOTS 8; Section: 035 LOTS 6;

**LN 14-11** BLM Lease Notice for Greater Sage-Grouse Habitat
**LN 14-12** BLM Lease Notice for Paleontological Resource Inventory Requirement
**LN 14-2** BLM Lease Notice for Cultural Resources
**LN 14-20** BLM Lease Notice for Migratory Bird Treaty Act
**LN 14-18** BLM Lease Notice for Air Resource Analysis
**LN 14-37** BLM Lease Notice for Greater Sage-Grouse Habitat Conservation
**LN 14-23** BLM Lease Notice for Setback From Human Occupied Residences Requirement
**LN 14-39** BLM Lease Notice for Raptors
**LN 14-40** BLM Lease Notice for Big Game Winter Range and Migration Corridors

EOI #MT00015491
MTM 111594 MT-2020-03-6898 1153.32 Acres Split Estate

MT, Powder River, Miles City Field Office, Bureau of Land Management, PD

MT T0080S, R0540E, PRINCIPAL MER

Section: 001 LOTS 1-4;
Section: 001 S1/2NW1/4;
Section: 002 LOTS 1-4;
Section: 002 S1/2NE1/4, S1/2NW1/4, E1/2SW1/4, NE1/4SE1/4, W1/2SE1/4;
Section: 009 SW1/4NW1/4;
Section: 030 NE1/4SW1/4;
Section: 031 LOTS 3,4;
Section: 031 N1/2NE1/4, E1/2SW1/4, W1/2SE1/4.

Rental $1,731.00

100.00 % US Mineral Interest

Stipulations:

CSU 12-26 BLM Stipulation for Big Game Crucial Winter Range
For the following lands:

MT T0080S, R0540E, PRINCIPAL MER Section: 002 LOTS 4;

CSU 12-25 BLM Stipulation for Riparian, Wetlands
For the following lands:

MT T0080S, R0540E, PRINCIPAL MER Section: 001 LOTS 1,2,4, S1/2NW1/4; Section: 031 LOTS 4;

CSU 12-24 BLM Stipulation for Soils, Sensitive Soils
For the following lands:

MT T0080S, R0540E, PRINCIPAL MER Section: 001 LOTS 2,3, S1/2NW1/4; Section: 002 LOTS 1,2, S1/2NE1/4, SE1/4SW1/4, N1/2SE1/4, SW1/4SE1/4; Section: 031 W1/2SE1/4;

CSU 12-23 BLM Stipulation for Air Resources

CR 16-1 BLM Stipulation for Cultural Resources Lease Stipulation

TES 16-2 BLM Stipulation for Endangered Species Act Section 7 Consultation Stipulation

NSO 11-70 BLM Stipulation for Streams, Waterbodies, Riparian, Wetland, And Floodplains
For the following lands:

MT T0080S, R0540E, PRINCIPAL MER Section: 001 LOTS 2, SE1/4NW1/4; Section: 002 LOTS 1,4, SW1/4NW1/4, N1/2SE1/4, SW1/4SE1/4; Section: 009 SW1/4NW1/4; Section: 030 NE1/4SW1/4; Section: 031 LOTS 4, NE1/4NE1/4, SE1/4SW1/4, NW1/4SE1/4;

Standard 16-3 BLM Stipulation for Oil And Gas Lease Stipulations

LN 14-18 BLM Lease Notice for Air Resource Analysis

LN 14-12 BLM Lease Notice for Paleontological Resource Inventory Requirement

LN 14-11 BLM Lease Notice for Greater Sage-Grouse Habitat

LN 14-2 BLM Lease Notice for Cultural Resources

LN 14-37 BLM Lease Notice for Greater Sage-Grouse Habitat Conservation

LN 14-20 BLM Lease Notice for Migratory Bird Treaty Act

LN 14-23 BLM Lease Notice for Setback From Human Occupied Residences Requirement

LN 14-39 BLM Lease Notice for Raptors

LN 14-40 BLM Lease Notice for Big Game Winter Range and Migration Corridors

EOI #MT00015487
MTM 111595 MT-2020-03-6914 1072.16 Acres Split Estate
MT, Powder River, Miles City Field Office, Bureau of Land Management, PD

MT T0090S, R0540E, PRINCIPAL MER
Section: 001 N1/2NW1/4, SW1/4SW1/4, SE1/4SE1/4;
Section: 002 S1/2SE1/4;
Section: 003 SE1/4SE1/4;
Section: 006 LOTS 1,2;
Section: 009 S1/2SW1/4;
Section: 010 NE1/4NE1/4, SW1/4NE1/4, SW1/4NW1/4;
Section: 011 N1/2NE1/4, SE1/4NE1/4, N1/2NW1/4, NE1/4SE1/4;
Section: 017 NE1/4, N1/2NW1/4;
Section: 030 LOTS 4.

Rental $1,609.50

100.00 % US Mineral Interest

Stipulations:

CSU 12-24 BLM Stipulation for Soils, Sensitive Soils
For the following lands:

MT T0090S, R0540E, PRINCIPAL MER Section: 001 N1/2NW1/4, SW1/4SW1/4,
SE1/4SE1/4; Section: 002 S1/2SE1/4; Section: 003 SE1/4SE1/4; Section: 006 LOTS 2; Section:
009 S1/2SW1/4; Section: 010 NE1/4NE1/4, SW1/4NE1/4, SW1/4NW1/4; Section: 011
N1/2NE1/4, SE1/4NE1/4, N1/2NW1/4, NE1/4SE1/4; Section: 017 S1/2NE1/4;

CSU 12-23 BLM Stipulation for Air Resources

CSU 12-25 BLM Stipulation for Riparian, Wetlands
For the following lands:

MT T0090S, R0540E, PRINCIPAL MER Section: 001 N1/2NW1/4, SW1/4SW1/4,
SE1/4SE1/4; Section: 002 S1/2SE1/4; Section: 003 SE1/4SE1/4; Section: 009 SW1/4SW1/4;
Section: 010 SW1/4NE1/4, SW1/4NW1/4; Section: 011 N1/2NE1/4, SE1/4NE1/4, N1/2NW1/4, NE1/4SE1/4; Section: 017 S1/2NE1/4;

NSO 11-84 BLM Stipulation for Significant Cultural Resources, NRHP - Eligible Properties
And Districts, And TCPs
For the following lands:

MT T0090S, R0540E, PRINCIPAL MER Section: 010 SW1/4NW1/4;

NSO 11-70 BLM Stipulation for Streams, Waterbodies, Riparian, Wetland, And Floodplains
For the following lands:

MT T0090S, R0540E, PRINCIPAL MER Section: 001 N1/2NW1/4, SW1/4SW1/4,
SE1/4SE1/4; Section: 002 S1/2SE1/4; Section: 003 SE1/4SE1/4; Section: 006 LOTS 1,2;
Section: 009 SW1/4SW1/4; Section: 010 SW1/4NE1/4, SW1/4NW1/4; Section: 011
N1/2NE1/4, SE1/4NE1/4, N1/2NW1/4, NE1/4SE1/4; Section: 017 S1/2NE1/4, SE1/4NE1/4,
NW1/4NW1/4;

Standard 16-3 BLM Stipulation for Oil And Gas Lease Stipulations

TES 16-2 BLM Stipulation for Endangered Species Act Section 7 Consultation Stipulation

CR 16-1 BLM Stipulation for Cultural Resources Lease Stipulation

LN 14-23 BLM Lease Notice for Setback From Human Occupied Residences Requirement

LN 14-18 BLM Lease Notice for Air Resource Analysis

LN 14-20 BLM Lease Notice for Migratory Bird Treaty Act

LN 14-1 BLM Lease Notice for Land Use Authorization

LN 14-2 BLM Lease Notice for Cultural Resources

LN 14-12 BLM Lease Notice for Paleontological Resource Inventory Requirement

LN 14-39 BLM Lease Notice for Raptors

LN 14-40 BLM Lease Notice for Big Game Winter Range and Migration Corridors

EOI #MT00015491
MTM 111596 MT-2020-03-6913 200 Acres Split Estate
MT, Powder River, Miles City Field Office, Bureau of Land Management, PD
MT T0090S, R0540E, PRINCIPAL MER
Section: 008 SE1/4SW1/4, SE1/4.
Rental $300.00
100.00 % US Mineral Interest
Stipulations:
CSU 12-25 BLM Stipulation for Riparian, Wetlands
For the following lands:
MT T0090S, R0540E, PRINCIPAL MER Section: 008 NW1/4SE1/4;
CSU 12-23 BLM Stipulation for Air Resources
CSU 12-24 BLM Stipulation for Soils, Sensitive Soils
TES 16-2 BLM Stipulation for Endangered Species Act Section 7 Consultation Stipulation
CR 16-1 BLM Stipulation for Cultural Resources Lease Stipulation
Standard 16-3 BLM Stipulation for Oil And Gas Lease Stipulations
NSO 11-70 BLM Stipulation for Streams, Waterbodies, Riparian, Wetland, And Floodplains
For the following lands:
MT T0090S, R0540E, PRINCIPAL MER Section: 008 W1/2SE1/4;
CSU 12-23 BLM Stipulation for Air Resources
CSU 12-24 BLM Stipulation for Soils, Sensitive Soils
For the following lands:
MT T0090S, R0540E, PRINCIPAL MER Section: 008 NW1/4SE1/4;
CSU 12-23 BLM Stipulation for Air Resources
CSU 12-24 BLM Stipulation for Soils, Sensitive Soils
For the following lands:

EOI #MT00015520

MTM 111597 MT-2020-03-6894 1459 Acres Split Estate
MT, Carter, Miles City Field Office, Bureau of Land Management, PD
MT T0080S, R0550E, PRINCIPAL MER
Section: 003 SE1/4SW1/4, S1/2SE1/4;
Section: 005 S1/2;
Section: 007 LOTS 4;
Section: 008 E1/2NW1/4, E1/2SW1/4;
Section: 018 E1/2NW1/4;
Section: 030 LOTS 3,4;
Section: 030 NW1/4NE1/4, NE1/4NW1/4, SE1/4SW1/4, NE1/4SE1/4, S1/2SE1/4;
Section: 031 LOTS 1,3,4;
Section: 031 NE1/4, NE1/4NW1/4, N1/2SE1/4, SE1/4SE1/4.
Rental $2,188.50
100.00 % US Mineral Interest
Stipulations:
CSU 12-23 BLM Stipulation for Air Resources
CSU 12-24 BLM Stipulation for Soils, Sensitive Soils
For the following lands:
MT T0080S, R0550E, PRINCIPAL MER Section: 003 SE1/4SW1/4, S1/2SE1/4; Section:
007 LOTS 4; Section: 030 LOTS 3,4, SE1/4SE1/4; Section: 031 LOTS 1,3,4, E1/2NE1/4,
SW1/4NE1/4, N1/2SE1/4, SE1/4SE1/4;
CSU 12-25 BLM Stipulation for Riparian, Wetlands
For the following lands:
MT T0080S, R0550E, PRINCIPAL MER Section: 008 SE1/4NW1/4, SE1/4SW1/4;
Section: 018 NE1/4NW1/4; Section: 030 LOTS 3,4, NW1/4NE1/4, NE1/4NW1/4,
SE1/4SW1/4, NE1/4SE1/4, S1/2SE1/4; Section: 031 LOTS 1,3,4, NE1/4NE1/4, S1/2NE1/4,
NE1/4NW1/4, N1/2SE1/4, SE1/4SE1/4;
CSU 12-26 BLM Stipulation for Big Game Crucial Winter Range
For the following lands:
    MT T0080S, R0550E, PRINCIPAL MER Section: 003 SE1/4SW1/4, S1/2SE1/4; Section: 005 SE1/4;
NSO 11-70 BLM Stipulation for Streams, Waterbodies, Riparian, Wetland, And Floodplains
For the following lands:
    MT T0080S, R0550E, PRINCIPAL MER Section: 003 SE1/4SE1/4; Section: 005 W1/2SW1/4, SE1/4SW1/4, N1/2 SE1/4; Section: 007 LOTS 4; Section: 008 SE1/4NW1/4, SE1/4SW1/4; Section: 018 NE1/4NW1/4; Section: 030 LOTS 4, NW1/4NE1/4, SE1/4SW1/4, NE1/4SE1/4, S1/2SE1/4; Section: 031 LOTS 1,4, NE1/4NE1/4, S1/2NE1/4, N1/2SE1/4, SE1/4SE1/4;
Standard 16-3 BLM Stipulation for Oil And Gas Lease Stipulations
TES 16-2 BLM Stipulation for Endangered Species Act Section 7 Consultation Stipulation
CR 16-1 BLM Stipulation for Cultural Resources Lease Stipulation
LN 14-18 BLM Lease Notice for Air Resource Analysis
LN 14-23 BLM Lease Notice for Setback From Human Occupied Residences Requirement
LN 14-20 BLM Lease Notice for Migratory Bird Treaty Act
LN 14-2 BLM Lease Notice for Cultural Resources
LN 14-12 BLM Lease Notice for Paleontological Resource Inventory Requirement
LN 14-40 BLM Lease Notice for Big Game Winter Range and Migration Corridors
LN 14-39 BLM Lease Notice for Raptors
EOI #MT00015487

MTM 111598 MT-2020-03-6912 120 Acres Split Estate
MT, Carter, Miles City Field Office, Bureau of Land Management, PD
MT T0080S, R0550E, PRINCIPAL MER
Section: 007 SE1/4SW1/4, S1/2SE1/4.
Rental $180.00
100.00 % US Mineral Interest
Stipulations:
   CSU 12-23 BLM Stipulation for Air Resources
   CSU 12-25 BLM Stipulation for Riparian, Wetlands
For the following lands:
    MT T0080S, R0550E, PRINCIPAL MER Section: 007 SE1/4SW1/4;
Standard 16-3 BLM Stipulation for Oil And Gas Lease Stipulations
NSO 11-70 BLM Stipulation for Streams, Waterbodies, Riparian, Wetland, And Floodplains
TES 16-2 BLM Stipulation for Endangered Species Act Section 7 Consultation Stipulation
CR 16-1 BLM Stipulation for Cultural Resources Lease Stipulation
LN 14-23 BLM Lease Notice for Setback From Human Occupied Residences Requirement
LN 14-20 BLM Lease Notice for Migratory Bird Treaty Act
LN 14-18 BLM Lease Notice for Air Resource Analysis
LN 14-2 BLM Lease Notice for Cultural Resources
LN 14-12 BLM Lease Notice for Paleontological Resource Inventory Requirement
LN 14-39 BLM Lease Notice for Raptors
EOI #MT00015520
MTM 111599 MT-2020-03-6678 42.19 Acres Split Estate
MT, Richland, Miles City Field Office, Bureau of Land Management, PD
MT T0260N, R0550E, PRINCIPAL MER
Section: 001 LOTS 3.
Rental $64.50
100.00 % US Mineral Interest
Stipulations:
- CSU 12-23 BLM Stipulation for Air Resources
- CSU 12-24 BLM Stipulation for Soils, Sensitive Soils
- CSU 12-25 BLM Stipulation for Riparian, Wetlands
- NSO 11-70 BLM Stipulation for Streams, Waterbodies, Riparian, Wetland, And Floodplains
- Standard 16-3 BLM Stipulation for Oil And Gas Lease Stipulations
- TES 16-2 BLM Stipulation for Endangered Species Act Section 7 Consultation Stipulation
- CR 16-1 BLM Stipulation for Cultural Resources Lease Stipulation
- LN 14-18 BLM Lease Notice for Air Resource Analysis
- LN 14-23 BLM Lease Notice for Setback From Human Occupied Residences Requirement
- LN 14-20 BLM Lease Notice for Migratory Bird Treaty Act
- LN 14-2 BLM Lease Notice for Cultural Resources
- LN 14-12 BLM Lease Notice for Paleontological Resource Inventory Requirement
EOI #MT00015107

MTM 111600 MT-2020-03-6727 80 Acres Split Estate
MT, Fallon, Miles City Field Office, Bureau of Land Management, PD
MT T0080N, R0600E, PRINCIPAL MER
Section: 022 W1/2SW1/4.
Rental $120.00
100.00 % US Mineral Interest
Stipulations:
- CSU 12-24 BLM Stipulation for Soils, Sensitive Soils
  For the following lands:
  - MT T0080N, R0600E, PRINCIPAL MER Section: 022 NW1/4SW1/4;
- CSU 12-27 BLM Stipulation for Sharp-Tailed Grouse Leks and Nesting Habitat
  For the following lands:
  - MT T0080N, R0600E, PRINCIPAL MER Section: 022 SW1/4SW1/4;
- CSU 12-25 BLM Stipulation for Riparian, Wetlands
  For the following lands:
  - MT T0080N, R0600E, PRINCIPAL MER Section: 022 W1/2SW1/4;
- CSU 12-23 BLM Stipulation for Air Resources
- Standard 16-3 BLM Stipulation for Oil And Gas Lease Stipulations
- TES 16-2 BLM Stipulation for Endangered Species Act Section 7 Consultation Stipulation
- CR 16-1 BLM Stipulation for Cultural Resources Lease Stipulation
- NSO 11-70 BLM Stipulation for Streams, Waterbodies, Riparian, Wetland, And Floodplains
- LN 14-18 BLM Lease Notice for Air Resource Analysis
- LN 14-11 BLM Lease Notice for Greater Sage-Grouse Habitat
- LN 14-12 BLM Lease Notice for Paleontological Resource Inventory Requirement
- LN 14-2 BLM Lease Notice for Cultural Resources
- LN 14-37 BLM Lease Notice for Greater Sage-Grouse Habitat Conservation
- LN 14-20 BLM Lease Notice for Migratory Bird Treaty Act
- LN 14-23 BLM Lease Notice for Setback From Human Occupied Residences Requirement
- LN 14-39 BLM Lease Notice for Raptors
- LN 14-40 BLM Lease Notice for Big Game Winter Range and Migration Corridors
EOI #MT00015199
### STATISTICS

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<th>Description</th>
<th>Montana Parcels/Acreage</th>
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No. of Parcels with Presale Offers 0

### FOOTNOTES

1/ The exact metes and bounds description will be made a part of any lease issued for these lands.

2/ The United States has a fractional mineral interest. Rentals and the bonus bid are payable on the total gross acres. Royalties are payable on the net acres.

3/ In accordance with the Federal Property and Administrative Services Act of 1949, GSA surplus lands are available by competitive bid only. If no bids are received, they are not available for noncompetitive lease offer.

4/ All or part of the lands in this parcel contains a Railroad Right-Of-Way subject to leasing under the 1930 Right-Of-Way Leasing Act. Acreage within the Right-Of-Way will be excluded from the total acreage of this parcel and will be announced the day of the sale.
Stipulations

BLM Stipulations

**CSU 12-23-Air Resources**

Surface occupancy and use is subject to the requirement that each diesel-fueled non-road engine with greater than 200 horsepower design rating to be used during drilling or completion activities meets one of the following two criteria: (1) the engine was manufactured to meet USEPA NOx emission standards for Tier 4 non-road diesel engines, or (2) the engine emits NOx at rates less than or equal to USEPA emission standards for Tier 4 non-road diesel engines.

Objective: To protect air resources and meet the 1-hour NO2 NAAQS.

Exception: An exception may be granted by the AO if air quality modeling, air quality monitoring, or other information demonstrates compliance with the NO2 NAAQS.

Modification: This stipulation may be modified if the EPA or the applicable state environmental agency adds, deletes, or revises NOx emission standards for drill rig, completion rig, or non-road engines.

Waiver: The stipulation may be waived if new information demonstrates that compliance with the NO2 NAAQS will be achieved consistently throughout the lease area. The stipulation may also be waived if the NO2 NAAQS is revoked or otherwise rendered inapplicable to drilling/completion operations.

**CSU 12-24-Soils, Sensitive Soils**

Surface occupancy and use is subject to the following operating constraints: prior to surface occupancy and use, prior to surface disturbance on sensitive soils, a reclamation plan must be approved by the administrative officer. Sensitive soils are determined using a combination of slope and soil erodibility. The plan must demonstrate the following:

- no other practicable alternatives exist for relocating the activity,
- the activity will be located to reduce impacts to soil and water resources,
- site productivity will be maintained or restored,
- surface runoff and sedimentation will be adequately controlled,
- on- and off-site areas will be protected from accelerated erosion,
- that no areas susceptible to mass wasting would be disturbed, and
- surface-disturbing activities will be prohibited during extended wet periods.

Objective: To maintain the chemical, physical, and biotic properties of soils which includes maintaining soil productivity, soil stability, and soil biotic properties. This will prevent excessive erosion, potential mass wasting, and improve the likelihood of successful reclamation.

Exception: The AO may grant an exception to this stipulation if the operator can demonstrate that the proposed action will not contribute to degradation of the soil resource (e.g. excessive soil erosion, mass wasting, and/or lost productivity) or downslope resource conditions (e.g. reduced water quality due to sedimentation).

Modification: The AO may modify the area affected by this stipulation if it is determined that portions of the leasehold do not contain sensitive soils.

Waiver: The AO may waive this stipulation if it is determined that the entire leasehold does not contain sensitive soils.
**CSU 12-25-Riparian, Wetlands**

Surface occupancy and use is subject to the following operating constraints: prior to surface occupancy and use within 300 feet of riparian and/or wetland areas, a plan must be approved by the AO with design features that demonstrate how all actions would maintain and/or improve the functionality of riparian/wetland areas. The plan would address:

- potential impacts to riparian and wetland resources,
- mitigation to reduce impacts to acceptable levels (including timing restrictions),
- post-project restoration, and
- monitoring (the operator must conduct monitoring capable of detecting early signs of changing riparian and/or wetland conditions).

Objective: To protect the unique biological and hydrological features associated with riparian and wetland areas. Disturbances adjacent to riparian and/or wetland areas (including road use) can adversely impact these sensitive areas. This stipulation would protect these features from indirect effects produced within the adjacent ground. This would also encompass the floodplain along most first to third order streams.

Exception: The AO may grant an exception to this stipulation if the operator can demonstrate that the proposed action would not adversely impact wetland or riparian function or associated water quality.

Modification: The area affected by this stipulation can be modified by the AO if it is determined that portions of the lease area do not contain wetlands or riparian areas.

Waiver: This stipulation can be waived by the AO if it is determined that the entire lease area does not contain wetlands or riparian areas.

**CSU 12-26-Big Game Crucial Winter Range**

Surface occupancy and use is subject to the following operating constraint: prior to surface occupancy and use within crucial winter ranges for big game wildlife, a plan must be approved by the AO that maintains the functionality of habitat.

Objective: To facilitate long-term maintenance of big game wildlife populations and protect white-tailed deer, mule deer, elk, and antelope crucial winter ranges from disturbance during winter use season.

Exception: None

Modification: The boundaries of the stipulated area can be modified if the AO determines portions of the leasehold no longer contain crucial winter range for big game wildlife.

Waiver: This stipulation can be waived if the AO determines the entire leasehold no longer contains crucial winter range for big game wildlife.

**CR 16-1-Cultural Resources Lease 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, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities.
The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated

**TES 16-2-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. The 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. The 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. The 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.

**Standard 16-3-Oil And Gas Lease Stipulations**

ESTHETICS--To maintain esthetic values, all surface-disturbing activities, semi-permanent and permanent facilities may require special design including location, painting and camouflage to blend with the natural surroundings and meet the intent of the visual quality objectives of the Federal Surface Managing Agency (SMA).

EROSION CONTROL--Surface-disturbing activities may be prohibited during muddy and/or wet soil periods.

CONTROLLED OR LIMITED SURFACE USE STIPULATION --This stipulation may be modified, consistent with land use documents, when specifically approved in writing by the Bureau of Land Management (BLM) with concurrence of the SMA. Distances and/or time periods may be made less restrictive depending on the actual on-ground conditions. The prospective lessee should contact the SMA for more specific locations and information regarding the restrictive nature of this stipulation.

The lessee/operator is given notice that the lands within this lease may include special areas and that such areas may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled, or if absolutely necessary, excluded. Use or occupancy will be restricted only when the BLM and/or the SMA demonstrates the restriction necessary for the protection of such special areas and existing or planned uses. Appropriate modifications to imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.

After the SMA has been advised of specific proposed surface use or occupancy on the leased lands, and on request of the lessee/operator, the Agency will furnish further data on any special areas which may include:

100 feet from the edge of the rights-of-way from highways, designated county roads and appropriate federally-owned or controlled roads and recreation trails.

500 feet, or when necessary, within the 25-year flood plain from reservoirs, lakes, and ponds and intermittent, ephemeral or small perennial streams: 1,000 feet, or when necessary, within the 100-year flood plain from larger perennial streams, rivers, and domestic water supplies.
500 feet from grouse strutting grounds. Special care to avoid nesting areas associated with strutting grounds will be necessary during the period from March 1, to June 30. One-fourth mile from identified essential habitat of state and federal sensitive species. Crucial wildlife winter ranges during the period from December 1 to May 15, and in elk calving areas during the period from May 1 to June 30.

300 feet from occupied buildings, developed recreational areas, undeveloped recreational areas receiving concentrated public use and sites eligible for or designated as National Register sites.

Seasonal road closures, roads for special uses, specified roads during heavy traffic periods and on areas having restrictive off-road vehicle designations.

On slopes over 30 percent or 20 percent on extremely erodible or slumping soils.

APPLICATIONS FOR PERMIT TO DRILL (APDs)--The appropriate BLM field offices are responsible for the receipt, processing, and approval of APDs. The APDs are to be submitted by oil and gas operators pursuant to the requirements found in Onshore Oil and Gas Order No. 1 -- Approval of Operations on Onshore Federal and Indian Oil and Gas Leases (Circular No. 2538). Additional requirements for the conduct of oil and gas operations can be found in the Code of Federal Regulations Title 43, Part 3160. Copies of Onshore Oil and Gas Order No. 1, and pertinent regulations, can be obtained from the BLM field offices in which the operations are proposed. Early coordination with these offices on proposals is encouraged.

CULTURAL AND PALEONTOLOGICAL RESOURCES--The SMA is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the SMA, shall:

1. Contact the appropriate SMA to determine if a site-specific cultural resource inventory is required. If an inventory is required, then:

2. Engage the services of a cultural resource specialist acceptable to the SMA to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the SMA for review and approval no later than that time when an otherwise complete application for approval of drilling or subsequent surface-disturbing operation is submitted.

3. Implement mitigation measures required by the SMA. Mitigation may include the relocation of proposed lease-related activities or other protective measures such as testing salvage and recordation. Where impacts to cultural resources cannot be mitigated to the satisfaction of the SMA, surface occupancy on that area must be prohibited.

The operator shall immediately bring to the attention of the SMA any cultural or paleontological resources discovered as a result of approved operations under this lease, and not disturb such discoveries until directed to proceed by the SMA.

ENDANGERED OR THREATENED SPECIES--The SMA is responsible for assuring that the leased land is examined prior to undertaking any surface-disturbing activities to determine effects upon any plant or animal species, listed or proposed for listing as endangered or threatened, or their habitats. The findings of this examination may result in some restrictions to the operator’s plans or even disallow use and occupancy that would be in violation of the Endangered Species Act of 1973 by detrimentally affecting endangered or threatened species or their habitats.
The lessee/operator may, unless notified by the authorized officer of the SMA that the examination is not necessary, conduct the examination on the leased lands at his discretion and cost. This examination must be done by or under the supervision of a qualified resources specialist approved by the SMA. An acceptable report must be provided to the SMA identifying the anticipated effects of a proposed action on endangered or threatened species or their habitats.

**NSO 11-70-Streams, Waterbodies, Riparian, Wetland, And Floodplains**

Surface occupancy and use is prohibited within perennial or intermittent streams, lakes, ponds, reservoirs, 100-year floodplains, wetlands, and riparian areas.

Objective: To protect the unique biological and hydrological features and functions associated with perennial and intermittent streams, lakes, ponds, reservoirs, floodplains, wetlands, and riparian areas.

Exception: No exceptions would be allowed in streams, natural lakes, or wetlands. An exception may be granted by the AO for riparian areas, floodplains, and artificial ponds or reservoirs if the operator can demonstrate that:

- there are no practicable alternatives to locating facilities in these areas,
- the proposed actions would maintain or enhance resource functions, and
- all reclamation goals and objectives would be met.

Modification: The AO may modify the boundaries of the stipulated area if it is determined that portions of the leasehold do not include these types of areas.

Waiver: The AO may waive this stipulation if it is determined that the entire leasehold does not include these types of areas.

**NSO 11-84-Significant Cultural Resources, NRHP - Eligible Properties And Districts, And TCPs**

Surface occupancy and use is prohibited in the site or within the area surrounding the site where an undertaking’s area of potential effect (APE) could have a potential effect on the site’s setting in:

- sites or areas designated or sites or areas that meet the criteria for allocation for designation for scientific use,
  - conservation use, traditional use (socio-cultural use), public use, and experimental use;
- the boundaries of sites or districts eligible for or included on the NRHP; and
- the boundaries of TCPs, or sites or areas designated as such, or sites or areas that meet the criteria for allocation for designation for traditional use (socio-cultural use).

Activity is prohibited in cultural properties determined to be of particular importance to American Indian groups, TCPs, or sites designated for traditional use. (Such properties include, but are not limited to, burial locations, pictograph and petroglyph sites, vision quest locations, plant-gathering locations, and areas considered sacred or used for religious purposes.)

Objective: To protect and avoid disturbance and inadvertent impacts to significant cultural properties, districts, and their settings; NRHP-eligible properties and districts; TCPs or those designated for traditional use and the settings in which they occur; and those properties determined to be of particular importance to American Indian groups.
**CSU 12-27-Sharp-Tailed Grouse Leks and Nesting Habitat**

Surface occupancy and use is subject to design features on or within 2 miles of sharp-tailed grouse lek sites to protect breeding, nesting, and brood-rearing habitats at a level capable of supporting the long-term populations associated with the lek.

**Objective:** To protect sharp-tailed grouse lek sites and nesting habitats.

**Exception:** The AO, in coordination with MFWP, may grant an exception if the action will not result in nest abandonment or decrease productivity, by interfering with breeding, nesting, feeding, or brood rearing activities.

**Modification:** The AO may modify the boundaries of the stipulated area in coordination with MFWP, if portions of the leasehold are no longer within 2 miles of a lek active within the past 5 years, or not considered sharp-tailed grouse habitat.

**Waiver:** The AO may waive this stipulation in coordination with MFWP if the entire leasehold is no longer within 2 miles of a lek, active within the past 5 years.

**BLM Lease Notice**

**LN 14-11-Greater Sage-Grouse Habitat**

The lease may, in part or in total, contain important greater sage grouse habitats as identified by the BLM, either currently or prospectively. The operator may be required to implement specific measures to reduce impacts of oil and gas operations on the greater sage grouse populations and habitat quality. Such measures shall be developed during the application for permit to drill on-site and environmental review process and will be consistent with the lease rights granted.

**LN 14-12-Paleontological Resource Inventory Requirement**

This lease has been identified as being located within geologic units rated as being moderate to very high potential for containing significant paleontological resources. The locations meet the criteria for class 3, 4 and/or 5 as set forth in the Potential Fossil Yield Classification System, WO IM 2008-009, Attachment 2-2. The BLM is responsible for assuring that the leased lands are examined to determine if paleontological resources are present and to specify mitigation measures. Guidance for application of this requirement can be found in WO IM 2008-009 dated October 15, 2007, and WO IM 2009-011 dated October 10, 2008.

Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or project proponent shall contact the BLM to determine if a paleontological resource inventory is required. If an inventory is required, the lessee or project proponent will complete the inventory subject to the following:

- the project proponent must engage the services of a qualified paleontologist, acceptable to the BLM, to conduct the inventory.

- the project proponent will, at a minimum, inventory a 10-acre area or larger to incorporate possible project relocation which may result from environmental or other resource considerations.

- paleontological inventory may identify resources that may require mitigation to the satisfaction of the BLM as directed by WO IM 2009-011.
**LN 14-2-Cultural Resources**

The Surface Management Agency is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures.

This notice would be consistent with the present Montana State Office guidance for cultural resource protection related to oil and gas operations (NTL-MSO-85-1).

**LN 14-20-Migratory Bird Treaty Act**

The Operator is responsible for compliance with provisions of the Act by implementing one of the following measures;

a) avoidance by timing; ground disturbing activities will not occur from April 15 to July 15,

b) habitat manipulation; render proposed project footprints unsuitable for nesting prior to the arrival of migratory birds (blading or pre-clearing of vegetation must occur prior to April 15 within the year and area scheduled for activities between April 15 and July 15 of that year to deter nesting, or

c) survey-buffer-monitor; surveys will be conducted by a BLM approved biologist within the area of the proposed action and a 300 foot buffer from the proposed project footprint between April 15 to July 15 if activities are proposed within this timeframe.

If nesting birds are found, activities would not be allowed within 0.1 miles of nests until after the birds have fledged. If active nests are not found, construction activities must occur within 7 days of the survey. If this does not occur, new surveys must be conducted. Survey reports will be submitted to the appropriate BLM Office.

**LN 14-18-Air Resource Analysis**

The lessee/operator is given notice that prior to project-specific approval, additional air resource analyses may be required in order to comply with the NEPA, FLPMA, and/or other applicable laws and regulations. Analyses may include equipment and operations information, emission inventory development, dispersion modeling or photochemical grid modeling for air quality and/or air quality related value impact analysis, and/or emission control determinations. These analyses may result in the imposition of additional project-specific control measures to protect air resources.

**LN 14-37-Greater Sage-Grouse Habitat Conservation**

The lessee/operator is given notice that prior to project-specific approval, the authorized officer may require mitigation measures and/or compensatory mitigation measures to conserve, enhance, and restore Greater Sage-Grouse (GRSG) habitat. The objectives of these requirements are to avoid, minimize, or compensate for unavoidable impacts associated with oil and gas development in order to provide a net conservation gain, which is a benefit or gain above baseline conditions, when the development occurs within Greater Sage-Grouse habitat as specified in the Record of Decision for the Field Office’s Approved Resource Management Plan (Sept. 2015).

Site-specific GRSG habitat conservation, mitigation, or compensation requirements would be identified during the environmental review process and would be developed into the project proposal or as terms and conditions of the subsequent approval.
**LN 14-23-Setback From Human Occupied Residences Requirement**

The Lease area may contain human occupied dwellings. Under Regulation 43 CFR 3101.1-2 and terms of the lease (BLM form 3100-11), the authorized officer may require reasonable measures to minimize adverse impacts to other resource values, land uses, and users not addressed in lease stipulations at the time operations are proposed. Such reasonable measures may include, but are not limited to, modification of siting or design of facilities, which may require relocating proposed operations up to 200 meters, but not off the leasehold.

The setback requirement of 500 feet from human occupied dwellings has been established based upon the best information available. The following condition of approval may be applied as a result of the Application for Permit to Drill (APD) process during the on-site inspection and the environmental review unless an acceptable plan for mitigation of impacts is reached between the resident, lessee and BLM:

- Facilities will not be allowed within 500 feet of human occupied residences.

The intent of this Lease Notice is to provide information to the lessee that would help design and locate oil and gas facilities to preserve the aesthetic qualities around human occupied dwellings.

**LN 14-39-Raptors**

The lease area may contain raptor nest sites active within the last 7 years. At the development stage when surface-disturbing activities are proposed, an active nest inventory of the project area may be required. If active nests are found within 1/4 mile of the proposed action, surface occupancy and use may be prohibited. If active nests are found within 1/2 mile of the proposed action, surface occupancy and use may be restricted from March 1 through July 31. The BLM may require modification to exploration or development proposals to protect active raptor nests, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

Objective: To maintain the reproductive potential of raptor nest sites.

Exceptions: None.

Modification: None.

Waiver: None.

**LN 14-40-Big Game Winter Range and Migration Corridors**

The lease area may contain habitat for big game winter range and/or migration corridors delineated by Montana Fish, Wildlife and Parks. The lessee/operator is given notice that prior to project-specific approval, the authorized officer may require modifications to exploration and development proposals to conserve or restore habitat necessary to sustain local and regional big-game populations (Secretarial Order 3362, February 9, 2018 and 43 CFR 3101.1-2). The objective of the requirements would be to conserve, restore, minimize, avoid and/or limit activities that could impact habitat for big game winter range and/or migration corridors Site-specific requirements would be identified during environmental review processes and would be developed into the project proposal or as terms and conditions of the subsequent approval.

**LN 14-1-Land Use Authorization**

Land Use Authorizations incorporate specific surface land uses allowed on Bureau of Land Management (BLM) administered lands by authorized officers and those surface uses acquired by the BLM on lands administered by other entities. These BLM authorizations include rights-of-way, leases, permits, conservation easements, and Recreation and Public Purpose leases and patents.
The rights acquired, reserved, or withdrawn by the BLM for specified purposes include non-oil and gas leases, conservation easements, archeological easements, road easements, fence easements and administrative site withdrawals. The existence of such land use authorizations shall not preclude the leasing of the oil and gas. The locations of land use authorizations are noted on the oil and gas plats and in the BLM’s automated database (LR2000). The plats are a visual source noting location; LR2000 provides location by legal description through the Geographic Cross Reference program.

The specifically authorized acreage for land use should be avoided by oil and gas exploration and development activities. All authorized surface land uses are valid claims to prior existing rights unless the authorization states otherwise.

The right of the Secretary to issue future land use authorizations on an oil and gas lease is reserved by provision of Section 29 of the Mineral Leasing Act, 30 U.S.C.