

Exhibit I Conditions of Approval

General

Jonah Field Operators are required to comply with all of decisions and applicable terms, conditions, and requirements in the Record of Decision (ROD) for the Jonah Infill Drilling Project Final Environmental Impact Statement (JIDP FEIS), as well as the Conditions of Approval (COAs) listed below. Failure to comply with these decisions, requirements, and COAs will be considered Incidents of Noncompliance (INCs) subject to the requirements in 43 CFR § 3163. Additionally, failure to comply with all of the decisions and requirements of the ROD for the JIDP FEIS could result in other actions being imposed as deemed necessary by Authorized Officer, up to and including, withholding development authorizations until compliance is achieved.

New production facilities shall be painted a non-contrasting color (i.e. Carlsbad Canyon unless otherwise specified by the Authorized Officer) which is harmonious with the surrounding landscape. Existing production facilities shall be painted that color at the earliest opportunity, and no later than when facilities are due for routine repainting.

Before installing any production facilities, Operators must have an approved sundry notice with a topographic overview of the approved YRD Pad at a 1"-50' scale which shows the proposed production facility layout.

All new production facilities construction which has open-vent exhaust stacks shall be equipped to prevent bird and bat entry or perching on the stacks.

All secondary containment structures specifically used for methanol containment shall be designed to prevent wildlife or livestock entry.

A Safety Data Sheet for every chemical or hazardous material brought on-site shall be kept on file at the Operator's field office in accordance with 29 CFR §1910.1200.

By January 31 each year, the Operators shall provide the Jonah Interagency Office (JIO) and Authorized Officer annual operating plans that include the following information:

- All previous year activity to include number of wells drilled, total new surface disturbance by YRD Pads, access roads, and natural gas gathering lines, and current status of all reclamation activity; and
- Plan of Development for the upcoming year to include planned number of wells to be drilled and an estimate of new surface disturbance and reclamation activity.

Operators shall provide BLM with information on their drill rigs, including drilling days, horsepower, load factors, and emission factors within 10 days of the completion of drilling operations for each well.

Frozen ground procedure for YRD Pads: Operator shall use rotomill to separate topsoil from subsoil before topsoil is removed from surface and stockpiled.

The following six-step frozen ground procedure shall be implemented if natural gas gathering lines are constructed during frozen ground conditions:

1. Remove snow and slightly scalp vegetation with a grader blade and windrow it to one side of the right of way.
2. Use a trencher equipped with rock teeth and remove approximately 6 to 8 inches of topsoil by appropriately setting trencher depth. Frosted topsoil should be broken to smallest density possible. A kick board should be installed on trencher to distribute topsoil directly down on right of way near trench and deter top soil from being thrown too far off right of way. The kick board will enable Operator to vary speed for better cultivation of topsoil.
3. Next pass of trencher will allow trencher to dig to appropriate depth of approximately 4 feet and stockpile the soil or spoil to one side.
4. Install pipe and backfill trench with spoil.
5. Place stockpiled topsoil in the trench.
6. Place the scalped vegetation back on the right of way using a grader.

Air Quality

Prior to Year 3, the Operators may submit a revised emissions inventory to the BLM for evaluation and approval if they can demonstrate that the Project (with 91 wells) will conform to nonattainment requirements. If this demonstration is made, 91 wells will be authorized in Year 3 rather than 84 wells as currently included in the BLM Mitigation Alternative.

Water Supply

Water wells and any tanks, pumps, hoses, pipes or other associated connections shall include check valves, backflow preventers or other devices that secure the well against discharge of fluids into the well.

All freshwater used for the drilling of the surface casing must comply with all requirements concerning water quality as set forth by the Wyoming Oil and Gas Conservation Commission Regulations.

Waste Disposal

Production or reserve pits are not authorized for this location.

Any pits containing harmful fluids shall be maintained to prevent wildlife and livestock injury and mortality.

Any hydrocarbon material released into any pits shall be removed within seven (7) days of the discharge event.

A sundry notice must be submitted and approved before any pit closures or reclamation work.

Containment dikes of impervious material shall be constructed and maintained around all storage facilities. Operators shall implement Storm Water Prevention and Control Countermeasure Plans if liquid petroleum products or other hazardous materials are stored on-site in sufficient quantities, in accordance with 40 CFR § 112.

An approved sundry notice is required before any transport of drilling fluids or cuttings off location can occur.

The cuttings and excess cement shall be stacked within an earthen pit within the cut side of the YRD Pad. The results from chemical analyses of the cuttings and cement shall be provided to the BLM before reclamation (if this location has been chosen for random sampling). The cuttings and cement shall be covered with clean fill and buried a minimum of 2 feet below topsoil.

Reclamation

After the second attempt to establish native vegetation has failed, Operators must demonstrate to the BLM the reason for not using non-natives and what other things they could do differently to establish successful vegetation. Operators shall also use fall as their primary window for seeding reclamation. If Operators cannot seed during this window, they must notify the BLM for an alternative seeding time or defer to the next fall.

If any of the following scenarios occur during the life of the cuttings pit, the cuttings pit shall be tested for Diesel Range Organics (DRO), Gasoline Range Organics (GRO), Sodium Absorption Ratio (SAR), and Total Petroleum Hydrocarbons (TPH), and results submitted via sundry notice for authorization before pit closure.

- Oil used down hole for relief of differential sticking during drilling is released into the pit.
- Locations remaining open 30 days past the rig release date of the first well drilled on a location.
- Cuttings pits are located within 500 feet of a water well.

For cuttings pits where the above scenarios are determined not to be applicable, closure of the pit may commence without prior authorization. Samples of each pit must be taken and results provided to the Pinedale Field Office within 30 days of closure. If results are determined to be above expectable levels, reclamation of the site may not continue until the pit has been remediated.

Any mulch and mineral material (sand and gravel) used must be certified weed-free and free from mold or fungi. Mulch may include native hay, small grain straw, wood fiber, live mulch, cotton, jute, synthetic netting, and rock. Straw mulch should contain fibers long enough to facilitate crimping and provide the greatest cover.

Final reclamation shall be in conformance with the criteria established by the JIO.

Reclamation shall not occur during frozen or saturated soil conditions.

Cultural Resources

A qualified archaeologist shall monitor all new surface disturbance and examine open natural gas gathering line trenches.

If cultural or paleontological resources are located within frozen soils or sediments precluding the ability to adequately record or evaluate the find, work shall cease and the site shall be protected for the duration of frozen soil conditions. Following natural thaw, recordation, evaluation, and recommendations concerning further management shall be made to the

Authorized Officer, who will consult with affected parties. Construction work shall be suspended until management of the threatened site has been finalized.

Cultural Resources potentially affected by these undertakings shall be managed in accordance with the Jonah Gas Field Programmatic Agreement (PA) Amendment 2 and its Management Plan. The National Register of Historic Place (NRHP) Eligibility criteria for cultural resources shall be evaluated in accordance with the Jonah PA Research Design.

STANDARD CULTURAL RESOURCE STIPS – From ONSHORE ORDER #1 Part IVa

If historic or archaeological materials are uncovered during construction, Operators must immediately stop work that might further disturb such materials, contact the BLM.

The BLM will inform the Operators within 7 days after the Operator contacted the BLM as to whether the materials appear eligible for listing on the NRHP. If the Operator decides to relocate operations to avoid further costs to mitigate the site, the Operator remains responsible for recording the location of any historic or archaeological resource that are discovered as a result of the Operator's actions.

Operators are also responsible for stabilizing the exposed cultural material if the Operator created an unstable condition that must be addressed immediately. The BLM will assume responsibility for evaluation and determination of significance related to the historic or archaeological site. If the Operator does not relocate operations, the Operator is responsible for mitigation and stabilization costs and the BLM will provide technical and procedural guidelines for conducting mitigation.

The Operator may resume construction operations when the BLM verifies that the Operator has completed the required mitigation.

Relocation of activities may subject the proposal to additional environmental review. Therefore, if the presence of such sites is suspected, the Operator may want to submit alternate locations for advance approval before starting construction.

Wildlife

In coordination with the BLM and livestock grazing permittees, the Operators shall convert approximately 3 miles of existing fence to drop-down fence and install approximately 10 gates or crossing locations.

If drilling is proposed between 6 pm and 8 am from March 1 to May 15, noise mitigation shall be applied to reduce noise levels to 40 dBA or below (measured at the perimeter of the Sand Draw Reservoir and South Rocks leks) at the following YRD Pads: SHB 14-04, SHB 18-09, SHB 33-10, SHB 17-10, SHB 20-10, and Cabrito 46-13. Operators may conduct additional modeling and/or noise measurement to show that noise levels do not exceed 40.0 dBA at the Sand Draw Reservoir and South Rocks greater sage-grouse leks.

If hydraulic fracturing or simultaneous operations (Simops) are proposed between 6 pm and 8 am from March 1 to May 15, noise mitigation shall be applied to reduce noise levels to 40 dBA or below (measured at the perimeter of the Sand Draw Reservoir and South Rocks leks) at the following YRD Pads: SHB 214-09, SHB 208-13, SHB 18-14, SHB 77-04, SHB 34-14, SHB 218-11, SHB 14-04, SHB 73-04, SHB 17-08, SHB 18-09, SHB 203-15B, SHB 33-10, SHB 20-10,

SHB 57-11, Cabrito 15-13, Cabrito 13-13, SHB 10o, Cabrito 46-13, Cabrito 23-13, SHB 9c, and SDF 61-11. Operators may conduct additional modeling and/or noise measurement to show that noise levels do not exceed 40.0 dBA at the Sand Draw Reservoir and South Rocks greater sage-grouse leks.

The BLM will require Jonah Energy and LINN Operating to work with the Pinedale Anticline operators to develop a conservation strategy for the Yellow Point Lek Complex acceptable to the BLM within 1 year of the Decision Record for the YRD Project EA.

An exception to the following COAs, pertaining to wildlife, may be approved in writing by the Authorized Officer, through BLM's wildlife exception process, per this decision:

- Surface disturbing and disruptive activities are prohibited in suitable sage-grouse nesting and early brood-rearing habitat within two miles of an occupied lek, or in identified sage-grouse nesting and early brood-rearing habitat outside the 2-mile buffer, from March 15 to June 30.
- Activities or surface use are not allowed from November 15 through April 30 for the protection of big game crucial winter habitat.