

BLM

New Mexico
Oklahoma
Texas & Kansas

Competitive Oil and Gas Lease Sale

October 29, 2020

Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail

Santa Fe, New Mexico 87508

www.blm.gov

Sale Location:

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



BLM



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508-1560
www.blm.gov

In Reply refer to:
3120 (92200-lbo)

August 24, 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 11 parcels containing 7730.860 acres in the State of New Mexico 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 October 29, 2020. The open bidding period will begin at 8:00 a.m. Mountain Standard Time (MST) / 9:00 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 2 hour(s), 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 2 hour(s), 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.

Provisions Pertaining to Certain Transactions by Foreign Persons Involving Real Estate in the United States

The Office of Investment Security, Department of the Treasury issued a final rule, **effective February 13, 2020**, establishing regulations to implement the provisions relating to real estate transactions in section 721 of the Defense Production Act of 1950, as amended by the Foreign Investment Risk Review Modernization Act of 2018. The final rule was published at 85 Fed. Reg. 3158 (Jan. 17, 2020), and codified at 31 C.F.R. part 802.

The new rule sets forth the process relating to the national security review by the Committee on Foreign Investment in the United States (CFIUS) of certain transactions, referred to in the rule as “covered real estate transactions,” that involve the purchase or lease (including an assignment or other transfer) by, or concession to, a foreign person of certain real estate in the United States. Covered real estate transactions could include some transactions involving the Federal mineral estate.

The CFIUS looks not only at the entities that are lessees, but also to any [legal] person with the ability to exercise control, as defined by the statute and its implementing regulations, over the

lessee. CFIUS is authorized to review covered real estate transactions and to mitigate any risk to the national security of the United States that arises as a result of such transactions. This could result in the modification, suspension, or prohibition of a lease or interest therein.

Accordingly, BLM recommends that each potential bidder, lessee, or [other] interest holder review the final rule before bidding on or acquiring an interest in a Federal oil and gas lease.

For further information, please refer to the CFIUS page:

<https://home.treasury.gov/policy-issues/international/the-committee-on-foreign-investment-in-the-united-states-cfius>

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 1 hour(s), from start to finish. The length of the sale depends on the number of parcels we are offering.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale postponement:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the New Mexico State Office 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 New Mexico State Office State Office Information Access Center, the NFLSS website at <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 New Mexico State Office State Office prior to 4 p.m. Mountain Standard Time, 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 New Mexico State Office 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 New Mexico State Office State Office by 4:00 p.m. Mountain Standard Time, November 13, 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 New Mexico State Office 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>. 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 file 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 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 New Mexico State Office 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 herein from filings under 43 CFR 3110.1(a)(1)(ii).** If your presale offer was timely filed, was complete and we do not receive a bid for the parcel that contains the lands in your offer, your presale offer has priority over any offer for that parcel filed after the sale. Your presale offer is your consent to the terms and conditions of the lease, including any stipulations described in this Notice. If you want to file a presale offer, you must file:

- Three copies of 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 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 January 14, 2021. 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 New Mexico State Office State Office Information Access Center.

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

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

- We must receive a protest within 10 calendar days of the posting date of this Notice. All protests must be received no later than **4:00 pm Mountain Standard Time on September 2, 2020**. If our office is not open on the 10th day after the posting, a protest received on the next day our office is open to the public will be considered timely filed. **We will dismiss a late-filed protest.**
- The protest must include a statement of reasons to support the protest. **We will dismiss a protest filed without a statement of reasons.**
- A protest must state the interest of the protesting party in the matter, including the name the name and address of the protesting party, **and reference the specific serial number that is being protested.**
- You may file a protest either by hand delivery, mailed in hardcopy form, or temporarily through email at: BLM_nm_oct2020protest@blm.gov
- 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>.

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 e-mail or call: lortiz@blm.gov or (505) 954-2146.

/s/JulieAnn Serrano

JulieAnn Serrano
Supervisory, Land Law Examiner
Branch of Adjudication

Link to Competitive Oil and gas or Geothermal Resource Lease Bid From 3000-2
<https://blmspace.blm.doi.net/oc/intra/dbs/eForms%20Library/3000-002.pdf>

OFFER TO LEASE AND LEASE FOR OIL AND GAS FORM 3100-11 (OCTOBER 2008)
[https://www.blm.gov/sites/blm.gov/files/uploads/Services_National-Operations-Center_Eforms_Fluidand-](https://www.blm.gov/sites/blm.gov/files/uploads/Services_National-Operations-Center_Eforms_Fluidand-Solid-Minerals_3100-011.pdf)

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

Information required when paying the BLM WITH CREDIT CARD

Cardholder Name	
Amount Paid (Effective 6/1/2015 amount cannot exceed \$24,999.99)	\$
Bill for Collection Number	
Credit Card Type	<input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD <input type="checkbox"/> DISCOVER <input type="checkbox"/> AMERICAN EXPRESS
Credit Card Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Credit Card Expiration Date	MONTH <input type="text"/> <input type="text"/> YEAR <input type="text"/> <input type="text"/>
Phone Number (Required)	() -
Signature (Required)	

Information collected from this form may be subject to the requirements of the Privacy Act (5 U.S.C. 552a). This form is used solely as a method of payment for goods and/or services provided to federal agencies, businesses and private individuals by the Bureau of Land Management. The information collected will be stored in a secure location with access limited to designated employees. Any information collected may be subject to disclosure, but will be handled in accordance with the Privacy Act and Freedom of Information Act (FOIA) requirements to ensure protection of personal privacy in the face of required disclosure. Information will not be shared with outside parties except as required by law.

It is a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction. (Title 18 U.S.C. Section 1001)

(Cut here and return to BLM)

BLM Information your bank requires when paying the BLM ELECTRONICALLY (ACH)

FIELD NAME	REQUIRED INFORMATION
BLM's ACH Account Number	312051
ACH ABA Number	051036706
Company/Individual Name	
Identification Number	
BLM's ACH Bank Address	CASH LINK-ACH RECEIVER 5700 Rivertech Court Riverdale MD 20737 301-887-6600
BLM's Address	Bureau of Land Management Building 50, Denver Federal Center, PO Box 25047 Denver, CO 80225-0047
BLM Contact Information	CBS Customer Service Desk at 303-236-6795

You are responsible for any fees your financial institution may charge you for the actual transfer of funds. Please verify additional fees charged by your financial institution are not deducted from payment.

BLM Information your bank requires when paying the BLM ELECTRONICALLY (WIRE TRANSFER)

FIELD NAME	REQUIRED INFORMATION
Receiver DI Number/ Financial Institution	021030004 / Treasury NYC
Beneficiary Identifier/Account Number	14110008
Beneficiary Name	
Originator to Beneficiary Information	
BLM Contact Information	CBS Customer Service Desk at 303-236-6795
Financial Institution Address	TREASURY NYC 401 14 th Street SW Washington, DC 20327
BLM's Tax ID#	84-0437540

You are responsible for any fees your financial institution may charge you for the actual transfer of funds. Please verify additional fees charged by your financial institution are not deducted from payment.

**BUREAU OF LAND MANAGEMENT
 NEW MEXICO STATE OFFICE
 OCTOBER 29, 2020, LEASE SALE STATISTICS BY STATE
 PARCELS WITH AND WITHOUT PRESALE NONCOMPETITIVE PRIORITY OFFERS**

STATE OF NEW MEXICO COUNTIES	PARCELS WITH PRESALE OFFERS	PARCELS WITHOUT PRESALE OFFERS	TOTAL PARCELS	ACRES WITH PRESALE OFFERS	ACRES WITHOUT PRESALE OFFERS	TOTAL ACRES
EDDY	0	4	4	0	4850.25	4850.25
CHAVES	0	5	5	0	2560.00	2560.00
LEA	0	2	2	0	320.61	320.61
TOTAL	0	11	11	0	7730.86	7730.86

Parcels

New Mexico

NMNM 142218 NM-2020-10-0349

NM, Carlsbad Field Office, BLM, PD

T. 23 S., R. 24 E., NEW MEXICO PM

Sec. 3 LOTS 1-4;

Sec. 3 S2N2,S2;

Sec. 10 ALL;

Sec. 15 ALL.

Eddy County

1914.28 Acres

Rental \$2,872.50

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

SENM-S-17-CSU BLM Stipulation CSU for PDO - CSU - Slopes & Fragile Soils

SENM-S-18-CSU BLM Stipulation CSU for PDO - CSU - Streams, Rivers and Floodplains

SENM-S-21-CSU BLM Stipulation CSU for PDO - CSU - Caves and Karst

SENM-S-25-CSU BLM Stipulation CSU for PDO - CSU - Visual Resource Management

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-1-LN BLM Lease Notice LN for NMSO - LN - Potential, Suitable and Occupied Habitat for Special Status Plant Species

SENM-LN-1 BLM Lease Notice LN for PDO - LN - Potential Cave or Karst Occurrence Area
EOI #NM00016245

NMNM 142219 NM-2020-10-0359

NM, Carlsbad Field Office, BLM, PD

T. 23 S., R. 24 E., NEW MEXICO PM

Sec. 22 ALL;

Sec. 27 ALL;

Sec. 34 ALL.

T. 24 S., R. 24 E., NEW MEXICO PM

Sec. 3 LOTS 1-4;

Sec. 3 S2N2,SW,N2SE.

Eddy County

2481.88 Acres

Rental \$3,723.00

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

SENM-S-17-CSU BLM Stipulation CSU for PDO - CSU - Slopes & Fragile Soils

SENM-S-18-CSU BLM Stipulation CSU for PDO - CSU - Streams, Rivers and Floodplains

SENM-S-21-CSU BLM Stipulation CSU for PDO - CSU - Caves and Karst

SENM-S-25-CSU BLM Stipulation CSU for PDO - CSU - Visual Resource Management

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-1-LN BLM Lease Notice LN for NMSO - LN - Potential, Suitable and Occupied Habitat for Special Status Plant Species

SENM-LN-1 BLM Lease Notice LN for PDO - LN - Potential Cave or Karst Occurrence Area
EOI #NM00016245

NMNM 142220 NM-2020-10-0341

NM, Carlsbad Field Office, BLM, PD

T. 21 S., R. 27 E., NEW MEXICO PM

Sec. 4 SE.

Eddy County

160 Acres

Rental \$240.00

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

SENM-S-17-CSU BLM Stipulation CSU for PDO - CSU - Slopes & Fragile Soils

SENM-S-18-CSU BLM Stipulation CSU for PDO - CSU - Streams, Rivers and Floodplains

SENM-S-19-CSU BLM Stipulation CSU for PDO - CSU - Playas and Alkali Lakes

SENM-S-21-CSU BLM Stipulation CSU for PDO - CSU - Caves and Karst

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-1-LN BLM Lease Notice LN for NMSO - LN - Potential, Suitable and Occupied Habitat for Special Status Plant Species

SENM-LN-1 BLM Lease Notice LN for PDO - LN - Potential Cave or Karst Occurrence Area
EOI #NM00016198

NMNM 142221 NM-2020-10-0344

NM, Carlsbad Field Office, BLM, PD

T. 21 S., R. 28 E., NEW MEXICO PM

Sec. 1 LOTS 3- 6, 11-14.

Eddy County

294.09 Acres

Rental \$442.50

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

SENM-S-18-CSU BLM Stipulation CSU for PDO - CSU - Streams, Rivers and Floodplains

SENM-S-21-CSU BLM Stipulation CSU for PDO - CSU - Caves and Karst

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-1-LN BLM Lease Notice LN for NMSO - LN - Potential, Suitable and Occupied Habitat for Special Status Plant Species

SENM-LN-1 BLM Lease Notice LN for PDO - LN - Potential Cave or Karst Occurrence Area
EOI #NM00016243

NMNM 142222 NM-2020-10-0346

NM, Roswell Field Office, BLM, PD

T. 13 S., R. 29 E., NEW MEXICO PM

Sec. 7 E2, E2W2.

Chaves County

480 Acres

Rental \$720.00

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

NM-13-CSU BLM Stipulation CSU for NMSO - CSU - Paleontological Resources

SENM-S-22-CSU BLM Stipulation CSU for PDO - CSU - Lesser Prairie-Chickens

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-14-LN BLM Lease Notice LN for NMSO - LN - Paleontological Resources

EOI #NM00016247

NMNM 142223 NM-2020-10-0345

NM, Roswell Field Office, BLM, PD

T. 13 S., R. 29 E., NEW MEXICO PM

Sec. 8 ALL.

Chaves County

640 Acres

Rental \$960.00

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

NM-13-CSU BLM Stipulation CSU for NMSO - CSU - Paleontological Resources

SENM-S-18-CSU BLM Stipulation CSU for PDO - CSU - Streams, Rivers and Floodplains

SENM-S-22-CSU BLM Stipulation CSU for PDO - CSU - Lesser Prairie-Chickens

SENM-S-23-CSU BLM Stipulation CSU for PDO - CSU - Dunes Sagebrush Lizard

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-14-LN BLM Lease Notice LN for NMSO - LN - Paleontological Resources

SENM-LN-2 BLM Lease Notice LN for PDO - LN - Dunes Sagebrush Lizard

EOI #NM00016224, NM00016247

NMNM 142224 NM-2020-10-0347

NM, Roswell Field Office, BLM, PD
T. 13 S., R. 29 E., NEW MEXICO PM

Sec. 17 ALL.

Chaves County

640 Acres

Rental \$960.00

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

NM-13-CSU BLM Stipulation CSU for NMSO - CSU - Paleontological Resources

SENM-S-22-CSU BLM Stipulation CSU for PDO - CSU - Lesser Prairie-Chickens

SENM-S-23-CSU BLM Stipulation CSU for PDO - CSU - Dunes Sagebrush Lizard

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-14-LN BLM Lease Notice LN for NMSO - LN - Paleontological Resources

SENM-LN-2 BLM Lease Notice LN for PDO - LN - Dunes Sagebrush Lizard

EOI #NM00016247

NMNM 142225 NM-2020-10-0348

NM, Roswell Field Office, BLM, PD
T. 13 S., R. 29 E., NEW MEXICO PM

Sec. 18 E2, E2W2.

Chaves County

480 Acres

Rental \$720.00

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

NM-13-CSU BLM Stipulation CSU for NMSO - CSU - Paleontological Resources

SENM-S-22-CSU BLM Stipulation CSU for PDO - CSU - Lesser Prairie-Chickens

SENM-S-23-CSU BLM Stipulation CSU for PDO - CSU - Dunes Sagebrush Lizard

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-14-LN BLM Lease Notice LN for NMSO - LN - Paleontological Resources

SENM-LN-2 BLM Lease Notice LN for PDO - LN - Dunes Sagebrush Lizard

EOI #NM00016247

NMNM 142226 NM-2020-10-0343

NM, Roswell Field Office, BLM, PD

T. 13 S., R. 29 E., NEW MEXICO PM

Sec. 29 W2.

Chaves County

320 Acres

Rental \$480.00

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

NM-13-CSU BLM Stipulation CSU for NMSO - CSU - Paleontological Resources

SENM-S-22-CSU BLM Stipulation CSU for PDO - CSU - Lesser Prairie-Chickens

SENM-S-23-CSU BLM Stipulation CSU for PDO - CSU - Dunes Sagebrush Lizard

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-14-LN BLM Lease Notice LN for NMSO - LN - Paleontological Resources

SENM-LN-2 BLM Lease Notice LN for PDO - LN - Dunes Sagebrush Lizard

EOI #NM00016224

NMNM 142227 NM-2020-10-0357

NM, Carlsbad Field Office, BLM, PD

T. 21 S., R. 32 E., NEW MEXICO PM

Sec. 28 SW.

Lea County

160 Acres

Rental \$240.00

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

NM-13-CSU BLM Stipulation CSU for NMSO - CSU - Paleontological Resources

SENM-S-1-CSU BLM Stipulation CSU for PDO - CSU - Potash Area Stipulation

SENM-S-22-CSU BLM Stipulation CSU for PDO - CSU - Lesser Prairie-Chickens

SENM-S-34-CSU BLM Stipulation CSU for PDO - CSU - Shinnery Oak Sand Dune Habitat Complex POD

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-14-LN BLM Lease Notice LN for NMSO - LN - Paleontological Resources

SENM-LN-6 BLM Lease Notice LN for PDO - LN - OG Development Within Designated Potash Area

EOI #NM00016256

NMNM 142228 NM-2020-10-0340 Split Estate

NM, Carlsbad Field Office, BLM, PD

T. 26 S., R. 37 E., NEW MEXICO PM

Sec. 30 LOTS 1;

Sec. 30 N2NE, NENW.

Lea County

160.61 Acres

Rental \$241.50

Stipulations:

WO-ESA 7 BLM Stipulation for WO - Endangered Species Act Sec 7 Consultation

WO-NHPA BLM Stipulation for Cultural Resources and Tribal Consultation

NM-13-CSU BLM Stipulation CSU for NMSO - CSU - Paleontological Resources

SENM-S-17-CSU BLM Stipulation CSU for PDO - CSU - Slopes & Fragile Soils

NM-11-LN BLM Lease Notice LN for NMSO - LN - Special Cultural Resource

NM-14-LN BLM Lease Notice LN for NMSO - LN - Paleontological Resources

EOI #NM00016183

Stipulations

BLM Stipulations

WO-ESA 7-WO - Endangered Species Act Sec 7 Consultation

WO-ESA 7

ENDANGERED SPECIES ACT SECTION 7 CONSULTATION STIPULATION

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

WO-NHPA-Cultural Resources and Tribal Consultation

WO-NHPA

CULTURAL RESOURCES AND TRIBAL CONSULTATION STIPULATION

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, Executive Order 13007, or other statutes and executive orders. The BLM will not approve any ground-disturbing activities that may affect any such properties or resources until it completes its obligations (e.g., State Historic Preservation Officer (SHPO) and tribal consultation) under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized, or mitigated.

BLM Stipulations CSU

NM-13-CSU-NMSO - CSU - Paleontological Resources

All development in this lease will be subject to compliance with the Paleontological Resources Preservation Act (PRPA), the National Environmental Policy Act (NEPA), and the Federal Land Policy and Management Act (FLPMA). Surface occupancy or use is subject to the following special operating constraints:

- Motorized vehicle use associated with lease operations are restricted to approved roads. Prior to approved operations, any vehicle use necessary for well stakings and surveys should be constrained to existing roads and trails when possible.
- A pedestrian survey must be conducted for paleontological material, using a qualified permitted paleontologist determined by the BLM as part of the permit application for the proposed lease activity in geologic units that are classified on the BLM's Potential Fossil Yield Classification (PFYC) scale as a PFYC U- Unknown, 4 or 5. A survey is also required in areas that are known to contain fossil localities. The survey and report will be used to determine the presence of paleontological material exposed on the surface, and if necessary, the appropriate mitigation of ground disturbing activities such as monitoring, avoidance, project re-design, data recovery, stabilization, protective barriers and/or signs.
- The lessee shall immediately notify the BLM Authorized Officer (AO) of any paleontological resources discovered as a result of approved surface disturbing operations. The lessee shall suspend all activities in the vicinity of such discovery until notified to proceed by the A O and shall protect the discovery from damage or looting. The AO will evaluate, or will have evaluated, such discoveries after being notified and determine, after consulting with the operator and the BLM Regional Paleontologist, the appropriate measures to mitigate adverse effect to significant paleontological resources. Upon approval of the AO, the operator will be allowed to continue construction through the site, or will be given the choice of either
 - o following the AO's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or
 - o following the AO's instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area. The lessee is responsible for any cost associated for mitigating paleontological resources discovered as a result of their activities.

For the purpose of: Protecting paleontological resources to ensure that sensitive paleontological resources are not inadvertently damaged, destroyed, or removed from public ownership.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820).

An operator may request that the BLM waive, except, or modify a lease stipulation for a Federal

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

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

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

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

SENMS-17-CSU-PDO - CSU - Slopes & Fragile Soils

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

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

For the purpose of: Protecting Slopes or Fragile Soils.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

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

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

No waivers currently exist.

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

Exceptions will be considered for authorized mineral material extraction sites and designated OHV areas, for the installation of projects designed to enhance or protect renewable natural resources, or if a plan of operating and development which provides for adequate mitigation of impacts was approved by the Authorized Officer.

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

No modifications currently exist.

SENM-S-18-CSU-PDO - CSU - Streams, Rivers and Floodplains

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

Surface disturbance will not be allowed within up to 200 meters of the outer edge of 100-year floodplains, to protect the integrity of those floodplains.

For the purpose of: Protecting Streams, Rivers and Floodplains

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

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

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

No waivers currently exist.

Exception: An exception is a one-time exemption for a particular site within the leasehold. The stipulation continues to apply to all other sites within the leasehold. On a case-by-case basis, an exception to this requirement may be considered based on one or more of the criteria listed below. The first three criteria would not be applied in areas of identified critical or occupied habitat for federally listed threatened or endangered species.

- Additional development in areas with existing developments that have shown no adverse impacts to the riparian areas as determined by the Authorized Officer, following a case-by-case review at the time of permitting.
- Suitable off-site mitigation if habitat loss has been identified.
- An approved plan of operations ensures the protection of water or soil resources, or both.
- Installation of habitat, rangeland or recreation projects designed to enhance or protect renewable natural resources.

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

No modifications currently exist.

SENM-S-19-CSU-PDO - CSU - Playas and Alkali Lakes

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

Surface disturbance will not be allowed within up to 200 meters of playas or alkali lakes.

Mitigation could include:

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

For the purpose of: Protecting playas and alkali lakes.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

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

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

Waiver of this requirement will be considered on a case-by-case basis for projects designed to enhance or protect renewable natural resources.

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

An exception for oil and gas development will be considered if playa or lake loss was mitigated by the protection and development of another playa exhibiting the potential for improvement.

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

SENM-S-1-CSU-PDO - CSU - Potash Area Stipulation

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

The lessee agrees that:

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

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

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

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

not cause unacceptable impacts.

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

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

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

SENM-S-21-CSU-PDO - CSU - Caves and Karst

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

Surface disturbance will not be allowed within up to 200 meters of known cave entrances, passages or aspects of significant caves, or significant karst features.

For the purpose of: Protecting Caves and Karst Features

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

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

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

Waiver of this requirement will be considered for projects that enhance or protect renewable natural resource values, or when an approved plan of operations ensures the protection of cave and karst resources.

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

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

SENM-S-22-CSU-PDO - CSU - Lesser Prairie-Chickens

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

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in lesser prairie-chicken habitat during the period of March 1 through July 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m. The 3:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Open-top tanks, disposal pits, or other open pits will be required to be covered with a fine mesh netting to make them inaccessible to avian species and other wildlife.

A low profile marker will be required for a plugged or abandoned well. The well marker must be approximately 2 inches above ground level and contain the operator's name, lease name, well number, and location, including unit letter, section, township and range. This information must be welded or stamped or otherwise permanently engraved into the metal of the marker.

For the purpose of: Protecting Lesser Prairie-Chickens

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

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

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

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

Exceptions to these requirements will be considered for areas of no or low lesser prairie-chicken booming activity, or unoccupied habitat, including leks, as determined at the time of permitting, or in emergency situations.

Modification: A modification is a change to the provisions of a lease stipulation, either temporarily or for the term of the lease. Depending on the specific modification, the stipulation

may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

SENM-S-23-CSU-PDO - CSU - Dunes Sagebrush Lizard

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

Surface disturbance will not be allowed in documented occupied habitat areas, or within up to 200 meters of suitable habitat associated with occupied habitat areas identified through field review.

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

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

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

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

Exception: An exception is a one-time exemption for a particular site within the leasehold. Exceptions are determined on a case-by-case basis.

The stipulation continues to apply to all other sites within the leasehold. An exception to this restriction will be considered when an on-site evaluation of habitat extent, available species occurrence data, the proposed surface use, and proposed mitigations indicate the proposal will not adversely affect the local population.

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

SENM-S-25-CSU-PDO - CSU - Visual Resource Management

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

Painting of oil field equipment and structures to minimize visual impacts is to be conducted according to the requirements of Notice to Lessees (NTL) 87-1, New Mexico. Low profile facilities also may be required, when needed to reduce the contrast of a project with the dominant color, line, texture, and form of the surrounding landscape. Other surface facilities or equipment approved by the BLM, such as large-scale range improvements or pipelines, will be painted, when needed, to conform to the requirements of visual resource management to minimize visual impacts. Paint colors will be selected from the environmental color chart approved by the Rocky Mountain Coordinating Committee. The selected paint color will match as closely as possible the predominant soil or vegetation color of the area. Upon completion of the well and installation of the production facilities (if the well is a producer) the pad will be reclaimed back to a size necessary for production operations only. The edges will be re-contoured and the extra caliche and pad material (excluding top soil) will be hauled off-site. The BLM may require additional reclamation depending upon vegetation recovery. The reclaimed area will be re-contoured and reseeded according to vegetation and soil type.

For the purpose of: Protecting Visual Resources Management

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

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

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

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

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

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

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

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

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

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

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

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

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

BLM Lease Notice LN

NM-11-LN-NMSO - LN - Special Cultural Resource

NM-11 LN

LEASE NOTICE SPECIAL CULTURAL RESOURCE

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

Bureau of Land Management
New Mexico State Office

NM-11-LN
February 9, 2004

NM-14-LN-NMSO - LN - Paleontological Resources

All development in this lease will be subject to compliance with the Paleontological Resources Preservation Act (PRPA), the National Environmental Policy Act (NEPA), and the Federal Land Policy and Management Act (FLPMA). The lessee shall immediately notify the BLM Authorized Officer (AO) of any paleontological resources discovered as a result of approved surface disturbing operations. The lessee shall suspend all activities in the vicinity of such discovery until notified to proceed by the AO and shall protect the discovery from damage or looting. The AO will evaluate, or will have evaluated, such discoveries after being notified and determine after consulting with the operator and the BLM Regional Paleontologist, the appropriate measures to mitigate adverse effect to significant paleontological resources. Upon approval of the AO, the operator will be allowed to continue construction through the site, or will be given the choice of either

- following the AO's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or
- following the AO's instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area. The lessee is responsible for any cost associated for mitigating paleontology resources discovered as a result of their activities.

In addition, surface occupancy or use may be subject to, but not limited to, the following special operating constraints:

- Motorized vehicle use associated with lease operations may be restricted to approved roads.
- A pedestrian survey for paleontological resources is generally required in areas that have been cified as Potential Fossil Yield Classification (PFYC) U-Unknown, 4 or 5, and in areas that are known to contain fossil locations. However, a pedestrian survey may be required in other areas that are not classified as PFYC U, 4 or 5, but have been identified by the Authorized Officer as having the potential for paleontological resources. A qualified permitted paleontologist determined by the BLM as part of the permit application for the proposed lease activity, is required to complete the survey. The survey and report will be used to determine the presence of paleontological material exposed on the surface, and if necessary, the appropriate mitigation of ground disturbing activities such as monitoring, avoidance project re-design, data recovery, stabilization, protective barriers and/or signs.

NM-1-LN-NMSO - LN - Potential, Suitable and Occupied Habitat for Special Status Plant Species

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

Survey requirements would include the following:

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

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

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

SENM-LN-1-PDO - LN - Potential Cave or Karst Occurrence Area

All or a portion of the lease is located in a potential cave or karst occurrence area. Within this area, caves or karst features such as sinkholes, passages, and large rooms may be encountered from the surface to a depth of as much as 2,000 feet, within surface areas ranging from a few acres to hundreds of acres. Due to the sensitive nature of the cave or karst systems of this area, special protective measures may be developed during environmental analyses and be required as part of approvals for drilling or other operations on this lease. These measures could include: changes in drilling operations; special casing and cementing programs; modifications in surface activities; or other reasonable measures to mitigate impacts to cave or karst values. These measures may be imposed in accordance with 43 CFR 3101.1-2; 43 CFR 3162.5-1; Onshore Oil and Gas Order No. 1; and Section 6 of the lease terms.

SENM-LN-2-PDO - LN - Dunes Sagebrush Lizard

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

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

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

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

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

SENM-LN-6-PDO - LN - OG Development Within Designated Potash Area

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

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

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

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

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

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

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

