

Appendix B

Stipulation Definitions

Miles City Field Office

Cultural Resources Lease Stipulation

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

CONTROLLED SURFACE USE STIPULATION

AIR RESOURCES

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

On the lands described below:

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

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

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

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

CSU 12-23
Billings Field Office
Hiline Field Offices
Miles City Field Office
South Dakota Field Office

CONTROLLED SURFACE USE STIPULATION

SOILS, SENSITIVE SOILS

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

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

On the lands described below:

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

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

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

Waiver: The AO may waive this stipulation if it is determined that the entire leasehold does not contain sensitive soils.

CONTROLLED SURFACE USE STIPULATION

RIPARIAN, WETLANDS

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

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

On the lands described below:

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

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

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

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

CSU 12-25
Billings Field Office
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South Dakota Field Office

CONTROLLED SURFACE USE STIPULATION

BIG GAME CRUCIAL WINTER RANGE

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

On the lands described below:

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

Exception: None

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

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

CONTROLLED SURFACE USE STIPULATION

SHARP-TAILED GROUSE LEKS AND NESTING HABITAT

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

On the lands described below:

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

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

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

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

**CONTROLLED SURFACE USE STIPULATION
BLACK-TAILED PRAIRIE DOGS**

Stipulation: Surface occupancy and use within black-tailed prairie dog colonies active within the past 10 years would be allowed with design features that maintain functionality of the habitat. On the lands described below:

Objective: To protect black-tailed prairie dog habitat, a BLM priority species for management, as well as obligate species.

Exception: The AO may grant an exception if the action will not impair the function or suitability of the prairie dog habitat.

Modification: The AO may modify the boundaries of the stipulated area if portions of the leasehold are no longer prairie dog habitat active within the past 10 years.

Waiver: The AO may waive this stipulation if the entire leasehold is no longer within prairie dog colonies active within the past 10 years.

**CONTROLLED SURFACE USE STIPULATION
SAGE-GROUSE GENERAL HABITAT MANAGEMENT AREAS**

Stipulation: Surface occupancy and use within 2 miles of the perimeter of a lek active within the past 5 years may be restricted or prohibited. Prior to such activities, a plan to mitigate impacts to breeding or nesting sage-grouse; or breeding, nesting, or brood rearing habitat will be prepared by the proponent and implemented upon approval by the AO.
On the lands described below:

Objective: To protect breeding, nesting and brood rearing activities and habitat.

Exception: The AO may grant an exception if the action would not agitate or bother breeding, or nesting sage-grouse to a degree that causes or is likely to cause:

- physical injury, or,
- decrease productivity, by substantially interfering with normal breeding, feeding, nesting or brood rearing activities; or nest abandonment.

Modification: The AO may modify the boundaries of the stipulated area if portions of the leasehold are no longer within 2 miles of a lek, active within the past 5 years.

Waiver: The AO may waive this stipulation if no portion of the leasehold is within 2 miles of the perimeter of an active lek.

LEASE NOTICE

CULTURAL RESOURCES

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

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

LEASE NOTICE

PALEONTOLOGICAL RESOURCES

The lessee or operator shall immediately bring to the attention of the Surface Management Agency (SMA) any paleontological resources or any other objects of scientific interest discovered as a result of approved operations under this lease, and shall leave such discoveries intact and undisturbed until directed to proceed by the SMA.

LEASE NOTICE

GREATER SAGE-GROUSE HABITAT

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

LEASE NOTICE

PALEONTOLOGICAL RESOURCE INVENTORY REQUIREMENT

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

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

- the project proponent must engage the services of a qualified paleontologist, acceptable to the BLM, to conduct the inventory.
- the project proponent will, at a minimum, inventory a 10-acre area or larger to incorporate possible project relocation which may result from environmental or other resource considerations.
- paleontological inventory may identify resources that may require mitigation to the satisfaction of the BLM as directed by WO IM 2009-011.

LN 14-12
All Field Offices

LEASE NOTICE
AIR RESOURCE ANALYSIS

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

LEASE NOTICE

MIGRATORY BIRD TREATY ACT

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

- a) avoidance by timing; ground disturbing activities will not occur from April 15 to July 15,
- b) habitat manipulation; render proposed project footprints unsuitable for nesting prior to the arrival of migratory birds (blading or pre-clearing of vegetation must occur prior to April 15 within the year and area scheduled for activities between April 15 and July 15 of that year to deter nesting, or
- c) survey-buffer-monitor; surveys will be conducted by a BLM approved biologist within the area of the proposed action and a 300-foot buffer from the proposed project footprint between April 15 to July 15 if activities are proposed within this timeframe. If nesting birds are found, activities would not be allowed within 0.1 miles of nests until after the birds have fledged. If active nests are not found, construction activities must occur within 7 days of the survey. If this does not occur, new surveys must be conducted. Survey reports will be submitted to the appropriate BLM Office.

LEASE NOTICE

BLACK-FOOTED FERRET SURVEYS

Surface occupancy or use is subject to the following special operating constraints: prior to surface disturbance, prairie dog colonies and complexes 80 acres or more in size will be examined to determine the presence or absence of black-footed ferrets. The findings of this examination may result in some restrictions to the operator's plans or may even preclude use and occupancy. The lessee or operator may, at their own option, conduct an examination to determine the presence or absence of black-footed ferrets. This examination must be done by or under the supervision of a qualified resource specialist approved by the surface management agency. An acceptable report must be provided to the surface management agency documenting the presence or absence of black footed ferrets and identifying the anticipated effects of the proposed action on the black-footed ferret and its habitat.

SETBACK FROM HUMAN OCCUPIED RESIDENCES REQUIREMENT

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

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

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

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

LEASE NOTICE CULTURAL INVENTORY REQUIREMENT

An inventory of those portions of the leased lands subject to proposed disturbance may be required prior to any surface disturbance to determine whether cultural resources are present and to identify needed mitigation measures. Prior to undertaking any surface- disturbing activities on the lands covered by this lease, the lessee or operator shall:

1. Contact the Surface Management Agency (SMA) to determine whether a cultural resource inventory is required. If an inventory is required, then:
2. The SMA will complete the required inventory; or the lessee or operator, at their option may engage the services of a cultural resource consultant acceptable to the SMA to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the standard ten-acre minimum to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the SMA for review and approval no later than that time when an otherwise complete application for approval of drilling or subsequent surface-disturbing operation is submitted.
3. Implement mitigation measures required by the SMA. Mitigation may include the relocation of proposed lease-related activities or other protective measures such as data recovery and extensive recordation. Where impacts to cultural resources cannot be mitigated to the satisfaction of the SMA, surface occupancy on that area must be prohibited. The lessee or operator shall immediately bring to the attention of the SMA any cultural resources discovered as a result of approved operations under this lease and shall not disturb such discoveries until directed to proceed by the SMA.

LEASE NOTICE GREATER SAGE-GROUSE HABITAT CONSERVATION

The lessee/operator is given notice that prior to project-specific approval, the authorized officer may consider voluntary compensatory mitigation proffered by a project proponent, or compensatory mitigation requested or required by a state plan, program, or authorization. Any state required mitigation may be incorporated as a proposed design feature for a proposed project (Instruction Memorandum No. 2019-018).

For projects in Montana, lessee/operators may be required to demonstrate they have submitted their project to the Montana Sage-Grouse Habitat Conservation Program for review, and have incorporated any State program requirements into their project proposal in any designated sage-grouse habitat.

The objectives of these requirements are to avoid, minimize, or compensate for unavoidable impacts associated with oil and gas development in order to provide a net conservation gain, which is a benefit or gain above baseline conditions, when the development occurs within Greater Sage-Grouse habitat as specified in the Record of Decision for the Field Office's Approved Resource Management Plan (Sept. 2015). Site-specific GRSG habitat conservation, mitigation, or compensation requirements would be identified during the BLM environmental review process and would be developed into the project proposal or as terms and conditions of the subsequent approval.

LN 14-37
Billings
HiLine
Miles City
South Dakota

LEASE NOTICE

BIG GAME WINTER RANGE AND MIGRATION CORRIDORS

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

NO SURFACE OCCUPANCY STIPULATION

BADLANDS, ROCK OUTCROP

Stipulation: Surface occupancy and use is prohibited on badlands and rock outcrop. On the lands described below:

Objective: To prevent excessive soil erosion and to avoid disturbing areas subject to potential reclamation problems.

Exception: The AO may not grant exceptions to this stipulation.

Modification: The AO may modify the area affected by this stipulation if it is determined that portions of the leasehold do not include these types of areas.

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

NSO 11-69
Billings Field Office
HiLine Field Offices
Miles City Field Office
South Dakota Field Office

NO SURFACE OCCUPANCY STIPULATION

NO SURFACE OCCUPANCY STIPULATION STREAMS, WATERBODIES, RIPARIAN, WETLAND, AND FLOODPLAINS

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

On the lands described below:

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

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

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

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

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

NSO 11-70
*HiLine Field Offices
Miles City Field Office
South Dakota Field Office*

NO SURFACE OCCUPANCY STIPULATION

RAPTORS

Stipulation: Surface occupancy and use is prohibited within 0.25 mile of raptor nest sites active within the preceding 7 years.

On the lands described below:

Objective: To protect nest sites of raptors identified as BLM priority species for management (burrowing owl, golden eagle, ferruginous hawk, Swainson's hawk, prairie falcon, and northern goshawk).

Exception: The AO may grant an exception if the action will not result in nest territory abandonment.

Modification: The AO may modify the boundaries of the stipulated area if portions of the leasehold are no longer within 0.25 mile of raptor nest sites active within the past 7 years.

Waiver: The AO may waive this stipulation if the entire leasehold is no longer within 0.25 mile of raptor nest sites active within the past 7 years or if the habitat has been altered to an extent, future use by nesting raptors is unlikely.

NSO 11-73
Billings Field Office
Miles City Field Office

NO SURFACE OCCUPANCY STIPULATION

PALLID STURGEON HABITAT

Stipulation: Surface occupancy and use is prohibited within 0.25 mile of the water's edge of the Missouri and Yellowstone Rivers.

On the lands described below:

Objective: To protect the habitat of the federally endangered pallid sturgeon.

Exception: The AO, subject to consultation with the USFWS, may grant an exception if the action will not impair habitat of the pallid sturgeon.

Modification: The AO may modify the boundaries of the stipulated area if portions of the leasehold are not within 0.25 mile of the water's edge of the Yellowstone or Missouri Rivers.

Waiver: The AO may waive this stipulation if the entire leasehold is no longer within 0.25 mile of the water's edge of the Yellowstone or Missouri Rivers.

NO SURFACE OCCUPANCY STIPULATION

SAGE-GROUSE HABITAT – GENERAL HABITAT MANAGEMENT AREA

Stipulation: Surface occupancy and use is prohibited within 6/10 mile of the perimeter of sage-grouse leks.

On the lands described below:

Objective: To maintain the integrity of general sage-grouse habitat and promote movement and genetic diversity to support sustainable sage-grouse populations.

Exception: The AO, may grant an exception if the action will not result in sage-grouse lek abandonment.

Modification: The AO, may modify the boundaries of the stipulated area if portions of the leasehold are no longer within 6/10 mile of the perimeter of an active lek, or a portion of the habitat has been altered to the point sage-grouse no longer occupy the site and there is no likelihood of habitat capable of supporting sage-grouse being restored.

Waiver: The AO, may waive this stipulation if no portion of the leasehold is within 6/10 mile of the perimeter of an active lek.

NO SURFACE OCCUPANCY STIPULATION

NATIONAL HISTORIC LANDMARKS (NHLs) AND HISTORIC BATTLEFIELDS AND THE LEWIS AND CLARK NATIONAL HISTORIC TRAIL

Stipulation: Surface occupancy and use and surface disturbance is prohibited within NHLs and Historic Battlefield including the following historic properties: Wolf Mountains Battlefield NHL and Battle Butte Battlefield ACEC; Reynolds Battlefield site and Reynolds Battlefield ACEC; Cedar Creek Battlefield site and Cedar Creek Battlefield ACEC; and the Long Medicine Wheel ACEC, and all significant Cultural Resources, NRHP-eligible Properties and Districts, and TCPs, NHLs and Historic Battlefields and the Lewis and Clark National Historic Trail.

On the lands described below:

Objective: To protect inadvertent impacts to significant cultural properties, districts, and their settings; NRHP-eligible properties and districts; TCPs or those designated for traditional use and those properties determined to be of particular importance to American Indian groups, and NHLs and historic sites eligible for the NRHP and the setting or viewshed in which they occur.

Exception: The BLM authorized officer may grant an exception if it is determined that the action is of a scale, sited in a location, or otherwise designed so that the action will not result in a more than a weak contrast rating. The Plan may be subject to consultation with Montana SHPO, applicable tribes, and other interested parties.

Modification: The BLM authorized officer may modify the area subject to the stipulation based on local evaluation. The stipulation may be modified based on negative or positive monitoring results from similar proposed actions on similar sites. The modification may be subject to consultation with Montana SHPO, applicable tribes, and other interested parties.

Waiver: The BLM authorized officer determines that the entire lease area does not contribute to the setting of a historic property, the waiver may be subject to consultation with Montana SHPO, applicable tribes, and other interested parties.

NO SURFACE OCCUPANCY STIPULATION

SAGE GROUSE HABITAT – PRIORITY AREAS WEST DECKER RESTORATION AREA, SOUTH CENTER RESTORATION AREA

Stipulation: Surface occupancy and use is prohibited within sage-grouse priority areas, West Decker Restoration area, and South Carter Restoration Area.

On the lands described below:

Objective: To maintain and enhance the most important of habitats needed by priority sage-grouse populations.

- i) No waivers or modifications to a fluid mineral lease no-surface occupancy stipulation will be granted. The Authorized Officer may grant an exception to a fluid mineral lease no-surface occupancy stipulation only where the proposed action would not have direct, indirect, or cumulative effects on GRSG or its habitat; or,
- ii) Is proposed to be undertaken as an alternative to a similar action occurring on a nearby parcel and would provide a clear conservation gain to GRSG.

Exceptions based on conservation gain (ii) may only be considered in (a) PHMAs of mixed ownership where federal minerals underlie less than fifty percent of the total surface, or (b) areas of the public lands where the proposed exception is an alternative to an action occurring on a nearby parcel subject to a valid Federal fluid mineral lease existing as of the date of this RMP revision. Exceptions based on conservation gain must also include measures, such as enforceable institutional controls and buffers, sufficient to allow the BLM to conclude that such benefits will endure for the duration of the proposed action's impacts.

Any exceptions to this lease stipulation may be approved by the Authorized Officer only with the concurrence of the State Director. The Authorized Officer may not grant an exception unless the applicable state wildlife agency, the USFWS, and the BLM unanimously find that the proposed action satisfied (i) or (ii). Such finding shall initially be made by a team of one field biologist or other GRSG expert from each respective agency. In the event the initial finding is not unanimous, the finding may be elevated to the appropriate BLM State Director, USFWS State Ecological Services Director, and state wildlife agency head for final resolution. In the event their finding is not unanimous, the exception will not be granted. Approved exceptions will be made publicly available at least quarterly.

NO SURFACE OCCUPANCY STIPULATION

STREAMS, WATERBODIES, RIPARIAN, WETLAND, AND FLOODPLAINS

Stipulation: Surface occupancy and use is prohibited within perennial or intermittent streams (as indicated by obligate wetland species or hydric soils), lakes, ponds, reservoirs, 100-year floodplains, wetlands, and riparian areas.

On the lands described below:

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

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

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

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

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

Endangered Species Act Section 7 Consultation Stipulation

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

North Dakota Field Office and USFS Dakota Prairie Grasslands

Cultural Resources Lease Stipulation

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

UNITED STATES DEPARTMENT OF THE INTERIOR

Bureau of Land Management

5001 Southgate Drive

Billings, Montana 59101-4669

OIL AND GAS LEASE STIPULATIONS

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

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

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

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

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

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

500 feet, or when necessary, within the 25-year flood plain from reservoirs, lakes, and ponds and intermittent, ephemeral or small perennial streams: 1,000 feet, or when necessary, within the 100-year flood plain from larger perennial streams, rivers, and domestic water supplies.

500 feet from grouse strutting grounds. Special care to avoid nesting areas associated with strutting grounds will be necessary during the period from March 1, to June 30. One-fourth mile from identified essential habitat of state and federal sensitive species. Crucial wildlife winter ranges during the period from December 1 to May 15, and in elk calving areas during the period from May 1 to June 30.

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

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

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

See Notice on Back

NOTICE

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

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

1. Contact the appropriate SMA to determine if a site-specific cultural resource inventory is required. If an inventory is required, then:
2. Engage the services of a cultural resource specialist acceptable to the SMA to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the SMA for review and approval no later than that time when an otherwise complete application for approval of drilling or subsequent surface-disturbing operation is submitted.
3. Implement mitigation measures required by the SMA. Mitigation may include the relocation of proposed lease-related activities or other protective measures such as testing salvage and recordation. Where impacts to cultural resources cannot be mitigated to the satisfaction of the SMA, surface occupancy on that area must be prohibited.

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

ENDANGERED OR THREATENED SPECIES--The SMA is responsible for assuring that the leased land is examined prior to undertaking any surface-disturbing activities to determine effects upon any plant or animal species, listed or proposed for listing as endangered or threatened, or their habitats. The findings of this examination may result in some restrictions to the operator's plans or even disallow use and occupancy that would be in violation of the Endangered Species Act of 1973 by detrimentally affecting endangered or threatened species or their habitats.

The lessee/operator may, unless notified by the authorized officer of the SMA that the examination is not necessary, conduct the examination on the leased lands at his discretion and cost. This examination must be done by or under the supervision of a qualified resources specialist approved by the SMA. An acceptable report must be provided to the SMA identifying the anticipated effects of a proposed action on endangered or threatened species or their habitats.

Endangered Species Act Section 7 Consultation Stipulation

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

**LEASE NOTICE
CULTURAL RESOURCES**

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

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

**NOTICE FOR LANDS OF THE NATIONAL FOREST SYSTEM UNDER
JURISDICTION OF
DEPARTMENT OF AGRICULTURE**

The permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

District Ranger, Medora Ranger District
Dakota Prairie Grasslands
161 21st Street West
Dickinson, ND 58601-3135

who is the authorized representative of the Secretary of Agriculture.

CULTURAL RESOURCES - The FS is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures, in accordance with the Archaeological Resources Protection Act of 1979, the National Historic Preservation Act of 1966 (as amended), and the American Indian Religious Freedom Act of 1996. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the FS, shall:

1. Contact the FS to determine if a site-specific cultural resource inventory is required. If a survey is required, then:
2. Engage the services of a cultural resource specialist acceptable to the FS to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the FS for review and approval at the time a surface disturbing plan of operation is submitted.
3. Implement mitigation measures required by the FS and BLM to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing, salvage, and recordation or other protective measures. All costs of the inventory and mitigation will be borne by the lessee or operator, and all data and materials salvaged will remain under the jurisdiction of the U.S. Government as appropriate.

The lessee or operator shall immediately bring to the attention of the FS and BLM any cultural or resources or any other objects of scientific interest discovered as a result of surface operations under this lease, and shall leave such discoveries intact until directed to proceed by FS and BLM.

Vertebrate Paleontology Notice - The FS is responsible for assuring that the leased lands are examined to determine if paleontological resources are present and to specify mitigation measures, in accordance with Organic Act, and the National Forest Management Act of 1976

Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the Forest Service, shall:

1. Contact the Forest Service to determine if a site-specific vertebrate paleontologic inventory is required. The Forest Service will conduct inventories and surveys as part of the field review for the proposed activity on the lease. The operator may voluntarily engage the services of a qualified paleontologist to conduct the inventory.
2. Implement mitigation measures required by the Forest Service and Bureau of land management to preserve or avoid destruction of vertebrate paleontologic resources. Mitigation may include relocation of proposed facilities or other protective measures.
3. The lessee or operator shall immediately bring to the attention of the Forest Service any vertebrate paleontologic resources discovered as a result of surface operation under this lease, and shall leave such discoveries intact until directed to proceed by the Forest Service.

FLOODPLAIN AND WETLANDS - The lessee is hereby notified that this lease may contain land within a riparian ecosystem. All activities within this area may be highly restricted in order to comply with Executive Order 11988 - Floodplain Management and Executive Order 11990 - Protection of Wetlands, in order to preserve and restore or enhance the natural and beneficial values served by floodplains and wetlands.

Riparian ecosystems will be managed by the Forest Service to protect from conflicting uses in order to provide healthy, self-perpetuating plant and water communities that will have optimum diversity and density of understory and overstory vegetation. Occupancy and use of lands within riparian ecosystems proposed in a proposed Surface Use Plan of Operations will be considered in an environmental analysis done to identify the mitigation measures necessary to protect the riparian area. Special measures such as road design, well pad size and location or directional drilling, may be made part of the permit authorizing the activity.

CONTROLLED SURFACE USE STIPULATION

Water/Wetlands/Woody Draws/Riparian/Floodplains

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

Try to locate activities and facilities away from the water's edge and outside the riparian areas, woody draws, wetlands, and floodplains. If necessary to locate facilities in these areas, then:

- Deposit no waste material (silt, sand, gravel, soil, slash, debris, chemical or other material) below high water lines, in riparian areas, in the areas immediately adjacent to riparian areas or in natural drainage ways (draws, land surface depressions or other areas where overland flow concentrates and flows directly into streams or lakes).
- Deposit no soil material in natural drainage ways.
- Locate the lower edge of disturbed or deposited soil banks outside the active floodplain.
- Stockpile no topsoil or any other disturbed soil in the active floodplain.
- Locate drilling mud pits outside riparian areas, wetlands and

floodplains. If location is unavoidable in these areas, seal and dike all pits to prevent leakage or use containerized mud systems.

On the lands described below:

For the purpose of:

To protect the biological and hydrologic features of riparian areas, woody draws, wetlands, and floodplains. Refer to the Land and Resource Management Plan Grassland-wide Direction, Water, number 6 and AppendixD-2.

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

CONTROLLED SURFACE USE STIPULATION

Special Interest Areas – Paleontological & Geological Resources

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

Operations may be moved or modified to preserve certain geologic type sections for future scientific research, education, and interpretation.

On the lands described below:

For the purpose of:

To protect against activities will directly or indirectly modify or destroy geologic outcrops, in order to maintain them in a condition to allow geologic scientific research, education, and interpretation. Refer to the Land and Resource Management Plan Management Area Direction, MA 2.1, Special Interest Areas, Standards and Guidelines, Minerals and Energy Resources, number 1, and Appendix D-19.

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

LEASE NOTICE FOR SPLIT ESTATE LANDS UNDER THE JURISDICTION OF THE BUREAU OF LAND MANAGEMENT

SPLIT ESTATE LANDS: The lands included in this lease are split estate. Title to the mineral estate is held by the United States and the surface is non-federal ownership. Due to this status the mineral estate is administered by the BLM even though these lands are within a U.S. Forest Service withdrawal.

For split estate lands, BLM places necessary lease stipulations and conditions of approval on permitted activities and works in cooperation with the surface owner.

SURFACE MANAGEMENT OF NON-FEDERAL SURFACE LANDS:

The BLM has the statutory authority to require lease stipulations and conditions of approval for activities of its lessees to minimize adverse impacts that may result from Federally-authorized mineral lease activities. These stipulations and conditions of approval are intended to comply with the BLM's responsibilities under the Endangered Species Act, the National Historic Preservation Act, and the National Environmental Policy Act and to protect or preserve the privately-owned resources while preventing adverse impacts to adjoining lands, not to dictate management to the surface owner.

APPLICATIONS FOR PERMIT TO DRILL (APDs): The following BLM office is responsible for the receipt, processing, and approval of APDs. This office is located at:

North Dakota Field Office
99 23rd Avenue West, Suite A
Dickinson, North Dakota 58601

The APDs are to be submitted by oil and gas operators pursuant to the requirements found in Onshore Oil and Gas Order No. 1 - Approval of Operations on Onshore Federal and Indian Oil and Gas Leases (Circular No. 2538).

Additional requirements for the conduct of oil and gas operations of federal oil and gas leases can be found in the Code of Federal regulations Title 43, Part 3160. Copies of Onshore Oil and Gas Order No. 1, and pertinent regulations, can be obtained from the BLM office listed above. Early coordination with this office on proposals is encouraged.

CONTROLLED SURFACE USE STIPULATION

Moderate Scenic Integrity Objective Area – Partial Retention

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

Surface occupancy and use is subject to operational constraints to maintain a landscape character that is no more than slightly altered. Noticeable deviations must remain visually subordinate to the landscape character being viewed.

Operational constraints may include utilizing topographic/vegetative screening, matching color tones of facilities with surrounding topographic features, orienting the well pad/facilities, redesigning production facilities to such scale that they are visually subordinate to the landscape, or placing facilities outside the moderate SIO area.

On the lands described below:

For the purpose of:

To maintain the Scenic Integrity Objective (SIO) for areas identified as moderate. Refer to the Land and Resource Management Plan Grassland-wide Direction, Scenery Management, number 1, and Appendix D-15 and D-28.

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

NO SURFACE OCCUPANCY STIPULATION

Golden Eagle, Merlin, & Ferruginous Hawk Nests

No surface occupancy or use is allowed on the lands described below (legal sub-division or other description).

For the purpose of:

No surface occupancy or use is allowed within 0.5 mile (line of sight) of golden eagle, merlin, and ferruginous hawk nests; to prevent reduced reproductive success and adverse habitat loss. Refer to the Land and Resource Management Plan, Grassland-wide Direction, Fish, Wildlife, and Rare Plants, number 55, and Appendix D-11.

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

NO SURFACE OCCUPANCY STIPULATION

Sharp-tailed Grouse & Sage Grouse Display Grounds

No surface occupancy or use is allowed on the lands described below (legal sub-division or other description).

For the purpose of:

No surface occupancy or use is allowed within 0.25 mile (line of sight) of a sharp-tailed grouse and sage grouse display ground to prevent abandonment of display grounds, reduced reproductive success, and adverse habitat loss. Refer to the Land and Resource Management Plan, Grassland-wide Direction, Fish, Wildlife, and Rare Plants, number 13, and Appendix D- 14.

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

TIMING LIMITATION STIPULATION

Sage Grouse Display Grounds

No surface use is allowed during the following time period(s). This stipulation applies to drilling, testing, new construction projects, and does not apply to operation and maintenance of production facilities.

March 1 through June 15

Within 2 miles (line of sight) of a sage grouse display ground on the lands described below:
For the purpose of:

To prevent abandonment of display grounds and reduced reproductive success. Refer to the Land and Resource Management Plan Grassland-wide Direction, Fish, Wildlife, and Rare Plants, number 15 and Appendix D-6.

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

LEASE NOTICE

CULTURAL RESOURCES

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

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

LEASE NOTICE

PALEONTOLOGICAL RESOURCES

The lessee or operator shall immediately bring to the attention of the Surface Management Agency (SMA) any paleontological resources or any other objects of scientific interest discovered as a result of approved operations under this lease, and shall leave such discoveries intact and undisturbed until directed to proceed by the SMA.

LEASE NOTICE

PALEONTOLOGICAL RESOURCE INVENTORY REQUIREMENT

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

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

- the project proponent must engage the services of a qualified paleontologist, acceptable to the BLM, to conduct the inventory.
- the project proponent will, at a minimum, inventory a 10-acre area or larger to incorporate possible project relocation which may result from environmental or other resource considerations.
- paleontological inventory may identify resources that may require mitigation to the satisfaction of the BLM as directed by WO IM 2009-011.

LEASE NOTICE

CULTURAL VISUAL SETTING

The lease is located adjacent to known historic properties that are or may be eligible for listing on the National Register of Historic Places (NRHP). The lease may in part or whole contribute to the importance of the historic properties and values and listing on the NRHP. The operator may be required to implement specific measures to reduce impacts of oil and gas operations on historic properties and values. These measures may include, but are not limited to, project design, location, painting, and camouflage. Such measures shall be developed during the on-site inspection and environmental review of the application for permit to drill (APD) and shall be consistent with lease rights.

The goal of this Lease Notice is to provide information to the lessee and operator that would help design and locate oil and gas facilities to preserve the integrity and value of historical properties that are or may be listed on the National Register of Historic Places.

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

LEASE NOTICE

AIR RESOURCE ANALYSIS

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

MIGRATORY BIRD TREATY ACT

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

- a) avoidance by timing; ground disturbing activities will not occur from April 15 to July 15,
- b) habitat manipulation; render proposed project footprints unsuitable for nesting prior to the arrival of migratory birds (blading or pre-clearing of vegetation must occur prior to April 15 within the year and area scheduled for activities between April 15 and July 15 of that year to deter nesting, or
- c) survey-buffer-monitor; surveys will be conducted by a BLM approved biologist within the area of the proposed action and a 300-foot buffer from the proposed project footprint between April 15 to July 15 if activities are proposed within this timeframe. If nesting birds are found, activities would not be allowed within 0.1 miles of nests until after the birds have fledged. If active nests are not found, construction activities must occur within 7 days of the survey. If this does not occur, new surveys must be conducted. Survey reports will be submitted to the appropriate BLM Office.

LEASE NOTICE PALEONTOLOGICAL RESOURCES

The lessee or operator shall immediately bring to the attention of the Surface Management Agency (SMA) any paleontological resources or any other objects of scientific interest discovered as a result of approved operations under this lease, and shall leave such discoveries intact and undisturbed until directed to proceed by the SMA.

LEASE NOTICE RAPTORS

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

**NOTICE FOR LANDS OF THE NATIONAL FOREST SYSTEM UNDER
JURISDICTION OF
DEPARTMENT OF AGRICULTURE**

The permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of Interior in the permit. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of an exploration plan by the Secretary of the Interior, (2) uses of all existing improvements, such as forest development roads, within and outside the area permitted by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by an exploration plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

District Ranger, McKenzie Ranger
District Dakota Prairie Grasslands
1901 South Main Street
Watford City, ND 58854

who is the authorized representative of the Secretary of Agriculture.

CULTURAL RESOURCES - The FS is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures, in accordance with the Archaeological Resources Protection Act of 1979, the National Historic Preservation Act of 1966 (as amended), and the American Indian Religious Freedom Act of 1996. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the FS, shall:

1. Contact the FS to determine if a site-specific cultural resource inventory is required. If a survey is required, then:
2. Engage the services of a cultural resource specialist acceptable to the FS to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the FS for review and approval at the time a surface disturbing plan of operation is submitted.
3. Implement mitigation measures required by the FS and BLM to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing, salvage, and recordation or other protective measures. All costs of the inventory and mitigation will be borne by the lessee or operator, and all data and materials salvaged will remain under the jurisdiction of the U.S. Government as appropriate.

The lessee or operator shall immediately bring to the attention of the FS and BLM any cultural or resources or any other objects of scientific interest discovered as a result of surface operations under this lease, and shall leave such discoveries intact until directed to proceed by FS and BLM.

Vertebrate Paleontology Notice - The FS is responsible for assuring that the leased lands are examined to determine if paleontological resources are present and to specify mitigation measures, in accordance with Organic Act, and the National Forest Management Act of 1976 Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the Forest Service, shall:

1. Contact the Forest Service to determine if a site-specific vertebrate paleontologic inventory is required. The Forest Service will conduct inventories and surveys as part of the field review for the proposed activity on the lease. The operator may voluntarily engage the services of a qualified paleontologist to conduct the inventory.
2. Implement mitigation measures required by the Forest Service and Bureau of land management to preserve or avoid destruction of vertebrate paleontologic resources. Mitigation may include relocation of proposed facilities or other protective measures.
3. The lessee or operator shall immediately bring to the attention of the Forest Service any vertebrate paleontologic resources discovered as a result of surface operation under this lease, and shall leave such discoveries intact until directed to proceed by the Forest Service.

FLOODPLAIN AND WETLANDS - The lessee is hereby notified that this lease may contain land within a riparian ecosystem. All activities within this area may be highly restricted in order to comply with Executive Order 11988 - *Floodplain Management* and Executive Order 11990 - *Protection of Wetlands*, in order to preserve and restore or enhance the natural and beneficial values served by floodplains and wetlands.

Riparian ecosystems will be managed by the Forest Service to protect from conflicting uses in order to provide healthy, self-perpetuating plant and water communities that will have optimum diversity and density of understory and overstory vegetation. Occupancy and use of lands within riparian ecosystems proposed in a proposed Surface Use Plan of Operations will be considered in an environmental analysis done to identify the mitigation measures necessary to protect the riparian area. Special measures such as road design, well pad size and location or directional drilling, may be made part of the permit authorizing the activity.

NO SURFACE OCCUPANCY

FORT UNION HISTORIC SITE

No surface occupancy or use is allowed in a visible area within a 3.5-mile radius of the Fort Union Historic Site.

On the lands described below:

For the purpose of:

Protect the Fort Union viewshed. (NDRMP, p. 20)

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

Exception, Modification, Waiver: This stipulation may be waived or reduced if circumstances change, or if the lessee can demonstrate that operations can be conducted without causing unacceptable impacts. Exceptions to this limitation in any particular year may be specifically approved in writing by the authorized officer. In all cases, the stipulation (including any modification) will be designed to present the least restrictive measure for avoiding unacceptable adverse impacts.

TIMING LIMITATION STIPULATION

WATERFOWL NESTING HABITAT

No seismic exploration is allowed within 500 feet of waterfowl nesting habitat during the following time period:

March 1 through July 1

This stipulation does not apply to the operation and maintenance of production facilities. On the lands described below:

For the purpose of:

Protect nesting waterfowl. (NDRMP, p. 20)

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

Exception, Modification, Waiver: This stipulation may be waived or reduced if circumstances change, or if the lessee can demonstrate that operations can be conducted without causing unacceptable impacts. Exceptions to this limitation in any particular year may be specifically approved in writing by the authorized officer. In all cases, the stipulation (including any modification) will be designed to present the least restrictive measure for avoiding unacceptable adverse impacts.

U.S. Army Corps of Engineers

Serial Number _____



U.S. Army Corps of Engineers
Omaha District

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
STANDARD STIPULATION FOR LANDS UNDER JURISDICTION OF
DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS (CONT.)**

6. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere, in any manner, with such work or do any act which may increase the cost of performing such work. If the cost of the work performed by the Government at and in connection with the project, including work performed on lands outside the property included in the lease, is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in an amount, as estimated by the Chief of Engineers, sufficient to compensate for the additional expense involved.

Waivers: None

Exceptions: None

Modifications: None



U.S. Army Corps of Engineers
Omaha District

CORPS OF ENGINEERS STANDARD STIPULATION

1. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the commander will give the lessee written notice or, if time permits, request the BLM to give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
2. If the commander or the commander's authorized representative discovers an imminent danger to safety or security which allows no time to consult BLM, that person may order such activities stopped immediately. The state BLM Director will be notified immediately, will review the order, and will determine the need for further remedial action.
3. If contamination is found in the operating area, the operator will immediately stop work and ask the commander or commander's representative for help.
4. Lessee liability for damage to improvements shall include improvements of the Department of Defense.
5. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the leased area and must consider programs for which third parties have contractual responsibility.
6. A license to conduct geophysical test on the leased area must be obtained separately from the installation commander or the District Commander.
7. Civil works only: conditions in BLM Form 3109-2, Stipulation for Lands Under Jurisdiction of Department of the Army Corps of Engineers, or successor form.

Waivers: None

Exceptions: None

Modifications: None

Serial Number _____



U.S. Army Corps of Engineers
Omaha District

USACE Section 10/404 Regulatory Stipulation

Activities that extend beneath the flood control pool of Lake Sakakawea (1854 feet msl) will require United States Army Corps of Engineers (USACE) Regulatory review in accordance with Section 10/404 authorities (Rivers and Harbors Act and Clean Water Act respectively). For information regarding the Regulatory Program and permit applications see:

<https://www.usace.army.mil/Missions/Civil-Works/Regulatory-Program-and-Permits/Obtain-a-Permit/>.

Waivers: None

Exceptions: None

Modifications: None

Serial Number _____



U.S. Army Corps of Engineers
Omaha District

USACE Section 408 Stipulation

In accordance with Section 408 guidelines, applications associated with activities on or below lands and waters under the jurisdiction of the United States Army Corps of Engineers (USACE) are required to obtain written approval from USACE prior to initiating any activity on those areas. The Oil and Gas Management Plan (OGMP)/Programmatic Environmental Assessment (PEA) dated June 2020 outlines the process and requirements for such approval and can be found at:

(<https://www.nwo.usace.army.mil/Missions/Dam-and-Lake-Projects/Oil-and-Gas-Development/>).

Waivers: None

Exceptions: None

Modifications: None

COE 18-4