

BLM

New Mexico
Oklahoma
Texas & Kansas

Competitive Oil and Gas Lease Sale

June 16, 2022

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

April 18, 2022

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 6 parcels containing 535.720 acres in New Mexico and Oklahoma 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 18.75% 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 June 16, 2022. 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 with 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 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 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 18.75 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 \$175.00. 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 prior to 4 p.m. Mountain Standard Time, the day the auction closes, confirmation (via email or fax) that the payment for the parcel(s) has been initiated and the type of payment method.** Payment will be made directly to the BLM New Mexico State Office, or as otherwise directed by the BLM. **Payments to the BLM will not be made through the auction website.** At the conclusion of each parcel's bidding period, the winning bidder will be provided instructions by the online auction system on how to make the required payment to 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 for the parcel, 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 by 4:00 p.m. Mountain Standard Time, June 30, 2022. 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 continue to pursue collection by issuing a bill for

the monies owed and your offer will be rejected. 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 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. The royalty rate that applies to the lands offered in the lease sale is a fixed 18.75 percent. Once a lease is producing, you must pay a royalty of 18.75 percent (or as the lease is amended) of the value or the amount of production removed or sold from the lease.** This royalty rate may supersede the royalty rate stated in the BLM's standard lease form. 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;
- \$450 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 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;
- \$450 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?

BLM is continuing to accept EOIs and will provide updates as to future competitive sales.

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 Information Access Center.

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

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

- We must receive a protest within 30 calendar days of the posting date of this Notice. All protests must be received no later than **4:00 pm Mountain Standard Time on May 18, 2022**. If our office is not open on the 30th day after the posting, a protest received on the next day our office is open to the public will be considered timely filed. **We will dismiss a late-filed protest.**
- The protest must include a statement of reasons to support the protest. **We will dismiss a protest filed without a statement of reasons.**
- A protest must state the interest of the protesting party in the matter, including the name 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_q12022protest@blm.gov. Hand delivered protests will be accepted by appointment only. To make an appointment, please call (505) 954-2149.

- 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 publicly 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: jserrano@blm.gov or (505) 954-2149.

Michael Gibson
Branch Chief Minerals
BLM New Mexico State Office

COMPETITIVE OIL AND GAS OR GEOTHERMAL RESOURCES LEASE BID

FORM 3000-2 (JULY 2012)

https://www.blm.gov/sites/blm.gov/files/uploads/Services_National-Operations-Center_Eforms_Fluid-and-Solid-Minerals_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_Fluid-and-Solid-Minerals_3100-011.pdf

**BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
MARCH 24, 2022, LEASE SALE STATISTICS BY STATE
PARCELS WITH AND WITHOUT PRESALE NONCOMPETITIVE PRIORITY OFFERS**

STATE	PARCELS WITH PRESALE OFFERS	PARCELS WITHOUT PRESALE OFFERS	TOTAL PARCELS	ACRES WITH PRESALE OFFERS	ACRES WITHOUT PRESALE OFFERS	TOTAL ACRES
NEW MEXICO	0	5	5	0	520.8	520.8
OKLAHOMA	0	1	1	0	14.92	14.92
TEXAS	0	0	0	0	0	0
TOTALS	0	6	6	0	535.72	535.72

Parcels

New Mexico

NM-2022-06-0408

NMNM105294478

NM, Roswell Field Office, BLM, PD

T. 15 S., R. 29 E., NEW MEXICO PM

Sec. 18 LOTS 1 thru 4;

Sec. 18 E1/2W1/2.

Chaves County

320.8 Acres

Rental \$481.50

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-16-CSU BLM Stipulation CSU for PDO - CSU - Raptor Nests and Heronries

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

SENM-S-39-CSU BLM Stipulation CSU for PDO - CSU - POD

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

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

EOI #NM00016697

NM-2022-06-0407 Split Estate

NMNM105294479

NM, Carlsbad Field Office, BLM, PD

T. 25 S., R. 37 E., NEW MEXICO PM

Sec. 21 SW1/4NW1/4.

Lea County

40 Acres

Rental \$60.00

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

EOI #NM00016693

NM-2022-06-0409 Split Estate

NMNM105294480

NM, Carlsbad Field Office, BLM, PD T. 25 S., R. 37 E., NEW MEXICO PM

Sec. 27 NE1/4NW1/4. Lea County
40 Acres
Rental \$60.00

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

EOI #NM00016821

NM-2022-06-0410 Split Estate

NMNM105294481

NM, Carlsbad Field Office, BLM, PD
T. 25 S., R. 37 E., NEW MEXICO PM

Sec. 27 S1/2NE1/4.
Lea County
80 Acres
Rental \$120.00

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

EOI #NM00016821

NM-2022-06-0396

NMNM105294482

NM, Carlsbad Field Office, BLM, PD
T. 26 S., R. 37 E., NEW MEXICO PM

Sec. 17 NW1/4NW1/4.
Lea County
40 Acres
Rental \$60.00

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-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 #NM00016631

Oklahoma Parcel

Oklahoma

OK-2022-06-0039

OKNM105294483

OK, Oklahoma Field Office, COE:TULSA DISTRICT, PD

T. 20 N., R. 15 W., INDIAN MER

Sec. 35 ACCRETION & RIPARIAN ACREAGE TO LOTS 1-6

SEE EXHIBIT A FOR METES & BOUNDS W/MAP.

Dewey County

14.92 Acres

Rental \$22.50

50 % US Mineral Interest

Agreements:

OKNM105674890 The successful bidder will be required to join Communitization Agreement (CA) OKNM 142369 prior to lease issuance. submit evidence of joinder prior to lease issuance. Operator Comanche Exploration Co LLC 6520 N Western Ave., Suite 300 Oklahoma City, OK 73116-7334

Stipulations:

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

OFO-4-LN BLM Lease Notice LN for OFO - LN - Migratory Birds and Birds of Conservation Concern

WO-ESA 7 BLM Lease Notice LN for Endangered Species Act Section 7 Consultation

WO-NHPA BLM Lease Notice LN for Cultural Resources and Tribal Consultation

Stipulation

CE-SS 1-A CANTON LAKE SMA Stipulation for COE NSO Canton Lake

EOI #NM00016300

STIPULATIONS

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.

SENM-S-16-CSU-PDO - CSU - Raptor Nests and Heronries

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

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both. Raptor nests on special, natural habitat features, such as trees, large brush, cliff faces and escarpments, will be protected by not allowing surface disturbance within up to 200 meters of nests or by delaying activity for up to 90 days, or a combination of both. Exceptions to this requirement for raptor nests will be considered if the nests expected to be disturbed are inactive, the proposed activity is of short duration (e.g. habitat enhancement projects, fences, pipelines), and will not result in continuing activity in proximity to the nest.

For the purpose of: Protecting Raptor Nests and Heronries.

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 to this requirement for raptor nests will be considered if the nests expected to be disturbed are inactive, the proposed activity is of short duration (e.g. habitat enhancement projects, fences, pipelines), and will not result in continuing activity in proximity to the nest.

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-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-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-39-CSU-PDO - CSU - POD

A plan of development (POD) for the entire lease must be submitted for review and approval, including NEPA analysis, by the Bureau of Land Management (BLM) authorized officer, prior to approval of development (APD, Sundry Notices) actions. 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 the approval of subsequent development action. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the Purpose of: Plans of Development will be required to help direct development to reduce surface impacts.

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-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 classified 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.

OFO-4-LN-OFO - LN - Migratory Birds and Birds of Conservation Concern

The lease or portions of the lease fall within the North America Central Flyway for migratory birds. As defined in the requirements for the BLM site survey, which will be conducted at the Application for Permit to Drill stage, the BLM may require the project proponent to follow additional conditions of approval. These would be imposed to mitigate impacts on migratory birds under the Migratory Bird Treaty Act (MTBA) and the United States Fish and Wildlife Service's Birds of Conservation Concern.

If surface-disturbing activities occur during the migratory birds' nesting season (which varies per species and could be any time between December 15th to July 30th), surveys for ground- and tree-nesting birds may be required to be conducted by an entity approved by the BLM Authorized Officer. If active nests are encountered, surface-disturbing activities may be delayed until the nesting activities are complete. The project proponent must consult with the BLM to determine whether a survey is required, the extent of the survey and the timing of the nesting season.

The MTBA of 1918, as amended, authorizes the Secretary of the Interior to adopt such measures necessary to protect and preserve migratory raptor and other avian species. In accordance with MBTA and Executive Order 13186 (Federal Register Volume 66, Issue 11, January 17, 2001), the BLM may require modifications to or may disapprove any proposed activity that is likely to jeopardize migratory raptor and other avian species.

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.

WO-ESA 7-Endangered Species Act Section 7 Consultation

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 Stipulation

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.

SMA Stipulations

CE-SS 1-A CANTON LAKE-COE NSO Canton Lake

Corps of Engineers
Canton Lake

1. All oil and gas drilling and production operations shall be under the supervision of the District Manager, Bureau of Land Management (BLM), in accordance with 43 Code of Federal Regulations part 3160.
2. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give notice of the required suspension. The lessee agrees to this condition and waives compensation for its exercise.
3. If the District Engineer or his authorized representative discovers an imminent danger to safety or security which allows no time to consult BLM, that person may order such activities stopped immediately by any person conducting or supervising operations subject to BLM mineral leasing operations and that person will also make a good faith effort to contact the authorized official by telephone and other appropriate means, to facilitate BLM review of the order and determine the need for further action.
4. Lessee liability for damage to improvements shall include improvements of the Department of Defense. Lessee shall be liable for pollution and other damages, as a result of their operations, to Government-owned land and property and to the property of the Government's authorized surface user.
5. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the lease area and must consider programs for which third parties have contractual responsibility.
6. This lease does not authorize geophysical tests or other geophysical activities on the leased area. The lessee must obtain a separate written approval for geophysical activities from the Real Estate Contracting Officer, U. S. Army Corps of Engineers, Tulsa District prior to engaging in such activities on the lease area.
7. This lease does not authorize the lessee to occupy the surface of the lease area. Specific written approval to use, enter, or occupy the surface for any reason must be obtained separately from the Real Estate Contracting Officer,
U. S. Army Corps of Engineers, Tulsa District prior to engaging in surface activities.
8. All rights under this lease are subordinate to the rights of the United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of the above-mentioned project.

9. The United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other governmental activities; and the lessee shall hold the United States harmless from any and all such claims.

10. The construction and operation of said structures and appurtenances thereto shall be of such a nature as not to cause pollution of the soils and the waters of the project.

11. The United State reserves the right to use the land jointly with the mineral lessee in connection with the construction, operation, and maintenance of the Government project and to place improvements thereon or to remove materials therefrom, including sand and gravel and other construction material, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work.

12. All areas within 3,000 feet of any major structure, including but not limited to the dam, spillway, or embankment, are restricted areas. The lessee, his operators, agents, or employees shall not utilize the surface of restricted areas for any purpose. Drilling operations in, on, or under the restricted areas, including drilling outside of the restricted areas which would cause a bore hole to be under the restricted area, will not be permitted.

13. All existing or proposed public use areas, recreation areas, wildlife and waterfowl refuges, historical sites, and hiking and horseback trail areas may be leased for the sole purpose of becoming a part of a drilling unit. The lessee, his operators, agents or employees will not use or enter upon the surface of these areas for any purpose. Directional drilling from non-public areas is permitted if not otherwise restricted.

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

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

EXHIBITS

EXHIBIT A

**METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACREAGE TO
LOTS 1,2,3,4,5 AND 6, SECTION 35, T20N-R15W,
NOT COVERED BY EXISTING BLM LEASE OKNM 139884,
LOCATED ALONG THE NORTH CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings are Geodetic and Distances are ground)**

Beginning at the 1874 meander corner on the 1874 left bank between Section 35, T20N-R15W and Section 2, T19N-R15W, said point being South 89°47'45" West a distance of 213.17 feet from an Iron Rod for the Southeast corner of Section 35, T20N-R15W, Dewey County, Oklahoma.

Thence along the South line of said Section 35, South 89°47'45" West a distance of 193.38 feet to the 1874 meander corner on the 1874 right bank between Section 35, T20N-R15W and Section 2, T19N-R15W;

Thence along the 1874 right bank the following courses and distances:

**North 28°56'49" West a distance of 528.21 to a feet;
North 66°52'55" West a distance of 594.40 to a feet;
South 79°53'36" West a distance of 591.50 to a feet;
South 89°57'40" West a distance of 1049.64 to a feet;
South 65°48'16" West a distance of 660.50 to a feet;
South 16°59'59" West a distance of 346.39 to a feet to the 1874 meander corner on the 1874 right bank between said Section 35 and Section 2;**

Thence along the South line of said Section 35, South 89°48'44" West a distance of 288.82 feet to the 1874 meander corner on the 1874 left bank between said Section 35 and Section 2;

Thence along the 1874 left bank the following courses and distances:

**North 28°35'31" East a distance of 528.57 to a feet;
North 68°08'32" East a distance of 782.71 to a feet;
South 86°42'29" East a distance of 655.83 to a feet;
North 82°13'53" East a distance of 722.07 to a feet;
North 87°15'37" East a distance of 412.13 to a feet;
South 74°39'16" East a distance of 325.71 to a feet;
South 42°35'26" East a distance of 459.26 to a feet;
South 30°26'15" East a distance of 461.99 to a feet to the POINT OF BEGINNING, containing 14.92 acres of land more or less.**

MAJOR COUNTY, OKLAHOMA

T20N - R15W
(INDIAN MERIDIAN)
DEWEY COUNTY, OKLAHOMA

**METES AND BOUNDS DESCRIPTION
OF THE ACCRETION AND RIPARIAN ACCRETE TO
LOTS 1, 2, 3, 4, 5 AND 6, SECTION 35, T20N-R15W,
NOT COVERED BY EXISTING BLM LEASE OKNM-139884,
LOCATED ALONG THE NORTH CANADIAN RIVER,
DEWEY COUNTY, OKLAHOMA
(Bearings are Geodetic and Distances are ground)**



Beginning at the 1874 meander corner on the 1874 left bank between Section 35, T20N-R15W and Section 2, T19N-R15W, said point being South 89°47'45" West a distance of 213.17 feet from an Iron Rod for the Southeast corner of Section 35, T20N-R15W, Dewey County, Oklahoma.
Thence along the South line of said Section 35, South 89°47'45" West a distance of 193.38 feet to the 1874 meander corner on the 1874 right bank between Section 35, T20N-R15W and Section 2, T19N-R15W;
Thence along the 1874 right bank the following courses and distances:
North 28°56'49" West a distance of 528.21 to a feet;
North 66°52'55" West a distance of 594.40 to a feet;
South 79°53'36" West a distance of 591.50 to a feet;
South 89°57'40" West a distance of 1049.64 to a feet;
South 65°48'16" West a distance of 660.50 to a feet;
South 16°59'59" West a distance of 346.39 to a feet to the 1874 meander corner on the 1874 right bank between said Section 35 and Section 2;
Thence along the South line of said Section 35, South 89°48'44" West a distance of 288.82 feet to the 1874 meander corner on the 1874 left bank between said Section 35 and Section 2;
Thence along the 1874 left bank the following courses and distances:
North 28°35'31" East a distance of 528.57 to a feet;
North 68°08'32" East a distance of 782.71 to a feet;
South 86°42'29" East a distance of 655.83 to a feet;
North 82°13'53" East a distance of 722.07 to a feet;
North 87°15'37" East a distance of 412.13 to a feet;
South 74°39'16" East a distance of 325.71 to a feet;
South 42°35'26" East a distance of 459.26 to a feet;
South 30°26'15" East a distance of 461.99 to a feet to the POINT OF BEGINNING, containing 14.92 acres of land more or less.

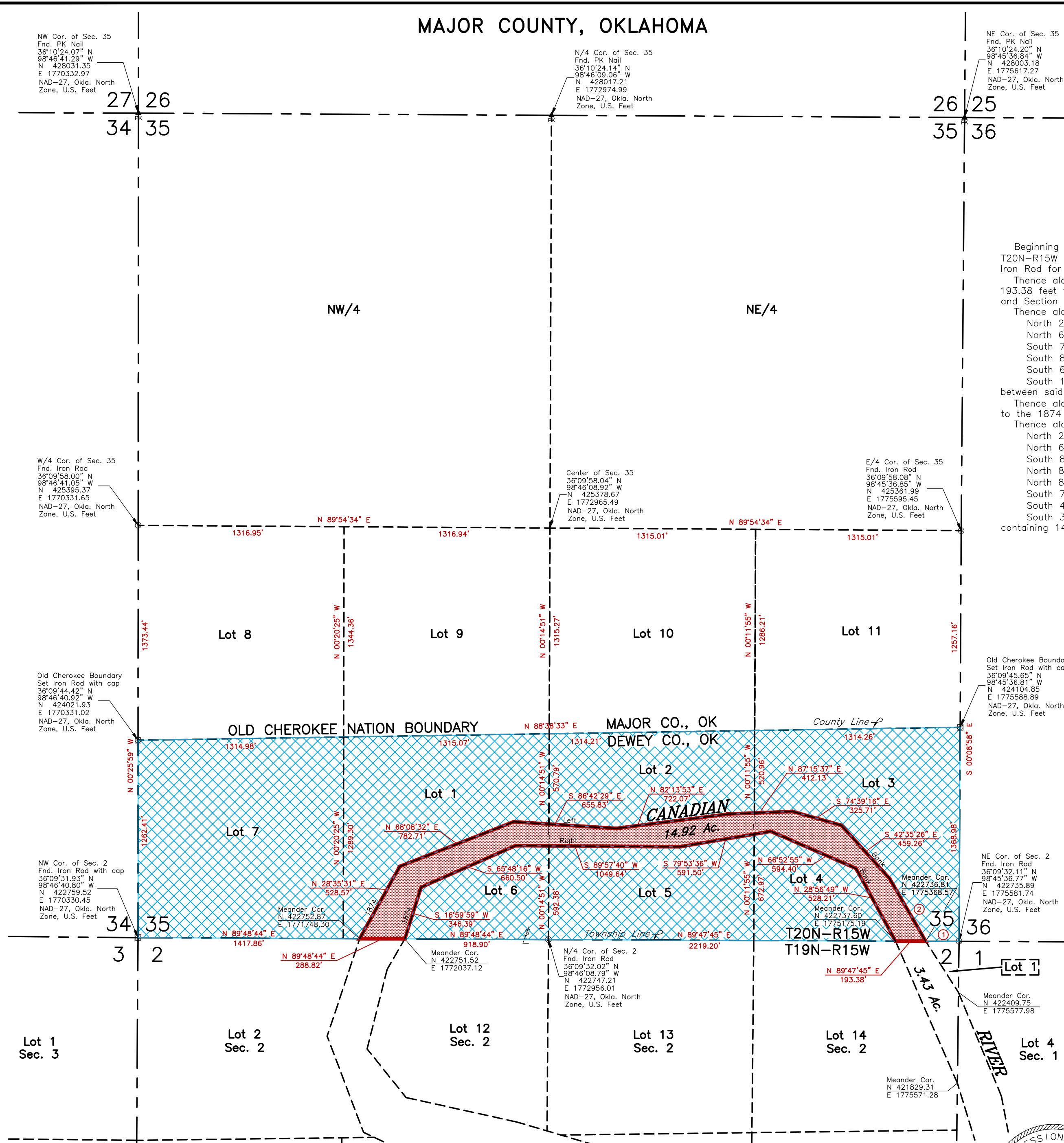
- NOTE -

The above metes and bounds was configured using a survey made on the ground to locate the Section corners. The lots were established using the General Land Office Plat and instructions given in the Bureau of Land Management Survey Manual. The ancient banks were closed using the Compass (Bowditch) rule of closure.

No.	Bearing	Distance
1	N 89°47'45" E	213.17'
2	S 30°26'15" E	461.99'

- LEGEND -

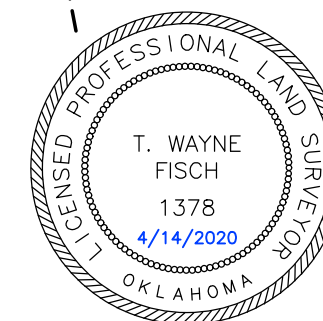
-  = Existing BLM Lease OKNM-139884
-  = Unleased BLM Acreage



SOURCE DATA :
Topographic Land Surveyors of Oklahoma accretion and riparian survey Drawing Number Acc-Rip-Sec-35-20N15W-2-28-2020, dated February 28, 2020, revised April 13, 2020.

SURVEYOR'S CERTIFICATE :
I, T. Wayne Fisch, Oklahoma Licensed Professional Land Surveyor No. 1378, do hereby certify that this plat was prepared from data established by our April, 2020 survey for the purpose of platting that portion of accretion and riparian acreage being considered for government lease and that this plat of survey meets the Oklahoma Minimum Standards for the practice of land surveying as adopted by the Oklahoma State Board of Licensure for Professional Engineers and Land Surveyors.

T. Wayne Fisch
T. Wayne Fisch, P.L.S. No. 1378



NO.	REVISION	DATE	BY	APPR.
1	Revised acreage in S/2-S/2 of section	4/13/2020	TWF	TWF

This plat was prepared exclusively for
COMANCHE EXPLORATION COMPANY, LLC
and may not be relied upon by any other entity without the written consent of Topographic Land Surveyors of Oklahoma.

PLAT SHOWING
**UNLEASED BLM ACREAGE IN
UNIT 35, T20N-R15W,
DEWEY COUNTY, OKLAHOMA**

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
13800 Wireless Way, Okla. City, OK. 73134 (405) 843-4847
Certificate of Authorization No. 1292 LS

SCALE: 1" = 500' SURV. BY: TWF FILE NAME: Sec.-35-20N15W
DATE: 3/20/2020 DRAWN BY: TWF DWG NO.: Acc-Rip-Sec-35-20N15W-3-20-2020
PROJECT NO.: 133626 APPR. BY: TWF SHEET 1 OF 1