

Appendix B

Stipulation Definitions by Field Office

Billings 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.

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.

CONTROLLED SURFACE USE STIPULATION

BIG GAME WINTER RANGE

Stipulation: Prior to surface occupancy and use a plan shall be prepared by the proponent as a component of the APD, Sundry Notice, etc. and approved by the AO with confirmation from the state wildlife management agency. The operator shall not initiate surface-disturbing activities unless the AO has approved the plan. The plan must demonstrate to the AO's satisfaction the function and stability of the habitat will not be impaired.

Surface occupancy and use activities will be restricted to one oil and gas surface disturbance per 640 acres of land. Cumulative disturbance from all activities cannot exceed more than 5 percent of the winter range habitat in 640 acres. To maintain functional habitat and the associated populations, disturbed areas would have to be fully reclaimed to pre-disturbance conditions or to a desired plant community before additional disturbance could be approved. The plan will address how short-term and long-term direct and indirect effects to winter range will be mitigated based on current science and research (Appendix H). The plan will also include a monitoring protocol.

On the lands described below:

Objective: To protect winter range utilized during mild to severe winters by big game identified by BLM priority species for management; including white-tailed deer, mule deer, elk, moose, pronghorn antelope, and bighorn sheep.

Exception: The AO, after coordination with the state wildlife management agency, may grant an exception if the action will not impair the function or suitability of the winter range habitat.

Modification: The AO, after coordination with the state wildlife management agency, may modify the boundaries of the stipulated area if portions of the leasehold are no longer big game winter range habitat.

Waiver: None

CONTROLLED SURFACE USE STIPULATION

SPECIAL STATUS PLANTS

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

A field inspection will be conducted for special status plant species by the lessee prior to any surface disturbance. A list of special status plant species and any known populations or suitable habitat will be provided after the issuance of the lease. Plant species on the list are subject to change over time as new information becomes available. Plant inventories must be conducted at the time of the year when the target species are actively growing and flowering. An acceptable report must be provided to the BLM documenting the presence or absence of special status plants in the area proposed for surface disturbing activities. The findings of this report may result in restrictions to the operator's plans or may preclude use and occupancy.

On the lands described below:

Objective: To protect and conserve rare plants associated plant communities and the habitats that support them.

Exception: None

Modification: None

Waiver: None

CONTROLLED SURFACE USE STIPULATION

INVASIVE SPECIES AND NOXIOUS WEEDS

Stipulation: Surface occupancy and use is subject to the following operating constraints:

The following noxious weed(s) has been identified within the boundaries of the lease parcel:

If operator(s) chooses to disrupt/build roads/build facilities on the parcel, then the operator(s) will be responsible for providing an Integrated Weed Management (IPM) plan and the operator will be also responsible for the cost of treatment and monitoring throughout the duration of the project.

1. Site Inventories:
 - a. Must be conducted to determine the presence of noxious weeds for all disturbance or use areas.
 - b. Are required in known habitat for all areas proposed for surface disturbance before initiating project activities, at a time when the plant can be detected, and during appropriate flowering periods.
 - c. Should include documentation on individual plant locations.
 - d. Individual(s) qualified in the identification of invasive species must conduct surveys.
2. Lease activities will require monitoring throughout the duration of the project to prevent the spread and introduction and ensure desired results of past treatment(s).
3. Project activities must be designed to minimize soil disturbance to the extent practical, consistent with project objectives.
 - a. Avoid creating soil conditions that promote weed germination and establishment.
 - b. Avoid or minimize all types of travel through weed-infested areas or restrict travel to periods when the spread of seeds or propagules is least likely.
 - c. Prevent the introduction and spread of weeds caused by moving weed-infested sand, gravel, borrow, and fill material.
 - d. Inspect material sources before moving infested material to site. On the lands described below:
 - e. Any and all equipment undercarriage must be power washed prior to entry to the aforementioned parcel and prior to leaving public highways/roads. When temperatures fall below freezing (32°F), high pressure air may be substituted for power washing.
 - f. All disturbed areas will be revegetated to native species composed of indigenous species appropriate to the area.

CONTROLLED SURFACE USE STIPULATION

INVASIVE SPECIES AND NOXIOUS WEEDS (cont.)

Objective: To prevent the spread and introduction of noxious weeds and ensure desired results of past treatment(s).

Exception: The stipulation may be waived by the authorized officer if the noxious weed site inventory determines that the lease is found not to have noxious weed species present. If inventory shows no noxious weeds present, the operator must continue to monitor for noxious weeds throughout the duration of the project.

Modification: The exception to this stipulation may be granted if BLM determines and if current weed site inventory indicates that the portion of the lease identified for surface disturbing activities does not contain noxious weed(s). If inventory shows no noxious weeds present, the operator must continue to monitor for noxious weeds throughout the duration of the project.

Waiver: The boundaries of the stipulated area to be inventoried for noxious weeds may be modified if BLM determines that a large portion of the lease identified for surface disturbing activities does not contain noxious weed species. Such as during pre-drill/onsite inspection for noxious weed species determines that the area proposed for access and/or the construction of a drill pad has not noxious weeds present. If inventory shows no noxious weeds present, the operator must continue to monitor for noxious weeds throughout the duration of the project.

CONTROLLED SURFACE USE STIPULATION

VISUAL RESOURCE MANAGEMENT (VRM) CLASS II, III, AND IV AREAS

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

All surface disturbing activities and construction of semi-permanent and permanent facilities in VRM Class II, III, and IV areas may require special design including location, painting, and camouflage to blend with the natural surroundings and meet the visual quality objectives for each respective class.

On the lands described below:

Objective: To control the visual impacts of activities and facilities within acceptable levels.

Exception: None

Modification: None

Waiver: None

CONTROLLED SURFACE USE STIPULATION

TRAVEL MANAGEMENT

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

Oil and gas activities will comply with all motorized vehicle use and travel plan restrictions, including seasonal restrictions and areas closed to motorized travel.

On the lands described below:

Objective: To prevent degradation of various resource values protected by travel plan limitations and motorized vehicle use restrictions.

Exception: None

Modification: None

Waiver: None

CONTROLLED SURFACE USE STIPULATION

SOILS - SENSITIVE SOILS

Stipulation: Surface occupancy and use will be controlled on sensitive soils. Sensitive soils are defined as those with severe wind and water erosion ratings. Prior to surface disturbance on sensitive soils, a reclamation plan must be approved by the AO. The plan must demonstrate the following:

1. No other practicable alternatives exist for relocating the activity;
2. The activity will be located to reduce impacts to soil and water resources;
3. Site productivity will be maintained or restored;
4. Surface runoff and sedimentation will be adequately controlled;
5. On- and off-site areas will be protected from accelerated erosion by wind or water;
and
6. 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, this 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 or downslope resource conditions.

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.

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

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

SPECIAL STATUS SPECIES

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 requirements of the ESA as amended, 16 U.S.C. § et seq., including completion of any required procedure for conference or consultation.

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.

LEASE NOTICE

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

LAND USE AUTHORIZATIONS

Land Use Authorizations incorporate specific surface land uses allowed on Bureau of Land Management (BLM) administered lands by authorized officers and those surface uses acquired by BLM on lands administered by other entities. These BLM authorizations include rights-of-way, leases, permits, conservation easements, and Recreation and Public Purpose leases and patents.

The rights acquired, reserved, or withdrawn by BLM for specified purposes include non-oil and gas leases, conservation easements, archeological easements, road easements, fence easements, and administrative site withdrawals. The existence of such land use authorizations shall not preclude the leasing of the oil and gas. The locations of land use authorizations are noted on the oil and gas plats and in LR2000. The plats are a visual source noting location; LR2000 provides location by legal description through the Geographic Cross Reference program.

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

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

LEASE NOTICE

PALEONTOLOGICAL RESOURCES 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 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

SETBACK FROM HUMAN OCCUPIED DWELLINGS REQUIREMENT

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

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

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

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

LEASE NOTICE

GREATER SAGE-GROUSE HABITAT CONSERVATION

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

Site-specific GRSG habitat conservation, mitigation, or compensation requirements would be identified during the environmental review process and would be developed into the project proposal or as terms and conditions of the subsequent approval.

LEASE NOTICE

CULTURAL RESOURCES AND TRIBAL CONSULTATION

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 surface-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.

Objective: To protect significant historic properties and resources.

Exception: None.

Modification: None.

Waiver: None.

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.

NO SURFACE OCCUPANCY STIPULATION

EAGLE NEST SITES

Stipulation: Surface occupancy and use is prohibited for oil and gas exploration and development within 1/2 mile of active and alternate eagle nests (for territories occupied within the last five years) unless the activity complies with USFWS National Bald Eagle Management Guidelines (2007).

On the lands described below:

Objective: To protect bald and golden eagle nesting sites and/or breeding habitat in accordance with the Montana Bald Eagle Management Plan and the Bald and Golden Eagle Protection Act.

Exception: An exception may be granted by the AO if the operator submits a plan which demonstrates that the proposed action will not affect eagles or their habitat. This plan must be approved by BLM in consultation with the USFWS. Refer to “Requirements and/or Guidelines for Wildlife Controlled Surface Use (CSU) and Exceptions to No Surface Occupancy (NSO) and Timing Limitation Stipulations”, Appendix H.

Modification: The boundaries of the stipulated area may be modified if the AO, in consultation with USFWS, determines that a portion of the leasehold no longer contains eagle nests or nesting territories. Distance would be reduced if natural barriers (e.g., vegetation or terrain) reduce line-of-sight distance or nest visibility.

Waiver: This stipulation may be waived if the AO, in consultation with USFWS, determines that the entire leasehold no longer contains eagle nests or nesting territories.

NO SURFACE OCCUPANCY STIPULATION

NATIONAL HISTORIC TRAILS

Stipulation: Surface occupancy and use is prohibited for oil and gas exploration and development within one-half (1/2) mile of designated National Historic Trails.

- Designated National Historic Trails include the Lewis and Clark Trail and the Nez Perce (Nee-Ne-Poo) Trail.

On the lands described below:

Objective: Preserve and protect designated National Historic Trails and the natural setting in which they occur.

Exception: None

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION
NATIONAL REGISTER ELIGIBLE SITES

Stipulation: Surface occupancy and use is prohibited for oil and gas exploration and development within, and for a distance of 300 feet from the boundaries of cultural properties and archaeological/historic districts determined to be eligible or potentially eligible to the national register of historic places. This includes cultural properties designated for conservation use, scientific use, traditional use, and public use. Defined archaeological sites, districts, and areas include: Steamboat Butte, Bruder-Janich Site, Paul Duke Site, Demi-John Flat NR District, Bighorn Mouth North Cliffs rock art site, Gyp Springs Site, Hoskins Basin Archaeological District.

On the lands described below:

Objective: To protect those cultural properties identified for Conservation Use, Public Use, Traditional Use, or Scientific Use. (see definitions in WO IM 2002-101).

Exception: None

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION

PRAIRIE DOG HABITAT

Stipulation: Surface occupancy and use is prohibited for oil and gas exploration and development within 1/4 mile of black-tailed or white-tailed prairie dog habitat. Prairie dog habitat is defined as the maximum extent of areas occupied by prairie dogs at any time during the last 10 years.

On the lands described below:

Objective: To protect prairie dog habitat, a BLM priority species for management as well as, burrowing owls, mountain plover, and other 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 within 1/4 mile of prairie dog habitat active within the past 10 years.

Waiver: The AO may waive this stipulation if the entire leasehold is no longer within 1/4 mile of prairie dog colonies active within the past 10 years.

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.

NO SURFACE OCCUPANCY STIPULATION

TRADITIONAL CULTURAL PROPERTIES AND TRADITIONAL USE AREAS

Stipulation: Surface occupancy and use is prohibited for oil and gas exploration and development within one-half (1/2) mile of the boundaries of cultural properties determined to be of particular importance to Native American groups, determined to be traditional cultural properties, and /or designated for traditional use. Such properties include (but are not limited to) burial locations, plant gathering locations, and areas considered sacred or used for religious purposes.

On the lands described below:

Objective: To avoid disturbance and to protect archaeological properties of known significance to Native American groups, as well as traditional cultural properties, and the setting in which they occur.

Exception: None

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION

GREATER SAGE-GROUSE PRIORITY HABITAT MANAGEMENT AREAS (PHMAs)

Stipulation: To protect Greater Sage-grouse, a priority species for management, surface occupancy and use is prohibited for oil and gas exploration and development within Greater Sage-grouse Priority Habitat Management Areas (PHMAs).

On the lands described below:

ALL LANDS

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

Exception: The AO may grant an exception only where the proposed action:

- (i) Will 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 will 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 (50%) 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 or amendment].

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 AO only with the concurrence of the State Director. The AO may not grant an exception unless the applicable state wildlife agency, the USFWS, and the BLM unanimously find that the proposed action satisfies (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 publically available at least quarterly.

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION

GREATER SAGE-GROUSE GENERAL HABITAT MANAGEMENT AREAS

Stipulation: To protect general habitat areas for Greater Sage-grouse breeding activities, surface occupancy and use is prohibited for oil and gas exploration and development within 0.6 mile of the perimeter of Greater 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 and Modification: A modification or exception may only be considered where the proposed action is determined to be non-habitat, the area is not used by GRSG, and the proposed action would not have direct, indirect, or cumulative effects to GRSG or its habitat. The determination would be made by the BLM in consultation with a team of agency GRSG experts, including an expert from the state wildlife agency, USFWS, and BLM/USFS. The State Director must have received a determination before approving any modification or exception. All modifications or exceptions must be approved by the State Director.

Waiver: The AO may waive this stipulation if:

- The entire leasehold is no longer within 0.6 mile of the perimeter of a lek;
- It is determined sage-grouse are no longer a BLM special status species or federally threatened or endangered;
- No reasonable alternative development scenario exists; or
- The habitat has been altered to the point sage-grouse no longer use the site and there is little likelihood of habitat capable of supporting sage-grouse being restored.

NO SURFACE OCCUPANCY STIPULATION

SHARP-TAILED GROUSE AND GREATER PRAIRIE CHICKEN LEKS

Stipulation: Surface occupancy and use is prohibited for oil and gas exploration and development within 1/2 mile of sharp-tailed grouse and greater prairie chicken leks.

On the lands described below:

ALL LANDS

Objective: To protect leks for sharp-tailed grouse and greater prairie chicken, a BLM priority species for management.

Exception: The AO, after coordination with the state wildlife management agency, may grant an exception if the action will not result in lek abandonment.

Modification: The AO may modify the boundaries of the stipulated area after coordination with the state wildlife management agency if portions of the leasehold are no longer within 1/2 mile of the perimeter of active leks active within the past 5 years or if the habitat has been altered to an extent that future use by sharp-tailed grouse or greater prairie chicken is unlikely.

Waiver: The AO may waive this stipulation after coordination with the state wildlife management agency if the entire leasehold is no longer within 1/2 mile of the perimeter of active sharp-tailed grouse or greater prairie chicken leks active within the past 5 years or if the habitat has been altered to an extent that future use by sharp-tailed grouse or greater prairie chicken is unlikely.

NO SURFACE OCCUPANCY STIPULATION
SPECIAL RECREATION MANAGEMENT AREAS

Stipulation: Surface occupancy and use is prohibited for oil and gas exploration and development on the following Special Recreation Management Areas:

- Sundance Lodge Recreation Area
- Four Dances Natural Area ACEC
- Shepherd Ah-Nei Recreation Area
- Acton Recreation Area
- Yellowstone River Corridor: 1/2 mile corridor

On the lands described below:

Objective: To prevent user conflicts and incompatible uses in areas with high recreational values and significant amounts of recreational activity and to protect surface values in developed recreation areas and areas receiving high/concentrated use.

Exception: None

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION
CRUCIAL WINTER RANGE

Stipulation: Surface occupancy and use is prohibited for oil and gas exploration and development in crucial winter range for antelope, elk, moose, bighorn sheep, mule deer, white-tailed deer, and Greater Sage-grouse.

On the lands described below:

ALL LANDS

Objective: To protect winter ranges crucial to the survival of 80% of the species identified as BLM priority species for management in the most severe of winters.

Exception: The AO, after coordination with the state wildlife management agency, may grant an exception if the action will not result in impairing the function or suitability of the winter range habitat.

Modification: The AO, after coordination with the state wildlife management agency, may modify the boundaries of the stipulated area if portions of the leasehold no longer support wintering wildlife.

Waiver: The AO, after coordination with the state wildlife management agency, may waive this stipulation if the entire leasehold has been altered to an extent that future use by wintering wildlife is unlikely.

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.

TIMING LIMITATION STIPULATION

SAGE-GROUSE NEST AREAS (RESTORATION AREAS AND GENERAL HABITAT MANAGEMENT AREAS)

Stipulation: Surface use is prohibited from March 1 through June 30 within 3 miles of sage grouse leks.

This stipulation does not apply to operation and maintenance of production facilities.

On the lands described below:

Objective: The protection of sage-grouse leks, breeding and nesting habitat, necessary for the long term maintenance of sage-grouse populations.

Exception: An exception to this stipulation may be granted by the AO, in consultation with Montana FWP, if the operator submits a plan which demonstrates that the proposed action will not affect sage grouse or their habitat. Refer to “Requirements and/or Guidelines for Wildlife Controlled Surface Use (CSU) and Exceptions to No Surface Occupancy (NSO) and Timing Limitation Stipulations”, Appendix H or portions of the area no longer have sage grouse or their habitat, or the lek is confirmed inactive (10 years with no males or sign of lek activity). Activities would be allowed, if they are consistent with the goals and objectives for the Restoration Area (RA) or General habitat.

Modification: The boundaries of the stipulated area may be modified if the AO determines that portions of the area can be occupied without adversely affecting sage grouse leks or portions of the area no longer have sage grouse or their habitat. The timing restriction dates may be modified if new information indicates that the dates are not valid for the leasehold.

Waiver: This stipulation may be waived if the AO, in consultation with Montana FWP and the USFWS, determines that the entire leasehold can be occupied without adversely affecting sage grouse leks or the surrounding breeding habitat, the lek is confirmed inactive (10 years with no males or sign of lek activity), or sage grouse are no longer considered BLM special status species and not listed by USFWS.

TIMING LIMITATION STIPULATION

SHARP-TAILED GROUSE NESTING

Stipulation: Surface use is prohibited within 2 miles of the perimeter of sharp-tailed grouse and/or greater prairie chicken leks from April 1 through July 15.

On the lands described below:

ALL LANDS

Objective: To protect nesting activities associated with sharp-tailed grouse and greater prairie chickens, identified as BLM priority species for management.

Exception: The AO , after coordination with the state wildlife management agency, may grant an exception if the action will not result in nest territory abandonment or decrease productivity by substantially interfering with normal breeding.

Modification: The AO may modify the boundaries of the stipulated area after coordination with the state wildlife management agency 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 after coordination with the state wildlife management agency if the entire leasehold is no longer within 2 miles of a lek active within the past 5 years.

Dillon 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

SLOPES OVER 30 PERCENT

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

Prior to surface disturbance on slopes over 30 percent, an engineering/reclamation plan must be approved by the authorized officer. Such plan must demonstrate how the following will be accomplished:

- Site productivity will be restored.
- Surface runoff will be adequately controlled.
- Off-site areas will be protected from accelerated erosion, such as rilling, gullyng, piping, and mass wasting.
- Surface-disturbing activities will not be conducted during extended wet periods.

On the lands described below:

For the purpose of:

To maintain soil productivity, provide necessary protection to prevent excessive soil erosion on steep slopes and to avoid areas subject to slope failure, mass wasting, piping, or having excessive reclamation problems.

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

Exception: An exception may be granted if the operator can demonstrate in a plan of operations that adverse effects can be minimized and activities safely conducted.

Modification: The area affected by this stipulation may be modified by the authorized officer if it is determined that portions of the area do not include slopes over 30 percent, or the operator can demonstrate in a plan of operations that adverse effects can be minimized.

Waiver: This stipulation can be waived by the authorized officer if it is determined that none of the leasehold includes slopes over 30 percent.

CONTROLLED SURFACE USE STIPULATION

SPECIAL RECREATION MANAGEMENT AREAS (SRMAs)

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

Operations within Special Recreation Management Areas (SRMA) must be conducted in a manner that minimizes encounters and conflicts with recreation users. Proposed activities may not alter or depreciate important recreational values located outside of developed areas, but within the SRMA boundary.

On the lands described below:

For the purpose of:

Prevent user conflicts and incompatible uses in areas with high recreational values and significant amounts of recreational activity.

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

Exception: An exception to this stipulation may be granted by the authorized officer if the operator submits a plan demonstrating the impacts to recreation values and recreation users are acceptable or can be adequately mitigated.

Modification: The area affected by this stipulation may be modified by the authorized officer if the boundaries of the SRMA are changed.

Waiver: NONE

CONTROLLED SURFACE USE STIPULATION

MOTORIZED VEHICLE USE

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

Oil and gas activities will comply with all motorized vehicle use and travel plan restrictions, including seasonal restrictions and areas closed to motorized travel.

On the lands described below:

For the purpose of:

Prevent degradation of various resource values protected by travel plan limitations and motorized vehicle use restrictions.

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

Exception: An exception to this stipulation may be granted by the authorized officer if the operator submits a plan demonstrating the impacts to values being protected through vehicle use restrictions can be adequately mitigated.

Modification: NONE

Waiver: NONE

CONTROLLED SURFACE USE STIPULATION
VISUAL RESOURCE MANAGEMENT (VRM)

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

All surface disturbing activities and construction of semi-permanent and permanent facilities in Visual Resource Management (VRM) Class II, III, and IV areas may require special design, including location, painting and camouflage, to blend with the natural surroundings and meet the visual quality objectives for each respective class.

On the lands described below:

For the purpose of:

Control the visual impacts of activities and facilities within acceptable levels.

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

Exception: NONE

Modification: NONE

Waiver: NONE

CONTROLLED SURFACE USE STIPULATION

WESTSLOPE CUTTHROAT TROUT

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

Activities within one-half mile of streams containing 90% up to 99% genetically pure westslope cutthroat trout may be relocated, require special design, or require on and off site mitigation measures to prevent impacts to sensitive trout populations.

On the lands described below:

For the purpose of:

Prevent sensitive aquatic habitat and trout populations from being impacted.

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

Exception: An exception may be granted after a site assessment is conducted and if the operator can demonstrate in a surface use plan of operations that adverse effects can be eliminated and activities would not affect sensitive trout populations. Apply the following mitigation measures:

- a) No net increase in sediment over existing condition.
- b) No adverse effects on water quality and quantity.

Modification: NONE

Waiver: A waiver may be granted if the Montana Fish, Wildlife and Parks determines the stream is no longer considered important to the viability of the species.

CONTROLLED SURFACE USE STIPULATION
VISUAL RESOURCE MANAGEMENT (VRM)

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

All surface disturbing activities and construction of semi-permanent and permanent facilities in Visual Resource Management (VRM) Class II, III, and IV areas may require special design, including location, painting and camouflage, to blend with the natural surroundings and meet the visual quality objectives for each respective class.

On the lands described below:

For the purpose of:

Control the visual impacts of activities and facilities within acceptable levels.

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

Exception: NONE

Modification: NONE

Waiver: NONE

CONTROLLED SURFACE USE STIPULATION

GREATER SAGE-GROUSE GENERAL HABITAT MANAGEMENT AREAS (GHMA)

Stipulation: In General Habitat Management Areas (GHMA), parcels would be offered for lease subject to Controlled Surface Use restrictions (including RDFs). Activities will be avoided within the following distances from a sage-grouse lek:

- linear features (roads) within 3.1 miles of leks.
- infrastructure related to energy development within 3.1 miles of leks.
- tall structures (e.g., communication or transmission towers, transmission lines) within 2 miles of leks.
- low structures (e.g., fences, rangeland structures) within 1.2 miles of leks.
- surface disturbance (continuing human activities that alter or remove the natural vegetation) within 3.1 miles of leks.
- noise and related disruptive activities including those that do not result in habitat loss (e.g., motorized recreational events) at least 0.25 miles from leks.

On the lands described below:

Objective: To protect Greater Sage-Grouse leks

Exception: The BLM may approve actions in GHMA that are within the applicable lek buffer distance identified above only if:

- It is not possible to relocate the project outside of the applicable lek buffer-distance(s) identified above;
- The BLM determines that a lek buffer-distance other than the applicable distance identified above offers the same or a greater level of protection to GRSG and its habitat, including conservation of seasonal habitat outside of the analyzed buffer area, based on best available science, landscape features, and other existing protections (e.g., land use allocations, state regulations); or
- The BLM determines that impacts to GRSG and its habitat are minimized such that the project will cause minor or no new disturbance (ex. co-location with existing authorizations); and
- Any residual impacts within the lek buffer-distances are addressed through compensatory mitigation measures sufficient to ensure a net conservation gain as outlined in the Mitigation Strategy (Appendix X).

Modification: None.

Waiver: None.

LEASE NOTICE

CULTURAL RESOURCES

An inventory of the lease lands may be required prior to surface disturbance to determine if 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 if 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 measure such as data recovery and extensive recordation. The lessee or operator shall immediately bring to the attention of the SMA any cultural 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.

Authorities: Compliance with Section 106 of the National Historic Preservation Act is required for all actions which may affect cultural properties eligible to the National Register of Historic Places. Section 6 of the Oil and Gas Lease Terms (Form 3100-11) requires that operations be conducted in a manner that minimizes adverse impacts to cultural and other resources.

PALEONTOLOGICAL RESOURCES

The lessee or operator shall immediately bring to the attention of the 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

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

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

GREATER SAGE-GROUSE HABITAT CONSERVATION

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

Site-specific GRSG habitat conservation, mitigation, or compensation requirements would be identified during the environmental review process and would be developed into the project proposal or as terms and conditions of the subsequent approval.

NO SURFACE OCCUPANCY STIPULATION

RIPARIAN, FLOOD PLAINS, RIVERS, STREAMS AND WATER BODIES

No surface occupancy or use is allowed within riparian areas, 100-year flood plains of major rivers, and on water bodies and streams.

On the lands described below:

For the purpose of:

To protect the unique biological and hydrological features associated with riparian areas, 100-year flood plains of major rivers, and water bodies and streams; and to maintain riparian/wetlands function and water quality.

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

Exception: An exception to this stipulation may be granted by the authorized officer if the operator submits a plan that demonstrates that impacts from the proposed action are minimal or can be adequately mitigated.

Modification: NONE

Waiver: NONE

NO SURFACE OCCUPANCY STIPULATION

CULTURAL PROPERTIES, ARCHAEOLOGICAL/HISTORIC DISTRICTS – NATIONAL REGISTER OF HISTORIC PLACES (NRHP)

No surface occupancy or use is allowed within and for a distance of 300 feet from the boundaries of cultural properties and archaeological/historic districts determined to be eligible or potentially eligible to the National Register of Historic Places. This includes cultural properties designated for conservation use, scientific use, traditional use, public use and experimental use.

Defined archaeological districts include: Everson Creek/Black Canyon Quarry Complex, Muddy Creek Archaeological District, Lower Beartrap Canyon Archaeological District and Beaverhead Rock.

On the lands described below:

For the purpose of:

Protect significant cultural properties and archaeological districts and their settings, and to avoid disturbance or inadvertent impacts to these resources.

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

Exception: An exception to this stipulation may be granted by the authorized officer if the lessee or operator submits a plan which demonstrates that the adverse impacts to cultural properties eligible for the National Register of Historic Places can be mitigated through data recovery and/or extensive recordation or other acceptable means. Where impacts to cultural resources cannot be mitigated to the satisfaction of the surface managing agency, surface occupancy in that area must be prohibited.

Modification: The boundaries of the stipulated area may be modified if the authorized officer determines that portions of the designated site or district can be occupied without adversely affecting the cultural resource values for which the site or area was designated eligible.

Waiver: NONE

NO SURFACE OCCUPANCY STIPULATION
SPECIAL STATUS PLANTS

No surface occupancy or use is allowed within one-quarter mile of special status plants or populations.

On the lands described below:

For the purpose of:

To protect and conserve rare plants, associated plant communities and the habitat that supports them.

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

Exception: NONE

Modification: The boundaries of the no surface occupancy area may be modified if the BLM determines that land within one-quarter mile of the special status plant population does not provide potential habitat for these species.

Waiver: NONE

NO SURFACE OCCUPANCY STIPULATION
PATENTED, LEASED, PERMITTED LANDS

No surface occupancy or use is allowed on recreation and public purposes leases and patents and on leases and permits authorized under regulations found at 43 CFR 2920.

On the lands described below:

For the purpose of:

Protect developed facilities and commercial, recreational, and public uses and prevent incompatible uses on existing authorized areas.

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

Exception: An exception to this stipulation may be granted by the authorized officer if the operator submits a plan demonstrating that impacts from the proposed action are acceptable or can be adequately mitigated in coordination with the holder of the land use authorization.

Modification: The area affected by this stipulation may be modified by the authorized officer if land use authorization boundaries are modified.

Waiver: This stipulation may be waived by the authorized officer if all land use authorizations within a leasehold have been terminated, cancelled, or relinquished.

NO SURFACE OCCUPANCY STIPULATION

GREATER SAGE-GROUSE PRIORITY HABITAT MANAGEMENT AREAS (PHMA)

Stipulation: Priority Habitat Management Areas (PHMA) outside of Sagebrush Focal Areas would be open to mineral leasing and development subject to NSO with a limited exception.

On the lands described below:

Objective: To protect Greater Sage-Grouse habitat in Priority Habitat Management Areas

Exception: The Authorized may grant an exception to a fluid mineral lease NSO stipulation only where the proposed action:

- i. 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 amendment. 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 actions satisfies (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 exceptions will not be granted. Approved exceptions will be made publically available at least quarterly.

Modification: None.

Waiver: None.

NSO 11-159
Dillon Field Office

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.

TIMING LIMITATION STIPULATION

BROOD-BEARING HABITAT

No surface use is allowed in nesting and early brood-rearing habitat (defined as within three miles of Leks) during the following time period:

March 1 through June 30

This stipulation does not apply to the operation and maintenance of production facilities.

On the lands described below:

For the purpose of:

To protect Sage Grouse Leks and breeding habitat necessary for long-term maintenance of regional sage grouse populations.

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

Exception: An exception to this stipulation may be granted by the authorized officer if the operator submits a plan that demonstrates that impacts from the proposed action are minimal or can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the authorized officer determines that portions of the area can be occupied without adversely affecting sage grouse leks.

Waiver: This stipulation may be waived if the authorized officer, in consultation with the Montana Fish, Wildlife and Parks, determines that the entire leasehold can be occupied without adversely affecting Sage Grouse Leks or the surrounding breeding habitat.

TIMING LIMITATION STIPULATION

BIG GAME WINTER/SPRING RANGE

No surface use is allowed within big game winter/spring range for wildlife during the following time period:

December 1 through May 15

This stipulation does not apply to the operation and maintenance of production facilities.

On the lands described below:

For the purpose of:

To protect Mule Deer, Elk, Antelope and Moose winter range from disturbance during the winter/spring season, and to facilitate long-term maintenance of wildlife populations.

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

Exception: An exception to this stipulation may be granted by the authorized officer, in consultation with the Montana Fish, Wildlife and Parks (FWP), if the operator submits a plan that demonstrates the impacts from the proposed action are minimal or can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the authorized officer, in consultation with the FWP, determines that portions of the area no longer contain wildlife winter/spring range. The dates for the timing restriction may be modified if new wildlife use information indicates that the December 1 through May 15 dates are not valid for the leasehold.

Waiver: This stipulation may be waived if the authorized officer, in consultation with the FWP, determines that the entire leasehold no longer contains winter/spring range for wildlife.

TIMING LIMITATION STIPULATION

ELK CALVING GAME BIRTHING AREAS

No surface use is allowed in Elk calving/big game birthing areas during the following time period:

April 1 through June 30

This stipulation does not apply to the operation and maintenance of production facilities.

On the lands described below:

For the purpose of:

To protect Mule Deer, Elk, Antelope and Moose birthing areas from disturbance and to facilitate long-term maintenance of wildlife populations.

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

Exception: An exception to this stipulation may be granted by the authorized officer if the operator submits a plan that demonstrates the impacts from the proposed action are acceptable or can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the authorized officer, in consultation with the Montana Fish, Wildlife and Parks (FWP), determines that portions of the area no longer contain birthing habitat for big game species. The dates for the timing restriction may be modified if new wildlife use information indicates that the dates are not valid for the leasehold.

Waiver: This stipulation may be waived if the authorized officer, in consultation with the FWP, determines that the entire leasehold no longer contains big game birthing areas.

TIMING LIMITATION STIPULATION

SAGE GROUSE WINTER AND SPRING RANGE

No surface use is allowed within winter and spring range for Sage Grouse during the following time period:

December 1 through May 15

This stipulation does not apply to the operation and maintenance of production facilities.

On the lands described below:

For the purpose of:

Protection of Sage Grouse winter range from disturbance during the winter/spring season, and to facilitate long-term maintenance of wildlife populations.

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

Exception: An exception to this stipulation may be granted by the authorized officer, in consultation with the Montana Fish, Wildlife and Parks (FWP) and the U.S. Fish and Wildlife Service (FWS), if the operator submits a plan that demonstrates that impacts from the proposed action are minimal or can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the authorized officer determines that portions of the area no longer contain Sage Grouse winter/spring range. The dates for the timing restriction may be modified if new information indicates that the December 1 through May 15 dates are not valid for the leasehold.

Waiver: This stipulation may be waived if the authorized officer determines that the entire leasehold no longer contains sage grouse winter/spring range or, if in coordination with the FWP and FWS, determines that the area is not critical for Sage Grouse.

Glasgow Field Office

and

Hayre 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.

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.

CONTROLLED SURFACE USE STIPULATION

CULTURAL RESOURCE SURVEY

Stipulation: An inventory of those portions of the leased lands subject to proposed disturbance may be required prior to any surface disturbance to determine if 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. Engage the services of a cultural resource consultant acceptable to the Surface Management Agency (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.
2. 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.

On the lands described below:

Objective: Compliance with Section 106 of the National Historic Preservation Act is required for all actions which may affect cultural properties eligible to the National Register of Historic Places. Section 6 of the Oil and Gas Lease Terms (Form 3100-11) requires that operations be conducted in a manner that minimizes adverse impacts to cultural and other resources.

Exception: None

Modification: None

Waiver: None

CONTROLLED SURFACE USE STIPULATION
PALEONTOLOGICAL RESOURCE INVENTORY

Stipulation: Prior to any surface-disturbing activity in areas known to have a high potential (Class 4 and 5) for containing significant paleontological resources, the lessee shall be required to conduct a paleontological inventory. The lessee must engage the services of a qualified paleontologist, acceptable to the surface management agency (SMA), to conduct the inventory. An acceptable inventory report is to be submitted to the SMA for review and approval at the time a surface-disturbing plan of operations is submitted.

On the lands described below:

Objective: To preserve and protect scientifically significant vertebrate fossils and paleontological locales.

Exception: The AO may grant an exception if the area has already been inventoried for paleontological resources.

Modification: None

Waiver: None

CONTROLLED SURFACE USE STIPULATION

SOILS – SENSITIVE SOILS

Stipulation: Surface occupancy and use will be controlled on sensitive soils. Sensitive soils are determined using a combination of slope and soil erodibility. Prior to surface disturbance on sensitive soils, a reclamation plan must be approved by the AO. The plan must demonstrate the following:

- (1) no other practicable alternatives exist for relocating the activity,
- (2) the activity will be located to reduce impacts to soil and water resources,
- (3) site productivity will be maintained or restored,
- (4) surface runoff and sedimentation will be adequately controlled,
- (5) on- and off-site areas will be protected from accelerated erosion,
- (6) that no areas susceptible to mass wasting would be disturbed, and
- (7) 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, this 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

VISUAL RESOURCES

Stipulation: In order to retain the existing character of the landscape (VRM Class II Objective), oil and gas development activities will be located, designed, constructed, operated, and reclaimed so that activities should not attract attention to the casual observer within 2 years from initiation of construction. This stipulation does not apply to the operation and maintenance activities.

On the lands described below:

Objective: To protect visual resource values while allowing energy development and related activities to occur that have been mitigated to retain the character of the existing area.

Exception: None

Modification: None

Waiver: None

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

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

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

PALEONTOLOGICAL RESOURCES 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

GREATER SAGE-GROUSE HABITAT CONSERVATION

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

Site-specific GRSG habitat conservation, mitigation, or compensation requirements would be identified during the environmental review process and would be developed into the project proposal or as terms and conditions of the subsequent approval.

LEASE NOTICE

CULTURAL RESOURCES AND TRIBAL CONSULTATION

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 surface-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.

Objective: To protect significant historic properties and resources.

Exception: None.

Modification: None.

Waiver: None.

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.

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.

NO SURFACE OCCUPANCY STIPULATION
NATIONAL REGISTER OF HISTORIC PLACES (NRHP) ELIGIBLE
PROPERTIES/DISTRICTS

Stipulation: Occupancy and use is prohibited within the boundaries of cultural properties and archaeological/ historic districts determined to be eligible or potentially eligible to the National Register of Historic Places.

On the lands described below:

Objective: To protect significant cultural properties and archaeological districts and their settings, and to avoid disturbance or inadvertent impacts to these resources.

Exception: None

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION
PALEONTOLOGICAL RESOURCES

Stipulation: Surface occupancy and use is prohibited within designated paleontological sites/locales.

On the lands described below:

Objective: To preserve and protect significant vertebrate fossils and paleontological locales.

Exception: The AO may grant an exception if the lessee or operator submits a plan which demonstrates that the adverse impacts to significant paleontological resources can be mitigated through recovery and extensive recordation. Where impacts to paleontological resources cannot be mitigated to the satisfaction of the surface management agency (SMA), surface occupancy on that area must be prohibited.

Modification: The boundaries of the stipulated area may be modified if the AO determines that portions of the designated paleontological site/locale can be occupied without adversely affecting the resource values.

Waiver: None

NO SURFACE OCCUPANCY STIPULATION

KEVIN RIM ACEC

Stipulation: Surface occupancy and use is prohibited within the Kevin Rim ACEC.

On the lands described below:

Objective: To provide the protection needed in order to preserve the qualities that prompted the BLM to designate this area as an ACEC.

Exception: None

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION

GREATER SAGE-GROUSE LEKS (GENERAL HABITAT AREAS)

Stipulation: Surface occupancy and use is prohibited within 0.6 miles of Greater Sage-Grouse leks. This stipulation does not apply within the boundaries of the Greater Sage-Grouse Priority Habitat Management Area.

On the lands described below:

Objective: To protect Greater Sage-Grouse leks to maintain Greater Sage-Grouse populations.

Exception: The AO, in consultation with Montana Fish, Wildlife and Parks (MFWP), may grant an exception if portions of the area can be occupied without adversely affecting Greater Sage-Grouse leks.

Modification: The boundaries of the stipulated area may be modified if the AO, in consultation with MFWP, determines that portions of the area can be occupied without adversely affecting Greater Sage-Grouse leks. The AO, in consultation with MFWP, may also modify the size and shape of the area based on studies documenting actual habitat suitability and/or local periods of actual use.

Waiver: The stipulation may be waived if the AO, in consultation with MFWP, determines that no portion of the leasehold is within 0.6 mile of the perimeter of an active lek.

NO SURFACE OCCUPANCY STIPULATION

GREATER SAGE-GROUSE PRIORITY HABITAT MANAGEMENT AREA (PHMA)

Stipulation: Surface occupancy and use is prohibited within Greater Sage-Grouse Priority Habitat Management Area and the Grassland Bird/Greater Sage-Grouse Priority Habitat Management Area.

On the lands described below:

Objective: To protect the integrity of the habitat to maintain or improve Greater Sage-Grouse populations.

Exception: The BLM AO may grant an exception to a fluid mineral lease no-surface occupancy stipulation only where the proposed action:

- i. Will not have direct, indirect, or cumulative effects on Greater Sage-Grouse or its habitat; or
- ii. Is proposed to be undertaken as an alternative to a similar action occurring on a nearby parcel and will provide a clear conservation gain to Greater Sage-Grouse.

Exceptions based on conservation gain (ii) may only be considered in (a) PHMA 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 RMPA. 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 BLM AO only with the concurrence of the State Director. The BLM AO may not grant an exception unless the applicable state wildlife agency, the USFWS, and the BLM unanimously find that the proposed action satisfies (i) or (ii). Such finding shall initially be made by a team of one field biologist or other Greater Sage-Grouse 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 publically available at least quarterly.

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION

RAPTORS

Stipulation: Surface occupancy and use is prohibited within 1/4 mile of raptor nest sites that were active within the past 7 years.

On the lands described below:

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

Exception: The authorized officer may grant an exception if the operator submits a plan that demonstrates the impacts to raptors from the proposed action can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the authorized officer determines that portions of the area can be occupied without adversely affecting the production potential of raptor nest sites. The authorized officer may also modify the size and shape of the area based on studies documenting actual habitat suitability and/or local periods of actual use.

Waiver: This stipulation may be waived if the authorized officer determines that the entire leasehold no longer contains habitat for raptor nest sites.

NO SURFACE OCCUPANCY STIPULATION
SHARP-TAILED GROUSE LEKS

Stipulation: Surface occupancy and use is prohibited within 1/4 mile of sharp-tailed grouse leks.

On the lands described below:

Objective: To protect sharp-tailed grouse leks and to maintain sharp-tailed grouse populations.

Exception: The AO may grant an exception if the operator submits a plan that demonstrates the impacts from the proposed action are acceptable or can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the AO determines that portions of the area can be occupied without adversely affecting sharp-tailed grouse leks. The AO may also modify the size and shape of the area based on studies documenting actual habitat suitability and/or local periods of actual use.

Waiver: The stipulation may be waived if the AO determines that the entire leasehold no longer contains sharp-tailed grouse leks.

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.

TIMING LIMITATION STIPULATION

BROOD-BEARING HABITAT

No surface use is allowed in nesting and early brood-rearing habitat (defined as within three miles of Leks) during the following time period:

March 1 through June 30

This stipulation does not apply to the operation and maintenance of production facilities.

On the lands described below:

For the purpose of:

To protect Sage Grouse Leks and breeding habitat necessary for long-term maintenance of regional sage grouse populations.

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

Exception: An exception to this stipulation may be granted by the authorized officer if the operator submits a plan that demonstrates that impacts from the proposed action are minimal or can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the authorized officer determines that portions of the area can be occupied without adversely affecting sage grouse leks.

Waiver: This stipulation may be waived if the authorized officer, in consultation with the Montana Fish, Wildlife and Parks, determines that the entire leasehold can be occupied without adversely affecting Sage Grouse Leks or the surrounding breeding habitat.

TIMING LIMITATION STIPULATION

RAPTORS

Stipulation: Surface occupancy and use is prohibited within 1/2 mile of active raptor nest sites from March 1 through July 31.

On the lands described below:

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

Exception: The AO may grant an exception if the operator submits a plan that demonstrates the impacts from the proposed action can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the AO determines that portions of the area can be occupied without adversely affecting the production potential of raptor nest sites. The AO may also modify the size and shape of the area based on studies documenting actual habitat suitability and/or local periods of actual use.

Waiver: This stipulation may be waived if the AO determines that the entire leasehold no longer contains a raptor nest or has a nest that has not been active in 7 years.

TIMING LIMITATION STIPULATION
SHARP-TAILED GROUSE NESTING HABITAT

Stipulation: Surface occupancy and use is prohibited within 1/2 mile of sharp-tailed grouse leks from March 15 through June 30.

On the lands described below:

Objective: To protect sharp-tailed grouse nesting habitat necessary for long-term maintenance of sharp-tailed grouse populations.

Exception: The AO may grant an exception if the operator submits a plan that demonstrates the impacts from the proposed action can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the AO determines that portions of the area can be occupied without adversely affecting the sharp-tailed grouse populations. The AO may also modify the size and shape of the area based on studies documenting actual habitat suitability and/or local periods of actual use.

Waiver: This stipulation may be waived if the AO determines that the entire leasehold no longer contains sharp-tailed grouse nesting habitat.

TIMING LIMITATION STIPULATION

SPRAGUE'S PIPIT

Stipulation: Surface occupancy and use is prohibited from April 15 through July 15 in Sprague's pipit habitat.

On the lands described below:

Objective: To protect Sprague's pipit habitat necessary for long-term maintenance of Sprague's pipit populations.

Exception: The AO may grant an exception if the operator submits a plan that demonstrates the impacts from the proposed action are acceptable or can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the AO determines that portions of the area no longer contain Sprague's pipit habitat. The dates for the timing restriction may be modified if new wildlife use information indicates that the dates are not valid for the leasehold. The AO may also modify the size and shape of the area based on studies documenting actual habitat suitability and/or local periods of actual use.

Waiver: This stipulation may be waived if the AO determines that the entire leasehold no longer contains Sprague's pipit habitat.

TIMING LIMITATION STIPULATION

WINTER RANGE – BIG GAME AND GREATER SAGE-GROUSE

Stipulation: Surface occupancy and use is prohibited from December 1 through May 15 in big game winter range.

On the lands described below:

Objective: To protect big game and Greater Sage-Grouse winter range from disturbance during the winter season and to facilitate long-term maintenance of wildlife populations.

Exception: The AO may grant an exception if the operator submits a plan that demonstrates the impacts from the proposed action are acceptable or can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the AO determines that portions of the area no longer contain viable winter range. The dates for the timing restriction may be modified if new wildlife use information indicates that the dates are not valid for the leasehold. The AO may also modify the size and shape of the area based on studies documenting actual habitat suitability and/or local periods of actual use.

Waiver: This stipulation may be waived if the AO determines that the entire leasehold no longer contains viable winter range.

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.

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.

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

BIGHORN SHEEP HABITAT

Stipulation: Surface occupancy and use is subject to the following operating constraints: prior to surface occupancy and use a plan shall be prepared by the proponent and approved by the AO with confirmation from MFWP. The plan must demonstrate to the AO's satisfaction, the function and suitability of the habitat will not be impaired.

On the lands described below:

Objective: To protect and maintain bighorn sheep and their habitats, a BLM priority species for management.

Exception: The AO, in coordination with MFWP, may grant an exception if the action will not impair the function or suitability of the bighorn sheep habitat.

Modification: The AO, in coordination with MFWP, may modify the boundaries of the stipulated area if portions are no longer bighorn sheep habitat.

Waiver: The AO, in coordination with MFWP, may waive this stipulation if the entire leasehold is no longer bighorn sheep habitat.

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.

CONTROLLED SURFACE USE STIPULATION
DESIGNATED SPORT-FISH RESERVOIRS

Stipulation: Surface occupancy and use would be allowed in and within 0.25 miles of sport-fish reservoirs with design features to minimize impacts.

On the lands described below:

Objective: To protect fisheries habitat and recreational values of sport-fish reservoirs.

Exception: An exception to this stipulation may be granted by the AO if the authorized activity will not compromise the fisheries habitat or recreational experience of those using the reservoir.

Modification: The boundaries of the stipulated area may be modified if the AO determines portions of the leasehold or area no longer contain sport-fish reservoirs.

Waiver: This stipulation may be waived if the AO determines the reservoir is not capable of supporting a sport fishery in the present or future.

CONTROLLED SURFACE USE STIPULATION

VRM CLASSES II

Stipulation: In order to retain the existing character of the landscape (VRM Class II Objective), oil and gas development activities will be located, designed, constructed, operated, and reclaimed within 2 years from initiation of construction so that activities should not attract attention of the casual observer. This stipulation does not apply to maintenance or workover activities.

On the lands described below:

Objective: To protect visual resource values while allowing energy development and related activities to occur which have been mitigated to retain the existing character of the landscape.

Exception: None

Modification: None

Waiver: None

CONTROLLED SURFACE USE STIPULATION

RECREATION

Stipulation: Surface occupancy and use is subject to the following operating constraints: operations within developed and undeveloped recreation areas receiving concentrated public use must be conducted in a manner that minimizes encounters and conflicts with recreation users. Proposed activities may not alter or depreciate important recreational values located within these developed and undeveloped areas.

On the lands described below:

Objective: To protect developed recreation areas and undeveloped recreation areas receiving concentrated public use such as the Strawberry Hill area.

Exception: An exception to this stipulation may be granted by the AO if the project proponent submits a plan demonstrating that the impacts to recreation values and recreation users are acceptable or can be adequately mitigated.

Modification: The area affected by this stipulation may be modified by the AO if the boundaries of the areas are changed.

Waiver: None

CONTROLLED SURFACE USE STIPULATION

SIGNIFICANT CULTURAL RESOURCES, NRHP – ELIGIBLE PROPERTIES AND DISTRICTS, AND TCPs, NHLs AND HISTORIC BATTLEFIELDS

Stipulation: Surface occupancy and use and surface disturbance is restricted within the Setting Consideration Zone where the integrity of the setting is a contributing element of NRHP significance of a property, for 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. Prior to surface disturbance, occupancy or use within the Setting Consideration Zone of the identified historic properties a mitigation plan (Plan) must be submitted to the BLM by the applicant as a component of the APD (BLM Form 3160-3) or Sundry Notice (BLM Form 3160-5) – Surface Use Plan of Operations. The operator may not initiate surface-disturbing activities unless the BLM AO has approved the Plan or approved it with conditions. (b) The Plan must demonstrate to the AO’s satisfaction that the infrastructure will either not be visible or will result in a weak contrast rating and would not have an adverse effect on the setting of the historic properties, ensuring the setting of historic properties.

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 the settings in which they occur; 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 AO 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 AO 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 AO 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.

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

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.

LEASE NOTICE
SPECIAL STATUS SPECIES

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 requirements of the ESA as amended, 16 U.S.C. § et seq., including completion of any required procedure for conference or consultation.

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.

LEASE NOTICE

CULTURAL RESOURCES SETTING CONSIDERATION ZONES

This lease is known to contain historic properties or resources protected under NHPA that contain a Setting Consideration Zone where the integrity of the setting is known to be an important contributing element of NRHP significance of the property, and applies to 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.

LEASE NOTICE

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

COAL RESOURCE ANALYSIS

The lessee/operator is given notice that prior to project-specific approval, additional coal resource analyses may be required in order to comply with the NEPA, 43 CFR 3400.1 and/or other applicable laws and regulations. The BLM may require modification to exploration or development proposals to protect existing federal coal leases on the same lands or in proximity to this lease or within a state or federal coal mine permit or disapprove any activity that is likely to result in adverse effects to the development of existing federal coal leases in the area that cannot be successfully avoided, minimized or mitigated.

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. Guidance for application of this requirement can be found in NTL-MSO-85-1. This notice would be consistent with present Montana guidance for cultural resource protection related to oil and gas operations (NTL-MSO-85-1).

LEASE NOTICE

LAND USE AUTHORIZATIONS

Land Use Authorizations incorporate specific surface land uses allowed on Bureau of Land Management (BLM) administered lands by authorized officers and those surface uses acquired by BLM on lands administered by other entities. These BLM authorizations include rights-of-way, leases, permits, conservation easements, and Recreation and Public Purpose leases and patents.

The rights acquired, reserved, or withdrawn by BLM for specified purposes include non-oil and gas leases, conservation easements, archeological easements, road easements, fence easements, and administrative site withdrawals. The existence of such land use authorizations shall not preclude the leasing of the oil and gas. The locations of land use authorizations are noted on the oil and gas plats and in LR2000. The plats are a visual source noting location; LR2000 provides location by legal description through the Geographic Cross Reference program.

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

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

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 RESOURCES 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

GREATER SAGE-GROUSE HABITAT CONSERVATION

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

Site-specific GRSG habitat conservation, mitigation, or compensation requirements would be identified during the environmental review process and would be developed into the project proposal or as terms and conditions of the subsequent approval.

NO SURFACE OCCUPANCY STIPULATION

COAL

Stipulation: Surface use or occupancy shall not be allowed in an authorized Federal coal lease existing prior to the time the oil and gas lease was issued, in conformance with 43 CFR 3400.1.

On the lands described below:

Objective: To protect existing coal leases with approved mining plans.

Exception: An exception may be granted by the AO if the operator submits a plan of operations (PO) that is compatible with existing or planned coal mining operations and approved by all affected parties.

Modification: The area affected by this stipulation can be modified by the AO if it is determined that portions of the area are not needed for existing or planned mining operations or where mining operations have been completed and the modification is approved by all affected parties.

Waiver: This stipulation can be waived by the AO if it is determined that all coal lease operations within the leasehold have been completed or the lease is terminated, canceled, or relinquished.

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.

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.

NO SURFACE OCCUPANCY STIPULATION
SOURCE WATER PROTECTION AREAS

Stipulation: Surface occupancy and use is prohibited within State-designated Source Water Protection Areas.

On the lands described below:

Objective: To protect human health by minimizing the potential contamination of public water systems. Source water is untreated water from streams, rivers, lakes, or aquifers used to supply public water systems. Ensuring that source water is protected from contamination can reduce the costs of treatment and risks to public health. This stipulation would protect the State-designated Source Water Protection Areas that protect public water systems from potential contamination.

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

Modification: The AO may modify the boundaries of the stipulated area if it is determined that portions of the leasehold do not include Source Water Protection Areas.

Waiver: The AO may waive this stipulation if it is determined that the entire leasehold does not include Source Water Protection Areas.

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.

NO SURFACE OCCUPANCY STIPULATION

BALD EAGLES

Stipulation: Surface occupancy and use is prohibited within 0.50 mile of bald eagle nest sites active within the preceding 5 years.

On the lands described below:

Objective: To protect nest sites and nesting activities of bald eagles, BLM priority species for management.

Exception: The AO may grant an exception, subject to coordination with the USFWS, 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 0.50 mile of bald eagle nest sites active within the past 5 years.

Waiver: The AO may waive this stipulation if the entire leasehold is no longer within 0.50 mile of bald eagle nest sites active within the past 5 years or if the habitat has been altered to an extent, future use by nesting bald eagles is unlikely.

NO SURFACE OCCUPANCY STIPULATION

PIPING PLOVER

Stipulation: Surface occupancy and use is prohibited in and within 0.25 mile of piping plover habitat.

On the lands described below:

Objective: To protect the nesting habitat of the federally threatened piping plover.

Exception: The AO, subject to consultation with the USFWS, grant an exception if the action will not result in nest territory abandonment or decrease productivity, by substantially interfering with normal breeding, feeding, or sheltering behavior.

Modification: The AO may modify the boundaries of the stipulated areas if portions of the leasehold are no longer within 0.25 mile of piping plover habitat.

Waiver: The AO may waive this stipulation if the entire leasehold is no longer within 0.25 mile of piping plover nesting habitat.

NO SURFACE OCCUPANCY STIPULATION

INTERIOR LEAST TERN

Stipulation: Surface occupancy and use is prohibited in and within 0.25 mile of interior least tern habitat.

On the lands described below:

Objective: To protect the nesting habitat of the federally endangered interior least tern habitat.

Exception: The AO, subject to consultation with the USFWS, grant an exception if the action will not result in nest territory abandonment or decrease productivity, by substantially interfering with normal breeding, feeding, or sheltering behavior.

Modification: The AO may modify the boundaries of the stipulated areas if portions of the leasehold are no longer within 0.25 mile of interior least tern habitat.

Waiver: The AO may waive this stipulation if the entire leasehold is no longer within 0.25 mile of interior least tern nesting habitat.

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 - PRIORITY AREAS, WEST DECKER RESTORATION AREA, SOUTH CARTER 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 publically available at least quarterly.

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
RECREATION

Stipulation: Surface occupancy and use is prohibited within developed recreation areas and undeveloped recreation areas receiving concentrated public use.

On the lands described below:

Objective: To protect developed recreation areas and undeveloped recreation areas receiving concentrated public use.

Exception: An exception to this stipulation may be granted by the AO if the project proponent submits a plan demonstrating that impacts from the proposed action are acceptable or can be adequately mitigated.

Modification: The boundaries of the stipulated area can be modified by the AO if the recreation area boundaries are changed.

Waiver: This stipulation can be waived if the AO determines that the entire leasehold or area no longer contains developed recreation areas or undeveloped recreation areas receiving concentrated public use.

NO SURFACE OCCUPANCY STIPULATION
NATIONAL HISTORIC TRAILS

Stipulation: Surface occupancy and use is prohibited within the National Trail Management Corridor of designated National Historic Trails. Designated National Historic Trails include the Lewis and Clark Trail and the Nez Perce Trail.

On the lands described below:

Objective: To protect the nature and purpose; trail resources, qualities, values, and associated settings; and primary use or uses of the historic trail, in accordance with National Trail System Act.

Exception: An exception to this stipulation may be granted by the AO if the lessee or project proponent completes a comprehensive trail inventory, as outlined in Manual 6280, and presents a proposal which demonstrates resource values are not affected or that adverse impacts can be adequately mitigated to prevent impact to:

- The nature and purposes of the National Trail.
- National Trail resources, qualities, values, and associated settings.
- National Trail primary use or uses.
- The National Trail from the cumulative or trail-wide perspective.

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION

SIGNIFICANT CULTURAL RESOURCES, NRHP – ELIGIBLE PROPERTIES AND DISTRICTS, AND TCPs

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

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

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

On the lands described below:

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

Continuation on Back

NO SURFACE OCCUPANCY STIPULATION

SIGNIFICANT CULTURAL RESOURCES, NRHP – ELIGIBLE PROPERTIES AND DISTRICTS, AND TCPs (continued)

Exception: An exception to this stipulation may be granted by the AO if the conditions described below are met.

- The lessee or project proponent submits a plan demonstrating that adverse impacts or effects to the cultural property can be avoided by project redesign or relocation within the buffer area; or the project is located so that it and any associated surface disturbance will not alter the characteristics of the cultural or historic property by diminishing the integrity of the property's location, design, setting, materials, workmanship, feeling, or association; or so that there will be no destruction, damage, or alteration to all or part of the cultural resource's visual, atmospheric, or audible elements that could diminish the integrity of the property's significant historic features (e.g., project placed behind a hill or screened from view or by some other method within the buffer area).
- The lessee or project proponent submits a plan demonstrating that the adverse impacts to cultural properties can be mitigated through data recovery and extensive recordation. Where impacts to cultural resources cannot be mitigated to the satisfaction of the BLM, surface occupancy in the area will be prohibited.

The lessee or operator submits a plan demonstrating that operations will be designed or located in such a manner as to have a minimal impact to the natural setting and characteristics of the immediate area and demonstrating that adverse impacts to TCPs can be mitigated in consultation with, and to the satisfaction of, affected American Indian Tribes or American Indian groups.

Modification: None

Waiver: None

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 publically available at least quarterly.

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.

TIMING LIMITATION STIPULATION

RAPTORS

Stipulation: Surface use is prohibited within 0.50 mile of active raptor nest sites from March 1 through July 31.

On the lands described below:

Objective: To protect nesting activities associated with raptors identified as BLM priority species for management.

Exception: The AO may grant an exception if the action will not result in nest territory abandonment or decrease productivity, by substantially interfering with normal breeding, feeding, or sheltering behavior.

Modification: The AO may modify the boundaries of the stipulated area if portions of the leasehold are no longer within 0.50 mile of an active raptor nest.

Waiver: The AO may waive this stipulation if the entire leasehold is no longer within 0.50 mile of an active raptor nest.

TIMING LIMITATION STIPULATION
COLONIAL NESTING WATERBIRDS

Stipulation: Surface use is prohibited within 0.50 mile of waterbird nesting colonies from April 1 through July 15.

On the lands described below:

Objective: To protect nesting activities associated with colonial-nesting birds identified as BLM priority species for management.

Exception: The AO may grant an exception if the action will not result in nest territory abandonment or decrease productivity, by substantially interfering with normal breeding, feeding, or sheltering behavior.

Modification: The AO may modify the boundaries of the stipulated area if portions of the leasehold are no longer within 0.50 mile of an active nesting colony.

Waiver: The AO may waive this stipulation if the entire leasehold is no longer within 0.50 mile of an active colonial nesting bird colony.

North Dakota 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
RIPARIAN AREAS OF WETLANDS, STREAMS, AND RIVERS

Surface occupancy or use will be subject to the following special operating constraint:

No disturbance of riparian areas of wetlands, intermittent, ephemeral, or perennial streams and rivers would be allowed except for essential road and utility crossings.

On the lands described below:

For the purpose of:
Protection of riparian habitat. (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.

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

CULTURAL RESOURCES

An inventory of the lease lands may be required prior to surface disturbance to determine if 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 if 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 measure such as data recovery and extensive recordation. The lessee or operator shall immediately bring to the attention of the SMA any cultural 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.

Authorities: Compliance with Section 106 of the National Historic Preservation Act is required for all actions which may affect cultural properties eligible to the National Register of Historic Places. Section 6 of the Oil and Gas Lease Terms (Form 3100-11) requires that operations be conducted in a manner that minimizes adverse impacts to cultural and other resources.

PALEONTOLOGICAL RESOURCES

The lessee or operator shall immediately bring to the attention of the 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.

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

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

GREATER SAGE-GROUSE HABITAT CONSERVATION

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

Site-specific GRSG habitat conservation, mitigation, or compensation requirements would be identified during the environmental review process and would be developed into the project proposal or as terms and conditions of the subsequent approval.

LEASE NOTICE

CULTURAL RESOURCES AND TRIBAL CONSULTATION

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 surface-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.

Objective: To protect significant historic properties and resources.

Exception: None.

Modification: None.

Waiver: None.

NO SURFACE OCCUPANCY STIPULATION

GREATER SAGE-GROUSE PRIORITY HABITAT MANAGEMENT AREA (PHMA)

Stipulation: Surface occupancy and use is prohibited within Greater Sage-Grouse PHMA.

On the lands described below:

Objective: To protect the integrity of the habitat to maintain or improve Greater Sage-Grouse populations.

Exception: The BLM AO may grant an exception to a fluid mineral lease no-surface occupancy stipulation only where the proposed action:

- i. Will not have direct, indirect, or cumulative effects on Greater Sage-Grouse or its habitat; or
- ii. Is proposed to be undertaken as an alternative to a similar action occurring on a nearby parcel and will provide a clear conservation gain to Greater Sage-Grouse.

Exceptions based on conservation gain (ii) may only be considered in (a) PHMA 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 RMPA. 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 BLM AO only with the concurrence of the State Director. The BLM AO may not grant an exception unless the applicable state wildlife agency, the USFWS, and the BLM unanimously find that the proposed action satisfies (i) or (ii). Such finding shall initially be made by a team of one field biologist or other Greater Sage-Grouse 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 publically available at least quarterly.

Modification: None

Waiver: None

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.

South Dakota 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

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

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

1. Contact the BLM to determine if a site specific vertebrate paleontological inventory is required. If it is required, the operator must engage the services of a qualified paleontologist, acceptable to the BLM, to conduct the inventory. An acceptable inventory report is to be submitted to the BLM for review and approval at the time a surface-disturbing plan of operation is submitted.
2. Implement mitigation measures required by the BLM to preserve, avoid or recover vertebrate paleontological resources. Mitigation may include relocation of proposed facilities or other protective measures. All cost associated with the inventory and mitigation will be borne by the lessee or operator.
3. The lessee or operator shall immediately bring to the attention of the BLM any vertebrate paleontological resources discovered as a result of surface operations under this lease and shall leave such discoveries intact until directed to proceed by the BLM.

On the lands described below:

For the purpose of:

To protect key paleontological resources from disturbance, or mitigate the effects of disturbance to conserve scientific and interpretive values, and the interests of the surface owner.

Exception: The authorizing officer may grant an exception to this stipulation if the operator submits a plan that demonstrates impacts from the proposed action are acceptable or can be adequately mitigated.

Modification: The boundaries of the stipulated area may be modified if the authorizing officer determines that portions of the area do not include significant fossils as described in Appendix J and FSM 2883.

Waiver: NONE

This stipulation is used on split estate lands (private surface/federal minerals) within the Buffalo Gap and Dakota Prairie Grasslands Units.

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.

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.

CONTROLLED SURFACE USE STIPULATION

BIG GAME WINTER RANGE

Stipulation: Prior to surface occupancy and use a plan shall be prepared by the proponent as a component of the APD, Sundry Notice, etc. and approved by the AO with confirmation from the state wildlife management agency. The operator shall not initiate surface-disturbing activities unless the AO has approved the plan. The plan must demonstrate to the AO's satisfaction the function and stability of the habitat will not be impaired.

On the lands described below:

Objective: Maintain big game habitat and avoid or minimize habitat loss and disturbance.

Exception: An exception to this stipulation can be granted by the AO if the operator submits a plan that demonstrates that impacts from the proposed action are acceptable or can be adequately mitigated.

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

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

CONTROLLED SURFACE USE STIPULATION

PRAIRIE DOGS HABITAT

Stipulation: Oil and gas leasing will be open and surface occupancy and use on prairie dog colonies will be allowed provided adequate mitigation and conservation actions are implemented to maintain the functionality of the prairie dog habitat.

On the lands described below:

Objective: Protection of prairie dog habitat.

Exception: An exception can be granted by the AO if the operator submits a plan that demonstrates that the proposed action will not affect the prairie dog or its habitat. If the AO determines that the action can affect the prairie dog or its habitat and has the potential to subsequently affect the black-footed ferret, consultation with the USFWS will be required prior to final determination on the exception

Modification: The boundaries of the stipulated area can be modified if the AO determines that portions of the area are no longer essential to the prairie dog.

Waiver: This stipulation can be waived if the AO determines that the entire leasehold no longer contains habitat essential to the prairie dog or the prairie dog is no longer considered a BLM sensitive species.

LEASE NOTICE

PALEONTOLOGICAL RESOURCE INVENTORY

Stipulation: Lease Notice: In areas known to have a high potential (Classes 3, 4 and 5) for containing significant paleontological resources, the Lessee shall be required to conduct a paleontological inventory prior to any surface disturbance. The lessee must engage the services of a qualified paleontologist, acceptable to the Surface Management Agency, to conduct the inventory. An acceptable inventory report is to be submitted to the BLM for review and approval at the time a surface-disturbing plan of operations is submitted.

On the lands described below:

Objective: Preserve and protect scientifically significant vertebrate fossils and paleontological locales.

Exception: An exception may be granted if the area has already been inventoried for paleontological resources.

Modification: None

Waiver: None

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.

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
SPECIAL STATUS SPECIES

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 requirements of the ESA as amended, 16 U.S.C. § et seq., including completion of any required procedure for conference or consultation.

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

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

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
SPRAGUE'S PIPIT HABITAT

A lease notice will be attached to all leases in documented or potential habitat* for Sprague's Pipit. The lease notice will notify the lease holder that mitigation and conservation actions may be required including a limit on exploration and development from April 15 to July 15.

*Currently habitat is present but not well identified in western South Dakota.

LEASE NOTICE

GREATER SAGE-GROUSE HABITAT CONSERVATION

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

Site-specific GRSG habitat conservation, mitigation, or compensation requirements would be identified during the environmental review process and would be developed into the project proposal or as terms and conditions of the subsequent approval.

LEASE NOTICE

CULTURAL RESOURCES AND TRIBAL CONSULTATION

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 surface-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.

Objective: To protect significant historic properties and resources.

Exception: None.

Modification: None.

Waiver: None.

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 or development proposals to protect active raptor nests, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

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

Exceptions: None.

Modification: None.

Waiver: None.

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.

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.

NO SURFACE OCCUPANCY STIPULATION
GREATER SAGE-GROUSE CRUCIAL WINTER RANGE

Stipulation: Sage-grouse crucial winter range will be managed as a No Surface Occupancy for oil and gas development and exploration.

On the lands described below:

Objective: Within the sage-grouse General Habitat, maintain integrity of the habitat to support sustainable sage-grouse populations.

Exception: The AO may grant an exception only where the proposed action:

- (i) Will 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 will 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 (50%) 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. (See further requirements in the WEMs preamble near the beginning of the Appendix G.1.)

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION

GREATER SAGE-GROUSE PRIORITY HABITAT MANAGEMENT AREAS (PHMAs)

Stipulation: Greater Sage-Grouse PHMAs will be managed as No Surface Occupancy and Use (127,735 surface and 412,822 oil and gas subsurface mineral acres.) These areas will be open to oil and gas leasing with no surface occupancy⁷ stipulation. All sage-grouse habitat that is not part of PHMAs will be managed as GHMA as noted in Figure 1-2.

On the lands described below:

Objective: Within Greater Sage-Grouse PHMAs maximize the integrity of the habitat, strive to maintain or improve sage-grouse populations, and at a minimum sage-grouse habitat so populations in the Greater Sage-Grouse PHMAs reflect population trends exhibited by representative sage-grouse trend data from SDGFP lek data (protection priority area controlled surface use.)

Exception: The AO may grant an exception only where the proposed action:

- (i) Will 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 will 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 (50%) 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. (See further requirements in the WEMs preamble near the beginning of the Appendix G.1.)

Modification: None

Waiver: None

NO SURFACE OCCUPANCY STIPULATION

NATIONAL REGISTER OF HISTORIC PLACES (NRHP) ELIGIBLE PROPERTIES/DISTRICTS AND TRADITIONAL CULTURAL PROPERTIES

Stipulation: Surface disturbing activities will not be allowed within and for a distance of 300 feet from the boundaries of cultural properties and archaeological/historic districts determined to be eligible or potentially eligible for the National Register of Historic Places. Standard lease conditions will not allow Surface Occupancy and Use within, and for a distance of 1/2 mile from the boundaries of cultural properties determined to be of importance to Native American Tribal groups, sites determined to be Traditional Cultural Properties, and/or designated for traditional use. Such properties include (but are not limited to) burial locations, pictograph/petroglyph, vision quest locations, certain stone alignments, buttes or other uplift type landforms, plant gathering locations, and areas considered sacred or used for religious purposes.

On the lands described below:

Objective: To protect significant cultural properties, archaeological districts, archaeological properties of known significance to Native American groups, traditional cultural properties, and all of their settings, and to avoid disturbance or inadvertent impacts to these resources.

Exception: An exception to this stipulation may be granted by the AO if the lessee or operator submits a plan which demonstrates that operations will be designed and/or located in such a manner as to have a minimal impact to the natural setting and characteristics of the immediate area and that adverse impacts to these traditional cultural properties can be mitigated in consultation with, and to the satisfaction of, affected Indian Tribes or Native American groups. For cultural properties determined to be of importance to Native American Tribal groups, sites determined to be Traditional Cultural Properties, and/or designated for traditional use the plan must demonstrate that operations will be designed and/or located in such a manner as to have a minimal impacts to these traditional cultural properties can be mitigated in consultation with, and to the satisfaction of, affected Indian Tribes or Native American groups.

Modification: The boundaries of the stipulated area may be modified if the AO determines that portions of the designated site or district can be occupied without adversely affecting the cultural resource values for which the site or area was designated eligible. Does not apply to Traditional Cultural Properties.

Waiver: None

Note: Compliance with Section 106 of NHPA is required for all actions that can affect cultural properties eligible for the NRHP.

NO SURFACE OCCUPANCY STIPULATION

DESIGNATED PALEONTOLOGICAL SITES/LOCALITIES

Stipulation: Surface occupancy and use is prohibited within designated paleontological sites/localities and in significant paleontological sites regardless of designation, except in the Fossil Cycad ACEC, which is closed to leasing.

On the lands described below:

Objective: Preserve and protect significant vertebrate fossils and paleontological resources.

Exception: An exception to this stipulation may be granted by the AO if the lessee or operator submits a plan which demonstrates that the adverse impacts to significant paleontological resources can be mitigated through recovery and extensive recordation. Where impacts to paleontological resources cannot be mitigated to the satisfaction of the Surface Management Agency (SMA), surface occupancy on that area must be prohibited.

Modification: The boundaries of the stipulated area may be modified if the AO determines that portions of the designated paleontological site/locality can be occupied without adversely affecting the resource values or significance.

Waiver: None

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
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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.

CONTROLLED SURFACE USE STIPULATION
Water, Wetlands, Woody Draws, Riparian, and Floodplains

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

Try to locate activities and facilities away from 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.

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 BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CONTROLLED SURFACE USE STIPULATION

Fossils

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

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:

- Contact the Forest Service to determine if a site-specific vertebrate paleontological 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.
- Implement mitigation measures required by the Forest Service and Bureau of Land Management to preserve or avoid destruction of vertebrate paleontological resources. Mitigation may include relocation of proposed facilities or other protective measures.
- The lessee or operator shall 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.

On the lands described below:

For the purpose of:

To protect fossils and immediate environment of the site, including inherent scientific, natural historic, interpretive, educational, and recreational values for the area potentially impacted.

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 BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

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NO SURFACE OCCUPANCY STIPULATION

Slopes > 40%

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

Surface occupancy and use is prohibited on slopes greater than 40 percent.

For the purpose of:

To protect soil resources from loss of productivity, prevent erosion on steep slopes, soil mass movement, and resultant sedimentation.

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 BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

NO SURFACE OCCUPANCY STIPULATION

Slopes Between 25 - 40%

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

Surface occupancy and use is prohibited on slopes between 25 - 40 percent with either highly erodible soils or soils susceptible to mass failure.

For the purpose of:

To protect soil resources from loss of productivity, prevent erosion on steep slopes, soil mass movement, and resultant sedimentation.

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 BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

TIMING LIMITATION STIPULATION

Ferruginous Hawk Nests

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Surface use is prohibited from March 1 through July 31 within 0.50 miles (line of sight) of ferruginous hawk nests.

On the lands described below:

For the purpose of:

To prevent reduced reproductive success.

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 BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

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TIMING LIMITATION STIPULATION

Swainson's Hawk Nests

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Surface use is prohibited from March 1 through July 31 within 0.50 miles (line of sight) of Swainson's hawk nests.

On the lands described below:

For the purpose of:

To prevent reduced reproductive success.

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 BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

TIMING LIMITATION STIPULATION

Golden Eagle Nests

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Surface use is prohibited from February 1 through July 31 within 0.50 miles (line of sight) of golden eagle nests.

On the lands described below:

For the purpose of:

To prevent reduced reproductive success.

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 BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

TIMING LIMITATION STIPULATION

Merlin Nests

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Surface use is prohibited from April 1 through August 15 within 0.50 miles (line of sight) of merlin nests.

On the lands described below:

For the purpose of:

To prevent reduced reproductive success.

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 BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)