

BLM Eastern States

Notice of Competitive Oil and Gas Internet-Based Lease Sale

December 14, 2017

https://www.energynet.com/gov_listing.pl

Office Address:

**20 M Street SE, Suite 950
Washington, D.C. 20003
Telephone: 202.912.7700**

Sale Location:

https://www.energynet.com/gov_listing.pl





United States Department of the Interior
Bureau of Land Management

Eastern States
20 M Street SE, Suite 950
Washington, DC 20003
<https://www.blm.gov/eastern-states>



SEP 12 2017

Notice of Competitive Oil and Gas Internet-Based Lease Sale

In accordance with the *Mineral Leasing Act*, [30 U.S.C. 226\(b\)\(1\)](#), as amended by the *National Defense Authorization Act for Fiscal Year 2015* (Pub. L. 113-291, 128 Stat. 3762) (Dec. 19, 2014), and the BLM regulations at 43 CFR 3120, the Bureau of Land Management (BLM) is offering seven parcels at an internet-based competitive oil and gas lease sale. The seven onshore parcels (totaling **1,184.76** acres), include Federal mineral estate in the State of Ohio in the Marietta Unit of the Wayne National Forest (**5 parcels**), and in the State of Louisiana in the Kisatchie National Forest (**2 parcels**). The lands are Forest Service Surface, Acquired Minerals (**Ohio**), and Forest Service Surface, Acquired Minerals (**Louisiana**).

This notice describes:

- The date, time and place of the sale
- How to participate in the bidding process
- The sale process
- The conditions of the sale
- How to file a noncompetitive offer after the sale
- How to file a presale noncompetitive offer
- How to file a protest

Attached is a list of the lands we are offering by parcel number, serial number, and legal land description. We have included any stipulations, lease notices, special conditions, or restrictions that will be made a part of the lease at the time the lease is issued. If a parcel receives no bids during the lease sale, that parcel may be offered noncompetitively the next business day on a first-come, first-served basis, for a two-year period.

For your convenience, maps showing the sale parcels are available at BLM's e-Planning internet site for this lease sale: <http://bit.ly/2r97IOT> . Maps are also available at the internet site hosting the lease sale: https://www.energynet.com/govt_listing.pl.

When will the sale take place? The sale date is **Thursday, December 14, 2017**. The open bidding period will begin at **8:00 am EST (7:00 am CST)**. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website.

Where: The sale will be held online at <https://www.energynet.com/>. Click the Government Lease Sales icon to view the sale site. Parcels may be viewed online at the EnergyNet website beginning approximately 10 business days after posting of this sale notice on the BLM website. The BLM recommends checking the EnergyNet website before the lease sale for any updates on

the list of parcels being offered and any Errata notices.

Access: The internet-based competitive lease sale can be observed in real-time and is open to the public. In order to participate as a bidder, however, you must register as a bidder on the website in advance of the sale date. The auction website will be active and available for use approximately 10 days after the posting date of this Notice of Competitive Oil and Gas Internet-Based Lease Sale, and will remain available for viewing until the completion of the auction. The available parcels listed below will be detailed on the website. The information displayed on the website during the offering period represents the authoritative record. Interested parties may visit the website at any time prior to or during the sale. The final sale results will be posted on the BLM's e-Planning internet site listed above for this lease sale.

Potential bidders may register for the online auction as soon as the auction website is active and are encouraged to do so as soon as possible. Bidders must be registered for the online lease sale before the bidding commences. Further, potential bidders are encouraged to visit the website prior to the start of the open bidding period to become familiar with the site and review the bidding tutorial. Supporting documentation is available on the website to familiarize new users to the process and answer frequently asked questions.

How will the sale be conducted?

The sale will be conducted *by online bidding only*. The online auction design will be a sequential ascending clock, fixed period, English auction. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for **3 hours** from start to finish. Bids will only be accepted for each parcel during its open bidding period. The bidding period for each parcel will close sequentially, so that bidders will know if they are the highest winning bidder on a parcel before subsequent parcels close for bidding. For each parcel, the website will display the current high bid with the bidder's number, and will show each new bid as soon as it is submitted. All bids must be equal to or exceeding the minimum acceptable bid which is noted online at the start of the auction. The winning bid is the highest bid per acre offered; it will be displayed online at the close of the auction.

The online system provides for two types of bids: a flat bid per acre or a maximum bid, also per acre. The system allows participants to submit either type of bid or both. Maximum bids allow a bidder to participate in the online auction without having to be logged into the website at the time the auction period closes. The auction website provides an explanation of how the maximum bid process may place bids on your behalf to maintain your high bidder status up to your chosen maximum bid amount. The BLM strongly encourages potential bidders to review the bidding tutorial on the auction website in advance of the online lease sale.

How do I participate in the bidding process?

To participate in the BLM bidding process, one must register and obtain a bidder number before the start of the auction. Approximately ten days after posting of this notice on the BLM website, a potential bidder can register to bid at the auction website listed above. Bidders are encouraged to register as soon as possible to familiarize themselves with the bidding instructions, and ensure they have ample time to complete all the required bidder registration steps before the open

bidding period commences.

If an entity is bidding for more than one party, the bidding entity must submit separate registration and credentials for each entity they represent. A separate bidder number must be requested and obtained for each company or each individual the entity wishes to represent.

When registering as a bidder on the auction website, you will also be asked to sign a statement to confirm that any bid you cast will represent a good-faith intention to acquire an oil and gas lease and that you understand that any winning bid will constitute a legally binding commitment to accept the terms of the lease and pay monies owed. Further, you will acknowledge, through self-certification of the enhanced bidder form, that you understand that it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious, or fraudulent statements or representations regarding your qualifications; bidder registration and intent to bid; acceptance of a lease or payment of monies owed; and that any such offense may result in a fine or imprisonment for not more than five years or both. You will also acknowledge that you understand that it is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations. Any person who knowingly violates this provision will be punished by a fine of not more than \$500,000, imprisonment for not more than five years, or both.

If you, or the party you represent, owe the United States any monies that were due the day of a previous oil and gas lease auction conducted by any BLM office (the minimum monies owed the day of sale), or any monies owed EnergyNet for a previous oil and gas lease auction conducted by EnergyNet for any BLM office, you will not be allowed to register to bid at this lease sale.

The Mineral Leasing Act requires that leases be issued to a “responsible qualified bidder” [30 U.S.C. 226(b)(1)(A)]. Any bidder, or party represented by a bidding agent, that does not pay the minimum monies owed the day of the sale is not a “responsible qualified bidder” and will be barred from participating in any federal oil and gas lease auction nationwide until the bidder settles that debt to the United States. In addition, if you or the party you represent defaults at any three sales conducted by any BLM office, you or the party you represent will be barred permanently from participating in any other BLM oil and gas lease sale auction.

You do not have to be “present” in the auction in order to participate as a bidder. The online auction provides a “maximum bid” bidding option. By using this “maximum bid” option, you are asking the system to bid automatically on your behalf, up to an amount you specify.

What is the sale process?

Starting at the posted opening date and time for each parcel:

- The minimum acceptable bid is **\$2 per acre**.
- All bids are based on the per-acre total for the entire parcel, rounded up to whole acres. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (= \$2 x 101 acres).
- All bids are made in minimum increments of \$1.00 per acre, or fractional acres thereof.
- You cannot withdraw a bid once a bid is placed and the system determines that you are the high bidder, whether the bid was a flat bid or a maximum bid.

- The winning bid is the highest bid per acre offered, which will be displayed online at the close of the auction.
- **The decision of the Bureau of Land Management is final, as presented on the BLM Eastern States' website and at www.energy.net.**

How long will the sale last?

The length of the sale depends on the number of parcels we are offering. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for *three hours*, from start to finish.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale postponement:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post an Errata notice on the BLM Eastern States website, the EnergyNet website, and a paper notice in the BLM Eastern States Information Access Center (Public Room) before the sale begins. Additionally, the auction website will clearly indicate that a parcel is withdrawn.
- **Fractional interests:** If the United States owns less than 100 percent of the oil and gas mineral interest in a parcel, we will show that information as part of the parcel listing. When we issue the lease, it will be for the percentage or fraction of interest the United States owns [43 CFR 3120.1-2(c)]. The bonus bid and advance rental payment will be calculated based on the gross acreage in the parcel, not the United States fractional mineral interest. For example, if a parcel contains 199.31 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (= \$2 x 200 acres) and the advance annual rental will be \$300 (= \$1.50 x 200 acres) for the first 5 years and \$400 (= \$2 x 200 acres) for the remainder of the lease term. Conversely, your chargeable acreage and royalty on production will be calculated based on the United States net acreage, taking into consideration the United States fractional mineral interest.
- **Payment due:** You cannot withdraw a bid; it is a legally binding contract. For each parcel for which you are the successful high bidder, you must pay on the day of sale, the minimum bonus bid of \$2 per acre or fraction of an acre; the first year's advance rental of \$1.50 per acre or fraction of an acre; and a non-refundable administrative fee of \$160. These are monies you owe the United States, whether or not a lease is issued. You must provide notification of the payment process of these monies by 4:30 pm EST the day the auction closes. Payment will be made directly to BLM-Eastern States, or as otherwise directed. Payments to the BLM will not be made through the auction website. At the conclusion of each parcel's bidding period, the winning bidder will be provided instructions by the online auction system about how to make the required payment to BLM. After the lease sale, you will also be required to pay the buyer's premium of 1.5% of any successful bid to EnergyNet.

If your bonus bid was more than \$2 per acre or fraction of an acre and you do not pay the full amount on the day of the sale, you must pay any balance due by the close of business on the tenth working day after the date the auction closes. If you do not pay in full by this date, you lose the right to the lease and all money due on the day of the sale.

If you forfeit a parcel, we may offer it again at a future sale.

The minimum monies owed on the day of the sale for a winning bid are monies owed to the United States per [43 CFR 3120.5-2(b) and 43 CFR 3120.5-3(a)]. If we do not receive notification of the payment process of the minimum monies owed the day of the sale by the date and time described above, the BLM will issue a bill for the monies owed. If we do not receive payment by the bill due date, we will send a demand letter to you that will include additional fees. If we do not receive payment as requested by the demand letter, the United States will immediately pursue collection by all appropriate methods, and when appropriate, collect late fees, interest, administrative charges, and assess civil penalties on past-due amounts. "All appropriate methods" include, but are not limited to: referral to collection agencies and credit reporting bureaus; salary or administrative offset; offset of Federal and state payments, including goods or services; Federal and state tax refund offset; and retirement payment offset. We may send debts to the Internal Revenue Service (IRS) and the IRS may charge them as income to you on Form 1099C, Cancellation of Debt (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR Part 285).

- **Forms of payment:** Specific payment instructions will be provided by the online auction system to high winning bidders. You can pay by personal check, certified check, and money order in person at BLM Eastern States, Washington D.C. We encourage you to pay by Electronic Funds Transfer (EFT), Automated Clearing House (ACH), or credit card (Discover, Visa, American Express, or MasterCard only). We cannot accept cash. *Please note, in accordance with the Department of Treasury Financial Manual, Announcement No. A-2014-04, the BLM cannot accept credit or debit card payments for an amount equal to or greater than \$24,999.99. The BLM cannot accept aggregated smaller amounts on a credit card or multiple credit cards, to bypass this requirement.* The BLM does not have Personal Identification Number (PIN) equipment for the purpose of processing PIN authorized debit cards. All debit card transactions will be processed as credit cards and the dollar value limits will apply. If you pay by check in person at the BLM-Eastern States office, or as otherwise directed by the BLM, please make your check payable to: **Department of the Interior-BLM**. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. *Please note, the BLM cannot grant you any extension of time to pay.*
- **Bid form:** If you are a successful winning bidder on the day of the sale, you must submit (e-mail or fax) to BLM a properly completed and signed competitive bid form (Form 3000-2) with the required payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once you sign the form, you cannot change it. The online auction system will provide the successful winning bidder with a pdf-fillable copy of this bid form and instructions on how to submit the form to BLM Eastern States after the auction. We will not accept any bid form that has information crossed out or is otherwise altered. **We will not issue a lease until we receive a signed copy of the bid form in accordance with 43 CFR**

3102.4(2). You will be shown the bid form as part of the sale registration process, and asked to certify that you will complete and execute it should you be the successful winning bidder. We ask that you complete the form at that time to ensure that you can meet this condition. Your completed bid form will certify that:

- (1) You and/or the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and
 - (2) Both you and/or the prospective lessee have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of, or collusion among bidders.
- **Federal acreage limitations:** Qualified individuals, associations, or corporations may only participate in a competitive lease sale and purchase Federal oil and gas leases from this office if such purchase will not result in exceeding the State limit of 246,080 acres of public domain land and 246,080 acres of acquired land (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than ten percent. Lease acreage committed to a unit agreement, communitization agreement or development contract that you hold, own or control, and acreage in leases for which royalty (including compensatory royalty or royalty-in-kind) was paid in the preceding calendar year, is excluded from chargeability for acreage limitation purposes. The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, transfer of interest by assignment of record title or operating rights, and options to acquire interest in leases regardless of whether an individual, association, or corporation has received, under 43 CFR 3101.2-4, additional time to divest excess acreage acquired through merger or acquisition.
 - **Lease Issuance:** After we receive the bid form and all the money due, and after the BLM ES has resolved protests, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must make your request in writing before we sign the lease.
 - **Lease terms:** A lease issued as a result of this sale will have a primary term of ten years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. **Advance rental at \$1.50 per acre for the first 5 years (\$2 per acre after that) is due on or before the anniversary date each year until production begins.** Once a lease is producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11).
 - **Split Estate:** A brochure explaining “split estate,” meaning Federal minerals under private surface, is available at the BLM website: <https://www.blm.gov/sites/blm.gov/files/documents/files/SplitEstate08finalWeb.pdf>. The brochure outlines the rights, responsibilities, and opportunities of private surface owners and oil and gas operators in the planning, lease sale, permitting/development, and operations/production phases of the oil and gas program.

- **Stipulations:** The parcels are subject to surface use stipulations for the protection of sensitive natural and cultural resources, which may affect how operations are conducted. The stipulations were developed in accordance with the *Endangered Species Act of 1973*, as amended, 16 U.S.C. 1531 *et seq.*, Section 106 of the *National Historic Preservation Act of 1966*, and other resource-specific laws. These stipulations are included in the parcel descriptions on the attached list. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.
- **Unit and Communitization Agreements:** Parcels offered in this sale notice may fall within an authorized Unit or Communitization Agreement. In these cases, the successful bidder will be required to join the agreement.

How do I file a noncompetitive offer after the sale?

Lands that do not receive a bid are available on a first-come, first-served basis for a two-year period, beginning the day after the sale. The noncompetitive offers are handled directly by the BLM and not through the internet leasing website. If you want to file a noncompetitive offer on an unsold parcel, you must provide to the BLM-Eastern States the following:

- Three copies of Form 3100-11, *Offer to Lease and Lease for Oil and Gas*, properly completed and signed. Describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and
- Your payment of \$415 for the filing fee plus the advanced first year's rental (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the amount of rental.

Submit the aforementioned items to BLM Eastern States Office in person or by U. S. Postal Service . All noncompetitive offers filed the day of a sale will be considered as filed the first business day after the sale. If a parcel receives more than one offer, we will hold a drawing to pick the winner (see 43 CFR 1822.17). In the list of parcels, we have noted any parcels that have pending presale offers. A presale offer has priority over any noncompetitive offer filed after the sale.

How do I file a noncompetitive presale offer?

Pursuant to 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:

- Are available; and
- Have not been under lease during the previous 1-year period, or
- Have not been included in a competitive lease sale within the previous 2-year period.

Your noncompetitive presale offer to lease must have been filed prior to the official posting of this Sale Notice. If your presale offer was complete and timely filed, and no bid was received for the parcel that contains the lands in your offer, your presale offer has priority over any other for that parcel filed after the sale. Your presale offer is your consent to the terms and conditions of the lease, including any additional stipulations. If you want to file a presale offer for parcels that may be offered in future sales, follow the directions listed for filing a noncompetitive offer after the sale.

How do I submit an Expression of Interest (EOI)?

All EOIs are now received electronically via the *National Fluids Lease Sale System* (NFLSS): <https://nflss.blm.gov/>. Include all of the information requested so the BLM may efficiently process your request. Incomplete nomination packages or improperly packaged EOIs may prompt the BLM to reject the nomination which may cause delays in processing the EOI. The following information should be included in your EOI nomination package:

- Exact locality information including state, county, meridian, township, range, section, and aliquot part or other appropriate specific land description such as a metes and bounds description. A lot number or tract number without a specific land description is not acceptable.
- County plat map showing surface ownership and acreage with the nominated parcel outlined on the map.
- Proof of Federal mineral ownership (e.g. Deed(s), Patent(s), or other form of minerals interest conveyance to the United States).
- A map of the nominated parcels or preferably, a Geographic Information System (GIS) shapefile(s) of the nominated parcels.
- Parcels that include split estate lands must provide the name and address of the current private surface owner(s); if available, include an electronic-mail address and telephone number.

Each EOI must be as compact in form as possible and may only include one type of surface ownership, mineral interest, and one type of administrative designation as follows:

- Do not include mixed surface ownership in the same EOI. Submit separate EOIs in each case to identify lands with Federal surface ownership, privately owned surface, and State-owned surface.
- Do not include parcels in different counties, townships, or ranges in the same EOI.
- Do not include non-contiguous parcels within the same EOI.
- Do not include parcels with mixed fractional mineral interest in the same EOI. Please re-configure the parcels into separate EOIs.
- EOIs for public domain or acquired minerals may not be larger than 640 acres, and must be contained in the same township.

NOTE: The BLM no longer requires submitters of EOIs to provide their name and address. If you do not provide your contact information, the BLM cannot notify you if any questions arise regarding your EOI. The status of a particular EOI will be noted at the NFLSS website. If you choose to provide your name and address, this information will be made available to the public via the NFLSS website. If you consider your name and address to be confidential, do not include it in your EOI.

When is the next competitive oil and gas lease sale scheduled?

Following the December 14, 2017 lease sale, the next online competitive oil and gas lease sale is tentatively scheduled for **March 22, 2018**. We can make no guarantee as to when a given parcel will be offered for competitive sale.

How can I find out the results of this sale?

The sale results for the December 14, 2017 lease sale will be posted on the BLM-Eastern States e-Planning website: <http://bit.ly/2r97IOT>. Paper copies are available for viewing at the BLM Eastern States office, Washington D.C.

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

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

- Protests must be postmarked or faxed within 30 calendar days of the posting of this Notice. The BLM will dismiss a late-filed protest or an improperly filed protest.
- A protest must state the interest of the protesting party in the matter (also known as a "statement of reasons") to support the protest.
- The protest must specify the parcel being protested (by parcel number).
- Protests must be delivered via U.S. Postal Service or telefax. You may not file a protest by electronic mail.
- Protests submitted by mail shall be addressed to the State Director at the address listed in the letterhead of this notice.
- Protests submitted by telefax must be sent to **(202) 912-7798**. Protests sent to a different fax number will be dismissed.
- If the party signing the protest is doing so on behalf of an association, partnership, or corporation, the signing party must reveal the relationship between them. For example, unless a non-governmental organization authorizes an individual member of its group to act on their behalf, the individual cannot make a protest in the group's name.
- A protest must include the name and address of the protesting party and reference the specific serial number or parcel number that is being protested. The BLM will not accept names, addresses, and signatures included as an attachment to a protest letter.

Any protests, including names and street addresses, will be made available for public review on the BLM website. Individual protesters may request confidentiality, but we cannot guarantee it. If you wish to withhold your personal identifiable information from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your protest. Such requests will be honored to the extent allowed by law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public review in their entirety.

If the BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel? The BLM will announce receipt of any protests on the auction website prior to the start of the online auctions. We will also announce on the website a decision to either withdraw the parcel or proceed with the sale of that parcel. Decision letters addressing the protests will be posted on the BLM-Eastern States e-Planning website for this lease sale.

If I am the high bidder at the sale for a protested parcel, when will the BLM issue my lease? We will make every effort to resolve the protest prior to the lease sale, but no later than 60 days after the sale. We will not issue a lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?

No. In accordance with BLM regulations (43 CFR 3120.5-3), you may not withdraw your bid.

If the BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will reject your bid, and refund your first year's rental, bonus bid, and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations. If you do not accept the additional stipulations, we will reject your bid and refund your first year's rental, bonus bid, and administrative fee.

If the BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision? Yes. However, an appeal from the State Director's decision must meet the requirements of 43 CFR 4.411 and Part 1840.

May I appeal the BLM's decision to deny my protest?

Yes. As above, refer to 43 CFR 4.411 and Part 1840.

May I withdraw my bid if the protestor files an appeal?

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid. We will issue your lease concurrently with the decision by the Interior Board of Land Appeals to deny the protest. If resolution of the appeal results in lease cancellation, the BLM will authorize a refund of the bonus bid, rentals, and administrative fees if:

- There is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it; and
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid, and administrative fee.

For more information, please contact Mr. Stanley McMillian, phone: (202) 912-7778.



Mitchell Leverette
Acting State Director

Ohio

Forest Service Surface, Acquired Minerals

Parcel #: ES-001-12/2017 BLM Serial #: OHES 058308 ACO EOI #: 1635

Ohio, Jackson Township, Monroe County, Wayne National Forest

T2N, R4W, Ohio River Survey Meridian

Sec. 25: W2SE, E2SESW, E2NESW, SESENW, NESW

94.72 Acres \$142.50 Rental

U.S. Mineral Interest: 100%

Subject to:

- Forest Service Standard Lease Stipulations
- Lease Special Notification: #1 (Applies to all lands in the Parcel)
- Lease Notification: #1, #2, #3, #4, #5 (Applies to all lands in the Parcel)
- Lease Stipulations: NSO #8 Slopes in excess of 55%
- Lease Stipulations: #15 Controlled Surface use – Riparian areas
- Lease Stipulations: #17 Controlled Surface Use – Slopes Between 35% and 55%.
- Royalty Reservation Notice

Parcel #: ES-002-12/2017 BLM Serial #: OHES 058309 ACO EOI #: 1635

Ohio, Perry Township, Monroe County, Wayne National Forest

T2N, R4W, Ohio River Survey Meridian

Sec. 33 NWNE

40.13 Acres \$61.50 Rental

U.S. Mineral Interest: 100%

Subject to:

- Forest Service Standard Lease Stipulations
- Lease Special Notification: #1 (Applies to all lands in the Parcel)
- Lease Notifications: #1, #2, #3, #4, #5 (Applies to all lands in the Parcel)
- Lease Stipulations: NSO #8 Slopes in excess of 55%
- Lease Stipulations: #15 Controlled Surface use – Riparian areas
- Lease Stipulations: #17 Controlled Surface Use – Slopes Between 35% and 55%.
- Royalty Reservation Notice

Parcel #: ES-003-12/2017 BLM Serial #: OHES 058310 ACQ EOI #: 1635

Ohio, Perry Township, Monroe County, Wayne National Forest

T2N, R4W, Ohio River Survey Meridian

Sec. 34: NESE, NESESE.

50.16 Acres \$76.50 Rental

U.S. Mineral Interest: 100%

Subject to:

- Forest Service Standard Lease Stipulations
- Lease Special Notification: #1 (Applies to all lands in the Parcel)
- Lease Notifications: #1, #2, #3, #4, #5 (Applies to all lands in the Parcel)
- Lease Stipulations: NSO #8 Slopes in excess of 55%
- Lease Stipulations: #15 Controlled Surface use – Riparian areas
- Lease Stipulations: #17 Controlled Surface Use – Slopes Between 35% and 55%.
- Royalty Reservation Notice

Parcel #: ES-004-12/2017 BLM Serial #: OHES 058311 ACQ EOI #: 1638

Ohio, Perry Township, Monroe County, Wayne National Forest

T3N, R5.W, Ohio River Survey Meridian

Sec. 3: Pt. SE.

115.34 Acres \$174.00 Rental

U.S. Mineral Interest: 100%

Subject to:

- Forest Service Standard Lease Stipulations
- Lease Special Notification: #1 (Applies to all lands in the Parcel)
- Lease Notifications: #1, #2, #3, #4, #5 (Applies to all lands in the Parcel)
- Lease Stipulations: NSO #8 Slopes in excess of 55%
- Lease Stipulations: NSO #3 Special Area
- Lease Stipulation: #15 Controlled Surface use – Riparian areas
- Lease Stipulations: #17 Controlled Surface Use – Slopes Between 35% and 55%.
- Royalty Reservation Notice

Parcel #: ES-005-012/2017 BLM Serial #: OHES 058312 ACQ EOI #: 1638

Ohio, Perry Township, Monroe County, Wayne National Forest
T3N, R5W, Ohio River Survey Meridian

Sec. 3: Pt. S2NE, Pt. N2SE

49.71 Acres \$75.00 Rental

U.S. Mineral Interest: 100%

Subject to:

- Forest Service Standard Lease Stipulations
- Lease Special Notification: #1 (Applies to all lands in the Parcel)
- Lease Notifications: #1, #2, #3, #4, #5 (Applies to all lands in the Parcel)
- Lease Stipulations: NSO #8 Slopes in excess of 55%
- Lease Stipulations: NSO #3 Special Area
- Lease Stipulation: #15 Controlled Surface use – Riparian areas
- Lease Stipulations: #17 Controlled Surface Use – Slopes Between 35% and 55%.
- Royalty Reservation Notice

Louisiana

Forest Service Surface, Acquired Minerals

Parcel #: ES-006-012/2017 BLM Serial #: LAES 058317 ACQ EOI #: 1813

Louisiana, Natchitoches and Winn Parishes, Kisatchie National Forest

T13N, R6W, Louisiana Meridian

Sec. 1: W2

325.03 Acres \$489.00 Rental

U.S. Mineral Interest: 100%

Subject to:

- Forest Service Standard Lease Stipulations
- Notice for Lands of the National Forest System Jurisdiction of USDA
- Lease Stipulations: NSO #9 Saline Bayou National Scenic River
- Lease Stipulations: NSO #12 Jurisdictional Wetlands
- Lease Stipulations: CSU #1 Streamside Habitat Protection Zones
- Lease Stipulations: CSU #3 Riparian Area Protection Zones
- Lease Notices: LN #1 Threatened, Endangered, or Sensitive Species
- Lease Notices: LN #2 Wetland/Floodplain
- Lease Notices: LN #3 Provisions of the Mineral Leasing Act

Parcel #: ES-007-012/2017 BLM Serial #: LAES 058318 ACQ EOI #: 1813

Louisiana, Natchitoches, Kisatchie National Forest

T13N, R6W, Louisiana Meridian

Sec 2: E2, N2NW, SENW, NESW, E2SESW, E2W2SESW

509.67 Acres \$765.00 Rental

U.S. Mineral Interest: 100%

Subject to:

- Forest Service Standard Lease Stipulations
- Notice for Lands of the National Forest System Jurisdiction of USDA
- Lease Stipulations: CSU #1 Streamside Habitat Protection Zones
- Lease Stipulations: CSU #3 Riparian Area Protection Zones
- Lease Notices: LN #1 Threatened, Endangered, or Sensitive Species
- Lease Notices: LN #2 Wetland/Floodplain
- Lease Notices: LN #3 Provisions of the Mineral Leasing Act

Stipulations

**USDA – FOREST SERVICE STANDARD STIPULATIONS -
LEASE
Wayne National Forest**

The lessee is notified and agrees:

All work and any operations authorized under this lease shall be done according to an approved operating plan on file with the **Forest Supervisor at USDA Forest Service, 13700 US Highway 33, Nelsonville, Ohio, 45764**. Plans generally require a minimum of 45 days for Forest Service review. Bureau of Land Management must also review and also approve.

Operating plan will contain information the Forest Officer determines reasonable for assessment of (1) public safety, (2) environmental damage, and (3) protection for surface resources. Content of such plans will vary according to location and type of activity and may contain:

1. Steps taken to provide public safety.
2. Location and extent of areas to be occupied during operations.
3. Operation methods including size and type of equipment.
4. Capacity, character, standards of construction and size of all structures and facilities to be built.
5. Location and size of areas where vegetation will be destroyed or soil lay bare.
6. Steps taken to prevent and control soil erosion.
7. Steps taken to prevent water pollution.
8. Character, amount, and time of use of explosives or fire, including safety precautions during their use.
9. Program proposed for rehabilitation and revegetation of disturbed land.

Copies of all permits obtained from State or Federal agencies pertaining to work might be required. Archeological studies, if required, will accompany plan.

The Forest Supervisor or his/her designated agent has authority to temporarily suspend or modify operations in whole or in part due to emergency forest conditions such as high fire danger or other unsafe situations.

The lessee must keep the **District Ranger** informed about progress of operations to the extent reasonably necessary for assuring public safety. This is especially important with geophysical inventory and testing activities because of their mobile nature. The lessee will alert the **District Ranger** to circumstances which may affect safe and efficient conduct of work activities.

Terms of this lease are considered violated if not done according to these stipulations.

See Special Stipulations & Notifications
OIL AND GAS LEASE STIPULATIONS/NOTIFICATIONS
Wayne National Forest, Ohio
LEASE-SPECIFIC OIL AND GAS NOTIFICATIONS/STIPULATIONS

The notifications and stipulations that follow implement the Standards and Guidelines of the Wayne National Forest Land and Resource Management Plan, and, where appropriate, are in addition to the standard lease terms for oil and gas leases (BLM Form 3100-11). These notifications and stipulations are necessary to protect specific resource values on the lease area. If found to be in the public interest, they may be made less restrictive, or otherwise modified, when specifically approved in writing by an authorized officer of the Forest Service.

Special Notification #1

Operations under this lease will be consistent with all the standards and guidelines found in the revised Wayne National Forest Land and Resources Management Plan (Forest Plan), and are hereby incorporated into this lease in their entirety. Forest Plan standards and guidelines include restrictions on location, timing and methodology of oil and gas lease operations, and requirements for special surveys that provide for protection of National Forest land and resources. A copy of the Wayne National Forest Land and Resource Management Plan is available for inspection from the following website <http://www.fs.fed.us/r9/wayne/> or by writing to:

Forest Supervisor
Wayne National Forest
13700 US HWY 33
Nelsonville, OH 45764

Notification #1

Cultural Resources

The Forest Service is responsible for assuring that the area to be disturbed is examined for cultural resources prior to allowing any surface disturbing activities on lands covered by this lease. Important cultural resource values may be present on portions of this lease. Surface disturbing activities must avoid these areas unless the authorized officer agrees to the mitigation measures.

The lessee/operators may, at their discretion and cost, conduct the examination on the lands to be disturbed. This examination must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. An acceptable report must be provided to the Forest Service identifying the anticipated effects of the proposed action on cultural resource values.

If items of substantial archaeological or paleontological value are discovered during operations, or a known deposit of such items is disturbed, the lessee (or operator) will cease work in the area so affected. The lessee (or operator) will then notify the Forest Service and will not resume excavation until the Forest Supervisor gives written approval.

Notification #2

Floodplains

Any activities proposed in, or likely to affect, a floodplain will be subject to:

- Analysis and identification of alternate sites.
- Public notification and comment period.
- Provisions of any other Federal, State or local laws and regulations as required under presidential Executive Order 11988, Protection of Floodplains.

Notification #3

Protection of Federal Endangered & Threatened and Regional Sensitive Species, and Their Habitat.

The Forest Service is responsible for assuring that the area to be disturbed is examined prior to allowing any surface disturbing activities on lands covered by this lease. The examination is to determine effects upon any plant or animal species listed, or proposed for listing, as federal endangered or threatened, regional sensitive, and their habitats. If the findings of this examination determine that the operation(s) may have a detrimental effect on a species covered by the Federal Endangered Species Act as amended, the operator's plans may be denied or restrictions added. The presence of regional sensitive species may also require some restrictions of the operation(s).

The Forest Service has the responsibility to conduct the required examination. In cases where the Forest Service time frames cannot meet the needs of the lessee/operator, the lessee/operator may, at his discretion and cost, conduct the examination on the lands to be disturbed. This examination must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. An acceptable report must be provided to the Forest Service identifying the anticipated effects of the proposed action on federal endangered or threatened species, regional sensitive species, or their habitats.

Notification #4

Compliance with public laws and federal regulations

Operators are required to comply with all public laws and Federal regulations that apply to National Forest System lands and the Wayne Land and Resource Management Plan.

Notification #5

Steep slopes and/or unstable soils

The area of this lease contains a considerable amount of land with steep slopes and/or unstable

soils. Accordingly, the opportunity to locate access roads, drilling sites, pipelines, storage tanks and other improvements may be extremely limited.

Management areas requiring special stipulations

Very Restrictive Stipulations

Stipulation #1

No Surface Occupancy – Future Old Forest

No surface occupancy on the entire lease or on designated areas of the lease (see map) for the protection of Future Old Forest.

On National Forest System lands in Future Old Forest Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #2

No Surface Occupancy - Research Natural Areas

No surface occupancy within designated areas of the lease (see map) for the protection of natural processes or research, historical or educational values.

On National Forest System lands in Research Natural Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #3

No Surface Occupancy - Special Interest Areas

No surface occupancy within designated areas of the lease (see map) for the protection of natural processes or research, historical or educational values.

On National Forest System lands in Special Interest Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO)

stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #4

No Surface Occupancy - Candidate Research Natural Areas and Special Interest Areas

No surface occupancy within designated areas of the lease (see map) for the protection of natural processes or research, historical or educational values.

On National Forest System lands in Candidate Research Natural Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #5

No Surface Occupancy - Administrative sites, and developed recreation areas, trails and associated trailheads

No surface occupancy within designated areas of the lease (see map) for the protection of special management units such as developed recreation areas, trails and associated trailheads, water supply facilities, administrative site, etc.

On National Forest System lands within administrative sites, developed recreation areas, trails and associated trailheads, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. The NSO designation will include a buffer zone, which will be determined in accordance with the Implementation Guide for Scenery Management. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #6

No Surface Occupancy – Timbre Ridge Lake

No surface occupancy within designated areas of the lease (see map) for the protection of the Timbre Ridge Lake Management Area.

On National Forest System lands in the Timbre Ridge Lake Management Area, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Resources requiring special stipulations

Very Restrictive Stipulations

Stipulation #7

No Surface Occupancy - Cultural resource area of known significance

No Surface occupancy within archaeological or historical sites of known significance (see map). At the time of any new proposed lease developments, the responsible line officer shall determine the need for any setbacks or restrictions for the protection of objects of historic or scientific interest.

Stipulation #8

No Surface Occupancy - Slopes in excess of 55%

No surface occupancy on slopes in excess of 55% (see map) to protect soil and water from erosion and mass failure hazards because of steep slopes.

Stipulation #9

No Surface Occupancy - Areas of mass soil instability

No surface occupancy is allowed for the exploration and development of energy minerals on areas with mass soil instability, as defined by the USDA County Soil Surveys.

Stipulation #10

No Surface Occupancy – Hibernacula

No surface occupancy within ¼ mile of all known Indiana bat hibernacula.

Moderately to Very Restrictive Stipulations

Stipulation #11

Controlled Surface Use - Areas of land with a Scenic Integrity Objective of ‘High’ or ‘Moderate’

At the time of any new proposed lease developments, the responsible line officer shall determine the need for any visual quality mitigation. Some examples of mitigation may include special design and reclamation measures, transplanting trees and shrubs, fertilization, mulching, special erosion control structures, irrigation, site recontouring to match the original land contour, low profile equipment and painting to minimize contrast. Surface occupancy may also be limited or denied in sensitive areas, such as unique geologic features and rock formations, visually prominent areas such as designated trails and developed recreation sites.

Stipulation #12

Controlled Surface Use - Known locations of federally listed species.

No cutting of snags (trees with less than 10% live canopy), shagbark or shellbark hickories, or trees that are hollow and/or have major splits or broken tops, except during the bat hibernation season (September 15 to April 15). If such trees are a safety hazard, they may be cut anytime they pose an imminent threat to human safety, but if cut in the nonhibernation season the Forest Service biologist must be notified in advance. This stipulation applies only to trees over six inches in diameter.

Protect all super canopy trees or other identified congregation roost trees for bald eagles along major river corridors and lakes. Protect known nests and roosts as described in the Bald Eagle Recovery Plan, or as directed by the US Fish and Wildlife Service.

A Forest Service biologist, prior to any surface disturbing activities, will conduct an assessment for potential American burying beetle habitat and occurrence. Occupancy restrictions will be determined at the time of the evaluation.

Stipulation #13

Controlled Surface Use - Areas of known Regional Sensitive Species or uncommon, unique or important habitats.

Controlled surface use may include setbacks or restrictions from portions of the lease to ensure protection of habitat for regional sensitive species. At the time of any new proposed lease developments, the responsible line officer shall determine the need for any setbacks or

restrictions, or the need for timing-related stipulation in accordance with the aquatic and terrestrial wildlife and botanical resources standard and guidelines.

The leaseholder and Forest Service inspector shall work together to identify locations for development and production facilities in order to protect the structural integrity of large old trees found on a portion of the tract.

Stipulation #14

Controlled Surface Use - Managed wildlife openings

At the time of any new proposed lease developments, the responsible line officer shall determine the extent of the surface use restrictions necessary to maintain habitat integrity for plant and animal species dependent on such habitats.

Stipulation #15

Controlled Surface Use – Riparian areas

At the time of any new proposed lease developments, the responsible line officer shall determine the appropriate surface use restrictions necessary to maintain the structural and ecological integrity of riparian areas, and aquatic and riparian-dependent species viability.

Stipulation #16

Controlled Surface Use – Portions of floodplains outside riparian areas.

Oil and gas activities may be allowed within that portion of a floodplain outside riparian areas. Mineral activities will be evaluated on a case-by-case basis, and appropriate mitigation measures will be applied. The leaseholder and Forest Service inspector shall work together to identify locations for roads, pipelines, well pads and production facilities.

Stipulation #17

Controlled Surface Use - Slopes between 35 and 55 percent

Oil and gas activities will be allowed on slopes between 35%-55% on a case-by-case basis, with appropriate mitigation. New road construction and maintenance shall be planned so that the least amount of ground disturbance is involved. The leaseholder and Forest Service inspector shall work together to identify locations for roads, pipelines, well pads and production facilities.

Stipulation #18

Controlled Surface Use – Cemetery

There is a reservation for use of ¼ acre for a cemetery. No surface disturbance on the cemetery.

Royalty Reservation Notice

This tract may have an outstanding Non-Participating Royalty Interest (NPRI), which is hereby accounted as a separate royalty payment in addition to the royalty paid to the United States under the terms of any BLM lease issued and shall be paid by the lessee directly to the NPRI owners.

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

In conducting operations associated with this lease, the lessee/operator must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use, occupancy, and management of National Forest System (NFS) lands when not inconsistent with existing lease rights granted by the Secretary of Interior.

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

Forest Supervisor, Kisatchie National Forest
2500 Shreveport Highway
Pineville, LA 71360-2009
(318) 473-7160

who is the authorized representative of the Secretary of Agriculture.

CULTURAL RESOURCES (National Historic Preservation Act of 1966 (NHPA), P.L. 89-665 as amended by P.L. 94-422, P.L. 94-458, and P.L. 96-515):

The Forest Service authorized officer is responsible for ensuring that the leased lands are examined prior to the undertaking of any ground-disturbing activities to determine whether or not cultural resources are present, and to specify mitigation measures for effects on cultural resources that are found to be present.

The lessee or operator shall contact the Forest Service to determine if a site-specific cultural resource inventory is required prior to undertaking any surface-disturbing activities on Forest Service lands covered by this lease.

The lessee or operator may engage the services of a cultural resource specialist acceptable to the Forest Service to conduct any necessary cultural resource inventory of the area of proposed surface disturbance. In consultation with the Forest Service authorized officer, the lessee or operator may elect to conduct an inventory of a larger area to allow for alternative or additional areas of disturbance that may be needed to accommodate other resource needs or operations.

The lessee or operator shall implement mitigation measures required by the Forest Service to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing, salvage, and recordation or other protective measures.

During the course of actual surface operations on Forest Service lands associated with this lease, the lessee or operator shall immediately bring to the attention of the Forest Service the discovery of any cultural or paleontological resources. The lessee or operator shall leave such discoveries

intact until directed to proceed by Forest Service.

THREATENED OR ENDANGERED SPECIES (The Endangered Species Act. (ESA), P.L. 93-205 (1973), P.L. 94-359 (1974), P.L. 95-212 (1977), P.L. 95-632 (1978), P.L. 96-159 (1979), P.L. 97-304 (1982), P.L. 100-653 (1988)).

The Forest Service authorized officer is responsible for compliance with the Endangered Species Act. This includes meeting ESA Section 7 consultation requirements with the U.S. Fish and Wildlife Service prior to any surface disturbing activities associated with this lease with potential effects to species and/or habitats protected by the ESA. The results of consultation may indicate a need for modification of or restrictions on proposed surface disturbing activities.

The lessee or operator may choose to conduct the examination at their cost. Results of the examination will be used in any necessary ESA consultation procedures. This examination and any associated reports, including Biological Assessments, must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. Any reports must also be formally approved by the USDA Forest Service biologist or responsible official.

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

Controlled Surface Use (CSU): Prohibits placement of mineral extraction equipment, buildings, roads, ponds, and wellpads, or clearing of vegetation for a pipeline right-of-way; within 150 feet of a streamside habitat protection zone; depending on the adjacent management area theme.

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

Controlled Surface Use (CSU): Prohibits placement of mineral extraction equipment, buildings, ponds, and wellpads; and will allow roads and clearing of right-of-way vegetation to occur if a site-specific environmental analysis determines that the mitigated environmental effects would not be significant.

LEASE NOTICE
Threatened, Endangered, or Sensitive Species

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's List of sensitive plant and animal species.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines

LEASE NOTICE
Wetlands/Floodplains

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Additional management requirements for the protection of riparian areas contained in 36 CFR 219.27(e) and the National Forest Management Act of 1976.

All activities within these areas may require special measures to mitigate adverse impacts to the resource values. They must comply with the above referenced executive orders, regulations, laws and be in accordance with Forest Land and Resource Management Plan guidelines.

Further information concerning the classification and management of these lands may be obtained from the authorized Forest officer.

LEASE NOTICE
Provisions of the Mineral Leasing Act

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments of 1976, affect an entity's qualifications to obtain an oil and gas lease. Sections 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other mineral lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee, sublessee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor, sublessor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the state office issuing this lease.

**NO SURFACE OCCUPANCY STIPULATION
Jurisdictional Wetlands**

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

T. 13 N., R. 6 W., Louisiana Meridian
Sec. 1: NENW; portions of W2NW, SENW, NESW;

For the purpose of:

Protection of Jurisdictional Wetlands.

**NO SURFACE OCCUPANCY STIPULATION
Saline Bayou National Scenic River**

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

Within 600 feet of the Saline Bayou National Scenic River

T. 13 N., R. 6 W., Louisiana Meridian
Sec. 1: NENW; portions of W2NW, SENW, NESW;

For the purpose of:

Protection of the Saline Bayou National Scenic River.