United States Department of the Interior

BUREAU OF LAND MANAGEMENT
California State Office
2800 Cottage Way, Suite W-1834
Sacramento, California 95825
www.ca.blm.gov

April 25, 2008

NOTICE OF COMPETITIVE LEASE SALE
OIL AND GAS

SALE LOCATION

Bureau of Land Management, California State Office
2800 Cottage Way
Sacramento, California 95825
(916) 978-4401

In accordance with 43 CFR Part 3120, the California State Office is offering for competitive oil and gas lease sale, 36 parcels containing 52,462.61 acres of Federal lands in the State of California. This notice provides:

- the time and place of the sale;
- how to participate in the bidding process;
- the sale process;
- the conditions of the sale;
- how to file a noncompetitive offer after the sale;
- how to file a presale noncompetitive offer; and
- how to file a protest to our offering the lands in this Notice.

Attached to this notice is a list of the lands being offered by parcel number and legal land description. They are listed in Township and Range order and will be offered in that sequence. Below each parcel, we have listed the notices and stipulations that apply to the parcel. These notices and stipulations will be made part of the lease at the time we issue it. For your convenience, we are including copies of the bid form and the lease form.

When and where will the sale take place?

When: The competitive oral sale will begin at 9:00 a.m. on **June 11, 2008.** The sale room will open at 8:00 a.m. to allow you to register and obtain your bid number.

Where: The sale will be held at the Bureau of Land Management, California State Office, 2800 Cottage Way, Room C1001, Sacramento, California 95825. Parking is available.

Access: The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact **Laurie Moore at (916) 978-4377, by email at lmoore@ca.blm.gov, or at the mailing address in the letterhead of this sale notice by May 21, 2008.**

How do I participate in the bidding process?

To participate in the bidding process, you must register to obtain a bid number. We will begin registering bidders at 8:00 a.m. on the day of the sale. Bidders must register in order to bid on a parcel.

What is the sale process?

Starting at 9:00 a.m. on the day of the sale:

- the auctioneer will offer the parcels in the order they are shown in the attached notice;
- all bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- the winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- the decision of the auctioneer is final.

The minimum acceptable bid is $2 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.501 acres requires a minimum bid of $202 ($2 x 101 acres). After all the parcels have been offered, you may ask the auctioneer to reoffer any unsold parcel.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the State Office Information Access Center (Public Room). If we cancel the sale, we will try to notify all interested parties early enough to stop them from traveling to the sale site.

- **Payment due:** You cannot withdraw a bid. Your bid is a legally binding commitment to sign the bid form; accept the lease; and pay all monies due. For each parcel you win, the **money due the day of the sale** is the total of the bonus bid deposit (at least $2 per acre), the first year's rent ($1.50 per acre), and the administrative fee ($140). **Any unpaid balance of the bonus bid must be submitted to the California State Office by 4:30 p.m., June 25, 2008,** which is the tenth working day following the sale. If you do not pay the balance due by this date, you forfeit the right to the lease and all money paid the day of the sale. If you forfeit a parcel, we may offer it at a later sale.

- **Form of payment:** You can pay by personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only). If you plan to make your payment using a credit card, you should contact your bank prior to the sale and let them know you will be making a substantial charge against your account. Please note, we will not accept credit or debit card payments for an amount equal to or greater than $100,000. We also will not accept aggregated smaller amounts to bypass this requirement. If you pay by check, please make checks payable to: **Department of the Interior—BLM.** We cannot accept cash. ***If a check you have sent to us in the past has been returned for insufficient funds, we will require 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. ***However, we cannot grant you any extension of time to pay the money that is due the day of the sale.***

- **Bid form:** For each parcel, the successful bidder is required to submit a properly signed Form 3000-2 (dated Oct 1989 or later) with the required payment on the day of the sale. This form constitutes a legally binding offer to accept a lease and can be signed ONLY by the prospective lessee or an authorized representative. You may complete the bid form with the exception of the money part before the sale. You may fill out the money part at the sale. Your completed bid form certifies (1) that you and the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and (2) that both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders. ***We will not accept any bid form that has information crossed out or is otherwise altered***.

- **Federal oil and gas lease 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 lands and 246,080 acres of acquired lands (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than 10 percent. Lease acreage committed to a unit agreement or development contract that you hold, own or control 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 terms:** A lease issued as a result of this sale has a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. Rental at $1.50 per acre or fraction of an acre for the first 5 years ($2 per acre after that) is due on or before the lease anniversary date each year until production begins. Once a lease becomes 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, June 1988 or later edition). A copy of the lease form is included in this notice.

- **Stipulations:** Some parcels have requirements and/or restrictions. Stipulations are included in the parcel descriptions. These stipulations become part of the lease and supersede any inconsistent provisions of the lease form.

- **Lease issuance:** After we receive the bid form, all monies due, and, if appropriate, your unit joinder information, the lease can be issued. The lease effective date is 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 ask us in writing to do this. We have to receive your request before we sign the lease.

- **Cellular Phone Usage:** You are restricted from using cellular phones in the sale room during the oral auction. You must confine your cellular phone usage to the hallway outside the sale room when the auction is taking place.

What parcels are available for noncompetitive offer to lease?

- Unless stated in this Notice, parcels that do not receive a bid at the competitive sale are available for noncompetitive offers to lease beginning the first business day following the day of the sale. If not withdrawn, these parcels are available for a period of two years, following the date of the sale, for noncompetitive offers to lease.

How do I file a noncompetitive day-after-sale offer after the sale?

- If you want to file a noncompetitive offer to lease on an unsold parcel, you must submit:

- Three copies of Form 3100-11, dated July 2006, *Offer to Lease and Lease for Oil and Gas* properly completed and signed. **(Note: We will accept reproductions of the official form, including computer generated forms that are legible and have no additions, omissions, other changes, or advertising. If you use an obsolete lease form, we will reject your offer.)**

- The most current oil and gas forms are available on the Internet at www.blm.gov/blmforms

- You must describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and

- Your payment for the total of the **$360** filing fee and the advanced first year's advance rental computed at $1.50 per acre. Remember to round up any fractional acreage when you calculate the amount of rental.

All offers filed the first business day after the sale are considered filed simultaneously. When a parcel receives more than one filing by 4:30 p.m. on the day after the sale, a drawing is held to determine the winner. A presale offer has priority over any offer filed after the sale. Thereafter, any parcels remaining are available for a period of two-years. Offers receive priority as of the date and time of filing in the California State Office.

How do I file a noncompetitive presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:

- are available;
- have not been under lease during the previous one-year period; or
- have not been included in a competitive lease sale within the previous two-year period.

Your noncompetitive presale offer to lease must be filed prior to the official posting of this sale Notice. If your presale offer was timely filed, was complete and we do not receive a bid for the parcel that contains the lands in your offer, it has priority over any other noncompetitive offer to lease for that parcel filed after the sale. Your presale offer to lease is your consent to the terms and conditions of the lease, including any additional stipulations. If you want to file a presale offer, follow the guidance listed above for filing a noncompetitive offer after the sale and the regulations at 43 CFR 3110.1(a).

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

We have tentatively scheduled our next competitive sale for **September 10, 2008**.

How can I find out the results of this sale?

We will post the sale results in our Public Room. You can buy ($5) a printed copy of the results list by contacting our Public Room at (916) 978-4400. Both this sale Notice and the results list will be available at our public internet site:

http://www.blm.gov/ca/st/en/prog/energy/og/instructions/leasesale/2008_Lease_Sales.html

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

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

- We must receive a protest no later than close of business on the 15th calendar day prior to the date of the sale. If our office is not open on the 15th day prior to the date of the sale, a protest received on the next day our office is open to the public will be considered timely filed. The protest must also include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons.

- A protest must state the interest of the protesting party in the matter.

- You may file a protest either by mail in hardcopy form or by telefax. You may not file a protest by electronic mail. A protest filed by fax must be sent to **(916) 978-4389**. A protest sent to a fax number other than the fax number identified or a protest filed by electronic mail 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 an environmental group authorizes an individual member of its group to act for it, the individual cannot make a protest in the group's name.

If BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?

We will announce receipt of any protests at the beginning of the sale. We will also announce a decision to either withdraw the parcel or proceed with offering it at the sale.

If I am the high bidder at the sale for a protested parcel, when will BLM issue my lease?

We will make every effort to decide the protest within 60 days after the sale. We will issue no 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 BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will 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 prior to lease issuance. If you do not accept the additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid and administrative fee.

If BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?

Yes, you may. Note, an appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

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

Yes, you may. Note, an appeal from the State Director's decision must meet the requirements of Title 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 to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize refund of the bonus bid, rentals and administrative fee 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.

NOTE: The posting of this notice serves to withdraw the lands listed herein from filings under 43 CFR 3110.1(a)(1)(ii).

Who should I contact if I have a question?

For more information, contact **Laurie Moore at (916) 978-4377**

/s/ Joan Mangold
Acting For,
Debra L. Marsh
Chief, Branch of Adjudication
Division of Energy and Mineral Resources

THE FOLLOWING PUBLIC DOMAIN LANDS ARE SUBJECT TO FILINGS IN THE MANNER SPECIFIED IN THE APPLICABLE PORTIONS OF THE REGULATIONS IN 43 CFR, SUBPART 3120.

PARCEL CA 6-08-1

T. 17 S., R 10 E., MD Mer.,
Sec. 3, SW;
Sec. 11, N2, N2S2;
Sec. 12, ALL;

San Benito County 1280.00 acres
Split Estate Lands except:
Sec. 3, SW.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-2

T. 17 S., R 10 E., MD Mer.,
Sec. 18, Lots 1-10, NWNE, SENE, E2SE;
Sec. 19, Lots 2, 3, N2 LOT 5, S2 Lot 6, N2 Lot 9, N2NE, SENE;
Sec. 30, Lots 5-8, S2 LOT 9, NE, N2SE, SWSE;
Sec. 31, Lots 1, 2, 6, 7, 9, 10, SESE.

San Benito County 1,952.07 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-3

T. 17 S., R 10 E., MD Mer.,
Sec. 24, SESE;
Sec. 25, NENE, S2NE, SENW, E2SW, SE.

San Benito County 440.00 acres
Public Land
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-4

T. 17 S., R 10 E., MD Mer.,
Sec. 32, W2NE, SENE, W2, SE;
Sec. 33, N2N2, S2;
Sec. 34, ALL.

San Benito County 1720.00 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-5

T. 18 S., R 10 E., MD Mer.,
Sec. 3, Lot 1, 2, 3, S2N2, S2;
Sec. 4, Lot 2, 3, 4, S2NW, N2SW, SWSW;
Sec. 9, E2, SW.

San Benito County 1,390.68 acres
Split Estate Lands except:
Sec. 4, E2NESW,
Sec. 9, SW.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-6

T. 18 S., R 10 E., MD Mer.,
Sec. 5, Lot 1-4, S2N2, S2;
Sec. 6, E2SE;
Sec. 7, Lots 2, 4, S2NE, NENW, E2SW, SE;
Sec. 8, SENW, S2.

San Benito County 1537.12 acres
Split Estate Lands except:
Sec. 8, NESE, S2SE.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-7

T. 18 S., R 10 E., MD Mer.,
Sec. 17, NE2NE, W2, S2SE;
Sec. 18, Lots 1-8, NE, N2SE, SESE;
Sec. 19, SENE, SE;
Sec. 20, N2, SW, NESE, S2SE;
Sec. 29, N2;
San Benito County 2,193.24 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-8

T. 18 S., R 10 E., MD Mer.,
Sec. 21, SESE, N2N2, S2NW, NESW, SWSW;
Sec. 22, N2, N2SW, SESW, SE;
Sec. 23, W2NE, NW, S2;
Sec. 24, Lots 3, 4, 8-17, 19, S2NW, SW.

San Benito County 2,248.87 acres
Split Estate Lands except:
Sec. 21, N2NE, NENW;
Sec. 22, N2, N2SW, SESW, SE
Sec. 23, W2NE, NW, SE, SW;
Sec. 24, Lots 3, 4, 8-17, 19, S2NW, SW.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-9

T. 18 S., R 10 E., MD Mer.,
Sec. 26, N2, SW, W2SE, SESE
Sec. 35, N2, SE.

San Benito County 1,080.00 acres
Split Estate Lands except:
Sec. NE, E2NW, W2SE,SESE.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-10

T. 18 S., R 10 E., MD Mer.,
Sec. 27, ALL;
Sec. 28, N2, SW, N2SE, SWSE;
Sec. 34, NE, N2NW, SENW.

San Benito County 1,520.00 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-11

T. 18 S., R 11 E., MD Mer.,
Sec. 31, Lots 1, 4-8, 12-19;

San Benito County 562.04 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-12

T. 22 S., R 11 E., MD Mer.,
Sec. 3, Lots 1-7, 10-16;
Sec. 5, Lots 8, 9;
Sec. 10, ALL;

Monterey County 1233.15 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-13

T. 22 S., R 11 E., MD Mer.,
Sec. 14, ALL;
Sec. 15, ALL;
Sec. 22, Lots 1-8;
Sec. 23, E2NE, NWNW, E2SW, SE.

Monterey County 1891.42 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-14

T. 22 S., R 11 E., MD Mer.,
Sec. 26, E2, E2NWS2SW;
Sec. 27, Lots 7, 8, 10, 11,12;
Sec. 28, S2SE, NESE;
Sec. 32, NWNW, SESW;
Sec. 33, SWSW, SESE;
Sec. 34, Lots 1, 7-12;
Sec. 35, W2NW, N2SW.

Monterey County 1,305.76 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-15

T. 22 S., R 11 E., MD Mer.,
Sec. 30, NWNE.

Monterey County 40.00 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-16

T. 19 S., R 12 E., MD Mer.,
Sec. 1, ALL;
Sec. 2, ALL;
Sec. 11, N2, NWSW;
Sec. 12, NENE, W2E2, W2, SESE;
Sec. 13, N2, N2SW, SESW, SE.

Fresno County 2,028.67 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-17

T. 19 S., R 12 E., MD Mer.,
Sec. 3, ALL;
Sec. 4, ALL;
Sec. 5, Lots 1-4, S2N2, SE.
Sec. 9, Lots 1-4, S2NE, SENW;
Sec. 10, N2NE, SENE, NW, NESE;

Fresno County
San Benito County 1380.77 acres
Public Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-18

T. 19 S., R 12 E., MD Mer.,
Sec. 6, Lots 1, 2, 3, S2NE, S2SW, SWSE;
Sec. 7, ALL;
Sec. 8, Lots 1, 3, 4, S2N2, S2;

Monterey County 1034.80 acres
San Benito County
Split Estate Lands except:
Sec. 6, Lots 1, 2, 3, S2NE.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-19

T. 19 S., R 12 E., MD Mer.,
Sec. 14, E2SW, NWSWNWSE, S2SWNWSE, SWSE;
Sec. 15, N2NE, SWNE, W2, W2SE;
Sec. 22, ALL;
Sec. 23, ALL;
Sec. 24, NENE, NWNW, S2NW, SW, W2SE.

Fresno County 2,345.00 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-20

T. 19 S., R 12 E., MD Mer.,
Sec. 17, E2, NW, E2SW;
Sec. 18, Lots 1-4;
Sec. 19, Lots 1-4;
Sec. 21, S2N2, S2.

Fresno County 1380.96 acres
Monterey County
San Benito County
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-21

T. 19 S., R 12 E., MD Mer.,
Sec. 25, N2, N2SW, SE;
Sec. 26, N2, SW, N2SE.
Sec. 35, ALL.
Fresno County 1760.00 acres
Monterey County
Split Estate Lands except:
Sec. 35, S2S2.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-22

T. 19 S., R 12 E., MD Mer.,
Sec. 27, ALL;
Sec. 34, ALL.

Fresno County 1,280.00 acres
Monterey County
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-23

T. 19 S., R 12 E., MD Mer.,
Sec. 29, N2, N2SW, SESW, SE;
Sec. 30, Lot 1;
Sec. 32, NWNE, S2N2, N2SW, SESW, SE;
Sec. 33, N2, NESW, S2SW, SE.

Monterey County 1771.87 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-24

T. 19 S., R 13 E., MD Mer.,
Sec. 7, SESE,
Sec. 8, ALL;
Sec. 9, NWNE, S2NE, NW, S2;
Sec.17, N2, NESE;

Fresno County 1640.00 acres
Public Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-25

T. 19 S., R 13 E., MD Mer.,
Sec. 10, ALL;
Sec. 15, ALL;

Fresno County 1,280.00 acres
Public Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-26

T. 19 S., R 13 E., MD Mer.,
Sec. 11, ALL;
Sec. 12, ALL;
Sec. 13, W2, W2SE;
Sec. 14, ALL.

Fresno County 2320.00 acres
Split Estate Lands except:
Sec. 11, ALL;
Sec. 12, ALL;
Sec. 13, W2SE;
Sec. 14, SENW, NWSW, S2S2.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-27

T. 19 S., R 13 E., MD Mer.,
Sec. 21, N2, N2SW, SESW, SE;
Sec. 22, SWNE, SENENW, W2NWNW, SENWNW, S2NW, SW, E2SE, SESE, S2NESE.
Sec. 27, ALL;
Sec. 28, ALL;

Fresno County 2,340.00 acres
Split Estate Lands except:
Sec. 28, SWSW.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-28

T. 19 S., R 13 E., MD Mer.,
Sec. 23, N2NE, SENE, NENW;
Sec. 24, N2, NWSW, N2SE.

Fresno County 600.00 acres
Split Estate Lands except:
Sec. 23, N2NE, SENE, NENW;
Sec. 24, NE, NESE.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-29

T. 19 S., R 13 E., MD Mer.,
Sec. 29, E2NE, NW, NWSW;
Sec. 30, Lot 4, NE, NESE, S2SE;
Sec. 31, Lot 1-4, NE, N2SE;
Sec. 32, SENE.S2NW, N2SW, SESW, NWSE, S2SE.

Fresno County 1374.97 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-30

T. 19 S., R 13 E., MD Mer.,
Sec. 34, N2NE, SENE, NW;
Sec. 35, N2, N2S2.

Fresno County 760.00 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-31

T. 19 S., R 14 E., MD Mer.,
Sec. 2, ALL;
Sec. 10, ALL;
Sec.14, ALL.

Fresno County 2,015.58 acres
Public Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-32

T. 19 S., R 14 E., MD Mer.,
Sec. 4, Lot 1-8;
Sec. 6, Lot 1-29, SE.

Fresno County 1579.34 acres
Public Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-33

T. 19 S., R 14 E., MD Mer.,
Sec. 8, ALL;
Sec.18, ALL.
Fresno County1,795.05 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-34

T. 19 S., R 14 E., MD Mer.,
Sec. 22, ALL;
Sec. 28, ALL;
Sec. 30, E2;
Sec. 32, N2N2, S2S2.

Fresno County 1920.00 acres
Split Estate Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-35

T. 21 S., R 15 E., MD Mer.,
Sec. 22, NENE, S2NE, NWSE, SESE;
Sec. 28, N2NE, SENE.

Fresno County 320.00 acres
Public Lands
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

PARCEL CA 6-08-36

T. 23 S., R. 15 E., MD Mer.,
Sec. 8, NENE, S2NE, NWSE, SESE;
Sec. 18, N2NE, SENE.

Fresno County 1,140.62 acres
Split Estate Lands except:
Sec. 8, NENE, S2NE, NWSE, SESE.
Hollister FO
Subject to Information Notices 1-5
Subject to Special Stipulations 1-3

The following notice will be attached to all issued leases:

NOTICE TO LESSEE
MLA Section 2(a)(2)(A)

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. Section 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 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 to 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 approval by a State Office on 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 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 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.

STANDARD LEASE NOTICES/STIPULATIONS:

Cultural Resource

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.

THIS APPLIES TO ALL PARCELS

Endangered Species Act Section 7 Consultation Stipulation

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

THIS APPLIES TO ALL PARCELS

Information Notices

1. Measures to Protect Threatened, Endangered, and Other Special Status Species

All or a portion of the lands in this lease are within the habitat of threatened or endangered species. Measures included in the Hollister Field Office's Record of Decision for the Southern Diablo Mountain Range and Central Coast of California (2007) for oil and gas operations in special status species habitat to mitigate oil and gas exploration and development activities will be implemented on those lands described herein. If these measures are not sufficient to prevent a "may affect" determination to the species, section 7 consultation with the USFWS will be required. The measures are:

A) BLM Standard Lease Stipulations (BLM Form 3100-11).

These provisions require the operator to minimize impacts to biological resources, take reasonable measures required by the BLM to protect resources, conduct minor inventories or short term special studies, contact the BLM if threatened or endangered species are observed, and cease operations that would result in the destruction of threatened or endangered species. Reasonable measures are defined in 43 CFR 3101.1-2 as consistent with lease rights if, at a minimum, they do not require relocation of operations more than 200 meters, require sitting of facilities off the lease, or prohibit surface disturbing operations more than 60 days in any lease year.

B) Prior to authorization of any surface disturbing activity a review of existing ecological data would be conducted to determine if any threatened, endangered, or other special status species may exist on the proposed site. If this review indicates species of concern may occur on the site, then a site-specific field examination would be conducted during the appropriate season to determine if the species occupies the site. Field surveys would be conducted by qualified botanists following the standards established by the California Department of Fish and Game (2000) and the California Native Plant Society (revised from Nelson 1987, approved by CNPS Board on June 2, 2001, included in CNPS 2001). If species occur, then all surface disturbing activity would be moved up to 200 meters and/or prohibited for up to 60 days in any lease year to avoid adverse impacts to the species. If movement of the site this distance or these seasonal restrictions were insufficient to avoid impacts, then additional mitigation measures would be develop din conjunction with consultations with the U.S. Fish & Wildlife Service per Section 7 of the Endangered Species Act. Similar procedures would also be used to avoid adverse impacts to state-listed species, with appropriate measures developed in concert with the California Department of Fish & Game regional managers.

C) Specialized habitats such as riparian areas, vernal pools, other wetlands, floodplains, native perennial grasses, saltbrush, and oak woodlands would be avoided by surface disturbing activities when practical and feasible alternatives exist.

D) Measures included in the Panoche/Coalinga ACEC Plan (1987) to mitigate oil and gas exploration and development activities would be implemented in all areas within the resource area where potential or occupied habitat for these species occurs. These measures would also be applied to T&E plant habitat as appropriate. (These measures are included as Management Actions in Chapter 2 of this RMP/EIS under ACEC–A3 through ACEC–A27).

E) A stipulation prohibiting surface occupancy within ½ mile of raptor nest sites during nesting and fledgling seasons would be placed on all leases that include known raptor nest sites. The seasonal prohibition could be waived if field examination indicated the nest site was not being used.

In addition to the Standard Lease Stipulations identified above, the following measures would also be required on BLM–administered oil and gas leases for special status species protection:

ACEC-COM5. Evaluate surface-disturbing activities such as road construction, ground leveling, mining or oil and gas development for potential adverse impacts on fossil resources, cultural resources, and special status species. Do an on-site field exam for all applications within the ACEC. Consult with the USFWS, in accordance with Section 7 of the ESA, if appropriate. If necessary, take protective measures. These measures can be categorized as *pre-development, development, and post-development.* Such measures are useful not only in evaluating oil and gas applications but all surface-disturbing activities. Not all measures apply in every situation. Evaluate each surface-disturbing action on a case-by-case basis for applicability of the following measures:

Pre-development Protective Measures

ACEC-COM6. Mitigation for vegetation and cultural resources impacts would include the following:

- Avoiding the impact altogether by not taking a certain action or part of an action;
- Minimizing impacts by limiting the degree or magnitude of the action and its implementation;
- Rectifying the impact by repairing, rehabilitating, or restoring the affected environment;
- Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action;
- Compensating for the impact by replacing or providing substitute resources or environments.

ACEC-C5. Install temporary fencing on a case-by-case basis.

ACEC-C6. Plan access roads and pipelines to use existing roads and trails. New roads should avoid, where possible, cultural resources and populations of special status species and their potential habitat and critical habitat.

ACEC-C7. Consider seasonal limitations for operational activities on a case-by-case basis.
ACEC-C8. Conduct employee awareness of conservation measures to protect the values for which an ACEC is established on an informal basis.

ACEC-C9. Consider surface occupancy in critical or sensitive habitat areas on a case-by-case basis.

Development Protective Measures

ACEC-COM7. Install pipelines/steam lines aboveground and align with roads, where possible.

ACEC-COM8. Determine size and alignment (or orientation) of pads to minimize surface disturbance and habitat loss while at the same time accommodating construction activities (i.e., lengthwise or parallel to existing roads, short side toward sensitive features). Revegetate portions of pads not needed for production purposes as soon as possible.

ACEC-COM9. Contain and/or remove wastewater to a designated disposal site.

ACEC-COM10. Stockpile topsoil from surface-disturbing activities to be used in conjunction with revegetation efforts.

ACEC-COM11. Maintain buffer zones around cultural resources (100 feet) and sensitive habitat features (minimum of 200 feet from active or inactive kit fox dens; minimum of 100 feet from all intermittent streams; 100 feet from dry washes in blunt-nosed leopard lizard habitat; and minimum of 200 feet from giant kangaroo rat colonies). Use fencing if necessary.

ACEC-COM12. Fence or cover all existing and active sumps with fine wire mesh to prevent entrapment of animals.

ACEC-C11. Consolidate locations for maintenance activities where feasible or identify alternative locations. Implement appropriate mitigation measures to minimize impacts.

ACEC-C12. Stipulate in leases for all energy developments that access is limited to two roads.

Post-development Protective Measures

ACEC-COM13. Delineate areas to be rehabilitated in writing, by map, and by staking/flagging on-site.

ACEC-COM14. If in an active field, conduct rehabilitation efforts before the first rainy season after project completion.

ACEC-COM15. If necessary, fence-in revegetated sites (or block with physical barriers) from vehicular or livestock access.

ACEC-COM16. Dispose of all well site debris, including equipment, pipelines, and garbage in an acceptable manner (i.e., remove to a designated disposal site for contaminated soil and/or other debris).

ACEC-COM17. In addition to the protective measures listed above, require compensation in the form of on-site or off-site habitat enhancement (installation of guzzlers, conversion of oil and gas wells to water wells, seeding of native shrub species, etc.). Project applicants may also be required to provide funds for purchase of off-site lands.

ACEC-COM18. Require sheep grazing lessees within ACECs to eliminate sheep trailing and bedding activities from within 200 feet of sensitive habitat areas (giant kangaroo rat colonies and kit fox dens). Also, locate sheep camps at least 200 feet from these areas.

ACEC-COM19. Require cattle grazing lessees within ACECs to eliminate salting or supplemental feed or watering facilities within 200 feet of sensitive habitat areas.

ACEC-COM20. Work with cattle and sheep grazing lessees in on-the-ground meetings at least annually at the beginning of each grazing season.

ACEC-COM21. Preclude predator trapping and rodent poisoning on all BLM surface lands in the subject area. Work with adjacent landowners and counties to the extent possible to avoid placing poison on public land. Monitoring for placement of poison on public land would be a high priority.

ACEC-COM22. Work with cattle and sheep grazing lessees to prevent overgrazing by establishing seasons of use, fencing, control of water, and placement of supplemental feed and salt. Provide fence materials if funds are available.

ACEC-C13. Determine reclamation by the degree of impacts.

ACEC-C14. The lessee does all ripping, reseeding, and recontouring of all roads, pads, sumps, and all other past surface disturbances (including oil spills from operations) not of value to the leasehold operation, as approved by the BLM.

ACEC-C15. Reseed with environmentally compatible species, including non-native, non-invasive, non-persistent species, in all disturbed areas within construction zones, as well as any additional locations agreed to for the benefit of special status species and surface protection from erosion.

2. Measures to Protect Scenic Quality (Visual Resources)

A) BLM Standard Lease Stipulations (BLM Form 3100-11).

The operator is required to take reasonable measures to minimize impacts to visual resources. Reasonable measures are defined in 43 CFR 3101.1-2 to include, but not limited to, modification of design or sitting of facilities, and relocation of proposed operations by up to 200 meters.

3. Measures to Protect Water Quality

A) BLM Standard Lease Stipulations (BLM Form 3100-11).

The operator is required to take reasonable measures to minimize impacts to land, air, and water resources. Such measures include, but are not limited to, specifications of interim and final reclamation measures.

B) Standards and guidelines in the Surface Operating Standards for Oil and Gas Exploration and Development (RMRCC 1989) would be applied to all oil and gas exploration and development activities. These are interagency guidelines developed to provide design and construction techniques and other practices that would minimize surface disturbance, effects on other resources, and maintain reclamation on potential of lease sites.

C) Proposed oil and gas development proposals (pad/access road construction, vegetation removal, etc.) on slopes that exceed 10%, within the selenium-bearing Moreno shale formation would require submission of designs prepared by a licensed professional engineer, incorporating adequate mitigation measures to preclude slope failure or off-site sediment transport of sediments and detailing reclamation procedures that would result in successful restoration and revegetation of the site.

4. Measures to Protect Cultural Resources

A) BLM Standard Lease Stipulations (BLM Form 3100-11).

The operator is required to minimize impacts to cultural resources, take reasonable measures required by the BLM to protect resources, conduct minor inventories or short term special studies, contact the BLM if objects of historic or scientific interest are observed, and cease operations that would result in destruction of historic objects. Reasonable measures are defined in 43 Code of Federal Regulations 3101.1-2 as consistent with lease rights if, at a minimum, they do not require relocation of operations more than 200 meters or require sitting of facilities off the lease.

B) A cultural resource inventory would be required prior to authorization of any surface disturbing activity. Proposed activities would be moved up to 200 meters to avoid adverse impacts to all potentially significant archaeological sites. For sites that could not be avoided, an appropriate data recovery plan would be developed in consultation with the State Historic Preservation Officer and the National Advisory Council on Historic Preservation. Implementation of the data recovery plan would be a condition of approval of the proposed activity.

5. Measures to Protect Air Quality

A) All oil and gas exploration and development activities that require off-road vehicle use or surface disturbance would be required to obtain an air quality emission permit or verification that such permits are not appropriate from the regional air quality control board.

B) All oil and gas exploration and development activities resulting in surface disturbance or requiring the use of motorized vehicles would be required to suppress fugitive dust emissions from paved and unpaved surfaces in accordance with local APCD regulations.

Special Lease Stipulations

STIPULATION NO. 1 - LIMITED SURFACE USE – SPECIAL STATUS SPECIES:

All or part of the lands within the 273,724 acres of BLM managed lands and 588,197 acres of split estate are within the range of one or more of the taxa identified and/or endangered species listed in the US Fish and Wildlife Service (FWS) Biological Opinion (1-8-07-F-19) for the Hollister RMP/EIS (2007). The BLM manager, through an environmental review process, and the USFWS, through an ESA Section 7 comprehensive biological opinion, have determined that the action is not likely to jeopardize the continued existence of T&E species or result in the destruction or adverse modification of T&E critical habitat.

Therefore, prior to any surface disturbance activities, or even the use of vehicles off existing roads on a lease, BLM approval is required. This restriction also applies to geophysical activities for which a permit is required. The approval is contingent upon the results of site-specific inventories of the listed T&E species in the critical areas of concern. The lessee is hereby notified that the process is likely to take longer than the normal review process and that surface activity approval may be delayed.

If no T&E species are found during the inventories, then no formal Section 7 consultation with the USFWS would be necessary and the action will be processed using the standard Onshore Oil and Gas Order Number 1 Approval of Operations (43 CRF Part 3160, W0-610-411H12-24 1A) procedures [48 FR 48916 as amended in 48 FR 56226 (1983) and proposed rule in 70 FR 43349, July 27, 2005]. However, the lessee is hereby notified that, if T&E species are found during the inventories, the surface disturbing activities may be prohibited on portions of, or even all of the lease, unless an alternative is available that meets all of the following criteria: (a) the proposed action is not likely to jeopardize the continued existence of the T&E species, (b) the proposed action is not likely to destroy or adversely modify critical habitat for the T&E species, and (c) the proposed actions are consistent with USFWS recovery plans and/or BLM resource management plans. This denial authority will also apply to directional drilling proposals which require federal approval to drill into the leased mineral estate from adjacent lands.

Endangered Species List

Common Name	Scientific Name	Status
	Special Status Plants	
California jewelflower	*Caulanthus californicus*	Endangered
San Joaquin wooly-threads	*Lembertia congdonii*	Endangered
Hoover's woolly-star	*Eriastrum hooveri*	Threatened
	Special Status Animals	
Blunt nosed leopard lizard	*Gambelia silus*	Endangered
Giant kangaroo rat	*Dipodomys ingens*	Endangered
San Joaquin kit fox	*Vulpes macrotis mutica*	Endangered
California red-legged frog	*Rana aurora draytonii*	Threatened
California tiger salamander	*Ambystoma californiense*	threatened
	Special Status Birds	
California condor	*Gymnogypus californianus*	Endangered
	Special Status Invertebrates	
Conservancy fairy shrimp	*Branchinecta conservatio*	Endangered
Longhorn fairy shrimp	*B. Longiantenna*	Endangered
Vernal pool fairy shrimp	*B. lynchi*	Threatened
Vernal pool tadpole shrimp	*Lepidurus packardi*	Endangered

STIPULATION NO. 2 - LIMITED SURFACE USE - SENSITIVE SPECIES

All or a portion of this lease is within the range of one or more plant or animal species (shown at the end of this stipulation) that are either Federal candidates for listing as threatened or endangered (Federal Candidate), are listed by the State of California as threatened or endangered (State Listed), or are designated by the Bureau of Land Management (BLM) as Sensitive (Bureau Sensitive).

The lessee is notified that time frames for processing applications may be delayed beyond established standards to allow for species surveys and coordination with the USFWS and California Department of Fish and Game. Notice is also given that surface-disturbing activities may be relocated beyond the standard 200 meters but not more than 1/4 mile and that surface disturbing activities may be prohibited during seasonal time periods.

Prior to the authorization of any surface disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year. The BLM may need to coordinate with the USFWS or the California Department of Fish and Game if the site inspection concludes that a Federal Candidate, State Listed or Bureau Sensitive species may be affected by the proposed activity. Coordination may delay application processing beyond established time frames.

To prevent or reduce disturbance to Federal Candidate, State Listed, or Bureau Sensitive species,

surface operations may be moved up to 1/4 mile and surface disturbing activities may be prohibited

during seasonal time periods.

Sensitive/Candidate Species List

Common Name	Scientific Name	Status
	Special Status Plants	
Panoche Pepper-Grass	*Lepidium jaredii album*	BLM sensitive
	Special Status Animals	
San Joaquin Antelope Squirrel	*Ammospermophilus nelsoni*	BLM sensitive

STIPULATION NO. 3 - LIMITED SURFACE USE - RAPTORS:

This lease includes lands that have been identified as important raptor foraging, wintering or nesting areas. Notice is given that surface-disturbing activities may be relocated beyond the standard 200 meters, but not more than 1/2 mile or that some activities may be prohibited during seasonal time periods to avoid unnecessary and undue disturbance to sensitive raptor foraging grounds, wintering areas or nest sites.