New Mexico Oklahoma Texas & Kansas

Competitive Oil and Gas Lease Sale

July 19, 2006

Bureau of Land Management New Mexico State Office 1474 Rodeo Road Santa Fe, New Mexico, 87505





United States Department of the Interior Bureau of Land Management

New Mexico State Office 1474 Rodeo Road P.O. Box 27115 Santa Fe, New Mexico 87502-0115 www.nm.blm.gov

IN REPLY REFER TO: 3120 (92100-lbo)

May 30, 2006

NOTICE OF COMPETITIVE LEASE SALE Oil and Gas

We are pleased to announce that we will offer for competitive sale certain Federal lands in the States of New Mexico, Oklahoma, and Texas for oil and gas leasing. This notice describes-

- -The time and place of the sale;
- -How the sale will be conducted;
- -How to participate in the bidding process;
- -The sale process;
- -How long the sale will last;
- -The conditions of the sale;
- -How to file a noncompetitive offer after the sale; and
- -How to file a pre-sale noncompetitive offer;
- -How to file a protest to our offering the lands in this Notice.

Beginning on page 1, is a list of the lands we are offering. The lands are described by parcel number and legal land description. They are listed in Range and Township order by state and land type and will be offered in that sequence. Below each parcel we have included any stipulations, lease notices, special conditions, or restrictions that will be made a part of the lease at the time we issue it. We have also identified those parcels where the United States owns less than 100 percent interest in the oil and gas mineral rights, have pending pre-sale noncompetitive offers to lease, and are not available for noncompetitive offers to lease if they receive no bid at this sale. For your convenience, we are also including copies of the stipulations, lease notices, etc. affecting the parcels in this sale notice.

When and where will the sale take place?

When: The competitive sale will begin at 9:00 a.m. on Wednesday, July 19, 2006.

The Accounts Office at the Bureau of Land Management, New Mexico State Office at 1474 Rodeo Road, Santa Fe, NM will be used to register all bidders. Registration will start at 8:00 a.m. through 9:00 a.m. so you can obtain your

bidding number.

Where: We will hold the sale at the Bureau of Land management, New Mexico State

Office, 1474 Rodeo Road, Santa Fe, New Mexico 87505, in the second floor

conference room.

Access: The sale room is accessible to persons with disabilities. If you need an auxiliary

aid or service to participate in the sale, such as sign language interpreter or material in an alternate format, contact the New Mexico State Office, Marcella

Montoya at (505) 438-7537 by July 8, 2006.

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How will the sale be conducted?

The sale will be conducted by oral auction. You must make your bids verbally. The winning bid is the highest verbal bid equal to or exceeding the national minimum acceptable bid.

How do I participate in the bidding process?

To participate in the bidding process, you must fill out a Bidder Registration form identifying the lessee's name and address that will be shown on the lease form and get a bidding number. We will begin registering bidders at 8:00 a.m. on the day of the sale in the Accounts Office at the Bureau of Land Management. If you plan to bid, you must be registered before the sale begins. You must display your bid number to the auctioneer when you make a bid.

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 this Notice.
- -All bids are on a per-acre basis for the entire acreage in the parcel;
- -The winning bid is the highest oral bid
- -The decision of the auctioneer is final. However, if you believe the auctioneer has made an error or not acknowledged your bid, you must immediately make your concerns known to the auctioneer. Once the auctioneer has opened the bidding on the next parcel available for an oil and gas lease, the decisions made on the previous parcels offered are final.

The minimum bid BLM can accept is \$2.00 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x101 acres).

How long will the sale last?

We begin the sale at 9:00 a.m. and it continues until all of the parcels in this Notice have been offered. The length of the sale depends on the number of parcels we are offering and the pace of the bidding. Normally, the sale is done before noon.

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(s), we will post a notice in the New Mexico State Office Information Access Center (Public Room) before the day of the sale. We will announce withdrawn parcels before beginning the sale. If we cancel the sale, we will notify you as soon as possible.
- **-Fractional interests:** If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel, we will show that information with the parcel. When we issue

the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2x200 acres) and the advance annual rental will be \$300 (\$1.50X200 acres) for the first 5-years and \$400 (\$2X200 acres) for the remainder of the lease term. Royalty on production will be calculated on the United States net oil and gas mineral interest.

Payment due on the day of the sale: For each parcel you are the successful high bidder, you must pay the minimum bonus bid of \$2 per acre or fraction of an acre; the first years' advance annual rental of \$1.50 per acre or fraction of an acre; and a non-refundable administrative fee of \$130. You must make this payment in our Accounts Section at the BLM office either during, or immediately following the sale.

- -Remaining payments: If your bonus bid was more than \$2.00 per acre or fraction of an acre and you didn't pay the full amount on the day of the sale, you must pay the balance of your bonus bid by 4:00 p.m. on August 2, 2006, which is the 10th working day following the sale. If you do not pay in full by this date, you lose the right to the lease and you will forfeit the money you paid on the day of the sale. If you forfeit a parcel, we may offer it at a later sale.
- -Forms of payment: You may pay by personal check, money order, or credit card (Visa, MasterCard, American Express or Discover Card only). 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 may ask that you give us a guaranteed payment, such as a money order. Note for customers planning to pay with Credit Card, effective February 1, 2005, BLM will not accept credit or debit card payments to the Bureau for any amount equal to or greater than \$100,000. Payments of \$100,000 or more should be made by Automated Clearing House (ACH) or Federal Wire Transfer. We suggest that no one plan to make a payment of \$100,000 or more by credit card. 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: On the day of the sale, if you are a successful bidder you must give us a properly completed and signed competitive bid form (Form 3000-2, October 1989, or later edition, copy included) with your payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. We will not accept any bid form that has information crossed out or is otherwise altered.

We recommend you get a copy of the bid form and complete all but the money part before the sale. You can fill out the money part at the sale. Your completed bid form certifies that:

(1) 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) Both of you have complied with 18 U.S. C. 1860, a law that prohibits unlawful combinations, intimidation of and 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 246,80 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 will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas is produced in paying quantities on or for the benefit of the lease. Advance rental at \$1.50 per acre or fraction of an acre for the first 5 years (\$2.00 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, June 1988 or later edition, copy included).
- -**Stipulations:** Some parcels have special requirements or restrictions which are called stipulations. These are noted with each of the parcels. Stipulations are part of the lease and supercede any inconsistent provisions of the lease form.
- **-Lease Issuance:** After we receive the bid form and all the money due, and, if appropriate, your unit joinder information, 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 ask us in writing to do this. We have to receive your request before we sign the lease.
- **-Legal Land Descriptions:** We prepared this Notice with land status information from our Legacy Rehost 2000 (LR2000) case recordation system. We are providing you with the following information to assist you in understanding the legal descriptions given for each parcel:
 - The township and range contains additional zeros. For example, T. 28 N., R. 32 E., is shown as $T\underline{0}28\underline{0}N$, R $\underline{0}32\underline{0}E$ (additional zeros Underlined).
 - -The section numbers contain additional leading zeros. For example, section 4 is shown as sec. 004.
 - -Lands are described separately by lots, aliquot parts, tracts, and exceptions to survey for each section.

- -LR2000 will code a ½ township as a 2 in the database. This 2 will appear as the last digit in the number. For example, T 14 ½ N, will appear as T 0142N.
- -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 or area outside the saleroom when the auction is taking place.
- **-Other Conditions of the Sale:** At the time the sale begins, we will make any rules regarding sale procedures that we feel are necessary for the proper conduct of the sale.

NONCOMPETITIVE OFFERS TO LEASE

What parcels are available for noncompetitive offers 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, or shown with a noncompetitive Pre-sale offer pending, these parcels are available for noncompetitive offers to lease for a period of two years following the day of the sale.

How do I file a noncompetitive offer after the sale?

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

- -Three copies of form 3100-11, Offer to Lease and Lease for Oil and Gas properly completed and signed. (Note: We will accept copies of the official form, including computer generated forms, that are legible and have no additions, omissions, other changes, or advertising. If you copy this form you must copy both sides on one page. If you copy the form on 2 pages or use an obsolete lease form, we will reject your offer). 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 \$335 filing fee and the first year's advance rental computed at (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the rental amount.

For your convenience, you may leave your noncompetitive offers for any parcel which has received no bid with the Accounts Staff. We consider all offers filed the day of the sale and the first business day after it, for any of the unsold parcels, to be filed as of 9:00 a.m. the first business day following the day of the sale. If a parcel receives more than one offer, we will hold a drawing to select the winner (see 43 CFR 1822.17). We have identified those parcels that have pending presale offers. A noncompetitive presale offer to lease has priority over any other noncompetitive offer to lease filed after the sale.

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, and;
- -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 October 18, 2006. Please send nominations for that sale by June 9, 2006.

How can I find out the results of this sale?

We will post the sale results in the New Mexico State Office Information Access Center (Public Room). You can buy (\$5) a printed copy of the results by contacting our Accounts Staff, at (505) 438-7462. The list is also available on our public internet website: http://www.nm.blm.gov

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 (505)438-7684. 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 on 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 withdraw my bid if the protestor files and 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.

Whom should I contact if I have a question?

For general information, please contact our Information Access Center at (505) 438-7565 or for information or question about the sale, contact: Gloria Baca at (505) 438-7566.

/s/ Lourdes B. Ortiz

Lourdes B. Ortiz Land Law Examiner Fluids Adjudication Team

BUREAU OF LAND MANAGEMENT NEW MEXICO STATE OFFICE

July 19, 2006, Lease Sale Statistics by State Parcels with and without Pre-sale Noncompetitive Priority Offers

STATE	PARCELS WITH PRESALE OFFER	PARCELS WITHOUT PRESALE OFFER	TOTAL PARCELS	ACRES WITH PRESALE OFFER	ACRES WITHOUT PRESALE OFFER	TOTAL ACRES
NM	0	35	35	0.00	30,349.19	30,349.19
KS	0	0	0	0.00	0.00	0.00
OK	0	40	40	0.00	21,383.08	21,383.08
TX	0	11	11	0.00	3,183.61	3,183.61
TOTALS	0	86	86	0.00	54,915.88	54,915.88

Form 3100-11 (October 1992)

(Continued on reverse)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Sa	rial	No

OFFER TO LEASE AND LEASE FOR OIL AND GAS

The undersigned (reverse) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41), or the

		READ INSTRUCTIONS	BEFORE COMPLETING		
	Name				
	Street				
	City, State, Zip Code				
2.	This application/offer/lease is for: (Check only One)			ACQUIRED LANDS (perce	
	Surface managing agency if other than BLM:		Unit/Project		
	Legal description of land requested:	*Parcel No.:		*Sale Date (m/d/y)://
	*SEE ITEM 2 IN INSTRUCTIONS BELOW PRI			a .	
	T. R.	Meridian	State	County	
	Amount remitted: Filing fee \$	Rental fee \$			acres applied forS
		DO NOT WRITE E	BELOW THIS LINE		
3.	Land included in lease:				
	T. R.	Meridian	State	County	
				т	otal acres in lease
					ental retained \$
				K	cital Icializat §
an ap	his lease is issued granting the exclusive right to drill for d maintain necessary improvements thereupon for the opticable laws, the terms, conditions, and attached stipur ders hereafter promulgated when not inconsistent with	term indicated below, subject to renewal ations of this lease, the Secretary of the	d or extension in accordance wi Interior's regulations and formal	ith the appropriate leasing au	thority. Rights granted are subject t
	OTE: This lease is issued to the high bidder pursus omination and those specified on this form.	ant to his/her duly executed bid or no	mination form submitted unde	er 43 CFR 3120 and is sub	ject to the provisions of that bid o
Ty	ype and primary term of lease:		THE UNITED STATES O	F AMERICA	
	Noncompetitive lease (ten years)		by		
	• • •		•	(Signing Officer)	
	Competitive lease (ten years)				
	- ,		(Tit	ie)	(Date)
	Other		EFFECTIVE DATE OF L	EASE	
	Continued on reverse)	vii			

- 4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in each leasing District in Alaska of which up to 200,000 acres may be in options, (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)(2)(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act.
- (b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms, conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments. 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this	 day of	, 19	 	(Signature of Lessee or Attorney-in-fact
				(Signature of Lessee or Attorney-in-fac

LEASE TERMS

Sec. 1. Rentals—Rentals shall be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment, or
- as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties shall be paid on the production allocated to this lease. However, annual rentals shall continue to be due at the rate specified in (a), (b), or (c) for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) shall automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties—Royalties shall be paid to proper office of lessor. Royalties shall be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12 1/2 %;
- (b) Competitive lease, 121/2%;
- (c) Other, see attachment; or
- as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties shall be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production shall be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee shall not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor shall lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

An interest charge shall be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee shall be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

- Sec. 3. Bonds—A bond shall be filed and maintained for lease operations as required under regulations.
- Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee shall exercise reasonable diligence in developing and producing, and shall prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee shall drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.
- Sec. 5. Documents, evidence, and inspection—Lessee shall file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee shall keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee shall keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee shall maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports

costs claimed as manufacturing, preparation, and/or transportation costs. All such records shall be maintained in lessee's accounting offices for future audit by lessor. Lessee shall maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations—Lessee shall conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses shall be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee shall contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee shall immediately contact lessor. Lessee shall cease any operations that would result in the destruction of such species or objects.

- Sec. 7. Mining operations—To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.
- Sec. 8. Extraction of helium—Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee shall include in any contract of sale of gas the provisions of this section.
- Sec. 9. Damages to property—Lessee shall pay lessor for damage to lessor's improvements, and shall save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.
- Sec. 10. Protection of diverse interests and equal opportunity—Lessee shall: pay when due all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee shall comply with section 28 of the Mineral Leasing Act of 1920.

Lessee shall comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

- Sec. 11. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee shall file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.
- Sec. 12. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee shall place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.
- Sec. 13. Proceedings in case of default—If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time. Lessee shall be subject to applicable provisions and penalties of FOGRMA (30 U.S.C. 1701).
- Sec. 14. Heirs and successors-in-interest—Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

COMPETITIVE OIL AND GAS OR GEOTHERMAL RESOURCES LEASE BID

30 U.S.C. 181 et seq.; 30 U.S.C. 351-359; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

submit the remainder of the bonus bid within 10 working days will

result in rejection of the bid offer and forfeiture of all monies paid.

is submitted, all other parties in interest may be required to furnish

evidence of their qualifications upon written request by the authorized

before the oral auction, this form cannot be modified without being

either completed by the bidder or the Bureau of Land Management

3. If bidder is not the sole party in interest in the lease for which the bid

4. This bid may be executed (signed) before the oral auction. If signed

officer.

at the oral auction.

FORM APPROVED OMB NO. 1004-0074 Expires: May 31, 2000

3. Mark envelope Bid for Geothermal Resources Lease in (Name of

KGRA) or Bid for NPR-A Lease, as appropriate. Be sure correct

parcel number of tract on which bid is submitted and date of bid

opening are noted plainly on envelope. No bid may be modified or

withdrawn unless such modification or withdrawal is received prior

4. Mail or deliver bid to the proper BLM office or place indicated in the

evidence of their qualifications upon written request by the authorized

to time fixed for opening of bids.

Notice of Competitive Lease Sale.

Date of sale

30 U.S.C.	1001-1025; 42 U.S.C	. 6508			
		AMOUNT OF BID (See Instructions below)			
	PARCEL NUMBER		TOTAL BID	PAYMENT SUBMITTED WITH BID	
THE BID IS FOR (Chec	k one):				
Oil and Gas Parcel N	lumber				
Geothermal Parcel N	umber				
Name of Known Geo	othermal Resource Area (KGRA)			
			eases—43 CFR 3120; (2) for Nation 3220. (See details concerning lease	al Petroleum Reserve-Alaska (NPR-A) qualifications on reverse.)	
I CERTIFY THAT I have r for this bid.	ead and am in compliance	with, and not in violat	ion of, the lessee qualification requi	rements under the applicable regulations	
I CERTIFY THAT this bid	is not in violation of 18 U	J.S.C. 1860 which proh	ibits unlawful combination or intir	nidation of bidders. I further certify that	
conditions. Failure to con all monies submitted.	nply with the applicable la	ws and regulations und	der which this bid is made shall resu	offer, including all applicable terms and lt in rejection of the bid and forfeiture of of Lessee or Bidder	
	Address of Lessee				
City	State	Zip Code			
MOTOLIOT	TONG FOR OUT AND OA		ICTIONS	0.500.0507450444.00	
INSTRUCT	TIONS FOR OIL AND GA (Except NPR-A)	SBID		S FOR GEOTHERMAL OR OIL AND GAS BID	
 Separate bid for each parcel is required. Identify parcel by the parcel number assigned in the Notice of Competitive Lease Sale. 			 Separate bid for each par number assigned to a tract. 	cel is required. Identify parcel by the	
2. Bid must be accompanied by the national minimum acceptable bid, the first year's rental and the administrative fee. The remittance must be in the form specified in 43 CFR 3103.1-1. The remainder of the bonus bid, if any, must be submitted to the proper BLM office within 10 working days after the last day of the oral auction. Failure to			remittance must be in the	one-fifth of the total amount of bid. The form specified in 43 CFR 3220.4 for a and 3132.2 for a NPR-A lease bid.	

State

executed again.

5. In view of the above requirement (4), bidder may wish to leave
AMOUNT OF BID section blank so that final bid amount may be

submitted, all other parties in interest may be required to furnish

officer.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on reverse)

Form 3000-2 (July 1997)

QUALIFICATIONS

For leases that may be issued as a result of this sale under the Mineral Leasing Act (The Act) of 1920, as amended, the oral bidder must: (1) Be a citizen of the United States; an association (including partnerships and trusts) of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, in oil and gas leases in the State identified do not exceed 246,080 acres each in public domain or acquired lands including acreage covered by this bid, of which not more than 200,000 acres are under options. If this bid is submitted for lands in Alaska, the bidder's holdings in each of the Alaska leasing districts do not exceed 300,000 acres, of which no more than 200,000 acres are under options in each district; (3) Be in compliance with Federal coal lease holdings as provided in sec. 2(a)(2)(A) of the Act; (4) Be in compliance with reclamation requirements for all Federal oil and gas holdings as required by sec. 17 of the Act; (5) Not be in violation of sec. 41 of the Act; and (6) Certify that all parties in interest in this bid are in compliance with 43 CFR Groups 3000 and 3100 and the leasing authorities cited herein.

For leases that may be issued as a result of this sale under the Geothermal Steam Act of 1970, as amended, the bidder must: (1) Be a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof; and (2) Be in compliance with acreage limitation requirements wherein the bidder's interests, direct and indirect, do not exceed 51,200 acres; and (3) Certify that all parties in interest in this bid are in compliance with 43 CFR Group 3200 and the leasing authority cited herein.

For leases that may be issued as a result of this sale under the Department of the Interior Appropriations Act of 1981, the bidder must: (1) Be a citizen or national of the United States; an alien lawfully admitted for permanent residence; a private, public or municipal corporation organized under the laws of the United States or of any State or Territory thereof; an association of such citizens, nationals, resident aliens or private, public or municipal corporations, and (2) Certify that all parties in interest in this bid are in compliance with 43 CFR Part 3130 and the leasing authorities cited herein.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this bid for a Competitive Oil and Gas or Geothermal Resources Lease.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C. 351-359; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

PRINCIPAL PURPOSE: The information is to be used to process your bid

ROUTINE USES: (1) The adjudication of the bidder's right to the resources for which this bid is made. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when comment or concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, your bid may be rejected.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected in accordance with 43 CFR 3120, 43 CFR 3130, or 43 CFR 3220...

This information will be used to determine the bidder submitting the highest bid.

Response to this request is required to obtain a benefit...

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 2 hours per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (WO-630), 1620 L Street, Washington, D.C. 20036 and the Office of Management and Budget, Desk Officer for the Interior Department, Office of Regulatory Affairs (1004-0074), Washington, D.C. 20503.

PLEASE FILL IN THE NAME AND ADDRESS AS IT SHOULD APPEAR ON THE ISSUED LEASE

NEW BIDDER REGISTRATION FORM

	BIDDER NO	•
	(Leave	e Blank
NAME:		
TELEPHONE:		
ADDRESS:		_
CITY:		
STATE:	ZIP CODE:	_
E-MAIL ADDRESS:		_
_	UALIFIED TO HOLD A FEDERAL	OIL
AND GAS LEASE.		
SIGNATURE	DATE	

NEW MEXICO PUBLIC DOMAIN - NE

TS-4 TLS Protect Important Habitat-

Wintering Elk & Mule Deer

NM-200607-001 878.270 Acres	NM-200607-004 1080.840 Acres		
T.0230N, R.0010E, 23 PM, NM	T.0260N, R.0030E, 23 PM, NM		
Sec. 005 LOTS 1,6,7,8;	Sec. 003 LOTS 1-4;		
005 SENE, SWNW, W2SW, SESW;	003 S2N2,S2;		
005 NENWSE;	004 LOTS 1-4;		
006 LOTS 2,3,4,5,6,7;	004 S2N2,SW;		
006 S2NE, SENW, E2SW, SE;	Rio Arriba County		
Rio Arriba County	Taos FO		
Farmington FO	Stipulations:		
NMNM 60415, NMNM 83747	TS-4 TLS Protect Important Habitat-		
Stipulations:	Wintering Elk & Mule Deer		
NM-11-LN Special Cultural Resource			
	NM-200607-005 2399.130 Acres		
NM-200607-002 1919.720 Acres	T.0260N, R.0030E, 23 PM, NM		
T.0240N, R.0010E, 23 PM, NM	Sec. 005 LOTS 1-4;		
Sec. 004 LOTS 1-4;	005 S2N2,S2;		
004 SENE, S2NW, SW, NESE;	005 SZNZ,SZ, 006 LOTS 1-7;		
009 ALL;	006 S2NE, SENW, E2SW, SE;		
016 E2NW,S2 LESS 36.31AC;	008 ALL;		
016 IN HES214;	017 N2,N2S2,SESE;		
021 LOTS 1-5;	Rio Arriba County		
021 NW,N2SW,SWSW;	Taos FO		
Rio Arriba County	NMNM 71501, NMNM 83661		
Farmington FO	Stipulations:		
NMNM 19801, NMNM 34572, NMNM 61817	TS-3 NSO Protection of Wildlife Habitat,		
NMNM 71499, NMNM 83659	Recreational & Cultural Values: Sec.17: N2S2, SESE		
Stipulations:			
NM-11-LN Special Cultural Resource	2001270 11222, 2222		
000.60F 000	NM-200607-006 1731.560 Acres		
NM-200607-003 1720.840 Acres	T.0270N, R.0030E, 23 PM, NM		
T.0270N, R.0020E, 23 PM, NM	Sec. 019 SWNE,S2NW,S2;		
Sec. 023 LOTS 1-4;	030 LOTS 1-8;		
024 LOTS 4,5;	030 N2,N2S2;		
024 S2SW,SE;	031 ALL;		
025 ALL; 026 W2;	Rio Arriba County Taos FO		
026 W2; 035 N2;			
Rio Arriba County	NMNM 31894, NMNM 61820		
-	Stipulations:		
Taos FO	TS-4 TLS Protect Important Habitat- Wintering Elk & Mule Deer		
NMNM 61820, NMNM 71500 Stipulations:	wincering Fik & Muie Deer		
Scipulations:			

	NM-200607-010 1778.980 Acres
NM-200607-007 2184.640 Acres	T.0270N, R.0040E, 23 PM, NM
T.0270N, R.0030E, 23 PM, NM	Sec. 019 LOTS 2;
Sec. 020 LOTS 1;	019 S2NE, SENW;
020 SENE, S2;	020 SENE, W2W2, SESW, SE;
021 ALL;	029 NENE, N2NW;
028 LOTS 4;	030 LOTS 5-15;
028 N2,N2S2;	030 E2NW, NESW, N2SE;
029 LOTS 1-8;	031 LOTS 1-4;
029 N2,N2S2;	031 E2,E2W2;
Rio Arriba County	Rio Arriba County
Taos FO	Taos FO
NMNM 45937	NMNM 45936
Stipulations:	Stipulations:
TS-4 TLS Protect Important Habitat-	No Stipulations Attached
Wintering Elk & Mule Deer	no bellaraciono necacinea
Wincering bik & Mule Deel	
	NEW MEXICO PUBLIC DOMAIN- SE
NM-200607-008 2418.480 Acres	NEW MERICO TODDIC DOMAIN DE
T.0270N, R.0030E, 23 PM, NM	NM-200607-011 1915.280 Acres
Sec. 022 NE,S2NW,S2;	T.0180S, R.0200E, 23 PM, NM
023 SE;	Sec. 013 LOTS 1-4;
024 S2SW;	013 W2E2,W2;
025 LOTS 1-8;	014 ALL;
025 E2NE,N2NW,N2S2;	014 ALL;
026 LOTS 1-8;	Chaves County
026 N2,N2S2;	Roswell FO
027 N2,N2S2;	NMNM 69550, NMNM 78158
Rio Arriba County	NMNM 83150, NMNM 89101
Taos FO	Stipulations:
NMNM 45937	SENM-S-17 Slopes or Fragile Soils
Stipulations:	SENM-S-18 Streams, Rivers, and
TS-4 TLS Protect Important Habitat-	Floodplains
Wintering Elk & Mule Deer	ricoapiains
wincering bik & Mule Deel	
	NM-200607-012 2080.000 Acres
NM-200607-009 1600.000 Acres	T.0180S, R.0200E, 23 PM, NM
T.0270N, R.0030E, 23 PM, NM	Sec. 022 ALL;
Sec. 033 ALL;	023 ALL;
034 S2;	026 W2;
035 ALL;	027 N2,S2S2;
Rio Arriba County	Chaves County
Taos FO	Roswell FO
NMNM 45937	NMNM 63699, NMNM 69551
Stipulations:	NMNM 78158, NMNM 78160
TS-4 TLS Protect Important Habitat-	Stipulations:
Wintering Elk & Mule Deer	SENM-S-17 Slopes or Fragile Soils
ATUCETING BIV & MOTE DEET	SENM-S-17 Stopes of Fragile Solls SENM-S-18 Streams, Rivers, and
	Floodplains
	rioodhiaine

NM-200607-016 NM-200607-013 280.000 Acres 120.000 Acres T.0210S, R.0210E, 23 PM, NM T.0190S, R.0250E, 23 PM, NM Sec. 012 NE, N2NW, S2SWNW, E2SENW; Sec. 025 E2SW, SWSW; Eddy County Eddy County Carlsbad FO Carlsbad FO NMNM 94577 NMNM 93463 Stipulations: Stipulations: NM-11-LN Special Cultural Resource NM-11-LN Special Cultural Resource SENM-LN-1 Cave - Karst Occurrence Area SENM-S-19 Playas and Alkali Lakes SENM-S-17 Slopes or Fragile Soils SENM-S-20 Springs, Seeps and Tanks SENM-S-18 Streams, Rivers, and Floodplains NM-200607-017 40.000 Acres T.0200S, R.0250E, 23 PM, NM NM-200607-014 1280.000 Acres Sec. 022 NWSW; T.0260S, R.0220E, 23 PM, NM Eddy County Sec. 024 ALL; Carlsbad FO 025 NMNM 104966 ALL; Eddy County Stipulations: NM-11-LN Special Cultural Resource Carlsbad FO NMNM 42126, NMNM 53943 SENM-LN-1 Cave - Karst Occurrence Area SENM-S-17 Slopes or Fragile Soils Stipulations: NM-11-LN Special Cultural Resource SENM-LN-1 Cave - Karst Occurrence Area SENM-S-17 Slopes or Fragile Soils SENM-S-18 Streams, Rivers, and NM-200607-018 180.000 Acres T.0120S, R.0260E, 23 PM, NM Floodplains SENM-S-21 Caves and Karst Sec. 009 E2SESW, SE; SENM-S-25 Visual Resource Management Chaves County

SENM-S-25 Visual Resource Management

SENM-S-32 VRM-Class III Guadalupe

Escarpment

SENM-S-41 NSO-Guadalupe Escarpment Scenic

Area

Sec. 24: All, Sec. 25: N2, SW

SENM-S-42 Southern Guadalupe Escarpment

Resource

Chaves County

Roswell FO

NMNM 69156, NMNM 70879

Stipulations:

SENM-S-17 Slopes or Fragile SoilsSec. 09: SWSE, E2SE

SENM-S-38 NSO Overflow Wetlands ACEC
Sec. 09: E2SESW, NWSE

NM-200607-015 257.720 Acres
T.0160S, R.0240E, 23 PM, NM
Sec. 002 LOTS 1-4;
002 SESW,SESE;
003 LOTS 14,15,16;
Eddy County
Carlsbad FO
NMNM 68640, NMNM69568, NMNM 77964
Stipulations:
NM-11-LN Special Cultural Resource
SENM-S-18 Streams, Rivers, and
Floodplains
SENM-S-31 Northern Aplomado Falcon
Habitat

T.0130S, R.0260E, 23 PM, NM
Sec. 026 E2E2, SWSE;
035 NENW;
Chaves County
Roswell FO
NMNM 84846
Stipulations:

SENM-S-17 Slopes or Fragile Soils

240.000 Acres

NM-200607-019

NM-200607-020 40.000 Acres NM-200607-023 600.000 Acres T.0170S, R.0270E, 23 PM, NM T.0200S, R.0290E, 23 PM, NM Sec. 006 NESW; Sec. 023 NENE, S2NE, SE; Eddy County 024 NW, W2SW, E2SE; Carlsbad FO Eddy County NMNM 68647 Carlsbad FO NMLC 029009A Stipulations: NM-11-LN Special Cultural Resource Stipulations: SENM-S-9A (NSO) Bluntnose Shiner Species NM-11-LN Special Cultural Resource SENM-S-18 Streams, Rivers, and SENM-LN-1 Cave - Karst Occurrence Area SENM-S-1 Potash Stipulation Floodplains SENM-S-25 Visual Resource Management SENM-S-12 Open Potash Mine Workings SENM-S-17 Slopes or Fragile Soils SENM-S-21 Caves and Karst NM-200607-021 80.000 Acres T.0200S, R.0280E, 23 PM, NM Sec. 024 SENW, SWSW; NM-200607-024 74.480 Acres T.0170S, R.0300E, 23 PM, NM Eddy County Carlsbad FO Sec. 006 LOTS 6,7; NMNM 94843, NMNM 95631 006 ALL FORMATIONS EXCEPT; 006 Stipulations: GRAYBURG FORMATION AS; NM-11-LN Special Cultural Resource 006 DEFINED BY SEC 2F OF THE; SENM-LN-1 Cave - Karst Occurrence Area 006 UNIT AGREEMENT; SENM-S-17 Slopes or Fragile Soils Eddy County SENM-S-19 Playas and Alkali Lakes Carlsbad FO SENM-S-21 Caves and Karst NMNM 007749 This parcel is Excluding the Grayburg Formation which is the established underground reservoir, the top of which NM-200607-022 is found at 2416 feet, and the base of 1080.000 Acres T.0200S, R.0290E, 23 PM, NM which is found at 2710 feet, on the Gamma Sec. 021 SENE, E2SE; Ray-Neutron Log of the Kewanee Oil Co., 023 W2NW, SW; No 10 Bedingfield Well, located in the SWSE of Sec 1, T. 17S., R. 29E., NMPM, 025 ALL; 026 W2SE; insofar as the same lies within the Eddy County Square Lake 12 Unit Area." Carlsbad FO Stipulations: NMLC 029008A, NMLC 029009A NM-11-LN Special Cultural Resource NMNM 94776, NMNM 95634 SENM-S-22 Prairie Chickens Stipulations: SENM-S-34 Zone 3 Plan of Development NM-11-LN Special Cultural Resource SENM-S-1 Potash Stipulation -Secs. 23, 25 & 26 SENM-S-12 Open Potash Mine Workings-NM-200607-025 240.010 Acres Sec. 23: W2NW, SW; Sec. 26: W2SE; T.0200S, R.0300E, 23 PM, NM Sec. 25: N2,SW,N2SE,SWSE. Sec. 030 LOTS 4; SENM-LN-1 Cave - Karst Occurrence Area 030 SESW, SE; SENM-S-17 Slopes or Fragile Soils Eddy County SENM-S-21 Caves and Karst Carlsbad FO NMNM 82895 Stipulations: NM-11-LN Special Cultural Resource SENM-S-1 Potash Stipulation SENM-S-12 Open Potash Mine Workings-Sec. 30: SE SENM-S-17 Slopes or Fragile Soils

NM-200607-026 NM-200607-030 40.000 Acres 160.000 Acres T.0230S, R.0320E, 23 PM, NM T.0190S, R.0330E, 23 PM, NM Sec. 020 SESW; Sec. 033 SE; Lea County Lea County Carlsbad FO Carlsbad FO NMNM 95643 NMNM 94619 Stipulations: Stipulations: NM-11-LN Special Cultural Resource NM-11-LN Special Cultural Resource SENM-S-22 Prairie Chickens SENM-S-1 Potash Stipulation SENM-S-34 Zone 3 Plan of Development SENM-S-19 Playas and Alkali Lakes -Sec.33: W2NWSE SENM-S-34 Zone 3 Plan of Development NM-200607-027 680.000 Acres T.0240S, R.0320E, 23 PM, NM Sec. 013 SWSW; NM-200607-031 200.000 Acres T.0200S, R.0330E, 23 PM, NM 024 ALL; Sec. 021 NESW, SE; Lea County Carlsbad FO Lea County NMNM 93212 Carlsbad FO NMNM 40405 Stipulations: NM-11-LN Special Cultural Resource Stipulations: NM-11-LN Special Cultural Resource SENM-S-1 Potash Stipulation SENM-S-22 Prairie Chickens NM-200607-028 640.000 Acres SENM-S-34 Zone 3 Plan of Development T.0240S, R.0320E, 23 PM, NM Sec. 020 ALL; Lea County NM-200607-032 Carlsbad FO 80.000 Acres NMNM 90905 T.0200S, R.0330E, 23 PM, NM Stipulations: Sec. 021 S2NW; NM-11-LN Special Cultural Resource Lea County SENM-S-15 Wildlife Habitat Projects Carlsbad FO SENM-S-22 Prairie Chickens NMNM 67499 Stipulations: NM-11-LN Special Cultural Resource SENM-S-1 Potash Stipulation NM-200607-029 720.000 Acres SENM-S-22 Prairie Chickens T.0060S, R.0330E, 23 PM, NM SENM-S-34 Zone 3 Plan of Development Sec. 026 SE; 027 W2NE, W2; 028 SE; NM-200607-033 Roosevelt County 1289.240 Acres T.0140S, R.0340E, 23 PM, NM Roswell FO NMNM 89175, NMNM 89176 Sec. 006 LOTS 1-7; S2NE, SENW, E2SW, SE; Stipulations: 006 SENM-S-19 Playas and Alkali Lakes 007 LOTS 1-4; 007 E2,E2W2; Lea County Carlsbad FO NMNM 82940, NMNM 90911, NMNM 92198 Stipulations: NM-11-LN Special Cultural Resource SENM-S-19 Playas and Alkali Lakes SENM-S-20 Springs, Seeps and Tanks SENM-S-22 Prairie Chickens

NEW MEXICO PUBLIC DOMAIN - NW

NM-200604-034 160.000 Acres
T.0260N, R.0070W, 23 PM, NM
Sec. 024 SE;
Rio Arriba County
Farmington FO
NMSF 079034
Stipulations:
F-19 NSO Special Cultural Values
Sec. 24: NWSE

NM-200607-035 160.000 Acres T.0300N, R.0160W, 23 PM, NM Sec. 023 W2NE, SENE; 024 SWNW;

San Juan County
Farmington FO
NMNM 22596, NMNM 39911, NMNM 81855
Stipulations:
NM-11-LN Special Cultural Resource

OKLAHOMA PUBLIC DOMAIN-SE

NM-200607-036 36.000 Acres
T.0050S, R.0010E, 17 IM, OK
Sec. 014 SEE EXHIBIT A FOR M&B;
Carter County
Tulsa FO
OKNM 96112
Stipulations:
ORA-1 Floodplain Protection (CSU)
ORA-2 Wetland/Riparian (CSU)

OKLAHOMA PUBLIC DOMAIN-NE

NM-200607-037 40.040 Acres
T.0010N, R.0100E, 17 IM, OK
Sec. 015 LOTS 4,5 TO;
015 TOWNSITE ADDITION #1;
Coal County
Tulsa FO
OKNM 96077
Stipulations:
ORA-1 Floodplain Protection (CSU)
NM-8 Coal Reserves (Lease Notice)
WO-ESA-7 Endangered Species Act

NM-200607-038 35.550 Acres T.0010N, R.0100E, 17 IM, OK Sec. 036 LOT 19 TO; 036 TOWNSITE ADDITION #6; T.0010N, R.0110E, 17 IM, OK Sec. 018 LOTS 24-27 TO; 018 TOWNSITE ADDITION #4; Coal County Tulsa FO OKNM 96078 Stipulations: ORA-1 Floodplain Protection (CSU) NM-8 Coal Reserves (Lease Notice) WO-ESA-7 Endangered Species Act

OKLAHOMA PUBLIC DOMAIN-SE

NM-200607-039 230.000 Acres T.0010S, R.0100E, 17 IM, OK Sec. 033 SWNWNE,N2SWNE,SESWNE; 033 W2SENE,SESENE,NENW; 033 NESENW,N2NESE,SENESE; 034 W2NWSW,SENWSW,SWSW; 034 SWSESW;

Coal County
Tulsa FO
OKNM 64523
Stipulations:
NM-8 Coal Reserves (Lease Notice)
WO-ESA-7 Endangered Species Act

OKLAHOMA PUBLIC DOMAIN-NE

NM-200607-040 40.000 Acres
T.0050N, R.0140E, 17 IM, OK
Sec. 033 NESE;
Pittsburg County
Tulsa FO
OKNM 36167
Stipulations:
ORA-2 Wetland/Riparian (CSU)
NM-8 Coal Reserves (Lease Notice)
WO-ESA-7 Endangered Species Act

NM-200607-045 OKLAHOMA PUBLIC DOMAIN-NW 40.000 Acres T.0280N, R.0160W, 17 IM, OK NM-200607-041 24.970 Acres Sec. 018 NENE; T.0200N, R.0100W, 17 IM, OK Woods County Sec. 026 THE REMAINING UPLAND AC; Tulsa FO 026 TO LOT 5; OKNM 96106 026 PORTION OF LOT 9; Stipulations: 026 SEE EXHIBIT B FOR M&B; No Stipulations Attached Major County Tulsa FO NM-200607-046 Stipulations: 12.360 Acres T.0250N, R.0170W, 17 IM, OK ORA-1 Floodplain Protection (CSU) Sec. 003 ACCR & RIPR AC TO LOT 5; ORA-2 Wetland/Riparian (CSU) WO-ESA-7 Endangered Species Act 009 ACCR & RIPR AC TO LOT 3; SEE EXHIBIT D FOR M&B W/MAP; Woods and Woodward Counties Woods County - 10.83 acres NM-200607-042 280.000 Acres Woodward County - 1.53 acres T.0270N, R.0130W, 17 IM, OK Tulsa FO Sec. 014 NESW, N2SE; The successful bidder will be required SENE, SENW, N2SE; 015 to Join Communitization Agreement OKNM 100023 prior to lease issuance. Woods County Tulsa FO Operator: OKNM 68090, OKNM 96101 Chesapeake Operating Inc Stipulations: PO Box 18496 ORA-1 Floodplain Protection (CSU) Oklahoma City, OK 73154 ORA-2 Wetland/Riparian (CSU) (405) 767-4775 WO-ESA-7 Endangered Species Act Stipulations: ORA-1 Floodplain Protection (CSU) ORA-2 Wetland/Riparian (CSU) WO-ESA-7 Endangered Species Act NM-200607-043 32.870 Acres T.0230N, R.0140W, 17 IM, OK Sec. 006 LOTS 6; Woods County NM-200607-047 162.310 Acres Tulsa FO T.0280N, R.0170W, 17 IM, OK OKNM 95588 Sec. 008 SENE; Stipulations: 012 SESW; No Stipulations Attached 031 LOTS 1; 031 NENW; Woods County Tulsa FO NM-200607-044 80.000 Acres OKNM 96108 T.0230N, R.0140W, 17 IM, OK Stipulations: Sec. 018 S2SE; ORA-2 Wetland/Riparian (CSU) Woods County ORA-5 LPC Lesser Prairie Chicken Tulsa FO OKNM 95588

Stipulations:

ORA-1 Floodplain Protection (CSU) ORA-2 Wetland/Riparian (CSU)

NM-200607-048 60.000 Acres T.0270N, R.0180W, 17 IM, OK Sec. 028 LOT 3; 035 SESE; Woods County Tulsa FO OKNM 96110 The successful bidder will be required to Join Communitization Agreement OKNM 74597 prior to lease issuance. Operator: XTO Energy 810 Houston St #2000 Fort Worth, TX 76102-6298 (405)232-4011 Stipulations: ORA-1 Floodplain Protection (CSU) ORA-2 Wetland/Riparian (CSU) ORA-5 LPC Lesser Prairie Chicken WO-ESA-7 Endangered Species Act

NM-200607-049 40.000 Acres
T.0140N, R.0210W, 17 IM, OK
Sec. 010 SENE;
Roger Mills County
Tulsa FO
OKNM 97258
Stipulations:
No Stipulations Attached

NM-200607-050 117.350 Acres
T.0160N, R.0220W, 17 IM, OK
Sec. 017 LOT 1;
017 SESW,NWSE;
018 LOT 2;
Roger Mills and Ellis Counties
Tulsa FO
OKNM 94560, OKNM 94561, OKNM 94562
Stipulations:
ORA-1 Floodplain Protection (CSU)
ORA-2 Wetland/Riparian (CSU)

NM-200607-051 322.300 Acres
T.0060N, R.0250W, 17 IM, OK
Sec. 001 LOTS 2-4;
001 SENE, SW, NESE;
Greer County
Tulsa FO
OKNM 69610, OKNM 70241
Stipulations:
No Stipulations Attached

NM-200607-052 400.000 Acres
T.0060N, R.0250W, 17 IM, OK
Sec. 012 W2NE,E2NW,S2SW,SE;
Greer County
Tulsa FO
OKNM 70241
Stipulations:
No Stipulations Attached

NM-200607-053 80.000 Acres
T.0060N, R.0250W, 17 IM, OK
Sec. 014 SENE, NENW;
Greer County
Tulsa FO
Stipulations:
No Stipulations Attached

NM-200607-054 40.050 Acres
T.0170N, R.0250W, 17 IM, OK
Sec. 031 LOT 4;
Roger Mills County
Tulsa FO
OKNM 93521
Stipulations:
No Stipulations Attached

NM-200607-055 40.000 Acres
T.0180N, R.0250W, 17 IM, OK
Sec. 034 NESE;
Roger Mills County
Tulsa FO
OKNM 30120
Stipulations:
ORA-5 LPC Lesser Prairie Chicken

NM-200607-056 188.840 Acres	NM-200607-059 1400.000 Acres			
T.0160N, R.0260W, 17 IM, OK	T.0030N, R.0230E, 17 IM, OK			
Sec. 005 LOTS 6,7;	Sec. 025 N2;			
005 ACCR & RIPR AC TO LOTS 6,7;	026 ALL;			
006 LOT 1;	027 E2NE;			
SEE EXHIBIT C FOR M&B W/MAP;	027 N2NWNE, SENWNE, NESWNE;			
Roger Mills and Ellis Counties	028 N2;			
Tulsa FO	Le Flore County			
OKNM 19633, OKNM 23556	Tulsa FO			
Stipulations:	OKNM 96082			
ORA-1 Floodplain Protection (CSU)	OUACHITA NATIONAL FOREST			
ORA-2 Wetland/Riparian (CSU)				
-	Stipulations: FS-1			
WO-ESA-7 Endangered Species Act				
	FS8(OK)LN#3 FS8(OK)LN#4			
	F50(OK)LN#4			
OKLAHOMA ACQUIRED- NE				
NM-200607-057 1115.600 Acres	NM-200607-060 1040.000 Acres			
T.0030N, R.0230E, 17 IM, OK	T.0030N, R.0240E, 17 IM, OK			
Sec. 002 LOTS 3,4;	Sec. 001 E2SW;			
002 S2NW;	002 S2NW;			
002 SZNW; 004 SW;	011 W2,N2SE;			
	• •			
005 LOTS 1-4;	012 W2,SE;			
005 S2N2;	Le Flore County			
006 LOTS 1-5;	Tulsa FO			
006 S2NE, SENW, SE;	OKNM 96083			
Le Flore County	OUACHITA NATIONAL FOREST			
Tulsa FO	US OWNS 50% MINERAL INTEREST-SEC.1			
OKNM 96079	Stipulations:			
OUACHITA NATIONAL FOREST	FS-1			
Stipulations:	FS8(OK)CSU#1A			
FS-1	FS8(OK)CSU#1B			
FS8(OK)CSU#1 SECS. 2,4,5	FS8(OK)CSU#1C -SEC.12			
FS8(OK)CSU#1A SECS.2,4,5	FS8(OK)LN#3			
FS8(OK)LN#3	FS8(OK)LN#4			
FS8(OK)LN#4				
	NM-200607-061 1560.000 Acres			
NM-200607-058 1396.150 Acres	T.0030N, R.0240E, 17 IM, OK			
T.0030N, R.0230E, 17 IM, OK	Sec. 003 SW;			
Sec. 007 LOTS 1-3;	004 S2;			
007 L4 EXCEPT .17 AC;	009 NE,NWNW,S2;			
•				
007 NE,E2W2,SESE; 017 N2NE,SWNE,NW,N2SW,SE;	010 NE,W2NW,SENW,SW,N2SE; 010 SESE;			
	-			
018 E2,SESW,E2NESW;	Le Flore County			
Le Flore County	Tulsa FO			
Tulsa FO	OKNM 96084			
OKNM 96080	OUACHITA NATIONAL FOREST			
OUACHITA NATIONAL FOREST	Stipulations:			
Stipulations:	FS-1			
FS-1	FS8(OK)CSU#1A			
FS8(OK)LN#3	FS8(OK)CSU#1B			
FS8(OK)LN#4	FS8(OK)CSU#1C-SEC.10			
	FS8(OK)LN#3			
	FS8(OK)LN#4			

NM-200607-062 1470.500 Acres T.0030N, R.0240E, 17 IM, OK Sec. 005 LOTS 1,2; 005 S2NE,N2SW,SWSW; 006 LOTS 6,7; 006 E2SW,SE; 007 LOTS 1,2; 007 NE,E2NW; 008 W2NENE,N2SENE,SWSENE; 008 SWNE,W2,SE; Le Flore County Tulsa FO OKNM 96085 OUACHITA NATIONAL FOREST Stipulations: FS-1 FS8(OK)LN#3 FS8(OK)LN#4	NM-200607-065 760.000 Acres T.0030N, R.0240E, 17 IM, OK Sec. 021 W2; 022 SENE,N2SE; 023 NW,SE; Le Flore County Tulsa FO OKNM 96088 OUACHITA NATIONAL FOREST Stipulations: FS-1 FS8(OK)CSU#1A FS8(OK)CSU#1C FS8(OK)LN#3 FS8(OK)LN#4
F50(OK)LN#4	NM-200607-066 1000.000 Acres
	T.0030N, R.0240E, 17 IM, OK
	Sec. 025 E2NE, SE;
NM-200607-063 1440.000 Acres	034 N2NE, NENW;
T.0030N, R.0240E, 17 IM, OK Sec. 013 NE,E2NW,S2;	036 ALL; Le Flore County
014 N2,SE;	Tulsa FO
024 NE,SW,S2SE;	OKNM 96089
Le Flore County	OUACHITA NATIONAL FOREST
Tulsa FO	Stipulations:
OKNM 96086	FS-1
OUACHITA NATIONAL FOREST	FS8(OK)CSU#1C,
US OWNS 50% MIN INTEREST-SEC.24 Stipulations:	FS8(OK)NSO#2 -SEC. 36 FS8(OK)LN#3
FS-1	FS8(OK)LN#4
FS8(OK)CSU#1A	
FS8(OK)CSU#1B	
FS8(OK)LN#3	
FS8(OK)LN#4	NM-200607-067 444.970 Acres T.0030N, R.0240E, 17 IM, OK
	Sec. 029 NENE, S2NE, E2NW, NESW, NWSE; 029 SENWNE;
NM-200607-064 617.030 Acres	029 SENWNE; 030 LOT 2;
T.0030N, R.0240E, 17 IM, OK	030 W2NE, SENE;
Sec. 018 LOTS 1-4;	Le Flore County
018 E2W2;	Tulsa FO
019 N2 OF LOT 1;	OKNM 96090
019 N2NENW;	OUACHITA NATIONAL FOREST
020 NE,NWNW,S2NW; Le Flore County	Stipulations: FS-1
Tulsa FO	FS8(OK)LN#3
OKNM 96087	FS8(OK)LN#4
OUACHITA NATIONAL FOREST	
Stipulations:	
FS-1	
FS8(OK)CSU#1A	
FS8(OK)CSU#1C FS8(OK)LN#3	
FS8(OK)LN#4	
,	

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NM-200607-068
                     761.470 Acres
                                             NM-200607-071
                                                                  440.000 Acres
  T.0020N, R.0250E, 17 IM, OK
                                               T.0010N, R.0260E, 17 IM, OK
    Sec. 002 LOTS 1,2;
                                                 Sec. 025 S2NW, NWSW, E2SW;
              S2NE, SE;
         002
                                                      026 W2NE, SE;
         011
             E2;
                                             Le Flore County
         014
              N2NE, NENW;
                                             Tulsa FO
                                             OKNM 85969
Le Flore County
                                             OUACHITA NATIONAL FOREST
Tulsa FO
OKNM 60076, OKNM 66291, OKNM 86010
                                             Stipulations:
QUACHITA NATIONAL FOREST
                                             FS-1
Stipulations:
                                             FS8(OK)LN#3
                                             FS8(OK)LN#4
FS-1
FS8(OK)CSU#1
FS8(OK)LN#3
FS8(OK)LN#4
                                             NM-200607-072
                                                                 1518.840 Acres
                                               T.0030N, R.0260E, 17 IM, OK
                                                 Sec. 019 LOTS 1-4;
NM-200607-069
                    1965.000 Acres
                                                      019
                                                           NE,E2W2;
  T.0020N, R.0250E, 17 IM, OK
                                                           E2NE, W2, NWSE;
                                                      020
    Sec. 013 NE, N2NW, N2SENW;
                                                           SENE, W2E2, W2, E2SE;
                                                      021
         013 N2N2S2SENW;
                                             Le Flore County
         022 S2NENW, S2NW, S2;
                                             Tulsa FO
                                             OKNM 57022, OKNM 64043, OKNM 69198,
         023 ALL;
                                             OKNM 86193, OKNM 86194
         024
               ALL;
Le Flore County
                                             OUACHITA NATIONAL FOREST
Tulsa FO
                                             35% MINERAL INTEREST - Sec.20: E2NE,W2
OKNM 60076
                                             50% MINERAL INTEREST - SEC.20: NWSE;
QUACHITA NATIONAL FOREST
                                             SEC.21: SENE, W2E2, W2, E2SE
Stipulations:
                                             Stipulations:
FS-1
                                             FS-1
FS8(OK)LN#3
                                             FS8(OK)CSU#1A -SECS.19&21
FS8(OK)LN#4
                                             FS8(OK)LN#3
                                             FS8(OK)LN#4
NM-200607-070
                   640.000 Acres
  T.0040N, R.0250E, 17 IM, OK
    Sec. 023 NW;
         026
               NWNW, S2NW, SW;
         035
             N2N2NW,SW;
Le Flore County
Tulsa FO
OKNM 37337, OKNM 80661, OKNM 83130
QUACHITA NATIONAL FOREST
Stipulations:
FS-1
FS8(OK)CSU#1A-SEC.35
FS8(OK)LN#3
FS8(OK)LN#4
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NM-200607-073 1360.880 Acres TEXAS ACQUIRED T.0010N, R.0270E, 17 IM, OK Sec. 028 E2,N2NW,SENW; NM-200607-076 822.760 Acres 029 N2,SW,N2SE,SWSE; TX TR K-1-II PARCEL #3, K-1-X; 030 LOTS 3,4; SEE EXHIBIT E FOR M&B W/MAP; 030 E2SW, SE; Houston County Le Flore County Tulsa FO DAVY CROCKETT NATIONAL FOREST Tulsa FO OKNM 85972 TXNM 94158 **OUACHITA NATIONAL FOREST** Stipulations: Stipulations: FS-1 FS-1 FS8(TX)CSU#1A FS8(OK)LN#3 FS8(TX)CSU#1B-TR K-I-II Parcel #3 FS8(OK)LN#4 FS8(TX)CSU#1J QUAD NO. 3195131 OKLAHOMA ACQUIRED- NW NM-200607-077 81.000 Acres 70.000 Acres TX TR K-88; NM-200607-074 T.0130N, R.0190W, 17 IM, OK SEE EXHIBIT F FOR M&B W/MAP; Sec. 021 SWSW; Houston County 021 SENESW, W2SESW; Tulsa FO DAVY CROCKETT NATIONAL FOREST Custer County Stipulations: Tulsa FO BUREAU OF RECLAMATION FS-1 FOSS DAM FS8(TX)CSU#1A OKNM 31661-A FS8(TX)CSU#1J Stipulations: QUAD NO. 3195142 BOR(GP-135) BOR-GS NM-200607-078 160.000 Acres NM-200607-075 80.000 Acres TX TR K-61, K-61-I; SEE EXHIBIT G FOR M&B W/MAP; T.0220N, R.0250W, 17 IM, OK Sec. 035 N2NW; Houston County Ellis County Tulsa FO Tulsa FO DAVY CROCKETT NATIONAL FOREST OKNM 94881 TXNM 53408 50% MINERAL INTEREST Stipulations: Stipulations: FS-1 ORA-5 LPC Lesser Prairie Chicken FS8(TX)CSU#1A

FS8(TX)CSU#1B-TR K-61

FS8(TX)CS#1J QUAD NO. 3195142 NM-200607-079 30.000 Acres

TX TR K-54;

SEE EXHIBIT H FOR M&B W/MAP;

Houston County
Tulsa FO
DAVY CROCKETT NATIONAL FOREST
TXNM 69510
Stipulations:
FS-1
FS8(TX)CSU#1A
FS8(TX)CSU#1J
QUAD NO. 3195142

NM-200607-080 98.000 Acres
TX TR K-36;
SEE EXHIBIT I FOR M&B W/MAP;
Houston County
Tulsa FO
DAVY CROCKETT NATIONAL FOREST
TXNM 60091
Stipulations:
FS-1
FS8(TX)CSU#1A
FS8(TX)CSU#1J
QUAD NO. 3195143

NM-200607-081 97.000 Acres

TX TR K-29;

SEE EXHIBIT J FOR M&B W/MAP;
Houston County
Tulsa FO
DAVY CROCKETT NATIONAL FOREST
TXNM 60604
Stipulations:
FS-1
FS8(TX)CSU#1A
FS8(TX)CSU#1J
QUAD NO. 3195143

NM-200607-082 112.000 Acres
TX TR K-1K;
SEE EXHIBIT K FOR M&B W/MAP;
Houston County
Tulsa FO
DAVY CROCKETT NATIONAL FOREST
TXNM 103279
Stipulations:
FS-1
FS8(TX)CSU#1A
FS8(TX)CSU#1J
QUAD NO. 3195143

NM-200607-083 350.000 Acres
 TX TR K-41;
 SEE EXHIBIT L FOR M&B W/MAP;
Houston County
Tulsa FO
DAVY CROCKETT NATIONAL FOREST
TXNM 66299
Stipulations:
FS-1
FS8(TX)CSU#1A
FS8(TX)CSU#1B
FS8(TX)CSU#1J
QUAD NO. 3195113

NM-200607-084 98.000 Acres

TX TR K-10i;

SEE EXHIBIT M FOR M&B W/MAP;

Houston County

Tulsa FO

DAVY CROCKETT NATIONAL FOREST

TXNM 78322

Stipulations:
FS-1
FS8(TX)CSU#1A
FS8(TX)CSU#1B
FS8(TX)CSU#1J

QUAD NO. 3195113

NM-200607-085 482.000 Acres
TX TR K-1r (94.00 AC);
TR K-2Ab, K-2Ab-I;
TR K-2Ac, K-2Ac-I;
SEE EXHIBIT N FOR M&B W/MAP;
Houston County
Tulsa FO
DAVY CROCKETT NATIONAL FOREST
TXNM 58204, TXNM 94147
Stipulations:
FS-1
FS8(TX)CSU#1A
FS8(TX)CSU#1B
FS8(TX)CSU#1J
QUAD NOS. 3195142, 3195113

NM-200607-086 852.850 Acres
 TX TR K-1-V PARCEL #3;
 SEE EXHIBIT O FOR M&B W/MAP;
Houston County
Tulsa FO
DAVY CROCKETT NATIONAL FOREST
TXNM 19769
Stipulations:
FS-1
FS8(TX)CSU#1A
FS8(TX)CSU#1B
FS8(TX)CSU#1J
QUAD NO. 3195142

Number of Parcels - 86

Total Acreage - 54,915.88

Total number of Parcels with Presale Offers - 0

Parcel Number of Parcels with Presale Offers - 0

Total Acreage With Presale Offers - 0

Any portion of the listed lands may be deleted upon determination that such lands are not available for leasing.

T 05 S - R 01 E Carter County, Oklahoma Sec. 14: 36.00 acres

Sec. 14: W2W2SWNE, E2E2SENW,E2W2NESENW, and a tract of land 40' wide, the center line beginning at a point on the East line of the W2W2SWNE 660' from Northeast corner;

Thence N 68° East 375';

Thence N 23° East 555' containing .85 acres, and a strip of land beginning at a point on East-West center line of

Section 14, 50' East of Center of Section;

Thence South 24° 15' East 2900' to South line of Section;

Thence East along Section line 190';

Thence North 24° 15' West 2900' to East-West center line;

Thence West along East-West Center line 190' to place of

BEGINNING, containing 36.00 total acres.

METES AND BOUNDS DESCRIPTION
OF THE REMAINING UPLAND ACREAGE
TO LOT 5, SECTION 26, T20N – R10W,
NOT INCLUDED IN BLM LEASE OKNM 0273374
LOCATED ALONG THE CIMARRON RIVER,
MAJOR COUNTY, OKLAHOMA
Described as follows:

BEGINNING at a point South 00°06'00" East a distance of 2,180.31 feet from an Iron Rod at the Northeast corner of Section 26, T 20 N – R 10 W, said point also being North 00°06'00" West a distance of 184.14 feet from the ancient meander corner of the Southwesterly ancient bank of a G.L.O. island between Sections 25 and 26, T20N – R10W, Major County, Oklahoma:

THENCE along the East line of said Section 26 and the Westerly boundary of existing BLM lease OKNM 0273374, North 00°06'00" West a distance of 630.30 feet to the ancient meander corner on the Northeasterly ancient bank of a G.L.O. island between Sections 25 and 26;

THENCE along the adjusted ancient bank of said G.L.O. island and the Westerly boundary of existing BLM lease OKNM 0273374, North 18°04'00" West a distance of 248.82 feet to the Northeast corner of said Lot 5;

THENCE along the North line of said Lot 5, North 89°53'00" West a distance of 2035.11 feet to the Northwest corner of Lot 5;

THENCE along the adjusted ancient bank of said G.L.O. island and the Northeasterly boundary of existing BLM lease OKNM 0273374 the following courses and distances:

South 61°51'00" East a distance of 772.20 feet; South 66°22'00" East a distance of 1285.02 feet to a point on the 1937 left bank;

THENCE along the 1937 left bank the following courses and distances:

South 83°38'00" East a distance of 73.26 feet; North 84°55'00" East a distance of 182.82 feet to the POINT OF BEGINNING, and containing 24.48 acres of land more or less.

Exhibit B Page 2 of 2

METES AND BOUNDS DESCRIPTION
OF THAT PORTION OF LOT 9,
SECTION 26, T20N-R10W,
NOT INCLUDED IN BLM LEASE OKNM 0273374
LOCATED ALONG THE CIMARRON RIVER,
MAJOR COUNTY, OKLAHOMA
Described as follows:

BEGINNING at the ancient meander corner on the ancient West bank of a G.L.O. island between Sections 25 and 26, said point being South 00°06'00" East a distance of 2364.45 feet from an Iron Rod at the Northeast corner of Section 26, T20N – R10W, Major County, Oklahoma;

THENCE along the adjusted ancient bank of a G.L.O. island and the Northeasterly boundary of existing BLM lease OKNM 0273374 the following courses and distances:

North 54°10'00" West a distance of 281.82 feet; North 66°22'00" West a distance of 28.38 feet to the intersection of the ancient bank of a G.L.O. island and the 1937 left bank:

THENCE along the 1937 left bank the following courses and distances:

South 83°38'00" East a distance of 73.26 feet; North 84°55'00" East a distance of 182.82 feet to a point on the East line of said Section 26, said point also being a point on the Westerly boundary of said existing BLM lease, OKNM 0273374;

THENCE along the East line of said Section 26 and the Westerly boundary of said existing BLM lease, South 00°06'00" East a distance of 184.14 feet to the POINT OF BEGINNING, and containing 0.49 acres of land more or less.

METES AND BOUNDS DESCRIPTION OF LOT 7(34.75 ACRES) AND THE ACCRETION AND RIPARIAN ACREAGE TO LOT 7, SECTION 5, T 16 N - R 26 W LOCATED ALONG THE CANADIAN RIVER, ELLIS COUNTY, OKLAHOMA

Beginning at THE ANCIENT MEANDER CORNER ON THE ANCIENT LEFT BANK BETWEEN Sections 5 and 6, said point also being the Southwest corner of Section 5, T 16 N - R. 26 W, Ellis County, Oklahoma;

Thence along the adjusted ancient left bank the following courses and distances:

North 59° 55' 53" East a distance of 1880.48 feet; North 34° 57' 19" East a distance of 460.96 feet to the Northeast corner of said lot 7;

Thence South 21° 17' 20" East a distance of 1264.85 feet to a proportional point on the 2005 left bank;

Thence South 11° 20' 16" West a distance of 45.30 feet to a point on the 2005 medial line;

Thence along the 2005 medial line the following courses and distances:

North 78° 39' 44" West a distance of 66.17 feet; North 78° 49' 28" West a distance of 56.46 feet; North 58° 06' 22" West a distance of 87.75 feet; North 66° 07' 39" West a distance of 130.65 feet; North 75° 57' 58" West a distance of 114.72 feet; North 62° 45' 57" West a distance of 89.46 feet; North 62° 45' 58" West a distance of 97.33 feet; North 80° 14' 44" West a distance of 197.88 feet; North 79° 15' 06" West a distance of 152.78 feet; South 75° 31' 57" West a distance of 124.78 feet; South 56° 27' 55" West a distance of 78.61 feet; South 56° 59' 21" West a distance of 87.59 feet; South 30° 23' 17" West a distance of 112.70 feet; South 43° 58' 13" West a distance of 117.54 feet; South 16° 21' 27" West a distance of 203.86 feet; South 29° 42' 08" West a distance 172.85 feet; South 25° 59' 59" West a distance of 145.68 feet; South 44° 16' 51" West a distance of 155.58 feet; South 46° 32' 47" West a distance of 88.76 feet; South 26° 15' 54" West a distance of 85.50 feet; South 33° 11' 23" West a distance of 91.89 feet;

South 41° 14' 00" West a distance of 127.43 feet to a point;

Thence North 48° 46' 00" West a distance of 48.38 feet to a proportional point on the 2005 left bank;

Thence North 28° 20' 50" West a distance of 880.85 feet to the POINT OF BEGINNING, and containing 33.70 acres of land more or less.

Total in Lot 7 Section 5 is 68.45 acres of land more or less.

METES AND BOUNDS DESCRIPTION OF LOT 6(32.00 ACRES) AND THE ACCRETION AND RIPARIAN ACREAGE TO LOT 6, SECTION 5, T 16 N - R 26 W LOCATED ALONG THE CANADIAN RIVER, ELLIS COUNTY, OKLAHOMA

Beginning at the Southwest corner of Lot 6, said point being North 00° 00' 00" East a distance of 1320.00 feet and South 90° 00' 00" East a distance of 1891.47 feet from an Iron Rod with cap at the ancient meander corner on the ancient left bank between Sections 5 and 6, said point also being the Southwest corner of Section 5, T 16 N - R 26 W, Ellis County, Oklahoma;

Thence along the adjusted ancient left bank the following courses and distances:

North 34° 57' 19" East a distance of 872.66 feet; North 45° 25' 04" East a distance of 349.06 feet to a point on the East line of said Lot 6;

Thence South 25° 10' 46" East a distance of 1942.69 feet to a proportional point on the 2005 left bank;

Thence South 35° 03' 50" East a distance of 77.81 feet to a point on the 2005 medial line;

Thence along the 2005 medial line the following courses and distances:

South 54° 56′ 10" West a distance of 94.72 feet; South 39° 51′ 01" West a distance of 47.33 feet; South 40° 39′ 29" West a distance of 177.83 feet; South 36° 01′ 40" West a distance of 150.06 feet South 49° 05′ 07" West a distance of 94.46 feet; South 43° 34′ 01" West a distance of 95.26 feet; South 75° 22′ 04" West a distance of 90.42 feet; South 89° 34′ 05" West a distance of 85.78 feet; South 86° 32′ 22" West a distance of 38.86 feet; North 74° 03′ 22" West a distance of 119.97 feet; North 63° 35′ 52" West a distance of 125.19 feet; North 75° 46′ 57" West a distance of 137.72 feet; North 85° 27′ 49" West a distance of 80.39 feet; North 78° 39' 44" West a distance of 68.71 feet to a point;

Thence North 11° 20' 16" East a distance of 45.30 feet to a proportional point on the 2005 left bank;

Thence North 21° 17' 20" West a distance of 1264.85 feet to the POINT OF BEGINNING, and containing 48.39 acres of land more or less.

Total in Lot 6 of Section 5 is 80.39 acres of land more or less.

METES AND BOUNDS DESCRIPTION OF THE ACCRETION AND RIPARIAN ACREAGE TO LOT 3, SECTION 9, T 25 N - R 17 W, NOT INCLUDED IN BLM LEASE OKNM 0116714 LOCATED ALONG THE CIMARRON RIVER, WOODWARD COUNTY, OKLAHOMA

Beginning at the intersection of the 2005 right bank and the Northerly boundary of existing BLM lease OKNM 0116714, said point being North 02 Degrees 32' 21" East a distance of 2952.12 feet from the ancient meander corner on the ancient right bank between Sections 9 and 16, T 25 N - R 17 W., Woodward County, Oklahoma;

Thence North 47 Degrees 34' 39" East a distance of 455.42 feet to a point on the 2005 medial line;

Thence along the 2005 medial line the following courses and distances:

South 42° 25' 20" East a distance of 75.50 feet; South 47° 52' 57" East a distance of 56.21 feet to intersection of the 2005 medial line and the Easterly boundary of said existing BLM lease;

Thence along the said existing BLM lease, South 63° 30' 00" West a distance of 479.16 feet to the POINT OF BEGINNING, and containing 0.68 acres of land more or less.

METES AND BOUNDS DESCRIPTION OF THE ACCRETION AND RIPARIAN ACREAGE TO LOT 3, SECTION 9, T 25 N - R 17 W NOT INCLUDED IN BLM LEASE OKNM 116714 LOCATED ALONG THE CIMARRON RIVER, WOODWARD COUNTY, OKLAHOMA

Beginning at the intersection of the 2005 right bank and the Southerly boundary of existing BLM leas OKNM 0116714, said point being North 24° 48' 48" East a distance of 1943.46 feet from the ancient meander corner on the ancient right bank between Sections 9 and 16, T 25 N – R 17 W, Woodward County, Oklahoma;

Thence along the Southerly boundary of said BLM lease, North 63° 30' 00" East a distance of 475.89 feet to intersection of the 2005 medial line and the Southerly boundary of said existing BLM lease;

Thence along the 2005 medial line, South 06° 00' 21" East a distance of 165.49 feet to a point;

Thence South 83° 51' 02" West a distance of 445.78 feet to the POINT OF BEGINNING, and containing 0.85 acres of land more or less.

METES AND BOUNDS DESCRIPTION OF THE ACCRETION AND RIPARIAN ACREAGE TO LOT 5, SECTION 3, T 25 N - R 17 W NOT INCLUDED IN BLM LEASE OKNM 0116714, LOCATED ALONG THE CIMARRON RIVER, WOODS COUNTY, OKLAHOMA

Beginning at the most Southerly corner of said existing BLM lease OKNM 0116714, said point being South 53° 29' 55" West a distance of 1570.80 feet from the ancient meander corner on the ancient left bank between Sections 3 and 10, being the SW corner of Lot 5, Section 3, T 25 N - R 17 W, Woods County, Oklahoma;

Thence continuing South 53° 29' 55" West a distance of 22.02 feet to a proportional point on the 2005 left bank;

Thence South 41° 09' 39" West a distance of 288.10 feet to a point on the 2005 medial line:

Thence along the 2005 medial line the following courses and distances:

North 48° 50' 23" West a distance of 283.31 feet; North 47° 38' 11" West a distance of 831.99 feet;

Thence North 41° 46' 21" East a distance of 300.28 feet to a proportional point on the 2005 left bank;

Thence North 57° 06' 16" East a distance of 260.31 feet to a point on the Westerly boundary of said existing BLM lease;

Thence along said existing BLM lease the following courses and distances:

South 32° 00' 00" East a distance of 371.13 feet; South 36° 30' 00" East a distance of 706.20 feet to the POINT OF BEGINNING, and containing 10.83 acres of land more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-1-II PARCEL #3 DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 818.96 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Piney Creek, a tributary of the Neches River, and White Rock Creek, a tributary of Trinity River, embracing in whole or in part the following patented surveys: F. M. Beckham Survey, A-225, dated September 6, 1883; Thomas Barrett Survey, A-1261, dated July 9, 1901; Orange Boston Survey, A-1200, dated May 3, 1888; and Calvin C. Robinett Survey, A-871, dated September 24, 1873, identified herein as Tract K-1-II Parcel #3. Tract K-1-II Parcel #3 contains **818.96** acres, more or less, and is described as follows for mineral leasing purposes. Tract K-1-II was acquired from Houston County Timber Company by deed dated July 1, 1935 and recorded in Volume 172, Page 1 et seq., Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

Beginning at Corner 29 of Forest Service Tract K-1-II, the third corner of the Henry Rentfrow Survey, A-896, the eleventh corner of the A. MacTavish Survey, A-1351, and the beginning corner of the F. M. Beckham Survey, A-225, a stake witnessed by old marked bearing trees;

Thence West, common to the F. M. Beckham and Henry Rentfrow Surveys, 36.10 chains to Corner 30 of Tract K-1-II, the fifth corner of the F. M. Beckham Survey and the fifth corner of the J. H. Green Survey, A-1218;

Thence N 00° 45' W, common the Green and Beckham Surveys, 39.40 chains to Corner 31 of Tract K-1-II, the fourth corner of the J. H. Green Survey and the beginning corner of the Orange Boston Survey, A-1200;

Thence N 89° 30' W, common to the J. H. Green and Orange Boston Surveys, 28.20 chains to Corner 32 of Tract K-1-II, the third corner of the J. H. Green Survey and the second corner of the Orange Boston Survey;

Thence N 00° 30' E, in part with Forest Service Tract K-1-X and in part common to the Robert H. Rentfro Survey, A-1189, and the Orange Boston Survey, and in part common to the Robert H. Rentfro Survey within the Calvin C. Robinett Survey, A-871. At 16.10 chains corner 1 of F.S. Tract K-1-X, the third corner of the Orange Boston Survey on the south line of the Calvin C. Robinett Survey and the east line of the Robert H. Rentfro Survey. At 22.10 chains corner 33 of Tract K-1-II, common to corner 3 of F.S. Tract K-1-X;

Thence S 65° 45' W, with F.S. Tract K-1-X, common to the Robert H. Rentfro Survey within the Calvin C. Robinett Survey, 14.10 chains to Corner 34 of Tract K-1-II, common

to corner 2 of F.S. Tract K-1-X, the beginning corner of the Calvin C. Robinett Survey and the eighth corner of the George W. Hallmark Survey, A-41;

Thence N 24° 30' W, common to the Calvin C. Robinett and George W. Hallmark Surveys, 22.30 chains to Corner 35 of Tract K-1-II, the second corner of the Calvin C. Robinett Survey and the third corner of the James W. Moore Survey, A-771;

Thence N 65° 00' E, common to the Calvin C. Robinett and James W. Moore Surveys, 17.90 chains to Corner 36 of Tract K-1-II, the third corner of the Calvin C. Robinett Survey and the second corner of the James W. Moore Survey;

Thence, across Tract K-1-II within the Calvin C. Robinett Survey and along the southern line of an issued Bureau of Land Management lease, a calculated bearing and distance of S 89° 36′ 26″ E, 118.38 chains to a point for corner of Tract K-1-II Parcel #3;

Thence, across Tract K-1-II in part within the Calvin C. Robinett Survey and the Orange Boston Survey and the along east line of the Thomas Barrett Survey, A-1261, a calculated bearing and distance of S 00° 30′ W, 71.50 chains to a point for corner of Tract K-1-II Parcel #3, said point common to Corner 3 of Exception No. 1 of Tract K-1-II, also known as F.S. Tract K-24d;

Thence West, common to the Thomas Barrett Survey and Heirs of Harry Lockey Survey, A-699, 40.90 chains to a point for corner of Tract K-1-II Parcel #3, common to Corner 2 of Exception No. 1 of Tract K-1-II, also known as Tract K-24d;

Thence S 00° 45′ E, common to the Heirs of Harry Lockey Survey and the F. M. Beckham Survey, A-225, 11.50 chains to a point for corner of Tract K-1-II Parcel #3, common to Corner 1 of Exception No. 1 of Tract K-1-II, also known as Tract K-24d;

Thence West, across Tract K-1-II and common to the F. M. Beckham Survey and the A. MacTavish Survey, A-1351, a calculated distance of 6.50 chains to the point of beginning, containing 818.96 acres, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-1-X DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 3.80 ACRES

All of Tract K-1-X lying and being a being part of the Robert H. Rentfro Survey, A-1189, dated May 5, 1886, lap into the Calvin C. Robinett Survey, A-871, dated September 24, 1873, herein described for mineral leasing purposes. Tract K-1-X was acquired from Houston County Timber Company by deed dated July 1, 1935 and recorded in Volume 172, Page 1 et seq., Deed Records, Houston County, Texas, and contains **3.80** acres, be the same, more or less. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

Beginning at corner 1, identical with the third corner of the Orange Boston Survey, A-1200, dated May 3, 1888, on the south line of the Calvin C. Robinett Survey, A-871, and the east line of the Robert H. Rentfro Survey, A-1189;

Thence N 89° 45' W, common to the Calvin C. Robinett Survey and within the Robert H. Rentfro Survey, 12.70 chains to corner 2 of Tract K-1-X, common to Corner 34 of Tract K-1-II, the beginning corner of the Calvin C. Robinett Survey and the eighth corner of the George W. Hallmark Survey;

Thence N 65° 45' E, common to the Robert H. Rentfro Survey and within the Calvin C. Robinett Survey, 14.10 chains to corner 3 of Tract K-1-X, common to Corner 33 of Tract K-1-II;

Thence S 00° 30' W, common to the Robert H. Rentfro Survey and within the Calvin C. Robinett Survey 6.00 chains to the place of beginning, **containing 3.80 acres, be the same more or less.**

DESCRIPTION FOR MINERAL LEASING OF TRACT K-88 DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 81.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the head waters of Piney Creek, a tributary of the Neches River, embracing in part the Stephen Stubblefield patented Survey, A-937, dated June 18, 1859, containing 81.00 acres, more or less, described as follows for mineral leasing purposes only. Tract K-88 was acquired from Thompson Brothers Lumber Company by deed dated October 10, 1940 and recorded in Volume 204 Page 23 et seq, Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

Beginning at corner 1 of Tract K-88, identical with corner 1 Exception No. 2 of Forest Service Tract K-1-III, the beginning corner of the said Stephen Stubblefield Survey, and the fifth corner of the Stephen Stubblefield Survey, A-972, a F.S. standard concrete post marked K-389, witnessed by old marked bearing trees and scribed bearing trees.

Thence S 00° 15' W, with said Tract K-1-III, common to the Stephen Stubblefield Surveys, A-937 and A-972, 20.30 chains to corner 2 of Tract K-88;

Thence S 89° 30' W, within the Stephen Stubblefield Survey, A-937, 40.00 chains to corner 3 of Tract K-88;

Thence N 00° 45′ E, with said Tract K-1-III and common to the Stephen Stubblefield Survey, A-937 and the John Appleman Survey, A-105, 20.24 chains to corner 4 of Tract K-88, identical with corner 4 of said Exception No. 2 of Tract K-1-III, the second corner of the said Stephen Stubblefield Survey, A-937, and the eighth corner of the John Appleman Survey, A-105;

Thence N 89° 30′ E, with said Tract K-1-III and line 4-1 of said Exception No. 2, 40.00 chains to the place of beginning, **containing 81.00 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-61 and K-61-I DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 150.50 ACRES AND 9.50 ACRES, RESPECTIVELY

All those certain tracts or parcels of land lying and being in Houston County, Texas, on the waters of Piney Creek, a tributary of Neches River, embracing the entire D. F. Dominy patented Survey, A-1341, dated May 14, 1907. Tract K-61 contains **150.50** acres, more or less, and Tract K-61-I contains **9.50** acres, more or less, described as follows for mineral leasing purposes only. Both tracts were acquired from Kenley & Mills by Judgment dated 9/25/1941, and recorded in Volume 208, Page 543 et seq., Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

<u>Tract K-61, 150.50 acres</u>: Beginning at corner 1 of Tract K-61, common to corner 95 of U.S. Forest Service Tract K-1-II, identical with the third corner of the D. F. Dominy Survey and the beginning corner of the Gabriel Gonzales Survey, A-463, a Forest Service standard concrete post marked K-330, witnessed by old marked bearing trees;

Thence N 00° 15' E, with Tract K-1-II, common to the D. F. Dominy and Gabriel Gonzales Surveys, 40.20 chains to corner 2 of Tract K-61, identical with corner 6 of F.S. Tract K-61-I, the fourth corner of the said Dominy Survey, and the second corner of the C. C. Stubblefield Survey, A-1255;

Thence four lines with said F.S. Tract K-61-I, passing in line corners 5, 4, and 3 thereof, within the said Dominy Survey:

S 87° 30' E, 18.40 chains to corner 3 of Tract K-61; S 89° 15' E, 11.32 chains to corner 4 of Tract K-61; S 09° 00' E, 7.45 chains to corner 5 of Tract K-61; N 87° 45' E, 9.50 chains to corner 6 of Tract K-61, identical with corner 2 of F.S. Tract K-61-I, on the common boundary of the D. F. Dominy Survey and the Blake Carlton Survey, A-275, a stake on the west right-of-way line of a road;

Thence S 01° 15' W, common to the D. F. Dominy and Blake Carlton Surveys, 20.20 chains to corner 7 of Tract K-61, identical with corner 17 of F.S. Tract K-1-V, an iron pipe witnessed by old marked bearing trees;

Thence S 00° 45' E, with said F.S. Tract K-1-V, 11.50 chains to corner 8 of Tract K-61, identical with corner 96 of F.S. Tract K-1-II;

Thence S 89° 15' W, with said F.S. Tract K-1-II, 40.10 chains to the place of beginning, containing 150.50 acres, be the same, more or less.

<u>Tract K-61-I, 9.50 acres</u>: Beginning at corner 1 of Tract K-61-I, the beginning corner of the D. F. Dominy Survey, A-1341, and the third corner of the C. C. Stubblefield Survey, A-1255.

THENCE S 01° 15' W, common to the D. F. Dominy Survey and the Blake Carleton Survey, A-275, 7.80 chains to corner 2 of Tract K-61-I, identical with corner 6 of F.S. Tract K-61,

THENCE four lines within the said Dominy Survey and common to F.S. Tract K-61:

S 87° 45' W, 9.50 chains to corner 3 of Tract K-61-I; N 09° 00' W, 7.45 chains to corner 4 of Tract K-61-I; N 89° 15' W, 11.32 chains to corner 5 of Tract K-61-I; N 87° 30' W, 18.40 chains to corner 6 of Tract K-61-I, identical with corner 2 of F.S. Tract K-61;

Thence S 89° 45' E, common to said Dominy and Stubblefield Surveys, 40.50 chains to the place of beginning, containing 9.50 acres, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-54 DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 30.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Dickey Creek, a tributary of Cochino Bayou and the Neches River, lying wholly within the David Childers patented Survey, A-263, dated June 17, 1859, containing **30.00** acres, more or less, described as follows for mineral leasing purposes only. Tract K-54 was acquired from First National Bank of Groveton, dated August 8, 1941, and recorded in Volume 206, Page 511 et seq., Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Tract K-54, on the easterly line of the David Childers Survey, a stake witnessed by old bearing trees. From this corner, the third corner of the David Childers Survey bears South, 29.06 chains distant;

THENCE West, within the David Childers Survey, 16.00 chains to corner 2 of Tract K-54, a stake witnessed by scribed bearing trees;

THENCE North, within the David Childers Survey, 18.83 chains to corner 3 of Tract K-54, a stake witnessed by scribed bearing trees;

THENCE East, within the David Childers Survey, 16.00 chains to corner 4 of Tract K-54;

THENCE South, with the lands of Forest Service Tract K-1-I, common to the David Childers Survey and the Sydney Smith Heirs Survey, A-963, 18.83 chains to the place of beginning, containing 30 acres, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-36 DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 98.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Hickory Creek, a tributary of Neches River, embracing in part the James Patton patented Survey, A-808, dated January 8, 1851, containing **98.00** acres, more or less, described as follows for mineral leasing purposes only. Tract K-36 was acquired from C. W. Kennedy, et ux and J. C. Kennedy, et ux by deed dated December 30, 1936, and recorded in Volume 182, Page 124 et seq., Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Tract K-36, common to U.S. Forest Service Tract K-1b-III. From this corner, corner 37 of F.S. Tract K-1b-IV, the second corner of the James Patton Survey, a F.S. standard concrete post marked K100, bears two lines: North, 56.80 chains distant and N 00° 10' E, 11.10 chains distant;

THENCE South, with F.S. Tract K-1b-III, common to the James Patton Survey and the R. S. Patton Survey, A-805, 42.90 chains to corner 2 of Tract K-36;

THENCE S 89° 45' W, within the James Patton Survey, 23.00 chains to corner 3 of Tract K-36;

THENCE N 00° 30' E, within the James Patton Survey, 42.90 chains to corner 4 of Tract K-36;

THENCE N 89° 45' E, within the James Patton Survey, 22.70 chains to the place of beginning, **containing 98.00 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-29 DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 97.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Hickory Creek, a tributary of Neches River, embracing in part the Antonio Barrazo patented Survey, A-5, dated August 3, 1835, containing **97.00** acres, more or less, described as follows for mineral leasing purposes only. Tract K-29 was acquired from Mrs. B. W. Warren, et al, by deed dated June 13, 1936, and recorded in Volume 177, Page 74 et seq., Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Tract K-29, common to corner 4 of U.S. Forest Service Tract K-1b-I on the northwesterly line of the Antonio Barrazo Survey and the southeasterly line of the Encarnacion Juarez Survey, A-48, a Forest Service standard concrete post marked K-34, witnessed by scribed bearing trees. From this corner, corner 3 of F.S. Tract K-1b-I, the fourth corner of the Antonio Barrazo Survey and the third corner of the Encarnacion Juarez Survey, A F.S. standard concrete post marked K-35, bears S 45° 40' W, 64.80 chains distant;

THENCE N 45° 30' E, common to the Antonio Barrazo and Encarnacion Juarez Surveys, 18.80 chains to corner 2 of Tract K-29;

THENCE S 44° 45' E, within the Antonio Barrazo Survey, 51.50 chains to corner 3 of Tract K-29;

THENCE S 45° 30' W, within the Antonio Barrazo Survey, 18.80 chains to corner 4 of Tract K-29, common to corner 5 of F.S. Tract K-1b-I;

THENCE N 44° 40′ W, within the Antonio Barrazo Survey, 51.70 chains to the place of beginning, **containing 97.00 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-1k DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 112.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Cochino Bayou, a tributary of Neches River, embracing in part the McKinney & Williams patented Survey, Abstract No. 760, dated September 25, 1861, containing 112.00 acres, more or less, described as follows for mineral leasing purposes only. Tract K-1k was acquired from Houston County Timber Company by deed dated July 1, 1935 and recorded in Volume 172, Page 1 et seq., Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Tract K-1k, on the southwest line of the McKinney & Williams Survey, a Forest Service standard concrete post marked K-225, witnessed by old marked bearing trees;

THENCE N 34° 15' W, common to the McKinney & Williams Survey and in part to the Sion Pritchard Survey, A-846, and the I. & G.N.R.R. Co. Survey No. 40, A-619, 28.10 chains to corner 2 of Tract K-1k. From this corner, a corner of Forest Service Tract K-1III bears N 34° 15' W, 7.80 chains distant;

THENCE N 55° 45' E, within the McKinney & Williams Survey, 39.60 chains to corner 3 of Tract K-1k, a Forest Service standard concrete post marked K-224, witnessed by old marked bearing trees;

THENCE S 34° 15' E, common to the McKinney & Williams Survey and the Wm. M. Conner Survey, A-239, 28.10 chains to corner 4 of Tract K-1k;

THENCE S 55° 45′ W, within the McKinney & Williams Survey, 39.60 chains to the place of beginning, **containing 112.00 acres**, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-41 DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 350.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Piney Creek, a tributary of Neches River and White Rock Creek, a tributary of Trinity River, embracing in part the following patented Surveys: B.B.B. & C.R.R. A-209, dated September 25, 1861; Jacob Perkins, A-850, dated October 6, 1863; Peter Tumlinson, A-1033, dated April 4, 1888; and T. J. Routon, A-1346, dated June 12, 1907, containing **350.00** acres, more or less, described as follows for mineral leasing purposes only. Tract K-41 was acquired from J. J. Perkins, et ux by deed dated June 15, 1936, and recorded in Volume 177, Page 115 et seq., Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Tract K-41, common to corner 8 of U.S. Forest Service Tract K-1-II, identical with the twelfth corner of the I. & G.N.R.R. Co. Survey No. 11, A-584, and the third corner of the B.B.B. & C.R.R. Co. Survey, A-209, a stake witnessed by old marked bearing trees;

THENCE N 79° 30' E, with Tract K-1-II, common to the B.B.B. & C.R.R. Co. and I. & G.N.R.R. Co. No. 11 Surveys, 20.10 chains to corner 2 of Tract K-41, common to corner 7 of Tract K-1-II and the beginning corner of F.S. Tract K-2Ac, a F.S. standard concrete post marked K-166;

THENCE S 09° 45' E, with Tract K-2Ac, within the B.B.B. & C.R.R. Co. Survey, 58.20 chains to corner 3 of Tract K-41, common to corner 6 of Tract K-2Ac;

THENCE three lines within the B.B.B. & C.R.R. Co. Survey:

S 09° 30' E, 21.20 chains to corner 4 of Tract K-41; S 80° 00' W, 5.50 chains to corner 5 of Tract K-41; S 09° 30' E, 12.50 chains to corner 6 of Tract K-41;

THENCE S 81° 15' W, common to the B.B.B. & C.R.R. Co. Survey and the Henry Harris Survey, A-1205, 15.30 chains to corner 7 of Tract K-41, the second corner of the T. J. Routon Survey, A-1346, the second corner of the Henry Harris Survey, A-1205, and the second corner of the Sam James Survey, A-1153;

THENCE S 11° 30' W, common to the T. J. Routon and S.H. James Surveys, 29.10 chains to corner 8 of Tract K-41, the beginning corner of the T. J. Routon and Sam James Surveys, the third corner of the William Ashworth Survey, A-128, and the beginning corner of the Ruben Freeman Survey, A-420, an iron pipe in a road;

THENCE N 51° 00' W, common to the T. J. Routon and Ruben Freeman Surveys, 16.20 chains to corner 9 of Tract K-41, the fifth corner of the T. J. Routon Survey, and the second corner of the Ruben Freeman Survey;

THENCE S 81° 15' W, common to the T. J. Routon and Ruben Freeman Surveys, 9.00 chains to corner 10 of Tract K-41;

THENCE N 08° 15' W, within the Jacob Perkins Survey, A-850, 41.20 chains to corner 11 of Tract K-41, on the south boundary line of the Peter Tumlinson Survey;

THENCE N 80° 15' E, with F.S. Tract K-1-II, common to the Jacob Perkins and Peter Tumlinson Surveys, 9.70 chains to corner 12 of Tract K-41, common to corner 11 of Tract K-1-II, a F.S. standard concrete post marked K-383;

THENCE two lines continuing with Tract K-1-II, within the Peter Tumlinson Survey:

N 10° 45' W, 20.20 chains to corner 13 of Tract K-41, common to corner 10 of F.S. Tract K-1-II; N 79° 00' E, 20.00 chains to corner 14 of Tract K-41, common to corner 9 of F. S. Tract K-1-II, on a west boundary line of the B.B.B. & C.R.R. Co. Survey;

THENCE N 10° 15' W, continuing with Tract K-1-II, common to the B.B.B. & C.R.R. Co. and Peter Tumlinson Surveys, 44.50 chains to the place of beginning, **containing 350.00 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-10i DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 98.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the headwaters of Piney Creek, a tributary of Neches River, embracing in part the Mary Henderson Survey, A-496, dated February 21, 1876, containing **98.00** acres, more or less, described as follows for mineral leasing purposes only. Tract K-10i was acquired from C. H. Kenley by deed dated July 31, 1940, and recorded in Volume 202, Page 485 et seq., Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Forest Service Tract K-10i, identical with corner 2 of Forest Service Tract K-1r, the tenth corner of the I. & G. N.R.R. Co. Survey No. 11, A-584, and the second corner of the Mary Henderson Survey;

THENCE S 08° 45' E, common to said Mary Henderson Survey and the B.B.B. & C.R.R. Co. Survey, A-209, 31.50 chains to corner 2 of Tract K-10i, identical with corner 4 of the Forest Service Tract K-8f;

THENCE East, within the Mary Henderson Survey and with the boundary of Tract K-8f, 28.73 chains to corner 3 of Tract K-10i;

THENCE North, within the Mary Henderson Survey and with the boundary of F.S. Tract K-8f, 32.10 chains to corner 4 of Tract K-10i, identical with corner 2 of Tract K-8f, a stake on line between corners 13-14 of F.S. Tract K-1-V;

THENCE S 89° 00' W, with said Tract K-1-V and common to the Mary Henderson Survey and the Wm. D. Redd Survey, A-872, 17.13 chains to corner 5 of Tract K-10i, identical with corner 14 of F.S. Tract K-1-V, and corner 5 of Tract K-2Ab, a F.S. standard concrete post marked K-195, witnessed by old marked bearing trees;

THENCE S 88° 30' W, with said Tract K-2Ab and K-1r and common to the Mary Henderson Survey and the D. F. Dominy Survey, A-1349, and the I. & G.N.R.R. Co. No. 11 Survey, at 3.80 chains corner 6 of Tract K-2Ab, identical with corner 1 of Tract K-1r, at 16.30 chains the place of beginning, **containing 98.00 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-1r DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 94.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Piney Creek, a tributary of Neches River, embracing in part the I. & G. N.R.R. Co. patented Survey No. 11, Abstract No. 584, dated October 30, 1877, containing **94.00** acres, more or less, described as follows for mineral leasing purposes only. Tract K-1r was acquired from Houston County Timber Company by deed dated September 24, 1935 and recorded in Volume 171, Page 442 et seq., Deed Records, Houston County, Texas. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Tract K-1r, common to corner 6 of U.S. Forest Service Tract K-2Ab, the fourth corner of the D. F. Dominy Survey, A-1349 and the ninth corner of the I. & G. N.R.R. Co. Survey No. 11, on the north line of the Mary Henderson Survey, A-496;

THENCE S 88° 30' W, common to the I. & G.N.R.R. Co. Survey No. 11 and the Mary Henderson Survey, 12.50 chains to corner 2 of Tract K-1r, the tenth corner of the I. & G. N.R.R. Co. Survey No. 11 and the second corner of the Mary Henderson Survey;

THENCE N 09° 45' W, common to the I. & G.N.R.R. Co. Survey No. 11 and the B.B.B. & C.R.R. Co. Survey, A-209. At 1.67 chains corner 5 of F.S. Tract K-2Ac. At 56.50 chains corner 3 of Tract K-1r, common to corner 4 of F.S. Tract K-2Ac and corner 3 of F.S. Tract K-2Ac-I, on the east line of the B.B.B. & C.R.R. Co. Survey and the south line of the John Rowan Survey, A-873;

THENCE S 89° 30' E, common to the I. & G.N.R.R. Co. Survey No. 11 and the John Rowan Survey, 5.00 chains to corner 4 of Tract K-1r, common to corner 2 of F.S. Tract K-2Ab;

THENCE N 89° 00' E, with F.S. Tract K-2Ab, common to the I. & G.N.R.R. Co. Survey No. 11 and the John Rowan Survey, 16.40 chains to corner 5 of Tract K-1r, the beginning corner of F.S. Tract K-2Ab, the third corner of the D. F. Dominy Survey and the eighth corner of the I. & G.N.R.R. Co. Survey No. 11, a Forest Service standard concrete post marked K-293;

THENCE S 00° 45' E, with F.S. Tract K-2Ab, common to the I. & G.N.R.R. Co. Survey No. 11 and the D. F. Dominy Survey, 55.60 chains to the place of beginning, **containing 94.00 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-2Ab DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 65.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of a tributary of the Neches River, embracing in whole the D. F. Dominy patented Survey, A-1349, dated September 17, 1907, and in part the John Rowan patented Survey, A-873, dated April 15, 1876. Tract K-2Ab was acquired from Trinity County Lumber Company by warranty deed dated November 8, 1935, and recorded in Volume 173, Pages 31 et seq., Deed Records, Houston County, Texas, and contains **65.00** acres, more or less, and is described as follows for mineral leasing purposes only. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Tract K-2Ab, common to corner 5 of Forest Service Tract K-1r, identical with the third corner of the D. F. Dominy Survey and the eighth corner of the I. & G.N.R.R. Co. Survey No. 11, A-584, a F.S. standard concrete post marked K-293;

THENCE S 89° 00' W, with F.S. Tract K-1r, common to the John Rowan Survey, A-873, and the I. & G.N.R.R. Co. No. 11 Survey, 16.40 chains to corner 2 of Tract K-2Ab, common to corner 4 of Tract K-1r;

THENCE N 01° 15′ E, within the John Rowan Survey, 19.80 chains to corner 3 of Tract K-2Ab, a stake witnessed by scribed bearing trees;

THENCE N 88° 30' E, within the John Rowan Survey, 20.50 chains to corner 4 of Tract K-2Ab, on the west line of the Wm. D. Redd Survey, A-872, an iron pipe witnessed by scribed bearing trees;

THENCE South, with F.S. Tract K-1-V, common in part to the John Rowan Survey and the D. F. Dominy Survey, A-1349, and to the Wm. D. Redd Survey. At 20.00 chains the sixth corner of the John Rowan Survey and the second corner of the D. F. Dominy Survey. At 75.60 chains, corner 5 of Tract K-2Ab, common to corner 14 of F.S. Tract K-1-V, the beginning corner of the D. F. Dominy Survey and the fourth corner of the Wm. D. Redd Survey, a F.S. standard concrete post marked K-195;

THENCE S 88° 30' W, common to the D. F. Dominy Survey and the Mary Henderson Survey, A-496, 3.80 chains to corner 6 of Tract K-2Ab, common to the beginning corner of Tract K-1r, the fourth corner of the D. F. Dominy Survey and the ninth corner of the I. & G.N.R.R. Co. Survey No. 11;

THENCE N 00° 45' W, with Tract K-1r, common to the D. F. Dominy and I. & G.N.R.R. Co. Survey No. 11 Surveys, 55.60 chains to the place of beginning, **containing 65.00 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-2Ab-I DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 43.00 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of a tributary of the Neches River, embracing in part the John Rowan patented Survey, A-873, dated April 15, 1876. Tract K-2Ab-I was acquired from Trinity County Lumber Company by warranty deed dated November 8, 1935, and recorded in Volume 173, Pages 31 et seq., Deed Records, Houston County, Texas, and contains 43.00 acres, more or less. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Tract K-2Ab-I, on the west line of the Wm. D. Redd Survey, A-872, an iron pipe witnessed by scribed bearing trees. From this corner, the sixth corner of the John Rowan Survey, A-873, and the second corner of the D. F. Dominy Survey, A-1349, bears South, 24.70 chains distant;

THENCE S 88° 30' W, within the John Rowan Survey, 20.50 chains to corner 2 of Tract K-2Ab-I;

THENCE N 84° 45' W, within the John Rowan Survey, 0.39 chains to corner 3 of Tract K-2Ab-I;

THENCE N 01° 30' W, within the John Rowan Survey, 20.00 chains to corner 4 of Tract K-2Ab-I;

THENCE N 88° 45' E, within the John Rowan Survey, 21.80 chains to corner 5 of Tract K-2Ab-I, on the west line of the Wm. D. Redd Survey, A-873;

THENCE South, with F.S. Tract K-1-V, common to the John Rowan and Wm. D. Redd Surveys, 20.00 chains to the place of beginning, **containing 43.00 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-2Ac DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 276.60 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of a tributary of the Neches River, embracing in part the B.B.B. & C.R.R. Co. patented Survey, A-209, dated September 25, 1861. Tract K-2Ac was acquired from Trinity County Lumber Company by warranty deed dated November 8, 1935, and recorded in Volume 173, Pages 31 et seq., Deed Records, Houston County, Texas, and contains **276.60** acres, more or less. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

BEGINNING at corner 1 of Tract K-2Ac, common to corner 7 of Forest Service Tract K-1-II, on the northerly line of the B.B.B. & C.R.R. Co. Survey, a F.S. standard concrete post marked K-166, witnessed by old marked bearing trees;

THENCE N 80° 15' E, with F.S. Tract K-1-II, common to the B.B.B. & C.R.R. Co. Survey and the I. & G.N.R.R. Co. Survey No. 11, A-584. At 3.30 chains a road. At 33.90 chains corner 2 of Tract K-2Ac, common to the beginning corner of the John Rowan Survey, A-873, Lap Tract K-2Ac-I, and corner 6 of Tract K-1-II, on the westerly line of the John Rowan Survey;

THENCE South, common to the John Rowan Survey and within the B.B.B. & C.R.R. Co. Survey, 1.10 chains to corner 3 of Tract K-2Ac, common to corner 4 of Tract K-2Ac-I, the fifth corner of the John Rowan Survey;

THENCE East, common to the John Rowan Survey and within the B.B.B. & C.R.R. Co. Survey, 14.90 chains to corner 4 of Tract K-2Ac, common to corner 3 of Tract K-2Ac-I and corner 3 of Tract K-1r, on the easterly line of the B.B.B. & C.R.R. Co. Survey;

THENCE S 09° 45' E, with Tract K-1r, common to the B.B.B. & C.R.R. Co. and I. & G.N.R.R. Co. No. 11 Surveys, 54.80 chains to corner 5 of Tract K-2Ac;

THENCE S 80° 00' W, within the B.B.B. & C.R.R. Co. Survey, 47.60 chains to corner 6 of Tract K-2Ac;

THENCE N 09° 45′ W, within the B.B.B. & C.R.R. Co. Survey, 58.20 chains to the place of beginning, **containing 276.60 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-2Ac-I DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 3.40 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of a tributary of the Neches River, embracing in part the John Rowan patented Survey, A-873, dated April 15, 1876. Tract K-2Ac-I was acquired from Trinity County Lumber Company by warranty deed dated November 8, 1935, and recorded in Volume 173, Pages 31 et seq., Deed Records, Houston County, and contains **3.40** acres, more or less. It is not the intent of this description to include any lands within any adjacent issued Bureau of Land Management (BLM) leases or private lands.

Beginning at corner 1 of Tract K-2Ac-I, common to corner 6 of Forest Service Tract K-1-II, and corner 2 of F.S. Tract K-2Ac, a stake;

Thence N 80° 30' E, common to the B.B.B. & C.R.R. Co. Survey, A-209, and within the John Rowan Survey, 14.60 chains to corner 2 of Tract K-2Ac-I, the fourth corner of the B.B.B. & C.R.R. Co. Survey;

Thence S 10° 00' E, common to the B.B.B. & C.R.R. Co. Survey, and within the John Rowan Survey, 3.40 chains to corner 3 of Tract K-2Ac-I, common to corner 3 of F.S. Tract K-1r and corner 4 of Tract K-2Ac, on the division line between the John Rowan and I. & G.N.R.R. Co. No. 11 Surveys;

Thence West, common to the John Rowan Survey and within the B.B.B. & C.R.R. Co. Survey, 14.90 chains to corner 4 of Tract K-2Ac-I, common to corner 3 of F.S. Tract K-2Ac, the fifth corner of John Rowan Survey;

Thence North, common to the John Rowan Survey and within the B.B.B. & C.R.R. Co. Survey. 1.10 chains to the place of beginning, **containing 3.40 acres**, be the same, more or less.

DESCRIPTION FOR MINERAL LEASING OF TRACT K-1-V PARCEL #3 DAVY CROCKETT NATIONAL FOREST HOUSTON COUNTY, TEXAS 852.85 ACRES

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Piney Creek, a tributary of the Neches River, embracing in part the James Henley Survey, A-530, dated July 2, 1869, identified herein as Tract K-1-V Parcel #3. Tract K-1-V Parcel #3 contains **852.85** acres, more or less, and is described as follows for mineral leasing purposes. Parent Tract K-1-V was acquired from Houston County Timber Company by deed dated July 1, 1935 and recorded in Volume 171, Page 61 et seq., Deed Records, Houston County, Texas and Volume 83, Pages 31-44, Deed Records, Trinity County, Texas. It is not the intent of this description to include any lands within adjacent issued Bureau of Land Management (BLM) leases.

All of Tract K-1-V as acquired in deed dated July 1, 1935 and recorded in Volume 171, Page 61 et seq. of the Houston County, Texas deed records containing 4,025 acres, more or less, **LESS AND EXCEPT** those lands currently under BLM leases and identified as Tract K-1-V Parcel #1 and Parcel #2 containing 2,464.07 and 708.08 acres, respectively, leaving a net area of **852.85** acres, more or less for Tract K-1-V Parcel #3. Said leased parcels are described as follows:

LESS AND EXCEPT TRACT K-1-V PARCEL #1, 2,464.07 ACRES:

All that certain tract or parcel of land lying and being in Houston and Trinity Counties, Texas, on the waters of Piney Creek, a tributary of the Neches River, embracing in whole or in part the following patented Surveys: I. & G.N.R.R. Co. Survey No. 55, A-323 (Trinity County), dated January 15, 1879 and the I. & G.N.R.R. Co. Survey No. 58, A-1136 (Houston County) and A-704 (Trinity County), dated February 11, 1879, and S. J. Westerman Survey, A-685, dated May 4, 1877 and parts of the Isaac McMahon Survey, A-756 (Houston County) and A-439 (Trinity County), dated October 14, 1861, William D. Redd Survey, A-872, dated June 27, 1862, and James Henley Survey, A-530, dated July 2, 1869, identified herein as Tract K-1-V Parcel #1. Tract K-1-V Parcel #1 contains 2,550.07 acres, more or less, SAVE and EXCEPT 86.00 acres within Exception No. 1 to Tract K-1-V, now known as Forest Service Tract K-24, leaving a net area of 2,464.07 acres, more or less, and is described as follows for mineral leasing purposes.

BEGINNING at Corner 1 of Tract K-1-V, common to corner 80 of Forest Service Tract K-2b, identical with the fourth corner of the S. J. Westerman Survey, A-685, a corner of the Wm. Riddle Survey, A-718, the twenty-fourth corner of the Trinity County School Land Survey, A-588, and the beginning corner of the B.B.B. & C.R.R. Co. Survey, A-99, a Forest Service standard concrete post marked K-198, witnessed by scribed bearing trees;

THENCE N 89° 45' W, common in part to the S. J. Westerman Survey, the Isaac McMahon Survey, A-439, and the I. & G.N.R.R. No. 58 Survey, A-704, and to the B.B.B. & C.R.R. Co. Survey, 80.40 chains to corner 2 of Tract K-1-V;

THENCE S 00° 15' W, common in part to the I. & G.N.R.R. No. 58 Survey and the I. & G.N.R.R. No. 55 Survey A-323, and to the B.B.B. & C.R.R. Co. Survey, 29.50 chains to corner 3 of Tract K-1-V, common to corner 69 of FS Tract K-2b;

THENCE four lines with Tract K-2b, common to the I. & G.N.R.R. No. 55 Survey and the Richard Miller Survey, A-416:

West, 27.40 chains to corner 4 of Tract K-1-V, common to corner 68 of Tract K-2b, the seventh corner of the I. & G.N.R.R. Co. Survey No. 55 and the fourth corner of the Richard Miller Survey;

S 10° 00' W, 33.20 chains to corner 5 of Tract K-1-V, common to corner 67 of Tract K-2b, the eighth corner of the I. & G.N.R.R. Co. Survey No. 55 and the third corner of the Richard Miller Survey;

S 80° 00' E, 23.50 chains to corner 6 of Tract K-1-V, common to corner 66 of Tract K-2b, the ninth corner of the I. & G.N.R.R. Co. Survey No. 55 and the second corner of the Richard Miller Survey;

S 10° 15' W, 20.00 chains to corner 7 of Tract K-1-V, the tenth corner of the I. & G.N.R.R. Co. Survey No. 55 and the third corner of the Seaborn Dominy Survey, A-176;

THENCE N 80° 00' W, common to the I. & G.N.R.R. Co. Survey No. 55 and the Seaborn Dominy Survey, 39.90 chains to corner 8 of Tract K-1-V, the eleventh corner of the I. & G.N.R.R. Co. Survey No. 55 and the fourth corner of the Seaborn Dominy Survey, a F.S. standard concrete post marked K-199, witnessed by old marked bearing trees;

THENCE N 10° 15' E, common to the I. & G.N.R.R. Co. Survey No. 55 and the Ephraim Hutto Survey, 42.10 chains to corner 9 of Tract K-1-V, the twelfth corner of the I. & G.N.R.R. Co. Survey No. 55 and a corner of the Ephraim Hutto Survey;

THENCE N 79° 45' W, common to the I. & G.N.R.R. Co. Survey No. 55 and the Ephraim Hutto Survey. At approximately 15.90 chains the Houston-Trinity County line. At 29.70 chains corner 10 of Tract K-1-V, the beginning corner of the I. & G.N.R.R. Co. Survey No. 55 and a corner of the Ephraim Hutto Survey;

THENCE N 08° 30' E, common to the I. & G.N.R.R. Co. Survey No. 55 and the William Darnell Survey, A-1127, 9.10 chains to corner 11 of Tract K-1-V, the second corner of the I. & G.N.R.R. Co. Survey No. 55 and the fourth corner of the William Darnell Survey;

THENCE N 88° 00' E, common to the I. & G.N.R.R. Co. Survey No. 55 and the Mary Henderson Survey, A-496, 34.40 chains to corner 12 of Tract K-1-V, the third corner of the I. & G.N.R.R. Co. Survey No. 55 and the fifth corner of the Mary Henderson Survey, a FS standard concrete post marked K-193, witnessed by old marked bearing trees;

THENCE N 01° 45' W, common to the I. & G.N.R.R. Co. Survey No. 55 and the No. 58 Survey, A-704/A-1136, and to the Mary Henderson Survey, 79.30 chains to corner 13 of Tract K-1-V, the beginning corner of the I. & G.N.R.R. Co. Survey No. 58 and the sixth corner of the Mary Henderson Survey, a FS standard concrete post marked K-194, witnessed by old marked bearing trees;

THENCE S 89° 00' W, common to the Wm. D. Redd Survey, A-872, and the Mary Henderson Survey, 68.80 chains to corner 14 of Tract K-1-V, common to corner 5 of FS Tract K-2Ab, the fourth corner of the Wm. D. Redd Survey and the beginning corner of the D. F. Dominy Survey, A-1349, a FS standard concrete post marked K-195, witnessed by old marked bearing trees

THENCE North, common to the Wm. D. Redd Survey and in part to the D. F. Dominy Survey, A-1349 and the John Rowan Survey, A-873, a calculated distance of 98.88 chains to a point for corner of Tract K-1-V Parcel #1, said point being on line between corners 14 and 15 of Tract K-1-V and common to a southwestern corner of Tract K-1-V Parcel #3 lease offer;

THENCE, across Tract K-1-V within the William Redd Survey and the James Henley Survey, A-530, along the south line of Tract K-1-V Parcel #3 lease offer, a calculated bearing and distance of N 89° 47' 13" E, 108.96 chains to a point for corner of Tract K-1-V Parcel #1, said point being on line between Corners 22 and 23 of Tract K-1-V and on line common to the James Henley Survey and the I. S. Eaves Survey, A-403;

THENCE South, common in part to the James Henley and I. S. Eaves Surveys, a calculated distance of 33.14 chains to Corner 23 of Tract K-1-V, the twelfth corner of the James Henley Survey, the beginning corner of the Wm. D. Redd Survey, and a corner of the I. S. Eaves Survey, a F.S. standard concrete post marked K-397;

THENCE N 89° 45′ E, common to the Wm. D. Redd Survey and in part to the I. S. Eaves Survey, the G. W. Starling Survey, A-1190, and the Simeon Hilton Survey, A-561, 81.00 chains to corner 24 of Tract K-1-V, common to corner 5 of FS Tract K-2b, the second corner of the Wm. D. Redd Survey and a corner of the Trinity Co. School Land Survey, A-588, a F. S. standard concrete post marked K-196, witnessed by old marked bearing trees;

THENCE S 00° 30' E, with Tract K-2b and common to the Wm. D. Redd Survey, and in part to the Trinity Co. School Land Survey, and the Isabella English Survey, A-200. At 42.10 chains corner 4 of FS Tract K-2b. At approximately 45.60 chains, the Houston-Trinity County line. At 62.90 chains corner 25 of Tract K-1-V, common to corner 2 of FS Tract K-2Aj, the third corner of the Wm. D. Redd Survey and the third corner of the D. W. Pennington Survey, A-921;

THENCE S 89° 30' W, with Tract K-2Aj and common to the Wm. D. Redd and D. W. Pennington Surveys, 32.60 chains to corner 26 of Tract K-1-V, common to corner 1 of FS Tract K-2Aj, the second corner of the I. & G.N.R.R. Co. Survey No. 58 and the second corner of the D. W. Pennington Survey, a F.S. standard concrete post marked K-197, witnessed by old marked bearing trees;

THENCE S 00° 45′ E, common to the I. & G.N.R.R. Co. Survey No. 58 and the D. W. Pennington Survey, 9.20 chains to corner 27 of Tract K-1-V, common to corner 4 of FS Tract K-2Aj, the beginning corner of the D. W. Pennington Survey and the second corner of the S. J. Westerman Survey, A-685;

THENCE N 89° 30' E, common to the S. J. Westerman and D. W. Pennington Surveys, 32.60 chains to corner 28 of Tract K-1-V, common to corner 3 of FS Tract K-2Aj, the third corner of the S. J. Westerman Survey and the fourth corner of the D. W. Pennington Survey;

THENCE South, common to the S. J. Westerman Survey and in part to the Isabella English and William Riddle Surveys, 50.70 chains to the point of beginning, containing 2,550.07 acres, more or less, SAVE AND EXCEPT 86.00 acres within Exception No. 1, now known as Tract K-24, leaving a balance of 2,464.07 acres, more or less, available for lease as Tract K-1-V Parcel #1 with 534.00 acres being in Trinity County and 1,930.07 acres being in Houston County. Exception No. 1 is described as follows:

Exception No. 1, now known as Tract K-24, called 86.00 acres, more or less:

BEGINNING at corner 1 of Exception No. 1 of Tract K-1-V, a corner of the Isaac McMahon Survey, A-439-Tr, and the third corner of the I. & G.N.R.R. Co. Survey No. 58, A-704-Tr. From this corner, corner 27 of Tract K-1-V bears N 01° 00' W, 10.40 chains distant.

THENCE S 02° 30' E, common to the Isaac McMahon Survey and the S. J. Westerman Survey, A-685, 19.30 chains to corner 2 of Exception No. 1;

THENCE S 88° 00' W, within the Isaac McMahon Survey, 44.10 chains to corner 3 of Exception No. 1;

THENCE N 01° 15' E, common to the Isaac McMahon Survey and the I. & G.N.R.R. Survey No. 58, 20.20 chains to corner 4 of Exception No. 1, a corner of the Isaac McMahon Survey, and the fourth corner of the I. & G.N.R.R. Co. Survey No. 58;

THENCE N 89° 15' E, common to the Isaac McMahon Survey and the I. & G.N.R.R. Survey No. 58, 42.90 chains to the place of beginning, **containing 86 acres**, be the same more or less.

LESS AND EXCEPT TRACT K-1-V PARCEL #2, 708.08 ACRES:

All that certain tract or parcel of land lying and being in Houston County, Texas, on the waters of Piney Creek, a tributary of the Neches River, embracing in part the James Henley Survey, A-530, dated July 2, 1869, identified herein as Tract K-1-V Parcel #2. Tract K-1-V Parcel #2 contains 708.08 acres, more or less, and is described as follows for mineral leasing purposes.

BEGINNING at corner 15 of Tract K-1-V, the eighth corner of the James Henley Survey and the beginning corner of the John Rowan Survey, A-873, a Forest Service standard concrete post marked K-33;

THENCE West, common to the James Henley and John Rowan Surveys, 42.50 chains to corner 16 of Tract K-1-V:

THENCE N 00° 45' W, common to the James Henley Survey and in part to the I. & G.N.R.R. Survey No. 10, A-583 and the D. F. Dominy Survey, A-1341, 51.60 chains to corner 17 of Tract K-1-V;

THENCE two lines with Tract K-1-V and common to the James Henley Survey and Blake Carlton Survey, A-275:

N 89° 30' E, 44.70 chains to corner 18 of Tract K-1-V; N 00° 45' E, 40.40 chains to corner 19 of Tract K-1-V, a F.S. standard concrete post marked K-192;

THENCE N 89° 30' E, common to the James Henley Survey and Reuben Baker Survey, A-1195, 25.70 chains to corner 20 of Tract K-1-V, said corner being on the western line of F.S. Tract K-2Aa;

THENCE S 00° 30' W, with the boundary of Forest Service Tract K-2Aa, common to the James Henley Survey and the W. D. Harrison Survey, A-479, 31.00 chains to corner 21 of Tract K-1-V, common to corner 7 of F.S. Tract K-2Aa;

THENCE S 89° 30' E, with F.S. Tract K-2Aac, common to the James Henley and the W. D. Harrison Surveys, a calculated distance of 38.80 chains to a point for corner of Tract K-1-V Parcel No. 2, said point being on line between corners 21 and 22 of Tract K-1-V and being the northwestern corner of lease offer Tract K-1-V Parcel No. 3;

THENCE South, a calculated distance of 61.26 chains to appoint for corner of Tract K-1-V Parcel No. 2 within said Henley Survey, said line common to lease offer Tract K-1-V Parcel No. 3;

EXHIBIT O PAGE 6 of 6

THENCE, within said Henley Survey across Tract K-1-V and common to lease offer Tract K-1-V Parcel No. 3, a calculated bearing and distance of S 89° 59' 41" W, 66.37 chains to the place of beginning, containing 708.08 acres, be the same, more or less.

LEAVING A NET AREA OF 852.85 ACRES, MORE OR LESS, FOR TRACT K-1-V PARCEL NO. 3

SPECIAL STIPULATION BUREAU OF RECLAMATION

To avoid interference with recreation development and/or impacts to fish and wildlife habitat and to assist in preventing damage to any Bureau of Reclamation dams, reservoirs, canals, ditches, laterals, tunnels, and related facilities, and contamination of the water supply therein, the lessee agrees that the following conditions shall apply to all exploration and developmental activities and other operation of the works thereafter on lands covered by this lease:

1. Prior to commencement of any surface-disturbing work including drilling, access road work, and well location construction, a surface use and operations plan will be filed with the appropriate officials. A copy of this plan will be furnished to the Area Manager Oklahoma-Texas Area Office, Great Plains Region, Bureau of Reclamation, 4149 Highline Blvd., Suite 200, Oklahoma City, Oklahoma 73108, for review and consent prior to approval of the plan. Such approval will be conditioned on reasonable requirements needed to prevent soil erosion, water pollution, and unnecessary damages to the surface vegetation and other resources, including cultural resources, of the United States, its lessees, permittees, or licensees, and to provide for the restoration of the land surface use and vegetation. The plan shall contain provisions as the Bureau of Reclamation may deem necessary to maintain proper management of the water, recreation, lands, structures, and resources, including cultural resources, within the prospecting, drilling, or construction area.

Drilling sites for all wells and associated investigations such as seismograph work shall be included in the above-mentioned surface use and operation plan.

If later explorations require departure from, or additions to the approved plan, these revisions or amendments, together with a justification statement for proposed revisions, will be submitted for approval to the Area Manager, Oklahoma-Texas Area Office, Bureau of Reclamation, or his authorized representative.

Any operations conducted in advance of approval of an original, revised, or amended prospecting plan, or which are not in accordance with an approved plan, constitute a violation of the terms of this lease. The Bureau of Reclamation reserves the right to close down operations until such corrective action, as is deemed necessary, is taken by the lessee.

- 2. No occupancy of the surface of the following excluded areas is authorized by this lease. It is understood and agreed that the use of these areas for Bureau of Reclamation purposes is superior to any other use. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100 percent of the fee mineral interest.
 - a. Within 500 feet on either side of the centerline of any and all roads or highways within the leased area.
 - b. Within 200 feet on either side of the centerline of any and all trails within the leased area.
 - c. Within 500 feet of the normal high-water line of any and all live streams in the leased area.
 - d. Within 400 feet of any and all recreation developments within the leased area.

- e. Within 400 feet of any improvements either owned, permitted, leased, or otherwise authorized by the Bureau of Reclamation within the leased area.
- f. Within 200 feet of established crop fields, food plots, and tree/shrub plantings within the leased area.
- g. Within 200 feet of slopes steeper than a 2:1 gradient within the leased area.
- h. Within established rights-of-way of canals, laterals, and drainage ditches within the leased area.
- i. Within a minimum of 500 feet horizontal from the centerline of the facility or 50 feet from the outside toe of the canal, lateral, or drain embankment, whichever distance is greater, for irrigation facilities without clearly marked rights-of-way within the leased area.
- j. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation <u>may</u> consider, on a case-by-case basis, waiving the requirements specified in Section 2 hereof.

HOWEVER, LESSEES ARE ADVISED THAT OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.

- 3. No occupancy of the surface or surface drilling will be allowed in the following areas. In addition, no directional drilling will be allowed that would intersect the subsurface zones delineated by a vertical plane in these areas. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100% of the fee mineral interest.
 - a. Within 1,000 feet of the maximum water surface, as defined in the Standard Operating Procedures (SOP), of any reservoirs and related facilities located within the leased area.
 - b. Within 2,000 feet of dam embankments and appurtenance structures such as spillway structures, outlet works, etc.
 - c. Within one-half (1/2) mile horizontal from the centerline of any tunnel within the leased area.
 - d. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation <u>may</u> consider, on a case-by-case basis, waiving the requirements specified in Section 3 hereof.

HOWEVER, LESSEES ARE ADVISED THE OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.

- 4. The distances stated in items 2 and 3 above are intended to be general indicators only. The Bureau of Reclamation reserves the right to revise these distances as needed to protect Bureau of Reclamation facilities.
- 5. The use of explosives in any manner shall be so controlled that the works and facilities of the United States, its successors and assigns, will in no way be endangered or damaged. In this connection, an explosives use plan shall be submitted to and approved by the Area Manager, Oklahoma-Texas Office, Bureau of Reclamation, or his authorized representative.

- 6. The lessee shall be liable for all damage to the property of the United States, its successors and assigns, resulting from the exploration, development, or operation of the works contemplated by this lease, and shall further hold the United States, its successors and assigns, and its officers, agents, and employees, harmless from all claims of third parties for injury or damage sustained, or in any way resulting from, the exercise of the rights and privileges conferred by this lease.
- 7. The lessee shall be liable for all damage to crops or improvements of any entry man, non-mineral applicant, or patentee, their successors and assigns, caused by or resulting from, the drilling or other operations of the lessee, including reimbursement of any entry man or patentee, their successors and assigns, for all construction, operation, and maintenance charges becoming due on any portion of their said lands damaged as a result of the drilling or other operations of the lessee.
- 8. In addition to any other bond required under the provisions of this lease, the lessee shall provide such bond as the United States may at any time require for damages which may arise under the liability provisions of sections six (6) and seven (7) above.

GENERAL STIPULATIONS

UNITED STATES OF AMERICA DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION

FOSS DAM AND RESERVOIR FOSS DIVISION, WASHITA BASIN PROJECT, OKLAHOMA

- 1. All rights under this oil, gas, and mineral lease are subordinate to the right of the United States to flood and submerge the lands, permanently or intermittently, in connection with the construction, operation, and maintenance of the Foss Dam and Reservoir, Foss Division, Washita Basin Project, Oklahoma (Project lands).
- 2. All surface work performed by the Lessee and/or operator on the Foss Reservoir lands shall be under the general supervision of the Area Manager, Bureau of Reclamation (BOR) in direct charge of the project, and shall be subject to such conditions and regulations as he/she may prescribe. Detailed plans and location for all structures, appurtenances thereto, and surface disturbance work on project lands shall be submitted to the said Area Manager for approval in advance of commencement of any surface work on the said project lands. At least 60 days or more lead time is preferred. Authorized representatives of Reclamation shall have the right to enter on the leased premises at any time to inspect both the installation and operational activities of the Lessee and/or operator.

A. Pre-drilling Conditions:

- 1. No exploratory drilling, flow line trenching or site clearing will occur until approval is granted by the appropriate Reclamation representatives in consultation with the local managing agency(s).
- 2. No wellhead shall be below the top of flood control pool elevation of 1668.9 feet, mean sea level.
- 3. All storage tanks shall be constructed elevation 1691.0 feet (maximum water surface). This elevation restriction does not apply to areas downstream of the dam. Berms shall be constructed around storage batteries, tanks, and separators to contain their entire volume should an accidental spill or rupture occur.
- 4. Drilling a well for oil and gas is prohibited within 1,000 feet of any dam, dike, or other major structure, unless otherwise approved by the Area Manager in consultation with the local managing agency(s).
- 5. No well shall be drilled within 1/8 mile (660 feet) of a river, channel, permanent stream, tributary, or marsh site unless otherwise approved by the Area Manager in consultation with the local managing agency(s). To protect watersheds, slopes in excess of 40 percent (2.5:1) should be avoided where possible.

BOR-GS (FOSS DAM) Page 2 of 6

- 6. All drilling operations shall be conducted in accordance with applicable State laws relative to municipal water supplies.
- 7. No surface disturbance shall occur until completion of an environmental analysis of the proposed drilling activity by Reclamation and all coordination matters are completed. This analysis will involve review of federally listed threatened and endangered plant and animal species, protection of wetlands, cultural resources, and water quality concerns. Certain data needs may be requested from the applicant proposing a surface disturbance action.
- 8. Where surface operations and facilities could reasonably be expected to discharge petroleum products into navigable waters and should oil or petroleum products be stored on site and facilities have an aggregate storage of 1,320 gallons or more or single containers with capacity of 660 gallons or more, a "Spill Prevention Control and Counter Measure Plan" shall be prepared and must be maintained and kept available for inspection on site (if manned) or at the nearest field office, if unmanned. In the event of a spill or leakage, the Lessee assumes all responsibility for cleanup and damages.
- 9. At Lessee's expense, a cultural resource survey of lands that may be disturbed must be completed prior to any surface disturbance. If during construction, operation, and/or maintenance of any facility authorized by the Reclamation lease, Lessee, or any person working in his behalf discovers any historic or prehistoric grave, ruin, monument, or any object subject to the National Historic Preservation Act of 1966, the Archeological Resource Protection Act of 1979, or the Native American Graves Protection Act of 1992 and/or, Reclamation Instructions 376.11, work shall be suspended immediately and the discovery reported to Reclamation. When directed by Reclamation, the Lessee shall obtain, at his expense, a qualified archeologist to examine and evaluate, and if necessary, excavate the discovery.
- 10. No "mud pits" shall be constructed on Federally-owned land. A closed mud system is required with containerization of drill cuttings. Water or discharge of any kind shall not be allowed to enter any drainage. All unattended containers containing liquids shall be fenced.
- 11. The derrick shall not be located closer than one and one-half times its height from any electrical power transmission lines unless prior approval is obtained from the owner of the power company. Signs shall be posted warning the public to prevent entry to the job site. Also, adequate blowout preventers shall be properly maintained.
- 12. All aboveground structures, not subject to applicable safety requirements, shall be painted to blend with the natural surroundings. The paint used shall be lusterless, nonreflective, flat, or semigloss color that blends with the area.

BOR-GS (FOSS DAM) Page 3 of 6

B. Roads:

- 1. The Lessee shall observe the following restrictions during exploration:
- a. Wherever possible, existing roads and trails are to be used as access to the drilling site. New road construction will be kept to a minimum, and new construction will not begin until the location is approved by the local managing agency(s).
- b. Each existing fence to be crossed by the Lessee shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be protected as necessary during construction and well operation to prevent the escape of livestock. Upon completion of construction, the fence shall be repaired to the original standard of the existing fence.
- c. Cleared trees and shrubs will be removed and/or piled as brush piles for wildlife shelter as designated by the local managing agency(s). Available topsoil will be removed from the road right-of-way and stored in a topsoil stockpile.
- d. New access roads shall normally be a maximum of 30 feet wide including drainage ditches and culverts. Road surface shall be graveled to a thickness identified as suitable for the existing ground. Access roads shall be constructed to widths suitable for the safe operation of the vehicles and equipment at proposed speeds. The road speeds shall be posted with signs and maximum speed limits signs. Speeds shall be limited on curves and posted to speeds that will permit a vehicle to be stopped within one-half the minimum sight distance. The road shall be maintained in safe condition.
- e. If the local managing agency(s), requests Lessee shall construct cattle guards, or install gates with locks on new access roads which will be maintained by the Lessee during drilling operations and all such times thereafter as production continues. Fencing of roads may be required.
- f. Roads shall be maintained in suitable condition for vehicle passage during the duration of drilling activities with special consideration given to erosion control during wet and muddy periods.
- g. Existing roads shall be returned to original or equivalent condition after drilling equipment has been removed.
- h. All roads shall be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts, and/or any other measures deemed necessary by Reclamation representatives. The following is a general guide for the spacing of water bars:

Present Slope	
less than 2 percent	200 feet
2 to 4 percent	100 feet
4 to 5 percent	75 feet
more than 5 percent	50 feet

BOR-GS (FOSS DAM) Page 4 of 6

- i. In the event of a "dry hole," any new road construction sites will be revegetated by the drilling company, with native and/or adapted grasses, forbs, and shrubs as requested by Reclamation, unless the local managing agency(s) indicates in writing that the road is to remain. Revegetation is to be accomplished by seeding and fertilizing the area within 1 year of completion at recommended seeding rates and dates.
- 2. Lessee shall observe the following stipulations should oil or gas be found and production activities occur:
- a. Production company shall maintain road in suitable condition for vehicle passage. Public will be permitted to use road where existing road was originally open to such use. New road construction, if needed, can be exempt from public use.
- b. Should the local managing agency deem it necessary to control vehicle traffic into the area during any season of the year, the production company will provide a metal gate and lock.

C. Drilling Pad and Reserve Pit, IF APPROVED BY RECLAMATION:

- 1. Area cleared for the drilling pad site and reserve pit shall be the absolute minimum required for operations.
- 2. All trees and shrubs removed from the pad site shall be piled near the site at places designated by the local managing agency(s) for use as wildlife shelters.
- 3. Available topsoil shall be removed from the drilling pad and pit site and stored in a topsoil stockpile.
- 4. Diesel fuel tanks and other potential pollution sources will be surrounded by an earthen berm of sufficient height to contain their entire volume in the event of an accidental leak or rupture.
- 5. The area will be kept well policed and free of trash and litter at all times, including access roads used solely by the Lessee. Litter blown out of the work area must be picked up. All waste associated with the drilling operations shall be removed and deposited in an approved sanitary landfill within 1 month after removal of the drilling rig. The Lessee shall comply with all State laws and regulations pertaining to the disposal of human waste.
- 6. For the protection of livestock and wildlife, all containers containing toxic liquids shall be fenced and open containers shall be covered with a fine mesh netting (i.e., hardware cloth) with openings being of one-half inch or less.
- 7. The Lessee will remove fluids and trash from the site. After drilling activities are completed the site shall be reshaped to original contours and covered with topsoil. This restoration must be accomplished within 90 days of completion of drilling. The area must then be revegetated as required by Reclamation.

BOR-GS (FOSS DAM) Page 5 of 6

D. Actions with a Producing Well:

- 1. A minimum service area will be developed around the well head. No permanent material storage will be allowed on the lease. The remainder of the drilling pad will be covered with topsoil from the stockpile and restored to vegetation by tilling, fertilizing, and seeding. Specific seed types will be determined on a case-by-case basis by Reclamation in consultation with the local managing agency(s).
- 2. The Lessee may be required to utilize electric or submersible pumps, where feasible, rather than fuel-powered pumps (or other machinery). All electric lines must be buried to a depth of 15-18 inches.
- 3. All transfer lines from well site to tank battery, saltwater disposal well, or the like, must be buried 4 feet below the surface and a minimum depth of 4 feet at stream, creek, and river channel crossings.
- 4. When possible, a common point of collection shall be established to minimize the number of tank batteries.

E. Actions with a Non-producing Well:

- 1. All disturbed areas will be recontoured, covered with topsoil, and revegetated. All trash will be removed from the lease site.
- 2. Gates and cattle guards shall be removed where requested by the local managing agency(s). Any openings in fences will be restored to original condition.

F. General:

- 1. The Lessee shall limit access to well and storage locations on project lands to authorized personnel.
- 2. The Lessee agrees to cease all operations and make all necessary corrections to the satisfaction of the representative of Reclamation in consultation with the local managing agency(s) before resuming any operations should any violations of the terms of these stipulations occur.
- 3. The Lessee shall not permit any nuisance to be maintained on the premises and shall not use said premises for any purposes other than those authorized in the lease. Before abandoning any well, the Lessee shall securely plug the same so as to effectually shut off water from the oil-bearing stratum.

BOR-GS (FOSS DAM) Page 6 of 6

- 4. The Lessee shall carry on the development and/or operation of the premises in a workmanlike manner and shall not commit or suffer to be committed waste upon the lands in his occupancy and use. In drilling operations, the Lessee or operator shall only use so much of the land as is necessary; shall safeguard the lakes and streams from any pollution; and shall not permit oil, saltwater, drilling mud, or other deleterious substances to escape onto the land, but the same shall be retained in proper tanks, receptacles, or in pits prepared for such purposes; and after the termination of drilling operations, the land will be properly restored to its original condition, and only so much thereof shall be used in the production of the leased premises as is reasonably necessary to operate any well or wells thereon.
- 5. Lessee shall provide all subcontractors and assigns, especially the dirt contractor, with a copy of the above stipulations prior to construction of the road, pad, or associated developments.

NO SURFACE OCCUPANCY STIPULATION SPECIAL CULTURAL VALUES

SPECIAL CULTU	URAL VALUES
No surface occupancy or use is allowed on the lands	described below:
(the lease operator may use existing access re	oads on this tract)
For the purpose of: Protects cultural resource valu	es.
If circumstances or relative resource values change gas operations can be conducted without causing unmay be waived, excepted, or modified by the BLM aconsistent with the provisions of the Farmington Reconsistent, through a land use plan amendment and	nacceptable impacts, this stipulation Authorized Officer, if such action is source Management Plan, or if not
Policy Act analysis document. If the BLM Authorizexception, or modification shall be subject to a 30-d	the state of the s
Any changes to this stipulation will be made in accordance the regulatory provisions for such changes.	rdance with the land use plan and/or
Bureau of Land Management	F-19-NSO
Farmington Field Office	September 2003

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

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

All matters related to this stipulation are to be addressed

To: Forest Supervisor

Ouachita National Forest

At: PO Box 1270 - 100 Broadway Federal Bldg.

Hot Springs, AR 71902

Telephone No: (501) 321-5202

Who is the authorized representative of the Secretary of Agriculture.

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

Activities must be conducted in such a manner as to reasonably reduce visibility of the operation and meet visual quality objectives to the extent practical.

On the lands described below:

For the purpose of:

To meet visual quality objective and to protect simi-primitive recreation values; Land and Resource Management Plan dated March 5, 1990, as amended and Final EIS.

The above lands lie within Winding Stair Mountain National Recreation Area (Management Area 19a) of the Amended Land and Resource Management Plan.

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

Activities must be conducted in such a manner as to reasonably reduce visibility of the operation and meet visual quality objectives to the extent practical.

On the lands described below:

For the purpose of:

To meet visual quality objective and to protect semi-primitive recreation values; Land and Resource Management Plan dated March 5, 1990, as amended and Final EIS.

The above lands lie within Indian Nations Scenic and Wildlife Area (Management Area 19g) of the Amended Land and Resource Management Plan.

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

Indian National Scenic & Wildlife Area:

Activities must be conducted in such a manner as to reasonably reduce visibility of the operation and meet visual quality objectives to the extent practical, and meet Design Criteria and Management Objectives set for in the Ouachita National Forest Revised Forest Plan September 23, 2005, as amended and Final EIS. Management Area 19 of the Revised Forest Plan.

On the lands described below:

For the purpose of:

To meet visual quality objective and to protect semi-primitive recreation values. Ouachita National Forest Revised Forest Plan September 23, 2005, as amended and Final EIS Management Area 19 of the Revised Forest Plan.

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

Activities must be conducted in such a manner as to reasonably reduce visibility of the operation and meet visual quality objectives to the extent practical.

To meet visual quality objective and to protect semi-primitive recreation values; Land and Resource Management Plan dated March 5, 1990, as amended and Final EIS.
For the purpose of:
On the lands described below:
to the extent practical.

These lands fall within Management Area 18 – Visual quality protection along the major trails.

LEASE NOTICE

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. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

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

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 are 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 the 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.

NO SURFACE OCCUPANCY STIPULATION #2

No use	or occupancy	of the s	surface wi	ill be p	permitted	within tl	he follo	wing
areas:								

For the purpose of:

Protecting the resources and curtailing any operations that are not compatible with the purpose of the management area. The lessee is authorized to employ directional drilling to exploit the mineral resources within the aforementioned area(s) providing such drilling will not disturb the surface.

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

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

All matters related to this stipulation are to be addressed

To : Forest Supervisor

National Forests in Texas

At : 701 North First Street

Lufkin, TX 75901

Telephone No : (936) 639-8501

Who is the authorized representative of the Secretary of Agriculture.

CONTROLLED SURFACE USE STIPULATION #1A NATIONAL FORESTS IN TEXAS

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

Portions of this lease contain streamside management zones (floodplains, wetlands). As a minimum, these areas are established within the 100 year flood

normal pool level contour of lakes. Site- specific proposals for surface-disturbing activities (such as pipelines and seismic surveys) within these areas will be analyzed and will normally result in establishment of protective requirements or
limitations for the affected site. Surface occupancy for oil and gas wells will not be allowed within the streamside management zone. (MA-4-63)
On the lands described below:

For the purpose of:

To meet visual quality objectives and protect streamside management zones in accordance with the National Forest and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

CONTROLLED SURFACE USE STIPULATION NATIONAL FOREST IN TEXAS

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

Piney Creek Horse Trail. Proposals for drilling sites located 150 feet or less from the trail may be subject to special requirements or limitations, such to be determined on a case-by case basis.

Proposals for drilling sites and other related mineral activity will be located at least 150 feet from either side of the trail and may be subject to special requirements or limitations, including no surface occupancy, such to be determined on a case-by-case basis.

Trail may be crossed by vehicles but may not be used as a travel way. Vehicles may not parallel the trail closer than 25 feet. When crossing the trail with vehicles any brush pushed into the trail must be totally removed from the trail. Shot holes will be placed no closer than 25 feet from the trail's edge to meet public safety requirements. If necessary, the shot holes may be required to be located farther than 25 feet from the trail. (FW-158)

On the lands described below:		

For the purpose of: To protect the trail and meet visual quality objectives as per <u>National</u> <u>Forests and Grasslands in Texas Final Land and Resource Management Plan</u>, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

NATIONAL FORESTS IN TEXAS

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

Portions of the land in this lease are, or may be, occupied by clusters of the endangered red-cockaded woodpecker. Exploration and development proposals may be modified and/or limited, including no surface occupancy, within ¼ mile of an active red-cockaded woodpecker cluster. In addition, if foraging habitat is limited, no surface occupancy may occur within ½ mile of an active red-cockaded woodpecker cluster. Upon receipts of a site-specific proposal, the Forest Service will provide current inventory records of cluster locations and may require that localized surveys be performed to assure no uninventoried clusters are present. (MA-2-80-4.6)

localized surveys be performed to assure no uninventoried clusters are present (MA-2-80-4.6)
On the lands described below:
For the purpose of:
To protect red-cockaded woodpecker clusters foraging and habitat areas in accordance with the National Forest and Grasslands in Texas Final Land and Resource Management Plan, dated March 28, 1996.

Any change to this stipulation will be made in accordance with the Land Use Plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

LEASE NOTICE COAL PROTECTION

Federal coal resources exist on this lease. Operations authorized by this lease may be altered or modified by the authorized officer (at the address shown below) in order to conserve and protect the mineral resources and provide for simultaneous operations.

Address:

Tulsa Field Office 7906 E. 33Rd Street, Suite 101 Tulsa, OK 74145 (918) 621-4100

Bureau of Land Management New Mexico State Office NM-8-LN April 2,1991

Special Cultural Resource Lease Notice

All development activities proposed under the authority of this lease are subject to compliance with Section 106 of the NHPA and Executive Order 13007. The lease area may contain historic properties, traditional cultural properties (TCP's), and/or sacred sites currently unknown to the BLM that were not identified in the Resource Management Plan or during the lease parcel review process. Depending on the nature of the lease developments being proposed and the cultural resources potentially affected, compliance with Section 106 of the National Historic Preservation Act and Executive Order 13007 could require intensive cultural resource inventories, Native American consultation, and mitigation measures to avoid adverse effects—the costs for which will be borne by the lessee. The BLM may require modifications to or disapprove proposed activities that are likely to adversely affect TCP's or sacred sites for which no mitigation measures are possible. This could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

Bureau of Land Management New Mexico State Office NM-11-LN February 9, 2004

FLOODPLAIN PROTECTION STIPULATION CONTROLLED SURFACE USE

All or portions of the lands under this lease lie in and/or adjacent to a major watercourse and are subject to periodic flooding. Surface occupancy of these areas will not be allowed without specific approval, in writing, of the Bureau of Land Management.

Land Management.	
For the following described land(s):	
Any changes in this stipulation will be made in accordance with and/or the regulatory provisions for such changes.	the land use plan
Bureau of Land Management	ORA-1
Oklahoma Field Office	November 1991

WETLAND/RIPARIAN STIPULATION CONTROLLED SURFACE USE

All or portions of the lands under this lease contain wetland and/or riparian areas. Surface occupancy of these areas will not be allowed without the specific approval, in writing, of the Bureau of Land Management. Impacts or disturbance to wetlands and riparian habitats which occur on this lease must be avoided, or mitigated. The mitigation shall be developed during the application for permit to drill process.

mitigated. The mitigation shall be developed during the application for permit to drill process.
For the following described land(s):
Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

Bureau of Land Management Oklahoma Field Office

ORA-2 November 1991

Lesser Prairie Chicken Stipulation

These leased federal minerals occur in an area known to contain populations of lesser prairie chickens (LPC). The exact locations of habitats utilized by this special status species are not known.

No pad or access road construction, drilling, completion, and/or stimulation (fracturing) activities associated with this federal lease will be allowed in LPC habitat between the dates of March 1 and May 31 (of every year). During that period (March 1 through May 31 of each year) other activities which produce noise or involve human activity, such as the maintenance of O&G facilities, or construction activities associated with pipelines, access roads and/or well pads, will be allowed except between the hours of 3:00 A.M. and 9:00 A.M., every day within that period. The 3:00 A.M. to 9:00 A.M. restriction will not apply to normal, around-the-clock operations, such as venting, flaring or pumping, which do not require a human presence. Normal vehicle use on existing roads will not be restricted. Noise from pump jack engines must be muffled or otherwise controlled to no more then 75 db measured at 30 ft from the source of the noise and/or timers must be placed on the pump jacks so as to eliminate pump noise during the hours of 3:00 A.M. to 9:00 A.M.

The following best management practices (BMPs) will be required:

- a. A 2,640 foot (one-half mile) buffer zone will be maintained between any known active LPC leks and the construction, drilling and/or completion activities conducted on this lease.
- b. The operator will be expected to drill multiple wells, planned for this lease, from each approved pad. Strategically located larger pads will be considered drilling islands from which the lease operator will directionally drill as many wells as possible. The lease operator(s) must consider using fewer but larger pads to drill multiple wells from one pad location, rather than many, scattered small pads with one well per pad. The reduction in access roads, flow/pipelines and utility corridors will reduce habitat fragmentation for the LPC.

ORA-5 LPC Page 2 of 2

- c. Well pad sites will be selected so as to avoid clumps or motts of previous seasons' grasses (those grasses at 3-10ft height). Every effort must be made to minimize disturbance to, or removal of, such grasses that may exist along the perimeter of the well pad areas. These measures will help to provide nesting sites for LPC hens.
- d. Well pad sites will be selected so as to avoid the removal of scrub oaks. Every effort must be made to minimize disturbance to, or removal of, any and all species of oaks (Quercus sp.) that may exist in association with any proposed well pad site.
- e. The height of all vertical structures, relative to the horizons, must be reduced. This will be accomplished by an actual reduction in size or by using natural occurring geographic features, such as hills and bluffs, as a background for the vertical structures. Vertical structures include, but are not limited to, tank batteries, pump jacks, utility poles and livestock fences (fences around drilling and/or production facilities). Utility/power lines will be installed underground (buried by trenching or boring).

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Please Note: Current biological information will need to be obtained in order to waive all, or portions, of the LPC requirements listed above. This updated information may/can be in the form of breeding season lek surveys, or habitat suitability evaluations.

Bureau of Land Management Oklahoma Field Office ORA-5 LPC April 11, 2006

LEASE NOTICE POTENTIAL CAVE OR KARST OCCURRENCE AREA

All or portion of the lease are located in a potential cave or karst occurrence area. Within this area, caves or karst features such as sinkholes, passages, and large rooms may be encountered from the surface to a depth of as much as 2,000 feet, within surface areas ranging from a few acres to hundreds of acres. Due to the sensitive nature of the cave or karst systems of this area, special protective measures may be developed during environmental analyses and be required as part of approvals for drilling or other operations on this lease. These measures could include: changes in drilling operations; special casing and cementing programs; modifications in surface activities; or other reasonable measures to mitigate impacts to cave or karst values. These measures may be imposed in accordance with 43 CFR 3101.1-2; 43 CFR 3162.5-1; Onshore Oil and Gas Order No. 1; and Section 6 of the lease terms.

Bureau of Land Management Roswell/Carlsbad Field Office

SENM-LN-1 February 1991

POTASH STIPULATION

Stipulations to be made part of any oil and gas lease involving lands described in Secretarial Order, 51 Federal Register 39425 (October 28, 1986).

The lessee further agrees that:

- (1) Drilling for oil and gas shall be permitted only in the event that the lessee establishes to the satisfaction of the Authorized Officer, Bureau of Land Management, that such drilling will not interfere with the mining and recovery of potash deposits, or the interest of the United States will best be served by permitting such drilling.
- (2) No wells shall be drilled for oil or gas at a location which, in the opinion of the Authorized Officer, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.
- (3) When it is determined by the Authorized Officer, that unitization is necessary for orderly oil and gas development and proper protection of potash deposits, no well shall be drilled for oil or gas except pursuant to a unit plan approved by the Authorized Officer.
- (4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations (43 CFR 3160), including such requirements as the Authorized Officer may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.

On the land(s) described below:

Bureau of Land Management Carlsbad Field Office

SENM-S-1 Revised December 1996

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below:
For the purpose of:
Protecting occupied habitat for the Federally listed threatened Bluntnose Shiner species. This stipulation is a result of Section 7 consultation of the Endangered Species Act with the US Fish and Wildlife Service. Per the consultation, this stipulation cannot be waived on the lands described above.
Bureau of Land Management SENM-S-9A Carlsbad Field Office November 2002

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the lands described below:
For the purpose of:
 a. preventing hazards to oil and gas operations due to drilling through open potash mine workings, cavities or voids over which the lands are situated.
 b. preventing open potash mine workings from becoming gassey thereby creating a hazard to human health and safety during underground mining.
 protecting critical, economically important potash resources within the Secretary's Potash Area as discussed in the Carlsbad Resource Management Plan.
Bureau of Land Management SENM-S-12 Carlsbad Field Office May 198

WILDLIFE HABITAT PROJECTS

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

Surface disturbance will not be allowed within up to 200 meters of existing or planned wildlife habitat improvement projects. Large-scale vegetation manipulation projects such as prescribed burns will be excepted. This requirement will be considered for waiver with appropriate off-site mitigation, as determined by the Authorized Officer.

For the purpose of: Protecting Wildlife Habitat Projects

Bureau of Land Management Roswell/Carlsbad Field Office

SENM-S-15 December 1997

SLOPES OR FRAGILE SOILS

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

Surface disturbance will not be allowed on slopes over 30 percent. **Exceptions will be considered for authorized mineral material** extraction sites and designated OHV areas, for the installation of projects designed to enhance or protect renewable natural resources, or if a plan of operating and development which provides for adequate mitigation of impacts was approved by the Authorized Officer. Occupancy or use of fragile soils will be considered on a case-by-case

basis.	acc by cacc
On the lands described below:	
For the purpose of: Protecting Slopes or Fragile Soils	
Bureau of Land Management Roswell/Carlsbad Field Office	SENM-S-17 December 199

STREAMS, RIVERS, AND FLOODPLAINS

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

Surface disturbance will not be allowed within up to 200 meters of the outer edge of 100-year floodplains, to protect the integrity of those floodplains. On a case-by-case basis, an exception to this requirement may be considered based on one or more of the criteria listed below. The first three criteria would not be applied in areas of identified critical or occupied habitat for federally listed threatened or endangered species.

- --Additional development in areas with existing developments that have shown no adverse impacts to the riparian areas as determined by the Authorized Officer, following a case-by-case review at the time of permitting.
- --Suitable off-site mitigation if habitat loss has been identified.
- --An approved plan of operations ensures the protection of water or soil resources, or both.
- --Installation of habitat, rangeland or recreation projects designed to enhance or protect renewable natural resources.

For the purpose of: Protecting Streams, Rivers and Floodplains

On the lands described below:

Bureau of Land Management Roswell/Carlsbad Field Offices

SENM-S-18 December 1997

PLAYAS AND ALKALI LAKES

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

Surface disturbance will not be allowed within up to 200 meters of PLAYAS of Alkali Lakes. Waiver of this requirement will be considered on a case-by-case basis for projects designed to enhance or protect renewable natural resources. An exception for oil and gas development will be considered if Playa lake loss was mitigated by the protection and development of another playa exhibiting the potential for improvement. Mitigation could include: installing fencing; developing a supplemental water supply; planting trees and shrubs for shelter belts; conducting playas basin excavation; constructing erosion control structures or cross dikes; or by improving the habitat in another area.

amos, er by improving the national manetic area.	
On the lands described below:	
For the purpose of: Protecting Playas and Alkali Lakes	
Bureau of Land Management Roswell/Carlsbad Field Offices	SENM-S-19 December 1997

SPRINGS, SEEPS AND TANKS

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

Surface disturbance will not be allowed within up to 200 meters of the source of a spring or seep, or within downstream riparian areas created by flows from the source or resulting from riparian area management. Surface disturbance will not be allowed within up to 200 meters of earthen tanks or the adjacent riparian areas created as a result of the presence of the tanks. Exceptions to this requirement will be considered for the installation of habitat or rangeland projects designed to enhance the spring or seep, or downstream flows.

For the purpose of: Protecting Springs, Seeps and Tanks

Bureau of Land Management Roswell/Carlsbad Field Offices

SENM-S-20 December 1997

CAVES AND KARST

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

Surface disturbance will not be allowed within up to 200 meters of known cave entrances, passages or aspects of significant caves, or significant karst features. Waiver of this requirement will be considered for projects that enhance or protect renewable natural resource values, or when an approved plan of operations ensures the protection of cave and karst resources.

For the purpose of: Protecting Caves and Karst Features

Bureau of Land Management Roswell/Carlsbad Field Office

SENM-S-21 December 1997

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to the operation and maintenance of production facilities.

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise. Exceptions to these requirements will be considered for areas of no or low prairie chicken booming activity, or unoccupied habitat, including leks, as determined at the time of permitting, or in emergency situations.

For the purpose of: Protecting Prairie Chickens

Bureau of Land Management Roswell/Carlsbad Field Offices SENM-S-22 December 1997

VISUAL RESOURCE MANAGEMENT

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

Painting of oil field equipment and structures to minimize visual impacts be conducted according to the requirements of Notice to Lessees (NTL) 87-1, New Mexico. Low profile facilities also may be required, when needed to reduce the contract of a project with the dominant color, line, texture, and form of the surrounding landscape. Other surface facilities or equipment approved by the BLM, such as large-scale range improvements or pipelines, will be painted, when needed, to conform with the requirements of visual resource management to minimize visual impacts. Paint colors will be selected from the ten standard environmental colors approved by the Rocky Mountain Coordinating Committee. The selected paint color will match as closely as possible the predominant soil or vegetation color of the area.

For the purpose of: Protecting Visual Resources Management

Bureau of Land Management Roswell/Carlsbad Field Office

SENM-S-25 December 1997

NORTHERN APLOMADO FALCON SUITABLE HABITAT CONTROLLED SURFACE USE STIPULATION

The Bureau of Land Management has determined that oil and gas development will be managed at three different levels throughout the Hope, New Mexico study area and adjacent outlying areas based on the following criteria:

- Whether suitable Aplomado Falcon habitat exists within lease boundaries based on habitat suitability model findings and/or grassland mapping;
- If grasslands occur within lease, whether the quality of the grassland is adequate for falcon occupancy (i.e. shrub density approaching threshold, nesting structure availability, etc.). This will be determined by BLM using a habitat suitability rating process.
- Whether oil and gas disturbances currently exist within the lands to be leased, and/or existing adjacent leases.

Level I Development

Are those areas that exhibit oil and gas development at significant levels (full field development), and those areas not possessing habitat suitable for the falcon. Measures to be applied: Standard lease terms and conditions

Level III Development

Are areas within Eagle Draw portion of the Hope study area that are highly suitable based on the suitability ranking criteria used by the model, and/or are considered high suitability for the falcon based on the grassland mapping initiative.

Measures Applied: Defer from leasing until the lands are addressed through the Resource Management Plan (RMP) process.

This oil and gas lease, as described below, meets the criteria for Level II Development. Surface occupancy or use is subject to the following special operating constraints:

Level II Development

Are those areas that possess habitat identified as suitable for the falcon based on the model and/or the grassland mapping initiative, and those areas where there is minimal existing development (less than full field development)

Measures to be applied:

- ? A plan of development (POD) for the entire lease must be submitted to the BLM authorized officer for approval prior to initiation of any development;
- ? The following well pad construction and reclamation measures must be implemented to provide for minimal long-term disturbance:
 - -remove all caliche from well pads and roads associated with wells that are abandoned, and are not capable of producing in paying quantities.
 - -well pad size within grasslands will not exceed 300ft x 390ft (unless multiple wells are drilled from the same well pad), and all unused portions of well pads/pit area associated with producing wells will be reclaimed using the seed mixture below;
 - -within grasslands determined suitable for the Aplomado Falcon, utilize a seed mixture that consists of the following:

Tobosa (Hilaria mutica)		4 lbs/acre
Black grama (Bouteloua eriopoda)		1 lb/acre
Silver bluestem (Bothriochloa saccharoides)	5 lbs/a	cre
Sideoats grama (Bouteloua curtipendula)	5 lbs/a	cre
Plains bristlegrass (Setaria macrostachya)	6 lbs/a	cre

- ? Utilize existing well pads to locate new wells when location is within a grassland;
- ? Earthen pits for drilling and disposal are not allowed unless this restriction is waived by the BLM authorized officer. Steel tank circulation system must be used. Earthen pits will not be allowed unless they can be effectively netted;
- ? All yuccas and/or other nesting structure greater than 5 feet in height must be avoided;
- ? All development activities will avoid inactive raptor/raven nests by a minimum of 200 meters, and active raptor/raven nests by a minimum of 400 meters. Operations that cannot meet this offset may be delayed for up to 120 days.

On the lands described below:

For the purpose of: Managing habitat suitable for the Northern Aplomado Falcon within the designated Hope study area, and areas adjacent to the study area that meet the habitat characteristics of occupied falcon habitat.

Waiver: Operations within the Level II Development Area will be strictly controlled. Where allowed, conditions for waiver of the above restrictions are listed above in the measures to be applied. Other restrictions may be waived or modified by the BLM authorized officer on a case by case basis.

Bureau of Land Management Carlsbad Field Office

SENM-S-31 April 2004

<u>Guadalupe Escarpment Scenic Area</u> <u>Visual Resource Management Class III Objectives</u> Special Stipulations

Proposed projects may be located within the Guadalupe Escarpment Scenic Area. The project will be built in a manner to minimize visibility from National Parks Highway (US 62/180).

Special Operating Constraints:

The following stipulations will apply to minimize impacts during construction, drilling and production.

- 1. The proposed pad size must be reduced to the minimum necessary for safe drilling operations. Final well pad dimensions will be determined during the permit approval process. Vehicle travel outside approved surface disturbance areas is prohibited and not authorized.
- 2. All above ground facilities, structures, appurtenances, and pipelines must be low profile (less than 7 feet in height), unless this requirement is waived or modified by the BLM authorized officer.
- 3. All above ground facilities, structures, appurtenances, and pipelines will be painted with a site-specific non-reflective (Flat) paint color in accordance with Notices to Lessees and Operators 87-1 (New Mexico).
- 4. Upon completion of the well and installation of the production facilities (if the well is a producer) the pad will be reclaimed back to a size necessary for production operations only. The edges will be recontoured and the extra caliche and pad material will be hauled off-site.
- 5. Reclaimed areas will be grid rolled and reseeded.

Bureau of Land Management Carlsbad Field Office

SENM-S-32 May 2004

SHINNERY OAK SAND DUNE HABITAT COMPLEX ZONE 3 PLAN OF DEVELOPMENT

A plan of development (POD) for the entire lease must be submitted for review and approval, including NEPA analysis, by the BLM PRIOR to approval of development actions (APD, Sundry Notices). The POD must indicate planned access to well facilities (roads, pipelines, power lines), and the approximate location of well sites. Should it become necessary to amend the POD, the amendment must be approved prior to approval of subsequent development actions. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the purpose of:

Managing habitat suitable for the lesser prairie chicken (LPC) and sand dune lizard (SDL). The lease contains isolated blocks of unfragmented habitat suitable for LPC or SDL. Habitat parameters within this area are needed for the life cycle of the species (e.g., edge) or, with habitat manipulation, the area could become suitable habitat. To the extent possible, buffer zones around active LPC leks will be utilized to provide resource protection.

Bureau of Land Management Roswell District Office

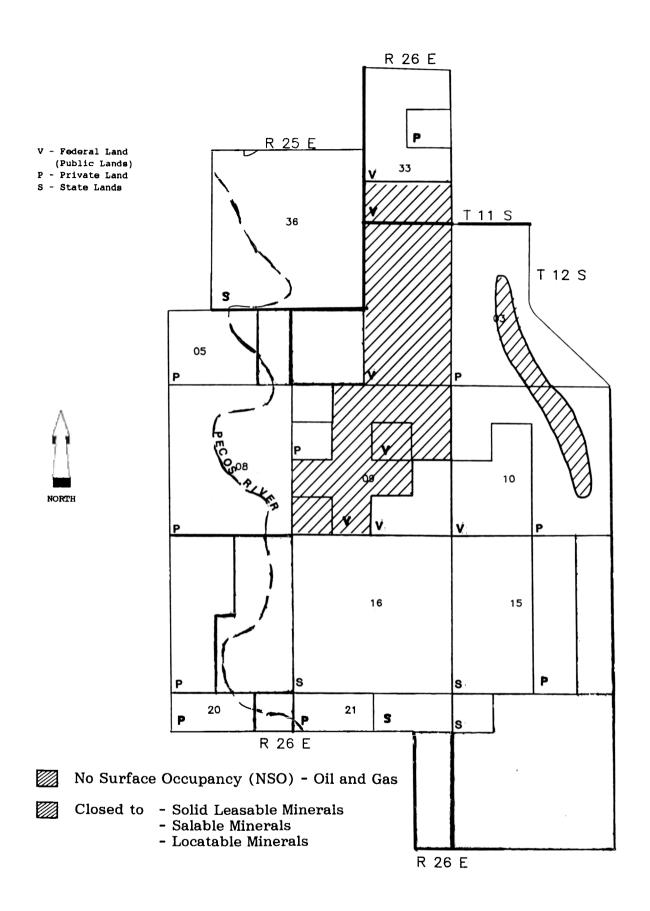
SENM-S-34 November 2004

NO SURFACE OCCUPANCY OVERFLOW WETLANDS ACEC

All or a portion of the lease is within the boundary of the Overflow Wetlands Area of Critical Environmental Concern (ACEC). A portion of this ACEC is designated as no surface occupancy for oil and gas operations. The restricted areas are illustrated on the map included with this stipulation. Access for oil and gas lease development is prohibited within these designated areas or as described below. The portion of the lease within the no surface occupancy zones may be developed by prorationing or directional drilling from outside the restricted area.

For the purpose of protecting resource values within the Overflow Wetlands Area of Critical Environmental Concern.

Note: with attached map.



MAP A12-2
OVERFLOW WETLANDS
Roswell Resource Area

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NO SURFACE OCCUPANCY STIPULATION GUADALUPE ESCARPMENT SCENIC AREA ZONE 1

All or a portion of the lease lies within Zone 1 of the Guadalupe Escarpment Scenic Area as described in the Carlsbad Resource Management Plan.

No surface occupancy is allowed within Zone 1.
On the lands described below:
For the purpose of:
Protection of highly sensitive visual areas as seen in the immediate foreground from key observation points along U.S. Highway 62/180, from the designated National Park Service wilderness, and US Forest Service scenic areas.

Bureau of Land Management Carlsbad Field Office

SENM-S-41(NSO) September 1988

SOUTHERN GUADALUPE ESCARPMENT RESOURCES

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

- (1) Well sites will be located to avoid sensitive resources. Drilling fluid/mud systems must be contained in metal tanks, drill cuttings must be disposed offsite, surface tanks must have berms sufficient to contain the total volume of all tanks. The berm area must be lined sufficient to prevent any leakage and rip-stop padding must be used to prevent tears or punctures in liners.
- (2) The casing and cementing programs must be designed to allow for a karst protection string and all strings of casing must be cemented to the surface, upon abandonment of the well, the wellbore will be cemented from the base of the cave/karst zone to the surface.
- (3) Pads may be located adjacent to existing roads, projects may be routed in corridors, and cut and fill may be minimized at the discretion of the BLM authorized officer. Loamy soil in gyp/loamy areas must be stockpiled to use for reclamation.
- (4) Directional drilling from approved well pads may be required at the discretion of the BLM authorized officer to reduce the need for additional roads and production infrastructure.
- (5) To protect visual resources, use of low profile structures, selective paint colors, use of weathering substances to reduce the contrast of large boulders and cut areas, natural colored power poles, non-reflective (non-specular) wire, setting the drill site back from the edge of bluffs, and other techniques will be considered at the time a drilling is processed.
- (6) Interim reclamation of the drill site will be completed within six months of well completion. Interim reclamation plans including production equipment or facility site diagrams will be included in the surface use plan (SUP) at the time of the Application for Permit to Drill (APD). Additional consultation between the operator and the BLM authorized officer may be required to determine final drill site dimensions.
- (7) Initial reclamation of the site will occur within three months of well abandonment. All reclamation requirements will be completed within six months of well plugging. Reclaimed well sites will continue to be monitored until

desirable vegetation (seeded and native) is established. Additional work may be required at the discretion of the BLM authorized officer to achieve results.

Appropriate seed mixes must be used; alkali sacaton, for-wing saltbush in gyp, sideoats grama, bristlegrass in shallow limestone are examples. Use of annual "nurse crop" to get initial cover and provide additional organic matter to soils may be required. Caliche removal, disking, mulching, irrigation, fertilizing, seeding rates, seeding application (drilling vs. broadcasting), time of year to seed, fencing and weed control may be required as deemed necessary by the BLM authorized officer.

For the purpose of protecting:

Karst Groundwater/Hydrology, Springs, Riparian Areas, Wildlife, Fragile Soils, Visual Resources, and to facilitate resource reclamation.

Bureau of Land Management Carlsbad Field Office

SENM-S-42 January, 2006

NO SURFACE OCCUPANCY STIPULATION

No surface occupancy or use is allowed on the land described be	elow:
For the purpose of: Protection of wildlife habitat areas, recreat	ional values, and cultural
values.	
Any changes in this stipulation will be made in accordance with the regulatory provisions for such changes.	the land use plan and/or
Bureau of Land Management Taos Resource Area Office	TS-3 December 1992

TIMING LIMITATION STIPULATION

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

November 1 through March 30		
On the lands described below:		
For the purpose of: Protect important habitat for wintering herds of elk and mule deer. (Lumberton Area, Rio Arriba County)		
Any changes in this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.		
Bureau of Land Management TS-4 Taos Resource Area Office December 1992		

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.

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