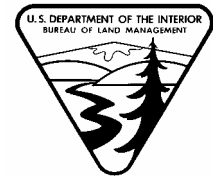




United States Department of the Interior



Bureau of Land Management

Eastern States
7450 Boston Boulevard
Springfield, Virginia 22153
<http://www.es.blm.gov>

IN REPLY REFER TO:

May 4, 2004

Notice of Competitive Lease Sale Oil and Gas

The Bureau of Land Management, Eastern States, is pleased to announce that we will offer for competitive sale approximately 112,130 acres of Federal lands in Alabama (ES-001 thru ES-016), Arkansas (ES-017 thru ES-049), (Louisiana (ES-050 thru ES-056), Mississippi (ES-057 thru ES-120) and West Virginia (ES-121 thru ES-129) for oil and gas leasing.

This notice describes—

1. the time and place of the auction,
2. how to register for and participate in the bidding process,
3. the conditions of the auction,
4. how to file a pre-sale noncompetitive offer, and
5. how to file a noncompetitive offer after the auction.

When and where will the auction take place?

- When:** The competitive oral auction will begin at **1:00 p.m. on June 18, 2004**. The sale room will open one hour earlier to allow you to register and get your bidding number.
- Where:** We will hold the auction at the **Pan-American Life Conference Center at 601 Poydras Street, New Orleans, Louisiana 70130**.
- Access:** The auction room is accessible to persons with disabilities. If you need an auxiliary aid or service to participate in the auction, such as a sign language interpreter or materials in an alternate format, please contact Gina Goodwin at (703) 440-1536 by June 1, 2004.

How do I register as a bidder?

You have to register and get a bidding number to participate in the sale. A Bidder Registration Form is included in this package. We will have copies available at the auction site. We will begin registering bidders at 9:00 a.m. on the day of the sale.

How do I participate in the bidding process?

The auctioneer will offer the parcels on the list attached to this notice in number order. Only registered bidders may make oral bids. All bids are on a per-acre basis for the entire acreage in the parcel. The winning bid will be the highest oral bid equal to or exceeding the minimum acceptable bid. The decision of the auctioneer is final.

The minimum acceptable bid is \$2 per acre or fraction thereof. If the parcel has fractional acreage, round it up to the next whole acre. For example, a parcel of 100.5 acres requires a minimum bid of \$202 (\$2 x 101 acres). After the auctioneer has offered all parcels, you may request that any unsold parcel be re-offered.

What are the terms and conditions of a lease issued as a result of this sale?

6. **Term of the lease:** A lease is issued for a primary term of 10 years. It continues beyond that if it has production in paying quantities. We charge a royalty of 12.5 percent of the value of oil or gas removed or sold from a lease. You will find other lease terms on our standard lease form (Form 3100-11, June 1988 or later editions).

7. **Stipulations:** Some parcels are subject to surface use stipulations. They are requirements or restrictions on how you conduct operations. These stipulations are included in the parcel descriptions on the attached list. They become part of the lease and supercede any inconsistent provisions in the lease form.

What are the terms of the sale?

8. **Withdrawal:** We reserve the right to withdraw any or all parcels from the sale before the auction begins. If we withdraw any parcels, we will post a notice in the Public Room at the Eastern States Office. You may also get the numbers of withdrawn parcels by contacting Gina Goodwin at (703) 440-1534. If we cancel the sale, we will try to notify all interested parties in advance.

9. **Payment:** You cannot withdraw your bid; it is a legally binding commitment to sign the lease bid form; accept the lease; and pay on the day of the auction the bonus bid, the first year's rent, and an administrative fee. The bonus bid is a deposit of at least \$2.00 per acre or fraction thereof. The first year's rent is \$1.50 per acre or fraction thereof. The administrative fee is \$75 per parcel.

You must pay minimum bonus, first year's rental and administrative fee by 4:30 p.m., at the Eastern States accounting office. You may pay the entire amount of your bid on the day of the auction, but if you don't, **you must pay the balance by July 2, 2004**, which is the 10th working day following the auction. If you don't pay in full by this date, you forfeit the right to the lease and all money you have paid us. If you forfeit a parcel, we may offer it for sale at a later auction.

10. **Form of payment:** You can pay by personal check, certified check, money order, or credit card (VISA, MASTERCARD, AMERICAN EXPRESS, or DISCOVER). Make a check payable to: **Department of the Interior–BLM**. We don't accept cash. If a check you have sent us in the past has bounced (been returned for insufficient funds), we will require that you give us a guaranteed payment, such as a certified check.

11. **Bid form:** Successful bidders must submit a signed competitive lease bid form (Form 3000-2, Oct. 1989) with their payment on the day of the auction. This form is a legally binding offer by a prospective lessee to accept a lease and all applicable terms and conditions. We recommend you get the form and complete part of it before the auction, leaving part to be filled out at the auction. Your completed bid form certifies that you are qualified to be a lessee under our regulations at 43 CFR Part 12 and Subpart 3102.5-2. It also certifies that you comply with 18 U.S.C. 1860, a law prohibiting unlawful combinations, intimidation of or collusion among bidders.

12. **Issuance of a lease:** We (the BLM) will issue your lease within 60 days of the sale date by signing the lease form provided you have paid your fees and rent. The effective date of a lease is the first day of the month following the month in which we sign the lease. We can make it effective the first day of the month in which we sign it, if we receive your written request before we sign the lease.

How do I file a noncompetitive pre-sale offer?

Under our regulations at 43 CFR 3110.1(a), you can file a noncompetitive pre-sale offer for lands that –

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

If no bid is received on them, your pre-sale offer gives you priority over any offer filed after the auction. In the list of parcels attached to this notice, we have used an asterisk to mark any parcel that has a pending pre-sale offer. By filing a pre-sale offer, you are consenting to all terms and conditions of the lease, including any stipulations for listed on the attachment to this notice.

To file a pre-sale offer, you must send us --:

16. a standard lease form (Form 3100-11, June 1988 or later edition), which is properly filled out, as required by the regulations under 43 CFR 3110. (**Note: You must copy both sides of the form on one page. If you copy the form on 2 pages, we will reject your offer. We will also reject offers on obsolete lease forms.**);
17. the first year's advance rent in the amount of \$1.50 per acre or fraction thereof; and
18. a nonrefundable administrative fee in the amount of \$75.

NOTE: You cannot file a pre-sale offer for any lands included in the parcel list attached to this notice.

How do I file a noncompetitive offer after the auction?

You may be able to get a noncompetitive lease for a parcel we offered if –

- 19. we did not withdraw it from the sale;
- 20. it did not receive a bid; and
- 21. it does not have a noncompetitive pre-sale offer pending.

Parcels that meet all these criteria are available on a first-come, first-served basis for two years from the date of the auction. If you want to file a noncompetitive offer for an unsold parcel immediately after the sale or on the next business day, give us the items listed above under pre-sale offers in a sealed envelope marked “Noncompetitive Offer.” We consider all noncompetitive offers that we receive on the day of the sale and the first business day after the sale as filed at the same time (simultaneously). Where an unsold parcel receives more than one simultaneous filing, we will hold a public drawing to determine who will get the lease.

Where can I get copies of BLM forms?

BLM forms can be found at the following website: <http://www.nc.blm.gov/blmforms/>.

When is the next sale scheduled?

The next sale is tentatively scheduled for September 16, 2004.

Who should I contact if I have a question?

For more information, contact Gina Goodwin at (703) 440-1534.

IDA V. DOUP

Ida V. Doup
Chief, Branch of Use Authorization
Division of Resources Planning, Use
and Protection

*PLEASE COMPLETE ONE FORM FOR EACH COMPANY AND/OR
INDIVIDUAL YOU ARE REPRESENTING AND BRING TO THE SALE
LOCATION TO SPEED PROCESSING OF REGISTRATION*

REGISTRATION FORM

BIDDER NO. _____
(Leave Blank)

NAME: _____

BUSINESS PHONE: _____

BUSINESS ADDRESS: _____

THE LESSEE MUST BE QUALIFIED TO HOLD
A FEDERAL OIL AND GAS LEASE.

SIGNATURE

DATE

A COPY OF THE LEASE AND ALL BILLING NOTICES WILL BE SENT TO THE NAME
AND ADDRESS OF THE LESSEE AS SHOWN ON FORM 3000-2 (BID FORM).

ES-001-06/04 ALES 52162 PD

Alabama, Tuscaloosa County, BLM
T18S, R7W, Huntsville Meridian
Sec. 7, NWNW.
40.31 Acres
\$61.50 Rental
Subject to BLM Controlled Surface Use Stipulation

ES-002-06/04 ALES 52163 PD

Alabama, Tuscaloosa County, BLM
T19S, R8W, Huntsville Meridian
Sec. 11, E2NW.
80.00 Acres
\$120.00 Rental
Subject to BLM Controlled Surface Use Stipulation

ES-003-06/04 ALES 52164 PD

Alabama, Fayette County, BLM
T16S, R9W, Huntsville Meridian
Sec. 23, SW;
Sec. 25, E2SW, SWSW;
Sec. 26, NESE;
Sec. 30, SWNW;
Sec. 36, NENW, SESW.
440.00 Acres
\$660.00 Rental
Subject to BLM Controlled Surface Use Stipulation

ES-004-06/04 ALES 52165 PD

Alabama, Fayette County, BLM
T16S, R9W, Huntsville Meridian
Sec. 20, NWNE;
Sec. 26, S2SW
120.00 Acres
\$180.00 Rental
Subject to BLM Controlled Surface Use Stipulation

ES-005-06/04 ALES 52166 PD

Alabama, Tuscaloosa County, BLM

T17S, R9W, Huntsville Meridian

Sec. 14, E2NW;

Sec. 34, NESE;

T18S, R9W, Huntsville Meridian

Sec. 3, NWNE, NESE.

200.00 Acres

\$300.00 Rental

Subject to BLM Controlled Surface Use Stipulation.

The lands included in this parcel are within approved Communitization Agreements (C.A.) (ALES-052033, ALES-052034, and ALES-052035). The successful bidder for this parcel must within 30 days provide evidence of having entered into an agreement with the C.A. operator (S. Lavon Evans, Jr. Operating Company, Inc.) for the development and operation of the subject lands under the terms and provisions of the approved communitization agreements.

You should immediately contact the C.A. operator. in order to join the C.A. The operator will give you instructions about executing copies of the joinder agreement. Five duplicate originally signed copies of the joinder agreement must be furnished to: Jackson Field Office, 411 Briarwood Dr., Suite 405, Jackson , MS 39206 within 30 days of lease issuance.

ES-006-06/04 ALES 52167 PD

Alabama, Fayette County, BLM

T16S, R10W, Huntsville Meridian

Sec. 1, SWNW;

Sec. 10, NESE;

Sec. 13, SWNW;

Sec. 24, NWNE.

160.00 Acres

\$240.00 Rental

Subject to BLM Controlled Surface Use Stipulation

ES-007-06/04 ALES 52168 PD

Alabama, Tuscaloosa County, BLM

T17S, R10W, Huntsville Meridian

Sec. 1, NENE;

Sec. 8, SESW;

Sec. 10, SENE.

120.00 Acres

\$180.00 Rental

Subject to BLM Controlled Surface Use Stipulation

CONTROLLED SURFACE USE STIPULATIONS

Legal Description: T 16S, R 9W, Section 20, NWNE; Section 26, S2SW; 120 acres;
Huntsville Meridian, Fayette County, Alabama

1. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Alabama state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

2. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e) and Appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Alabama standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Alabama State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Alabama State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Alabama State Historic Preservation Officer is not waived.

Exemptions: None

3. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

To ensure that oil and gas development does not negatively impact downstream water quality, no construction activities will be permitted within 250 feet of other perennial or intermittent drainages. In addition, to protect watershed and wildlife values, no drill pad construction will be permitted on slopes over 8%.

To minimize soil erosion potential, and to protect watershed and habitat values, well site construction will not be permitted on slopes greater than eight percent. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

4. Prior to surface disturbing activities, all suitable habitat areas potentially impacted by the construction will be surveyed for special status species. If special status species are found and a may affect situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations.

To minimize soil erosion potential and soil disturbance, no well site construction on slopes greater than eight percent will be permitted. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

5. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private landowner.

Modification: None

Waiver: None

Exemptions: None

CONTROLLED SURFACE USE STIPULATIONS

Legal Description: T17S, R9W, Sec. 14, E2NW; SEC 34, NESE; T18S, R9W, Sec. 3, NWNE, NESE; 200 acres; Huntsville Meridian, Tuscaloosa County, Alabama.

1. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Alabama state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

2. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e) and Appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Alabama standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Alabama State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Alabama State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Alabama State Historic Preservation Officer is not waived.

Exemptions: None

3. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner.

Modification: None

Waiver: None

Exemptions: None

4. Road and well site proposed construction will be reviewed for slopes around the well pad and along the road of 2 to 1 for aprons and shoulders, and maximum road grade of 7 percent.

Modification: None

Waiver: None

Exemptions: None

5. Prior to surface disturbing activities, all suitable habitat areas potentially impacted by the construction will be surveyed for special status species. If special status species are found and a may affect situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations.

To minimize soil erosion potential and soil disturbance, no well site construction on slopes greater than eight percent will be permitted. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

6. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

Modification: None

Waiver: None

Exemptions: None

7. To prevent erosion and protect watershed and wildlife values, no drill pad construction will be permitted on slopes over 8%.

Modification: None

Waiver: None

Exemptions: None

CONTROLLED SURFACE USE STIPULATIONS

Legal Description: T18S, R7W, Sec 7, NWNW; 40.31 acres; Huntsville Meridian, Tuscaloosa County, Alabama.

1. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Alabama state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

2. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e) and Appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Alabama standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Alabama State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Alabama State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Alabama State Historic Preservation Officer is not waived.

Exemptions: None

3. To minimize soil erosion potential, to protect watershed and habitat values, well site construction will not be permitted on slopes greater than eight percent. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

4. To ensure that oil and gas development does not negatively affect special status species, prior to any surface disturbing activities all areas of suitable habitat potentially impacted by the project will be surveyed for special status species, including both the flattened musk turtle and the white fringeless orchid. If special status species are found and a “may affect” situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations.

Modification: None

Waiver: The survey portion of this stipulation may be waived if a qualified biologist has recently completed a special status species survey of the tract, and that survey is acceptable to the BLM and the U.S. Fish and Wildlife Service.

Exemptions: None

5. To ensure that oil and gas development does not negatively impact downstream water quality, no construction activities will be permitted within 250 feet of perennial or intermittent drainages.

Modification: None

Waiver: None

Exemptions: None

6. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

Modification: None

Waiver: None

Exemptions: None

7. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner.

Modification: None

Waiver: None

Exemptions: None

CONTROLLED SURFACE USE STIPULATIONS

Legal Description: T17S, R10W, Sec 1, NENE; Sec 8, SESW; Sec 10, SENE; 120 acres; Huntsville Meridian, Tuscaloosa County, Alabama.

1. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Alabama state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

2. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e) and Appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Alabama standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Alabama State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Alabama State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it is documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Alabama State Historic Preservation Officer is not waived.

Exemptions: None

3. To ensure that oil and gas development does not negatively affect special status species, prior to any surface disturbing activities all areas of suitable habitat potentially impacted by the project will be surveyed for special status species. If special status species are found and a may affect situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations, which may include avoidance of habitat or areas supporting occupied habitat.

Modification: None

Waiver: None

Exemptions: None

4. To minimize soil erosion potential, to protect watershed and habitat values, well site construction will not be permitted on slopes greater than eight percent. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

5. To ensure that oil and gas development does not negatively affect special status species, prior to any surface disturbing activities all areas of suitable habitat potentially impacted by the project will be surveyed for special status species. If special status species are found and a may affect situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations, which may include avoidance of habitat or areas supporting occupied habitat.

Modification: None

Waiver: The survey portion of this stipulation may be waived if a qualified biologist has recently completed a special status species survey of the tract, and that survey is acceptable to the BLM and the U.S. Fish and Wildlife Service.

Exemptions: None

6. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

To ensure that oil and gas development does not negatively impact downstream water quality, no construction activities will be permitted within 250 feet of other perennial or intermittent drainages.

To minimize soil erosion potential, and to protect watershed and habitat values, well site construction will not be permitted on slopes greater than eight percent. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

7. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner.

Modification: None

Waiver: None

Exemptions: None

CONTROLLED SURFACE USE STIPULATIONS

Legal Description: T17S, R10W, Sec 1, NENE; Sec 8, SESW; Sec 10, SENE; 120 acres; Huntsville Meridian, Tuscaloosa County, Alabama.

1. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Alabama state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

2. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e) and Appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Alabama standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Alabama State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Alabama State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it is documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Alabama State Historic Preservation Officer is not waived.

Exemptions: None

3. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner.

Modification: None

Waiver: None

Exemptions: None

4. To ensure that oil and gas development does not negatively affect special status species, prior to any surface disturbing activities all areas of suitable habitat potentially impacted by the project will be surveyed for special status species. If special status species are found and a may affect situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations, which may include avoidance of habitat or areas supporting occupied habitat.

Modification: None

Waiver: The survey portion of this stipulation may be waived if a qualified biologist has recently completed a special status species survey of the tract, and that survey is acceptable to the BLM and the U.S. Fish and Wildlife Service.

Exemptions: None

5. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

To ensure that oil and gas development does not negatively impact downstream water quality, no construction activities will be permitted within 250 feet of other perennial or intermittent drainages.

To minimize soil erosion potential, and to protect watershed and habitat values, well site construction will not be permitted on slopes greater than eight percent. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

CONTROLLED SURFACE USE STIPULATIONS

Legal Description: T 16S, R 9W, Section 23, SW; Section 25, E2SW, SWSW; Sec 26, NESE; Sec 30, SWNW; Sec 36, NENW, SESW; 440 acres; Huntsville Meridian, Fayette County, Alabama

1. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Alabama state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemption: None

2. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e) and Appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Alabama standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Alabama State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Alabama State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. BLM consultation with the Alabama State Historic Preservation Officer is not waived.

Exemption: None

3. Prior to surface disturbing activities, all suitable habitat areas potentially impacted by the construction will be surveyed for special status species. If special status species are found and a may affect situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations.

To minimize soil erosion potential and soil disturbance, no well site construction on slopes greater than eight percent will be permitted. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemption: None

4. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

Modification: None

Waiver: None

Exemption: None

5. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner.

Modification: None

Waiver: None

Exemption: None

CONTROLLED SURFACE USE STIPULATIONS

Legal Description: T 16S, R 10W, Section 1, SWNW; Section 10, NESE; Sec 13, SWNW; Sec 24, NWNE; 160 acres; Huntsville Meridian, Fayette County, Alabama

1. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Alabama state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

2. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e) and Appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Alabama standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Alabama State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Alabama State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Alabama State Historic Preservation Officer is not waived.

Exemptions: None

3. Prior to surface disturbing activities, all suitable habitat areas potentially impacted by the construction will be surveyed for special status species. If special status species are found and a may affect situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations.

To minimize soil erosion potential and soil disturbance, no well site construction on slopes greater than eight percent will be permitted. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

4. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

Modification: None

Waiver: None

Exemptions: None

5. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private landowner.

Modification: None

Waiver: None

Exemptions: None

ES-008-06/04 ALES 52169 ACQ

Alabama, Covington County, Conecuh N.F.
T2N, R15E, St. Stephens Meridian
Sec. 8, NE, N2SE.
240.90 Acres
\$361.50 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-009-06/04 ALES 52170 ACQ

Alabama, Covington County, Conecuh N.F.
T2N, R15E, St. Stephens Meridian
Sec. 9, All..
643.20 Acres
\$966.00 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-010-06/04 ALES 52171 ACQ

Alabama, Covington County, Conecuh N.F.
T2N, R15E, St. Stephens Meridian
Sec. 15, NE, S2.
478.50 Acres
\$718.50 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-011-06/04 ALES 52172 ACQ

Alabama, Covington County, Conecuh N.F.
T2N, R15E, St. Stephens Meridian
Sec. 19, SE.
159.55 Acres
\$240.00 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-012-06/04 ALES 52173 ACQ

Alabama, Covington County, Conecuh N.F.
T2N, R15E, St. Stephens Meridian
Sec. 20, All.
642.34 Acres
\$964.50 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-013-06/04 ALES 52174 ACQ

Alabama, Covington County, Conecuh N.F.
T2N, R15E, St. Stephens Meridian
Sec. 22, N2, SW.
478.95 Acres
\$718.50 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-014-06/04 ALES 52175 ACQ

Alabama, Covington County, Conecuh N.F.
T2N, R15E, St. Stephens Meridian
Sec. 27, E2, E2NW, E2W2NW, NWNWNW, E2NWSW, E2SW, SWSW.
590.55 Acres
\$886.50 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-015-06/04 ALES 52176 ACQ

Alabama, Covington County, Conecuh N.F.
T2N, R15E, St. Stephens Meridian
Sec. 29, N2.
322.00 Acres
\$483.00 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-016-06/04 ALES 52177 ACQ

Alabama, Covington County, Conecuh N.F.
T2N, R15E, St. Stephens Meridian
Sec. 30, NE.
160.00 Acres
\$240.00 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

LEASE NOTICE No. 3

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 No. 4

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.

**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 license/prospecting permit/lease. 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 a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

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

Forest Supervisor, National Forests in Alabama
2946 Chestnut Street
Montgomery, Alabama 36107-3010

who is the authorized representative of the Secretary of Agriculture.

BLM Field Office

Jackson Field Office
411 Briarwood Drive
Suite 404
Jackson, Mississippi 39206

Surface Management Agency

USDA, Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

ES-017-06/04 ARES 52178 ACQ

Arkansas, Conway County, Ozark N.F.
T9N, R16W, 5th Principal Meridian
Sec. 5, N2, SW, NESE, W2SE;
Sec. 7, NW, N2SW.
843.73 Acres
\$1,266.00 Rental

ES-018-06/04 ARES 52179 ACQ

Arkansas, Conway County, Ozark N.F.
T9N, R16W, 5th Principal Meridian
Sec. 6, E2NE.
(50% U.S. Mineral Interest)
72.62 Acres
\$109.50 Rental

ES-019-06/04 ARES 52180 PD

Arkansas, Yell County, Ouachita N.F.
T2N, R24W, 5th Principal Meridian
Sec. 1, Fr. W2, SWSE;
Sec. 2, All;
Sec. 3, All;
Sec. 4, All.
2,221.75 Acres
\$3,333.00 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-020-06/04 ARES 52181 PD

Arkansas, Yell County, Ouachita N.F.
T2N, R24W, 5th Principal Meridian
Sec. 5, E2, N2SW;
Sec. 6, SWNE, N2SE, N2N2SW, S2SESW, S2S2SE, N2N2SESE, NENESWSE;
Sec. 7, E2NE, SESW, SE;
Sec. 8, All;
Sec. 9, N2NE, SWNE, NW, NWSW;
Sec. 10, NWNE, NENW, E2SW, SE.
2,139.97 Acres
\$3,210.00 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-021-06/04 ARES 52182 PD

Arkansas, Yell County, Ouachita N.F.

T2N, R24W, 5th Principal Meridian

Sec. 11, All;

Sec. 12, N2NW, SENW;

Sec. 14, N2NE, SENE, W2;

Sec. 17, N2, NWSW, SWSE, E2SE.

2,160.00 Acres

\$3,240.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-022-06/04 ARES 52183 PD

Arkansas, Yell County, Ouachita N.F.

T2N, R24W, 5th Principal Meridian

Sec. 18, E2, E2W2;

Sec. 19, NWNE, W2NENE, W2W2NENE, NWSENE, N2SWSENE, W2NESENE,
NENENENE, SENW, SW, N2SE, SWSE;

Sec. 20, NE, N2SE, NESW, S2NW, NENW, NWNWNWNW, NENENWNW,
S2NENWNW, SENWNW;

Sec. 21, N2, S2SW, SWSE, NESE;

Sec. 30, N2.

2,056.10 Acres

\$3,085.50 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-023-06/04 ARES 52184 PD

Arkansas, Yell County, Ouachita N.F.

T2N, R24W, 5th Principal Meridian

Sec. 34, SENE, SESW, S2SE, NESE;

Sec. 35, SENE, SESW, S2SE, NESE;

Sec. 36, SWNW, S2NE, S2.

1,240.00 Acres

\$1,860.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-024-06/04 ARES 52185 ACQ

Arkansas, Yell County, Ouachita N.F.

T2N, R24W, 5th Principal Meridian

Sec. 5, Fr. NW, S2SW;

Sec. 6, Fr. N2NE, SENE, Fr. NW, S2N2SW, Fr. SWSW, N2SESW,
NWSWSE, N2S2SWSE, W2NESWSE, SENESWSE, S2N2SESE,
N2S2SESE;

Sec. 7, NW, WW2NE, Fr. N2SW, Fr. SWSW;

Sec. 16, NENW, SWSE;

Sec. 18, Fr. W2W2.

1,069.87 Acres

\$1,605.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-025-06/04 ARES 52186 ACQ

Arkansas, Yell County, Ouachita N.F.

T2N, R24W, 5th Principal Meridian

Sec. 19, SENENENE, E2SENE, Fr. N2NW, Fr. SWNW, SWNE, E2NESENE,
SESENE, S2SWSENE, SESE;

Sec. 20, NWNENWNW, E2NWNWNW, SWNWNWNW, SWNWNW;

Sec. 30, S2;

Sec. 31, N2, Fr. W2SW, NWNWSE;

Sec. 34, NENE;

Sec. 35, NWNW.

978.57 Acres

\$1,468.50 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-026-06/04 ARES 52187 ACQ

Arkansas, Johnson County, Ozark N.F.

T11N, R25W, 5th Principal Meridian

Sec. 1, NENE, W2NE, NW, S2;

Sec. 2, NWNE, S2NE, N2NW, SENW, SE;

Sec. 3, S2SE;

Sec. 4, NWSW, S2SW;

Sec. 6, N2NE, NENW, W2SW, SESW, SWSE.

1,563.89 Acres

\$2,346.00 Rental

ES-027-06/04 ARES 52188 ACQ

Arkansas, Johnson County, Ozark N.F.

T11N, R25W, 5th Principal Meridian

Sec. 9, N2N2, SWNW, W2SW, SWSE, N2SE, less and except .80 acre described as commencing at the Center ¼, thence S87 degrees 14'E with the center line of section a distance of 386.86' to the POB, thence continuing on a distance of 273.14', thence S02 degrees 03'W a distance of 107.29' thence S73 degrees 55'W a distance of 235.38', thence N12 degrees 59'W a distance of 190.51' to the POB;

Sec. 10, S2NW, NESW;

Sec. 11, SWNE less and except .70 acre described as follows: Beginning at the NE corner of the SENW, thence easterly 93° 29' 43" 52 feet to an existing fence line, thence along the fence line 612.35 feet, thence 255° along an existing fence line 52 feet, thence 182° a distance of 641.43' to the POB, containing 39.30 acres, more or less; S2SW, SE;

Sec. 12, SENW, NESW, S2SW;

Sec. 13, All;

Sec. 15, NE, SW, W2SE, NESE;

Sec. 16, S2S2.

2,198.50 Acres

\$3,298.50 Rental

ES-028-06/04 ARES 52189 ACQ

Arkansas, Johnson County, Ozark N.F.

T12N, R25W, 5th Principal Meridian

Sec. 31, NE, SWNW, NWSW, S2SW, N2SE;

Sec. 32, All;

Sec. 33, N2SE.

1,153.97 Acres

\$1,731.00 Rental

ES-029-06/04 ARES 52190 ACQ

Arkansas, Franklin County, Ozark N.F.

T11N, R26W, 5th Principal Meridian

Sec. 2, NESW, W2SWSE, W2E2SWSE;

Sec. 16, All.

1,072.36 Acres

\$1,609.50 Rental

ES-030-06/04 ARES 52191 ACQ

Arkansas, Franklin County, Ozark N.F.
T12N, R26W, 5th Principal Meridian
Sec. 32, N2SW, SWSW, NWSE.
160.00 Acres
\$240.00 Rental

ES-031-06/04 ARES 52192 PD

Arkansas, Scott & Montgomery County, Ouachita N.F.
T1S, R27W, 5th Principal Meridian
Sec. 2, N2N2, NWSW, S2SW;
Sec. 3, E2, S2S2;
Sec. 4, S2, NE, SESE;
Sec. 5, E2 less and except 113.25 acres described as F.S. Tract A-219d, S2SW;
Sec. 6, All;
Sec. 7, All.
2,153.63 Acres
3,231.00 Rental
Subject to F.S. Controlled Surface Use Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-032-06/04 ARES 52193 PD

Arkansas, Scott & Montgomery County, Ouachita N.F.
T1S, R27W, 5th Principal Meridian
Sec. 8, All less and except F. S. Tract A-219d, containing 170 acres;
Sec. 9, All;
Sec. 10, All.
1,750.00 Acres
2,625.00 Rental
Subject to F.S. Controlled Surface Use Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-033-06/04 ARES 52194 PD

Arkansas, Scott & Montgomery County, Ouachita N.F.
T1S, R27W, 5th Principal Meridian
Sec. 11, NWNE, S2NE, W2, SE;
Sec. 12, NWNE, NENW, N2SW, SWSW, SESE;
Sec. 13, NE, W2SE, SESW;
Sec. 14, W2W2, E2NW, SESW;
Sec. 15, N2, N2S2, NWSWSW, S2SWSW, S2SESW, E2SESE.
1,950.00 Acres
\$2,925.00 Rental
Subject to F.S. Controlled Surface Use Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-034-06/04 ARES 52195 PD

Arkansas, Scott & Montgomery County, Ouachita N.F.

T1S, R27W, 5th Principal Meridian

Sec. 17, All;

Sec. 18, All;

Sec. 19, All;

Sec. 20, All.

2,444.02 Acres

\$3,667.50 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-035-06/04 ARES 52196 PD

Arkansas, Scott & Montgomery County, Ouachita N.F.

T1S, R27W, 5th Principal Meridian

Sec. 21, All;

Sec. 22, W2NE, NW, S2SW, NWSW, NESE;

Sec. 23, S2, E2NW, SWNE;

Sec. 24, S2, NWSW;

Sec. 25, N2.

2,160 Acres

\$3,240.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-036-06/04 ARES 52197 PD

Arkansas, Scott & Montgomery County, Ouachita N.F.

T1S, R27W, 5th Principal Meridian

Sec. 26, All;

Sec. 27, All;

Sec. 28, All;

Sec. 29, All.

2,560 Acres

\$3,840 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-037-06/04 ARES 52198 PD

Arkansas, Scott & Montgomery County, Ouachita N.F.

T1S, R27W, 5th Principal Meridian

Sec. 30, All;

Sec. 31, W2NW, NENW.

690.95 Acres

\$1,036.50 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-038-06/04 ARES 52199 ACQ

Arkansas, Scott & Montgomery County, Ouachita N.F.

T1S, R27W, 5th Principal Meridian

Sec. 1, All;

Sec. 2, SE, NESW;

Sec. 3, N2S2, NE;

Sec. 5, That part of Tract A-219d lying in the W2 of the E2 containing 113.25 acres;

Sec. 8, That part of Tract A-219d lying in the NWNE, SWNE, SENW, NWSE,
NESW containing 170 acres;

Sec. 11, NENE;

Sec. 12, NENE, NWNW, S2N2, N2SE, SWSE, SESW;

Sec. 13, NW, N2SW, SWSW, E2SE;

Sec. 14, E2, NESW;

Sec. 15, W2SESE, SWSE, N2SESW, NESWSW.

2,345.04 Acres

\$3,519.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-039-06/04 ARES 52200 ACQ

Arkansas, Scott & Montgomery County, Ouachita N.F.

T1S, R27W, 5th Principal Meridian

Sec. 16, All;

Sec. 22, E2NE, W2SE, SESE, NESW;

Sec. 23, W2NW, E2NE, NWNE;

Sec. 24, NE, N2NW, W2NW;

Sec. 25, NESE;

Sec. 31, E2, E2SW, SENW;

Sec. 32, N2, N2S2, SWSW;

2,360.27 Acres

\$3,541.50 Rental

Subject F.S. Controlled Surface Use Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-040-06/04 ARES 52201 ACQ

Arkansas, Scott & Montgomery County, Ouachita N.F.

T1S, R27W, 5th Principal Meridian

Sec. 33, N2, SE, W2SW;

Sec. 34, N2N2, SENE, that part of Tract A-219d lying in the SENW containing
16.07 acres, N2SWNW, N2S2SWNW, N2NESE;

Sec. 35, N2NE;

Sec. 36, N2NE, SENE, N2SWNW, NESE.

1,186.07 Acres

\$240.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-041-06/04 ARES 52202 ACQ

Arkansas, Scott & Montgomery County, Ouachita N.F.

T1S, R27W, 5th Principal Meridian

Sec. 25, SENW, S2SE;

Sec. 35, N2NW, SENW, SWNE;

Sec. 36, NENE, N2NWNE, N2NENW.

(50% U.S. Minerals Only)

360.00 Acres

\$540.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-042-06/04 ARES 52203 PD

Arkansas, Scott, Ouachita N.F.

T4N, R29W, 5th Principal Meridian

Sec. 14, SW, W2NWSE;

Sec. 15, S2NE less 1.12 acres (2/4/88 quitclaim deed), SESW, SE;

Sec. 22, NE, N2S2, S2NW;

Sec. 23, W2, SENE, SE;

Sec. 24, SWNW, W2SW;

Sec. 25, NWNW, NESW;

Sec. 26, NENE, W2NE, NW, NWSE;

Sec. 36, N2SE.

1,978.88 Acres

\$2,968.50 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-043-06/04 ARES 52204 ACQ

Arkansas, Scott, Ouachita N.F.

T4N, R29W, 5th Principal Meridian

Sec. 13, All;

Sec. 14, N2, NESE, E2NWSE, S2SE;

Sec. 23, NENE, W2NE;

Sec. 24, E2, N2NW, SENW, E2SW;

Sec. 25, E2, NENW, S2NW, W2SW, SESW;

Sec. 26, SENE, SW, E2SE, SWSE;

1,740.00 Acres

\$2,610.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-044-06/04 ARES 52205 ACQ

Arkansas, Scott, Ouachita N.F.

T4N, R29W, 5th Principal Meridian

Sec. 15, S2NW less 1.51 acres (2/4/88 quitclaim deed), N2SW, SWSW;

Sec. 22, N2NW, SESE;

Sec. 27, NENE;

Sec. 35, NWNE;

Sec. 36, NE, N2NW, SENW, SW, S2SE.

918.49 Acres

\$1,378.50 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-045-06/04 ARES 52206 PD

Arkansas, Scott, Ouachita N.F.

T4N, R30 5th Principal Meridian

Sec. 31, S2N2NE, S2NE, SW, N2SE;

Sec. 32, N2SW, S2NWSE, SWSE;

Sec. 33, N2SW;

Sec. 34, NESW, W2SW, NESE, W2SE;

Sec. 35, S2N2NE, S2NE, E2NW, SWNW, S2SE;

Sec. 36, SENE, SESE.

1,181.38 Acres

\$1,773.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-046-06/04 ARES 52207 ACQ

Arkansas, Scott, Ouachita N.F.

T4N, R30 5th Principal Meridian

Sec. 18, E2NE less 0.93 acre in NENE quitclaimed 9/3/83; SWNE, SENW, SE;

Sec. 25, W2E2SESE, W2SESE;

Sec. 31, S2SE;

Sec. 32, S2SW, E2SE;

Sec. 33, S2SW, N2SE;

Sec. 34, S2NE;

Sec. 35, N2SW, SESW, NWSE;

Sec. 36, N2NE, SWNE, NW, E2SW, SWSW, N2SE, SWSE.

1,509.02 Acres

\$2,265.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-047-06/04 ARES 52208 PD

Arkansas, Scott and Sebastian County, Ouachita N.F.

T4N, R31W, 5th Principal Meridian

Sec. 35, SESE;

Sec. 36, S2SW, SE.

280.00 Acres

\$420.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-048-06/04 ARES 52209 ACQ

Arkansas, Scott and Sebastian County, Ouachita N.F.

T4N, R31W, 5th Principal Meridian

Sec. 13, SESW;

Sec. 14, SW, NWSE.

(50% U.S. Mineral Interest)

240.00 Acres

\$360.00 Rental

Subject to F.S. No Surface Occupancy Stipulation No. 2 and Lease Notice Nos. 3 and 4

ES-049-06/04 ARES 52210 ACQ

Arkansas, Scott and Sebastian County, Ouachita N.F.

T4N, R31W, 5th Principal Meridian

Sec. 15, N2SW.

80.00 Acres

\$120.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

CONTROLLED SURFACE USE STIPULATION No. 1

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:

T1S, R27W

Public Domain

Section 2: MA 18 – Highway 270
Section 3: MA 18 – Highway 270
Section 4: MA 18 – Highway 270
Section 5: MA 18 – Highway 270
Section 9: MA 18 – Ouachita Trail
Section 10: MA 18 – Ouachita Trail
Section 11: MA 18 – Ouachita Trail
Section 12: MA 18 – Ouachita Trail
Section 14: MA 18 – Ouachita Trail
Section 15: MA 18 – Ouachita Trail
Section 17: MA 18 – Ouachita Trail
Section 18: MA 18 – Ouachita Trail

Acquired

Section 1: MA 18 – Highway 270
Section 2: MA 18 – Highway 270
Section 3: MA 18 – Highway 270
Section 5: MA 18 – Highway 270
Section 11: MA 18 – Ouachita Trail
Section 12: MA 18 – Ouachita Trail
Section 14: MA 18 – Ouachita Trail
Section 15: MA 18 – Ouachita Trail
Section 16: MA 18 – Ouachita Trail
Section 36: MA 18 – Ouachita Trail

For the purpose of:

To meet visual quality objective and to protect semiprimitive recreation values; Land and Resource Management Plan dated 3/5/90, as amended and Final EIS.

The above lands lie along U.S. Highway 270 and the Ouachita Trail. (Management Area 18 of LRMP). Management Area (MA) 18 consists of the foreground area along Sensitivity Level I and II roads and trails. Along trails the corridor is identified as a 200' distance on each side of the trail. In the case of roads, it is the immediate foreground and varies depending on individual site conditions.

Any changes to this stipulation will be made in accordance with the Ouachita National Forest Land and Resource Management Plan, as amended, 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 No. 1

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:

T4N, R31W

Public Domain

- Section 29: SWSW
- Section 30: E1/2SW, W1/2SE
- Section 31: fr. SW, fr. SENW, S1/2NE, NENE, SE
- Section 32: N1/2NW, SENW, S1/2
- Section 35: SESE
- Section 36: S1/2SW, SE

Acquired

- Section 31: fr. W1/2NW, fr. NENW, NWNE
- Section 32: fr. SWNW

For the purpose of:

To meet visual quality objective and to protect semiprimitive recreation values; Land and Resource Management Plan dated 3/5/90, as amended and Final EIS.

These lands lie within a semi-primitive motorized area (Management Area 17)

Any changes to this stipulation will be made in accordance with the Ouachita National Forest Land and Resource Management Plan, as amended, or the regulatory provisions for such changes.

NO SURFACE AND OCCUPANCY STIPULATION No. 2

No use or occupancy of the surface will be permitted within the following areas:

T4N, R31W

Section 13: SESW This land is surrounded by lands designated as Poteau Mountain Wilderness 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.

LEASE NOTICE No. 3

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 No. 4

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.

**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 license/prospecting permit/lease. 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 a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

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

**Forest Supervisor, Ozark – St. Francis NFs
605 West Main Street
Russellville, AR 72801
(479) 964-7200**

who is the authorized representative of the Secretary of Agriculture.

BLM Field Office

Jackson Field Office
411 Briarwood Drive
Suite 404
Jackson, Mississippi 39206

Surface Management Agency

USDA, Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

**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 license/prospecting permit/lease. 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 a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

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

**Forest Supervisor, Ouachita N.F.
P.O. Box 1270
The Federal Building
100 Reserve
Hot Springs, Arkansas 71902
501-321-5202**

who is the authorized representative of the Secretary of Agriculture.

BLM Field Office

Jackson Field Office
411 Briarwood Drive
Suite 404
Jackson, Mississippi 39206

Surface Management Agency

USDA, Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

ES-050-06/04 LAES 52211 PD

Louisiana, Caldwell Parish, BLM

T14N, R2E, Louisiana Meridian

Sec. 2, NESE.

41.20 Acres

\$63.00 Rental

Subject to BLM Controlled Surface Use Stipulation

ES-051-06/04 LAES 52212 PD

Louisiana, Caldwell Parish, BLM

T15N, R2E, Louisiana Meridian

Sec. 22, NWSW.

39.90 Acres

\$60.00 Rental

Subject to BLM Controlled Surface Use Stipulation

ES-052-06/04 LAES 52213 PD

Louisiana, Caldwell Parish, BLM

T14N, R3E, Louisiana Meridian

Sec. 9, NWNW;

Sec. 10, W2SW;

Sec. 12, Lot 4.

120.80 Acres

\$181.50 Rental

Subject to BLM Controlled Surface Use Stipulation

ES-053-06/04 LAES 52214 PD

Louisiana, Caldwell Parish, BLM

T15N, R3E, Louisiana Meridian

Sec. 21, NENW.

80.33 Acres

\$121.50 Rental

Subject to BLM Controlled Surface Use Stipulation

ES-054-06/04 LAES 52215 PD *LAES 47157

Louisiana, Bossier and Bienville Parish, BLM

T16N, R10W, Louisiana Meridian

Sec. 4, Lots 5 – 8;

Sec. 5, Lot 1;

Sec. 8, Lots 1 – 6;

Sec. 9, Lots 8 – 10.

320.06 Acres

\$481.50 Rental

Subject to BLM Controlled Surface Use Stipulation

ES-055-06/04 LAES 52216 PD

Louisiana, Webster Parish, BLM
T18N, R10W, Louisiana Meridian

Sec. 26, S2SE;

Sec. 36, Lots 1 and 2.

246.13 Acres

370.50 Acres

\$556.50 Rental

Subject to BLM Controlled Surface Use Stipulation

CONTROLLED SURFACE USE STIPULATIONS

Legal Description: T.16 N., R.10 W., Section 4 Lots 5-8; Section 5 Lot 1; Section 8 Lots 1-6; Section 9 Lots 8-10 (320.06 acres); Louisiana Meridian, Bossier and Bienville Parishes, Louisiana.

1. The lands included in this tract are within the Lake Bistineau Gas Storage Agreement (G.S.A.) (LAES-39984).

These lands are subject to the leasing restrictions incorporated into that agreement. The successful bidder for this parcel will be required to execute and agree that the following stipulation is part of the lease terms:

The land embraced in this lease covers only those formations below the Pettet Formation. The Pettet Formation is defined as that geological structure or formation which occurs between a depth of 5030' and a depth of 5430' beneath the surface of said land, as shown by the electric log of the Union Producing Company (R. O. Roy) No. 1 Ashley Well located in the Northeast Quarter of the Southwest Quarter (NESW) of Section 15, Township 16 North, Range 10 West, Bienville Parish, Louisiana. All wells drilled on lands embraced in this lease will be protected through the reserved formation by a method approved by the Bureau of Land Management Field Manager. Use of the surface is subject to prior use by the lessee of the presently leased formations not covered by this lease.

Modification: None

Waiver: None

Exemptions: None

2. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Louisiana state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

3. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e) and Appendix A), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Louisiana standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Louisiana State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Louisiana State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Louisiana State Historic Preservation Officer is not waived.

Exemptions: None

4. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner. Road and well site proposed construction will be reviewed for slopes around the well pad and along the road of 2 to 1 ratio for aprons and shoulders, and maximum road grade of 7 percent.

Modification: None

Waiver: None

Exemptions: None

5. Prior to surface disturbing activities, all suitable habitat areas potentially impacted by the construction will be surveyed for special status species. If special status species are found and a may affect situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations.

Modification: None

Waiver: The survey portion of this stipulation may be waived if a qualified biologist has recently completed a special status species survey of the tract, and that survey is acceptable to the BLM and the U.S. Fish and Wildlife Service.

Exemptions: None

6. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable. Soil stabilization and erosion control will be reviewed in the application for permit to drill and the Surface Managing Entity (SME) agreement for restoration requirements.

Modification: None

Waiver: None

Exemptions: None

7. To ensure that oil and gas development does not negatively impact off site water quality, no construction activities will be permitted within 1000 feet of the lake shore or perennial or intermittent water bodies. To minimize soil erosion potential, and to protect watershed and habitat values, well site construction will not be permitted on slopes greater than eight percent. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

8. Soil stabilization and erosion control will be reviewed in the application for permit to drill and the Surface Managing Entity (SME) agreement for restoration requirements.

Modification: None

Waiver: None

Exemptions: None

9. Road and well site proposed construction will be reviewed for slopes around the well pad and along the road of 2 to1 ratio for aprons and shoulders, and maximum road grade of 7 percent.

Modification: None

Waiver: None

Exemptions: None

10. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner.

Modification: None

Waiver: None

Exemptions: None

CONTROLLED SURFACE USE STIPULATION

Legal Description: T 18 N., R. 10 W., Section 26 S SW (80 acres) and Section 36 Lots 1 (80 acres) and 2 (86.13 acres) totaling 246.13 acres; Louisiana Meridian, Webster Parish, Louisiana.

1. Consultation with the appropriate Native American tribe/group will occur at the time of any proposed development of this lease, if it is found that currently used religious sites may be impacted by any development of this lease. If currently unknown burials are discovered during development activities associated with this lease, Louisiana state law on unknown burials will be followed. If necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place.

Modification: None

Waiver: None

Exemptions: None

2. In order to protect unknown cultural resources, a cultural resources survey (36 CFR 800.4; National Historic Preservation Act, as amended, Section 110(a)(2)(A) and Section 112; and 48 FR 44716), conducted by professional archaeologists (36 CFR 61.1(e)), will be required before any ground disturbance occurs which is associated with development of this lease. In addition, a report, which meets professional and Louisiana standards for reports (36 CFR 61.1(e)), of the survey will be submitted to and approved by the Bureau of Land Management and the Louisiana State Historic Preservation Officer before ground disturbance can be approved and/or conducted (36 CFR 800.3(c)). In addition, consultation with the Louisiana State Historic Preservation Officer (36 CFR 800.1(c)(1)(ii)) will occur, and if necessary, consultation the Advisory Council on Historic Preservation (36 CFR 800.1(c)(1)(iii)) and appropriate tribe/group of federally recognized Native Americans (36 CFR 800.1(c)(2)(iii)), if necessary, may also occur.

Modification: None

Waiver: This stipulation may be waived by the Field Manager, Bureau of Land Management if it documented that a cultural resources survey which meets professional standards has been conducted and significant sites will not be impacted by development of this lease, or if it is documented that a cultural resources survey is not otherwise required. Consultation with the Louisiana State Historic Preservation Officer is not waived.

Exemptions: None

3. To discourage the spread of invasive, non-native plants, the operator will be encouraged to use native and/or noninvasive cover plants in seeding mixtures to stabilize disturbed areas and

during restoration activities. Final seed mixtures will be formulated in consultation with the private land owner. Road and well site proposed construction will be reviewed for slopes around the well pad and along the road of 2 to 1 ratio for aprons and shoulders, and maximum road grade of 7 percent.

Modification: None

Waiver: None

Exemptions: None

4. Prior to surface disturbing activities, all suitable habitat areas potentially impacted by the construction will be surveyed for special status species. If special status species are found and a may affect situation exists, BLM will initiate consultation with the appropriate state agency and/or the U.S. Fish and Wildlife Service. All oil and gas development will comply with the protection measures developed as a result of those consultations.

To minimize soil erosion potential and soil disturbance, no well site construction on slopes greater than eight percent will be permitted. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

5. Should the oil or gas be developed at this site, all open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable..

Modification: None

Waiver: None

Exemptions: None

6. To ensure that oil and gas development does not negatively impact off site water quality, no construction activities will be permitted within 1000 feet of the lake shore or perennial or intermittent water bodies.

To minimize soil erosion potential, and to protect watershed and habitat values, well site construction will not be permitted on slopes greater than eight percent. This measure will not apply to road construction for access to a proposed well site.

Modification: None

Waiver: None

Exemptions: None

7. Soil stabilization and erosion control will be reviewed in the application for permit to drill and the Surface Managing Entity (SME) agreement for restoration requirements.

Modification: None

Waiver: None

Exemptions: None

8. Road and well site proposed construction will be reviewed for slopes around the well pad and along the road of 2 to1 ratio for aprons and shoulders, and maximum road grade of 7 percent.

Modification: None

Waiver: None

Exemptions: None

ES-056-06/04 LAES 52217 ACQ

Louisiana, Winn Parish, Kisatchie NF

T12N, R4W, Louisiana Meridian

Sec. 36, SESW, SWSE.

79.97 Acres

\$120.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1A, Controlled Surface Use Stipulation No. 1B and Lease Notice No. 3

KISATCHIE N.F. (LA)

CONTROLLED SURFACE USE STIPULATION No. 1A

Surface occupancy or use is subject to the following operation constraints.

Placement of mineral extraction equipment, buildings, roads, ponds, and wellpads and the clearing of pipeline right-of-way vegetation are prohibited.

T12N, R4W, Louisiana Meridian

Section 17 – 11.8 acres

Section 21 – 15.3 acres

Section 30 – 45.6 acres

Section 31 – 130.7 acres

Section 32 – 115.2 acres

Section 35 – 15.2 acres

Section 36 – 7.6 acres

Total - 341.4 acres

For the purpose of:

Streamside Zones

Stipulation on all Streamside Habitat Protection Zones (SHPZS) on the Forest, varying in width from 50 feet to 150 feet depending on the adjacent management area theme, and to the extent of the Riparian Area Protection Zones (RAPZS) inside Louisiana pearlshell mussel sub-watersheds. (Revised Land and Resource Management Plan, Forestwide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25)

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

CONTROLLED SURFACE USE STIPULATION No. 1B

Surface occupancy or use is subject to the following operation constraints.

Roads and clearing of right-of-way of vegetation may occur if a site-specific environmental analysis determines that the mitigated environment effects would not be significant.

T12N, R4W – Louisiana Meridian

Section 17 – 17.0 acres

Section 21 – 24.5 acres

Section 30 – 3.5 acres

Section 31 – 7.7 acres

Section 32 – 44.1 acres

Total - 96.8 acres

For the purpose of:

Riparian Zones

Stipulation on all Streamside Habitat Protection Zones (SHPZS) on the Forest, varying in width from 50 feet to 150 feet depending on the adjacent management area theme, and to the extent of the Riparian Area Protection Zones (RAPZS) inside Louisiana pearlshell mussel sub-watersheds. (Revised Land and Resource Management Plan, Forestwide Standards and Guidelines, Chapter 2, paragraph FW-225, page 2-25)

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

LEASE NOTICE No. 3

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.

All available land in T12N, R4W, Louisiana Meridian.

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

The lessee/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 license/prospecting permit/lease. 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 a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

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

Forest Supervisor, Kisatchie National Forest
P.O. Box 5500
2500 Shreveport Hwy.
Pineville, Louisiana 71360
Phone Number: 318-473-7160

BLM Field Office
Jackson Field Office
411 Briarwood Drive, Suite 404
Jackson, Mississippi 39206

Surface Management Agency
USDA, Forest Service (Region 8)
Room 792 South, Lands and Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

ES-057-06/04 MSES 52218 ACQ

Mississippi, Adams County, Homochitto N.F.
T5N, R1W, Washington Meridian
Sec. 2, Tract H-82.
379.00 Acres
\$570.00 Rental
Subject to F. S. Lease Notice Nos. 3 and 4

ES-058-06/04 MSES 52219 ACQ

Mississippi, Franklin County, Homochitto N.F.
T5N, R2E, Washington Meridian
Sec. 6, E2, NENW, SENW, E2SW;
Sec. 7, E2NENE, N2NW, NWSW
620.68 Acres
\$931.50 Rental
Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-059-00/04 MSES 52220 ACQ

Mississippi, Smith County, Bienville N.F.
T3N, R6E, Choctaw Meridian
Sec. 10, N2NWNE, E2NW (Lots 3 & 5);
99.50 Acres
\$150.00 Rental
Subject to F.S. Timing Limitation Stipulation No. 1 and lease Notice Nos. 3 and 4

ES-060-00/04 MSES 52221 ACQ

Mississippi, Smith County, Bienville N.F.
T3N, R6E Choctaw Meridian
Sec. 22, Lots 1-6 and Lots 8-11;
Sec. 27, N 25 acres of Lot 6; 10 acres SW corner of Lot 3; 10 acres SW corner of Lot 9; N2W2 of Lot 5 and N 5 acres of E2 of Lot 5; S2 of Lot 4 less W 20 acres; N 57 acres of Lot 1;
Sec. 34, N2; Lot 8; East 7 acres of N2 of Lot 5 less 3.27 acres described as: Beginning at SE corner of N2 of Lot 5, run thence West 3.70 chains, thence N 0° 30' E 8.92 chains, thence S 87° E 0.78 chains, thence S 88° 15' e 2.92 chains, thence S 0° 30' W 8.79 chains to the point of beginning; Lot 6 less SW 40 acres & less 23.55 acres described as: Beginning at the SW corner of the N2 of Lot 6, run thence S 89° 30' E 20.12 chains, thence N 0° 21' E 3.74 chains, thence N 1° 00' w 5.24 chains, thence N 12° 30' W 2.86 chains, thence N 34° 15' W 2.00 chains, thence N 55° 30' W 2.71 chains, thence S 77° 30' W 6.53 chains, thence S 47° 30' W 6.765 chains, thence S 46° 00' W 2.66 chains, thence N 55° 00' W 3.19 chains, thence W 0.12 chains, thence S 0° 30' W 8.79 chains to the point of beginning.
1,401.84 Acres
\$2,103.00 Rental
Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-061-00/04 MSES 52222 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R6E Choctaw Meridian

Sec. 23, N2, N2SW, SWSW less 30 acres, SESW, SE;

Sec. 24, E2NWNE, S2NE, 15 acres in NENW, W2NW, SENW, SW, S2SESE;

Sec. 25, NENE, E 10 acres of NWNE, W 10 acres of NWNE, S2SWNE, SENE less 10 acres in square in SW corner, NENW, SENW less 10 acres in square in NE corner, W2NW, NESW, NWNWSW, W2SESW, SESESW, All of SWSW Lying S & W of road, Part of NESE lying East of public road, S2SESE;

Sec. 26, NE, NENW, E2SENE, that part of SWNW lying S & W of a line drawn from SE corner to NW corner of SWNW, E2SW, N2NWSW, S2SWSW, S2SE, NESE less 3.20 acres in SE corner lying N of Hwy #18, 10 acres in square in SE corner of NWSE.

1,931.41 Acres

\$2,898.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-062-00/04 MSES 52223 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R6E Choctaw Meridian

Sec. 35, NE, N2NW, E2SENE, NESW less 10 acres in square NW corner, NWSW less N 10 acres, S2SW, SWSE, N2N2SE;

Sec. 36, NWSW less N 10 acres.

511.75 Acres

\$768.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-063-00/04 MSES 52224 ACQ

Mississippi, Smith County, Bienville N.F.

T4N, R6E, Choctaw Meridian

Sec. 23, SE, SENE;

Sec. 24, NWNE, W2;

Sec. 25, W2W2;

Sec. 26, S2N2, NENW.

921.76 Acres

\$1,383.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-064-00/04 MSES 52225 ACQ

Mississippi, Smith County, Bienville N.F.

T4N, R6E, Choctaw Meridian

Sec. 27, SWNE, E2SE, S2SWSW, 10 acres a square in NE corner of NESW,
12.5 acres on East side of SESW, NESE, W2SE;

Sec. 34, N2NE, W2, SESE;

Sec. 35, W2SW, N2SE, SESE;

Sec. 36, W2NW.

986.64 Acres

\$1,480.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-065-00/04 MSES 52226 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R7E Choctaw Meridian

Sec. 1, E 16 acres of E2NESE, S 10 acres of SESW;

Sec. 3, NW, N2SW, SWSW, W2SESW;

Sec. 5, All.

967.78 Acres

\$1,452.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-066-00/04 MSES 52227 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R7E Choctaw Meridian

Sec. 3, NWNE.

40.03 Acres

\$61.50 Rental

(50% U.S. Minerals Interest)

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-067-00/04 MSES 52228 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R7E Choctaw Meridian

Sec. 8, N2NE, SWNE less 10 acres in a square in SW corner; SENE; NENW less 10 acres
in a square in SW corner; NWNW less 5 acres in a square in SE corner; SWNW less
5 acres in a square in NE corner; NWSW, W2NESW, S2SW;

Sec. 10, SENE, S2;

Sec. 11, S2NENE, NWNE, S2NE, S2.

Sec. 12 NWNE less 2 acres, S2NE, NENW less SW 10 acres, SWNW, E2SE, NWSW, S2SW, SE.

1,628.03 Acres

\$2,443.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-068-00/04 MSES 52229 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R7E Choctaw Meridian

Sec. 13, All less N2SWSE;

Sec. 14, All less 2 acres in a square in NW corner of NWSW & less 0.50 acres
In NE corner of NESW;

Sec. 15, E2NE less S 30 acres; NWNW; that part of SENW lying S & W of old
Raleigh & Trenton Road containing 29.43 acres; SWNW; SW less S 20 acres.

1,516.32 Acres

\$2,275.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-069-00/04 MSES 52230 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R7E Choctaw Meridian

Sec. 19, NW, S2SW, N2SE;

Sec. 20, All less SENWNE;

Sec. 23, All;

Sec. 24, N2, N2SW, SWSW less 5.5 acre, N2SESW, W2SE, W 20 acres of E2SE,
N 10 acres of E 30 acres of NESE.

1,355.83 Acres

\$2,034.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-070-00/04 MSES 52231 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R7E Choctaw Meridian

Sec. 25, NENE less E 30 acres, NENE lying E of public road, S2NE, NWNW less
N 5 acres, S2NW, SW, W2SE less 5 acres in NE corner;

Sec. 26, All less E 10 acres in SWNW & less W2 of N 10 acres in W2SWSW;

Sec. 28, NE, W2NW, NESW less 2 acres in a square in SW corner, NWSW, SWSW less
2 acres in SW corner & less East 5.00 acres, W2NWSE, SESE, N 5 acres in NENW.

1,471.08 Acres

\$2,208.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-071-00/04 MSES 52232 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R7E Choctaw Meridian

Sec. 29, All less S2SESE;

Sec. 30, N2, SW, N2SE, SWSE;

Sec. 31, All;

Sec. 32, NWNE, S2NE, NWNW, S2NW, NWSW, S2SW, SE.

2,383.52 Acres

\$3576.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-072-00/04 MSES 52233 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R7E Choctaw Meridian

Sec. 33, E2NE, E 10 acres of SWNE, SWNW, SW less 20 acres lying S & E of a line drawn from SW corner to NE corner of SESW, NESE less 2 acres lying in a square in SE corner, NWSE less 2 acres in a form of a square in SE corner, E2SWSE;

Sec. 34, N2, N2SE, SWSE less 5 acres in a square in SE corner;

Sec. 35, N2, SW less 3 acres in form of square in SE corner, SE less S2SWSE;

Sec. 36, NWNE, N2NW, SWNW, W 10 acres of SENW, W2SW, SESW, 10 acres in a square in SW corner of NESW.

1,762.91 Acres

\$2,644.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-073-00/04 MSES 52234 ACQ

Mississippi, Smith County, Bienville N.F.

T4N, R7E, Choctaw Meridian

Sec. 21, N2SE less 1 acre in NE corner & 9 acres in NW corner;

Sec. 22, SE 10 acres in SWNE, W2SENE, SW less North 40 acres;

Sec. 27, E2NE, NW less E 12 acres, SW, N2SE, East 10 acres of SWSE, South 7.50 acres of West 30 acres of SWSE;

Sec. 28, NE, NENW, W2NW, N2SE;

Sec. 29, E2NE, NESE less 10 acres, S2NWSE, S2SE.

1,276.70 Acres

\$1,915.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-074-00/04 MSES 52235 ACQ

Mississippi, Smith County, Bienville N.F.

T4N, R7E, Choctaw Meridian

Sec. 23, SESW, SWSE, E2SE;

Sec. 24, Part of E2NW described as: Beginning at intersection of Pauldin-Brandon road with East boundary NW1/4, which point is 6.64 chains S of 1/4 section corner on North boundary Sec. 24, thence South 17.56 chains to a wire fence, thence along said fence S 86° 46' W 17.15 chains, thence leaving the fence North 15.65 chains to Pauldin-Brandon Road, thence along said road with the meanders thereof N 79° 30' E 3.14 chains, N 89° E 8.00 chains, N 70° E 6.33 chains to the place of beginning, containing 27.64 acres; S2NW less North 30 acres; Part of SWNE described as: Beginning at the SW corner of the SWNE, thence North 10.00 chains to the public road running from Burns to Forest, thence along said road S 68° 44' E 15.02 chains, thence leaving the road, South 4.55 chains to the South boundary of SWNE, thence West 14.00 chains to the place of beginning, containing 10.18 acres; SW;

Sec. 25, NENW less 0.472 acre described as: Begin at SE corner of NENW, Sec. 25, said corner monumented with a 6" concrete monument, iron pin & three pine knots, thence run N 88° 30' W along the south boundary of said NENW a distance of 3.17 chains to a point in the north edge of a County Road, thence N 0° 07' E 0.20 chain to a point along the ROW of MS State Hwy 481, thence N 51° 00' E along said hwy ROW 4.03 chains to point of intersection of said ROW with east boundary of said NENW, thence S 0° 07' W along said boundary 2.86 chains to POB; W2NW, SENW, NESW less 1 acre in a square in SW corner; 10 acres in a square in NE corner NWSW; W2NWSW, E2SESW, W2SE less 3 acres described as: Beginning at SE corner of said NWSE, thence W 70 yards, N 210 yards, E 70 yards, S 210 yards, to the point of beginning;

Sec. 26, NENE, W2NWNW, N2SW, SWSW, NESE less N 10 acres, SESE.

945.87 Acres

\$1,419.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-075-00/04 MSES 52236 ACQ

Mississippi, Smith County, Bienville N.F.

T4N, R7E, Choctaw Meridian

Sec. 32, SWNE, S2SWNW, SENW, NESW, 5 acres in SE corner of NWSW described as: Beginning at SE corner of NWSW & running thence 5 chains W, thence 10 chains N, thence 5 chains E, thence 10 chains S to POB; SWSW, S2NESE, NWSE less NE 10 acres; S2SE less East 10 acres;

Sec. 33, SWNE, W2NW less South 20 acres, SENW, E2SW, S2SWSW, SE;

Sec. 34, 10 acres in form of square in SE corner NWSW & W2E2SW; NWNE; N 8 acres of SWNE; N 8 acres of SENE; S 10 acres of NENE; NENW; NWNW less 0.957 acre described as: Starting the location survey at the section corner common to Secs. 27, 28, 33 & 34, marked on the ground by a 6" concrete monument with

brass cap, set in 1940 by the BLM, thence S 0° 18' W 8.87 chains to a point, thence East 8.215 chains to corner No. 1 marked with an iron pin, the point of beginning, thence N 77° 30' E 2.97 chains to corner No. 2 marked with an iron pin, thence S 24° E 3.11 chains to corner No. 3 marked with an iron pin, thence S 74° 30' W 3.06 chains to corner No. 4 marked with an iron pin, thence N 21° 45' W 3.25 chains to corner No. 1 & the point of beginning; N 16 acres of S2NW less 5.65 acre decrease due to court decree line on 7/16/58 between Tracts B-1a and B-468a in S2NW.

Sec. 35, 33.70 acres in North part N2NE described as: Beginning at NE corner, thence West 30.10 chains to a wire fence, thence S 1° 10' W 11.15 chains to fence corner, thence East 30.34 chains to East boundary, thence North 11.15 chains to point of beginning; NWNW; All that part of NWSW lying South of Burns-Trenton Road;

Sec. 36, W2NW, SENW.

1,134.50 Acres

\$1,702.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-076-06/04 MSES 52237 ACQ

Mississippi, Smith County, Bienville N.F.

T4N, R7E, Choctaw Meridian

Sec. 34, S2 less 10 acres in form of square in SE corner NWSW & W2E2SW.

(50% U.S. Mineral Interest)

272.89 Acres

\$409.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-077-06/04 MSES 52238 ACQ

Mississippi, Scott County, Bienville N.F.

T5N, R7E, Choctaw Meridian

Sec. 1, NWNW, W2SW, E2SE;

Sec. 2, NENE, SESE;

Sec. 10, SWNE, N2SE;

Sec. 11, S2NENE, W2NE, W2SENE, W2, NWSE;

Sec. 12, E2SW, W2SE;

Sec. 13, NE, SW, W2SE;

Sec. 15, NWSW;

Sec. 18, W2SW;

Sec. 19, N2SW, SWSW, W2SESW;

Sec. 21, N2NE, SWNE less 0.25 acre in SE corner, NW.

1,930.35 Acres

\$2,896.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3, 4, and 6

ES-078-06/00 MSES 52239 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 1, W2, SE;

Sec. 2, S2.

773.350 Acres

\$1,161.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice Nos. 3 and 4

ES-079-06/00 MSES 52240 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 3, All.

621.970 Acres

\$933.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-080-06/00 MSES 52241 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 10, E2, NW, E2SW.

564.790 Acres

\$847.50 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-081-00/00 MSES 52242 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 11, All.

653.560 Acres

\$981.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitations Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-082-06/00 MSES 52243 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 12, All.

627.040 Acres

\$942.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitations Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-083-00/00 MSES 52244 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 13, NENE, E2NWNE, All that part of the SW lying N or U.S. Hwy 80, described as:

Beginning at the quarter corner on the W boundary of sec. 13, thence S 31.32 chains to a point 0.78 chains N of the centerline of U.S. Hwy 80, being a point on the N boundary of the ROW, thence along the N boundary of the ROW S 77 degrees 20' E 3.52 chains, S 82 degrees 55' E 4.38 chains, S 89 degrees 00' E 30.64 chains to the E boundary of the SW, thence N 29.71 chains, thence N 85 degrees 25' W 38.64 chains to the place of beginning, containing 119.27 acres.

All that part of the SWSE lying S of U.S. Hwy 80 described as: Beginning at the SW corner of SWSE, sec. 13, thence N 7.86 chains to a point 0.76 chains S of the centerline of U.S. Hwy 80, being a point on the S boundary of the ROW, thence along the S boundary of the ROW S 89 degrees 00' E 19.15 chains to the East Boundary of the SWSE, thence S 8.95 chains to the SE corner of the SWSE, thence Westerly along the S boundary to the place of beginning, containing 16.14 acres.

193.685 Acres

\$291.00 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-084-06/00 MSES 52245 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 14, Those parts of Tracts B-3, B-2g, and B-31 lying in section;

Sec. 15, That part of Tract B-3 lying in section.

834.300 Acres

\$1,252.50 Rental

Subject to F.S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-085-06/00 MSES 52246 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 22, All.

642.560 Acres

\$964.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-086-06/00 MSES 52247 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 23, E2NE less S 5 acres, NW, W2SW, SESW;

Sec. 24, NE, N2SW.

594.470 Acres

\$892.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-087-00/00 MSES 52248 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 24, N2SE (50% U.S. Minerals)

77.330 Acres

\$117.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, Lease Notice Nos. 3 and 4

ES-088-06/00 MSES 52249 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

sec. 26, SWNE, NWNW;

sec. 27, N2, E2NESW, N2SE less Tract B-816.

468.410 Acres

\$703.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, Lease Notice Nos. 3 and 4

ES-089-00/00 MSES 52250 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 35, NE, NESW, NESE, S2SE.

336.320 Acres

\$505.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, Lease Notice Nos. 3 and 4

ES-090-06/04 MSES 52251 ACQ

Mississippi, Scott County, Bienville N.F.

T6N, R7E, Choctaw Meridian

Sec. 36, N2, SW, that part of the SE lying East of Caney Creek described as:

Beginning at the SE corner of Sec. 36, an old iron pipe & axle corner, thence West 17.05 chains to the centerline of Caney Creek, thence along said creek N 8.75° W 3.40 chains, N 6.75° W 2.50 chains, N 5° E 3.20 chains, N 21.75° E 1.70 chains, N 44.50° E 1.60 chains, N 19.75° E 4.00 chains, N 6.75° E 3.30 chains, N 1.50° W 2.40 chains, N 2.50° E 5.60 chains, N 28.50° E 1.70 chains, N 51.25° E 1.50 chains, N 28° W 2.20 chains, N 28° E 1.60 chains, N 16° W 1.75 chains, N 16.50° E 1.80 chains, N 71.75° W 1.30 chains, N 26° W 2.20 chains, N 80.75° W 1.10 chains, N 65° W 1.90 chains, N 13° E 1.80 chains to North boundary of SE, thence leaving said creek, East 17.42 chains to the ¼ section corner E boundary Section 36 an old iron pipe corner, thence S 0° 40' W 41.10 chains to place of beginning.

527.66 Acres

\$792.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-091-06/00 MSES 52252 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 13, W2NW, S2;

Sec. 14, S2.

724.050 Acres

\$1,087.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-092-06/00 MSES 52253 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 22, S2;

Sec. 23, NE, NENW, S2NW.

606.60 Acres

\$910.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-093-06/00 MSES 52254 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 24, All.

639.28 Acres

\$960.00 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-094-06/00 MSES 52255 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 25, NE, E2NW, S2.

556.54 Acres

\$835.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-095-06/04 MSES 52256 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 26, SWSW, NESE, S2SE;

Sec. 27, NWNE, SWNE less 10 acres in SE corner; N2SENE, W2, W 30 acres of NWSE, SWSE.

647.04 Acres

\$972.00 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-096-06/00 MSES 52257 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 34, W2NW, SW, S2SE;

Sec. 35, E2NE, NENW, W2W2.

628.33 Acres

\$943.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-097-06/04 MSES 52258 ACQ

Mississippi, Scott County, Bienville N.F.

T7N, R7E, Choctaw Meridian

Sec. 36, N2, SW, N2SE, S2SE less that part lying South of Sparksville Road.

580.41 Acres

\$871.50 Rental

Subject to F. S. Controlled Surface Use Stipulation No. 1, Timing Limitation Stipulation No. 1, and Lease Notice 3 and 4

ES-098-00/04 MSES 52259 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R8E Choctaw Meridian

Sec. 7, NENE, S2NE, SWNW, NWSW less SE 5 acres, SWSW, N 15 acres of
SESW, SWSE, N2SE;

Sec. 18, NWNE, SWNE, SENE less 10 acres, NW, NESW less 5 acres in a strip of
uniform width off W side, N2SE, SWSE less 12 acres in SW corner, SESE.

817.69 Acres

\$1,227.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, No Surface Occupancy Stipulation
No. 2 and Lease Notice Nos. 3 and 4

ES-099-00/04 MSES 52260 ACQ

Mississippi, Smith County, Bienville N.F.

T3N, R8E Choctaw Meridian

Sec. 19, E2NE, NWSW, E2SWSW, SESW, SE;

Sec. 30, E2, E2W2, E2NWNW, SWNW, E 15 acres of SWSW;

Sec. 31, E2 less 5 acres in a square in NW corner of NESE, NENW, E 15 acres of
NWNW, NESW, SESW less 10 acres in a square in SW corner, that part of W2SW
described as: From the SE corner N2SWSW run N 1° 26' E 3.21 chains with the E
line W2SW to the POB, thence N 89° 15' W 13.08 chains to a point on the E
boundary of Hwy #35, thence N 6° 40' W 4.39 chains to a point on the E boundary
of Hwy #35 in the bottom of a ravine, thence in an East-Northeasterly direction with
the meanders of the bottom of said ravine to a point in the E line W2SW, thence
S 0° 50' E 7.93 chains with E line W2SW to the POB containing 9.38 acres.

1,342.34 Acres

\$2,014.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1, No Surface Occupancy Stipulation
No. 2A and Lease Notice Nos. 3 and 4

ES-100-06/04 MSES 52261 ACQ

Mississippi, Smith County, Bienville N.F.

T4N, R8E, Choctaw Meridian

Sec. 19, SWNW.

40.07 Acres

\$61.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-101-06/04 MSES 52262 ACQ

Mississippi, Scott County, Bienville N.F.

T5N, R8E, Choctaw Meridian

Sec. 5, W2, NWSE;

Sec. 6, All;

Sec. 7, N2, E2SW, SE;

Sec. 8, W2NE, NW, W2SW.

1,882.65 Acres

\$2,824.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-102-06/04 MSES 52263 ACQ

Mississippi, Scott County, Bienville N.F.

T5N, R8E, Choctaw Meridian

Sec. 17, W2NE, NW;

Sec. 18, N2, W2SW, W2SE.

1,036.88 Acres

\$1,555.50 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-103-06/04 MSES 52264 ACQ

Mississippi, Scott County, Bienville N.F.

T5N, R8E, Choctaw Meridian

Sec. 30, E2SW.

79.90 Acres

\$120.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice Nos. 3 and 4

ES-104-06/04 MSES 52265 ACQ

Mississippi, Perry County, DeSoto N.F.

T1N, R10W, St. Stephens Meridian

Sec. 4, E2, SENW, NWNW, NESW, S2NWSW, S2SW.

540.84 Acres

\$811.50 Rental

Subject to F.S. Military Use Special Stipulation No. 6 and Lease Notice Nos. 3 and 4

ES-105-06/04 MSES 52266 PD

Mississippi, Perry County, DeSoto N.F.

T2N, R10W, St. Stephens Meridian

Sec. 9, NESW.

40.05 Acres

\$61.50 Rental

Subject to F.S. Military Use Special Stipulation No. 7 and Lease Notice Nos. 3 and 4

ES-106-06/04 MSES 52267 ACQ

Mississippi, Perry County, DeSoto N.F.

T2N, R10W, St. Stephens Meridian

Sec. 17, NESW, W2SESW.

60.11 Acres

\$91.50 Rental

Subject to F.S. Military Use Special Stipulation No. 7 and Lease Notice Nos. 3 and 4

ES-107-06/04 MSES 52268 ACQ

Mississippi, Perry County, DeSoto N.F.

T2N, R10W, St. Stephens Meridian

Sec. 23, E2NE, SWNE, W2NW, SENW, S2.

558.95 Acres

\$838.50 Rental

Subject to F.S. Military Use Special Stipulation No. 7 and Lease Notice Nos. 3 and 4

ES-108-06/04 MSES 52269 ACQ

Mississippi, Perry County, DeSoto N.F.

T2N, R10W, St. Stephens Meridian

Sec. 27, NE, SENW, E2SW, W2SE.

360.45 Acres

\$541.50 Rental

Subject to F.S. Military Use Special Stipulation No. 7 and Lease Notice Nos. 3 and 4

ES-109-06/04 MSES 52270 ACQ

Mississippi, Perry County, DeSoto N.F.

T2N, R10W, St. Stephens Meridian

Sec. 29, SENW.

39.97 Acres

\$60.00 Rental

Subject to F.S. Military Use Special Stipulation No. 7 and Lease Notice Nos. 3 and 4

ES-110-06/04 MSES 52271 ACQ

Mississippi, Perry County, DeSoto N.F.

T2N, R10W, St. Stephens Meridian

Sec. 31, SESW, SWSE.

80.29 Acres

\$121.50 Rental

(50% U.S. Mineral Interest)

Subject to F.S. Military Use Special Stipulation No. 7 and Lease Notice Nos. 3 and 4

ES-111-06/04 MSES 52272 ACQ

Mississippi, Forrest County, DeSoto N.F.

T1S, R13W, St. Stephens Meridian

Sec. 11, SESE;

Sec. 13, E2, N2NW;

Sec. 24, NENE, E2SE;

Sec. 29, N2NE, SWNE, NENW, SWNW.

(50% U.S. Mineral Interest)

762.48Acres

\$1,144.50 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-112-06/04 MSES 52273 ACQ

Mississippi, Forrest County, DeSoto N.F.

T1S, R13W, St. Stephens Meridian

Sec. 24, SWNE.

40.15 Acres

\$61.50 Rental

(25% U.S. Mineral Interest)

Subject to F.S. Lease Notice Nos. 3 and 4

ES-113-06/04 MSES 52274 ACQ

Mississippi, Forrest County, DeSoto N.F.

T1S, R13W, St. Stephens Meridian

Sec. 30, NWSW;

Sec. 31, SENE, NESE less & except 0.49 acre described as: Beginning at the SW corner of the NESE of Section 31, thence East 6.09 chains to a fence, thence with fence N 75° W 6.29 chains to the west line of the NESE, thence South 1.60 chains to the place of beginning;

Sec. 32, N2NE, N2SW;
Sec. 33, N2NE, SWNE, NW;
Sec. 34, NWSW.
(50% U.S. Mineral Interest)
601.86 Acres
\$903.00 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-114-06/04 MSES 52275 ACQ

Mississippi, Forrest County, DeSoto N.F.
T1S, R13W, St. Stephens Meridian

Sec. 13, S2NW, SW;
Sec. 14, E2E2;

Sec. 15, W2NE, E2SW less 0.1086 acre more particularly described as: Beginning at the NW corner of the NESW, thence run south on the west line of said NESW, 177 feet to an existing cemetery fence (Mill Creek Cemetery) for the point of beginning, thence run N 78° E 48.5 feet to the fence corner, thence run S 11° 20' E 82.5 feet along fence to the fence corner, thence run S 78° W along the fence 65.5 feet to where it intersects the west line of said NESW, thence run N 83 feet to the point of beginning, W2SE.

641.81 Acres
\$963.00 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-115-06/04 MSES 52276 ACQ

Mississippi, Forrest County, DeSoto N.F.
T1S, R13W, St. Stephens Meridian

Sec. 19, SESW less N3/4 N2SESW, SWSE less N3/4 N2SWSE;
Sec. 20, All.

692.16 Acres
\$1,039.50 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-116-06/04 MSES 52277 ACQ

Mississippi, Forrest County, DeSoto N.F.
T1S, R13W, St. Stephens Meridian

Sec. 23, S2;
Sec. 24, NWNE, SENE, E2NW, NWNW, SW, W2SE;

Sec. 26, All.
1,402.73 Acres
\$2,104.50 Rental
Subject to F.S. Lease Notice Nos. 3 and 4

ES-117-06/04 MSES 52278 ACQ

Mississippi, Forrest County, DeSoto N.F.

T1S, R13W, St. Stephens Meridian

Sec. 27, E2NE, that part of NWNE lying west of Mill Creek, W2, SE;

Sec. 28, All.

1,217.02 Acres

\$1,827.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-118-06/04 MSES 52279 ACQ

Mississippi, Forrest County, DeSoto N.F.

T1S, R13W, St. Stephens Meridian

Sec. 29, SENE, SWSW, SE;

Sec. 30, NWNE, SENW, E2SW, S2SE, NWSE less and except 0.58 acre described as:

Commence at the NWSE of Section 30 at a USDA Forest Service Corner Monument, this also being Corner No. 1 the point of beginning; said Corner No. 1 is a 5"x5"x30" concrete monument, witnessed by the following: A 22" water oak bears S89° at 40.5 feet, a 6" water oak bears S01°E at 32.5 feet and a 10" water oak bears S85°E at 4.5 feet; thence South for 507.09 feet to Corner No. 2, a 1 5/8" x 30" aluminum pipe, witnessed by the following: A 10" hickory bears S41°30'W at 8.5 feet, an 8" hickory bears West at 26.5 feet and a 10" hickory bears S32°E at 25 feet; thence N68°39'38"W for 60.17 feet to Corner No. 3, a 1 5/8" x 30" aluminum pipe, witnessed by the following: A 20" water oak bears S38°E at 26 feet, a 20" loblolly pine bears S15°30'E at 23.5 feet and a 8" loblolly pines bears S50°W at 16.5 feet; thence N01°16'22"E for 485.09 feet to Corner No. 4, a 1 5/8" x 30" aluminum pipe, witnessed by the following: A 22" water oak bears S86°E at 4.5 feet, a 10" water oak bears S70°W at 22.5 feet and a 12" water oak bears S80°W at 26.5 feet; thence N89°42'38"E for 45.27 feet to Corner No. 1, the point of beginning.

Sec. 31, N2NE, SWSW;

Sec. 32, S2NE, NWNW, S2NW, N2SE, SESE.

965.22 Acres

\$1,449.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-119-06/04 MSES 52280 ACQ

Mississippi, Forrest County, DeSoto N.F.

T1S, R13W, St. Stephens Meridian

Sec. 33, SENE, NESW, S2SW;

Sec. 34, E2NE, N2NW;

Sec. 35, W2NW, SENW, SW, W2SE, SESE;

Sec. 36, N2NE, SENE, W2, SWSE.

1,201.94 Acres

\$1,803.00 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

ES-120-06/04 MSES 52281 ACQ

Mississippi, Forrest County, DeSoto N.F.

T1S, R14W, St. Stephens Meridian

Sec. 21, SENE, SENW;

Sec. 22, W2NW, SENW;

Sec. 23, N2SW, E2SE, NWSE less 2.93 acres described as follows:

Beginning at the SW corner of NWSE, thence run North along West line of said forty 6-1/2 chains, thence run East on a line parallel with South line of said forty 4-1/2 chains, thence run South 6-1/2 chains, thence run West along South line of said forty 4-1/2 chains to point of beginning; SWSE less 4.22 acres described as follows: Commencing at NE corner of SWSE, thence run South along East line of said forty 1-1/2 chains to a post, the place of beginning, thence run West parallel with the North line of said forty 6-1/2 chains, thence run South parallel with East line of said forty 6-1/2 chains, thence run East 6-1/2 chains, thence run North along the East line of said forty 6-1/2 chains to place of beginning;

Sec. 24, NE, S2;

Sec. 26, W2NW;

Sec. 27, E2NE.

1,036.51 Acres

\$1,555.50 Rental

Subject to F.S. Lease Notice Nos. 3 and 4

Military Use Special Stipulation No. 06
For Lands in the Camp Shelby Training Area
Township 1 North, Range 10 West

All the lands located in Sections 1 thru 15, 23, 24, 25, part of 26 and part of 36, are located in the Camp Shelby special use permit (SUP) area and are subject to the following:

1. The lessee shall not conduct exploratory activities on the lands included in this lease during periods when the USDA, Forest Service grants to the National Guard the privilege of using the area. Such use by the National Guard will be limited to a continuous three month period out of each year, normally, but not necessarily, May 15 through August 30, and for additional periods totaling not more than 20 days. The USDA, Forest Service shall approve the dates of such use by the National Guard. The periods of use will be subject to 90 days prior public notice given by the National Guard. Provided however, the lessee may conduct exploratory activities on the lands under this lease during the periods when the National Guard uses the area if the USDA Forest Service coordinates with the National Guard approves such exploratory activities.
2. It is understood that land included in this lease may have been previously, or may currently, be used as an impact area of artillery (bombing, machine gun, etc.) range, and other military training purposes; and
 - a) That such land has been, and may be, subject to contamination by the introduction of unexploded and dangerous bombs, shell-rockets, mines, and charges either upon or below the surface thereof; and
 - b) THAT THE UNITED STATES IS UNABLE TO CERTIFY THAT THE PROPERTY HAS BEEN COMPLETELY AND FULLY CLEARED AND DECONTAMINATED AND IS UNABLE TO STATE WHETHER OR NOT THE SAME IS SAFE FOR USE; and
 - c) That the lessee assumes full obligation for any risk involved in exercise of the rights and privileges authorized by this lease.
3. Use or occupancy of the surface within 200 feet of the cleared right-of-way line of all regularly traveled roads or within 100 feet of stream banks is limited strictly to access facilities such as roads, power, pipe, or telephone lines which may be installed in a manner as specified by the Forest Supervisor, USDA Forest Service, Jackson, Mississippi.

Military Use Special Stipulation No. 06 (continued)

For Lands in the Camp Shelby Training Area
Township 1 North, Range 10 West

The lessee agrees to obtain written approval from the Forest Supervisor prior to installing any such access facilities.

The lessee is authorized to employ directional drilling to exploit the mineral resources within the aforementioned areas, providing such drilling will not disturb the surface.

4. Lessee will bury all gas and oil pipelines underneath the earth's surface a depth of two feet, except that such lines crossing streets and roads over which military vehicles and armored tanks usually travel shall be buried a depth of three feet underneath such streets and roads.
5. Lessee will mark with appropriate signs or markers in sufficient size lettering to warn any member or unit of the National Guard of the whereabouts of all underground pipelines and above ground facilities constructed by the lessee.

Military Use Special Stipulation No. 07
For Lands in the Camp Shelby Training Area
Township 2 North, Range 10 West

All the lands in this township and range are located in the Camp Shelby Special Use Permit area and are subject to the following:

6. The lands in this lease are potentially dangerous areas, contaminated by unexploded ordnance on or below the surface of the area and/or used for live fire training exercises. Areas unsuitable for surface occupancy may be present where lessee's use of the land will unreasonably interfere with military use of the area or where lessee's personnel or authorized agents would be exposed to unacceptable risk of injury or harm due to military operations. Directional drilling may be employed to explore for or recover mineral resources under such areas.

All activities conducted within this leasehold will be fully disclosed to the USDA Forest Service Military liaison, and coordinated with the military, prior to commencement.

7. The lessee shall not conduct exploratory activities on the lands included in this lease during periods when the USDA, Forest Service grants to the National Guard the privilege of using the area. Such use by the National Guard will be limited to a continuous three month period out of each year, normally within, but not limited to, the May 1 through August 30; and for additional periods totaling not more than 20 days. The USDA, Forest Service shall approve the dates of such use by the National Guard. The periods of use will be subject to a 90-days public notice given by the National Guard. Provided however, the lessee may conduct exploratory activities on the lands under this lease during the periods when the National Guard uses the area if the USDA Forest Service coordinates with the National Guard, and subsequently approves such exploratory activities.
8. It is understood that land included in this lease may have been previously, or may currently, be used as an impact area of artillery (bombing, machine gun, etc.) range, and other military training purposes; and

Military Use Special Stipulation 07 (continued)

For Lands in the Camp Shelby Training Area
Township 2 North, Range 10 West

That such land has been, and may be, subject to contamination by the introduction of unexploded and dangerous bombs, shell-rockets, mines, and charges either upon or below the surface thereof; and

THAT THE UNITED STATES IS UNABLE TO CERTIFY THAT THE PROPERTY HAS BEEN COMPLETELY AND FULLY CLEARED AND DECONTAMINATED AND IS UNABLE TO STATE WHETHER OR NOT THE SAME IS SAFE FOR USE; and,

that the lessee assumes full obligation for any risk involved in exercise of the rights and privileges authorized by this lease.

9. Use or occupancy of the surface within 200 feet of the cleared right-of-way line of all regularly traveled roads or within 100 feet of stream banks is limited strictly to access facilities such as roads, power, pipe, or telephone lines which may be installed in a manner as specified by the Forest Supervisor, USDA Forest Service, Jackson, Mississippi.

The lessee agrees to obtain written approval from the Forest Supervisor prior to installing any such access facilities.

The lessee is authorized to employ directional drilling to exploit the mineral resources within the aforementioned areas providing such drilling will not disturb the surface.

10. Lessee will bury all gas and oil pipelines underneath the earth's surface a depth of two feet, except that such lines crossing streets and roads over which military vehicles and armored tanks usually travel shall be buried a depth of three feet underneath such streets and roads.
11. Lessee will mark with appropriate signs or markers in sufficient size lettering to warn any member or unit of the National Guard of the whereabouts of all underground pipelines and above ground facilities constructed by the lessee.

TIMING LIMITATION STIPULATION NO. 1

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

Site construction and drilling may be restricted during the wet season from 11/30 thru 3/31 depending on site specific conditions at the time the Application for Permit to Drill is filed.

On lands described below:

T4N, R6E - Entire Lease
T3N, R7E - Entire Lease
T4N, R7E - Entire Lease
T5N, R7E - Entire Lease
T6N, R7E - Entire Lease
T7N, R7E - Entire Lease
T5N, R8E - Entire Lease

For the purpose of (reasons):

Prevent excessive soil erosion and rutting resulting from construction activities during the wet season. Land and Resource Management Plan, National Forests in Mississippi, as amended, 9/85.

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

LEASE NOTICE No. 3

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 No. 4

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.

**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 license/prospecting permit/lease. 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 a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

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

Forest Supervisor, NFs in Mississippi
100 W. Capitol Street, Suite 1141
Jackson, MS 39269
Telephone Number: (601) 965-4391

who is the authorized representative of the Secretary of Agriculture.

BLM Field Office

Jackson Field Office
411 Briarwood Drive
Suite 404
Jackson, Mississippi 39206

Surface Management Agency

USDA, Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

ES-121-06/04 WVES 52282 ACQ

West Virginia, Randolph County, Monongahela N.F.
Tracts 245d and 1180.

242.40 Acres

\$364.50 Rental

Subject to F.S. Special Notification No. 1, Stipulation No. 2 and Standard Stipulations

ES-122 06/04 WVES 52283 ACQ

West Virginia, Randolph County, Monongahela N.F.
Tracts 67, 86 and 88.

703.06

\$1,056.00 Rental

Subject to F.S. Special Notification No. 1, Stipulation No. 2 and Standard Stipulations

ES-123-06/04 WVES 52284 ACQ

West Virginia, Pendleton County, Monongahela N.F.
Tracts 30, 66, 68, 82, 84b, 84-I and 85.

1,423.67 Acres

\$2,136.00 Rental

Subject to F.S. Special Notification No. 1, Stipulation No. 2 and Standard Stipulations

ES-124-06/04 WVES 52285 ACQ

West Virginia, Pendleton County, Monongahela N.F.
Tracts 331-A, 413, 1310, 1310-a and 1310-b.

777.94 Acres

\$1,167.00 Rental

Subject to F.S. Special Notification No. 1, Stipulation No. 2 and Standard Stipulations

ES-125-06/04 WVES 52286 ACQ

West Virginia, Pendleton County, Monongahela N.F.
Tracts 102a, 181a, 743 and 743-I.

576.60 Acres

\$865.50 Rental

Subject to F.S. Special Notification No. 1, Stipulation No. 2 and Standard Stipulations

ES-126-06/04 WVES 52287 ACQ

West Virginia, Pendleton County, Monongahela N.F.
Tracts 11, 11-I, 1065 and 1312.

824.50 Acres

\$1,237.50 Rental

Subject to F.S. Special Notification No. 1, Stipulation No. 2 and Standard Stipulations

ES-127-06/04 WVES 52288 ACQ

West Virginia, Pendleton County, Monongahela N.F.
Tracts 356, 870 and part of 102.

1,716.09 Acres

\$2,575.50 Rental

Subject to F.S. Special Notification No. 1, Stipulation No. 2 and Standard Stipulations

ES-128-06/04 WVES 52289 ACQ

West Virginia, Pendleton County, Monongahela N.F.
Tracts 228, 228a and 228b.

396.46 Acres

\$595.50 Rental

Subject to F.S. Special Notification No. 1, Stipulation No. 2 and Standard Stipulations

ES-129-06/04 WVES 52290 ACQ

West Virginia, Pendleton County, Monongahela N.F.
Tracts 192a and part of 405.

2,312.60 Acres

\$3,469.50 Rental

Subject to F.S. Special Notification No. 1, Stipulation No. 2 and Standard Stipulations

SPECIAL NOTIFICATION NO. 1

Operations under this lease will be consistent with the standards and guidelines found in the Monongahela National Forest Land and Resource Management Plan (1986) (Forest Plan), as amended, and are hereby incorporated into this lease in its entirety. Forest Plan standards and guidelines include restrictions on location, timing and methodology of oil and gas lease operations, and requirements for special surveys that provide for protection of National Forest land and resources. A copy of the Monongahela National Forest Land and Resource Management Plan is available for inspection from:

USDA, Forest Service
200 Sycamore Street
Elkins, West Virginia 26241

STIPULATION No. 2

The area shown on the attached map is designated Management Prescription 6.2 to be managed as a semi-primitive area without motorized uses. No Surface Occupancy or use will be permitted in Management Prescription 6.2 areas to protect the primary semi-primitive, non-motorized recreation objective for these areas.

STANDARD STIPULATIONS

The lessee is notified and agrees:

All work and any operations authorized under this lease shall be done according to an approved operating plan on file with the Forest Supervisor at USDA Forest Service, 200 Sycamore St., Elkins, WV 26241. Plans generally require a minimum of 45 days for Forest Service to review. The Bureau of Land Management must also review and also approve.

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

- a. Steps taken to provide public safety.
- b. Location and extent of areas to be occupied during operations.
- c. Operation methods including size and type of equipment.
- d. Capacity, character, standards of construction and size of all structures and facilities to be built.
- e. Location and size of areas where vegetation will be destroyed or soil laid bare.
- f. Steps taken to prevent and control soil erosion.
- g. Steps taken to prevent water pollution.
- h. Character, amount, and time of use of explosives or fire, including safety precautions during their use.
- i. Program proposed for rehabilitation and revegetation of disturbed land.

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

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

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

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

